

## **DEVELOPING GLOBAL EXECUTIVES: TODAY AND TOMORROW**

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### Introduction<sup>i</sup>

We all appreciate that we are in a period of profound transformation.

The past few years have been a momentous period for geopolitics, the world economy, and the business community. Countries and companies have been and will continue to be deeply affected by these developments. Some of the following stand out:

1. In 2007 China, India and Russia provided 50% of the world's growth, an unprecedented situation in modern history.<sup>ii</sup>
2. China is now the world's second largest economy behind the US, with India fourth, just behind Japan.
3. Of the twenty most capitalized companies in the world, 9 are from emerging markets, and the majority are Chinese (8) with US firms second with 7.<sup>iii</sup>
4. Emerging market companies are now in the top tier in 25 industries in the world, whereas ten years ago they were not even near this vaunted status.<sup>iv</sup>
5. The price of non-renewable energy resources and commodities, not to speak of food prices, are re-shaping national economies and business strategies throughout the world ushering in what one analyst has called the "new geopolitics of energy in our "petro-civilization."<sup>v</sup>

6. The ownership structure of many top companies such as Citigroup, UBS, and Standard Bank of South Africa has also changed to include substantial participation by the ever more powerful sovereign wealth funds, and individuals and companies from emerging markets.<sup>vi</sup>
7. On social issues, all governments have agreed that global warming is caused primarily by human activity and that the issue is serious enough to warrant urgent and coordinated global measures. This agreed reality will also shape the geopolitics of energy and many globalizing trends.<sup>vii</sup>
8. The number of people in abject poverty in the world has decreased substantially to the point that we are well on our way to reaching the U.N. target for the reduction of extreme poverty; this significant reduction in poverty also means new consumers entering the market. Global prosperity and wealth has never been greater and more distributed throughout the world. By 2025 China and India will add nearly 1 billion consumers to the global middle class.<sup>viii</sup>
9. We are living in “the most peaceful time in our species’ existence.”<sup>ix</sup>
10. As population growth declines in developed countries, there is an unprecedented generational handover taking place that affects entire industries and companies.<sup>x</sup>

These trends and issues have reinforced the Janus-like reality of continuous global integration and regional/local resurgence, the continuing success of large multinationals from developed countries, and the rise of what *The Economist* has labeled the new “challengers”—or what we call Emerging Country Companies (ECCs).<sup>xi</sup> These developments also signal a defining moment in the shift of economic and political power away from the traditional “Western” countries and Japan to a truly multipolar and globalized world. The next few years promise to be no less momentous.

At the beginning of the 21<sup>st</sup> century many felt the business community to be the major driving force behind this transformation. Today there is a more sober understanding that other major forces are also at work, in particular greater government and civil sector activity and credibility due in part to the public's reaction to the recent scandals in the private sector. This has led companies to work on shaping and engaging with the external environment of their business as never before and to work "on the fundamentals" such as business acumen, alignment, and execution—the exact prescription for company leaders in turbulent times suggested by Peter Drucker almost thirty years ago.<sup>xii</sup>

The educational and leadership development needs of companies and many organizations are also changing, reflecting the close co-relation between a company's strategy, the business environment and the development of its global executives.

Naturally, there is a distinct craving for the "the next new thing" in executive education. But the general direction of developing global executives is very much the same as it has been for many years-- and that the agenda for executive development today and in the future is to get better at supporting global executive learning:

"We long ago gave up the notion that there is one type of global executive or that there is a simple answer for how to develop international executive

talent. Our experiences, however, and those of our executives, [interviewed] tell us that our model still holds: Strategy must drive development, select talented people but leave room for discovery, start them early and make sure they are able to get the global experiences that matter, and then support and help in the learning, and 'the right stuff' will emerge."<sup>xiii</sup>

The authors who stated this conducted their research before the clear outlines of the trends listed above were seen on the horizon and their effects clearly felt. This is why some practitioners believe that the situation today is far more complex, very much like the words of a British Army marching song that has the refrain: "We don't know where we're going—we only know we're going there together."<sup>xiv</sup>

So what has changed? And what is different? Strategy does indeed drive the development of global executives. And one of the seminal strategic issues and concerns has been globalization, specifically the rise of emerging countries and a more integrated, multipolar world that have transformed and created new supply and business value chains, and, of course, provided new sources of capital. Not surprisingly, "globalization" has been and continues to be one of the major concerns to the vast majority of CEOs in the US and elsewhere. But the nature of globalization has changed over the years.

