

Thinking Global: Global Agility And The Development Of A Global Mind-Set

In our 2011 article we explored the concept of a “global mind-set” (Global Mobility: Fostering a global mind set), defining what it might mean and outlining its importance in mobilising talent to grow markets, develop leaders, enhance decision making and retain employees. Particularly for leaders in today’s business environment it is recognised as being an important asset for leading multicultural teams and serving more diverse customer groups. The article discussed the importance of global mobility in driving the creation of a global mind-set and the different methods companies could employ to maximise value. Four years on, the business environment and talent landscape have evolved, making the development and utilisation of a global mind-set amongst employees equally, if not more, critical for companies, but often more challenging to accomplish. In this article we examine the global talent trends which are shaping this new environment, current challenges, and discuss how organisations can adapt their strategies to keep one step ahead.

New Horizons

Since our previous article four years ago, the business and talent landscape has evolved in ways that have particular implications for global mobility and how companies manage their global workforce:

1) The changing face of talent

By 2020 India and China are predicted to produce 41% of the world’s graduates (Financial Times: June 2014), and Millennials (born after 1982) will make up roughly 75% of the workforce (source: Deloitte: Mind the Gaps: The 2015 Deloitte Millennial survey). These changing workforce demographics mean that companies will be forced to utilise talent pools with different profiles than those they have been used to in the past. Many companies will also want to do this in order that their talent is more diverse and reflective of their changing customer base.

2) Talent hubs and skills clusters

Countries and cities are beginning to act like companies – streamlining

their efforts and focusing on and investing in niche areas of expertise (The future of work: jobs and skills in 2030, UKCES: February 2014). Governments in both developed and developing nations (for example Switzerland, Singapore, Denmark) are willing to flex local legislation and in some cases provide subsidies in order to encourage investment, develop local centres of expertise and industry clusters, and attract specialist skilled talent. This creation of talent hubs based on certain skills and industries means that companies, countries and cities are increasingly competing for an emerging cadre of highly skilled “global” talent, who will work for both the highest bidder in the most suitable cultural and physical environment.

3) Workforce on demand

In contrast to a global cadre of highly skilled workers, the continuing hollowing out of the future labour force will see companies employ talent not as a stable balance sheet item, but as a resource to be used as and when required, and as a result companies will become more agile and flexible in their resourcing strategies. The use of contingent workforces is predicted to increase, with 51% of companies expecting an increase in contingent hiring in the next 3 to 5 years (source: Deloitte 2015 Global Human Capital Trends: Leading in the new world of work).

Taken together, these three trends suggest there will be a long-term shift towards a more agile and proactive approach to global resourcing: For companies this means they will be forced to tap into talent pools which are physically located outside of their key business locations in order to meet their resourcing needs. For top talent it means they can no longer expect to have a long-term career in one location. Instead they will have a “patchwork” career made up of short-term contracts or assignments based on where their skills are needed at the time, requiring them to move physically to the work or city talent hub. At the other end of the spectrum a greater use of contingent workers could lead to organisations utilising a greater

proportion of workers remotely as part of a virtual global team. At an individual level, these changes will not only necessitate increasingly frequent travel, but will require cultural adaptability, ability to easily shift between different working environments and cultural norms – in essence it requires talent with a truly global mind-set.

Barriers To Success?

Yet, a global mind-set is not something immediately intuitive to the majority of people. For years, inability to adjust to the host location work and living environment has been recognised as one of the contributing factors to assignment failure. However, recent articles in the Harvard Business Review also suggest that most managers are not consciously aware of the differing reactions to the same stimulus in different cultural contexts, which can lead to misinterpretation of the other party’s actions and emotions (Emotional intelligence does not translate across borders, April 2015). Furthermore, they suggest that cultural and contextual intelligence need to be learned in the same way as a language, and like learning a language this requires sufficient exposure within that particular cultural context (Contextual intelligence, September 2014).

Based on these findings, the solution would appear obvious: to send employees on assignments to locations with a different cultural context so that they can learn to “communicate” in the cultural and emotional language of that location. And with 93% of Millennials expecting to live or work abroad at some point in their lives (MOVEguides), you would anticipate that it shouldn’t be too hard to find volunteers.

