Developing Globally Literate Leaders

A landmark study reveals that global success depends on leadership skills and multicultural experience at all levels.

By Robert Rosen and Patricia Digh

Walk into the headquarters of Ping An Insurance Company, look up, and you’ll see a bust of Confucius—not at all surprising in this Chinese company. But look again. Facing Confucius from across the lobby is none other than Sir Isaac Newton. In fact, paintings of great Eastern and Western thinkers serve as a backdrop all the way down the entry hall to where Confucius and Newton peacefully coexist.

Ping An is a company devoted to learning from around the world. Its CEO, Peter Ma, understands that the employee of the future must see, think, act, and mobilize not only with a Chinese mindset, but also with a global one. Ma’s company continues to break new ground, as it has since it was founded in 1988, as China’s first partially employee-owned company. From US$30 million in assets and 10 employees in 1988, it has grown to a US$30 billion company with more than 130,000 employees. Ping An’s secret to success is its ability to keep one foot in traditional Chinese culture and one foot in the world, constantly learning and modernizing Chinese culture. For Ping An, to be a global company no longer means just doing business internationally or being world class at home and abroad. It now also means learning aggressively from around the world.

Global Literacies: Lessons on Business Leadership and National Cultures (Simon & Schuster, 2000) is a landmark study of global leaders like Peter Ma. The book contains in-depth, face-to-face interviews with CEOs of more than 75 companies in 28 countries and a survey of 1,000 senior executives around the world. The study identifies the critical competencies needed to succeed in the global economy.

Two main lessons emerge: One, there are leadership universals that every executive and manager must practice. Those are the new global literacies. The second lesson defies conventional wisdom: In the new, borderless economy, culture doesn’t matter less; it matters more. Doug Ivester, former CEO of Coca-Cola, painfully discovered that lesson during the 1999 Coke scare in Europe. He says, “As economic borders come down, cultural barriers go up, presenting new challenges and opportunities in business.”

In the current borderless economy, all business is global and competition comes from everywhere, requiring businesses of all sizes to develop a global perspective, strategy, and skill base. Not only does the United States compete with Taiwan and Switzerland for jobs and customers, but also businesses in Chicago compete locally with companies from Canada and Sweden. Technological advances, the knowledge explosion, globalization, and the rapidity of change are the universal global business drivers affecting organizations around the world—causing us to reexamine the core competencies of executives, managers, and employees required for success in the 21st century.

In This Article: Leadership

• There are leadership universals that every executive and manager must practice; those are the new global literacies.
• It defies conventional wisdom, but in the new, borderless economy, culture doesn’t matter less; it matters more.
• A company’s global business, leadership, and culture strategies naturally shape its learning strategy. The challenge for learning executives is to identify and prioritize current and future learning needs, to create global learning programs to address those needs, and to use global learning partner networks to execute the plan.

International competition, the global war for talent, domestic and cross-border mergers and acquisitions, joint ventures and alliances, changing employee expectations, and pressures for greater productivity are demands that learning executives around the world are dealing with.

To succeed, we must build world-class organizations by creating value for investors, customers, and employees. We must accomplish global business goals, achieve cost efficiency, stimulate growth, and help organizations become global employers of choice. But how?

Global leadership at all levels is the major catalyst. Two factors predict success in
the global marketplace, according to Global Literacies research: 1) developing leaders at all levels of business and 2) placing a high value on multicultural experience and competencies. The most successful companies do both.

Though cultural competency is a proven key to global success, executives from the United States, Canada, and Australia ranked last in a 20-nation survey of business leaders when asked whether multicultural experience matters. The lesson? Companies are in danger of losing their competitive advantage by disregarding the thing that makes companies successful in a global marketplace. Culture is no longer an obstacle to be overcome. Rather, it is a critical lever for competitive advantage.

In the new global learning environment, corporations are no longer moving molecules but brain cells. Ted Kunkel, CEO of Foster’s Brewing Group, doesn’t describe his company as a beer maker but as a “global brains company.” He says, “Investing in knowledge and development is the flame for us to create a sustainable business.”

