



Globalization Demands Consistent Leadership Development

Written by:



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*"By integrating and standardizing our global leadership development framework, we knew that we could achieve both multi-million pound savings and a clear improvement on overall quality. While retaining our local execution capability and P & L responsibility, we are aiming to do business in a more consistent way globally – and a consistent leadership development approach has a major role to play in that."*¹

– Hasan Ahmed, Global Head of Learning and Leadership Development, BAT

Globalization: The Opportunities and the Challenges



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Globalization presents tremendous opportunities as well increasing complexity for organizations worldwide. Navigating complex networks, managing dispersed and diverse teams, and consistently implementing a global company strategy is a challenge. To navigate this dynamic environment, consistent leadership is critical to effective execution of the company strategy.

Despite recent increases in leadership development investments, multinational corporations must move beyond the traditional approach – a patchwork of locally deployed programs using generic lecture and case study methods – to maximize impact. More and more leading organizations are discovering the value of deploying consistent, high-impact leadership development on a global basis. As the pace of globalization continues to accelerate, the importance of global leadership development will become more critical to an organization's success than ever.

In this Environment, Leadership Development is Critical

This year, human capital is recognized as one of the top challenges for organizations globally, according to The Conference Board's 2012 CEO Challenge Report.² Moving forward, with talent constraints in the external market, CEOs are focused on growing talent internally through leadership- and employee-development programs.³

Moving from the traditional approach, global leadership development maintains quality across all regions; delivers cost savings; and leads to consistent and stronger leadership.

So far this year, US-based companies have increased their investment by 14 percent to a projected \$13.6 billion annually.⁴ While senior leaders still command the highest per-person investment, more resources are being directed through the leadership hierarchy as emphasis shifts to all levels of employees.

Developing Capability Globally is a Challenge

Despite this strategic focus, the traditional approach to leadership development – defined by locally supplied and often generic skill-building programs using traditional lecture and case study methods – is proving inadequate for today's global environment. Research shows that less than 20 percent of all corporate learning and development programs have influence on job performance.⁵ When it comes to bottom-line impact, the results are even weaker.

The problem is compounded further when deploying leadership development globally. Many large multinational organizations leverage a patchwork of programs applied randomly across geographies. According to a new study of more than 1,700 organizations in over 20 industries on six continents, 69 percent of organizations implement local leadership development initiatives.⁶ This approach divides dispersed organizations by creating inconsistent leadership. Arguably, these investments in talent development, while potentially building basic skills, are not moving the company's strategic agenda forward in an effective way.

This unfortunate inability to rapidly scale leadership talent globally is a barrier to strategy execution as well as a missed opportunity. The following compounding factors prove challenging at many organizations:

- Local leaders in decentralized business units want to do "their own thing"
- A central talent organization that is either perceived as unresponsive or fails to take leadership
- A generally inflated belief in localization – one size will not fit all
- Budgeting and resource allocation at local levels constrains global approaches

For one major technology organization, failure to consistently scale talent across its global regions led to its end. Facing market shifts, decreasing product relevance, and increasing organizational complexity, the company needed to quickly build alignment to the new strategy and develop the leadership capabilities necessary for execution. However, the company delegated the initiative to regional leaders who pursued their individual ways of engaging and developing talent. As a result, the broader global organization was not aligned; leaders followed different processes and approached the business in different ways. These inconsistencies led to conflict, inefficiencies and disengagement. Ultimately, performance further eroded and the company was acquired.

Deploying Global Leadership Development is the Key to Success

To successfully meet the challenges of today's global environment requires uniform, global leadership development. For high-performing organizations, this reality is not a surprise. In 2012, 63 percent of the high-performing companies surveyed have introduced consistent leadership programs for all regions, a five percent increase from 2011.⁷

However, implementing global leadership development brings a unique set of challenges. Each geography has its own unique cultural norms and nuances. Not all methodologies connect with all audiences. Dispersed locations challenge alignment and coordination.

