

Developing a Global Mind-set in Future Leaders

Presented by

Martin Boult, Divisional Director of International Professional Services Michelle Johnston, Director of International Business Development

Key Objectives

Critical Global Leadership Skills: Cultural Intelligence, Trust and Application of Skills.

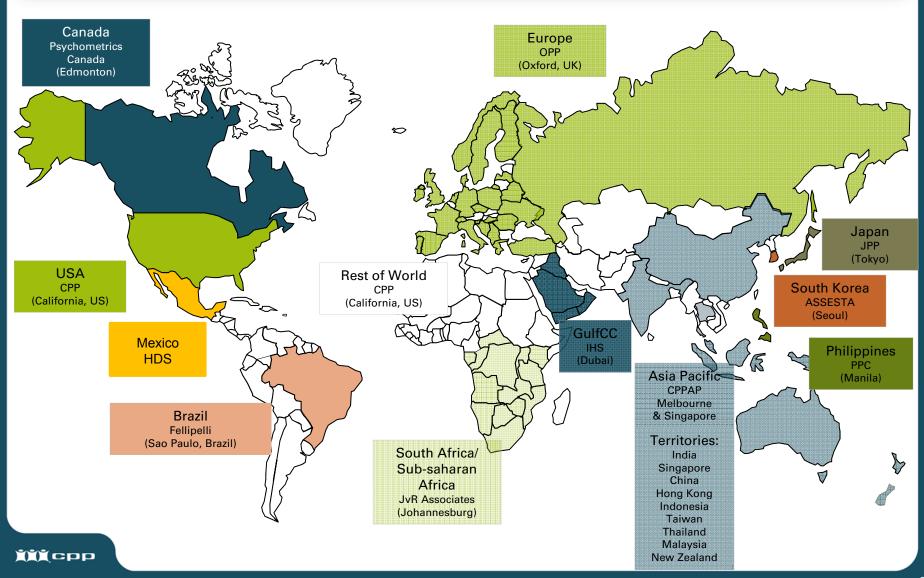
How Leaders Develop These Skills and Capabilities.

What Does Effective Leadership Development for Global Leaders Look Like?



CPP is a Globally Integrated Provider

Research-based psychometric assessments, people development services



Before We Begin – Let's Reflect

How much do you know about your company's leadership and training needs?

- Do you know the statistics around the various cultural backgrounds and gender ratios of your employees?
- What markets outside of the ones you are already operating in have the most growth potential?
- What do you know about those markets and what skill sets would your leaders need to capitalize on market share in those territories?
- Who of your current leaders successfully lead people from different countries?

"A great leader believes in you and then gets you to believe in yourself." Author unknown.

"The task of leadership is not to put greatness into people, but to elicit it, for the greatness is already there."

John Buchan

Critical Global Leadership Skills: Cultural Intelligence, Trust and Application of Skills

"The way we do things around here" Hofstede. G. (1991)



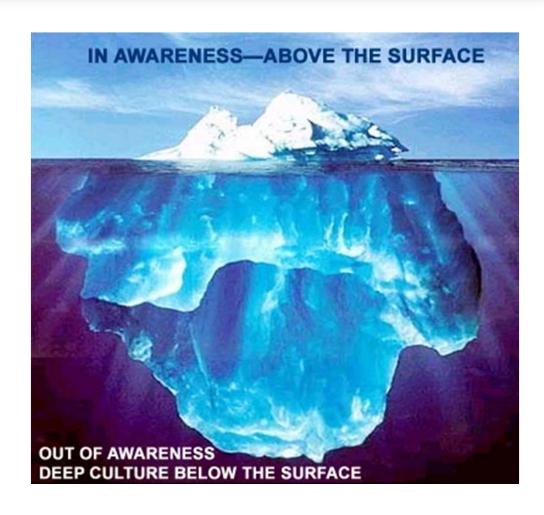
Culture

"Tip of the iceberg"

- Etiquette
- Language
- Dress code
- Food
- Architecture

"Below the surface"

- Traditions/Customs
- Beliefs
- Business customs/practices
- How to behave in meetings



Culture – "Software of the mind"

- Culture involves learned or conditioned ways of interpreting and responding to the environment (Hofstede, 1991).
- It affects many behaviours including how we:
 - Communicate
 - Derive meaning
 - Make decisions





Cultural Intelligence

How easy is it to misinterpret cultural cues when interacting with people from another culture?

