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CHRISTIE CALDWELL | KAREN CVITKOVICH

LEADING ACROSS NEW BORDERS



HOW TO SUCCEED AS THE CENTER SHIFTS

WILEY

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—**Ray Leki, Adjunct Professor, American University,
School of International Service; former U.S. Peace
Corps Acting Country Director, Pakistan; author,
*Travel Wise: How to Be Safe, Savvy and
Secure Abroad***

“This book articulates what the shifting global economy means for each of us and how we can respond, whether you’re part of the private sector or non-profit. I would encourage this to be required reading for those operating in any global environment.”

—**Susan Ridge, Vice President,
Marketing and Communications,
Save the Children USA**

“*Leading Across Borders* articulates the critical vectors of the ‘new normal’ in leading and operating globally. Excellent input for awareness and action beyond conventional thinking.”

—**Eva Boesze, Head of Global Human Resources,
KraussMaffei Group**

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The Shifting Center: Emerging Markets Have Emerged

What Is Changing and Why This Matters

THE FUTURE ARRIVES

The world's economic center is shifting with breathtaking rapidity. The trends are clear, both in the numbers and in the new realities on the ground; the general direction is from west to east and from north to south. This shift in power and influence is not only economic but also demographic, political, and cultural.

China and India

China recently passed the United States to become the world's largest economy defined in terms of gross domestic product (GDP) purchasing power parity. Although this news created only a small blip in the Western business press, it represented a historic milestone that is likely to be followed soon by other landmark events. Calculations based on market exchange rates—a more common yardstick of

GDP—indicate that China will surpass the United States to become the world’s undisputed economic leader by 2030.

India is also expanding rapidly; current estimates indicate that by 2050, China, the United States, and India will be the top three economies in the world.¹ While China and India still have many rural and comparatively unaltered areas within their borders, their growing industrial and technological prowess as well as their higher ranking among the world’s economies signify that they have officially graduated from “emerging” to “emerged.”

Europe’s relative economic position is changing simultaneously. Membership in the Group of Seven (G7), an economic forum originally founded in the 1970s by the world’s most industrialized countries, provides a symbolic example. Original G7 members from Europe included France, West Germany, Italy, and the United Kingdom. If the same organization were to be recreated in 2050, it would probably include no European member nations. According to current projections, *there will not be a single European country whose economy is among the world’s top seven* by that time.² In order to offer Europe G7 entry, it would be necessary to combine two or three countries, or perhaps all of Europe.

Humanity has witnessed these kinds of changes before. China and India previously dominated the global economy for centuries. China, for example, created revolutionary innovations such as gunpowder and printing that were later exported to Europe while supplying the Silk Road and far-reaching maritime trade routes with precious goods. Each country has approximately four times the population of the United States and more than double the number of people in Europe as a whole. Nonetheless, the ongoing recasting of global positions represents a tectonic shift in the modern economic order and is in part a transition back to the future (see Sidebar 1.1).

Personal Consequences

The world’s shifting economic center has vast implications for almost everyone, particularly those who have been at the top and at the bottom of the global economic order. During the past century, U.S. and European leadership and business models largely dominated multinational corporate cultures. The economic shift toward markets such as China and India means that these countries and *their leaders* will increasingly shape the way business is conducted.

New leaders from Asia and elsewhere will need to consider their own core values and vision for the future and how they can inspire their global colleagues. Beyond material success, what will make their careers fulfilling and worthwhile? If current or aspiring leaders from Europe and North America go on with business as usual—assuming

SIDEBAR 1.1 THE SHIFTING WORLD CENTER: CHINA AND INDIA

The Shifting World Center: China

- China's current population of 1.4 billion exceeds the entire U.S. population of approximately 320 million by well over 1 billion, and comprises almost 20 percent of the people on earth.
- There are over 160 cities in China with a population over 1 million people. In the United States, there are just nine cities that exceed 1 million.³
- China's steel industry production is now more than 8 times larger than that of the United States; the production of its state-owned mills equals the combined production of the rest of the world.⁴
- China reportedly used more cement in a recent three-year period than the United States used during the entire twentieth century.⁵
- The volume of trade between China and Africa has increased by more than 20 times since the year 2000⁶; more than 1 million Chinese are currently living and working in Africa.⁷
- China consumed 155 million cases of red wine last year, more than France's 150 million and Italy's 141 million.⁸
- China is by far the world's largest producer and consumer of coal, accounting for 46 percent of global coal production and 49 percent of global coal consumption—almost as much as the rest of the world combined.⁹

