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Leading and Managing in a Global Environment: Developing Executive Competencies for the World Stage

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Leading and Managing in a Global Environment: Developing Executive Competencies for the World Stage

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Abstract

This paper explores the challenges of developing the executive competencies needed to successfully lead and manage global enterprises. It reviews global competency models and the problems of identifying global skills. It looks at the difficulties of developing global competencies, particularly through overseas assignments. Finally, it considers other methods of developing global skills and the implications for both individuals and firms.

Note: a fuller version of this paper will be found in Murray, P. & Poole, D 'Contemporary Issues in Management' Thompson, (forthcoming).

Leading and Managing in a Global Environment: Developing Executive Competencies for the World Stage

‘We have always talked about the global executive, but the need to find managers who can be effective in many different settings is growing even more urgent. In addition to looking for intelligence, specific skills and technical insights, companies are also looking for executives who are comfortable on the world stage.....And yet we have a lot to learn.....Many companies haven’t been all that successful at developing global executives from within.... The intentions are good, but the fact is, practice hasn’t caught up with intent.’

Daniel Meiland, Executive Chairman, Egon Zehnder International¹

Introduction

The quote from Daniel Meiland encapsulates many of the issues raised in discussing the development of executive competencies in a global environment. While there is a pressing need for people who can operate successfully on the corporate ‘world stage’, the formal development processes provided by many companies have been lacking. The reasons for this are not straightforward and the exploration of executive competencies in this paper is not a particularly neat journey, nor is it one with a happy ending. One reason for this is that the study of global competencies is in its infancy. Although progress has been made there are still many challenges. These range from defining executive global competencies in the first instance, through to developing and continually updating complex skills in a rapidly changing environment.

This paper explores these areas. It briefly considers the nature of the global environment. It reviews competency models and global competencies in particular. It looks at the challenges of developing competencies for leading and managing globally. It also considers the benefits and problems of overseas assignments. These have been the major developmental vehicle used by companies to develop global skills. Finally, it explores other developmental methods and the implications for both individuals and companies going forward. But first, let us briefly explore the scope of the challenges of operating in a global environment.

The Global Environment

In the last fifteen years the domestic business context in many countries has changed dramatically. Most industries have experienced a degree of competition which has been unprecedented. Nevertheless, these changes are a pale reflection of the challenges of operating successfully in the global business environment. As Mendenhall, Kühlmann and Stahl (2001) note, operating in the global marketplace multiplies the variables and interdependencies that an individual must take into consideration in their decision making. In global organisations the strategic planning of today may be outdated by next month and the dynamics of the global environment

create extreme time pressures which cause executives to act without sufficient information and analysis. They liken the requirements for managing in a global context to a chess player who is required to play against an ever changing number of participants, while having to observe partially unknown rules that are subject to changes without announcement.

The developments in cross border trade, global products and higher global standards in productivity and quality, have changed the rules of how business is done internationally and how business should be led and managed. In the context of global competition, managing and leading become much more complex. Managers not only have to deal with different nationalities and work in different countries, but also face an increasing complexity of organisational structures, innovations in information and communication technology and accelerated product life cycles (Mendenhall, Kühlmann and Stahl, 2001).

Consequently, globally competent managers are fundamentally important for the future success of all multinationals. But in order to ensure that they have the leaders they require, organisations face two critical problems. The first is in identifying the qualities or competencies that are needed to operate successfully in this environment. The second is in understanding how these competencies can be developed. Unfortunately, our collective understanding of both issues is, at best, incomplete and attempts to develop global competencies have sometimes been based on misplaced assumptions. Let us first consider the issues in identifying competencies.

Competency Models

Before discussing global competencies, it is important to review the issues related to competencies in general as these provide a backdrop to understanding the problems of identifying and developing global competencies. The concept of competencies has largely been developed in the domestic environment, but even within this more limited context, competencies have not been without their problems.

The notion of competency has gained ascendancy in a very short space of time in the business literature. Fifteen years ago the concept was hardly used either by practitioners or academics, but since then has spawned a lot of activity including considerable effort by some governments to develop national competencies and legions of consultants to implement them.

There are at least three strands to the competency debate. One strand is the move by governments in the UK, USA and Australia to develop competency based frameworks that attempt to raise a countries' overall level of work skills and performance. Another is 'individual' or 'work' competencies' which are a set of models designed to improve individual work performance. Additionally, 'organisational' competencies are seen as the core qualities that give an organisation a competitive advantage in relation to a firm's corporate strategy. Both organisational competencies and individual competencies have implications for the development of global competencies.

In general, the use of competency in the strategy literature focuses on the core competencies and capabilities of organisations as the principle source of competitive advantage. Two of the leading exponents of this perspective, Prahalad and Hamel

(1990), argue that corporations can identify a relatively small number of underlying competencies that give them a sustainable strategic edge in the market place. For example, Sony's precision manufacturing processes and reliability are core competencies which provide competitive advantages across a large number of product lines and markets.

Ulrich and Lake (1990) and Lawler (1996), argue that organisational capabilities, allow organisations to perform in particular ways that are critical to business performance. Quality, speed, low cost operations, learning, innovation and customer focus are examples of these kinds of capabilities. These capabilities do not reside in any one individual or, for that matter, in any one area of technological excellence. Instead, they reside in the systems, structures, cumulative knowledge and mindset of the organisation. As a result, they are hard to develop and hard to duplicate, but they are potentially a significant source of competitive advantage.

Individual Competencies

In turning to individual competencies it is important to bear in mind the potential link between organisational and individual competencies. Developing individual competencies without considering the implication they may have for contributing to the overall strategic direction of the firm would seem to be a major limitation. Yet, few writers have tried to link organisational competencies with individual competencies. This has not occurred largely because the strategy based view of organisational capabilities is very different from the individual competency approaches, which are rooted in the human resource tradition (Finegold, Lawler and Ledford, 1998).

This competency tradition is 'bottom-up' and includes a range of work based abilities, skills and knowledge. Boyatzis (1982) can be credited for setting in motion the contemporary interest in individual competencies. In his studies he identified twenty-one competencies (such as conceptualisation, memory, objectivity and self confidence) that distinguish high from low-performing managers and developed a framework which has since been implemented in many companies.

An important advantage of the individual competencies approach is that it provides guidance about ways to enhance performance. Whereas the organisational competencies identified by strategists are somewhat vague and emphasise broad patterns of activity, writers concerned with individual competencies emphasise precision and typically connect competencies directly to human resource systems (Finegold, Lawler and Ledford, 1998). Used as part of a formal selection process and supported with appropriate reward and performance appraisal systems which reinforce current competencies and encourage the development of additional competencies, the approach can provide a strong platform for enhancing work performance.