VERY EASY!

If it is 12 p.m. Central Time on September 18, 2012 in the US

what time is it in:

- 1) Dubai, UAE
- 2) Tokyo, Japan
- 3) New York, USA
- 4) London, UK
- 5) Sydney, Australia
- 6) Shanghai, PRC















What date do the following holidays occur in 2013?

- 1) Ramadan
- 2) Diwali
- 3) Chinese New Year
- 4) Christmas









Which countries are considered collectivistic verses individualistic?

Collectivist*

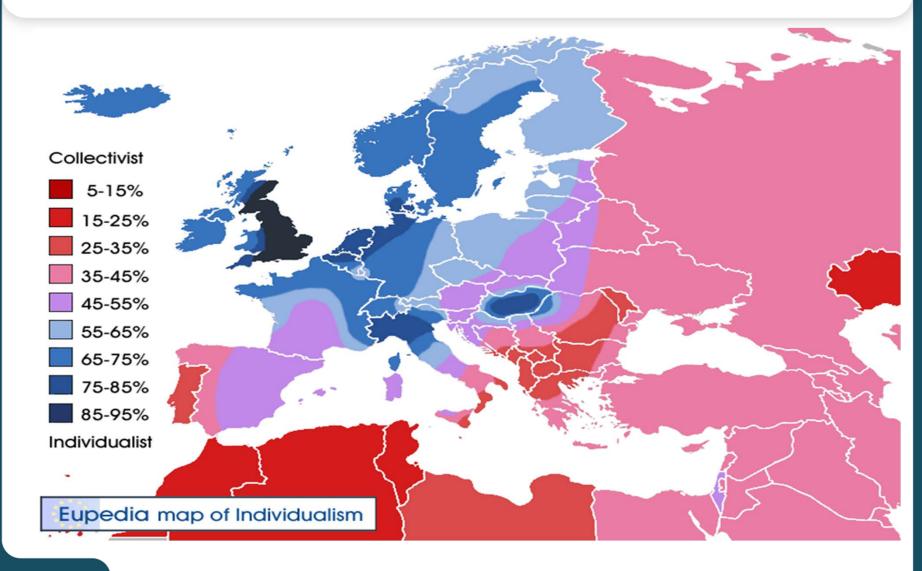
- China
- Lebanon
- Korea
 - Mexico
- Indonesia Portugal
- Egypt
- Russia
- Argentina •
- Singapore
- Brazil
- Taiwan
- Hong Kong Malaysia

- India
- Ecuador
- Japan
- Guatemala

Individualistic*

- United StatesSweden
- Australia
- Norway
- Germany
- Canada
- **United Kingdom**
- France
- Ireland
- New Zealand
- The Netherlands
- Israel

Mapping it Out



<u>jįjį</u>cpp

Source: www.eupedia.com

What are some common business behaviors for each approach?

Collectivism

- Questions: Subordinates consider asking questions to be intimidating because it might be seen as challenging authority.
- Authority: Title and rank are considered very important. Managers/leaders consider themselves mentors and give guidance to employees – in return they expect obedience and loyalty.
- Privacy: Not sharing information in collectivist cultures is considered disrespectful – matters should be shared with the group.
- Yes: Is often used to acknowledge they understood/heard what someone said.

Individualism

- Questions: Subordinates are expected to ask questions and even challenge authority.
- Authority: Managers/leaders see themselves as part of the team and are in position because of expertise or experience.
- Privacy: Personal privacy is important in western cultures and if something is considered confidential it should remain that way in most circumstances. There are many laws in place to protect privacy.
- Yes: Is often interpreted as there is agreement or commitment to do something.