But many companies are finding that it is not quite as easy as expected. First, the emerging business environment now requires individuals to be versed in not just one, but a multitude of different cultural “languages”. Second, although new generations may expect to live or work abroad, they also expect it to be on their own terms. Third, societal changes mean that female labour participation has

reached record levels, with countries such as the US seeing over a 30% increase in dual income households over the past 20 years (Department of Labor). This trend is set to continue even further with around 80% of women and 70% of men under 30 desiring a dual income marriage (The Unfinished Revolution, Kathleen Gerson, 2010). This means that fewer, rather than more, families will be completely mobile in future.

All of these challenges are beginning to have a severe impact on how companies can move their talent globally. In many cases, mid to long-term moves will no longer be an option for companies trying to expose their employees to different cultural contexts. As such, more innovative, lower cost and flexible options are required, which recognise current restrictions on long-term moves but still enable sufficient global exposure to deliver results.

High Impact Solutions

Already we are seeing companies begin to use an innovative approach, which balances:

i) Making use of short-term, high impact mobility in order to enable individuals to have the experiences required to develop a global mind-set, without moving their whole family and centre

of life, together with
ii) Accessing and utilising the global mind-set which may already exist in the organisation to build global teams either physically in capability centres or part of a wider virtual team.

As a result and as highlighted in our recent “Strategic Moves: 3 years on” report this will require a broader definition of global mobility to one that we term “Global Agility” – a function which enables the organisation to manage its global workforce supply/demand equation.

To keep one step ahead of this, we recommend that companies consider the following questions (figure 1), in order to develop their own innovative and balanced solutions:

By considering these four questions, companies can start to think about what interventions they will need in the near future to ensure that employees can gain the experiences required to refine and develop a global mind-set, or how they can tap into existing talent pools with a global mind-set, and ensure their talent is ready to face the ever changing global environment with an open mind.

Some examples of how leading organisations are starting to address these questions are highlighted below:

Innovation And Multiculturalism

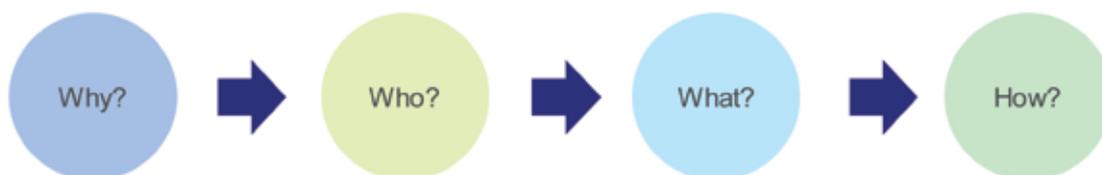
Recent research at the multinational consumer goods company L’Oréal showed that managers from multi-cultural backgrounds were particularly skilled in five key areas of management: recognising new product opportunities; preventing losses in translation; integrating outsiders; mediating with management; and aiding communication between subsidiaries and headquarters (L’Oréal Masters Multiculturalism: Harvard Business Review, June 2013). Recognising the value of these skills, since the late 1990s L’Oréal has specifically recruited individuals with mixed cultural backgrounds to internationalise its management cadre and product development teams, enabling it to transform itself from a French beauty products business into a multinational organisation, with over half of its global sales in new markets outside of North America and Western Europe.

Emersion Experiences

A UK headquartered luxury goods brand has successfully used “micro-assignments” to the headquarters as a means to develop a global mind-set amongst its retail managers from East Asia. Due to the importance of the brand’s image and its

