

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/265494622>

# Making It Overseas

**Article** in Harvard business review · April 2010

---

CITATIONS

29

---

READS

1,182

**3 authors**, including:



**Mansour Javidan**

Thunderbird School of Global Management

**79** PUBLICATIONS **8,609** CITATIONS

[SEE PROFILE](#)



**Mary B. Teagarden**

Thunderbird School of Global Management

**121** PUBLICATIONS **1,091** CITATIONS

[SEE PROFILE](#)

**Some of the authors of this publication are also working on these related projects:**



My colleagues and I have started the next phase of the GLOBE project. [View project](#)



Protecting Intellectual Property in China [View project](#)



**Harvard  
Business  
Review**

[www.hbr.org](http://www.hbr.org)

MANAGING YOURSELF

---

*Developing the skills you need  
to succeed as an international  
leader.*

# Making It Overseas

by Mansour Javidan, Mary Teagarden,  
and David Bowen

Reprint [R1004L](#)

Article made available by Mansour Javidan, Dean of Research, Thunderbird School of Global Management. Posting, copying or distributing is copyright infringement

*Developing the skills you need to succeed as an international leader.*

MANAGING YOURSELF

---

# Making It Overseas

by Mansour Javidan, Mary Teagarden,  
and David Bowen

When Alan, a rising star at a U.S.-based manufacturer, arrived in Beijing to take a position as the general manager for consumer products in China, he was energized and excited. He'd been charged with leading the firm's expansion in what his bosses kept telling him was the fastest-growing market in the world. Though his predecessor had warned him that some internal tensions were interfering with the company's growth efforts in the country—in particular, that marketing and sales were making promises that the operations and distribution groups couldn't meet—it seemed like a relatively easy problem to resolve. All Alan had to do, he figured, was to better integrate the different parts of the organization in China.

He'd read that the Chinese tended to be collectivist in their thinking, inclined to prioritize group interests. So he decided to urge his direct reports to focus more closely on the overall good of the company and tackle problems together. In his first meeting with his function heads, he emphasized the need for better co-

operation and established a cross-functional team to get marketing and operations on the same page. The new team expressed hearty support for its mandate, which was to identify the reasons for the lack of coordination and develop recommendations for how to remedy it. The members met at least once a week and made all the right noises about their plans for change.

But 60 days into the effort, coordination remained poor. The team members had agreed on some general goals but had never committed to any specific action or target or held one another accountable for improvements. Instead, in respectful exchanges, they constantly reminded one another that while cross-functional coordination was important, each function also had to deliver against its own objectives. To Alan's chagrin, turf protection in China was stronger than anything he had ever seen back home.

And before long his enthusiasm began to give way to frustration. Alan essentially withdrew, both in the office and at home. He lost

interest in the Chinese culture. He took a dislike to the local food and preferred to frequent Western restaurants and clubs. Even though he'd far exceeded expectations in his previous roles back home, he started to question his competence. He was failing at a highly coveted assignment—one that was fairly straightforward and was supposed to do so much for his development. Sure enough, Alan was soon called back to the States, and he has since given up his global ambitions for good.

As it turns out, Alan's employers had sent him to Beijing for the wrong reason. They'd assumed—as is typical—that a good track record at home is a predictor of success in the global arena, and that exposing high performers to new cultures will set them on the path to becoming effective multinational leaders. To a point, those things are true. We agree that moving people around the world is vital to developing global leadership capabilities. But it is seldom enough. Plenty of smart, talented executives like Alan fail spectacularly in expatriate assignments, even when they try their best to understand local cultures and fit in. Assigning an important overseas post to the wrong executive—one who doesn't have the propensity to learn and succeed in a new and different environment—can be a painful, expensive proposition.

Contrast Alan's experience with that of a colleague at the same company who had been given a similar assignment in Brazil. Debra went to São Paulo to turn around an operations group that had been suffering from poor morale and low productivity. She quickly embraced her new staff, her new environment, and her new task. Debra immediately engaged with employees at all levels, asking questions and gathering input on solutions. She met with local experts both inside and outside the company and treated every gathering, formal and social, as a chance to build personal relationships. Within 18 months, the group was back on track. Working in a difficult and unfamiliar environment was exhilarating for Debra, who was reinvigorated by the cross-cultural challenges, the travel, and the opportunity to experience a different and vibrant lifestyle. She has since continued to take on even more demanding roles with greater global reach.