Micep

Source: Chalré Associates

Leadership Challenges for Organisations

Current global and generational shortage of leaders
Richmond S.L, (2008), Introduction to Type® and Leadership (2010)

Changing attitudes of employee expectations of leaders. The increasing challenges of leadership in global and virtual environments. Deal, J., et al (2000), Centre for Creative Leadership

"Developing talent for leadership tops the list of most significant challenges and can be seen as a thread running through the overall trend of talent management". The Conference Board (2011)

Organisations have higher expectations of their leaders and leaders have declining loyalty for organisations who don't invest in their development. Deloitte (2012)



Challenges Leaders Face

- Increasingly more complex work.
- Knowledge and expertise distributed more widely in organizations.
- Fewer resources to manage more people.
- Diverse and dispersed workforce.
- Rapidly accelerating pace of change.
- Escalating performance expectations.
- Influencing to build coalitions.

Increasing globalization of business and employee talent.

"Leaders cannot choose their styles at will. . .[their effectiveness] depends on the cultural conditioning of a leader's subordinates." (Hofstede, 1980)



Why is it Important to Focus on Global Leadership and Creating a Global Mindset?

High Failure of Global Leaders on Global Initiatives 20+ years of research linking who's in charge and organizational performance.

(Barney, 1991; Barrick, Day, Lord & Alexander, 1991; Bertrand & Schoar, 2003; Collins, 2001; Day & Lord, 1988; Joyce, Nohria & Roberson, 2003; Thomas, 1988; Hogan & Kaiser, 2005).

Leadership behavior is directly linked to employee trust and engagement.

Only 30% of employees report being engaged in their work.

(Chughtai & Buckley, 2008; McAllister,1995; Salamon & Robinson, 2008; Costa, Roe & Taillieu, 2001; Blessing White, 2011).

Failure Rate for leaders is about 75% - failure linked to poor leadership behaviors.

(Ducker, 1999; Gilley, 2005; Howkins, 2001; Bossidy & Charan, 2002).

Up to 45% of a firms financial variance is linked to the leaders performance.

(Joyce et al., 2003; Day & Lord, 1988; Thomas, 1988; McGahan & Porter, 1997).

Global leadership programs are failing to prepare our leaders effectively.

Quick Fixes, Not linked to Strategy, Lack of Accountability, Poor Matrix, Lack of Application.

70% of organizations don't have a global leadership development program (Developing successful global leaders, 2011; Ready & Conger, 2003; Bennett, Aston & Colquhoun, 2000; Gudykunst, Guzley & Hammer, 1996; Bernthal & Wellins, 2010).

ĬĬĬCPP

Because....

"Major international toy retailer fails to charm China"

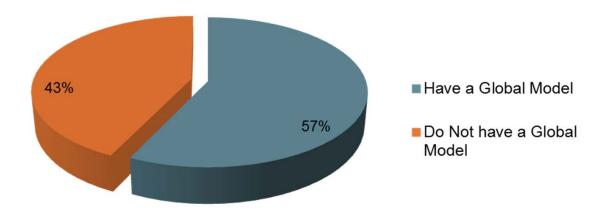
International sports
attire company
misses the mark in
United Arab Emirates

"Major USA retailer leaves Korea"

Leaders need a global mindset to understand the customs and practices to succeed in markets outside of their local culture (Goodman,2001).

What Kind of Competencies are Important?

Global Competency Model



Three most important company-wide competencies:

- Strategic Thinking & Visioning
- TRUST, Integrity and Values
- Excellence & Delivering Results



Source: Conference Board 2009

There's More...

Mentoring and Coaching

Influencing

- Building Coalitions
- Trust

Cultural Intelligence

- Cultural/Diversity Awareness
- Direct Experience
- Adaptation

Leading Change

Innovation

Interpersonal Skills

• EQ, MBTI®, CPI®, FIRO-B® assessments, etc.

(Lobel, 1991; Training Survey, 2012; Bennett, Aston & Colquhoun, 2000; Prewitt, Weil & McClure, 2011; Gillis, 2012; Goodman, 2012; Simmonds & Tsui, 2010; Bernthal & Wellins, 2010)



How Leaders Develop These Skills and Capabilities

Leadership Development Processes

CULTURAL NORMS Organizational/Country



Individual & organizational commitment to leadership development

Core Components of Global Leadership Programs

Defined Competencies & Learning Goals

Aligned with Strategy

Interpersonal Skill Development

360 Feedback

Personality Assessments Direct in Country Experience

Customs

Morals and Beliefs

Business Practices Mentoring & Coaching

Know How to Coach and Mentor Application of Learning

Apply Skills in roles Where Success and Failure Matter.