In our view, there have been two distinct phases with globalization with regard to emerging market activity. During the first phase of interest in

emerging markets --just after the fall of the Berlin wall in 1989 and with the collapse of the Soviet Union in 1991 to about 1998 with the Asian and Russian crises and subsequent general disillusionment with emerging markets--several very well known multinational companies like ABB, GE and VW started or increased their "globalization" initiatives including the integration and development of what they called "global brains."<sup>xv</sup>

One could perhaps call this first phase the era of "Westernization" as Western companies and countries focused their attention on the three billion people that either re-entered or entered the world political and economic system at the end of the Cold War, especially the so-called BRIC countries—Brazil, Russia, India and China—and a host of others. It was also the time when several studies appeared that argued for the necessity of developing global managers and executives in the broader context in the "war for talent."<sup>xvi</sup> The thinking and analyses in some of these studies, and even subsequent behaviors by companies were typically "western," reflecting the world's North-South divide and even in some cases the arrogance of developed countries and western cultures towards others not of their kind. One saw frequent references to "exploiting emerging markets" and everything as a one-way street with Developed Country Companies—or what we call DCCs—priding themselves that they were bringing progress, superior technology and managerial techniques. This perspective blinded many from

seeing that some of their greatest competitors would be from these same emerging countries. Even today, some DCC representatives told us that they are making a conscious effort to change the behaviors and attitudes of their executives so that they come to respect other non-European or non-US cultures and people with whom they work.

Developed Country Companies (DCCs) followed a pattern of acquisition and growth that today has left most of the leading multinationals with a similar profile: One hundred of the largest non-financial corporations have on average one-half their sales, assets and employees overseas.<sup>xvii</sup> For them, "Everything is global: the global supply chain, the global market, global competition, the global talent base and our cafeterias are like the United Nations."<sup>xviii</sup> The fact remains, however, that the developed countries and regions have had an historic head start on developing global executives and so a good part of our research for this article has concentrated on their experiences.

Nevertheless, times are also changing, even for small and medium sized companies in developed countries. In the US, the Manufacturer's Association, the majority of whose members are small and medium-sized enterprises, warned members recently that one out of three US manufacturers would go into bankruptcy if they do not source and sell their

products abroad.<sup>xix</sup> At the same time, the Chinese government is working very hard to encourage its companies to be more “outward bound.”

Globalization, therefore, is a two-way street that holds similar challenges and opportunities for companies large and small in developed and emerging economies.

Today, however, we are in the second phase of globalization. This phase came after the dot.com bubble and the financial crises in Russia and Asia. It is characterized by the determined rise of Asia and a new dynamism in several areas of the world that has contributed to the emergence of ECCs and to the developments we mentioned at the beginning of this article. The third phase is coming, and that will be the era of greater multipolar engagement and globalization, something we shall address later in this article. Before we do so, let us consider a few key issues affecting the development landscape today.

## **The Development Landscape Today; Revisiting “On the Job”**

### **Development and International Assignments**

In some companies we hear the oft-repeated (and sometimes misguided) “mantra” that “two-thirds of leadership development comes from job experience, about one-third from mentoring and coaching, and a smidgen from classroom training”.<sup>xx</sup> It is a truism, now confirmed by research, that

“Learning on the job” is of course the reality for most managers, likewise with the development of global executives—the difference being that it takes about twenty-five years to develop a global senior executive.<sup>xxi</sup> However, the research also shows that while executives learn most from actual experience and “difficult situations,” they could learn much better and more efficiently if there were an opportunity and process to help them organize and structure these experiences, either individually and/or collectively. Companies are beginning to see that “learning on the job” and from international assignments can be just a geographic starting point. As Plato once stated, “Experience has taught our best flute players; experience has also taught our worst flute players.” In more modern parlance, a recent article in the *Harvard Business Review* refers to this idea as the “experience trap, using a “hit or miss” approach to development.”<sup>xxii</sup>

It is important then for companies to help structure the experiences and the learning for their global executives. Many companies admit a need for this improved structure both today and in the future. The reality is that there are very few organizations that integrate and tie systematic reflection and a learning process to these experiences and hence the learning and development is not as efficient and meaningful as it could be. Because of this weakness, the organization suffers, for it does not fully reap the business benefits that could come from this experience and learning.



Corporate universities and coaching departments are adjusting to this “on the job” learning and providing what ING and VW call “just-in-time” or at BMW, “quick time solutions” and “on the spot” support for their global executives on issues ranging from cross-cultural understanding to specific business skills and specialized knowledge. Companies interviewed say they are finding that their executives are asking for more and more **peer-to-peer discussions and collaboration with executives inside their organization** who have gone through similar experiences. This is a more informal process than “coaching,” and it is gaining traction in many companies where trust and respect form an essential foundation for collaboration and peer-to-peer learning.<sup>xxiii</sup>

This brings us to another trend today and that is the realization that much development and learning can be gained by executives when they engage with people **outside** of their organizations and sometimes outside of the world of business altogether. One example of the former is the growth of inter-**company consortium programs** (sometimes called B2B Consortiums) that involve non-competing companies and leaders from these companies. In the past and to a far less extent today, business schools like London Business School and INSEAD were approached to run these consortiums or initiated them, but today we see a distinct trend to self-

organize and run these consortiums without business school involvement. One example was the Boeing-led International Consortium Program that involved companies like ABB, BHPBilliton, Standard Bank from South Africa, Tata and others. Today there are several other major consortiums including the Global Learning Alliance involving L'Oreal, Wipro, Nokia, Rio Tinto Alcan, and others. There is also a more regional version of a B2B consortium in Singapore involving the Singapore Exchange and other organizations.<sup>xxiv</sup>

While these are examples of peer-to-peer and outside-in learning, another approach and trend is the **development of global executives that combines peer-to-peer learning and leadership development from outside the firm but on an individual and highly tailored basis, especially succession-focused situations.**

Another practice today is **self-managed learning and development.** Companies are helping prepare people for global assignments and other situations through individually tailored learning, and there are a wide variety of approaches depending on the needs and interests of executives.