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Based on more than 25 years of experience working with world-class organizations on strategic initiatives, we have identified seven principles for successful global leadership development programs:

1. **Engage key stakeholders** across various regions in the development and deployment processes to build global alignment around the leadership development initiative
2. **Link the learning initiative to the company's enterprise-wide strategy** as well as individual business unit and regional objectives to effectively develop the capabilities that will drive strategic execution
3. **Customize the learning** so that it is consistently deployed across the global organization **while allowing for localization as needed**
4. **Involve a global footprint of high-quality instructors** who can deliver in both English and the local language
5. Recognition that **the development of leaders is not a one-time event**, but achieved over time through blended activities designed to prime, build and sustain capability
6. **Leverage high-impact learning modalities**, including business simulations and other experiential learning approaches, that consistently work across cultures
7. Focus on **continuous improvement and a results measurement process** to ensure return on the training investment

In comparison to the traditional approach, the difference is profound. A patchwork of programs applied inconsistently across geographies is replaced by a uniform, scalable, high-impact leadership development program deployed globally.

Case in Point: A Leading Pharmaceutical Company

For a multi-national pharmaceutical company, the challenge of deploying global leadership development was real, but the CEO was committed, firmly believing that growing leaders within the organization would yield better results, faster than the competition. To uniformly develop front-line leaders, the company considered 12 premier leadership development organizations. In the end, they chose BTS, a world-leading strategy implementation firm and the only company offering a scalable, highly customized experiential learning approach to leadership capability development, as well as a global network of over 350 professionals worldwide.

"If the intent was to start a revolution from the ground up, I think you might just have succeeded," enthused an R&D Manager following the BTS program. In just one week, 2,000 front-line leaders from all divisions of the client organization, including Europe, the Americas and Asia Pacific, experienced a carefully designed leadership development program connected to the client's strategic priorities.

Leveraging a customized business simulation translated to 12 local languages, the experiential program delivered exceptional impact across geographies. Teams of participating employees were constantly engaged, collaborating to develop fundamental leadership capabilities. One manager reflected, "I cannot remember attending a similar event where I felt so enthused about my role as a leader. I am committing to myself to be a better leader moving forward."

The Vice President of Leadership and Development further testified to the success: "As I sit and reflect this morning about this week's historic event, I am truly speechless. There are no words elegant enough to describe what we as a team have achieved."

The positive momentum had only started. Over a 24-month period, over 11,000 leaders from 51 countries on six continents experienced the core leadership program. The initiative was consistently deployed across all geographies, but tailored to appeal to local cultures.

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- Vice President,
Leadership
Development,
Large
Pharmaceutical
Company

What's next? The company is currently adding a curriculum of 12 additional programs for global deployment to address continued refinement of their leaders' unique development needs. Senior and executive leader engagement, customization and a focus on high impact business simulations is expected to make a profound impact.

Leadership Development that Enables a Global Strategy

Globalization combined with economic, political and regulatory uncertainty, and an overwhelming flow of data and information presents new demands for today's corporations. To drive growth and sustain a competitive advantage, organizations are strategically increasing investments in leadership development and deploying global programs across diverse industry sectors.

Four years ago, Unilever, a global consumer goods company, moved from a localized leadership development approach to a sustained, global and centralized leadership development program deployed for all regions. "It got to a point where giving hard messages and being clear about what standards of performance and behavior we aspired to – and expected from people – became less the way we did things. It got to a point where our business results were indicating that things needed to change," reflected Carmel Botwright, Head of Learning at Unilever UK. After transforming the talent development approach, all 2,000 managers now share a common language, understand the company strategy and have the coordination to execute strategic initiatives worldwide.⁸

The unique challenges of global corporations demand a better way of developing capability across geographies. Applying the seven principles for successful global leadership development programs will ensure that the odds of success increase dramatically. The benefits are clear. Moving from the traditional approach, global leadership development maintains quality across all regions; delivers cost savings by managing one partner rather than a network of leadership suppliers; and delivers consistent and stronger leadership. The results are measurable illustrated in everything from revenue growth to employee engagement.

About BTS

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It's strategy made personal.

For more information, please visit www.bts.com.

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- 2 "The Conference Board CEO Challenge 2012: Risky Business-Focusing on Innovation and Talent in a Volatile World", The Conference Board, Inc., 2012, 12.
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- 4 "Leadership Development Factbook 2012: Benchmarks and Trends in U.S. Leadership Development", Bersin & Associates, July 2012, 1.
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- 6 "Developing Successful Global Leaders: The Third Annual Study of Challenges and Opportunities in 2012", American Management Association, 2012, 5.
- 7 "Developing Successful Global Leaders", 7.
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