However, there are several shortcomings with competency based approaches. Generic competency models have been criticised for being too rigid and too vague and general. The use of pre-packaged 'one fits all' competency models, such as communication skills, that are not 'core' competencies in the strategic sense, are unlikely to provide any kind of competitive advantage (Dainty & Anderson, 1996).

Competency models have also been criticised for being too static and based on past successes rather than future needs. In a rapidly changing business context this approach may mask the new competencies that may be needed. Additionally, some competency models tend to assume groups like 'management' are homogeneous, but, as Kotter (1982) notes, sound theories must account for the significant variety of circumstances in which managers work. In environments that are rapidly changing, a much more nimble, anticipatory, temporary structure of competencies may be more appropriate than the elaborate, job analysis like systems of competencies that are prevalent (Ledford, 1995).

Despite these limitations, there are several areas of broad common agreement across individual competency models. It is outside the scope of this paper to attempt to document the full range of competencies that have general support. But in principle, the areas of interpersonal skills, analytical techniques and business/organisational knowledge have been identified as being important and generally supported for some time. More recently, there has been an increasing emphasis on the competencies of learning and coping with complexity and change.

Moreover, while some approaches have been overly rigid, the competency approach has the potential for flexibility and thus fits better with managing globally. The development of a broad set of competencies is potentially much more appropriate for coping with the rapidly changing nature of the global environment than recruiting and developing individuals within a precise job description. This requires a change in emphasis from hiring someone to fill a job, to one where the individual is seen more broadly as part of the organisation. Such a shift also opens up the possibility of aligning individual competencies with the core competencies of the organisation.

Global Competencies

Translating this potential into the realities of the global environment, however, has still some way to go. Even defining the term 'global competencies', is not straightforward. As Miller (2001) points out, the term is used indiscriminately without much thought being devoted to what the author, scholar or business practitioner had in mind.

Additionally, assumptions are often made about the transferability of competency frameworks. For instance, in looking at global leadership models, few writers highlight the fact that most have domestic roots. Adler (2001b) argues that amongst the hundreds of definitions of leadership, few are truly global. Most leadership theories are still domestic theories masquerading as universal theories and tending to reflect one gender (male) and one culture (American). As Adler (2001a) notes, of those leadership theories that are not US based, most still tend to be domestic, reflecting their own cultural values; such as descriptions of Israeli leaders in Israel and Indian leaders in India.

This does not mean that domestically generated leadership theories have no relevance to the global environment. While a number of writers have pointed out that global leadership is not the same as domestic leadership (Adler, 1997, Dorfman, 1996), nevertheless global leadership also involves basic leadership competencies. For

instance, Yeung and Ready (1995) in an empirical study of 1200 managers from ten multinational corporations found that leadership roles such as setting a direction, aligning people and motivating and inspiring, were qualities needed in whatever country the manager operated. This consensus between managers from different firms and nationalities was thought to result from the similarity of the challenges found in the global environment.

The danger, however, is in carrying the application too far. Clearly, domestic competency and leadership models will have some relevance globally. But there are limits to this and knowing where to draw the line, if development efforts are to be successful, is critical. For instance, Zander (1997) conducted a study in eighteen countries of the relationship between cultural dimensions and employees' interpersonal leadership preferences. She concluded that not only do managers display and exercise different managerial styles, but employees also differ in their preferences for different leadership approaches across countries.

Indeed, even in one culture, exercising leadership can be demanding. If this is seen in conjunction with the work of Hofstede (1980) who demonstrated the wide differences that exist from one culture to another, the enormity of the challenge of the global context becomes evident. But it is an important challenge to try and come to grips with. While many HR departments have provided competency models in many companies, their implementation has been met with limited enthusiasm, due to such factors as, definitional imprecision, level effects and cultural contaminants (Von Glinow, 2001).

Table 1 - Global Competencies

- | | |
|---|---|
| • Global Business Savvy | • Global Organisational Savvy |
| • Integrity Managing Cross-Cultural Ethics | • Thinking Agility |
| • Managing Uncertainty | • Maturity |
| • Balancing Global versus Localization tensions | • Expertise in Negotiation Processes |
| • Inquisitiveness/Curiosity | • Conflict Management |
| • Self Learning | • Community Building/Networking |
| • Change Agency (<i>sic</i>) | • Stakeholder Orientation |
| • Creating Learning Systems | • Improvisation |
| • Motivating Employees | • Establishing Close personal Relationships |
| • Entrepreneurial Spirit | • Courage |
| • Commitment | |

From Mendenhall (2001)

Identifying Global Competencies

Models of global competencies are not found in great abundance. The research is limited. Those that have been identified in the literature have been drawn together by Mendenhall (2001), shown in Table 1 above.

Some of the competencies overlap. Other lists¹ and a later study by Caligiuri and Santo (2001) show a similar set of attributes. They list eight global competencies, within three categories of, ability, knowledge and personality (Table 2). In general, three competency areas consistently appear in the studies. These are,

1 A set of Business Knowledge competencies, concerned with understanding the global business environment and how the company fits into it, including business strategies and products, and the organisational resources to pursue global market opportunities.

2 A set of Personal competencies, both cognitive and affective that enable one to operate in the global environment, including being able to cope with change and ambiguity.

3 A range of Interpersonal competencies, which include the ability to communicate, manage conflict and operate effectively across cultures.

Table 2 - The Eight Developmental Goals of Global Competence

Category	Proposed Developmental Goal
Ability	Increase an individual's ability to transact business in another country
Ability	Increase an individual's ability to change leadership style based on the situation
Knowledge	Increase an individual's knowledge of the company's worldwide business structure
Knowledge	Increase an individual's knowledge of international business issues
Knowledge	Increase an individual's network of professional contacts worldwide
Personality	Increase an individual's openness
Personality	Increase an individual's flexibility
Personality	Reduce an individual's ethnocentrism

From Caligiuri and Santo (2001)

Business Knowledge competencies are often emphasised by writers in the field. Miller (2001) argues that knowledge and functional competence are the starting point for the global competency equation. Knowing the business and its strategic intent helps the employee to respond to organisational demands in the ever changing circumstances of the world. Global leaders, regardless of functional specialism must be competent in knowing and delivering state-of-the-art recommendations and knowledgeable about the global business conditions facing the enterprise.