Kunkel realizes that learning is crucial to meeting the new challenges of the 21st century. Carefully tied to the strategic needs of the business, world-class learning solutions start with a new set of global leadership competencies and use technology aggressively to accelerate employee learning. Learning now takes place in flat, flexible organizations well versed in ambiguity and rapid communication—with fewer boundaries, decentralized decision making, loosely knit entrepreneurial units, and a focus on employee intelligence and ingenuity. With a shorter shelf life in a knowledge economy, the goal of learning is to introduce employees to an entirely new way of thinking about global context and global competencies so they can perform broader roles in the global marketplace.

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Great companies are adept at attracting, developing, and retaining people with the skills, perspectives, and experience necessary to drive a global business. The global learning cultures of such companies enable employees to learn from each other and share innovations and best practices from around the world. What distinguishes the best companies is their ability to produce a surplus of globally literate leaders at all levels of their business.

**Globally literate leaders**

Global literacy is the new leadership competency required for business success. To be globally literate means seeing, thinking, acting, and mobilizing in culturally mindful ways. It’s the sum of the attributes, beliefs, knowledge, skills, and behaviors needed for success in today’s multicultural, global economy.

Globally literate leaders possess these distinct competencies:
- personal literacy (understanding and valuing oneself)
- social literacy (engaging and challenging other people)
- business literacy (focusing and mobilizing one’s organization)
- cultural literacy (valuing and leveraging cultural differences).

Interrelated and interdependent, each of those literacies forms the foundation for the next.

How each of the literacies gets expressed varies based on the culture in which you live, work, and conduct business. Each major region around the world teaches important lessons in each literacy area.

For example, Asians teach us about personal literacy through their deep understanding of paradox and ambiguity. Latin Americans teach us about social literacy by modeling how to build relationships in complex, chaotic environments. From North Americans, we learn business literacy by watching them build change-ready, technologically savvy, results-oriented organizations. From Europeans, we learn cultural literacy based on their historical challenges of working and living cross-culturally for hundreds of years.

To be globally literate is to be able to read the emerging world—to open up new possibilities through a deeper understanding of ourselves, our customers, our markets, and world cultures.

Training and development executives have a challenging job, given the realities of the global marketplace: to build world-class organizations by designing education and training strategies that cultivate current and future global leaders, and to develop the core competencies necessary to win in the global marketplace.

At Healthy Companies International, we help senior, HR, and learning executives build their global enterprises. Companies will be successful only by developing, linking, and executing strategies in these key areas:
- business
effectiveness 
culture
- learning.

To be effective, those strategies must be adaptive and aligned to create maximum value for the enterprise. The synergy among them is critical to global survival. Each strategy outlines the leadership tasks required for world-class success. Together, they form the framework for learning managers to build a globally literate workforce and enterprise.

Here are 12 steps to achieving globalization of the strategies, illustrated by CEOs of some of the most successful companies around the world.

**Globalize your business strategy**

Learning executives must globalize the business strategy for learning inside the corporation. What’s your global vision, philosophy, and plan for your learning business? How are you going to develop a global vision that excites, challenges, and educates your workforce?
Global Literacies

**Personal literacy** refers to understanding and valuing oneself. The key behaviors:
- Aggressive insight. Committing to a continuous process of self-awareness and renewal.
- Confident humility. Being self-confident, yet humble enough to listen and learn from other people.
- Authentic flexibility. Understanding and accepting the attitudes, beliefs, and behaviors of other people without compromising your own.
- Reflective decisiveness. Balancing thoughtful consideration of all options by acting boldly and forcefully.
- Realistic optimism. Envisioning a better future while acknowledging the constraints of current realities.

**Social literacy** refers to engaging and challenging other people. The key behaviors:
- Pragmatic trust. Combining the attitudes of trusting believers and skeptical pragmatists.
- Urgent listening. Balancing the urgent demands of business with deep listening to the concerns of other people.
- Constructive impatience. Being impatient enough to inspire greater performance without damaging constructive attitudes and relationships.
- Connective teaching. Creating learning networks that enable people to learn collaboratively across organizational and cultural boundaries.
- Collaborative individualism. Uniting the diverse skills and interests of individuals in a common purpose.

**Business literacy** refers to focusing and mobilizing the business. The key roles:
- Chaos navigator. Guiding people through change and managing the unexpected.
- Business geographer. Understanding the business context of the regions and countries where your products and services are made, bought, or sold.
- Technology steward. Learning the e-business and Internet skills required in a technological world.
- Leadership liberator. Creating leaders every day and at every level of the business.
- Economic integrator. Aligning and connecting people, systems, and processes in support of the vision and goals of the organization.

