



Cross-Cultural Agility

A series exploring how to select for and build the key capabilities of successful global executives

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Editor's note: Data from our extensive work with organizations expanding globally points to the chief causes for the successes (and failures) of executives deployed across borders. Exploring these findings with more than 25 global line executives who have successfully transitioned to cross-border roles revealed significant similarities. This series explores how 1) organizations can identify leaders with cross-cultural agility and 2) how both organizations and the executives themselves can ensure long-term success in their cross-border roles and beyond.

Part 1

Identifying Cross-Cultural Agility in Senior Executives

Despite the preference of many multinational corporations (MNCs) to groom or hire local executives for key leadership roles, they will still need to deploy senior executives from other countries for a variety of reasons: when highly specific expertise is needed, when there is a shortage of local talent with the requisite management experience, or when the CEO and board want to develop senior executives by appointing them to foreign leadership roles.

Although an executive may be a top performer in his/her native country, not every executive is cut out for a leadership role in another country. Sending the wrong executive on an international assignment can be a million-dollar mistake, not to mention a significant setback for the executive's career and family. In dedicated discussions with human resources leaders and our studies of multinational talent, we learned that problems with expats rarely bubble up to human resources (HR) or senior leaders in headquarters until the situation is a "train wreck" and it is too late. Typically the executive has to be reassigned or released. Many times the executive leaves the company of his or her own volition.

The executives who succeeded in cross-border assignments possessed cross-cultural agility, which we define as the ability to work effectively with people from another cultural background in another cultural context.

Given the high stakes, what can companies do to make these international assignments more successful?

As part of our work evaluating executives for a variety of domestic and foreign assignments, we have observed a clear pattern regarding those who adapted very well to international posts versus those who struggled. The executives who succeeded in cross-border assignments possessed high cross-cultural agility, which we define as the ability to work effectively with people from another cultural background in another cultural context. Our interviews with some of these senior leaders indicate that multinational assignments are most successful when organizations take certain steps, including:

- understanding the key capabilities that are commonly shared by individuals with cross-cultural agility,
- selecting executives based on their degree of cross-cultural agility relative to their peers, and
- clearly defining expectations and creating a plan for the executive's transition and continued development.

THE FIVE SIGNS OF CROSS-CULTURAL AGILITY

Many leaders of MNCs are acutely aware that some of their executives are not suited for an international assignment due to cultural, personal or career challenges. While firsthand knowledge of executives' strengths and weaknesses is certainly valuable, there is often no consistent methodology for identifying a strong candidate or selecting among equally qualified candidates. Some CEOs and senior international executives involve their HR department and others do not. Most conduct formal interviews, but the interview process typically lacks consistent criteria to identify cross-cultural agility. Others simply ask the individual to visit the location and report on their comfort with the experience.

Amid such varying approaches, one valuable revelation of our study is the identification of five capabilities found to be consistent among leaders with a successful cross-cultural track record.

1. Curiosity and openness to new experiences

Executives with high levels of curiosity and openness tend to focus on learning, adapting and growing. For example, they may ask, "Why do all Scandinavian countries have the same pattern with different colors on their flags?" or "What does the Deepavali holiday represent?" Those low in this characteristic might simply compare their current location to their previous living situation and, rather than ask questions, make statements such as "I don't like the honking horns" or "The weather is too cold here."

The Five Signs of Cross-Cultural Agility

1. Curiosity and openness to new experiences
 2. Adventurousness and responsible risk-taking
 3. Self-awareness and cultural adaptability
 4. Cultural knowledge
 5. Situational factors
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Many executives who demonstrate curiosity remembered having a desire to travel at very young ages and meeting people throughout their lives who fueled their interest in expanding their horizons. They also tend to celebrate the differences between cultures and possess the intellectual ability to operate within different cultural paradigms at the same time.