Led by or Involves Senior Leaders

To Ensure Success

Accountability

Develop Goals/Plans Aligned with Strategy

> Involve Key Stakeholders

Measure Change Ensure Application and Adaptation of Skills

Matrices

Determine How Programs Will Impact Various Parts of the Business

Establish the Proper Measurements for Each of the Relevant Parts of the Business

Real World Examples of Leadership Development

How Leaders Develop in the Real World

Client One:

- One of world's largest beverage company.
- Hundreds of thousands of employees in 200 countries.
- Multiple leadership programs mid manager level and up.
- Company Goals:
 - 1. Attract and retain the best and brightest talent
 - 2. Create a culturally diverse and inclusive culture
 - 3. Inspire employees

Client One – Mid Management Training

- Eighteen month long program delivered in 19 countries in 9 different languages.
- Pre-work required use the MBTI[®] assessment and 360's to help drive interpersonal skills awareness and decision making skills.

Week 1 Understanding the Business and Driving Results

- How to Translate Strategy into Results
- Building Trust and Effective Coalitions
- Increasing Cross Cultural Teams
- Finance and Analysis in Effective Decision Making

Application

Week 2 Building High Performing Teams

- Enhance Commercial Acumen
- Attract, Develop, Manage & Retain Diverse Talent
- Positive, Trusting, Environment to Drive Engagement and Performance
- Clear Objectives Aligned with Strategy
- Managing and Coaching for Results

Application

Week 3 Leading Change and Adaptive Leadership

- · Revenue Growth Management
- Manage Personal Reactions to Change
- Help Team Embrace Change Faster
- Tools and Processes to Lead Change
- Use Influencing Skills to Increase Leadership Effectiveness

Application



How Leaders Develop in the Real World

Client Two:

- One of largest restaurant chains in the world with 1.7 Million employees, over 33,500 restaurants worldwide, in 119 countries.
- Multiple leadership programs mid manager level and up.
- Programs Objectives are:
 - Develop Greater Insights and Self Awareness
 - Recognize and apply principals of successful coaching to real life business situations
 - 3. Make better business decisions through identifying assumptions that influence decisions
 - 4. Learn how to effectively implement plans
 - 5. Build stronger networks
 - 6. Gain broader business perspective

Client Two – Mid Level Manager Program

Day 1 Interpersonal Awareness	Day 2 Strategy & Leadership	Day 3 Logistics & Simulations	Day 4 Review of Business	Day 5 Overview and Developmental Plan Creation
Personality Preferences & Application in the Work Place	Case Studies: Strategic Thinking and Experiential Learning	Leader & manager Presentations on Business Tools	Results 4-6 Years Application	Overview of Corporate Resources
Emotional Intelligence	MBTI® - Thinking vs Doing Promoting Higher Thinking	Simulations Walk Through	Review of Business Decisions and Decision Making Process	Leadership Development Plan
5 Communication Tools	4 Stages of Strategic Thinking	Year 3 Decisions	Team Effectiveness Results	SWOT Analysis
Coaching	Embracing the Corporate Vision	Regional Manager Meeting: Review Business Results	Reflections of Results and Change Initiatives	
MBTI® & Effective Leadership	Influencing Others & Team Effectiveness	Year 4 and Improving Team Dynamics		

Key Recommendations

- Leaders and organizations need to further enhance their cultural intelligence in an ever increasing global workplace.
- Developing leadership skills which foster trust and inspire employees from different cultural backgrounds is mission critical for future leaders.
- Successful global organizations offer multi-faceted development for their future leaders that incorporates business aligned competencies, senior leader-led coaching/mentoring, experiential learning of foreign cultures, valid and objective assessments, and factor in the cultural context of participants.

"Let us not be blind to our differences-but let us also direct attention to our common interests and the means by which those differences can be resolved."

—John Fitzgerald Kennedy (1963).



