



## MANAGEMENT COMPETENCIES FOR THE GLOBAL MARKETPLACE

**T**oday's executives are finding that a successful business strategy requires them to think and act both globally and locally as never before. As the cost of raw materials, technical capability, and production vary greatly from one part of the globe to another, profitability often depends upon finding the right global resources. At the same time, customers want the special attention that comes with being local, and they demand recognition of their perceived special needs. They also expect more expansive time for building and maintaining relationships.

Coordinating a business strategy that allows the flexibility to act locally while devoting time and attention globally requires a demanding skill set. Executives who can do this are in high demand, especially those who can travel and relocate as needed. Managing overseas assets, including human capital, is more important than ever as the dollars are higher and the impact greater.

As our customers have expanded their global operations, PSP has had the opportunity to expand its expertise in the assessment of international managers. We have been in a position to observe and learn those practices that are effective and those that aren't. The most critical lesson companies are learning is that they have less control at a distance despite the revolution in telecommunications. Problems can often go unnoticed or be hidden for a much longer time. Companies have often regretted allowing their overseas operations to become overly independent and isolated from their U.S. corporate offices.

### Effective Global Executives

Executives who are effective globally have the qualities often desired in ambassadors, and rightly so, as they are the face and voice of corporations to overseas employees and customers. The need for positive social skills and presence, along with the ability to build networks and strong relationships, is recognized as key to global managerial success. First and foremost, though, effective global executives have a good business sense. In addition to good analytical and critical thinking skills, other skills PSP has found to be required include:

- ◆ **Energy level** for handling increased work activity, longer hours and often extensive global traveling
- ◆ **Work composure** for having the flexibility to handle the pressures involved, maintaining a calm and professional manner even when under duress
- ◆ **Listening skills** for interpreting the nuances of communications with the ability to recognize what is not said as well as what is directly spoken
- ◆ **Appreciation for different cultures** for developing a greater understanding of what it takes to be successful operating in another country

Interviewing for the unique skills required for effectiveness in thinking and acting globally and locally is even more challenging than routine interviewing. Effectively evaluating these skills when

interviewing candidates from other cultures is difficult for even the most skilled interviewer.

### International Assessment Online

PSP has validated its assessments for positions as varied as a Managing Director in Southeast Asia and a Director of Sales for Europe. PSP's online assessment sites have leadership and critical thinking tests that have been translated specifically for individuals who do not speak English. We have web sites adapted for Europe, Mexico and China. Companies can test employees online in Mandarin Chinese or in a combination of English and Chinese to ascertain strengths and weaknesses in language understanding.

PSP has conducted 360° surveys for career development, using our paired comparison approach, in countries across the globe, from Asia to Europe. The 360° paired comparison approach is particularly useful for countries where the culture has a strong desire to avoid controversy. The paired comparison approach does not require a good or poor rating, for example, as decisions are made on the relative strength of one skill or attribute versus another.

### All Executives Must Understand the World Marketplace

In today's global economy, all executives must develop an understanding of the world marketplace because it affects their companies either directly or indirectly. The natural barriers that exist because of distance, language and culture require constant chipping away. Companies need to promote continuous communication between their global enterprises. Techniques to do this include employee exchanges and face-to-face meetings, especially when working on critical strategic planning or starting up global project teams. Face-to-face meetings often help to smooth implementation of new policies and other changes. Global project teams are useful for integrating and transferring expertise within global operations. Rotating leaders and high-potential employees and exchanges for key personnel or positions are also helpful.

Companies that address the succession planning needs of their overseas operations early are better prepared for sudden problems. Knowledge of global talent allows quick movement of leaders to positions where they can contribute best.

The companies that have been most successful globally are actively involved with their overseas operations and promote a global perspective within their entire corporation. Then, when they have a problem anywhere on the globe, they have a number of highly experienced individuals who already have the working relationships and the global understanding to quickly identify a strategic response. Thinking globally and acting locally can happen only when steps are continuously taken to achieve a globally integrated company.