Those with high curiosity also tend to celebrate the differences between cultures. As Geoff Haydon, CEO of Absolute Software, states from his international experience with EMC, “you don’t have to be an expert at the nuances of a foreign culture, you simply need to show that you appreciate the differences, and demonstrate that you are genuinely interested in learning.”

While counterintuitive, companies may be better off giving greater weight to this mindset over other capabilities — including actual experience — when selecting a new leader for an assignment. Jean Luc Butel, corporate vice president and president of international operations for Baxter, decided to pass over an experienced, but over-confident candidate for a critical executive position in China in favor of another who had no experience in China, but who came to the interview with humility, self-awareness, an intense curiosity about the country. In fact, in the initial meeting, books on China were literally falling out of his briefcase. “In that first year, I thought it was the worst decision of my career,” Butel said of his hiring choice. “He was struggling and needed a lot of coaching. But he never stopped learning and improving. It was clear after 18 months that he was one of the best general management hires of my career. He became a star.”

2. Adventurousness and responsible risk-taking

Leaders with cross-cultural agility take curiosity to the next level and enjoy the excitement of stepping outside structured and predictable habits. In fact, many international executives with these traits do not want to return to the corporate HQ in roles that they view as too narrow and bureaucratic.

Tsun-Yan Hsieh, a renowned CEO counselor and board adviser and chairman of Linhart Group, shared that as a child growing up in Singapore, he found himself stepping outside the comfort zone of his Chinese peers and befriending individuals from other countries in his neighborhood. As managing director of McKinsey in Canada, Hsieh learned to spot risk-taking individuals as he was advising younger consultants to take on international assignments, an important developmental step on the road to becoming a globally effective partner. About half of the younger consultants were eager to explore challenging assignments in remote locations on other continents. The other

half preferred short-term assignments in U.S. cities just south of the Canadian border, or put off their response or commitment altogether. Ultimately, the consultants who ventured abroad into different cultures and contexts were far more likely to emerge strong global consultants than their more risk-averse counterparts.

3. Self-awareness and cultural adaptability

Self-aware executives are sensitive to the impact of their behavior on others and are able to adapt it accordingly, even in unique situations where they are unsure of social norms. They may ask others for advice, or simply put more energy into observing and learning acceptable social practices. Superior self-awareness and adaptability provide executives with the advantage of being able to engage and lead more effectively than those who lack these skills.

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LARRY SCOTT
PAC-12 COMMISSIONER

Larry Scott, commissioner of the Pac-12, has lived and worked on four continents and has displayed these attributes throughout his career. In his previous role as leader of the Women’s Tennis Association (WTA) Tour, he experienced a particularly challenging cross-cultural issue when the government of Dubai would not allow a female Israeli tennis player entry into the Dubai Open. Some Israeli officials encouraged boycotting. But Scott didn’t think that approach would result in anything positive: “Based on my years doing work in that part of the world, there’s a fine line between mounting pressure and boxing people into a corner to the point you can’t get the result you want. Living abroad made me a better listener and able to see different perspectives with far more insight.”

His strategy was to allow the tournament to continue, and the player decided to withdraw to avoid putting too much attention on herself versus the tournament. But through Scott’s encouragement, the players used it as a platform to verbally protest the discrimination. In fact, Venus Williams, who accepted the winner’s trophy that year, condemned Dubai’s action on television. Through Scott’s intervention, the Dubai Open also received the largest penalty in the history of the WTA and had to post a \$2 million bond in order to repeat the tournament. The government in Dubai changed its policy the next year and allowed Israeli athletes to compete. For this and other accomplishments, Scott was awarded the Anti-Defamation League’s Americanism Award in 2013.

4. Cultural knowledge

Knowledge of a country’s specific culture is another element of cross-cultural agility and can be accumulated over time and accelerated by

curiosity. However, it's important to note that cultural knowledge alone cannot fully compensate for the lack of other aspects of cross-cultural agility, a fact that has been borne out in many of our discussions with top executives.

