

DEVELOPING A GLOBAL MINDSET



In today's global, multicultural and dynamic world, a new breed of global player is critical to achieving high performance and sustainable growth, as **Salma Shah** explains.

There is a significant difference between a good leader and a good global leader. To achieve the latter requires application of the usual hard-wired 'leadership skills' – but across countries, economies and cultures, in the effort to drive wider-reaching, globally successful initiatives.

The five key qualities

There are five qualities that underpin good global leadership, namely:

1. High ambiguity tolerance

Operating as a global organisation's designated leader in any country can be complex, given the multiple regions, economies, political situations, and social mores that co-exist beneath the organisational umbrella.

Understanding how these different factors interplay, and fostering a strategy, becomes enormously challenging. Cultural and employment law differences can also have a huge impact on the day-to-day management of finance teams across the globe.

The global FD will thus require a different approach when dealing with an underperforming French or German employee, rather than a UK one, if unexpected anger, hostility or defensiveness is not to result.

Large degrees of ambiguity are also present when huge amounts of information – involving different accounting systems and/or different financial standards – must be crunched and computed. So the capacity to deal with complexity and ambiguity is crucial.

2. Adaptability

It's not enough to simply understand global complexities and recognise ambiguity. Effective global leaders must also



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adapt to new, different, and unfamiliar roles and environments. This is important in any leadership role, but it is crucial when working across multiple geographies.

Leaders should understand their own personal style as well as how they need to adapt it so as to be effective in a given environment. For example in India meetings can be cancelled at short notice, so a leader working there needs to adapt to the extent of always confirming a scheduled meeting shortly beforehand. Again, where India was once always non-confrontational, that is now changing in managerial ranks. The global leader needs to be aware of ongoing changes as well as long-standing differences, and show an adaptable, open-minded approach.

3. Emotional intelligence

Mastery of emotional intelligence is essential in developing the ability to engage, motivate and inspire individuals within various cultures and adjust your style accordingly. For instance engaging and motivating team members in France is a different process from what's needed to get the same result in China – French employees being far more confident in expressing views than their traditionally more reticent Chinese counterparts.

4. Inquisitiveness

Good global leaders have a passion for understanding the native culture. How do things work in this country? These

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leaders want to know how decisions are made, and how the unique local environment impacts individuals at work or changes the business landscape. A good global leader has high levels of inquisitiveness and low levels of arrogance. A "my way or the highway" attitude is not what's required.

5. Energy

A global leader may have just flown across the world, travelling for up to 30 hours, but when they land in their destination foreign country they will be expected to walk into the organisation and turn up the energy. In a global environment, business happens 24/7. It seems simple but global leaders must be able to maintain a consistent, positive demeanour in a fast-paced, always 'on', environment.

Finding a leader

Identifying global leadership talent is both an art and a science. The goal is to attract and develop those who have a natural ability to see more complexity in the world – individuals who can take in multiple perspectives while maintaining their own. They demonstrate a global mindset (see Box 1, below). They can understand the opinions of others and often use those views or opinions to strengthen their own argument or set of principles. Employees with a rich experience of different cultures may naturally be more at ease with ambiguity and adaptable to values and societies different from their own culture.

Studies – starting with psychologist Gordon Allport's landmark book *The Nature of Prejudice* (1954) – show that there is an unconscious instinct for us all to favour those who remind us of ourselves. But in a corporate context, the tendency for leaders to recruit mini-me's in their own image can prove a risk. If the goal is to have a talent pool

Box 1 THE GLOBAL MINDSET

According to the Harvard Business Review, research has shown that success abroad hinges on something called a 'global mindset'. This mindset has three main components:

- intellectual capital – knowledge of international business and the capacity to learn;
- psychological capital – openness to different cultures and the capacity to change; and
- social capital – the ability to form connections, to bring people together, and to influence stakeholders (including colleagues, clients, suppliers, and regulatory agencies) who are unlike you in cultural heritage, professional background, or political outlook.

The most effective international leaders are strong in all three dimensions.

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of potential future global leaders, there should be a commitment to recruiting a diverse talent pool which will encourage a mix of styles, capabilities and approaches that can help ensure that the organisation is capable of success in a global international market. Global organisations need leaders who are responsive to change as well as resilient to crisis.

Conclusion

To summarise, a successful global leader needs not only the ‘usual’ leadership skills, but also a blend of resilience, adaptability and energy, plus a sensitivity to – and curiosity about – other people and cultures.

Some useful practical steps towards nurturing those qualities, and thus developing a global mindset, include the following.