While the literature indicates that Business Knowledge competencies are important, nevertheless, it is the latter two groups of Personal and Interpersonal competencies which are often seen as the potential stumbling blocks for success in the global environment. Of the Personal competencies two in particular tend to be highlighted more frequently than the rest. One of these is inquisitiveness/curiosity. For Black Morrison and Gregersen (1999) it is a central trait which acts as a kind of psychological glue that holds the others together. Spreitzer, McCall and Mahoney (1997) also note that individuals who are likely to succeed as international executives manifest this inquisitiveness competency. It motivates them to learn and enjoy the very process of learning. Such people proactively seek formal and informal experiences to learn about themselves, the work environment, the organisation, the external environment and how these elements interact. Dalton and Wilson (1998) also found that inquisitiveness was one of the most important determinants of expatriate success.

The second Personal competency seen to be particularly critical is that of a 'global mind-set'. Rhinesmith (1995) defines the global mind-set as 'the predisposition to see the world in a particular way, set boundaries, question the rationale behind the things that are happening behind us and establish guidelines to show how we should behave'. According to Pucik and Saba (1998) the global mind-set indicates 'sharing information, knowledge and experience across national, functional and business boundaries and balancing competing country, business and functional priorities that emerge in the globalisation process'. Others emphasise the cognitive processes underlying the global mind-set. For instance, Tichy (1992) argues that leaders who have a global mind set are able to conceptualise and analyse the ways in which geopolitical and cultural forces impact on business. Pucik and Saba (1998) argue that a global mind-set allows people to 'drive for the bigger, broader picture, balance paradoxes, trust process over structure, value differences, manage change and seek life-long learning.'

Possibly the most critical Interpersonal quality, is an 'intercultural' competency. Intercultural competence refers not only to cognitive skills, such as knowledge of the culture, language and cultural standards (as well as one's own and foreign cultural characteristics), but also to affective and behavioural skills such as empathy, human warmth and the ability to manage anxiety and uncertainty (Kealey, 1996; Moosmüller, 1995).

Stahl (2001), in studies of German expatriates conducted with Kühlmann, found intercultural competencies to be critical for managers posted abroad, comprising,

- Tolerance for ambiguity
- Behavioural flexibility
- Goal orientation

- Sociability and interest in other people
- Empathy
- Non-judgementalness
- Meta-communication skills; concerned with bringing clarity to the intercultural communication process

Most writers agree that the global competencies highlighted above provide direction in identifying what is needed to operate successfully in a global environment. While this is an important start, however, it is probably only just that. For instance, the question mark about the broader applicability of some leadership models also applies to competency approaches. Most of the competency research has focused on US managers working in specific regions or countries and it is not clear if findings from these studies are generalisable. Moreover, where global competencies are discussed, rather than those needed to perform successfully in just one overseas job assignment, there are many cultural contaminants - cultural and nation specific factors - that muddy the competency equation (Von Glinow, 2001). The dilemma is a balancing act between producing focused and tailored competencies which are relevant in one context, yet not so specific that they are inappropriate in another country. The solution, as Von Glinow (2001) suggests, may lie in first identifying the competencies necessary within one or more national or cultural contexts, and then learning to emphasise or prioritise different competencies in different settings. As a general rule, however, this is far from common practice either within companies, or by individuals.

Developing Global Competencies

While identifying global competencies is important, a potentially greater challenge is in providing the environment and opportunities to consolidate or enhance those competencies. Unfortunately this has not been a priority for many companies. While aware of the critical need to develop global competencies, up until quite recently, few companies had made much progress in establishing effective processes. Gregerson, Morrison and Black (1998) in a survey US Fortune 500 firms found that most companies lacked the quantity and quality of global leaders they needed. 85% reported that they did not think they had an adequate number of globally competent executives and 67% thought that their current executives needed additional knowledge and skills before they met needed global capabilities. Yet less than 8% of the firms reported said that they had a comprehensive system for developing global leaders.

Developing global competencies through overseas (on-the-job) assignments.

Some of the reasons for this situation lie with the companies themselves and poor or limited training programs. However, the development of global competencies is not and may never be an easily managed process. A starting point in discussing possible reasons for this and the development process in general is with overseas, or 'on-the-job', work assignments. Most writers, and many individuals and companies agree that potentially this is one of the best ways to develop global competencies. Aycan (2001) argues that expatriation provides first hand exposure to the international operations of the organisation as well as an opportunity to monitor and scan business opportunities and resources. It also enables expatriates to learn to coordinate local and business activities.

The potential force of overseas assignments is illustrated by the study of Gregerson, Morrison and Black (1998) who asked expatriates to name the most powerful experience for developing global leadership capabilities. 80% responded that living and working abroad was the single most influential experience in their lives. John Pepper, the former CEO and Chairman of Procter & Gamble, states 'There are few things that totally change your life, and taking my first international assignment in Italy was just that kind of experience' (Bingham, Felin and Black, 2000).

Many studies reinforce the value of these assignments. A study of 135 expatriates by Oddou & Mendenhall (1988) shows the kinds of competency improvements that typical follow from a posting overseas. These include,

- increased global perspective of the their firm's business operations
- greater planning ability
- increased ability to communicate effectively with people of diverse backgrounds
- better able to comprehend and conceptualise business trends and events due to the exposure to contrasting cultural, political and economic work systems
- better motivators as a result of working with culturally diverse personnel overseas.

Even so, an overseas assignment does not guarantee competency development. As Mendenhall (2001) notes, although international assignments can be effective ways for developing global leaders, attempts to leverage these have often been flawed. Frequently, 'fast-trackers', have been sent overseas with only minimal training. Because they are capable individuals it is assumed they will 'work things out'. But, simply sending someone overseas does not ensure they will automatically develop global competencies.

There are many reasons why development might not occur, but two particular questions need to be born in mind. The first is to what extent can competencies be developed at all? Are people born with latent attitudes and behaviours that enable them to operate successfully on the global stage, or can the competencies discussed earlier be acquired or developed? The second question is, even if they can be developed, what does this really mean and who has the responsibility for the process - the individual or an external party like a corporation? Neither issue is new, but both pose particular dilemmas for global competency improvement.

Possible limits to competency development

Earlier, eight competencies in three broad competency categories of, knowledge, abilities and personality characteristics identified by Caligiuri and Santo (2001) were outlined. Personality characteristics are enduring traits that predispose people to behave in certain ways and play a part in several competency typologies. It is generally agreed that basic personality traits are relatively stable or immutable over time and thus not normally open to improvement. Knowledge and ability are usually seen as amenable to development to differing degrees.

