

Execs Go Global, Literally

What would prompt 21 fast-track executives to spend five weeks in a leadership program? Their companies decided it was time to get serious about developing global business skills. This program took them straight to the action.

Action learning goes to new lengths in the University of Michigan's Global Leadership Program. For five weeks, teams of American, Japanese, and European executives learn global business skills and investigate business opportunities in Brazil, China, and India—not by video and not by the case study method, but by being there.

This rigorous, real-time, learning experience not only takes learners abroad to analyze business opportunities; it also puts them into cross-cultural teams to construct and race rafts, climb rocks in the dark, and perhaps most challenging of all, interact with their foreign peers.

"Whatever their idea of development was, this isn't it," says professor Noel Tichy, the intellectual godfather of the program. (See sidebar on page 62 for some participant reactions.)

The seed

A few years ago Bob Lundeen, then chairman of the board of Dow Chemical, challenged Tichy about how academics were going to prepare the next generation of CEOs.

"Lundeen told me he'd blown a deal in Japan because of his cultural insensitivity, and he'd been working in Japan for 20 years," said Tichy. "His admission sparked an idea I'd been thinking about for a while: a development program for executives that

By Patricia A. Galagan

would be a true global business experience. There are academic and other programs with a global focus, but I wanted to find a way to give executives more than an intellectual understanding of global issues."

Tichy put together a task force to begin building such a program. It included Michigan professor Michel Oksenberg, Professor Michael Brimm of the European Institute of Business Administration, and Professor Hirohisa Takeuchi of Hitotsubashi University.

The concept of an experiential program for executives simmered in the collective brain of the task force while Tichy spent the next two years directing GE's management-development operation at Crotonville, New York.

"During that two years, I kept hearing a lot of concern about global issues. You couldn't miss the fact that global competition was changing the playing field for large companies, but it was also clear that their operating mechanisms, for planning, for staffing, for marketing, for human resource development, and for other areas, were getting in the way of globalization."

Tichy's colleague at Michigan, Mike Oksenberg, observed, "Our research suggested that even in companies with global operations, executives were making decisions with very little input from managers in other parts of the world. Interdependent teams, reflecting different national perspectives, were rare."

Refining the idea

Wanting to avoid the "ugly American" syndrome—the tendency to assume that the American way is the only way—the task force looked at the cultural sensitizing that the Peace Corps gives its volunteers. It's based on a State Department program that sends people out to do "country assessments" before a foreign assignment, and it looked to Tichy's group like the way to go.

The group also favored using some adventure-based experiences to help the executives gain a sense of how they made and executed plans as team members working under pressure. Having seen adventure learning work well for teams, Tichy's conviction about the method gained support from his General Electric experience, in which he had taken executives to the Outward Bound School at Hurricane Island, Maine, for teambuilding.

He recalls the reaction of GE's CEO, Jack Welch. Welch was responding to feedback that claimed that Outward Bound was too risky for executives: "If people are afraid of that kind of risk, they probably shouldn't be executives."

Tichy and his team began designing the global leadership program in earnest in 1987 when he returned from GE to the University of Michigan's Business School. "We wanted to build the program as a vehicle for helping transform senior executives and also as a way of globalizing business schools."

What the group designed was a cross-cultural, action-learning experience for top executives, with a heavy emphasis on teamwork. It

would last five weeks, take teams of executives abroad to analyze business opportunities, and culminate in a written report and videotaped documentary by each team. Participants would be encouraged to invite their CEOs to the final presentation.

Getting commitment

Selling a program that would take executives away from their jobs for five weeks was quite a feat, but the travelling seminar is just one part of a larger research effort for a group of sponsoring companies. Each one commits to three years of action research on globalization in its company. Some of the areas for research include looking at where the companies are in their globalization process and how their internal operations handle the global management process.

The global leadership program evolved into a partnership among its core faculty members, the first 29 global companies they recruited as sponsors, and the host countries of Brazil, India, and China. Its stated mis-

sion was "to develop global business leaders who have the mindset, leadership, and team-building skills to both lead their institutions and contribute to world economic growth."

The program's objectives are to provide

- deeper understanding of global geopolitical forces and their relationship to business;
- cross-cultural understanding and skill development;
- tools and techniques for carrying out business opportunity assessment;
- new global business strategies for joint ventures and alliances;
- global networks among business leaders, academics, and host countries.

The program now has 34 corporate sponsors from the United States, Japan, and Europe. (See list, page 63.) Teams of executives will go to the Soviet Union this summer in addition to Brazil, India, and China. The sponsoring companies made three commitments: to invest \$20,000 in the development of the program, to participate in action research on globali-

zation in their companies, and to be part of an advisory group planning the program.

Each company may send one participant a year for three years for a yearly tuition of about \$30,000. The participants are rising stars in their own companies, with a history of leadership positions and the potential to reach the top of their companies within ten years. The first 21 participants were male, but the organizers would like to see women executives nominated by their companies.

Program design

The global leadership program concentrates on building business skills and interpersonal skills, both on a global basis. Each participant gets to know three countries intimately from a business opportunity standpoint, and also gets a big dose of cross-cultural reality by getting to know and work with teammates.