**Cultural literacy** refers to understanding and leveraging cultural differences. The key roles:
- Proud ancestor. Valuing your cultural heritage while acknowledging its shortcomings as well as its strengths.
- Inquisitive internationalist. Looking beyond one’s own culture for business opportunities and resources.
- Respectful modernizer. Retaining the best of one’s culture while using the knowledge and resources of other to modernize for the future.
- Culture bridge. Forming alliances and connections across cultures.
- Global capitalist. Bringing global resources to local problems and opportunities and local resources to global ones.

Source/Healthy Companies International-Watson Wyatt CEO Survey

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**Step 1: Create a global vision and values.** First and foremost, global leaders must excite other people about their vision for becoming a world-class organization. By facilitating worldwide conversations that articulate the higher purpose of the organization, globally literate leaders globalize their vision and values.

In the new, borderless economy, culture doesn’t matter less; it matters more.

In Japan, a culture shaped by ambiguity, Ryuzaburo Kaku, honorary chairman of Japan-based Canon, has no ambiguity whatsoever about his vision of the future: “Living and working for the common good” is his goal. That concept of *kyosei* drives him and the company to become a powerful force for social, political, and economic transformation in Japan and beyond. Worldwide successful companies localize their vision and values across marketplaces, products, customers, suppliers, and partners. By building credible, coherent, compelling global points of view, such companies create a rallying point for all employees.

**Action steps for learning executives:**
- Develop a vision for becoming a world-class organization.
- Globalize your learning vision and values.
- Build a global point of view.

**Step 2: Build a global roadmap.** George Fisher, retired chairman and CEO of the Eastman Kodak Company, had a global vision, but he knew he needed global leaders at all levels to achieve the vision and that those leaders would need a roadmap, a global trajectory of where he wanted Kodak to go in the future.

“The New Kodak: A Roadmap for Corporate Renewal” provided Fisher with the tools to help achieve customer, employee, and shareholder satisfaction. The challenge was that the roadmap had to be readable around the world. Fisher tailored his map to local traditions, allowing for a certain amount of freedom by culture without losing the fundamental intent.

**Action steps for learning executives:**
- Chart a global roadmap for the organization’s learning future.
- Teach the global context of the business.
- Tailor the roadmap for local adaptation.
Step 3: Execute a global enterprise strategy. Learning executives must understand the link between the key strategies (business, leadership, culture, and learning), and they must invite participation from senior executives, operating units, and learners to develop an enterprise-wide strategy.

Under the leadership of Phil Condit, Boeing has crafted a global vision: “people working together as a global enterprise for aerospace leadership.” Out of that vision, Boeing created a global enterprise strategy—a component of which is the Boeing Leadership Center, launched in 1999 to develop leaders who can take advantage of rapid changes in the global economy. Carefully designed to help managers at each stage of their careers, Boeing has effectively created a global learning strategy and linked business strategy to leadership, culture, and learning.

How are you going to develop a global vision that excites, challenges, and educates your workforce?

Action steps for learning executives:
- Cultivate a global learning philosophy.
- Initiate an integrative global enterprise strategy.
- Invite input from senior executives, operating units, prospective learners, and outside experts.

Globalize your leadership strategy

All employees are global employees and must develop broader and deeper skills to meet the changing needs of global custom-

ers. The challenge for every learning executive is to develop the critical learning philosophy and practices to create a world-class work environment that liberates and leverages the company’s global human assets.

Step 4: Create global leadership competencies. “The data wave is breaking higher every day,” says Sir Peter Bonfield, CEO of London-based British Telecommunications. “Monopoly, bureaucracy, and stagnation are out; competition, choice, and innovation are in.”

Out of that complex global tsunami, British Telecommunications has emerged as a fast, market-driven business riding the crest of the data wave. To make it work, Bonfield had to create a business-literate workforce with global leadership competency at every level, tailored to local conditions. By liberating leaders to lead, using continuous feedback mechanisms such as 360 assessments, Bonfield has combined BT’s aspirational vision with the metrics of success to create corporate scorecards that reward leading indicators rather than static ones.

Action steps for learning executives:
- Assess global literacy capability worldwide.
- Globalize and localize leadership competencies.
- Require global literacy skills of executives, managers, and employees.