Developing and utilising a global mind-set

Figure 1



- Why is having a global mind-set important within your organisation?
 - How does it support your business strategy and future business models?
 - What current and future tasks will require employees to have a global mind-set?
 - In what way will employees need to demonstrate a global mind-set?
- Based on your business strategy, who is it within your organisation that is required to have a global mind-set, both now and in the future?
 - Is it only future global leaders, or also specialists or even whole teams?
 - Are there people already within your organisation who have a global mind-set?
 - Can historical performance and reward data demonstrate the effectiveness of having a global mind-set?
- Based on your definition of the tasks which will require a global mind-set, and the individual employees who will be undertaking these tasks, what kind of experiences would be most appropriate for their development?
 - Will the employees be required to work closely together with others virtually from different cultural backgrounds in order to define and complete tasks together or do they need to be more attuned to reading the emotions of others in a physically environment?
 - What differential employment models and reward frameworks can facilitate the creation of a global mind-set?
- How should these development experiences be managed and delivered?
 - Does the programme need to be managed centrally through a Talent or Learning & Development function, in conjunction with Global Mobility? Or will it be managed locally, through personal, global networks within the organisation?
 - How will these international experiences fit into a broader learning and development plan for each employee?
 - How can your global real estate and technology agility strategies support the creation of a global mind-set?

values amongst customers in the region, it is vital that retail managers have a clear understanding of the brand's British cultural heritage, its luxury brand identity, and their approach to customer service.

From the outside, to all intents and purposes, these micro-assignments could be considered as business trips. However, the key difference between this type of mobility and standard "business trips" is that these efforts are planned talent initiatives with a clear structure and goal, rather than a short term business need. Ranging in duration from one week up to a month, the time is used for work shadowing, on-the-job training and skills transfer, or sometimes involvement in short-term projects or general emersion experiences. The advantage of this approach is that it facilitates shorter-term development planning, limits the need to back-fill positions, and can also limit compliance exposure in some scenarios.

However, the use of micro-assignments also necessitates a change in mind-set, from seeing an assignment itself as a learning and development experience, to seeing short-term, international exposure as part of a broader learning and development curriculum, which may also include local classroom training and soft-skills coaching for example. This also requires greater collaboration between Global Mobility and Learning & Development departments, as international travel and micro-assignments need to be planned and budgeted for within the overall Learning & Development programme.

Global Teaming And Experience

Deloitte itself has set up its own global development centres in its three key regions, based on "University" style campuses, in order to provide its staff with relevant international experiences. Top talent are identified globally throughout the organisation, and hand-picked to participate in global project teams at the "University", similar to the type of international project that might feature on an MBA programme. The project teams, which are designed to include individuals from diverse backgrounds and locations, are given a specific task to complete within a designated period of time, and which runs in parallel to their normal employment duties. Physical participation in the project is spread out into multiple week-long or two week-long project workshops, which take place

at the "University".

The advantage of this approach is that it facilitates global networking and relationship building without long-term moves, and, in the same way as the micro assignments, can limit cost, administration and compliance risks compared to longer-term moves. As talent are hand-picked for these projects they can also serve as a valuable retention tool, providing an aspirational and high profile platform for learning and development of future global leaders. In addition, the company also obtains a focused group of employees who can drive forward important projects. The intention is that by 2020, 25% of the company's global talent will have gained international experience through such programmes which don't involve long-term international assignments.

International Talent Hubs

A leading consumer goods company consolidated and moved its international sales hubs to a fast growing international city due to its ability to attract an international workforce as well as the clustering of other companies with similar talent attraction objectives. These cluster companies have worked proactively together with both the city and national regulatory authorities to increase the city's overall international attractiveness through such initiatives as favourable personal tax rates for expatriates, the building of international schools and greater reinvestment in arts and leisure activities/events. In recognition that global mind-set and multiculturalism are successful skill sets required in international sales teams, each organisation has also created company specific international talent attraction value propositions to ensure they attract a diverse/multi-cultural workforce.

Thinking Ahead

While the above examples reflect what we are beginning to see in the market today, they are likely just the first of many innovative approaches that companies will need to adopt in future to ensure their talent can have the relevant experience to help them to develop a global mind-set, whilst recognising the increasing limitations on long-term mobility. Enabling organisations and employees to build key experiences across multiple environments will help them to potentially achieve differential results but trying to balance cost, compliance, employee

support and family commitments will become an increasingly hard act to pull-off and will require careful planning and execution. Paradoxically, as well as creating global mind-set amongst employees, organisations themselves will also require a fundamental shift in both the rational and supporting model for global mobility which will need to adopt both a broader definition, approach and wider cross-functional integration in order to enable an organisation to think and act globally.



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