

# The Global Executive

A SPECIAL REPORT

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## A culture clash can turn into a costly mistake

Natasha Stidder looks at the importance of having both global and local knowledge and experience

When Walmart expanded into Germany, the US retailer's helpful sales assistants were met with suspicion. It quickly became apparent that such behaviour, unusual in German stores, was deterring customers. Misjudgments by global brands demonstrate the importance of local knowledge, and the commercial consequences of getting it wrong.

One place to start is by creating a culturally diverse mix of people who can provide knowledge of local conditions everywhere and can overcome the risk of homogeneity and "group-think". A narrow range of inputs can leave companies failing to understand local markets.

Matthew Hill, managing director at search firm Ambition Hong Kong, explains: "People from a different culture will think differently, they look at problems differently. If you employ one type of person, you miss out on problems being solved."

Ambition itself abides by this idea. In Singapore 50 per cent of its employees are locals. The remaining expatriate portion covers a breadth of nationalities, including French, Australian and Filipino. Paul Endacott, managing director of Ambition Singapore, sees the benefits of filling executive positions with local talent as two-fold. It is vital in demonstrating to local candidates the opportunities for progression within the organisation and it encourages loyalty: "You can't just rely on western talent as the people tend to rotate. In four or five years they will want to relocate back to their home countries. So from a sustainability perspective there needs to be that diversity," he says.

This approach is growing demand for global talent. Consultancies are increasingly approached by companies requesting candidates from various cultural backgrounds – sometimes even specific nationalities.

Search firms agree that employing local talent enables companies to relate to their clients – locals are aware of how best to do business in a region, enabling them to navigate cultural customs and consolidate relationships.

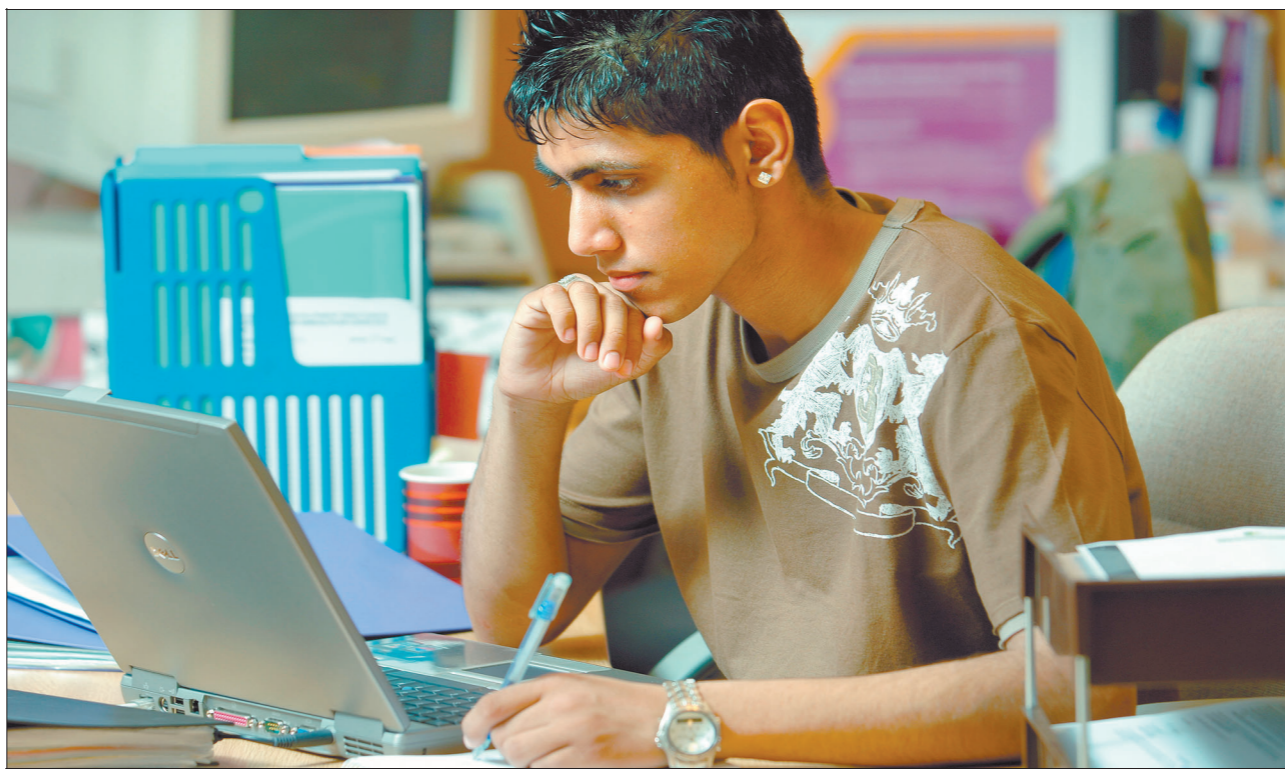
A few years ago, Harvey Nash decided that its managers should reflect the culture and nationality of the branches they ran – a revolutionary idea at the time. Albert Ellis, chief executive, has been pleased with the results: "From a business point of view it makes sense, because our results are better. So it's good for business and good for the bottom line."