In this internet age, another form of self-managed learning and development is networking with business peers and other leaders. The younger generation views blogging and social networking as natural and very much part of its own professional networking and development but we

heard little about this from companies engaged in developing global executives.<sup>xxv</sup> This should not be underestimated but neither should it be assumed that this will replace the face-to-face exchanges and the building of trust that comes with those exchanges.

From our survey, coaching, mentoring approaches are popular and doing well as are tailored executive development programs. There are, naturally, some significant variations in the application and practice of these learning interventions but the rest of this article shall look at emerging and future trends in developing global executives.

### **Developing Global Executives: Future Trends and Issues**

In future, all of the approaches mentioned above will continue with renewed vigor and commitment. And as with today's situation, the key to understanding how the development of global executives will evolve in future will still be based on the elemental fact that a company's strategy will drive and influence the development of its global executives. But there is also another force at work beyond traditional strategic considerations. Global executives and global companies will have to make sustainability, engagement with civil society, and major planetary issues, very much part of their approach to business. Not only new geographies but also new ways

of systemic and holistic thinking, and inclusive policies and behaviors will be the order of the day. Let us divide these emerging and future trends in two parts, those affecting DCCs and those affecting ECCs.

### **Trends in Developed Country Companies**

Companies will continue to view globalization as one of the major forces driving strategy. DCCs will be looking to “new” or the “next” emerging market countries. In some circles they are referred to as the N-11, or the “Next-11”. They include: Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, South Korea, Turkey and Vietnam. We can add to this list, the countries in emerging markets that are now the focus of the new geopolitical competition for energy resources in Central Asia and Central Africa; the other countries in what Zbigniew Brzezinski terms the “zone of violence”; and, the areas where we find the “bottom billion”—zones of possible opportunity but to date countries and regions of continuous despair and instability.<sup>xxvi</sup>

**In these new markets, the level of complexity, ambiguity and turmoil will demand special skills and competencies.<sup>xxvii</sup> Companies will focus on finding and developing people with this in mind.** These new markets and countries will be the new training ground for global executives from DCCs, as Eastern Europe and other emerging markets were

for the 1990's. Among the leadership qualities sought after and required will be an ability to deal with high political and social volatility, ambiguity and aggression, not to speak of cultural understanding. Companies will be looking to hire and develop leaders who can handle even more turmoil and complexity than previously experienced. Perhaps, as was suggested in our interviews, these executive leaders will be hired especially for these countries and have short-term contractual assignments of about five years. Some companies are already doing this. In this context, of course, executive development will most likely not be on the agenda.

However, other DCCs will be helping executives to develop the above-mentioned competencies and others as well. Among the ones mentioned above, greater cultural understanding will be emphasized. There are several aspects to this. Companies described not only a need of their executives to develop a greater understanding of "foreign" cultural behaviors, but also a more respectful attitude to other cultures. Even today this aspect is stressed in the education and development of their global executives. There is a third element to this issue of understanding others, and that is the need to better understand one's own culture and values in order to better appreciate others' and to deepen therefore, one's self awareness. The development of self-awareness and "authentic leadership", or "head, heart

and guts” is integral to the development of global leaders and will continue to be so in the future to an even greater extent.

Some companies say they are looking for executives who are able to adopt new ways of thinking, factoring in sustainable development and societal concerns. They are looking to recruit and develop executives who can embrace these new paradigms and having a “Western” education may not necessarily help. What they mean by the latter is that the educational system in the West, including its schools of business, are too linear, and too much based on Aristotelian logic, whereas the world seen from developing countries and the problems they face are a little bit of “A” and a little bit of “B” and not just that “A” is not “B”. They are looking for leaders who “think in ‘spiro cyclical’ and not linear terms”, says Satish Pradhan from Tata.<sup>xxviii</sup>

We are reminded here of a recent study on western expatriate’s and China in which the opening statement begins as follows:

“Seen through the eyes of a modern Chinese executive, a typical Western businessman is an antique. The Westerner’s manner of linear analysis and individualism may be perceived with polite curiosity...”<sup>xxix</sup>

For executives from DCCs gaining a better understanding of these behaviors and ways of thinking is a matter of necessity as **new owners and critical shareholders from developing country companies are increasingly**

**important shareholders of their own companies.** Several examples come to mind, including Citigroup and UBS.

For their part, the ECCs will continue their engagement with the global economy and political system. The difference will be that the world will be dealing with an even more confident, prosperous and competitive ECCs and they will be shaping the business and political world in their own image as never before in the modern era. Of course, there is the possibility that nationalism and protectionism might lead to barriers being placed in globalization's path but even if this is the case, businesses will no doubt prove flexible and adaptable. The general view seems to be that increasing global integration is unstoppable and so, therefore, is the need for global executives and leaders.