What sets the Debras of the world apart from the Alans? What kind of person thrives on cross-cultural complexity? And to what extent,

if your ambitions are high, can you become more like Debra? To find out, we interviewed more than 200 senior executives in the United States, Europe, and Asia, and surveyed more than 5,000 managers around the world. We asked about their successes and failures, what was getting in the way of their progress in other cultures, and the degree to which they enjoyed working with people who were different from them. We asked what they thought it took to be a global leader and an effective manager in a cross-cultural environment. What we learned is that success abroad hinges on something we call a global mind-set. This mind-set has three main components: *intellectual capital*, or knowledge of international business and the capacity to learn; *psychological capital*, or openness to different cultures and the capacity to change; and *social capital*, the ability to form connections, to bring people together, and to influence stakeholders—including colleagues, clients, suppliers, and regulatory agencies—who are unlike you in cultural heritage, professional background, or political outlook. The most effective international leaders are strong in all three dimensions.

A global mind-set is often developed early in life. Debra, for instance, was born in Venezuela to U.S. military parents. She was fluent or conversant in several languages and had traveled extensively, so a new culture was less intimidating to her than it was to Alan. But in our work with senior executives from around the world as well as with students in our MBA program, we have seen that you can improve your global mind-set in measurable ways. First, however, you need to figure out where you stand today.

### Assessing Your Own Mind-Set

The need to understand your current strengths and weaknesses may seem obvious, but it's seldom addressed. We have seen many companies try to develop international managers without first articulating what *global leadership* means for the organization or devising ways to evaluate candidates' global skills.

In our research, we've found that the three components of a global mind-set—intellectual, psychological, and social capital—are each defined by three specific attributes. To determine whether you're ready for an overseas leadership role, you will need to take a personal inventory of all nine attributes.

---

**Mansour Javidan** ([mansour.javidan@thunderbird.edu](mailto:mansour.javidan@thunderbird.edu)) is the dean of research and the Garvin Distinguished Professor at the Thunderbird School of Global Management. **Mary Teagarden** is a professor of global strategy, and **David Bowen** is the G. Robert and Katherine Herberger Chair in Global Management, both at the Thunderbird School of Global Management.

For intellectual capital, your capacity to understand how your business works on a global level, the three key attributes are:

**Global business savvy**—a strong grasp of how the industry operates worldwide, how global customers behave, how your competitors target their needs and habits, and how strategic risk varies by geography.

**Cognitive complexity**—the ability to piece together multiple scenarios with many moving parts, without becoming paralyzed by the number of options.

**Cosmopolitan outlook**—an active interest in the culture, history, geography, and political and economic systems of different parts of the world.

When it comes to psychological capital, receptiveness to new ideas and experiences is critical. The main attributes are:

**Passion for diversity**—a penchant for exploring other parts of the world, experiencing other cultures, and trying new ways of doing things.

**Thirst for adventure**—an appreciation for and ability to thrive in unpredictable and complex environments.

**Self-assurance**—self-confidence, a sense of humor, a willingness to take risks in new contexts, and high levels of energy; the ability to be energized, rather than drained, by a foreign context.

For social capital, which helps you build trusting relationships with people who are different from you, the three most important attributes are:

**Intercultural empathy**—the ability to engage and connect emotionally with people from other parts of the world.

**Interpersonal impact**—the ability to bring together divergent views, develop consensus, and maintain credibility; and skill at building networks—not just with peers and senior leaders but with other, less obvious potential connections.

**Diplomacy**—listening to what is said and what is not said, ease in conversations with people who are different from you, and a greater inclination to ask than to answer.

To help executives determine how they stack up, we have designed a tool that measures the extent to which they possess these critical attributes. (In this article we offer a sample set of questions in the box “The Global Mind-Set Inventory.” HBR subscribers may complete the full diagnostic online free of charge through the end of May and will receive a full feedback report with peer comparison data. To participate, go to [www.gmitest.com](http://www.gmitest.com).) Thousands of managers have completed this diagnostic. To test its effectiveness, we compared the scores of almost 1,000 managers in two multibillion-dollar corporations with corporate evaluations of their effectiveness as global leaders. The results clearly showed that managers who had high scores were rated very positively by their own performance management systems.