At the corporate level

- Build leadership capability so your leaders have the skills to engage in more effective conversations with all individuals.
- Build company-wide cultural awareness of the subconscious stereotypes that exist in assessment, development, recruitment and succession planning.
- Work and partner with executive search and selection organisations that specialise in offering a pool of talented and diverse candidates. Note talent first, diversity second. This isn’t about token gestures or quota filling.

See Box 2, right, for how Thomson Reuters builds its global leaders.

At the personal level

- Remember, you don’t have to stick rigidly to cultural guides to etiquette. Many developing countries are in a rapid state of change and the rules of engagement are transient. Instead have an open mind and work on your own emotional intelligence.
- When travelling overseas immerse yourself in the culture, eat locally and don’t confine yourself to the hotel room.

Box 2 HOW THOMSON REUTERS TRAINS GLOBAL LEADERS

Proven success

Global leaders are created by an environment which values and encourages their skills and talent and gives positive support to the development of their leadership potential. Thomson Reuters is a world-leading source of intelligent information for businesses and professionals. The company has a specific graduate programme that targets about a dozen graduates each year. They are placed in a variety of departments to get a broad range of experience within the company. The graduates are recruited globally but most actively in the organisation’s major centres – New York, London and Tokyo.

Necessary skills

According to Jeanine Long, senior programme manager, the skills required for a top global leader are:

- a sense of diversity;
- being a strong leader;
- being able to delegate to the team; and
- excellent communication skills.

Biggest mistakes

The biggest mistakes made by those responsible for leading global teams are:

- having too narrow a scope;
- hiring only people like themselves (by hiring people only like yourself you’re amplifying your weaknesses as well as your strengths); and
- not anticipating business and buying trends.

Traits for success

According to Long, those who succeed in Thomson Reuters are:

- excellent communicators;
- consistent in their quality of work;
- calm, especially at stressful times; and
- well-spoken presenters who inspire confidence and build excellent teams.

Spotting the best candidates

Long says good talent indicators for global leaders are:

- ability to manage teams remotely;
- capacity to be proactive in managing issues; and
- ability to manage multiple projects and tasks.

Long-term global trends

According to Long the future global trends are:

- remote working and virtual teams;
- offshoring – not just to India but to countries like the Philippines; and
- shifts in technology to cloud computing and moving away from hosting solutions which have big cost impacts.

STEADFAST VALUES AND SKYPE: THE BACKBONE OF A GLOBAL LEADER

In the preceding article Salma Shah discussed the characteristics of a successful global leader. Here, Abel van Staveren puts this in a practical context by discussing his experiences of working in global businesses including postings in London, Singapore, The Philippines, Norway and now Switzerland. **Emma Riddell** reports.

Abel van Staveren believes that his itinerant childhood prepared him well for his international business career. He was born in The Netherlands but, with a father in the shipping industry, moved around a lot. This ensured he didn't anchor himself to one particular culture: "When I meet other people in global leadership roles it is surprising how many have had an international background when they were younger. Probably they are more open, and as a result more successful in these kind of roles."

Ignoring preconceptions

Being open to change is core to what van Staveren deems good global leadership. While a good leader might have strong convictions, he believes that a good global leader should not have preconceived ideas about how things should be done. "I call this switching off your self-reference criteria," says van Staveren. "It is very natural for us when faced with a new situation in a foreign environment to think about how we do things back home and to make an immediate value judgement about whether this way is better or worse. A good global leader tries to switch off this behaviour and realises that what is being done is different – not better or worse – and that there is probably a reason for it. This is hard to do as we are so judgemental."

Deciding when to adapt

Even so, van Staveren believes you do have to make a decision when entering a new region. You can either go in and run the business in your established manner or you can adapt and do things the local way; but create too much of a mix and it becomes confusing. "We have always chosen to stick as much as possible with the values and culture we have as a Norwegian company. This doesn't mean we don't take account of the local culture – because you must. However we make it clear, upfront, that we may do things in a different way."

So when might it be right to adapt? Van Staveren relates an experience from early on in Manila when, to his surprise, the lights went out in the middle of the day in order for everyone to have an hour's nap. "It turned out that most people have three hour commutes and so having a nap in the middle of the day makes sense. Another example was where staff in Manila requested uniforms because, however unpopular these might be in the West, they take away the perceived differences in wealth and so the staff thought they were a great idea. We were convinced by these reasons and chose to adapt the business practices accordingly."