Cultural knowledge is typically low for first-time international transfers. Yet, some leaders have unique circumstances that have provided them with a strong foundation, such as living abroad as children, being raised in a household with first-generation family members from another country or growing up in foreign diplomatic or military posts. Formal education can undoubtedly supplement cultural knowledge, but it is more effective (albeit more stressful) to learn through true immersion in a culture.

Executives with a high level of cultural knowledge will be aware of differing social customs, cultural dress, various religions and holidays, and may be adept in a foreign language. Interestingly, the majority of those interviewed felt that while foreign language fluency is correlated with cross-cultural agility, it is not a practical expectation for a new transfer. Since English is the common language of business, for a successful business integration in most countries, it is often enough to speak it properly, clearly and simply. Also, much of communication is non-verbal, including understanding social hierarchy and proper introductions.

5. Situational factors

The lines between work life and home life can become even more blurred in an international assignment and often, if one area suffers, so does the other. Thus, the role of the family, especially the life partner, cannot be underestimated in the decision. Driven by operational imperatives, MNCs can sometimes pressure executives into accepting international transfers even when the family is not supportive. This is a mistake. Fulfillment of personal needs and the establishment of a support system are critical to the leader's professional success.

Potential issues that should be considered include the partner's own cross-cultural agility; children's needs; preferences and educational requirements; elder care requirements; relocation issues; healthcare considerations; and longer-term career and personal goals. We advise that leaders obtain direct input from their partners before finalizing a transfer. Some of the leaders we spoke with recommend including the executive's partner in a discussion over dinner during the selection process to more thoroughly explore the broader implications of a relocation.

On occasion, the cross-cultural strength of the partner may compensate for weakness in the executive. Terry Clontz, former president of BellSouth's Asia Pacific region and chairman of Singapore-based StarHub, recalled a situation when he was skeptical about a subordinate's ability to transfer to a new role in Shanghai. The Southern U.S.-based executive was adamant about the opportunity, so Clontz finally agreed to let him and his wife be tested in a cultural assessment program. The executive's scores were average, but his wife's were among the highest they had ever recorded. Therefore, Clontz made the decision to relocate the couple to Shanghai, where they remained for 15 years and assimilated well personally and professionally. Clontz attributes much of the executive's success to the high cross-cultural agility of his wife.

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KEITH BARR
CHIEF COMMERCIAL OFFICER,
INTERNATIONAL HOTELS GROUP

Sometimes, organizations can be tempted to send executives who have personal challenges abroad, believing the distance will give them a chance to both mend individually and renew their focus professionally. One CEO of a major consumer brand and former head of Asia, has seen this strategy fail many times. “You have to respect the foreign culture, which takes a lot of work and not all executives have the energy for it,” he said. “Some executives are sent overseas for the wrong reasons — executives with personal issues can have a tendency to further disconnect from the company as part of their healing.”

THE IMPORTANCE OF REALISTIC EXPECTATIONS

The candidate and the organization must be clear at the outset about the expectations of both the role and its longer-term career implications. Some executives assume a promotion is waiting for them back at headquarters at the end of an international assignment. But the right opening may not exist upon the executive's return. Seeing a lack of career progression among other executives who return from foreign assignments may cause executives to feel international postings are risky. They can even be perceived as career derailers rather than as important steps in their career development.

“It’s best to avoid considering an international posting as just a step on a ladder,” said Keith Barr, chief commercial officer of International Hotels Group and previously CEO of Greater China for the company. “It is better to set the expectation that embarking on a cross-cultural journey will forever make the individual a more broad-minded person and a more interesting and adaptable executive.” Yet, success in a foreign assignment can accelerate one's career and create a role model for others. Tim Love, former vice chairman of Omnicom Group, lived in Brussels, Tokyo and Singapore. He stated, “I remember in 1990 when my client Procter & Gamble promoted someone from a foreign

assignment into the CEO role for the first time in the company's 163-year history. After that promotional decision, everyone lined up for a foreign assignment.”