"We've designed a cultural action learning program that creates an illusion of risk in a short time," says Tichy of the weekend at Outward Bound



that is part of the program. "The performance anxiety in the Outward Bound experiences produces a lot of learning in a hurry.

"What we're trying to build are high-performing teams of senior executives from several cultures. We believe they're one of the keys to leading world-class corporations in the next decade."

Weeks before the program begins, the executives receive briefing books on the countries they will be assessing. By the time they assemble at the University of Michigan they are already familiar with the political, economic, and social reality of Brazil, China, and India.

The first two weeks of the program build on that base a more thorough analysis of each country, covering long-term economic trends and the role of the country in the world economy. This information is background for understanding overseas operations. It's also preparation for a day of embassy briefings in Washington, D.C., just before the executives go abroad.

A mind stretch

One of the program's objectives is to develop leadership skills needed in companies with overseas operations. It explores the participants' assumptions about foreign countries and gives them direct experience of cross-cultural interaction—with their teammates and with the officials and executives they meet abroad. It tries to improve their capacity for managing

across national borders, and helps them establish contacts for future business.

In an attempt to get the executives to think of their companies with a big-picture perspective, many of the experiences and exercises direct them to look critically at just how global their companies are.

Participants complete questionnaires covering the competitive environments in their companies. They're asked to decide which of a number of elements, such as technological leadership, global brand recognition, and quality, are essential to competitiveness. They also evaluate how global their businesses are now, basing their views on their own definitions of a global versus a domestic business. They rate their companies' coordination of global efforts on a scale from full autonomy to tight coordination. They look at forces that work for or against globalization, such as the environment, the type of organization, its management style, and its treatment of its human resources.

Once assembled in Michigan, the participants are grouped in teams of mixed nationalities. Throughout the program they keep workbooks, noting their views on team activities, personal insights, and assigned tasks. One of the first tasks is for each team to create a model of a global organization, based on key influencing factors they have categorized as a group. Team members all have different information, so they must negotiate with each other for crucial data. This helps their

appreciation of negotiation styles in different cultures.

Tichy says the program is designed to "push people along the learning curve." Some of that is accomplished with a lot of preparation for the executives and for the people they will see during their country assessments. "We want the site interviews to produce information and experience not available through books or other sources."

Cross-cultural Kon Tiki

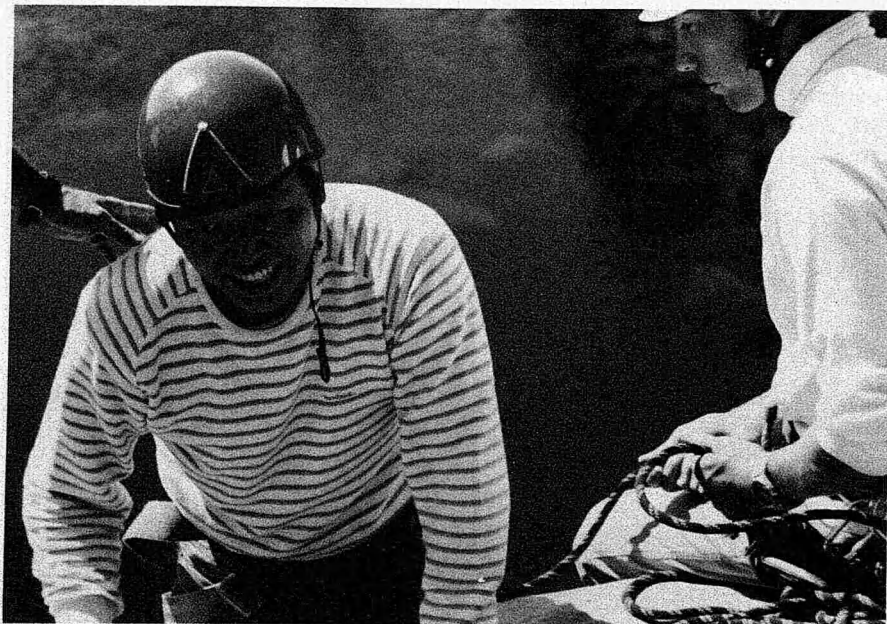
Some of the learning is pushed along by a weekend on Hurricane Island, Maine, at the Outward Bound school. There, in an abandoned granite quarry, the teams work their way through "the crack," a passage about 18 inches wide and 50 feet long. Team members learn to coach each other through the experience, which is complicated by the mix of nationalities and heightened by the fact that the whole thing takes place at night. Another night maneuver is the "spiders' web," a maze of string and trees traversed by flashlight.

The teams also build rafts out of big plastic barrels, crude poles, and rope. Then each team must board its makeshift craft and paddle it around a course of buoy markers, racing against the other teams and the clock. A team must negotiate whether to go for a carefully built raft or to lash something together and get in the water first. As it turned out, the winning team rushed through production and had to make mid-race repairs to its shoddy raft, but won anyway.

Weeks three and four

Now the six teams split up, heading for India, China, and Brazil. Their task: to make an assessment of business opportunities there. They will meet government representatives and visit local businesses, looking for market prospects and strategies for entering them. They must visit and compare business opportunities in two regions outside the country's capital. For guidance they will rely on interviews with government officials, joint-venture partners, area experts, and people from international organizations.

