

## Global View

# Expat 2.0 The Global Executive

As businesses the world over expand their operations into foreign markets, they have to be able to identify executives who can move seamlessly between markets and cultures, compensating for deficits in local talent and spreading best practice and corporate values into the farthest reaches of the organization.

The longstanding caricature of the expat — typically a Western executive imposing the wishes of the head office on far-flung markets while enjoying a privileged lifestyle and preferential tax status — is fast becoming outdated. Mindful of the negative connotations, a number of leading global organizations have even deleted the term “expat” from their lexicon.

In this article we offer a conceptual framework for thinking about the evolving role and expanding mandate of what we prefer to call “global executives” and explore the competencies, aptitudes and experiences commonly found in the most successful of this new breed of leaders.

## What has changed for the expat

Two trends have affected how companies deploy people in overseas markets today and how they think about the talent they send abroad. The first significant shift is that when a company expands into new markets, its center of gravity changes: it starts to source leaders from a broader geographic pool, and places its best people into the right positions regardless of their nationality. In the best cases, talent becomes mobile. “Employing a wide spectrum of people from different countries can bring different experiences and fresh thinking into the organization,” says Damien Marmion, CEO of Max Bupa Health Insurance, based in New Delhi. Ray Gammell, chief people and performance officer of Etihad Airways, the United Arab Emirates’ national airline, agrees. “The experiences of these global executives and their contribution to our rich culture are a huge competitive advantage to us — a real differentiator.”

The second clear shift is a growing preference for developing and deploying local talent with the skills and market knowledge to manage and grow businesses in local markets. Since this is not always possible in the short term, non-nationals (expats) often have the twin roles of stewarding the business effectively while hiring and developing high potentials from within the market who can take over leadership positions. One of the true tests of a global executive, then, is whether they prioritize building a legacy for the business above their own personal career goals.

## What makes an outstanding global executive?

Today's expat could, theoretically, come from anywhere and go anywhere — a very different situation from a decade ago. The criss-cross of talent within the organization becomes more complex, so there is a premium on being able to assess who has the right skill-sets and personal characteristics to handle international assignments. “To be considered for an international assignment, you must either bring something to the table like a deep set of skills and expertise, or be someone identified with high potential, for which this will be an accelerating development opportunity,” says Assaf AlQuraishi, vice president of human resources — North Africa & Middle East, Unilever. “You must have a solid track record of performance in your established role, because once you become an expatriate the expectations of you are so much higher.”

### CATEGORIZING INTERNATIONAL EXECUTIVES ●

To help companies understand the candidate population, we have developed the following framework for thinking about different groups of executives with international experience:

- **GLOBAL CITIZENS:** Executives who have spent long periods of time outside their country of nationality and who have demonstrated their ability to lead and succeed in multiple markets. They transcend any one nationality or culture.
- **RETURNEES:** Executives who return to their country of origin or birth after long periods in other markets, bringing with them knowledge of how to operate across cultures and to be the bridge between multinationals and their operations in new markets. Returnees form an important part of the jigsaw puzzle of international talent; they are an appealing option for many companies, but successful examples are not as common as some would believe because of “tissue rejection.”
- **REVERSE EXPATS:** Executives from “emerging” markets who are sent abroad to lead expansion of emerging market-based companies into developed markets. They bring the dynamism and momentum of their companies and cultures into developed markets.
- **IN SITU GLOBAL EXECUTIVES:** Executives with a history of extensive and successful global experience who are based back in their home markets (often in developed economies) and serve as effective bridges to international operations, drawing on their successful past experiences abroad.
- **TALENT DEVELOPERS:** In certain developing markets, executives are hired to fill a skills gap, but are given explicit responsibility for creating a succession pipeline inside the company and taking firm action to coach, mentor and promote national talent.

Terry Kramer, former group human resources director and chief of staff at Vodafone, looks for people who have demonstrated an ability to adapt and be flexible in the course of their careers. “Perhaps they have made a successful transition between two very different divisions, have moved successfully between staff and line jobs, have led high- and low-per-

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formance teams, or maybe have moved extensively within their own country. All of these examples provide some evidence that a person is able to adapt to a new cultural context outside their home market.”