A strong foundation

Finding the right leader is an inherently complex process, and the challenge is amplified when the assignment is in another geography. With such high stakes, organizations cannot afford to deploy an executive who is not well-suited for such a major transition. Understanding and assessing for the characteristics of cross-cultural agility can help greatly in setting the foundation for a successful assignment.



Part 2

A Roadmap for Long-Term Cross-Cultural Success

Cross-Cultural Agility can be identified by skilled professionals with appropriate tools. Spencer Stuart has developed a number of such tools that are administered by our consultants and assessment professionals. However, understanding the key capabilities of cross-cultural agility — the ability to work effectively with people from another cultural background in another cultural context — and selecting leaders who possess it are only part of the equation. Oftentimes, the pool of candidates for an assignment is small and candidates will possess some characteristics of cross-cultural agility and lack others. Whether there are gaps in cross-cultural capabilities or the candidate seems to be an ideal fit, the transition is nevertheless a significant one. The most successful international assignments occur when the hiring manager, HR leader and the executive collaborate on the preparation for and continued development on such a journey.

CROSS-CULTURAL ASSIGNMENT SUCCESS: WHAT THE ORGANIZATION CAN DO

Many dimensions impact the success of a cross-border assignment, from expectations of the role to the changed dynamic with the home office. Actions can be taken at the enterprise level to both help the individual executive navigate these myriad issues as well as build cross-cultural agility throughout the entire organization.

Take a holistic approach

We have found that it is helpful for the HR leader, the executive's boss and the executive to explore some key questions on the various facets of an international assignment when establishing plans for a three-to-five-year timeframe. These questions can be especially valuable when cross-cultural agility needs to be developed further.

Succeeding in the role

- What are the longer-term measures for success in the new role?
For example, a newly transferred executive may be charged with identifying and grooming a local leader to become his or her successor once the assignment is over — a goal that is carried out over a period of years versus months.
- What were the development issues that the executive had in his or her previous role? These are likely to carry over into the new role. For example, being overly cautious about sharing information can be a manageable problem in a domestic leadership role, but can be fatal in a foreign assignment.

Balancing professional and personal life

- What are the development goals for the family? How can the family best take advantage of the international experience?

Relating to the home office

- How will the executive maintain communication and relationships with the home office? It is important to find ways to stay in the flow of information without the physical presence.

Transitioning back home

- How will we help the executive prepare for the transition back home? How can he or she make use of learnings from his or her international assignment to become more effective in all business dealings?

Create and communicate about formal programs

While individual executives with cross-cultural agility can set a positive example, organizations need a deliberate strategy to develop it on a wider scale. A formal development program not only builds cross-cultural agility within the organization's current talent bench, but also can serve as a powerful recruiting tool for talent. However, MNCs need to ensure that executives are aware that assessment and development programs for international assignments are available. Despite cross-border work being a high priority, most executives in our study did not even know whether or not their company offered an assessment or development program for international assignments.

**CROSS-CULTURAL ASSIGNMENT SUCCESS:
WHAT THE EXECUTIVE CAN DO**

An international assignment is a significant move, personally and professionally. We have found that the most successful executives take ownership of their cross-border experience, enabling the benefits to last long after the assignment is over.

Make the first 100 days count

Once the executive is settled, making the right first impression in the organization can set the tone for the remainder of the assignment. Success in the first 100 days will embolden the executive and his or her employees and family to confidently set the course for the rest of the journey. It is also important for the executive to learn the local business issues as quickly as possible. It is common for executives to discover that the manner of business transactions, the style of negotiating, how customers make buying decisions and the protocols of business meetings may be quite different from their home countries. Local regulatory and government policies will also vary. In multi-country or multi-divisional organizations, each entity may have different cultural norms and may vary significantly in their economic development. Thus, getting advice early on from colleagues on the ground is key.

