

1

The Global Manager: Ensuring Success in a Global Business Environment

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This article provides a brief perspective on the nature of global organizations as compared to non-global organizations. Later, it explains who comprise today's global managers and the nature of skills required by them to be successful. The article also explains the need for preparing global managers before assigning them on an overseas assignment. Some of the specific areas that need to be addressed through training and development are touched upon.

Introduction

For organizations that have established a mark for themselves in domestic markets, going international and then global are the next logical steps. According to a study conducted by The Economist Intelligence Unit in 2006, the overseas market will become more important for the majority of companies during the next three years. As a result, it is important for companies to reframe their strategy, structure, and managerial preparation to face the challenges of a global business entity.

The advancement in information and communications technologies and the increasing degree of interconnection among markets implies that for any business

to compete, having a global presence is essential. If companies do not take necessary steps to increase their scale and scope of operations, they may face the risk of being acquired. As a result of these factors, most organizations are facing the pressure of expanding their operations overseas.

What is a Global Organization?

The difference among domestic organizations, multinational organizations and global organizations is provided as below:

Domestic organizations. Domestic organizations operate within the boundaries of the country from which they originate.

Multinational Organizations: Multinational organizations establish business units in different parts of the world which are similar to their domestic business.

Global Organizations. These organizations are somewhat different from multinational organizations. They share and source resources on a global basis in order to provide superior quality services and products at the lowest possible cost. (*Source: Global Organizations: An Analysis, Zinnov LLC*).

According to Yip, Loewe & Yoshino (1988), global organizations differ from local organizations along four dimensions: organization structure, people, culture and management process.

Organization structure. Within global organizations, the structure tends to be highly decentralized as compared to non-global organizations which have a high degree of centralization. Decentralization offers benefits such as tremendous flexibility and better customer relationships to a global company's operations in a particular country. However, the headquarters play a vital role in integrating global authority. The HQ makes key decisions pertaining to strategy formulation. Certain functions such as IT, finance and compliance are controlled by the HQ.

Management processes. As mentioned above, the headquarters plays a vital role with respect to certain management functions. These functions are centralized and implemented through the HQ in order to achieve the organizational goals through a concerted effort. These functions include global strategy formulation, maintaining a global strategy information system, global budgeting, global

knowledge sharing, cross country co-ordination, global customer management, global performance review and compensation.

Culture. It is important for a global organization to integrate all its members through a global identity. By having a global organizational philosophy and values that is communicated and reinforced across all units of the company. A global corporate culture is a worldwide system of shared values, behaviours and goals. For instance, Johnson & Johnson has its Credo in place. The Credo is a system of shared values. This serves as a binding agent which integrates all its employees together as a family.

People. The human resources of a global company comprises employees of different nationalities, who follow multi-country careers, and are required to travel frequently.

What is a Global Manager?

The manager's role is becoming more and more global in nature in the modern world. There are significant differences between the traditional manager and the global manager. The global manager needs a specific skill set in making the organization profitable and to achieve good customer satisfaction.

According to Bartlett & Ghoshal (1992), global managers are categorized into three types. They are business managers, country heads and functional managers. In this article,

- The business manager is termed as Strategist + Architect + Coordinator.
- The country manager is termed as Sensor + Builder + Contributor.
- The functional manager is termed as Scanner + Cross-Pollinator + Champion.

According to Bartlett & Ghoshal (1992), Business managers should serve as strategist for his organization, architect of its worldwide asset and resource configuration and the coordinator of transactions across national boundaries. The country manager should be a sensor of local opportunities and threats, the builder of local resources and capabilities, and contribute and actively participate in global strategy. Similarly the functional manager must scan specialized information worldwide, "cross-pollinate" leading edge knowledge and best practices and champion innovations in the organization.

Twelve years after the publication of this article in the Harvard Business Review, co-author Christopher Bartlett was interviewed at Harvard Business School in 2003. In that interview, Bartlett emphasized that the critical global attribute for a global manager was open-mindedness.

DNL Global Inc. has conducted a research on international project teams. According to this research, only 20% of the global managers are naturally talented in required leadership competencies. And some of the leadership competencies identified are building trust, evaluating others, mentoring others, and effective interviewing.

According to Mehta (2004), the global manager should have a global perspective, be culturally adaptable, be able to collaborate cross culturally. According to her, the global manager sets realistic expectations for his team members.

Nature of a Global Manager's Work

Global managers are business managers, functional managers and country heads. The business manager handles business profitability of a particular business. Either he heads a business unit or specific business operations of a global organization. Functional managers are working either as managers or heads of business functions such as marketing, human resources, finance, IT, engineering, production, and operations, etc. Functional managers either work as managers within these departments or head these departments, whereas country managers head the organization in a specific country. They are responsible for the profit or loss of the business in that country most of the time they have the people is responsibility.

For example, the country manager of a firm in India can become the head of the company for the Asia-Pacific region during his career. A country manager may expand his role to a wider region during his career span. With the globalization of business, country managers need to travel and meet the other country managers in order to expand their business opportunities.