Global executives may be a highly eclectic group with incredibly diverse roles and responsibilities, but they generally have a strong desire to be part of something that’s successful. “They want to apply their skills with the best and the brightest, and have the platform to grow personally,” says Marmion.

Motivation is clearly important, but what sets successful global executives apart is cultural dexterity, which comprises several qualities, including humility, sensitivity, intellectual curiosity and agility.

**Humility.** The natural desire to exert influence in a new role needs to be tempered by a willingness to learn.

“Management pride is dangerous,” says Jean-Luc Butel, EVP of Medtronic, a medical technology company. Said another experienced expat: “I watch to see whether people are smart enough to say they don’t know something. It’s a sign of intelligence, not a sign of stupidity. Having a little of the “imposter syndrome” [not believing you have all the answers] is uncomfortable, but healthy. It forces you to be open to new learning and to consider the opinions of others on your team. In a situation of power, it’s easy to be seduced into thinking that you know everything or that you are supposed to.”

For Anthony Christie, chief marketing officer of Level 3 Communications, listening is crucial. “One of the main reasons international executives do not work out is that they try to impose their own cultural or world view, trying to make everything operate the way it does in their own market, which is often company headquarters.” Kramer agrees: “You need natural relationship-builders who don’t make snap judgments.”

One international group president recounted interviews with two candidates for a senior finance position in China. One spoke fluent Mandarin and asserted his plans for the new role. The other came with five books on China in his briefcase. “He said, ‘I know little about the country, but I’ve started to read a lot and inform myself. You are not going to get someone more dedicated and excited than I am to go to China.’” The less experienced (but highly capable) candidate disclosed what he didn’t know and was awarded the management role instead of an overly confident, more senior candidate. “He took a while to get going, but over time became a real star.”

**Sensitivity** to cultural nuance is a critical quality for any executive operating on the international stage. It cannot easily be taught, although for Vsevolod Rozanov, CEO of MTS India, the key is “cultural immersion.” Effective global executives immerse themselves in the local culture to sharpen their understanding and insight, says Rozanov. “In India, for example, taking a genuine interest in Bollywood, cricket and Indian food would increase a foreign executive’s chances of gaining acceptance within the company and the wider business community.”

**Intellectual curiosity** is useful at two levels. It deepens the understanding of what drives the local business and what motivates its employees; it also helps develop an appreciation of the broader cultural context. Global executives with a willingness and propensity to learn become increasingly valuable to their organizations over time. “I look for people who are driven by intellectual curiosity,” says Christie. “Much of an expat’s success and enjoyment comes from having a genuine interest in how people and cultures operate. You want the executive who will be energized by the differences, not frustrated by them or seeking to change them.”

**Agility** is a quality that every global executive must possess. It has multiple dimensions: intellectual, cultural, social and emotional. The most effective executives can adapt their style and approach to what they see in front of them. Culturally agile people will use their guile and influence to locate the resources they need without trying to learn or do everything by themselves. They are prepared to work with what's available and are interested in finding the best solution, regardless of whose idea it might be.

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The formation of a global executive with these characteristics often begins well before their arrival in the workplace. Upbringing, education and other early experiences all play a role. Cultural fluency can result from being raised abroad; or it can be acquired from parents

who encourage their children to be tolerant, flexible and to have “eyes wide open to the world,” says Rozanov, who credits his openness to other nationalities, languages and cultures to being raised in Russia during an era of social equality.

Whereas in the past people often became expats in the twilight of their careers, today’s global executives represent a completely different demographic — younger, mobile, ambitious and risk-oriented. They also tend to be internationally educated. Those who have not yet been exposed to overseas environments have often benefited from attending educational institutions that deliberately foster a global outlook, something that Asian business schools are increasingly good at.

## Long-term commitment required

One of the biggest changes to the expatriate experience is the length of commitment companies expect from their international assignees. “In my view, a one-time expat is of little value to the company,” says Nalin Miglani, global human resources director for Tata Global Beverages. “These are the most expensive ones, and they often fail. I insist that people who work internationally do five years minimum. In the traditional three-year model, the first year is to learn, the second year is productive, and in the third year they’re already thinking about what they’ll be doing back home. To extend the productive period, we look for a five-year commitment. I also consider whether people are there just because they want to say ‘I’ve done it, now I can progress further in the corporation,’ or whether they have a genuine interest in developing a more comprehensive international career.”