Caligiuri and Santo (2001) also investigated which of these competences could be developed from undertaking a global assignment. Their study involved 165

participants from three US based multinational companies. The results showed that those undertaking overseas assignments increased their knowledge of the company's worldwide business structure and their worldwide network of professional contacts. They also improved their ability to transact business in another country and to change leadership style based on the situation.

For personality, however, there was no significant difference for those taking overseas assignments in either 'flexibility', or 'ethnocentrism'. On 'openness' those on the overseas assignments actually rated themselves less highly than those who had not gone overseas. One conclusion from this is that the overseas participants may have realised how little they knew as a result of the overseas assignment. This could mean they had become more sensitive and aware of their own limitations, which is invaluable learning in itself.

However, these results also suggest that some personality characteristics, while desirable for leading and managing globally, may not be significantly improved through overseas assignments. Indeed, other research suggests that aspects of inquisitiveness are also a product of nature rather than nurture (e.g. Noble, Ozkaragoz, Ritchie, Zhang, Belin & Sparkes, 1998). This is important in view of the fact that most theories of global leadership contain some personality factors. (Adler & Bartholomew, 1992; Kedia and Mukherji, 1999; Levy, Beechler, Taylor and Boyacigiller, 1999). Thus, while our cumulative knowledge in this area is not great, this does highlight the need to look carefully at the possible limitations as well as the benefits of overseas assignments on competency development.

Developmental challenges and global assignments

Even with competencies such as knowledge and abilities, that are less controversial in terms of their potential for improvement, development is not straightforward. Indeed, if the aim is to develop competencies that enable someone to truly operate across many countries and cultures, then the developmental implications are immense. As Black and Gregersen (2000) argue, a domestic leader need only put his or her mind around one country, limited cultural paradigms, one political system and one set of labour laws. A global leader must stretch his or her mind to encompass the entire world with hundreds of countries, cultures and business contexts.

To make such a shift, to develop the skills and mental approaches (including a global mind-set and intercultural competence) necessary to operate successfully in a global context, usually involves a high degree of personal change. How much change depends on several factors including the individual's past experience, current skill level and motivation. Nevertheless, for many people, as Mendenhall (2001) notes, global leadership development involves fundamental personal change. This is not simply a matter of adding new nuggets of information to their cultural levels of thinking, or current portfolio of management expertise. It requires throwing away old managerial skills and replacing them with new ones which is far from an easy process. Several writers have outlined some of the difficulties in trying to change mindsets, nevermind the full range of other global competencies (Dainty and Anderson, 2000, Black and Gregersen, 2000). In fact, Mendenhall (2001) argues it is in many ways one of the most challenging, exciting, painful and frustrating experiences one can have in life.

In a study of 35 US American expatriates, Osland (2001) found that the most commonly used words for describing their lives overseas were ‘challenge’, ‘adventure’ and ‘learning’. While the difference between domestic challenges and other cultural experiences is a matter of degree, those on overseas assignments are upended by concurrent changes in culture, job context and socioeconomic supports. Consequently, a move abroad, involving simultaneous changes on virtually all fronts, has numerous potential stressors, both positive (novelty and adventure) and negative (feeling inadequate, marginalised, overwhelmed by uncertainty). It is not surprising then that Osland (2001) likens an overseas assignment to a transformational process that is similar to death (‘letting go’) and rebirth (‘taking on’). Some of the sacrifices involved are outlined in Table 3.

Table 3 - The Transformational Process

Letting go	Taking On
Cultural certainty	Internalised perceptions of the other culture
Unquestioned acceptance of basic assumptions	Internalised the values of the other culture
Personal frames of reference	New or broader schemas so that differences are accepted without a need to compare
Unexamined life	Constructed life
Accustomed role or status	Roles assigned by the other culture or one’s job
Social reinforcement knowledge	Accepting and learning the other culture’s norms and behaviour
Accustomed habits and activities learning	Substituting functional equivalents
Known routines	Addiction to novelty and

From Osland (2001)

Osland (2001) argues, that many expatriates have to plumb the depths of their inner resources, first to survive the changes, then to be effective and finally to develop explanations for the ambiguity of their new experiences. Indeed, several writers liken the experience to the heroic adventurers of the past. Gregerson, Morrison and Black (1998) compare the challenges facing today’s business executives to the experience of old world explorers navigating uncharted waters with the dangers of ‘brutal storms of competitors, endless seas of change, seemingly strange cultures, confusing marketing channels and unknown frontiers of technology’.

Osland (2001) likens expatriate business people to mythical heroes. She describes the overseas experience as a hero's adventure myth involving three stages. The first stage, 'Crossing the First Threshold' is a period of strangeness, exhilaration, difficulties, uncertainty and intense learning. This provides a strong impetus to develop the global competencies of managing uncertainty and continuous learning.

The second stage is described as the 'Road of Trials' where there are confrontations with numerous obstacles and tests. The kinds of obstacles that help develop global competencies are the contradictions and paradoxes that are inherent in the expatriate experience. For example, feeling at ease anywhere, but belonging nowhere. Osland argues that wrestling with paradox and contradiction develops three global leadership competencies; managing uncertainty, cognitive complexity and behavioural complexity. Paradoxes force expatriates to analyse situations closely and develop the behavioural complexity needed to respond appropriately and effectively in different ways in different situations.

The third stage or 'Ultimate Boon' is where personal transformation occurs. It is here that one develops a global mindset which is a change in consciousness giving rise to the acquisition of a more cognitively complex perspective that includes an appreciation of paradox. Becoming a citizen of the world, acknowledging the similarities and differences among cultures and learning to see one's own culture through the eyes of another, are other examples of this new consciousness.

For those who progress successfully through these stages much can be gained. This includes, increased tolerance, patience and confidence; a broader perspective on the world and greater appreciation of cultural differences; improved work skills, and increased knowledge of global business issues. But this is clearly a challenging process and while ultimately success will depend on the efforts put forth by the individual themselves, there is much that can be done by companies to facilitate the development of these competencies.

Assisting the development processes

Warner Lambert's global leadership program outlined in Figure 1 below is an excellent example of the framework that a company can provide to develop global competencies. However, there is one surprising aspect to the example and that is the last sentence. If Warner Lambert's GLAP is typical then it flies in the face of many of the criticisms of the way companies develop global competencies. As Kühlmann (2001) notes, the more common experience is the absence of a comprehensive developmental plan or systematic efforts to provide the expatriate with challenging tasks or a meaningful sequence of learning steps.