The Shifting World Center: India

- India's population will eventually exceed China's due to its higher birth rate, reaching an estimated total of 1.6 billion within 30 years.¹⁰
- If the Indian state of Uttar Pradesh were to declare independence, it would be the fifth most populous country in the world, with over 200 million people.¹¹
- India will soon have one-fifth of the world's working-age population and the number of people in the country who are working age will rise by more than 200 million over the next 20 years while China's working-age population declines.¹²
- India, which is still more rural than China, is now in the midst of what is likely to be the largest rural-urban migration of the twenty-first century, with some 10 million people moving to towns and cities each year.¹³
- India is already the fourth-largest consumer and net importer of crude oil and petroleum products in the world after the United States, China, and Japan.¹⁴
- India's GDP, too, is projected to overtake that of the United States and become the world's second largest economy by 2050 in terms of purchasing power parity, though not using GDP at market exchange rates.¹⁵

that their privileged position will last forever—they risk looking like human ostriches, heads buried in the sand to avoid the speeding freight train of globalization. Rather, they must embrace the planet's inexorable tilt toward rising economies and learn how to succeed together with employees from around the world who want to be treated as full partners. Sometimes the consequences are very personal, and one's career can take an unexpected turn.

Promotion Postponed

Ingrid speaks in quick spurts over the phone from her office in London, where she has just returned after three years in India. She is Swedish, but started her career with a company in New York and then moved to London, so her accent is hard to place. Ingrid is in her mid-30s, works for one of the world's most famous banks, and saw the opportunity to move to Bangalore and gain international experience as critical for her career.

Ingrid comments, "I had just completed my first year in Bangalore and had a perfect performance rating. I was on the list to get VP, but then, three days before the promotion lists were finalized, I was pulled off the list and no one could tell me why.

"This really impacted my engagement. There were so many times when I just wanted to leave, especially during my third year in Bangalore. To be honest, I called my contacts in London and said that they needed to find me a position back in the U.K. or I was going to look at other opportunities.

"I realize now that there were a lot of things going on under the surface that no one talked about. The plan when we originally went into India was to outsource business processes to cut costs, and it was cheaper initially. Then we started to move India from an outsourcing center into a more strategic role, with business and revenue driven out of the Bangalore office. It is now its own entity, and the bank just celebrated 10 years in India. The goal of this more strategic positioning was to gain better access to India's talent pool. While the initial objective was to employ cheap talent, people are actually paid very well now — even by the bank's London standards.

"Part of the reason I was passed up for promotion was about wanting to build a local leadership model in India, as a retention strategy and as part of a broader global strategy generally. Because my contract in India was three years, the company had at least another year to convince me to stay. I think that they took the risk to give my promotion to someone in India because they were getting a lot of pushback regarding all the expats in Bangalore. Local nationals were saying, 'Why do we need all these expats coming in to oversee everything?' It was better to sacrifice my promotion to address this and then try to reengage and offer me a promotion during the last year of my contract.

"But now I have a bit of a different view of all the expats in Bangalore. These people go back with a broader perspective, so their time in India might also educate them about the country. They can bring that new perspective with them wherever they go next in the world. Having returned here to London, I am asking why people are not involving their Indian team members more. I work to give these newer members of the team a voice because I know how capable they are. The further west you move, from London to New York, it seems the less understanding there is about how serious we are about the Asia-Pacific region."

Ingrid's experience is likely to become increasingly common as companies seek to expand their leadership talent pool. Her career prospects are still bright, even though her promotion was delayed by a year or two. She is now distinguishing herself through a different kind of role. Based on her knowledge of both India and London, as well as her strong personal network, she is able to draw out the full strengths of her team members to accomplish joint projects, a skill that is very important to her employer. People who join a global organization today and aspire to a leadership position should consider how they can best contribute as the center shifts (see Sidebar 1.2).

SIDEBAR 1.2 WHAT ABOUT ME?