Business managers, handling teams dispersed across the globe are responsible for their accountability of their performance. They need to travel and meet their customers, team members, suppliers and vendors. Similarly, if the organization is a global organization, even functional heads will have their teams spread across

different countries. As a result, functional heads also need to travel to meet their teams abroad.

Skills Needed by a Global Manager

As quoted by Jean E Heller (1980), the qualities of a global manager are:

“... he (she) should have the stamina of a Olympic Swimmer, the mental agility of an Einstein, the conversational skill of professor of languages, the detachment of a judge, the tact of diplomat, and the perseverance of an Egyptian pyramid builder ... And if he (she) is going to measure up to the demands of living and working in a foreign country, he (she) should have a feeling of culture; his (her) moral judgments should not be rigid; and he (she) should show no signs of prejudice.”

The global manager is different from the traditional manager because a global manager has to manage teams across the globe in different countries with diversified cultural backgrounds. Nowadays, global managers are managing virtual teams as well.

These global managers need different skills in their day-to-day work. They are:

- Customer focus skills
- Communication skills
- Leadership skills
- Decision making skills
- Negotiation skills
- Problem solving skills
- Mentoring skills
- Interviewing skills
- Presentation skills
- Cross Cultural Skills
- People Management Skills
- Good Listening skills

1. Customer Focus Skills: Customer is the important stakeholder for any project or business. The global manager is required to be in constant touch with the customer. According to the research done by DNL Global Inc., on international project teams, a global manager has to have customer focus skills in addition to the traditional managerial skills.

Usually the global manager sends weekly status reports, contract agreements and billing information to the customer. Hence, the global manager should be able to negotiate billing and cost rates and needs to negotiate on schedules and project dead lines as well with the customer. If the global manager lacks customer focus, it is difficult to sustain in the business.

2. Communication Skills: The global manager manages people while executing his work. He has the responsibility for managing people during the long term. In his day-to-day activities, a global manager needs to communicate with his team members, customers, vendors, suppliers, senior management and partners. He has to communicate with all stakeholders of business. According to the research done by Project Management Institute (PMI), USA, a project manager spends 90% of his time in communication. The modes of communication and media of communication may change. However the need for communication in the global manager's job is very evident.

3. Leadership Skills: The global manager definitely needs to have leadership skills in leading the people, projects and businesses. Usually global leaders exhibit different leadership styles in different situations. It is difficult for any global manager to sustain in the industry without leadership skills.

4. Decision Making Skills: The global manager takes many decisions related to his project, technical decisions (in some cases), business related decisions and people related decisions. The global manager is responsible for the growth, reward and punishment of his team members. Hence he needs to take many people related decisions in his day to day work. Sometimes he is responsible for profit or loss of the business. Hence he needs to take business related decisions as well. The global manager has to take technical decisions if he is managing highly technical projects and technical people. This is very much true in the case of IT and Telecom industries.

5. Negotiation Skills: The global manager communicates with team members, customers and vendors daily. He needs to negotiate about the cost, schedules, resources, and time lines with the team members. He needs to negotiate about billing rates and materials with the customer. He needs to negotiate the deliverables with the customer. The global manager needs to bargain with the suppliers and vendors.

6. Problem-Solving Skills: The global manager needs to have good problem solving skills because, on a daily basis, he encounters problems, which needs to be solved using mathematical and scientific techniques. Hence, the global manager needs to have good problem-solving skills.

7. Mentoring Skills: Another responsibility of a global manager is to groom the successors in the business. For that, he needs to have good mentoring and coaching skills. Using his mentoring skills, he can mentor the young business executives in his department or in his line of career.

8. Interviewing Skills: The global manager participates in recruiting his team members and his subordinates. To recruit the right candidates, the global manager should have good interviewing skills. That is the reason all IT MNCs such as Wipro, Infosys and TCS provide interviewing skills training program to their project, program and delivery managers.

9. Presentation Skills: At times, the global manager may have to visit the customer location for business purposes. During these visits, the global manager has to present his company to the customer. He may have to make a presentation about his company in seminars, conferences and trade shows globally. To do all these activities, the global manager needs to have presentation skills.

10. Cross Cultural Skills: The global manager manages people from different countries with diversified cultural backgrounds. He has to be sensitive to cultural issues. The cultural issues are very important when interacting with cross-cultural teams.

11. People Management Skills: The global manager is responsible for his team members performances. He needs to set goals and objectives for his team members,

evaluate and appraise their performance. The global manager has legitimate, referral, coercive, reward and expert powers to use on his team members.

12. Good Listening Skills: One should be a good listener first. Understanding comes with good listening. The communication between a speaker and listener becomes efficient with proper listening. Hence, when communicating with team members, other managers and customers, the global manager should use good listening skills. Then only communication becomes fruitful.

Need for Orientation

Due to the widespread, complex and loose structure of a global organization, certain special efforts have to be made in order to integrate and bind all the units of the organization together. Ongoing training for global managers is essential.

