



Overseas assignments are not enough to develop global competence

Steven Sonsino rounds up the latest HRM studies:

Researchers look at the meaning of global competence and the extent to which overseas assignments can be used to achieve it.

Too little attention is paid to the selection of managers for global leadership development programmes and their eventual repatriation. The implications are that firms need to consult with managers on personality work and knowledge-building work before they are posted overseas.

In addition, how the individual is going to be assessed, in terms of a firm's performance management criteria, also needs to be spelt out before an engagement. Too often developmental goals are unstated. Making the right selection choices for global assignments of this kind and establishing where the performance improvements are likely to occur on repatriation – in terms of knowledge of trading overseas and a manager's abilities to do so – will increase the chances of real financial benefit to the organisation.

In this thoughtful study of leadership development programmes involving 12-to-24-month overseas placements, Paula Caligiuri (Rutgers University) and Victoria Di Santo (Schering Plough Pharmaceuticals) found that while overseas assignments were useful for developing greater knowledge in managers, they were often not useful in shaping personality. In other words, firms shouldn't throw people into overseas assignments and expect them to change fundamentally. It isn't the maturing process that many firms appear to think it is. (This is a significant finding, given that earlier work conducted by the researchers found that developing leaders through cross-cultural assignments was one of the top five organisation-wide practices affecting the productivity of multinational corporations.)

This is perhaps the most interesting spin-off to come from research into how organisations engage in developing high-potential "global" managers. The authors have done a reasonable job of teasing out the benefits of developing global competence, building on their earlier research, which suggested there was a link between leadership development and bottom-line financial returns.

The authors took a two-stage approach to their task. They defined global competence in the first study (using five focus group panels of global HR managers and business unit leaders) and found that multinational organisations recognised global competence in terms of three dimensions: knowledge (of doing business overseas), ability (to manage and lead overseas) and personality characteristics. They then used these results to assess the global leadership development programmes of three US multinationals, examining employees prior to, during and after their programmes. The study found that employees developed new knowledge from these assignments, but that the personality dimension of global competence is little changed, if at all.



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Interestingly, a significant number of employees developed a stronger sense of humility, rating their abilities lower following an assignment, perhaps because they “know what they don’t know”.

This work builds on a significant stream of literature associated with global leadership development. It is especially significant given the increasing calls for HR and management development practices to lead to real financial returns to the organisation.

It also supports other research findings and suggests that to remain competitive, organisations must continue to identify and develop their leaders, preparing them for the international business challenges of their later career.

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PM Caligiuri, V Di Santo, “Global competence: what is it and can it be developed through global assignments?”, Human Resource Planning, Vol 24: No 3, pp 27-35, 2001.

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