Almost all those interviewed for this article from DCCs stated that there will no doubt be **a noticeable increase in the hiring and development of executives from emerging markets** and a noticeable increase in the number of assignments to the headquarters of DCCs. The US was named as one of the most desirable places to work. In supervising Americans, they say, this will give Asian executives more confidence, and a better understanding of Western ways of thinking. There is a "fear" among some Asian executives that they are not able to be global executives said one,

even though it was not a question of talent or business acumen, but really a matter of confidence. Actually experiencing being a "boss" in developed country companies will go a long way to changing this situation they say.

At the same time there will be an effort made by DCCs to demand that **aspirants to global positions should have several important international assignments (and not just international responsibilities without living in a foreign country)**. Ericsson's executive cadre all have development plans that are based on international assignments. At an early stage in their careers they are asked if they are interested in taking on international assignments and if not, they are not considered to be candidates for top positions. Some companies, like Johnson & Johnson, have considered making two to three such international positions a requirement for very senior positions but this has not been implemented as policy but more as an unwritten aspiration-- at 3M it is an unwritten rule that aspiring executives need to take on international assignments. But even bolder measures may be coming. Some interviewees expressed the view that their top leadership were now even considering moving their corporate headquarters from the US or Europe to Asia because global growth was and will continue to be primarily in Asia and in this way they could be closer to the business. There is a precedent for this when Caltex moved its headquarters from Dallas to Singapore in 1999.



However, at least for the moment, the use of expatriates and executives from DCCs seems prevalent among those we interviewed. Some companies were finding it hard to develop “regional” executives in emerging markets such as North East Asia and South East Asia. While they find very talented people who can manage national roles they find it difficult to find local executives who can manage regionally. They find that expates from developed countries to be more effective. There are many reasons for this state today foremost among them is that there has never been an “Asian” region or reality.<sup>xxx</sup> Only today do we see some semblance of regional integration and even then it is not for all of “Asia” but for South East Asia in particular through the ASEAN alliance of countries. The same is true for other parts of the world including South America and Africa. This dilemma, therefore, for DCCs is a transitional one that will change in time, but for the moment causes some concern.

**DCCs will find it increasingly difficult to recruit and develop global executives from emerging countries unless they dramatically change their practices.** DCCs often discuss the difficulties they have in retaining some of their most talented executives citing the following reasons why their global executives leave: a lack of respect for them, the home-country culture of arrogance towards them and their country of origin, not providing

them with opportunities to work abroad and to take on more responsibilities in their home countries. DCCs are perceived to have “glass ceilings” for non-locals and talented people from emerging countries do have a choice. They are not inclined to join DCCs or ECCs that do not have “foreigners” or “non-locals” at the highest levels of the company, and there is clearly a need for DCCs to have more representative and diverse board members. They will have to work much harder at recruitment and especially development, and on providing meaningful and rewarding assignments and jobs. This is particularly the case with the release of a recent McKinsey study that shows that there is a strong correlation between financial performance and best practices for managing talent globally.<sup>xxxix</sup>

**We will see a pronounced pressure on Human Resource departments in the DCCs to do things differently.** They are sometimes criticized for “not thinking and acting internationally, and are not ensuring that non-locals are considered for senior positions”. Another practitioner added that “they are also not fully experienced in assisting the local leaders in formulating their development plans. These departments do not fully understand nor appreciate the developmental needs and requests of executives from developing countries who are often very clear about their own personal development and career aspirations. As a result, executives from emerging countries are not seen as being part of the talent pool of global executives.

These behaviors and attitudes of course undermine the performance potential of entire organizations.

We shall therefore see a reemphasis on the strategic role of HR and OD for global companies. Practitioners in this area will be in the spotlight and it is clear that the discipline and profession must in general “skill up” and among other things, develop comprehensive “learning architectures” for all talented and selected global leaders in the company.

Besides international assignments, multilingual and multicultural skills will be stressed, along with the ability to understand how governments work, and how to better appreciate the concerns of the society they work in. The need to find and develop these skills has consequences for the development of global executives.

As a result, the **development of global executives will include increasingly deeper and more comprehensive experiences and engagement with government AND civil society.** Corporations and their senior executives and managers will be required to have a much better understanding than we see today of the external environment of their business including the national strategies of countries, and the civil sector. This will require executives in future to be far more engaged with these

stakeholders in what has been termed a “threefolding” relationship, both nationally and internationally.<sup>xxxii</sup>

Some countries and organizations are already doing this, launching new initiatives between private and public sectors, as in the case of the Canadian Public Service. In the private sector, we see organizations developing talented mid-level leaders for future global roles that will require them to work in the new international business environment.

PricewaterhouseCoopers (PwC), for example, takes twenty partners (in pairs) to eleven countries to work with colleagues from other global regions on things like ecotourism and AIDS awareness projects for eight weeks plus two weeks of training and briefing. A company representative stressed that such a program builds leaders...capable of confronting the challenges of an increasingly global business”.<sup>xxxiii</sup> More recently, Daimler, formerly DaimlerChrysler, has developed a program and a series of activities which engage potential leaders from the Middle East.<sup>xxxiv</sup> The company has started a dynamic relationship with one of the most important civil organizations there—Young Arab Leaders.