Managing such diversity requires sensitivity if the business is to remain harmonious. Laurence Monnery of Egon Zehnder, the international executive search firm, says it is the quality of leadership that enables cultural diversity to flourish, whatever its background or mixture.

"Having different cultures around the table can be very positive if you know how to broaden and diverge," he says. "But if you don't know how to converge back, you are not getting these benefits."

The ability to manage diversity is a key skill assessed by Egon Zehnder in potential executive job candidates. In a global business environment, Ms Monnery says businesses have to be serious about creating and managing multicultural teams.

However, in regions where certain industries are relatively young, it can be difficult to find candidates with sufficient experience – for example, in the banking and financial services sector in parts of east Asia. Every region has its perfect candidate, and in Asia this tends to be someone with



Fitting in: tailoring what you wear to a region's prevailing dress code can avoid causing offence

Alamy

an Asian background but western education and business experience, with essential language skills and the ability to form a bridge between two cultures.

Mark Broer, of recruitment consultancy Spencer Stuart, says: "There is always a preference for appointing a local candidate. But in a number of markets there is still scarcity of talent. In China today lots of people are able and very qualified, but because there is so much demand and growth there is a depleted talent pool."

When this is the case, demand shifts towards calling in "global executives", professionals who can hit the ground

running, whatever the cultural environment. This ability to absorb and flourish under potentially new and unusual conditions is a result of mindset, not experience, say the experts.

"Being a global executive doesn't mean pitching up for five minutes in different countries," says Siobhan Martin, HR director at Mercer for the EMEA region. "Knowing where the best lounge is at Tokyo airport doesn't add anything. It is no substitute for living, learning and implementing something within a different culture."

Ms Monnery agrees and emphasises that "experience without mindset is not helpful. Just because someone spent two years working in a different country, it doesn't necessarily make them multi-cultural."

Being a successful global leader is about engaging the workforce, which places a premium on managers' abilities to work across different cultures. They must be able to understand and appreciate the culture they are working in, which requires research and emotional intelligence, as well as the mindset to learn.

Mr Ellis says: "When I go to the US west coast I tailor my dress and my approach accordingly. They love informality and if I walked in with a tie and suit many of the people working for us would simply resign. They've actually told me that."

"But if I took the informal approach in our German office, it would be quite offensive to them."

Reaching the "global executive" has become easier since the emergence of online job-boards, resulting in more companies demanding an international remit for high-level roles.

Toby Fowlston, managing director at recruitment consultancy Robert Walters, has witnessed this change in attitude: "Employers need to know the people they're hiring are not just the best people in a geographical region to do a job; they have to be the best people in the world."

Such demands can push recruitment further away from local talent pools, although an executive with the correct mindset will attempt to bring in local talent with the view to training them up.

Mr Hill believes investing in internal talent and fast tracking those who shine sends a positive message to local employees. It can also be beneficial to the business, as they will be able to mould talent to their way of working.

Leaders will also ensure a person's culture and experience is utilised rather than stifled by colleagues or the person themselves. Many consultants have witnessed employees suppressing their own background in order to fit with the company culture. By championing diversity, this can become a thing of the past.

### Getting it right

Which colours should you avoid when doing business in China? Where is it not acceptable to shake a woman's hand? Doing business abroad can be a cultural minefield and researching local protocol is essential in avoiding misunderstandings and cementing business relationships, writes **Natasha Stidder**. Here are some examples:

#### Japan

- Do not blow your nose in public.
- Smiles can express joy or displeasure. Be cautious.

#### China

- Formality is a sign of respect. Do not address a person by their first name unless you know them well.
- These gifts should be avoided: clocks, umbrellas, white flowers and handkerchiefs – they signify tears and/or death; knives or scissors – these imply "cutting" a relationship.

#### India

- "No" is considered rude. Indians do not like to cause disappointment or offence, so vague responses are used.
- Family takes priority, so be prepared for last-minute cancellations.

#### South Africa

- Women do not hold senior positions. Female visitors might encounter condescending attitudes.
- Do not interrupt people.

#### Middle East

- Handshakes can last a long time. Do not be surprised if you are led somewhere by the hand.
- A person's word is valued more than a contract. Only promise what you can deliver.