McCall (2004) argues that people do not automatically learn from experience. The challenge in using experience for development lies in giving the right experiences to the people who will learn the most from them and then providing the kind of support that will help them learn what the experiences offer. With overseas assignments, three main phases are critical in deciding on the kind of support that might be given. These phases are pre-departure, ongoing and repatriation. Let us deal with these in turn.

Figure 1 - Best Practice Global Leadership Development

Given the need to prepare future global leaders, many multinational organisations have instituted global leadership development programs. The typical global leadership development program is designed to give individuals exposure to working in (at least) one foreign subsidiary. These global leadership development programs often have a rotational component, where for the duration of the assignment the individual will spend between 12 and 24 months in any given location, before moving to the next location (Rhinesmith, 1996; Thaler-Carter, 2000). For example Warner-Lambert's Global Leadership Associates Program (GLAP) is an international rotational program which is designed to yield business managers with a global perspective. The goal of GLAP is to give colleagues international assignments early in their career and expose them to the diversified business of Walter Lambert. Through GLAP it is believed that the participants will gain the skills necessary to successfully manage and lead anywhere in the world. The program spans across Walter Lambert's key businesses... The GLAP participants are moved out of their comfort zones into increasingly challenging assignments. Ultimately GLAP participants are assessed on their ability to achieve results and thus advance to the next level. The program is organised into three assignments which range in length from 12 to 36 months and cover an average of a five-year time frame. The assignments enable GLAP colleagues to gain cross functional international and cross-sector experience. Senior management closely monitors the performance and development of GLAP colleagues. The characteristics of Warner Lambert's GLAP is typical of most global leadership programs in multinational organisations today.

From Caligiuri and Santos (2001)

Pre-departure

From the earlier description of the trials and tribulations of the developmental process it would seem fairly obvious that not everyone is suited to this journey. As Mendenhall (2001) notes, individuals who often seem the most talented due to their professional skills often struggle overseas and return home not as global leaders but, to one degree or another, as frustrated managers who are glad to be back on their home turf.

a) Selection

Consequently, careful selection before departure is important. Considerable attention should be given to the kinds of competencies that need to be developed and whether the individual has the ability and motivation to learn from what can be an arduous experience. As the discussion earlier on personality characteristics indicated, it is important to make selection processes as sophisticated as possible. These should include an evaluation of global knowledge and skills gaps as well as personality characteristics which facilitate adaptation and learning from different business environments and cultures (eg behavioural flexibility, empathy, tolerance for ambiguity, curiosity, cognitive complexity).

Unfortunately this may be easier said than done as assessing these skills and abilities is not straightforward. Indeed, according to Kealey (1996), 'Researchers'.....

knowledge and skill on how to validly and reliably assess people on [cross-cultural] criteria remain weak.' Amongst the methods available, the most promising are behavioural assessment techniques, often conducted in Assessment Centres. Assessment Centres are not new and they have been used for some time to assess a range of managerial skills. Using methods such as role plays, case studies and structured interviews Assessment Centres can considerably improve the quality of selection decisions.

Some work has been done in applying Assessment Centre techniques to cross-cultural competencies. Mendenhall & Stahl (2000) for instance, have helped in designing specific assessment centres aimed at developing the skills that are crucial to success on an international business assignment. This 'Intercultural Assessment Centre' (IAC) employs a number of cross cultural role plays, group discussions, and international negotiating simulations. The exercises enable managers to test and modify their behaviour in a wide range of cross cultural business situations.

Assessment Centres can have developmental benefits in addition to selection. What are known as first generation Assessment Centres are limited in their developmental value if the aim is selection alone. The activities used in Assessment Centres such as cross cultural role plays, group discussions and behavioural simulations, can also be effective in sensitising individuals to cultural issues, in improving work performance abroad and in helping employees to develop global mind-sets. However, they only effectively do this if feedback is given to participants after various exercises and some time is spent in personal developmental planning (Stahl 2001).

This usually takes place in what is known as a Developmental Centre. Quite often the difference between Assessment and Developmental Centres is in the degree of feedback and discussion of the activities that participants undergo, rather than in the activities themselves or in what the Centre is called. As Vloebergh and Berghman (2003) point out, an Assessment Centre could be considered as a closed process, with the end point the final assessment. A Developmental Centre on the other hand should be considered as the starting point of a longer term developmental process. The IAC, noted above, for instance, has as a broader educational agenda. The centre can help with 'global mind-set training' not only for the participants, but also for the executives who act as observers at the assessment centre, with the potential to develop networks and an internationally orientated corporate culture.

Although not dealt with in depth here, it is important to also remember that any attempts to provide development opportunities for the individual cannot be done without taking the family situation into account. This is often critical for the individual's well being on overseas assignments. Moreover, with the growth of dual career couples, it is not just a matter of providing for a family's material needs, but frequently in having genuinely flexible career opportunities and alternatives.

b) Different assignments

Having reviewed an individual's strengths and weaknesses, thought also needs to be given to the kind of overseas assignment that will add value to the individual and the company. Different global assignments will require different skills and have different developmental opportunities. It is important to differentiate between these, particularly in terms of duration and type. Bird (2001) argues that the duration of international assignments tends to be arbitrarily established. Short term assignments of nine months or less are usually based on the completion of a particular task or project. Longer term assignments usually last three years, although often these time lengths are set with little regard for the impact of knowledge acquisition or dissemination. For example, establishing a manufacturing plant in China is very different to putting one into Australia.

In terms of the type of activity undertaken, Caligiuri and Lazarova (2001) identify four types of assignment with different implications for the development of global competencies. The first of these is technical assignments. These are often described by assignees as 'quite similar' to what they were doing back home with possibly limited interactions with host nationals. Thus, this is a job, not a competency development opportunity and requires a different level of support than other more intense acculturation processes.

Functional/tactical assignments are similar to technical assignment but with one difference – significant interactions with host nationals are necessary in order for the assignment to be deemed successful. Caligiuri and Lazarova state that this is the most common global assignment. However, if cross-cultural skills are not seen as important by the company then this affects whether the job will be successfully completed. It also affects whether the expatriate stays with the company and consequently the degree to which both the company and the individual capitalise on the competencies that may have been developed.