One issue of acute concern to DCCs is the matter of **knowledge transfer across the generations** and its implications for the development of senior global executives. Within five to eight years, countries with ageing

populations will see entire industries lose substantial “know-how” through the retirement of the co-called “baby-boom” generation. This fact, coupled with the trend that top positions are being taken by executives considerably younger than in previous decades, has alerted organizations to **need to incorporate some form of knowledge transfer across the generations in order not to lose a competitive advantage from decades of experience and learning.** Some companies refer to this as part of their desire to create and foster a “**learning organization**”. As a result, mentoring and coaching are on the increase at senior levels as are more “programmed” learning interventions. These range from ensuring that board meetings often include time for discussion with subject specialists on topics of a more general interest, such as social and intellectual trends, to formal week long programs at world-renowned universities on such topics as biotechnology, and other issues in the news. Certainly these are also occasions for knowledge sharing and transference. In general, “learning” as a concept and approach is in a period of acceptance at executive levels.

Some of the bolder initiatives in this regard involve the engagement of global executives with Action Learning. General Electric, one of the early adapters of Action Learning in the US, for example, has reinvigorated its extensive use of business driven action learning with a new program that it calls “Leadership, Innovation and Growth,” developing executive leaders in

intact teams. One could also mention Intel's innovative use of Action Learning for strategic exploration that involves the top executive team.<sup>xxxv</sup> Not long ago a healthcare company involved its entire management board in an **Action Learning** approach to decision making. Faced with a decision on where to invest in Central and Eastern Europe, and after some preparatory work, members of the board dispersed to selected locations in order to discuss with local thought leaders, government officials, and respected sociologists on the future directions of these societies. Having done this in sub-teams of two or three, they regrouped after a few days to consider their learning about the external environment of their business, about their teamwork, about themselves and how they learn, and of course about what needed to be done for their particular business challenge—all aspects of what is called "**Business Driven Action Learning**". More than just a task force or a retreat, these executives also wanted to develop themselves as leaders and learners, and to enhance their teamwork skills and behaviors while at the same time addressing a critical business issue. This is an example how in DCCs Action Learning is evolving in many different ways within organizations and among executives. Perhaps this is no surprise because at its foundation, Action Learning is both a philosophy—that learning is deepest when anchored in experience and when shared by people who are "thirsty learners"—as well as a method for executive development and education. A deeper understanding of the roots and fundamental

principles of Action Learning are moving global executive development in ways that are “infinite in all directions”, to paraphrase the physicist Freeman Dyson. Of particular note is the expansion of Action Learning communities of practice in this area, as for example, the recently formed Korean Action Learning Association that has a membership of several hundred companies and practitioners.<sup>xxxvi</sup>

### **Future Trends in Emerging Country Companies**

With substantial growth rates in emerging countries, there is a desperate need for global executives in these regions. In more “normal” circumstances, as we have already mentioned, it takes between twenty to twenty-five years to develop executive talent, whereas in emerging countries the need is to collapse this to around fifteen years. Moreover, ECCs have not, to date, focused enough energy, resources and effort on developing executives and have taken the more expedient path of hiring the talent they need from the outside. As a result, we see increasing signs of emerging countries and ECCs becoming net importers of talent from DCCs and developed countries however even this measure has its obvious limits. At issue is the fact that Asia and other emerging markets are behind in addressing their need and desire to develop global executives from among their own management population at a much faster pace.

Many companies have addressed this lack of leadership development through what they call **“accelerated” global executive development** taking a page from GE, DuPont and others to rapidly develop regional leaders in Asia. Given special attention and mentoring by the most senior executives in the organization, these local talents are provided with ever increasing responsibilities and opportunities with the understanding that they in turn will do the same for their direct reports. Korean multinationals, for example, have embarked on a very ambitious and focused effort to prepare themselves for even greater globalization through a variety of measures, including the introduction of global Human Resource Management to attract global talent. At LG’s corporate headquarters, English is being introduced as the preferred language of communication. “Talent procurement” is being replaced by “talent investment”.<sup>xxxvii</sup>

There is also an issue about the content of this development. Many ECCs are today sharing experiences with other countries with similar problems, issues and opportunities. South African managers and executives, for example, are reaching out to companies from the BRIC countries (Brazil, Russia, India, China) and other ECCs, and engaging more with these countries and companies than with DCCs. Likewise in the development of global executives from other ECCS there is greater learning now from the BRIC and emerging markets with very little “Western” input that, which they say,



stresses only “bottom line performance” –an approach that is neither appropriate nor desired in emerging countries and ECCs.

Another reason why the ECCs are cooperating and learning together is what one influential HR practitioner in Asia called the “underdevelopment of leadership practices in Asia”, one manifestation of this being the lack of good coaches. Efforts to address this underdevelopment include Asian inter-company B2B learning consortium programs. Their purpose is to increase awareness about leadership and to have executives reflect on their own leadership development and benchmark other leaders at their level.