Many individuals are concerned about the impact of cross-border commerce and migration on their careers and personal lives. Regardless of where they are currently living, they face many common—and sometimes deeply personal—challenges, asking themselves questions like:

- What can I do to advance my own career prospects and to make a more secure and prosperous life for myself and my family?
- Will I be able to compete with other employees or people in rival firms who may have more education or better skills, or who are hungry enough to work even longer hours than I do already?
- Does my employer appear to favor some individuals based on their personal background or nationality, and how can I best respond to this?
- Will I be able to understand and to work well with colleagues who were raised in a different culture, speak other languages, and perhaps belong to a different religion?
- How can I comprehend the needs of faraway customers and create products they will buy?
- How can I afford to educate my children well and prepare them for an increasingly competitive world?
- What will happen to my personal life if communication across time zones requires additional hours from my early mornings and late evenings or if I have to travel more and work harder? Can I still be present with my children while they are young, take care of aging parents, and keep my marriage intact?

The best approach to most of these questions is to clearly grasp the changes that are on the way and to cultivate the skills that you and your family will need to survive and prosper. The purpose of this book is to help people from any country succeed in this changing environment.

More Countries on the Way

Change is occurring in other places that could affect the careers of Ingrid and her colleagues. Although China and India are the biggest players in the shifting global economy, a number of locations in Asia, the Middle East, South America, and Africa continue to grow rapidly. Countries like Turkey, Malaysia, and Poland are already or soon will be among the ranks of the emerged nations.

Trend lines seldom remain constant over time, and unpredictable events occur: natural disasters, civil unrest, war, disease, economic crises. The BRIC (Brazil, Russia, India, China) countries were once touted as the growth economies of the future, but Brazil and Russia have both since experienced economic turmoil and stagnation. Even China's once torrid double-digit growth has slowed to single digits and what its government is calling the "new normal," although this is still double or triple the growth rates in the United States and Europe. And, as many companies that invested in Russia have discovered,

geopolitics can scuttle once-promising trends. Investing in Russia seemed like a fine idea based on its size and market potential when the BRIC acronym was coined, but the country has turned out to be a far riskier place for investors than many predicted.¹⁶ Corrupt governments, poor infrastructure, and limited educational opportunities also hold back development in many locations.

Such caveats notwithstanding, the general trajectory from west to east and north to south has been in place for decades. Projected global population growth of at least two billion more people, almost all outside of the developed world, suggests that this trend will continue. One calculation places the global economy's center of gravity in 2050 between India and China, or more than 5,000 miles east of where it was in 1980.¹⁷ Carlos Ghosn, renowned CEO of automaker Renault-Nissan, remarks, "Growth is going to come from new markets—we all know China, India, the Middle East, South America—but also from the countries of the future, which are going to be the next wave coming."¹⁸ In particular, projections based on population and/or natural resources often point to countries such as Mexico, Indonesia, Nigeria, Turkey, Vietnam, Iran, Egypt, Colombia, and the Philippines. Acronym lovers undeterred by the mixed performance of the BRIC nations now refer to the first four of these as the MINT countries.¹⁹ Their continued growth will require further investments in infrastructure along with ongoing social and political reform, and some will be more successful at harnessing their potential than others.

While the future will undoubtedly bring surprises as well as further developments based on existing trends, Ingrid and others are beginning to experience a new world with many centers and a fracturing of previous lines of power, investment, technology transfer, and political authority. Dozens of regional economic hubs are bursting with activity and rapid development. The largest cities on the planet now include Beijing, Mumbai, Lagos, Chongqing, Jakarta, São Paulo, Karachi, and Mexico City, with more on the way. Two-thirds of global economic growth is being driven by cities in the developing world; there will be approximately 370 new cities of over half a million people by 2030.²⁰ Asian consumers are also increasingly shaping demand, and within 15 years will account for a significant majority of both the global middle class population and of worldwide consumption.²¹

Cutting-edge technological advances are as likely to be visible in newly emerged locations as in renowned centers of innovation. Infrastructure in many Chinese cities, for example, is often more advanced than in Silicon Valley—skyscrapers, bullet trains, subways, and cell phone connections are all more modern and efficient. It has become common in many locations, including parts of Africa, to leapfrog whole generations of technology, for example, by skipping the installation of landlines for telephones and the build-out of a

SIDEBAR 1.3 MAJOR INDUSTRIES: LEADING GLOBAL ENTERPRISES

- *Steel:* ArcelorMittal (India), BaoSteel (China)
- *Mining:* Vale S.A. (Brazil)
- *Shipbuilding:* Hyundai (South Korea)
- *Oil Production:* Saudi Aramco (Saudi Arabia)
- *Automobiles:* Toyota (Japan), Hyundai (South Korea)
- *Personal Computers:* Lenovo (China)
- *Cell Phones:* Samsung (South Korea)
- *Food Processing:* JBS S.A. (Brazil)

nationwide retail banking infrastructure, and instead moving straight to e-commerce via cell phone. Top talent, too, can come from previously untapped sources, as Ingrid's bank is learning. Workers in an ever greater number of professions must both collaborate and compete with colleagues from other continents.