#### Latin America

- Punctuality is less rigid.
- Do not be surprised if someone comes into your "personal space", and do not move away – it implies you are not interested in listening.

#### US

- Expect people to multi-task in meetings, checking emails etc.
- Business disagreements can lead to raised voices and strong language.

#### Europe

- Punctuality can be less rigid, but don't be late.
- Eye contact is important.

For more cultural tips and advice, go to [www.ft.com/recruit](http://www.ft.com/recruit)

### Spotlight Middle East

Expatriates working in the Middle East have very different attitudes and expectations compared to national employees, writes **Natasha Stidder**.

Foreign workers have created a unique labour market in the Gulf Cooperation Council states. But a study suggests only 26 per cent of local employees are comfortable with it; they crave structure and micro-management, while expatriates want flexibility and to manage themselves.

A full version of this article is at [www.ft.com/recruit](http://www.ft.com/recruit)



International Renewable Energy Agency

### Deputy Director-General (D-2) Strategic Management and Executive Direction

**Location:** Abu Dhabi (United Arab Emirates), IRENA Headquarters  
**Duration:** Two years Fixed Term Appointment renewable up to eight years  
**Closing Date:** 30 November 2011

The International Renewable Energy Agency (IRENA) is looking to recruit a Deputy Director-General for the IRENA Secretariat.

IRENA is a new intergovernmental organisation dedicated to the promotion of renewable energy. Its mandate is to promote the widespread and increased adoption and the sustainable use of all forms of renewable energy. The Agency is working to facilitate access to all relevant information, including reliable data on the potential of renewable energy, best practices, effective financial mechanisms and state-of-the-art technological expertise.

IRENA seeks to recruit a Deputy Director-General who will report to the Director-General and be a leading member of senior management.

The DDG will assist the Director-General in strategic management and programme design, formulation, and implementation, in line with IRENA's mandate and mission objectives. The DDG will monitor and evaluate political, economic and technical developments and trends, with the view to providing advice on strategies, goals and objectives. The DDG will maintain active relationship/partnership with Members, private sector, intergovernmental and non-governmental organizations, regional entities, institutes and academia to enhance collaboration, cooperation and alliances on programme implementation, and sustained partnerships to promote accelerated uptake of renewables. He or she will provide substantive leadership to all administrative and operational matters, in particular on the coordination and collaboration between programmatic divisions and service areas.

Further details of the vacancy announcement and information on how to apply can be obtained at [www.irena.org/Jobs](http://www.irena.org/Jobs).

### Managing Director - London

British American Business  
London, UK

British American Business

British American Business (BAB) is the leading transatlantic business organisation, with offices in London and New York and chapters in 22 other major business centers throughout the USA and UK. Its membership includes the world's leading multinational and middle-market companies, and the leaders of more than 100 major multinationals serve on its Advisory Board. Its membership offering includes high-calibre networking and marketing platforms, top-quality business intelligence and regulatory advice and influence.

Reporting to the (New York) based Chief Executive Officer, the successful applicant will be responsible for running BAB's London office and for driving its programming, membership growth and profitability. This will include the development and execution of its events program, policy work, membership retention/recruitment, marketing and fundraising. The London office employs 11 staff. The successful candidate will succeed the current Managing Director at end-April 2012.

Please view the BAB website at: [www.babinc.com](http://www.babinc.com)

Interested candidates should send a CV to Sandy McKenzie at: [sandymckenzie@mcleanpartnership.com](mailto:sandymckenzie@mcleanpartnership.com) or call: 02071947944 for a confidential discussion.

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### Director of Fundraising and Commercial Activities

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and, together, make change happen.

You will have heard of our work perhaps through Crisis at Christmas, now reaching its 40th year but this is only a tiny part of what we do. Our key recent development is the Crisis Skylight programme providing learning and activity services to develop skills and help people get jobs. These services are provided through our six national centres. Three centres now include social enterprise cafes and we have ambitious plans to expand such activities in the future. In short, we are committed to helping more single homeless people in more places across the UK and we think you might be able to help us extend our reach.

We are looking for an ambitious and driven individual who can help us fully exploit our existing fundraising and commercial activities whilst at the same time develop new and innovative income streams. If you are motivated to create opportunity and to apply your sales and marketing skills to an organisation that truly changes lives for the better we would love to hear from you.

**For more information:**  
Please contact our consultants at Odgers Berndtson, **Sam Colt** or **Julia Oliver** on 020 7529 1079

A Candidate Brief containing full application details can be downloaded at [www.odgers.com/37207](http://www.odgers.com/37207) or requested by telephone on 020 7529 1079 quoting reference 37207.

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