In fact, the test scores of our opening examples, Debra and Alan, would have predicted their overseas results. Debra’s scores in the three types of capital range from 4 to 5; Alan’s hover around 2.

### Creating a Plan for Improvement

Once you have a good picture of where you stand, you can put together a development plan. The advice we give managers is to pursue a variety of activities that will build the three kinds of capital, focusing first on the area where they are weakest. We organize these activities into the categories “read,” “surf,” “watch,” “do,” and “listen.” Our recommendations are not terribly shocking and aren’t difficult to put into action. But they do work. At the Thunderbird School we have our MBA candidates take our global mind-set test when they matriculate and again when they

## The Attributes That Define Global Leaders

To succeed overseas, you need a global mind-set. It comprises:

### Intellectual Capital

#### General knowledge and capacity to learn

Global business savvy  
Cognitive complexity  
Cosmopolitan outlook

### Psychological Capital

#### Openness to differences and capacity for change

Passion for diversity  
Thirst for adventure  
Self-assurance

### Social Capital

#### Ability to build trusting relationships with and among people who are different from you

Intercultural empathy  
Interpersonal impact  
Diplomacy

graduate, and we see an improvement in their scores ranging from 36% (in global business savvy) to 5% (in passion for diversity). Participants in our executive education programs also see a marked improvement in scores. As one executive pointed out, his experience in the program helped him figure out exactly how to “adopt the mind-set of a Saudi person when working with someone from that country.” Another executive commented that she’d underestimated how much time she’d need to invest in preparing herself for an overseas managerial role. Our most recent list of recommendations is available at [hbr.org/globalize-](http://hbr.org/globalize-yourself-list)

[yourself-list](#), although it is always evolving. (Please feel free to add your own ideas or comment on our suggestions.)

**Building intellectual capital.** You cannot effectively influence people who are different from yourself without a good understanding of what those differences are. For example, Alan believed there was a higher degree of collectivism in China than in the United States, so he expected his Chinese executives to be more cooperative and focused on the good of the organization as a whole. But his grasp of Chinese culture was pretty thin. If he’d been better informed, he might have known that the Chinese are high on “uncertainty avoidance.” (Both the collectivist mentality and avoidance of uncertainty make sense, given the country’s history of authoritarian rule and conflict among tribes and regions.) Therefore, to succeed in China, any change process has to be clearly laid out, in very specific steps.

Alan also would have benefited from an appreciation of the similarities between Chinese and Americans. Chinese managers, like their U.S. counterparts, have a strong “performance orientation”; they value and respond to goals, feedback, and achievement. Had Alan considered that, he might have given his team more detailed metrics and targets, and ended up less frustrated.

Managers can learn more about cross-cultural similarities and differences not just in classrooms but by reading publications with strong global coverage, like the *Economist* and *Foreign Affairs*; visiting websites that offer in-depth reports on countries, such as CultureGrams.com, or that explain cultural business norms, like Kwintessential.co.uk; and even watching television programs with an international focus, like *Rick Steves’ Europe Through the Back Door* and *The Charlie Rose Show*. They can stretch their cognitive abilities by trying out the puzzles in a magazine like *Scientific American*. Other ways to build intellectual capital include attending lectures and workshops on doing business in a specific country or region, or country-focused conferences, such as the Russia Business Roundtable and Indonesia Summit hosted by the Economist Group.

Intellectual capital is by far the easiest of the three types of capital to develop. Most managers who are very successful on the domestic front—those managers likely to be given developmental global assignments—simply need to make the effort to acquire it.

## The Global Mind-Set Inventory

We have developed a 76-item test to help you determine the degree to which you possess the attributes critical to global success. Below is a 12-question sample. To get a sense of how you stand in each type of capital, total up the scores for that section and divide by four. An average score of more than 4 indicates a strength; 3 or 4 is reasonably good but shows room for improvement; and below 3 suggests a need for significant improvement. While this is an abbreviated version of our instrument, you can complete the full test at [www.gmitest.com](http://www.gmitest.com).