Under New Ownership

Western firms have been scrambling to augment their presence in global markets, where they are anticipating further growth. They encounter rival enterprises that were once primarily local, but which have now expanded beyond their home markets to compete with fellow multinationals worldwide. Huawei competes fiercely with Cisco, Lenovo with Hewlett-Packard, Hyundai with Ford, Emirates with British Airways, SABIC (Saudi Arabian Basic Industries) with Germany's chemical giant BASF, and Tata Consultancy Services with Accenture.

This trend is gathering momentum: McKinsey estimates that whereas 95 percent of the Fortune Global 500 was headquartered in the developed world in the year 2000, by 2025 almost *half* of the world's companies with a billion dollars or more in revenue will be headquartered in other markets.²² Due to rapid growth, along with mergers and acquisitions, leading global enterprises in economic sectors once integral to Western technological prowess now have owners based in Asia, the Middle East, and South America (see Sidebar 1.3).

IMPLICATIONS FOR LEADERSHIP

The global economy's ongoing transformation is a mixed blessing, bringing thrilling opportunities for some and headaches or deferred dreams for others, regardless of their location. The upshot for almost

everyone is likely to be a career with more contacts and competition from all over the world—as well as a vast number of new leaders from emerged countries.

Fast-Growth versus Slow-Growth

Instead of the outdated contrast between developed versus emerging economies, it is now more relevant to compare markets growing at different rates. Leaders and organizations that aren’t aware of rapidly shifting customer tastes and preferences in fast-growth markets such as India will be left behind as other firms grow more quickly. On the other hand, those who fail to make careful strategic choices in slow-growth markets such as Italy or France are likely to wither in the face of high costs and fierce competition. Global organizations must make decisions and develop strategies for different regions, and encourage meaningful participation by people from those locations who possess the deepest market knowledge. Some common differences between the two types of markets are listed in Table 1.1.

Successfully navigating today’s global business environment requires that companies straddle the inherently competing demands of both fast- and slow-growth markets. Here is an example of the cross-border business challenges this global contrast can produce.

TABLE 1.1 Fast-Growth versus Slow-Growth Markets

	Fast-Growth Markets	Slow-Growth Markets
Society	Younger population, internal migration to cities, widespread corruption, variety of evolving administrative forms	Aging population, immigration pressures, democratic governance, rule of law
Economy	Dynamic marketplace with many opportunities, fast-moving competition, newer brands and companies starting to globalize, government intervention a wild card, unforeseen risks	Efficiency and cost-cutting, targeted investments, process and quality focus, established multinationals and paths for entrepreneurs
Career	Rapid promotions and compensation increases, on-the-job learning, expatriation for learning and development, ample domestic opportunities, company challenges for retention and development	Specialized professional education, careers developed over decades, expatriation for opportunities abroad, company challenges with expensive workforce and need to shift costs elsewhere

Air Filters for Shanghai

Alan, an expatriate based in China, comments, “Global headquarters just keeps slowing us down here; they don’t understand how China works. We need more flexibility on the ground and more decision-making power. For instance, at the end of Q3, we had an overstock of aging air purifiers in the warehouse just outside Shanghai that we needed to move quickly. My local team came up with the solution to initiate a promotion to sell them.”

Alan suddenly becomes animated by frustration and begins to raise his voice and speak more slowly for emphasis. “It takes three weeks just to get the discount application for this promotion signed by the global team. Then, halfway through this approval process, the entire southeast region of China got hit with extremely serious air pollution—and suddenly everyone needed air purifiers. Within the span of one week, we sold all of our inventory and the warehouses were completely out of stock.

“This is what I mean by needing more flexibility. When we tried to reverse the discount application and replenish the stock of air purifiers, we got a message back from the global supply team asking for a three-month lead time in order to fit into the global supply planning process!