Step 5: Develop globally literate executive teams. Developing globally intelligent executive teams may be the most important job of learning managers. By facilitating worldwide conversations about global markets and opportunities, learning executives can help deepen globally literate leadership skills around the table. Denmark-based pharmaceutical giant Novo Nordisk sends “culture coaches” around the world to help teach and facilitate executive teams as the company personalizes and operationalizes its global vision and values. Executives must come to the table with “bought” and “sold” best practices from divisions around the world to cross-pollinate their thinking at the top of the organization.

Action steps for learning executives:
- Cultivate psychological, business, and cultural intelligence.
- Foster cross-cultural executive communication.
- Teach executive teams about global context, competencies, and problem solving.

Step 6: Cultivate global leaders at all levels. Helen Alexander, managing director of the U.K.-based Economist Group, cultivates diversity and debate across cultures. She looks for and cultivates “highly educated and flexible, open-minded people who can work across borders, who can be international and local at the same time, and who are naturally culturally sensitive. We want people who can think beyond cultural differences.”

By teaching people to work together in a high-speed environment, Alexander has created a highly respected publication, to which global businesspeople turn for viewpoints and analyses.

Action steps for learning executives:
- Make international a part of the company’s bloodstream.
- Foster cross-business and cross-cultural work assignments.
- Develop global coaching and mentoring networks.

Globalize your culture strategy

The next challenge for training executives is to create a fast, dynamic global learning environment, in which every employee understands the need for global leadership skills. By building a global culture of innovation and accountability, training executives can promote the transferers of global knowledge and penalize the blockers.

Step 7: Globalize your management routines. Coca-Cola knows that effective managers have productive daily routines and ineffective managers don’t. Certain management routines can be useful for all managers around the world to learn. Coca-Cola’s Management Routines program is designed for managers to emulate or alter to fit their own styles, depending on their cultural backgrounds. This global toolbox augments managers’ worldwide communication tools and includes lessons in dialogue, learning coaches, and global learning catalogues. Globalizing Coca-Cola’s management routines has led to soft innovations in a company known for hard results.

Action steps for learning executives:
- Identify universal global management tasks.
- Determine what is global and mandatory and what is local and discretionary.
- Ensure that global leaders model global management tasks.
Step 8: Create a global-local business culture. When Jean-Louis Beffa visits the Palace of Versailles, he can’t help but admire the windows. His pride is well founded: The French company he now leads, Saint-Gobain, created those windows. Beffa knows that the market for palace windows has dwindled in the ensuing 330 years of Saint-Gobain’s history. To remain relevant in a much-changed world, Beffa has created a nimble organization with a global footprint: Employees must learn about the French, European, and global perspectives of their business. He cultivates a global-local culture by ensuring that employees can move quickly between those three worlds. Global learning and communications systems enable that to happen.

Action items for learning executives:
- Develop global communication systems.

Step 9: Foster multitalented, multicultural teams. Cows are key players in New Zealand’s economy, accounting for 23 percent of the nation’s GDP (gross domestic product). The New Zealand Dairy Board capitalizes on that asset, realizing that there’s no place for all that milk to go but outside of New Zealand. Thus, strengthening diverse, multicultural teams is vital to New Zealand’s international success. By staying true to New Zealand principles yet respecting different cultural norms, globally literate leaders of the dairy board use conflict to build understanding, creativity, and momentum.

Warren Larsen, CEO of the New Zealand Dairy Board, created a new structure for his organization, with global teams at its center. It’s a structure that leverages collective intelligence and institutionalizes social literacy. Says Larsen, “If we’re smart and form strong cultural relationships, then performance goes up.

By fostering virtual, multicultural teams, Larsen was able to create a 24/7 culture and global communities of practice, enabling his organization to beat much larger competitors in the global marketplace. This small co-op of farmers recently sold US$40 million worth of mozzarella to the world’s largest pizza chain, Pizza Hut.

Action items for learning executives:
- Foster virtual, multicultural teams.
- Develop global business action teams.
- Create global learning communities of practice.

Globalize your learning strategy
A company’s global business, leadership, and culture strategies naturally shape its learning strategy. The challenge for learning executives is to identify and prioritize current and future learning needs, create global learning programs to address those needs, and use global learning partner networks to execute the plan. Ultimately, learning executives must demonstrate the
**The New Rules of Business**

**Global reach:** Businesses will need global reach to serve global customers and members. If companies lack the capacity, they must build partnerships around the world.

