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**DEVELOPMENT AS A LEVER FOR
LEADERSHIP TRANSFORMATION**

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If there's anything we've learned it's to give equal time to both the program's project and the globalization experience. If you walk away from this with an excellent project completion, but don't know how a Frenchman lives, don't know why a Japanese businessman gets promoted, haven't tasted sushi, haven't ridden in the British subway, you've blown it.
[Quote from a senior executive participating in a global development program.]

INTRODUCTION

In the last decade, global development has become a fundamental challenge to the competitiveness of all corporations operating in the international environment. We contend that traditional training and development approaches fall dangerously short of the requirement for effective global operations. It is time for conventional wisdom and teaching technologies to be relinquished so that we can start transforming how we think about human resource development in the new age.

The 1990s are a time for action. The business playing field has been radically altered and the stage set for its global transformation. The key differentiator for the 21st century corporate winners will be the effectiveness of the human organization. Winning companies will be led by true "globalists", individuals who have:

- 1) a global mindset -- those who can conceptualize complex geopolitical and cultural forces as they impact business;

- 2) a well-honed set of global leadership skills and behaviors;
- 3) an ability to build effective cross-cultural teams;
- 4) the energy, skills and talents to be global networkers;
- 5) skills as global "change agents".

These global winners will be able to "glocalize"¹, that is using both the muscle and scale of the global giant and acting as a local supplier to customers. People development is their key investment during this decade. The human capital challenge is immense. At the core of this challenge is development of a sufficiently large global leadership cadre to lead these institutions into the 21st century. Leaders need to be able to successfully tap into and help create these networks. The remainder of this article details an American corporation's unique approach to using development as lever for global leadership transformation. The change agenda involved a duality of both developing individuals and transforming the organization. The story provides us with insight into what it will take in the 1990s to rapidly create global leadership for the 21st century.

Globalizing High Tech, Inc.

¹ This is a term coined by such Japanese companies as Sony to emphasize the paradox of globalization, the need to be big and global while acting small and locally responsive.

This high-tech company is the world's leading producer in its field, with sales of more than \$3 billion and a work force of approximately 17,000 employees. It has one mission: To become the undisputed, worldwide leader in its industry. This objective is being accomplished by maintaining its technological leadership while becoming a low cost producer with high quality, responsiveness, and strong customer-orientation. In the 1980s, rapid globalization was sought through a strategic alliance with an Asian company and the acquisition of a European business. The most challenging aspect in this pursuit has been the development of people and the creation of a global organization.

It would have been a significant challenge to transform the business toward a marketing orientation with global cost competitiveness. This is because of the history of strong U.S. orientation where engineers provided state-of-the-art technology in a protected domestic industry.

Globalization became even more challenging with the acquisition of almost 6,000 Europeans. A year earlier several thousand Asians had their organization shift from a 50/50 joint venture to one that was 80% American owned and, hence, managerially controlled. This massive integration of the highly diverse European, American, and Asian cultures along with the radical transformation of the business itself made the human story of the corporation's transformation a fascinating case

which captures much of the global dynamics in recent business history.

A series of strategic decisions were made regarding the distribution of products among the design and manufacturing facilities.² Other operating issues also had to be settled: integration of the functions of sales, service, marketing, financial accounting and reporting, employee relations. The corporations needed to develop ways of communicating these changes and the rationale behind them to employees, customers, and governments.

Reaching these critical, strategic decisions to develop a global business with three organizational poles (Europe, Americas, and Asia) was much easier than implementing the strategies. The new global organization required global leadership and dramatic changes in human dynamics.

The CEO established the concept of a global leadership system to help transform the business. He called in a core faculty team headed by the authors to work with some of his own senior management in designing what was to become the Global Leadership Development System. Its aim was simultaneously to help reshape the entire business and develop leaders.

² Product line responsibilities were shifted and the European, Asian and American corporations each received R&D and product center responsibilities. This meant that product lines were discontinued and R&D centers restructured.