A third type of activity is the developmental/high potential assignment which usually fits into a strategic HR plan with a goal of individual development. These often have a structured series of experiences with a fairly clear idea of what happens next. Finally, the strategic/executive assignment is usually seen as the ideal and filled by individuals who are being developed for high level management positions in the future. Thus, Warner Lambert's GLAP highlighted in Figure 1 is very much the ideal and in terms of overseas experiences, as yet, far from typical.

c) Pred-departure training

Clearly, an overseas assignment is more likely to result in the appropriate development of global competencies if these different types of assignment and the type of individual doing them are matched appropriately. Even so, inadequate assumptions are often made about the extent of external support that might be needed. As Mendenhall (2001) argues no-matter how impressive their intellect, illustrious their past domestic performance, or how high they rate on the global leadership capabilities already discussed, the overseas assignee will still need help as they will be walking in cold to a new culture.

This help, however, is often lacking. Black, Morrison and Gregersen (1999) observe that most companies prepare their expatriates with pre-departure training that is relatively low in rigour, programmatic in format and with a content that assumes that one size fits all. At best they have an ‘innoculative’ effect. Khülmann (2001) argues that training programs should provide knowledge of the foreign country, an understanding of cultural values and norms as well as the acquisition of behavioural skills that facilitate interaction with host nationals. These include foreign language training, look and see trips and orientation programs.

In a study of 73 expatriates, Caligiuri, Phillips, Lazarova, Tarique and Bürgi (2001) found that the more tailored and relevant the pre-departure cross-cultural training, the more expectations were met or positively succeeded. Having accurate expectations in turn positively affected cross-cultural adjustment. There is general agreement, however, that cross cultural training programs for a few days may be sufficient to learn some facts about a foreign country and its people, but different approaches need to be taken for changing skills and attitudes. This is where activities carried out at Assessment Centres, described earlier can contribute considerably.

Figure 2 - Dealing with Dilemmas

Alan Prendergast was stumped as to what he should do. The situation he confronted was uncomfortable, and he sensed that if he did not handle it correctly, it could significantly hinder his ability to work with Japanese managers in one of his companies divisions, but he wasn’t sure about the accuracy of his hunch either.

Katsuo Matsuyama, the number-three man in the Ceramics Division had asked Alan if he would like to accompany the division’s managers on a weekend trip to hike Fuji-san (which he later learned meant Mount Fuji). Since he had a heart problem, he had begged off for medical reasons, but then another manager from the Ceramics Division, Kenji Morinaga, called and invited him again, promising that they would go slow and make allowances for his condition. Alan had felt a mixture of anger at being invited again, puzzlement at their not accepting his polite rejection of their invitation and uncertainty regarding the correctness of his previous decision not to go.

Alan really didn’t want to go - being somewhat overweight, exercise was not his forte and he didn’t want to embarrass himself by showing his lack of fitness in public. He was also scared at the prospect of climbing a mountain. Yet one of the important requirements of his job was to interface with the managers of the Ceramics Division to help them understand the U.S. market, patent laws and design and production processes. His ability to be effective in his role depended on the relationship with these men and he feared that he might jeopardise those relationships by not going on the trip. Yet he also feared the possible social and health repercussions of getting involved in an activity for which he was not physically and psychologically fit. “Making an idiot of myself won’t strengthen the relationship either”, he muttered to himself. None of the training he had received up to this point shed any light on how he should deal with this unforeseen situation.

From Mendenhall & Stahl (2000)

Ongoing support

Given the opportunities and challenges in developing competencies through an overseas assignment it would seem sensible to provide ongoing support for the individual. The most common support is that which enables the expatriate to cope with the new environment. This includes activities such as ongoing information about the host country, technical and language support.

However, more continuous support is necessary if the aim is to maximise the development of the expatriate. There are many circumstances, as illustrated in Figure 2 which will have no clear answer and cannot be foreseen in pre-departure training. While Alan will find some sort of solution, what the individual learns from the experience will be largely hit and miss. Consequently, the opportunity to discuss and seek counsel, on the ground, from someone with the experience to help, is considered by several writers to be a major way of facilitating competency development.

Mendenhall and Stahl (2000) call this 'real time' training. This is akin to the recent appearance of personal coaching, which essentially involves the counselling of managers by external consultants or advisors. While personal coaching has existed in a limited way for many years it has only recently emerged as a main stream management development technique in the US, UK and Australia. In this case the counselling of managers on overseas assignment is in 'real time'.

Managers seek personal coaching in order to improve their leadership, communication, conflict resolution, and productivity skills. Coaching can provide them with new insights into their roles; assist in career decisions and planning; maintain self confidence and help deal with uncertainty and stress and increased demands after lateral job changes or promotions. As Hardingham (1998) argues, it is especially helpful for people who are unused to being on the steep part of the learning curve, who feel uneasy about being there, and who need to air their concerns and reflect on their struggles in private.

Thus, as Mendenhall and Stahl (2000) note, these issues are the very challenges that individuals face in living and working overseas. Moreover, they are also not usually solved through discussion with other expatriates. This can end up with 'the blind leading the blind'. It should be a skilled mentor who provides the expatriate with contact with the parent company, locates suitable positions before entry, gives feedback on competency development progress and serves as a source of emotional support. With expert knowledge and living in the host country, the mentor provides an immediate avenue for the expatriate to integrate and learn from their international experience (Khülmann, 2001).

Repatriation

The development of global competencies does not end with an overseas assignment. Nevertheless, this is how many companies seem to view the process. Mendenhall (2001) argues that when returning home most expatriates do not find themselves in situations where they can use the global competencies they have worked so hard to acquire. It is common for expatriates to return home to positions that have nothing to

do with international business and are less challenging than the jobs they had overseas.

According to Caligiuri and Lazarova (2001) past research suggests that between 20 and 25% of repatriated employees leave their firms within a year after returning to the USA. Some companies have reported losing between 40 to 55% of their repatriates through voluntary turnover within three years of their repatriation. Other studies suggest that 74% of repatriates did not expect to be working for the same company within one year after returning to their home country, 42% had seriously considered leaving their companies after repatriation and 26% had been actively searching for alternative employment (Black, Gregersen and Mendenhall, 1992).

The main reason for this low retention rate is that companies often do not integrate selection, performance management and repatriation systems into one strategic process. Companies tend to be reactive, rather than strategic, in their approach to solving this repatriate turnover problem. The 1994 Global Survey Relocation Report found that repatriation support programs offered by companies typically do not include long term career development plans (Caligiuri and Lazarova, 2001). A 1996 repatriation report found that only 13% of US based companies, 22% of UK based companies and 46% of continental European-based companies plan for the return of their overseas assignees (Conference Board, 1996).