CPP Products Are Available in Multiple Languages

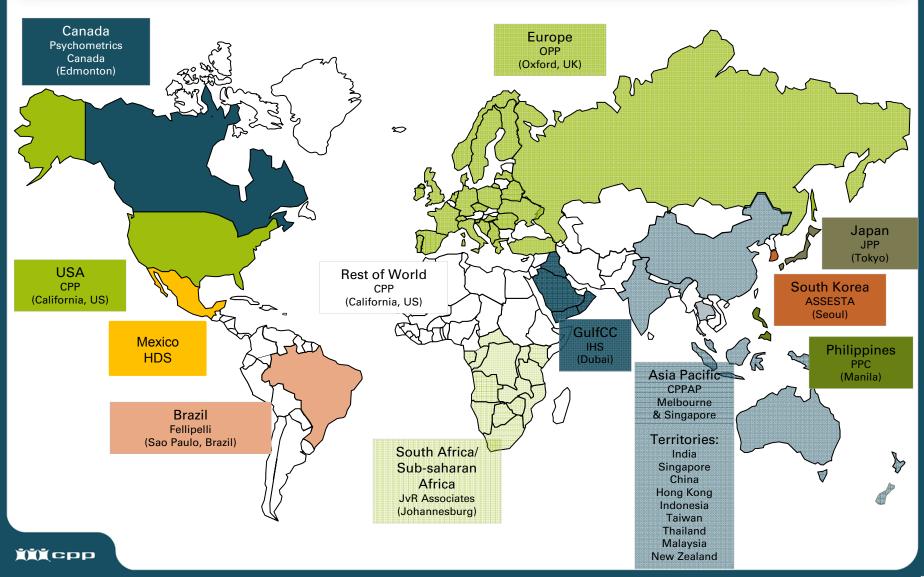
Order CPP products in multiple languages on SkillsOne.com!

The MBTI[®] Step I[™] Interpretive Report for Organizations, MBTI[®] Step II[™] Interpretive Report, and FIRO-B[®] Profile can be purchased in 24 different languages including, **Brazilian Portuguese**, **Swedish**, and **German**.

Visit <u>www.cpp.com/globalreports</u> to view a helpful demo about how to setup this functionality in SkillsOne and provide us with some information to help you get started.

Global Directions

Research-based psychometric assessments, people development services



Questions?

Avez-vous une question?

¿Tiene una pregunta?

Van kérdése?

Haben Sie eine Frage?

Do you have a question?



References

- Adachi, B., et al., (2012) Human Capital Trends 2012: Leap Ahead. Deloitte Development LLC.
- Barrick, M. R., Day, D. V., Lord, R. G., & Alexander, R. A. (1991). Assessing the utility of executive leadership. *Leadership Quarterly*, *2*, 9–22.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99–120.
- Bennett, R., Aston, A., & Colquhoun, T (2000). Cross cultural training: A critical step in ensuring the success of international assignments. *Human Resource Management*, *39*(2), 239-250.
- Bernthal, P. & Wellins, R. (2010). Trends in leader development and succession. *Human Resource Planning* 29(2), 31-40.
- Bertrand, M., & Schoar, A. (2003). Managing with style: The effect of managers on firm policies. *Quarterly Journal of Economics*, *118*, 1169–1208.
- BlessingWhite (2011). Employee Engagement Report. Retrieved August 1, 2011, from http://www.blessingwhite.com/eee report.asp
- Chughtai, A. A. and Buckley, F. (2008). Work engagement and its relationship with state and trait trust: A conceptual analysis. *Journal of Behavioral and Applied Management 10*(1), 47-71.
- Collins, J. (2001a). Good to great. New York: HarperCollins.
- Collins, L., et al., (2011). *Human capital in the Asia Pacific 2011-2013: Identifying top challenges and strategies*. The Conference Board.
- Costa, A.C. Roe, R. A., Taillieu, T. (2001). Trust within teams: The relation with performance effectiveness. *European Journal of Work and Organizational Psychology*, *10*(3), 225-244.
- Covey, S. (2006). The speed of trust. New York: Free Press.