The major planning for the Global Leadership Development System occurred in February of 1988. The author and the top management at the company determined the need to develop the participants' global leadership skills, integrate the necessary global networks, and create an ability to develop teams across the three poles. The new design made use of a temporary system, one in which teams of Asians, Americans, and Europeans worked together for almost a year. These tasks were in addition to on-going responsibilities. These projects were designed to address the "soft" issues of global teamwork, global mindsets and global leadership while delivering on the key "hard" strategic tasks given to the teams. Exhibit I provides the rationale for the Global Leadership Program.

Teamwork at the Top

At the core of the global leadership system is the top management team. Its executives need to lead and guide the process while also striving to be good role models for global managers. When we started, the top team was not prepared for this task. The team had new members; there was a great deal of provincialism; walls, barriers, and interpersonal conflicts abounded; the team itself had not functioned in an integrative fashion. It was not surprising that a great deal of team building at the top level was a prerequisite for deeper organizational change.

GEMS

Global Leadership Development

The Global Playing Field

- Olympic class players only
- Standards tougher/faster

GEMS in the Field

- Globalization of industry
- Cost competition (Siemens)
- GE historically U.S. based

GEMS Mission/Strategy

- MISSION: Become the unquestioned leader in diagnostic imaging
- STRATEGIES: Globalization • Cost competitiveness
Installed base expansion • Technical pre-eminence
growth

GEMS Organization

- Loose/flexible organization
- Blend of hard/soft operating mechanism
- Global networks

GEMS Global Leadership Skills

- Continuous capacity to transform
Global mindset
Global networks

The process started in a three day off-site meeting of the top team and the faculty. Prior to the session each executive was given extensive pre-work assignments. Each participant was asked to articulate a vision of the company in the 1990s by writing a journalistic scenario of the future organization. These were shared and the themes summarized ahead of time to prepare a discussion of their differing views. Also during this session, the top team looked at its own interpersonal processes. Each person received feedback from every one of his colleagues on the team about things they needed to do more of, less of, and how to continue to be effective global leaders. Contracts were negotiated among members along with specific leadership goals set for each one.

The top group had become deeply committed to the global leadership system. Members selected key projects necessary to globalize the business so that in June of 1988 the top 55 people from Asia, the U.S., and Europe could begin the process by participating in a temporary system designed to bring about faster global integration while developing global leaders. The first set of projects included:

1. Improvement of competitive analysis
2. Cycle time reduction
3. Global career issues
4. Product quality and customer satisfaction
5. Worldwide product planning system
6. Management of new technology

The participants in the program were formed into multi-cultural teams of six to eight individuals. Each team had a

specified set of objectives to be completed within nine months which would have impact on the total business. They would work on these projects in addition to performing in their regular jobs. Each of the project teams was coached by a member of senior management who was there to work on the "soft" issues of teamwork and leadership but not lead the "harder tasks of global achievement."