### RATE YOURSELF USING THE FOLLOWING SCALE

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Not at all	Small extent	Moderate extent	Large extent	Very large extent

#### TO WHAT EXTENT DO YOU: RATING

Know about business strategies for expanding globally.

Know about the geography, history, and important business and cultural leaders of several countries.

Know about the major religions of the world and their influence on society.

Discuss the economic and political ramifications of world events with friends and colleagues.

#### INTELLECTUAL CAPITAL TOTAL

Enjoy exploring different parts of the world.

Want to learn about other cultures and their customs.

Challenge yourself in new and different ways.

Feel comfortable even though you are not in control of a situation.

#### PSYCHOLOGICAL CAPITAL TOTAL

Work effectively with people who are very different from you.

Willingly coordinate your activities with others.

Have the ability to engage people of different cultures to work together to achieve an objective.

Understand the nonverbal expressions of people of several cultures.

#### SOCIAL CAPITAL TOTAL

*Plenty of smart,  
talented executives  
fail spectacularly in  
expatriate roles.*

**Building psychological capital.** This is the most difficult type of capital to develop because there are limits to how much you can (or should try to) change your personality. Nonetheless, our view, backed by scientific research in the field of psychology and professional development, is that you can make some improvements in this area, even though they may not be as large as those you can make in intellectual or social capital. In fact, students in our program experienced a 5% improvement in their psychological capital scores by the time they completed their MBAs. (This is still a markedly smaller improvement than we've seen in the other two types of capital, however.)

We recommend that you start with deep reflection on two questions, which will increase your self-awareness and, ideally, inspire a desire to change. First, ask yourself, How do I feel about people, places, and things that are foreign to me? Why? And second, ask, Do I feel the need to change my feelings in any way? Why? What's in it for me?

Once you've explored your answers to those questions, you're ready for activities that will increase your psychological capital. The idea is to expose yourself to new experiences and ideas, so try talking more with people outside your usual social circles, and experiment with international movies, restaurants, and museums. In a recent global mind-set workshop at our school, for instance, the participants decided that to better understand the Muslim world, they should visit the Topkapi Palace in Istanbul, a museum that houses some of Islam's most holy relics.

**Building social capital.** This type of capital is largely relationship-based and acquired through experience. However, it is possible to increase your ability to emotionally connect with people who are different from you—people not just from other countries but from other subcultures within your own country. The trick is to widen your circle of social interaction to include individuals with interests that diverge from yours. For instance, you might learn something from mixing with people whose professional aspirations differ significantly from your own—say, actors or musicians. To do that, you could enroll in a theater or music class.

Participating on international business teams and taking on assignments that require you to

travel abroad are obvious ways to build your global social capital. So are vacations to foreign countries, especially if they include an educational program. But there are ways to engage with other cultures without the time and expense associated with travel. You could host an exchange student, for instance, volunteer to tutor recent immigrants, or take Spanish language or Indonesian cooking classes. Even something as simple as having lunch with a foreign colleague can be an opportunity to strengthen your social capital. If you ask about what it takes to earn trust or be a good leader in that person's culture, or about his country's communication taboos, you can garner insights that may help you in a future role.

Social networking groups also offer a low-cost way to develop relationships without regard to geographic boundaries. You can reestablish connections with old acquaintances in different parts of the world through LinkedIn and Facebook and join groups that have a broad worldview, such as Internations and Expats Abroad.

People today are now more informed and better connected to others around the world than at any other time in history (the essential argument of Thomas Friedman's best seller *The World Is Flat*). But this does not mean that they are ready for this level of information and interconnection. As one executive put it to us, "The fact that I now know more about you does not mean that I like you or that I want to work with you."

The problem is that despite business globalization and geographical interconnection, most of us are not educated to work with people who are unlike us. We all bring our different ways of thinking, understanding, acting, and communicating to the table and are not well versed in how to deal with intense diversity. In other words, the world may be flat in terms of technology and interconnection. But it is still quite bumpy in the sense that employees from different parts of the globe may work in very different ways. In a bumpy world, we need leaders who can see past culture and politics to engage people who are wholly unlike themselves.

Reprint [R1004L](#)

To order, call 800-988-0886 or 617-783-7500 or go to [www.hbr.org](http://www.hbr.org).