“How am I supposed to do business here in this market with processes that take three months? I am competing against local companies who don’t have to wait, and who wouldn’t dream of implementing such a rigid process. They would just call up their suppliers over the weekend and work night and day with them to make 20,000 new filters in two weeks. The market here is constantly changing; we can’t survive if we aren’t flexible. But the global team just does not understand this, and they always push back that we are not following procedure or providing enough lead time. They don’t realize that these procedures make my life impossible here.”

Alan’s struggles illustrate that a one-size-fits-all process or mindset could be fatal for organizations seeking to succeed globally. Individuals and corporations that have grown up in one kind of environment or another must now adapt to multiple worlds, thinking and acting with both slow-growth and fast-growth parts of their brains.

Global Agility

The shifting global economy has several other implications for people in almost any country. Many companies are expecting more than half of their growth to occur outside of their familiar strongholds in the coming years, which underlines the constant requirement to be agile. Present or future leaders will likely need to traverse new borders in several ways: crossing unfamiliar geographical boundaries, adapting to a changing home environment, and challenging artificial boundaries imposed by outdated mental models.

- **Crossing unfamiliar boundaries.** Many people will be asked to go to places they have never visited or perhaps never even heard about

previously. Europeans can expect to do business in China, Chinese in India, Indians in Africa, and Africans in Europe. And beyond the usual capital locations, leaders may find themselves drawn to expanding second-tier cities such as Surabaya in Indonesia's province of East Java, Chongqing in southwestern China, or Belo Horizonte in Minas Gerais, the Brazilian state north of São Paulo.

- **Adapting to a globalized home.** Once-familiar places are also changing rapidly. Urbanization, migration from abroad or within the same country, economic growth, and other forces are all altering what is “known”—whether that is in Los Angeles, London, Beijing, or Kolkata. Old physical boundaries that once provided clearer demarcations between different national cultures have grown more porous and flexible. Meanwhile, new kinds of borders—socioeconomic, religious, ethnic, linguistic—have arisen in places we thought we knew. As China's economy has grown and previous restrictions on individual movement have been relaxed, Tier 1 such as Beijing and Shanghai each have attracted millions of poor migrant workers from other parts of the country; these internal immigrants speak different dialects and have set up their own community networks for mutual support. Europe's Islamic population is already 6 percent and increasing quickly relative to other groups; there are 9 million immigrants or children of immigrants from Turkey alone. Demographers also predict that white citizens of the United States will no longer be the majority by 2050, while the country's Hispanic population will comprise almost 30 percent of the total.²³

This massive flow of people across former boundaries within and between countries has numerous practical consequences. For example, immigration has markedly impacted the domestic health care industry in the United States, which some might think would be slow to transform:

- Some 27 percent of U.S. physicians are foreign-born.
 - Up to 15 percent of U.S. nurses are foreign-born.
 - Between one-fifth and one-quarter of U.S. direct care workers (nursing aides and home health aides) are foreign-born.²⁴
- **Challenging mental models.** Experienced leaders may still be relying on mental models that no longer reflect reality, and which create artificial boundaries among past, present, and future. If one's mental map of the world still highlighted the biggest cities of 100 years ago, it would be seriously flawed today. Countries and their markets change, which alters our map of the world's economy. For instance, Japan's star has fallen rapidly as its once-booming economy has stalled and other countries have grown.

South Korea followed Japan's ascent, becoming one of the next wave of Asian tigers; however, the achievements of this relatively small country now seem to pale next to those of its Chinese neighbors. And while the Chinese economy is still growing at breakneck speed by current Western standards, it is starting to cool off as its population ages, with some industries experiencing more severe slowdowns or boom and bust cycles. Regional disparities in the level of development and economic growth between China's east coast and interior make the real picture quite complex.

We must also reexamine models for how to lead and to best cultivate new leaders as global markets shift. In addition to boundaries between or even within nations, there are new borders to be crossed at the edge of every outmoded concept, and these may be as important as lines on a map that are enforced with guard posts and customs officials. Global talent may object to *outsourcing*; global mindset means more than *culture* there are global teams that cannot be rescued by *facilitation*; there is more to *diversity* than race and gender acquisitions can fail in spite of proper *diligence*; successful innovations require more than great *products*; and global ethics means going beyond the immediate interests of shareholders to create a broader definition of *integrity*.

