Wanted: Adventurers to lead global companies

Today's global companies need leaders with an adventurer's profile, finds a study by IESE's International Research Center on Organizations (IRCO).

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Companies are going global at a relentless pace. Never has it been more important to establish HR policies to recruit and hire international talent, make processes more flexible, and design new career paths that include overseas posts as a key element for developing executive talent.

Currently, multinational companies are in a process of transition: They are moving from a relatively standardized and costly model of global mobility to new models that are more flexible, incorporating younger people's motivations and openness to living abroad in their incentives packages.

For this reason, human resources departments must focus on two high-priority functions: being a global employer and being a global partner. HR must understand the company's business model and its international growth strategy so as to propose an internationalization model for personnel that is flexible, adequate and aligned with the business strategy.

The challenges for the HR function amid globalization is the focus of the annual study by IESE's **International Research Center on Organizations** (IRCO) and ERES Relocation Services. This year's report was written by IRCO researcher Pilar García-Lombardía, in coordination with Professor Emeritus **José Ramón Pin**, managing director Angela Gallifa and ERES Relocation Services' José Antonio de Ros and Elena Casares.

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Four big challenges

Back in 2009, the report first identified four major challenges for HR that have taken root and become more clearly defined over time.

- **Improving intercultural training**. Constant movement between branch offices makes managing diversity a necessity. This challenge has grown much more important, not just for "expatriate-able" employees who might be sent overseas, but also as related to all personnel, especially those responsible for hiring and managing talent.
- **Designing and implementing repatriation policies**. Employees who come back to work in their home countries benefit from repatriation policies to manage the transition. As overseas placements increase, the likelihood of repatriations does, too.
- **Making international experience more relevant**. Companies need policies and activities to assimilate the value of an assignment abroad into the corporate culture. Younger employees can help with this.
- **Keeping expats close, emotionally, to headquarters**. This remains important in the case of long-term or permanent assignments abroad.

A global perspective

Leaders in multinationals must be able to embrace the existence of other perspectives and thus avoid the trap of ethnocentrism.

Being open to new experiences, an extrovert and emotionally stable (low on neuroticism) are three temperament and personality features that are closely linked to such leaders. But, according to the report, these leaders must also develop cultural intelligence.

With cultural intelligence, they will be more sensitive to verbal and non-verbal language signals; question assumptions; avoid judgments; look actively for information to understand cultural differences and interact successfully; understand and compare different environments; and anticipate the consequences of different attitudes.

These are all skills and abilities that are developed during prolonged stays abroad. So, it is a good idea to use international postings as part of strategies to develop employees' talent.

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Keys to success

The report concludes that, as it deals with internationalization, an HR department should:

- Develop tools to better understand the profiles of the people in the organization. This will allow HR to identify those people who possess the adventurer's three traits mentioned above as the basis for further development for global leadership.
- Encourage new ways of doing things, including innovation in recruiting and hiring talented people.
- Promote a global focus and leadership throughout the organization via training and flexible assignments for short periods of time.
- Strengthen the corporate identity and its commitment to the values of tolerance and respect for people's differences.

These are measures that allow a company to deal successfully with its internationalization, however it unfolds.

The report also notes that HR departments have already developed many alternatives to traditional long-term overseas assignments. These include virtual assignments, short-term ones, and bringing subsidiaries' employees to headquarters as inpatriates, a formula which helps enrich the culture of the organization.

Providing new options helps introduce flexibility in a company's mobility strategy, which ultimately helps keep costs down.

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