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LEADERSHIP | 10/31/2012 @ 2:25PM | 730 views

## How Does Leadership Vary Across the Globe?

Let's talk about global corporate leadership.

One of the biggest issues facing business executives today is the need to build a global leadership pipeline. In our recent research on [Global Leadership](#), we've uncovered critical differences in leadership characteristics around the world that can dramatically affect this pipeline.



Building a global leadership pipeline is complex. Companies have to assess their current leaders, develop a succession pipeline, and actively move leaders around the business to develop growth.

But how do you globalize this process? Who will be the right leaders for your new business opportunity in China or Russia? Which executive will succeed in growing a business in the middle east? Can you move an executive from Canada to South America with a high likelihood of success (this is a real client challenge)? And how do we prepare our managers and executives for these new assignments?

Well our [new research](#) has identified some important findings about global leaders: *highly successful leadership traits vary widely, and predictably, from country to country.*

*(Methodology: we analyzed 30,576 leadership assessments from ten countries around the world, looking at the characteristics of leaders by country. The data and leadership model was provided by [SHL](#), a global provider of talent assessment solutions. So this is one of the first-ever large-scale, detailed looks at real leadership competencies by geography around the world. The countries analyzed are Australia, Belgium, China, Denmark, India, Netherlands, Norway, Sweden, UK, and US.)*

**Successful [leaders](#) in developed economies are different from**

## **successful leaders in emerging economies.**

This research looks at eight different facets of leadership (ranging from strategic planning to operational execution). It clearly shows that emerging market leaders (India, China in particular) have a very strong focus and skillset on operational execution. These individuals focus heavily on hands-on management, operational process, and a focus on managing individual performance.

We believe this is caused by both cultural and economic issues. In a fast-growing country, businesses succeed by getting to market quickly and effectively. While they need clearly defined market strategies, their success and failure is often driven by their ability to hire, train, and manage individuals quickly. Their organizations are less interested in long-term vision or sustainability initiatives. And change management often takes place through clear top-down direction.

Benelux and Nordic countries, by contrast, tend to have leaders which focus much more heavily on planning, strategy, communication, and being what we call a “change ambassador.” Companies in these countries are older and they are often very global, creating a need to focus on common vision, values, and long term thinking. While innovation continues to thrive in these countries, their whole culture is built around a focus on the “collective good.” There are many reasons for this (Read [“The Nordic Way”](#) for the historic background) and the data shows a stark difference in effective management styles.

The US and UK, by contrast, actually have more hybrid leadership models. US leaders tend to be hard drivers (similar to Indian leaders) and have a much more “push-oriented” approach to change management. The “rugged individualism” of US culture and our continued struggle to limit the size of government creates a leadership style that focused heavily on execution, with the weight of accountability focused on the individual.

## **Implications for HR and [Leadership](#) Development**

The data shows very clearly that “effective leadership” varies widely from culture to culture. While this is not new news to any of us, for the first time we now have data which scientifically articulates the differences.

What does this mean? Our work with corporate clients tells us several new lessons learned:

1. Expat assignments, while valuable development programs, may be harder than once thought.

Many of our clients tell us that expat assignments are one of the biggest derailers for high-potential executives. If you do take on an expat assignment (or create one for someone else), it is very important to prepare the individual for a radical change in culture and management style. Middle eastern countries are very patriarchal, for example, leading to challenges for women leaders. Their decision-making process is slower and often dictated from above.

2. Developing leaders from within is more powerful than one may imagine.

Our research shows that as new businesses grow, companies must build local leadership programs that find high-potentials in-country and groom them for

growth. One major client, a global manufacturer and servicer of office products, told us that their highest performing business is in Russia. The management model there is one of rigorous debate, development and defense of a business case, and never-ending questioning of why and how we make the numbers. This culture should be reinforced and shared, not diluted by the introduction of some “Americanized” management principle.

3. Enterprises must consider their global business as a community.

People who grow up in different countries come with different values and historic context. These cultural attributes are impossible to change, so rather than try to build an “Americanized” or “Globalized” culture, high performing companies build a strong set of global competencies and values, but let individual countries manage their businesses to optimize for local markets.

One of the best stories which reinforces this strategy is [McDonald's](#). In our work with McDonald's over the years, we have seen the company move from one of strict compliance and “sameness” to one of local management and product control. One of the executives I met with this year told me that perhaps the most transformational thing the company has done in ten years was build a system that let's country managers customize their food products, marketing, and service offerings – within a set of clearly defined guidelines for global McDonald's business process.

We call this the “Glocalization” of business – “global localization.” It is not as easy as it sounds, but in leadership, as in all other business processes, it is important to think about “what we can change” and “what must stay the same.” Companies like [IBM](#) have learned this through decades of global growth.

Expatriate programs are certainly not dead, but as economic opportunities shift toward new markets, our research shows that today's high-performing companies respect and reflect local differences more than ever.

We look forward to comments and stories on this important topic. If you would like more information on the research, you can [download the market brief here](#).

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