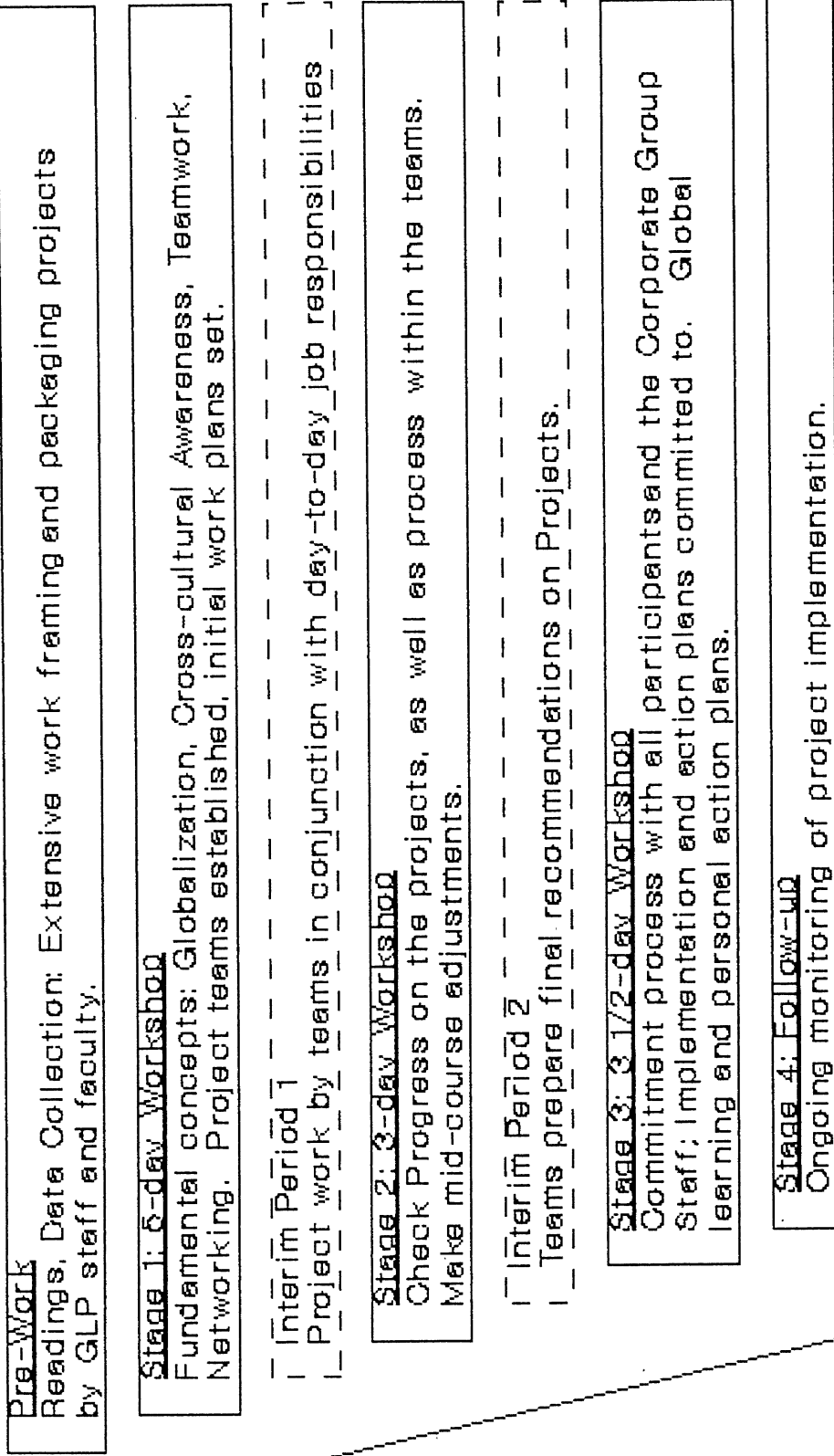
The essence of the global leadership system is a belief that the best individual and organization development occur simultaneously. The core concept is "compressed action learning". The teams are given real problems to solve. They have a coach and a learning set of activities so that as they work on the real problems, they are also self-consciously working on their leadership skills, their team skills, and their global networking skills.

Exhibit II outlines this intense action learning process. It includes three workshops along with ongoing team and project work while participants simultaneously carry on their regular jobs.

Exhibit III portrays the GLP experience as an emotional "frame breaking" experience. There are pressure points, highs and lows throughout the life cycle of each GLP.

PROGRAM OVERVIEW

TIME
LINE



THE GLP JOURNEY: An Emotional Framebreaker

The GLP is an intense, cross-cultural development experience. Learning is by doing under pressure. It is akin to a 'cultural outward bound' experience. People and teams are pushed beyond their perceived limits to achieve breakthroughs in performance.

CRITICAL INCIDENTS FOR PARTICIPANTS

9 months to end

Stage 3:

- Intense experience through sophisticated commitment process.
- Publicly evaluated, discussed.
- Real-time negotiations, compromises, and commitments made.
- Farewell - assessing the process, breaking the teams, etc.

Political Reality of Prolegats
Implementation is the goal, thus must deal with change process, getting buy-in, etc.

Stage 2:

- Frustration with time running out
- Scared of not being able to complete
- Team process often at low point
- A motivator and stimulus to last stretch

Day-to-Day Prolegat Reality
Tough work load, have to coordinate cross-pole, fax, phone and face-to-face.

- ### Stage 1:
- Shock (culture and leadership feedback)
 - Team-Building, quick start-up and bonding (many cultures to learn: Asian, U.S., European, plus cross-functional).
 - Overstimulated: Concepts, prolegats, new faces, pressure.