References

- Day, D. V., & Lord, R. G. (1988). Executive leadership and organizational performance. *Journal of Management, 14,* 453–464.
- Deal, J., et al. (2000). *Emerging leaders*. Greensboro, NC: Centre for Creative Leadership.
- Developing successful global leaders. (2011). Training, 48(3), 58-62.
- Drew, G. (2010). Enabling or real power and influence in leadership. *Journal of Leadership Studies, 4*(1), 47-58.
- Drucker, P. (1999). Management challenges for the 21st century. New York: HarperCollins.
- Gilley, A. (2005). The manager as change leader. Westport, CT: Praeger.
- Gillis, J. (2012). Building a global leadership pipeline. Chief Learning Officer Online. Retrieved August 1, 2012, from Media: http://clomedia.com/articles/view/building-a-global-leadership-pipeline/print:1
- Goodman, N. (2012). Your brain on culture. *Chief Learning Officer Online*. Retrieved August 1, 2012, from http://clomedia.com/articles/view/your-brain-on-culture/print:1
- Hofstede. G. (1991) Cultures and organizations: Software of the mind. London: McGraw-Hill.
- Hogan, R., & Kaiser, R. B. (2005). What we know about leadership. Review of General Psychology, 9, 169–180.
- Joyce, W. F., Nohria, N., & Roberson, B. (2003). What really works. New York: Harper Business.
- Kirby, L.K. et al (2007). *Type and culture: Using the MBTI instrument in international applications*. Mountain View, CA: Consulting Psychology Press.
- Lindberg, E., & Wincent, J. (2011). Goal commitment and performance: An empirical study incorporating role stress literature to reveal functional and dysfunctional influences. *Journal of Applied Psychology, 41*(11), 2634-2655.
- Lobel, S. (1990). Global leadership competencies: Managing to a different drumbeat. *Human Resource Management*, 29(1), 39-47.
- Manijeh, M. (nd). *The impact of subtle cultural differences in everyday life and work.* The Mindful Business Institute. Retrieved September 26, 2012, fromhttp://www.uniteinvision.com/blogs/drmanijeh/03-19-2010/impact-subtle-cultural-differences-our-every-day-life-and-work-what-your-

References

- McAllister, D. J. (1995). Affect and cognition based trust as foundations for interpersonal cooperation in organizations. *The Academy of Management Journal*, 38, 24-59.
- McGahan, A. M., & Porter, M. E. (1997). How much does industry matter, really? *Strategic Management Journal*, 18. 15–30.
- Packer, D. J. (2010). The interactive influence of conscientiousness and openness to experience on dissent. *Social Influence*, *5*(3), 207-219.
- Ready, D. & Conger, J. (2003). Why leadership development efforts fail. *MIT Sloan Management Review, 44*(3), 83-88.
- Resick, C., Whitman, D., Weingarden, S., & Hiller, N. (2009). The bright side and the dark side of CEO personality: examining core self evaluations, narcissism, transformational leadership and strategic influence. *Journal of Applied Psychology*, *94*(6), 1365-1381.
- Richmond, S. L. (2008). Introduction to Type® and Leadership. Mountain View, CA: Consulting Psychology Press.
- Salamon, S.D., Robinson, S. L. (2008). Trust that binds: The impact of collective felt trust on organization performance. *Journal of Applied Psychology*, *93*(3), 593-601.
- Simmonds, D. & Tsui, O. (2010). Effective design of a global leadership programme. *Human Resource Development International*, *13*(5), 519-540.
- Thomas, A. (1988). Does leadership make a difference to organizational performance? *Administrative Science Quarterly*, 33, 388–400.
- Thrahs, T. M. & Elliot, A. J. (2004). Inspiration: Core characteristics, component processes, antecedents and functions. *Journal of Personality and Social Psychology*, *87*(6), 957-973.
- Trompennaars, F. & Hampden-Turner, C. (1998). *Riding the waves of culture: Understanding cultural diversity in global business (2nd ed.).* New York: McGraw-Hill.
- Van't Wout, M., Chang, L. J., Sanfey, A. G. (2010). The influence of emotion regulation on social interactive decision making. *Emotion*, *10*(6), 851-821.



Merci Beaucoup

¡Muchas gracias!

Köszönöm szépen

Thank You Very Much!

www.cpp.com +1 650.623.9234 globalsales@cpp.com