In the ECCs we will see **the Great Return**—Western educated and experienced executives who will be engaged by these companies to play leading roles both domestically and in new markets abroad. Already Indian multinationals are reversing the “brain drain” by hiring Indians who are working in the US and Europe and using their experience for the next phase in their expansion.<sup>xxxviii</sup> This will also be seen in Africa, where the return of thousands of Western-based managers and executives will enhance the position of the “new Africa”: It is estimated that some five million African entrepreneurs and professionals live in the Diaspora and about 40% of African “high level managers and professionals” live outside of Africa. The economic downturn in developed countries will no doubt accelerate this

Great Return. For example, some observers have mentioned that in their view about five thousand well trained engineers and managers will be returning to India from DCCs due to the lack of growth and prospects in the ECCs.<sup>xxxix</sup>

These trends will have a profound effect on the development of global executives from these regions. These leaders will be spending more time teaching other leaders which in turn will no doubt see the rise of greater developmental activities by the ECCs and greater training initiatives for less senior managers.

**In future the development of global executives will more and more be a joint venture with local governments as part of a national strategy.** One global executive in Singapore, for example, is conducting a pilot project on developing leaders for the 50,000 SME's in his country. He and the government would like to ensure the survival of Singapore's dynamic export-led economy and so there is an agenda to create a deliberate process to develop high potentials in this area. "Talented people go to multinational companies where there is a people development focus" but this needs to be done for local companies as well. The project will involve a consortium of about fifty companies who will each select one to two people to participate in this consortium of apprentices over a period of

four to eight years. After this experience the idea is that they will be able to work in any of the member companies of this Consortium. Unlike traditional mentoring programs where there is an individual mentor for a mentee, this approach will involve more than one mentor. Action Learning is fundamental to this program.<sup>xi</sup>

China is also examining ways to maximize its thirst and respect for learning and education with greater cooperation between the public and private sectors.<sup>xii</sup> And in South Africa, the deputy President has given her blessing to what has been called "The South African Experiment" to not only bring private and public institutions together but to help develop the next generation of global leaders through Action Learning and the cooperation of the multinational business community.

### **Towards True Globalization**

We began this article by stating that we are in a period of profound transformation and we conclude by reiterating that when looking into the future, we will, within a few generations, reach a point where the "Westernization" of the world will take a secondary place to true globalization. The world will become more multipolar and inclusive, especially as we acknowledge and deal with the "irresistible shift of global power to the East" as one of Asia's most distinguished public intellectuals,

Kishore Mahbubani, wrote recently.<sup>xlii</sup> To be sure, regionalism and localism will be with us as we live through the dilemmas of globalization *and* localization.

Global executives will be needed as never before and their development will be one of the most important concerns of business leaders. But there will be an important shift in the content and in the approach to their development-- away from the simplistic and linear, and largely Western way of "doing business" to a much more complex, holistic, and largely Eastern way of integrating and engaging with society on issues that are well beyond the purely national and regional. For the first time in human history, we shall be looking at business and the development of global executives through the prism of planetary survival. As practitioners our purpose will be to help create teams, organizations and societies fit for purpose and fit for people.

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<sup>ii</sup> See Lesley Wroughton, "Spotlight shifting as IMF meets: World finance leaders gather this weekend for first time since credit turmoil began", Reuters News Agency, Global and Mail (Toronto), 18 October, 2007, p. B11; "IMF cuts forecast for '08 global economy", International Herald Tribune, 18 October, 2007, p. 10; New York Times, 19 January 2008, "G.E. Profits Rise".

<sup>iii</sup> Floyd Norris, "The Bubble Risks in China", International Herald Tribune, 20-21 October, 2007, p. 18.

<sup>iv</sup> Antoine van Agtmael, *The Emerging Markets Century: How a New Breed of World-Class Companies Is Overtaking the World*. New York: Free Press, 2007, p. 31.

<sup>v</sup> Michael T. Klare, *Rising Powers, Shrinking Planet: The New Geopolitics of Energy*. New York: Henry Holt, 2008; on food prices see, "Briefing. Food and the Poor: The New Face of Hunger", *The Economist*, April 19, 2008, pp. 32-34.

<sup>vi</sup> "Briefing: Sovereign-wealth Funds: Asset-Backed Insecurity", *The Economist*, January 19, 2008, pp.78-80.

<sup>vii</sup> UN University Institute for Environment and Human Security in Bonn as cited in "In warmer world, threat of cold war", International Herald Tribune, 24 October, 2007, p.1.

<sup>viii</sup> See, Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*. New York: Oxford University Press, 2007, p. 4. On China and India and consumers, see a McKinsey study cited in *Foreign Policy*, November-December, 2007, p. 20.

<sup>ix</sup> See, Fareed Zakaria, *The Post-American World*. New York: W.W. Norton, 2008, pp. 8-9.

<sup>x</sup> National Petroleum Council, "Facing the hard truths about energy: a comprehensive view to 2030 of global oil and natural gas, July 2007 and online: [www.npc.org](http://www.npc.org) and Future Survey, November 2007, pp. 6-7.

<sup>xi</sup> "The Challengers", *The Economist*, January 12, 2008, pp. 62-64.