Nomination: Mixed Emotions
When selected - "I am excited, a chosen one," and "I am going to have to work my ass off, a tough journey."

Start of Journey

- ### Stage 4:
- Follow-up/Emotional from Program
 - Transfer of GLP learning
 - Ongoing network relations

The next section describes the journey for the first GLP.

Workshop I: The Launch of the Global Leadership Program

In June of 1988, the first GLP was launched with 55 top level managers from around the world meeting in Europe. The week was designed for group members to get familiar with the vision of the business, to launch their strategic projects, to begin building high-performing global teams, to focus on personal leadership skills and to plan project schedules for the coming year.

The event was complex and emotionally charged with cross-national and cross-functional problems arising. Many of these people had never met before. It had been only months since the European business had been acquired. Resentment and resistance surfaced. The Asian business was further along in its integration but with residual resentment still evident. Many American managers were feeling unsure of their own future, facing difficult decisions about the location of "centers of product excellence". These decisions would result in downsizing of the headquarter's engineering and manufacturing capacity in the U.S. headquarters.

At the start of the week, participants were confronted with multiple cross-cultural issues. The group included Americans, Japanese, and participants from a number of European countries. These were coupled with the divergent company cultures brought

together in the globalization effort. An additional emotional challenge at the European company was the feeling of having just been acquired. At the Asian company, managers were still unhappy with its American majority ownership. The group was being told in order to win globally they were all going to have to be team players. The complexity was heightened by language problems. (Throughout the week simultaneous translation was used to facilitate translation.)

The second day, with attitudes quite negative and people still feeling anxious, an emotional breakthrough was precipitated by shifting the group into an outdoor setting for some "outward bound"-type activities. Such physical team activities are widely recognized as metaphors for communication, problem solving and teamwork. Here the activities were additionally used as a carefully planned social technology for integrating the group. Ultimately, the total group came together as it coped with the competitive challenge of people climbing over a fourteen foot wall just by using their bodies to help each other in a race against time. By the end of the afternoon, there had been much laughter and fun, people were tired from being physically pushed, but it was clear that they had, for the first time, broken through many of the national and company cultural barriers. They were ready to move back into the workshop setting, struggle with engineering, manufacturing and marketing problems, begin to build the teams, learn about issues of globalization and link up

with their coaches who would be working with them for the following year on projects. When they returned to their regular jobs, they could continue to learn through working globally with their team, as project completion depends on coordinating, communicating and making decisions with people in Asia, Europe and the U.S.

The week ended with action plans. In addition, team members provided feedback to everyone else on his/her team in terms of:

In order to make you a better global leader, you need to do more of these behaviors, less of these behaviors, and continue doing these behaviors.

The goal was to help develop each person into a better global team member and leader. These feedback sessions (which occurred several times throughout the year) were some of the most powerful vehicles for individual development.

After approximately five months, the teams reconvened for a three-day event which turned out to be the most emotionally charged and difficult of the workshops.

Mid-Program Frustration

It was clear as we worked with the participants that they were reaching very high levels of stress both personally and professionally. For the first time in many of their careers, they were doing extensive international travel. Globalization had introduced individuals to "jet lag" and placed intense time pressures on them. Global activities were cutting into their

local domestic teamwork as they often had to make tradeoffs between day-to-day activities and their global project commitments. They were having to re-examine the whole process by which they managed their own personal time and the way they handled groups, teams and the organization around them. Many of the participants resented having to meet in Tokyo as it would consume another week and weekend to deal with the global leadership program. On the other hand, many of them looked forward to visiting Japan and knew they needed help in managing the process.

All these emotions became evident in this meeting. As Exhibit III indicates, there was frustration and anxiety over the project, team process problems were emerging and the predictable dynamics of "mid-program" frustration erupted.

In the following months, the pressure built. The final meeting was held in the U.S. Here, each of the seven teams presented the results of their work. This event was not "show and tell" or a "pitch", but a "here's what we, as senior leaders in this business, are going to do and want you to do to resolve this problem." Therefore, it was designed as a commitment event where the aim was to obtain the commitment of the top team as well as the other 55 people in the program. It was an event in "real time" where compromise, problem solving and decision making took place. It represented a true global process where leader development interfaced with real world problems.