As global executives leverage their prior experience in a succession of roles, they become increasingly useful to their organizations. This gradual accumulation of diverse experiences is what brings the greatest value to the business, says Gammell. “You work in different parts of the world, you build your portfolio of skills and learn from each location while seeing what is common about the corporate strategy, culture and language.”

The success of an international assignment is measured not just by time commitment but by the legacy the executive leaves. AlQuraishi says of his own experience: “Identifying my successor is entirely appropriate, and I see it as one of my objectives. I would say to any executive that if you haven’t built a strong succession plan, the business hasn’t fully benefited from you as an expat.”

## Positioning the global leader for success

International assignments need to be managed with rigor and discipline, to ensure that both the company’s and the individual’s needs are being met, and to prevent people from staying in roles long after they have ceased being useful.

## THE EXPAT EXPERIENCE AS CAREER DEVELOPMENT

It used to be the case in the Western-dominated world of multinationals, when overseas competition was limited and stakes weren't so high, that developing high potentials was one of the main reasons for expat assignments. Executives taking up overseas postings usually did so because it was an opportunity for personal growth and preparation for greater things. Today, however, underperformance in these roles has more serious consequences, so companies can't take the developmental risks they might once have done. That said, the development of international assignees is fundamental to any organization's talent base; finding a balance between offering high potentials the opportunity for personal and career growth and securing the best outcome for the organization is particularly important when it comes to overseas assignments. "The company needs to be clear about whether they need an expat's skills and experiences to 'export' to a new environment, or whether the assignment is for that expat to learn from other successful markets and be groomed for future opportunities," says Terry Kramer. "These are both valid but different objectives, but the leadership team must be really clear about this."

Butel recommends that whoever is sending the person out to become a representative of the business should work with the destination country to draw up a job specification, "so that the task is fully understood by all parties, and to make repatriation easier at a later stage." Kramer believes that defining the goal of an international assignment is essential in selecting the right person. "The company needs to know what it is trying to get out of the assignment, and the individual needs to know what success looks like."

Employers have to make wise choices about which executives to send around the world. Mistakes are costly, so investing time and effort in the careful assessment of candidates will greatly improve the chances of success. One senior executive, for example, makes a point of interviewing candidates in the new country where they would be assigned: "It is expensive, but not nearly as expensive as a bad decision."

To be successful in an international assignment, you have to relish diversity and embrace change — "be comfortable being uncomfortable," as one executive explained. Since international assignments involve a lot of first-time learning, the technique of unnerving candidates can be a useful way to test how well they will cope when thrown into unusual situations, according to Butel. "I make a point of taking candidates out of their comfort zone during the interview. I want to see how they react to the unexpected."

An executive's willingness and ability to make a long-term commitment to working overseas often depends on his or her family situation. A good employer will assess carefully what the family is prepared to put up with and how well they are likely to adjust to the new environment. A significant percentage of expatriate assignments fail, and one significant contributor to those failures is spousal or family issues. Moving someone to a new country is a major upheaval, so the employer has to take care over the decision, then provide practical support to ensure a smooth transition. However, leaving arrangements entirely to the employer can be a mistake, cautions Marmion. "I want the person to be a driver not a passenger, to take responsibility and plan meticulously — not just for an international move, but for their whole career."

A well-developed onboarding program plays a vital role in helping executives settle in and become productive. Some companies are good at this, but many are not, especially those that do not send many executives overseas. The difference between success and failure can be as simple as appointing a mentor to help navigate the early acclimation period.

## Conclusion

In today's more nuanced and complex world of international business, the concept of the expat has expanded and taken on multiple forms. The demand is growing for globally minded, culturally sophisticated executives who can produce results on the world stage, regardless of nationality. Finding and developing these executives should be a major priority for any multinational.

There is more work to be done in developing sophisticated assessment methodologies that can assess cross-cultural fluency and help identify the executives most likely to perform well in diverse markets. Judging by many of our conversations with senior executives responsible for making such appointments, intuition still plays a big part in decision-making. Spencer Stuart is currently conducting further research to pinpoint the characteristics that make global executives successful and to develop the assessment tools that will help companies make the best possible decisions.

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