<sup>xii</sup> For the Shell scenarios see, [www.shell.com/scenarios](http://www.shell.com/scenarios); Peter F. Drucker, *Managing in Turbulent Times*. New York, Harper & Row, 1980.

<sup>xiii</sup> Morgan W. McCall, Jr. and George P. Hollenbeck, *Developing Global Executives: The Lessons of International Experience*. Boston: Harvard Business School Press, 2002, p. 217.

<sup>xiv</sup> The only group that appears to have the answers are some business schools. One in particular claimed that "only a global Executive MBA can create global leaders", *Globe and Mail* (Toronto), 5 April 2008, p. A3. See also the description of Harvard's Advanced Management Program, "Transforming Proven Leaders into Global Executives". The most recent announcement is for Latin American "top executives...in response to the growing demand for executives in the region to compete in an international environment ... [The

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program] has been... designed to help Latin American executives develop strategies to position their organisations as global leaders". Wharton, IESE, and CEIBS in Shanghai are collaborating on this venture. See, Linda Anderson, "International Programme for Executives", Financial Times (FT.com), May 20, 2008.

<sup>xv</sup> On General Electric, see for example, Jack Welch with John A. Byrne, *Jack: What I've Learned Leading a Great Company and Great People*. London: Hodder Headline Publishing, 2001, chapter 19, pp. 301-315; and Noel M. Tichy and Stratford Sherman, *Control Your Destiny or Someone Else Will: How Jack Welch is Making General Electric the World's Most Competitive Company*. New York: Doubleday, 1993, chapter 15, "Globalization", pp. 181-192; for ABB, see Kevin Barham and Claudia Heimer, *ABB, the Dancing Giant: Creating the Globally Connected Corporation*. London: Financial Times-Pitman Publishing, 1998.

<sup>xvi</sup> See for example: James L. Peters and Barbara H. Peters, eds., *Developing Tomorrow's Managers*, Report Number 984, The Conference Board. New York: The Conference Board, 1991. Kevin Barham and Marion Devine, *The Quest for the International Manager" A Survey of Global Human Resource Strategies*. Special Report No. 2098. London: Economist Intelligence Unit and Ashridge [1990]; J. Bernard Keys and Robert M. Fulmer, eds., *Executive Development and Organizational Learning for Global Business*. New York: International Business Press, 1998; Mark E. Mendenhall, Torsten M. Kuhlmann and Gunter K. Stahl, eds., *Developing Global Business Leaders: Policies, Processes, and Innovations*. Westport, Connecticut: 2001; Michael Moynihan, *The Economist Intelligence Unit Global Manager: Recruiting, Developing, and Keeping World Class Executives*. New York: McGraw-Hill, 1993; Stephen H. Rhinesmith, *A Manager's Guide to Globalization: Six Skills for Success in a Changing World*. New York: McGraw-Hill, 1996.

<sup>xvii</sup> U.N. Conference on Trade and Development, *World Investment Report, 2005*. New York and Geneva: United Nations, 2005) as cited in Pankaj Ghemawat, *Redefining Global Strategy: Crossing Borders in a World Where Differences Still Matter*. Boston: Harvard Business School Press, 2007, p. 13.

<sup>xviii</sup> A statement from a US-based technology company. 85% of their sales and 50% of their employees are from outside the US.

<sup>xix</sup> Hal Weitzman and Francesco Guerrera, "US manufacturers warned on insularity", FT.com, 18 December, 2007.

<sup>xx</sup> John Lechleiter, COO of Eli Lilly as cited in Geoff Colvin, "How Top Companies Breed Stars", *Fortune*, September 20, 2007, and from [cnmmoney.com](http://cnmmoney.com)

<sup>xxi</sup> David Everhart, "Leadership Competencies in Asia: Different from the West?", Korn/Ferry International, *The 13<sup>th</sup> Global Forum on Executive Development and Business Driven Action Learning*, Seoul, Korea, 23 June, 2008.

<sup>xxii</sup> Kishore Sengupta, Tarek K. Abdel-Hamid, and Luk N. Van Wassenhove, "The Experience Trap", *Harvard Business Review*, February 2008, pp. 94-101.

<sup>xxiii</sup> Erik de Hann, *Learning with Colleagues: An Action Guide for Peer Consultation*. New York: Palgrave Macmillan, 2005; *The McKinsey Quarterly*, *The 21<sup>st</sup>-Century Corporation*. New York, 2007, especially pp. 36-61. See also, Elisabeth Lank, *Collaborative Advantage*:

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How Organizations Win by Working Together. New York: Palgrave Macmillan, 2006. This also includes the formation of “communities of practice, purpose and interest”, pp. 141-158.

<sup>xxiv</sup> For more on this trend, see, James F. Bolt and Yury Boshyk, “Using Action Learning for Executive Development”, in James F. Bolt, *The Future of Executive Development*. [San Francisco]: Executive Development Associates, 2005, pp. 86-99.

<sup>xxv</sup> Ed Cohen, *Leadership Without Borders: Successful Strategies from World-Class Leaders*. New York: Singapore, 2007, pp.131-137; interview with Scott Saslow, President, Executive Development Institute.