Final Global Leadership Program Workshop

A very unique design was created for the final workshop. It was one which required the participants to behave as role models in a global organization. It was designed to model a fundamentally different global decision making process. The 55 participants along with the 10 members of the Senior Management "top team" participated in a process of gaining commitment and moving ahead the implementations in the seven project areas. The design aimed to provide active dialogue, modification of recommendations and a sign-on by all 55 participants plus the "top team". Each strategic area had a half day session dedicated to the presentation with discussion and commitment. The process was radically different from the "old way" of doing things. Exhibit IV contrasts the past "old way" with the global leadership "new way" process.

Impact of GLP

At the end of the first year, the participants at the Global Leadership Program (GLP I), were asked to write about the learnings that they hoped to carry forward from the program into their everyday work. Across these responses, several themes emerged. One was a heightened awareness of their perceptions of the cultures and customs of people from other poles. Individuals had learned to respect and cooperate with those differences. The

Asians and the Europeans found it was easy to let the Americans dominate team discussions, but that in doing so, the interest and input of others was lost. It was observed that all participants really wanted to do a good job on the projects, though they varied in the ways they went about performing tasks. Many were surprised at the amount of time and effort necessary to really make the process work (team work, real two-way communication, etc.).

In the end, participants realized the long-term benefits of the program. They found that globalization would be a long journey and that patience was a key success factor. Quotes from several participants, each of whom wrote a "public" letter to the next group of GLP participants, offer insight:

If there's anything we've learned about the process, it's to give equal time to both the project and the globalization experience. If you walk away from this with an excellent project completion, but don't know how a European lives, don't know why an Asian businessman gets promoted, haven't tasted kimchi, haven't ridden in the British subway, etc., you've blown it.

Globalization or global brains is the ability to make global decisions - not domestic decisions that can be translated into the local language. To be global, you must know how the other poles think, what their customers want, and, basically, what makes them "tick". To be successful at that, you must understand the basics for their being. This isn't as complex as it sounds. Just talk to them as colleagues, not aliens.

Ensure that there is social time for your group. Force the group to do team activities (dinner, train ride, visit the fish market). Allow and demand that your colleagues from other poles use their native language. Never say "his English isn't very good" because, conversely, your Chinese probably sucks. Visit each

other's homes as much as possible. Learn "how the other guy lives". Invite criticism during your team sessions and accept it well. Be honest in your assessment of others. Don't let "kindness" cloud your discussions. When you're in a crowd, look around. If your crowd consists of colleagues from your pole, change crowds. Most of all, don't look at this as a project assignment or you'll be wasting your time.

In addition to the Global Leadership Program, the corporation has established several other programs and actions to bring about globalization. One action was to send ten of the corporation's "best and brightest" from each pole to another as part of an overall expatriate program. A Global Human Resource Programs Manager position was created. To fill this role, a manager from the European company was brought to the U.S. headquarters. The position of Manager of Human Resources was established in the European company and filled by an American from HQ, fluent in the local language. In addition, a Worldwide Planning Council was formed.

GLP I was followed in June of 1989 with the launch of Global Leadership Program II. The goal was to involve more and more managers in the globalization process. This time 14 people from Asia, 20 from Europe and 23 from America were asked to participate. The presentation and commitment session for GLP II occurred in December 1989. GLP III was held in December of 1990, and GLP IV in the same period in 1991. The GLP provided the foundation for continuous cultural learning and development along the globalization journey.

Through all these efforts, large numbers of people were learning to become personally sensitive to different cultures and to be willing to accept different approaches to problem solving. They were learning to deal with the paradox that it was culturally wrong to bend over backwards to accommodate differences and wrong to assume that one cultural way of doing things was best. It had become clear to those in the European and Asian corporations that learning about the American corporate philosophies and accepting them as their own was going to take time. Managers from all countries were understanding that globalization was truly a journey -- a cultural journey -- far more profound than traveling around the world.