**Local markets:** All markets are local markets. Quality, pricing, and service must be globally competitive and domestically appropriate.

**Foreign competitors:** No longer will geography bind a corporation’s aspirations. Many U.S. firms may lose their local monopolies to new foreign competitors.

**Speed to market:** Speed and urgency will be the norm as companies change strategy and direction continuously. Flexibility and innovation will be their secrets to success.

**Electronic commerce:** Electronic commerce will fundamentally change customers’ expectations about convenience, speed, and price—giving consumers more choices.

**Real-time delivery:** Real-time pressures for product design and development will enable customers to influence how products are made and delivered.

**Local distribution:** Local distribution will require a much deeper understanding of local business needs and prevailing national cultures.

**Outsourcing:** Outsourcing non-core services will force companies to rethink their basic competencies and develop relationships with suppliers to provide the others.

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impact of global literacy on employee retention, satisfaction, and development; innovation; and other critical business goals.

Step 10: Deliver enterprise-wide tools and processes. Training costs nothing reads the large plaque in the entrance to Motorola University’s main campus. Driven by former chairman Robert Galvin, Motorola has built its reputation around the single-minded pursuit of learning. Its learning strategy is linked directly to the corporation’s critical business issues: leadership development in a global market, systems solutions, growth through organization renewal, global brand-equity management, and knowledge management. Global skills are integrated through and across the learning curriculum at Motorola—using enterprise-wide, multidimensional learning tools that teach collaborative, cross-cultural competence. Motorola is a global learning laboratory.

Action steps for learning executives:
- Create enterprise-wide, multidimensional learning tools (assessments, laboratories, e-learning, action learning).
- Foster global collaborative learning technologies (Web-based, distance, satellite, multimedia).
- Build a global learning infrastructure (learning portal, virtual campus, just-in-time, partner networks).

Coca-Cola knows that effective managers have productive daily routines and ineffective managers don’t.

Step 11: Create global knowledge banks. Shelley Lazarus, CEO of Ogilvy & Mather, knows that creativity is the lifeblood of her ad company. She uses “test beds and experiments” throughout O&M: Four to five offices do things in different ways at all times, with lessons shared around the world to capture global knowledge (assets, databases, skills, and best practices). The new IBM brand identity created by O&M—“solutions for a smaller planet”—brought the world together and made IBM smaller and friendlier, using foreign languages. It was a campaign created out of dynamic global knowledge banks and collaborative communities worldwide. Lazarus knows that each leader, division, and country has something unique to share. Her learning strategy is designed to capture those unique contributions for the benefit of the business.

Action steps for learning executives:
- Teach global collaborative competencies to management teams.
- Develop a global knowledge bank of stories and best practices.
- Develop a global knowledge management community.

Step 12: Build global-local centers of excellence. Any successful global enterprise has functions that are global in nature (vision and values, technology infrastructure, and communication systems) as well as local assets and centers of excellence.

Lars Ramqvist, CEO of Sweden’s Ericsson, builds a boundaryless enterprise while localizing competence. “Our Centers of Excellence,” he says, “have their own expertise and are linked globally. Each group of employees brings some unique expertise to the business. Our 100,000 employees work together because they know that the other 99,999 will turn to the experts inside the company to buy their expertise when needed.” Ramqvist has created internal markets for ideas, talents, jobs, and projects.

Action steps for learning executives:
- Develop a global benchmarking process.
- Develop local centers of innovation and excellence around the world.
- Develop global metrics and standards for performance and excellence.

Those 12 steps are critical to creating global success. Learning executives must demand global literacy of themselves and teach the global literacies to other people at all levels of the business—encouraging them to be more personally aware, socially skilled, economically enlightened, and culturally wise. As leaders, they must understand their national strengths and be aware of their national flaws, preserving what is best in their countries while learning from other nations around the world. By developing more people at more levels of the organization with global literacies and linking the key strategies, learning executives help their companies create leadership competence around the world and increase their potential for 21st-century success.

Robert Rosen and Patricia Digh are co-authors of Global Literacies: Lessons on Business Leadership and National Cultures (Simon & Schuster, 2000), selected as a Fortune “Best Business Book.”

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