Some progress has been made in recent years and Monsanto provides an example of a company employing strategies to retain and better utilise potential global leaders after international assignments. They provide a sponsor to help with placement and re-entry and plan for repatriation three to six months in advance. They help employees locate a suitable position before they return. They provide repatriation training and facilitate the family's readjustment. Most importantly, Monsanto provides the opportunity to use the international experience and allow for reasonable autonomy in the first job following repatriation (Geregersen, Morrison and Black, 1998). Nevertheless, it is debatable how widespread this approach is, as writers continue to encourage companies to do more to successfully help repatriates capitalise on their experience (Mendenhall and Stahl, 2000; Mendenhall, Kühlmann, Stahl and Osland, 2002).

While it seems short sighted not to leverage these skills, repatriating individuals is not always an easy task. The returning expatriate may be seen as an inconvenient and unwelcome competitor, particularly during economic recession. Even during prosperous times it may not be possible to create the ideal job, particularly in the short term, or remove others to provide the expatriate with the appropriate opportunity at home. Moreover, not all expatriates will want to stay in the company. The recent development of boundaryless careers suggests that some employees may have different objectives to those of their employer. A boundaryless career assumes that individuals will move from one company to another to pursue the best opportunities for their own professional development. Indeed, some will accept assignments because they are perceived to help advancement in their career, not in their company (Tung, 1998; Stahl, Miller and Tung, 2002).

Nevertheless, for those individuals who are not looking elsewhere, provision needs to be made, at least, for material and emotional support. In terms of development, however, it is important the HR strategic planning process accounts for the

consolidation and continued development of the individual's competencies. Kühlmann (2001) advocates having a joint responsibility for the design, implementation and control of repatriation programs. A management development committee composed of representatives from company head-quarters and subsidiaries should be best able to decide on the trade-offs between satisfying the operational needs of today and the strategic plans of tomorrow. But as Bird (2001) argues, there are several different ways to achieve these objectives. Positions do not have to be immediately available and other activities can help in using the employee's current skills and help with ongoing development. For instance, repatriates could be members of a company's global cadre - a group used for updating knowledge through cross-dialogue and presentations etc. Such a group could also be used potentially to sort out overseas trouble spots, or to advise senior managers on strategy or policies overseas. They can also be mentors and leaders in developing the skills of others.

Developing global competencies through global teams

Another potentially fruitful arena for the development of global competencies is in managing and working with multinational work groups. Indeed, as a consequence of globalisation, multinational work groups are becoming the rule rather than the exception in many enterprises. Even so, they have their challenges. When members of different national cultures come together, their basic templates for conducting interdependent action differ greatly (Adler, 1997; Hofstede 1980; Lane, DiStefano and Maznevski, 1997; Trompenaars, 1993; Maznevski and Zander 2001). These differences can damage business relationships, as one person interprets another's words or behaviour in a way which was not intended and more importantly, neither person recognises that the misinterpretation has occurred (Maznevski and Zander 2001). Thus, the ability to lead global teams provides the opportunity to develop several of the global Interpersonal and Personal competencies outlined earlier.

A general finding of research in the area is that multicultural groups can perform highly on complex decision making tasks. When compared with culturally homogenous teams, multicultural teams have been shown to have higher creativity (Ling, 1990) and to develop better solution alternatives to a problem and criteria for evaluating those alternatives (Watson, Kumar and Michaelsen, 1993). But they frequently fail to realise their potential. A factor that impedes success is the influence that cultural values can have in affecting the ways team members interact. This can lead to difficulty in executing processes related to task integration, such as structuring a problem, developing a task strategy, resolving conflicts constructively and creating cohesion. Thus, a critical aspect of the global leader's task is to facilitate integration and help the team develop common norms and adapt to each individual's cultural values (Maznevski and Zander 2001).

Jensen (2001) argues that cross-cultural teamwork can be developed by focussing on three key teamwork phases; entry, process and action. Important in all three phases and particularly at the start is the need to develop awareness of individual expectations and cultural values amongst team members. There are several models which can assist in this process. Table 4, showing Adler's intercultural model, is a typical example.

Table 4 - Intercultural Learning Model

- Recognise differences
- Encounter shocks
- Consider possibilities (understand your own cultural assumptions)
- Be open to culture (take responsibility for cultural learning)
- Pursue learning (how different cultural approaches may benefit groupwork)
- Transcend boundaries (view cultural differences as opportunities not barriers)
- Appreciate diversity

From Jensen (2001)

While models can help in setting the scene, it is in the interactive processes that the challenges occur and the competencies developed. Stumpf and Zeuschel (2001) argue that global team leaders should define themselves more as process monitors and facilitators, rather than as task specialists. Several things can help with this. Informal time spent face to face can be especially valuable in understanding member's preferences and assumptions. Getting team members and the team leader to act as a 'cultural interpreter' will reduce misunderstandings.

Maznevski and Zander, (2001) illustrate how directed training programs can help in developing an improved competence in being a 'cultural interpreter'. In conducting a training program with members of an American-Japanese-German joint venture project, they illustrate how ignorance of culturally related different courses of action can be identified and addressed. When, for instance, Americans, Japanese and Germans exchange information, make presentations and discuss issues in order to reach a common decision, they are unaware that the courses of action and the respective expectations of these actions vary considerably. In training simulations these differences can become apparent and learnable. With the right facilitation, the participants discuss these differences and learn about different cultural perspectives. For example, it was discovered that the Japanese participants explain facts in detail at the beginning and do not come to the results until the end of the presentation. American participants, on the other hand, begin with the results, which they subsequently justify with arguments and facts in the course of the presentation. German participants first briefly outline the problem or even provide a historical survey of it and then continue like the Americans.

Maznevski and Zander, (2001) point out that in real teamwork activities, such different 'culturally programmed' courses of action remain hidden to the participants. One's own ethnocentric expectations and practice remain the unquestioned benchmark against which others' actions are considered 'not normal': thus the Japanese are 'not logical', Americans 'not credible' and Germans 'meticulous'. In training, erroneous assessment can be corrected, respect for different courses of action be instilled and effective ways of dealing with differences can be learned. The participants are encouraged to exchange their intuitive assessment of critical situations, and thus to express their tacit intercultural knowledge explicitly.

Developing global competencies through 'off-the-job' activities.

The teamwork development processes suggested above are an example of 'off-the-job' training. Off-the-job training was also briefly touched on earlier in discussing short-term training programs that are given to employees before going on an overseas assignment. The extent to which these types of training activity can contribute to the development of global competencies, however, is generally seen as very limited. While familiarising participants with issues abroad, it is unlikely that they will enhance an individual's skills and knowledge to any real depth. McCall (2004) argues that the primary source of learning to lead, to the extent that leadership can be learned, is experience.