Todd Shaw was transferred to Hong Kong from the U.S. to lead Bank of America's Asia Pacific (APAC) region's human resources group. He had never lived abroad before, but was aggressive in his approach to learning and said, "Executives need to approach these opportunities with a spirit of adventure, openness and desire to learn." His former manager said that Todd scheduled hour-long "tutorials" with local APAC leaders on the many differences in how business was conducted across the variety of economies and cultures in Asia. He was frank about what he didn't know, which gave others permission to openly share and help fill in the blanks. After a year, Todd developed a body of cultural knowledge and adopted a very flexible and culturally appropriate approach to business solutions. He went on to become senior vice president of HR for VeriFone, a highly global corporation. Organizations can enable or even plan these kinds of educational meetings to help ensure the executive learns about the landscape early in the assignment.

Think about the big picture

Leaders should stay focused on the role an international assignment plays in their overall career story. The assignment was accepted because it provides opportunities for growth and development, such as specific market expertise or general management exposure — leaders should not reach the end of the assignment without the experiences they came to build amid everyday pressures competing for their time.

Maximize the experience

An international assignment can have profound and lasting effects that transcend the leader's career. The opinion of the 25 global executives who we asked whether the international assignments benefited them personally was astonishingly unanimous. One executive stated that putting his children into a strong international school made them

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global citizens for life. Another remarked that sharing so many stimulating journeys together during his international assignment made his marriage stronger.

Prepare for challenges going home

Some people find it hard to re-acclimate to their home countries after the end of an international assignment. One executive advises expats to relocate to a new location upon returning to their home country, reasoning that they would have less in common with friends who have not experienced other cultures. One international executive from Sao Paulo who lived in Asia and London shared his experience with this disconnect, noting, “I still have friends from Sao Paulo, but I just don’t have as much in common with them as someone who has also lived in remote parts of the world. It’s a more relevant and interesting, common experience.”

Draw on cross-cultural agility for future career changes

In some cases, executives can also apply the cross-cultural agility paradigm to other types of potential career transitions, such as a significant change in functional role or industry. Shifting from sales to marketing may not be so significant, but shifting from an administrative support role in finance or human resources to a general management role may require a more deliberate transition plan. It may be helpful to consider applying the five capabilities to such a transition:

1. **Curiosity** – The desire to learn a new role or industry
2. **Risk-taking** – The ability to take the chance on a dramatic move
3. **Self-awareness and adjustment** – The ability to recognize your strengths and weaknesses and adapt to a novel situation
4. **Knowledge of the new environment** – The understanding of how knowledge and insight is built over time
5. **Support system** – The existing external foundation (i.e., family, friends and other situational factors) to help cope with the change and stress of the transition

CONCLUSION

International assignments have high stakes for both the individual leader and the organization. Identifying executives with strong cross-cultural agility is vital, but it is only part of the process. Once a leader has been selected, the focus must shift to efforts to continue his or her development and to foster cross-cultural agility throughout the enterprise. With collaboration and open discourse among the executive, the hiring manager and HR leaders, a cross-border assignment can evolve into a journey of long-term success.

We appreciate the firsthand insights shared by senior leaders including:



Terry Clontz, former president of BellSouth's Asia Pacific region and chairman of Singapore-based StarHub



Tsun-yan Hsieh, chairman of Linhart Group and CEO and board adviser



Keith Barr, chief commercial officer of International Hotels Group



Geoff Haydon, CEO of Absolute Software



Tim Love, former vice chairman of Omnicom Group



Larry Scott, commissioner of the Pac-12

About the author

Phil Johnston provides executive search and assessment services, with an emphasis on cross-cultural agility, to a range of international clients. He previously led Spencer Stuart's Southeast Asia and Western U.S. businesses. He combines more than 15 years of executive search experience with 20 years of technology and life sciences industry expertise. Phil has conducted more than 150 board, CEO and CEO succession assignments for global life sciences and technology companies, and is a human resources functional expert.

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