Global leaders need to approach familiar tasks in novel ways and lead across geographical, cultural, and mental borders. Current leadership development methods might not be adequate to address the fast-growth/slow-growth dichotomy or to meet the urgent need for a vastly larger talent pool of people who can take an agile approach to global business opportunities.

The Failed Assignment

Huang Shiguang leans back and takes a drag of his cigarette, shifting his gaze to look out through the sliding glass doors of the office building café. He uses this moment to gauge how he should respond to the question about his assignment to Germany, from which he has just returned. By all accounts, the assignment was not a success. His former boss and close ally, an American with over 20 years of experience in China, described in detail how painful it was. "They basically threw him into Germany in the midst of an integration process between two companies and he foundered. You need someone who is very aggressive, vocal, and strong in that environment. Huang is not afraid to say what he feels, but he's not German. So there he was in Germany trying to deal with a group of senior leaders who don't have any experience working internationally, and he really struggled to make the connections he needed to make. They just thought that he was this Chinese kid sent to Germany to get some training, and they ignored him.

(Continued)

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“Some of the Germans told me that he couldn’t be effective; that he is a finance guy who is good with data and numbers but, in this case, he needed to actually work with people. The German plant manager told me, ‘This guy needs to go out and push people and fight his way through. He didn’t do that, so we couldn’t respect him.’”

Huang leans forward finally and comments that he learned a lot. He says he learned how critical it is to understand how other countries work, and what is important to them. “I thought that I had a lot of global experience because I ran projects out of China and dealt with colleagues in Europe and the United States. But I didn’t really know how other people think. You need to know that.” Huang’s sentences get shorter and begin to seem disjointed as he goes on. He is unsure how much to divulge, wary of painting the situation with a negative brush. The years working for an American firm show up in his reticence to complain, his determination to show professionalism. But the experience in Germany clearly shook his confidence, and he has not yet found a way to articulate what went wrong.

Huang is relatively young, just entering his late 30s, and has grown up professionally in this American organization. The manufacturing firm was his first job out of university and he has stuck with it for 15 years, taking on challenges and developing quickly. This assignment to Germany was supposed to be a reward, a stretch role allowing him access into leadership at the organizational level, not just responsibility within China.

Huang leans forward, stubs out his cigarette and picks up his cappuccino, shifting his attention back to the conversation. “To be honest, my opportunities lie in China. There is a limit to how far I can go with this organization. At some point, I need to look at using my skills to build something here, maybe with a local company. This is where the opportunities are for people like me if we really want to lead. Or I could just stay with the company and run things out of China. I need to do what I am good at. I know China. I know how to do business here.”

Huang’s knowledge of China is mission-critical to his current company. The organization has invested close to 1 billion U.S. dollars there and has promised shareholders to hit a growth trajectory almost entirely dependent on performance in China. To meet that business plan, the company needs at least a hundred local nationals at the director level (Huang is one level below and was a prime candidate for promotion before his assignment to Germany). They have nothing like these numbers, and the slots are currently filled almost exclusively by expatriates on two- to three-year rotations.

In many industries, the rate of growth in China is still so high that the volume of work outgrows the number of qualified people available to perform it. In three years, the company has gone from a 100-million-dollar business to a 1-billion-dollar business in China. But they cannot seem to grow local leaders fast enough to handle the complexity of this progression. For that matter, there is no global leader who has experienced a similar situation anywhere else in the world. This makes it all the more crucial to have local leaders in positions where they can influence organizational strategies for their unique market.

Huang’s 15 years of experience and the company’s ability to retain him for that long are very rare in China. He is a source of knowledge about China’s market and how the industry works that many organizations would pay large sums of money to recruit. The interview turns to growth projections and the company’s big bet on China to determine its fortune. “How did the organization

(Continued)

(Continued)

leverage your knowledge about China when you were in Germany? There is a strong hub of global business unit leadership there and a lot of collaboration with China. How did you contribute to strategy decisions and cross-pollination while they had you so close?"

Huang disengages, shifting back in his seat again to look out the window. He is quiet for a length of time and then refocuses and answers very slowly, "They never invited me to any meetings. They never asked me one question."

COMMON LEADERSHIP TASKS

Ingrid (promotion postponed), Alan (air filters), and Huang (failed assignment), are each high-potential future leaders who have held important roles in vital markets. Their performance is critical to their multinational employers, but they are struggling. What could each of them do to have a better chance of success? And what could their organizations do to make success more likely?