However, short term training programs run by corporations are only a small example of the potential range of off-the-job developmental activities. While direct work experience may be essential for some forms of development, there are many longer term activities, such as degree programs, that can contribute to competency development. Some of these and other developmental opportunities are discussed below.

Until relatively recently the potential for developing global and cross-cultural capabilities through longer term educational programs has largely gone unrealised. Jensen (2001) says that while institutions of higher education recognize the need for improving international business skills, there has been considerable corporate criticism of education programs. Many universities have failed to move sufficiently far from a parochial view to a global view, including the development of learning partnership, collaborative learning, improving cultural self awareness, cross-cultural team learning, and lifelong learning of cultural contexts. As Akhter and Ahmed (1996) point out, there has been insufficient internationalisation of the curriculum and as Jensen (2001) notes most universities seek to provide only an awareness of the international dimension of business, rather than to develop cross-cultural competence or expertise.

A number of universities are beginning to respond to these limitations in several ways. In principle, well constructed programs can develop a global focus, raise cross-cultural consciousness and develop communication and teamwork skills. One way of achieving this is through a simulated or 'real world' project, based upon teamwork with culturally diverse members. Field based projects in international business provide very effective learning situations. A good example is the selection of culturally diverse and cross-disciplinary teams to form feasibility studies and market entry analysis for companies in foreign markets. Aside from gaining practice in international business strategy, the projects address capability needs for cross-cultural management issues through the teamwork process (Ottewill and Laughton, 2000).

Another way to develop a global focus is through case studies. These can be used for discussing both current issues and future scenarios in the classroom. The use of case studies allows mistakes to be made and analysed without the negative consequences of errors made in the 'real' world. As Jensen (2001) points out, case studies can also be developed using 'live' material from business leaders and companies within the alumni and corporate network.

Computer based business simulations go one step further and offer a multimedia environment for practising analytical, communication and decision making skills. Within the simulation, an action learning, or 'learning by doing' approach can be applied through engagement with a series of events and outcomes. For example, Markstrat-International is a popular simulation experience and provides the opportunity for a broad integration of tools in global strategy.

Mendenhall and Stahl (2000) highlight other beneficial computer based training programs. The CD-ROM program, 'Building Cultures', for instance, is a self taught training program for people who will be travelling or working overseas. It deals with a range of cross-cultural issues and can also be given to an accompanying spouse who can go through learning activities designed for them. Progress has also been made in developing computer based 'intercultural sensitizers' which are learning approaches that teach members of one culture, information about another culture.

An area that has grown rapidly in the last few years is internet based programs and activities. Jensen (2001) points out that internet based simulations of the global economy have given students a first hand opportunity to experience the competitive environment of international business. Such simulations provide opportunities to develop strategies and make decisions under time pressure in a competitive context. Students can negotiate for resources and manage the expansion or contraction of a range of business products and portfolios in an experiential learning simulation that tests and extends students abilities to work in the international arena. This gives learners the opportunity to apply and integrate diverse tools and knowledge derived from other programs.

The predominant use of the internet, however, is still in obtaining information. Even so, this can be comprehensive and very instructive, particularly with the development of homepages constructed by expatriates themselves who discuss issues ranging from culture shock to giving birth in other countries.

Despite the technological advances that have been made over the past few years, possibly the area that has most potential for competency development, but which still has some way to go, is investment in deeper and longer term educational experiences. Mintzberg (2004) has been critical of management education in general for many years and in particular the neglect of the development of 'softer' management skills. Like the Global Leadership programs of Tichy (1992), his International Masters in Practicing Management goes some way to rectifying this in an international environment. Devised in collaboration with colleagues in five countries, the program involves small groups of about 40 participants who study in five two week blocks, each in a different country and focusing on a different theme. These are interspersed with written work, tutoring, self study and exchange visits. The whole experience lasts 16 months and provides participants with real opportunities to develop both knowledge and interpersonal competencies (Harper, 2004).

While the International Masters may be the current ideal, it is not unique and increasingly more and more universities are providing overseas experiences in their degree programs. Indeed, several business schools in the USA, Europe and Asia have developed links through learning partnerships and exchange activities which foster cultural understanding. Some progress has also been made by schools like Duke CE in

developing global partnerships between universities and multinational companies such as IBM. However, few would deny that much more can be done to develop intercultural competencies in a more systematic way through educational programs.

Conclusion

This discussion of off-the-job training activities is meant to be illustrative rather than exhaustive. In such a changing environment there will continue to be approaches which improve on previous methods. Indeed, while the general consensus is that global competencies are most effectively developed through international job assignments, development must be viewed as an ongoing process rather than a one-off event. This means that a range of learning opportunities, both 'off-the-job' as well as 'on-the-job' have to be utilised.

Overall, two points are worth emphasising. The first of these is related to a theme that was raised at the start of the paper. The development of individual competencies cannot be divorced from the core competencies of the organisation, or at least its global strategy. An organisation is composed of people and it is the competencies that they have which influence the extent to which an organisation deals effectively with its business environment.

Clearly the HR function will play an important role in integrating individual and organisational competencies. It will have some responsibility for selection, training programs, planning overseas assignments, repatriation and career planning. However, this is not a HRM responsibility alone and has to be supported and encouraged by the senior executives of a company to reap the full benefits.

The second point is that developing global competencies is an individual process and also a matter of degree. While we all may be able to improve to some extent, how many people have the capacity to be truly global managers and leaders is unknown, but is probably limited within the population. Moreover, even if that state is attained by some, it may not last very long as the vicissitudes of the global environment throw up more and new business challenges, whether these are terrorist attacks, Asian economy meltdowns or stock-market crashes.

Thus, the research agenda in this area is immense. Not only do we still have a long way to go in identifying the competencies that are necessary to lead and manage in a global environment, but we are still relatively ignorant on how to successfully develop these qualities. However, the real challenge is in knowing when and under what circumstances appropriate competencies in one environment become obsolete in another. We have made little progress in understanding how individual abilities, corporate aims and intentions, and environmental constraints (both internal and external) combine to affect corporate success. The development of global executive competencies is a journey, but one that will never have a neat ending.

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ⁱ *Aycan's (2001)* lists the following global competencies;

- In depth business and technical knowledge and managerial competency
- Ability to cope with uncertainties and conflicts
- Willingness and ability to embrace and integrate multiple perspectives
- Communication effectiveness
- Competence in developing and maintaining good interpersonal relations
- Willingness and commitment to succeed
- Ability to motivate and develop people with potential
- Ability and willingness to learn from experience
- Competence in playing the role of a change agent