Sticking with your values

However when it comes to your values it is critical to stand firm. Facilitation payments are a topical subject that Van Staveren believes all accountants working

internationally will have to deal with from time to time. "We just don't make them," he says. "In some Asian countries where we operate they are very much part of the culture, not seen as something negative, and if you don't participate the business doesn't get done. This has caused frustration with our local employees as they think that head office doesn't have a clue about Asia. But we just say that if we start down that path we're on a very slippery slope and we don't want to go there." An example of this is when Van Staveren had a number of dormant companies in the Philippines which he wanted to close down after a reorganisation. He needed regulatory approval and nothing was happening. "People were waiting for a brown envelope. I said no and it became a bit of a stand-off. It took over a year to close the companies down." You need to be sensitive to the local culture and to consider adapting your working practices, but when it comes to your own values and the values of the company you should never compromise.

Another less clear-cut example of standing firm involved the decision-making process: "Norway is a very egalitarian society and there is a consensus culture. In Asia it is completely different; people there like to be told what to do." As a result of this Van Staveren says he made a mistake when he was first in Asia. He wanted to make the jobs of the accountants working for him interesting and so he made sure that he always asked them for their opinions and recommendations. "Only after a while did a brave person come and tell me that I was 'freaking them out' – they thought I was testing them all the time." Yet van Staveren believed that the Norwegian company genuinely valued their input and endeavoured to explain this; making it clear that sharing their views would in no way threaten their careers. Now, a couple of years later, he believes that this is something that the staff really appreciate.

Dealing with complexity

Van Staveren agrees with Shah that global leaders must be able to deal with complexity. We function in the world by recognising patterns and in a new environment we can't do this so easily. This can result in generalisations and mistakes: the imposing of patterns where they don't belong. "You can spot someone who can't deal with high levels of complexity as they resort to using stereotypes."



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Thriving as a middleman

When working as the overseas face of a multinational company you will often be cast as middleman. For van Staveren this was a challenge that he hadn't foreseen. "You prepare yourself for doing a lot of listening, talking and convincing, but you don't necessarily realise that you have to do the same listening, talking and convincing back with your head office, especially if the top decision makers do not know the region." On the one hand you will need to communicate the corporate vision while on the other you will need to be the one listening to the local concerns and selling these ideas back to the corporate centre.

Not diving straight into the detail

It is always important to consider the impact of your personal style. "Listening carefully is important; you have to manage any kind of meeting or project on three levels: content, process and relationships." Working with fellow accountants in the UK, van Staveren felt able to dive straight into the detail. But, "in an international context, with people from different backgrounds, you have to focus much more on the relationships and the process – how you're going to get there."

Working on remote relationships

Managing remote teams is a fact of life in international business and van Staveren believes that once again the focus needs to be on process and relationships.

Conference calls shouldn't be restricted to discussing business; make sure you ask about people's weekends as well. And, "if you don't have all the fancy online collaboration tools, make a point of calling your team members even when you don't need to. This significantly improves the chance that you will be told early of potential issues." It requires discipline for a manager to create space in their diary to achieve this, but it is important. Also, make sure that when you do visit remote workers you give them 100% of your attention. Don't be one of those bosses who spend their time making conference calls back home and answering emails.

Maintaining a work-life balance

Van Staveren has a different view of the work-life balance, defining it as "work more now, live more later". But having only been home for five weeks in the last seven months he recognises that there is a need to be creative when it comes to your personal relationships. This year van Staveren was away on his wife's birthday, but he was saved by a three-hour Skype video session with cakes, coffee and presents.

Conclusion

Successful global leaders need to be open to change and able to deal with complexity without resorting to stereotypes. They need to know when to be flexible but brave enough to stick to their core values under pressure. They may also need to review their personal style and ways of working. Despite the many challenges, Van Staveren is adamant that being allowed to travel between continents and see "many amazing things" makes him one of the privileged few. More than anything he believes you need to enjoy learning about other people and cultures. "You have to really love it; if anthropology is not your hobby maybe this is not for you?"

POTTED CAREER HISTORY: ABEL VAN STAVEREN

- Dutch born, moved to London and qualified as an ACA with Moore Stephens in 2001. Here he specialised in the shipping industry which involved extensive travel.
- Finance director of Pelican Shipping Limited, a London-based Norwegian company, 2001-2006.
- Completed executive MBA at INSEAD, 2007-2008.
- Moved to Singapore to take up interim managing director role at KGJ Cement, 2006-2009.
- In 2010 worked as interim CEO at SKS Tankers in Norway.
- Currently moving to Switzerland to take up role of group financial controller of Kristian G Jebsen Group.
- In addition to holding NED positions at various companies van Staveren sat on the faculty committee between 2004 and 2006.