Leaders in organizations everywhere must find ways to grow their businesses, to make them more efficient, and to develop employee capabilities. They need to leverage the best talent, bridge differences, run teams, engage diverse employees, integrate mergers and acquisitions, innovate to create new hit products or services for customers, and make difficult ethical choices on behalf of the organization.

Given the differences in culture, languages, time zones, and institutions inherent in global business settings, these common leadership tasks become significantly more complex and demanding. Leaders at all levels must work within matrix organizations that seek to balance the interests of business lines, functions, and geographical regions. They are also likely to have less direct authority, less accurate information, broader responsibilities, and significantly more stakeholders.²⁵

Most writings on leadership focus on competencies—that is, individual skills or characteristics that allegedly produce better results. *Leading Across New Borders* focuses primarily on specific *tasks* that leaders like Ingrid, Alan, and Huang must accomplish. It answers the question: What does each of them need to do in order to succeed in cross-border contexts, with many stakeholders and little or no "command and control" authority?

Global leaders have to carry out their tasks within several contexts: self and other, team, and organization. Subsequent chapters will examine standard best practices for each task, point to the limitations of current leadership models as the world changes, and offer new ideas and approaches. Each leadership task—displayed in Table 1.2—must

TABLE 1.2 Global Leadership Tasks

Global Leadership Tasks: A Roadmap	
Context	Task
Self and Other	<i>Leveraging Talent</i> <i>Bridging Differences</i>
Team	<i>Running a Matrix Team</i> <i>Leading Inclusively</i>
Organization	<i>Integrating a Merger or Acquisition</i> <i>Innovating Across Borders</i> <i>Making Ethical Choices</i>

be handled with an awareness of how we can alter pre-existing paradigms to reflect new realities.

ABOUT THIS BOOK

Close examination of these key tasks provides a useful road map for learning to lead in a global context. Although there is still value in learning about protocol or general paradigms for cultural awareness, this book goes beyond these familiar nostrums. Recommendations provided in each of the chapters to follow are based on contemporary examples and wisdom gleaned from practical, hard-working people in real companies. We will introduce leaders from many industries and locations, the work of scholars from various countries, and fresh data from our own proprietary tools.

Aperian Global, the authors’ firm, delivers consulting services and learning programs every year to in excess of 15,000 people in more than 15 languages and 60 countries. We have served corporate audiences in many of the world’s largest companies (including one-third of the Fortune 100) and in all major industries for over 25 years. This has provided us with deep knowledge and experience in addressing global business issues pragmatically, without getting mired or lost in complexity. Readers will have temporary access to the GlobeSmart ProfileSM, a personal inventory backed by strong research that will allow them to quickly assess their own cultural patterns based on five dimensions of culture and to compare themselves with others. We will introduce aggregate data gathered from recent users of this profile, a part of the GlobeSmart[®] web tool that has had over 800,000 registered users to date. In later chapters, we will also provide revealing new

data gleaned from analyzing thousands of responses to two other proprietary surveys, the GlobeSmart Teaming AssessmentSM, and the GlobeSmart Innovation AssessmentSM.

AN INVITATION

Successful global leaders take on their jobs with eyes wide open to the rich variety of markets and employees that exist around the world, blending their hard-won prior experience with fresh insights and a willingness to experiment with new approaches. They are constantly alert to ways in which the world is changing, as their daily choices have crucial strategic and bottom-line implications.

Along their respective paths, people in leadership roles are also compelled to make tough ethical choices that push them to widen their frame of reference and to consider others' (often fervently held) ethical perspectives. They may even begin to include previously invisible participants in their considerations, such as the migrant farm workers who spray pesticides on crops in the field and drink water from the pump nearby, or the animals that live there as well. As Mother Teresa once stated, "The problem with the world is that we draw the circle of our family too small."

Leading Across New Borders is an invitation to take a journey shared by people in an ever-increasing number of professions from all parts of the globe. The path is different for everyone; yet there are common dilemmas that leaders face as the center shifts and their personal circles widen. Some may be just embarking on this journey, while others are likely to be well on their way. Readers at every level of experience will find this book to be a game-changing guide to the rugged terrain ahead.

ERNEST GUNDLING
CHRISTIE CALDWELL | KAREN CVITKOVICH

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