Long Term Impact of Global Leadership System

The process described above has some subtle and deep organization development implications. On the surface, 50 to 60 senior executives were going through a six- to nine-month development experience with three workshops and projects on which they worked. At the end of that period they had made progress on the projects and enhanced their global team and leadership capabilities. However, at a deeper level, their mindsets had been altered as they had been challenged to frame global issues and resolve them in an intense, cross-cultural experience.

Our research has shown that the social networks in the business have altered dramatically over time for people

participating in a Global Leadership Program. Real changes have occurred regarding the network with whom they interact to acquire the information that influences their global decisions. In addition, a cadre of leaders with global coaching skill is being developed. First, these skills are developed for the senior management group. Subsequently, each program selects an additional seven managers to become coaches in the following programs. These coaching skills are increasingly important as the management mode for global organizations of the future.

The GLP has had both "hard" and "soft" impacts on the corporation's organization in terms of the implementation of changes coming from projects. New product development processes, technology transfer across the globe, marketing changes and time-based telecommunication systems represent the hard issues. The other impact has been on a multidimensional set of "soft" people and cultural issues. Exhibit V provides a summary.

The global leadership process outlined in this article is transferable to other organizations. Several other companies including some in Japan have launched similar processes. The core concept of a senior group simultaneously driving leadership development and organizational transformation is the key. The other keys include the use of compressed action learning and intense cross-cultural team creation and problem solving. Exhibit VI provides a summary of the building blocks and their effect the goals of the GLP.

GLP "SOFT" IMPACT ON:

GROUP STAFF

- A global team-building process - GLP forces teamwork through selection of projects, guidance of program, and then commitment to take action.
- A tool for developing global leadership skills - Group Staff are tested, and learn as leaders in a global context.
- Global role model - The group is on 'stage' in the final workshop - making decisions publicly and demonstrating global leadership.

ORGANIZATION

- GLP is an R&D lab for new global behaviors, experimentation; and learning are key to GLP.
- Global networks are formed and reinforced.
- Global culture and shared values are developed.
- Global information sharing - best practices.
- Assessment mechanism for succession moves.
- External viewpoints/benchmarks - from global faculty.

INDIVIDUAL PARTICIPANTS

- Develop a global mindset - new ways of framing business power.
- Global leadership skills practiced and developed.
- Global team skills practiced in program.
- Global networks are formed among participants across the three poles.

Exhibit 10

Impact Scale

○ = Little or no impact

○ = Some Impact

○ = Moderate Impact

● = Strong Impact

● = Very Strong Impact

BUILDING BLOCKS	Global Projects	Global Mindset	Global Leadership	Global Team	Global Network
<p><u>GEMS Top Team Leadership:</u> Ownership of the projects, selection and sponsorship of participants and full involvement in the commitment process.</p>	●	○	○	○	●
<p><u>Cross-Cultural Faculty:</u> Multi-cultural, multi-lingual, and multi-disciplinary faculty leading the process.</p>	○	●	○	○	○
<p><u>Coaching Role:</u> Each team has a process consultant--someone selected and trained from the previous GLP--who coaches the team.</p>	●	○	○	●	●
<p><u>Process Learning:</u> Team building activities including "outward bound", learning about high performing teams, systematic attention to feedback for each other.</p>	●	○	●	●	●
<p><u>Learning Feedback Loops:</u> Collection of data and feedback to GLP participants. 1) Survey pre-GLP (self and others ratings of global leader behavior). 2) Team members provide feedback. 3) Coaches give feedback. 4) Another team analyzes and feeds back data. 5) Research team collects data and feeds back as part of program.</p>	○	○	●	●	○
<p><u>Commitment Processes:</u> Throughout GLP, individuals, teams and the total group actively, publically use processes for contracting and making "who, what and when" commitments.</p>	●	○	●	○	○
<p><u>Concepts/Ideas:</u> The GLP faculty present participants with new conceptual tools dealing with GEMS' global strategy, global operating mechanisms, time-based competitiveness, process loss, change processes and leadership.</p>	○	●	●	○	○

It is the careful blending and mixing of these building blocks that provides the high impact experience outlined in this article. Over time, through research and clinical practice, ways of improving existing elements and the invention of new building blocks will become clearer. In the interim, the corporation's results are exciting and encouraging in the context of a cross-cultural, individual and organizational development effort in a global company.