<sup>xxvi</sup> Zbigniew Brzezinski, *Second Chance: Three Presidents and the Crisis of American Superpower*. New York: Basic Books, 2007, p. 154. Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*. Oxford: Oxford University Press, 2007; and also Thomas P.M. Barnett, *The Pentagon’s New Map: War and Peace in the Twenty-First Century*. New York: Putnam, 2004.

<sup>xxvii</sup> “Investors target the next tier of developing countries”, *International Herald Tribune*, 2 April 2008. The N-11 was a term coined by researchers at Goldman Sachs.

<sup>xxviii</sup> A reference to Don Edward Beck and Christopher Cowan, *Spiral Dynamics: Mastering Values, Leadership and Change*. New York: Wiley, 2005.

<sup>xxix</sup> Nandani Lynton and Kirsten Hogh Thogersen, “How China Transforms an Executive’s Mind”, *Organizational Dynamics*, vol. 35, No. 2, 2006, p.170. On some of the cultural issues see also, Zeynep Aycan, “Leadership and Teamwork in the Developing Country context”, in Henry W. Lane, Martha L. Maznevski, Mark E. Menenhall and Jeanne McNett, eds, *The Blackwell Handbook of Global Management: A Guide to Managing Complexity*. Oxford: Blackwell, 2006, pp. 406-419.

<sup>xxx</sup> A point well made as well by Eric Olson, “Achieving Success in the Globalization of Leadership Development”, in David Dotlich and Jim Noel, eds., *The 2008 Pfeiffer Annual: Leadership Development*. San Francisco: Wiley, 2008, p. 87.

<sup>xxxi</sup> Matthew Guthridge and Asmus B. Komm, “Why Multinationals Struggle to Manage Talent”, *The McKinsey Quarterly* (May, 2008).

<sup>xxxii</sup> On “threefolding” see, Nicanor Perlas, *Shaping Globalization: Civil Society, Cultural Power and Threefolding*. New Society Publishers, 2003.

<sup>xxxiii</sup> Jesse Hempel and Seth Porges, “It Takes a Village – and a Consultant: PwC tests partners by sending them to work in poor nations”, *Business Week* September 6, 2004.

<sup>xxxiv</sup> Gerhard Meier, “DaimlerChrysler Top Talent Camp, 2007-2008”, presentation at the 12<sup>th</sup> annual Global Forum on Executive Development and Business Driven Action Learning, Dublin, 19 June, 2007, available at [www.GlobalForumActionLearning.com](http://www.GlobalForumActionLearning.com)

<sup>xxxv</sup> Nina Dankfort-Nevel, *Leadership, Innovation & Growth at GE*”, 13<sup>th</sup> Global Forum on Executive Development and Business Driven Action Learning, Seoul, Korea, 23 June, 2008; See the Intel presentation by Brad Benson, at the 12<sup>th</sup> Global Forum on Executive Development and Business Driven Action Learning, Dublin, 22 June 2008. A similar but

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different approach was also used by BHP in 2001 in what they called the Strat Lab experience. See the BHP presentation at the 6<sup>th</sup> Global Forum on Executive Development and Business Driven Action Learning, Melbourne, 22-25 May, 2001. [www.GlobalForumActionLearning.com](http://www.GlobalForumActionLearning.com)

<sup>xxxvi</sup> Korean Action Learning Association, see [http://kala.or.kr/e\\_home/?doc=wpage/int01.html&PHPSESSID=12af9ed8532e68b4f2ef28a51120396a](http://kala.or.kr/e_home/?doc=wpage/int01.html&PHPSESSID=12af9ed8532e68b4f2ef28a51120396a); and for other examples of worldwide practice see, Yury Boshyk, editor, *Action Learning Worldwide: Experiences of Leadership and Organizational Development*. New York: Palgrave Macmillan, 2002.

<sup>xxxvii</sup> Matthew Guthridge and Asmus B. Komm, "Why Multinationals Struggle to Manage Talent", *The McKinsey Quarterly* (May, 2008).

<sup>xxxviii</sup> "The Challengers", *The Economist*, January 12, 2008, p.64.

<sup>xxxix</sup> *African Business*, April 2003, p. 11, editorial by Anver Versi, "Bring Home the best and brightest"; Mohan Menon, presentation at the 13<sup>th</sup> Annual Global Forum on Executive Development and Business Driven Action Learning, Seoul, 22-25 June, 2008. Available at [www.GlobalForumActionLearning.com](http://www.GlobalForumActionLearning.com)

<sup>xl</sup> Communication from K.A. Chang, Singapore Exchange.

<sup>xli</sup> Carl Dahlman, Douglas Zhihua Zeng, and Shuilin Wang, *Enhancing China's Competitiveness Through Lifelong Learning*. Washington, D.C.: The World Bank, 2007, especially chapter 4, "Setting the Rules of the Game and Developing Effective Partnerships with Nongovernment Players", pp. 57-78.

<sup>xlii</sup> Kishore Mahbubani, *The New Asian Hemisphere: The Irresistible Shift to Global Power to the East*. New York: Public Affairs, 2008.