Investing resources in developing global managers has assumed greater significance in recent times due to high degree of expatriate failure, need to manage overseas market efficiently. Managing overseas markets will become more important for the majority of companies during the next three years (as in 2006).

Managing in a foreign environment is not the same as managing within one's home country. A lot of managers who are sent overseas to handle foreign assignment have been unable to adjust to the foreign culture and environment as a result of which they have either performed poorly or returned before the completion of the assignment. Other reasons for their failure include inability of the manager's family to adjust to the new environment. The failure of a manager to perform his job as per the requirements of the assignment leads to substantial direct and indirect costs. Direct costs include the manager's salary, foreign service premium, benefits, allowances, etc. which can be calculated. Indirect costs can be substantial too. They are invisible costs arising out of damage to customer relationships, relationships with other business partners, suppliers, local government, etc. Failure also leads to a loss of morale for the individual concerned as a result of which he (she) may find it difficult to adjust back in his home base.

In recent years, globalization has become a much more pressing issue. As a result, the skills of a global manager are in high demand.

Nature of Training and Development for Global Managers

Cultural training. In order to obtain a first hand appreciation of the host country's culture, managers should be sent to the host country for a short visit to that country. Field trips should be preceded by sensitivity training which includes an awareness of the values of the other culture; awareness of historical, political and economic information; comparison between home country and host country's culture; training on how to adjust to the other culture and how to cope with new situations without prejudice. It is also of vital importance for the manager to know how cultural factors will influence performance standards, participation and control, responsibility and authority, conflict and its resolution, attitudes towards task accomplishment, etc.

Language training. Learning the language of the host country can improve a global manager's productivity. Although English is spoken in several languages across the world, most countries also have at least one more dominant language which serves as the official language. Learning the language is especially useful if the manager is going to spend a long time in the host country. Speaking in the local language helps to encourage the employees in the local country, control the translator, overcome difficulties in communication during business negotiations. Before imparting language training, a needs assessment has to be carried out to assess to what extent the manager will be expected to speak in the local language. Based on such an analysis, the level of competency to be achieved in the foreign language should also be assessed.

Practical training. Practical training helps managers to adapt well to the external environment so that they can concentrate on their work. Adapting to local housing, transport, shopping, clothing, local school for the children, and other local facilities, are equally important. An awareness of these conditions helps the manager and the family members to quickly adapt to the local conditions of living. This enables to reduce the stress and concentrate on work.

To render the above training and developmental inputs, trainers can make effective use of methods such as role plays, simulations, case studies, experience sharing, films, lectures and books.

Conclusion

Global managers need to possess a myriad of skills to be successful. For global organizations, it is important to select the right people to work globally and to invest the right resources to groom and develop them. A global manager's job is becoming more and more complex day by day. Equipped with the skills outlined in this article, they should be able to deliver their commitments to the organization. Therefore, training and development assumes vital importance to ensure a global manager's success.

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Being a Global Manager

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Chairman of the Board,

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Introduction

Today, I have chosen the theme – *Being a Global Manager*. A global manager is a management professional whose aspiration is global, who benchmarks performance on a global scale, whose mind is unconstrained by national boundaries, and who is comfortable in dealing with many cultures.

Attributes of a Good Global Manager

1. Be a good leader
A successful manager must be good leader. A leader is a change agent and his primary goal is to raise the aspirations, hopes, enthusiasm, energy and confidence of people so that they believe and act according to the adage – *A plausible impossibility is better than a convincing possibility*.
2. Build a strong value system
A strong value system based on leadership-by-example, integrity, fairness, honesty, transparency and good work ethic is essential to energize people.
3. Be open to new ideas and have high learnability
Learnability is about a mindset that is open to new ideas, new people, new culture and new paradigms, all factors necessary for the success of a global manager.
4. Practice team work and meritocracy
No individual possesses either the skills or the stamina to handle every aspect of the task. Hence, teamwork is crucial. Further, a manager must practice meritocracy and must be transparent in all his transactions.
5. Be generous
A successful manager must always be generous and share the credit for his achievements with every one of his team members.
6. Demonstrate speed in imagination and decision making, take risks and excel at execution
Opportunities come to people who are quick in making up their minds and embracing challenges. Globalization demands quick decision making based on confidence and conviction. Performance leads to recognition, recognition leads to respect and respect leads to power.
7. Be a good communicator
No matter how good an idea may be, it has no value unless other people understand it, embrace it as their own and help you implement it. Hence, communication is crucial to the success of a manager.
8. Respect and leverage other cultures
Diverse and inclusive organizations succeed in vitality, innovation and problem solving by leveraging their multicultural strengths.
9. Enjoy life
Excellence in work leads to excellence in life and vice-versa. Make your colleagues and family happy. Do take your work seriously but not yourself!

Source: Transcript of the speech of Mr. N R Narayana Murthy, Chief Guest of the Third Founder's Day Memorial Lecture, Thiagarajar School of Management, Madurai, 10th August, 2007.