To help set their market strategy in a broad context, the executives will learn from appropriate experts about the political, economic, and social



status of each region, present and future. They will also be exposed to a "mirror analysis" in which their hosts will share their views of social, political, and economic trends in their visitors' own countries. For example, a Japanese executive will get to hear what a Brazilian official thinks about Japan's political situation.

Teams must produce reports laying out the strategic business opportunity they've selected. They must decide on a type of business such as capital goods, consumer goods, services, loans, or technology transfer. Then they must identify possible target markets and determine the best strategies for entering the markets. Again, they will have the benefit of the host country's views of their plans.

Back in Ann Arbor, Michigan, the teams set about producing their reports. In this activity, collaborating to communicate a single message is part of the learning experience. Team members must decide what focus to take, how to illustrate their points with the video footage they shot while traveling, and how to narrate the report. They have technical help from University of Michigan staff, but getting through the entire production process in just one week becomes a final act of teambuilding.

When they split up at the end of five weeks, the participants have not just established a global network for doing business. They have gained something much more significant—a global frame of mind to take back to their own companies. As Masato Murakami, general manager of human resources for Sony, put it, "Clearly, I had to change my mind."

New developments

This summer's group of executives, expanded to 30, will visit China, Brazil, and India, but they will also explore business opportunities in the Soviet Union. "Our plan is to add a new country each year until we have a portfolio of about ten countries," says Noel Tichy.

"The more exciting change in the program is the addition of a focus on global citizenship. We'll have the executives examine their personal and corporate roles in dealing with global environmental and human capital issues.

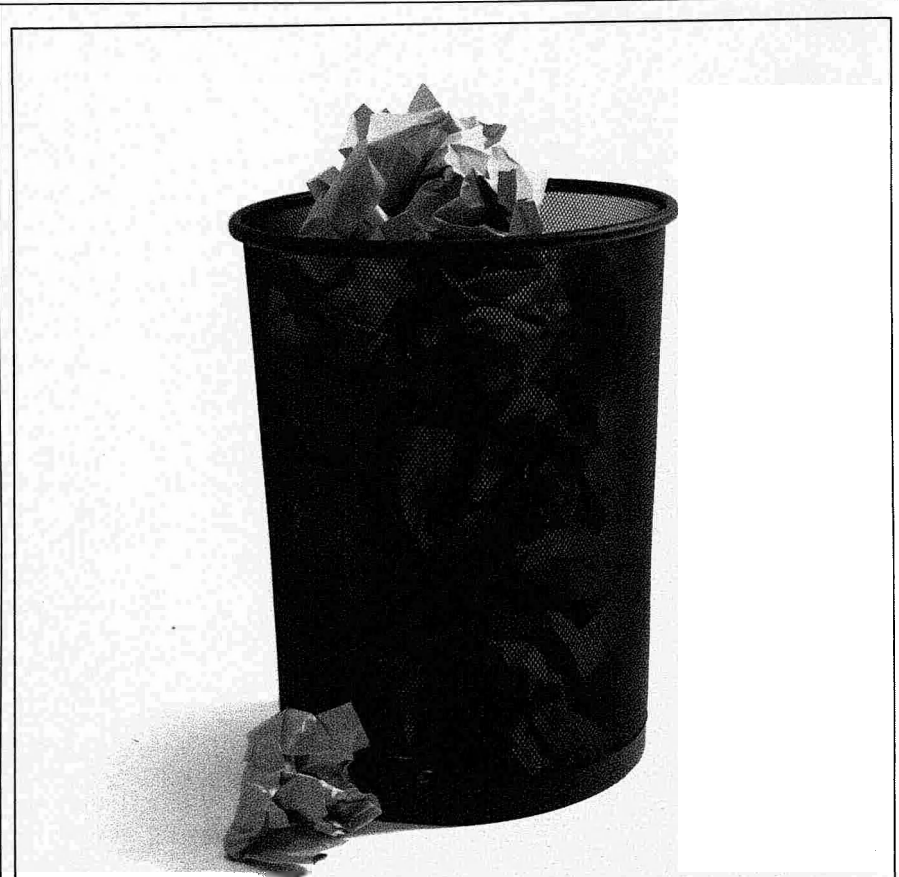
"The Commonwealth Fund is helping us with a grant to pursue this

aspect of the program. Our briefing books this year include chapters on the physical and human ecology of the four countries. Concern for the environment is a new thread that's woven throughout the program.

"We want to confront people emotionally about environmental and human capital issues. We've added one day of inner-city experiential activities to our agenda—serving breakfast at a homeless shelter, teaching a class at an inner-city high school, and helping

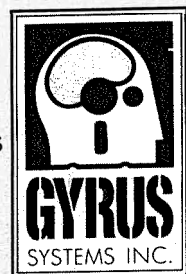
out at a drug rehabilitation center.

"As we look into the twenty-first century we think corporations will have to play a major role in the environment and human capital. Reading about it and talking about it isn't the same as rubbing up against it emotionally. This year a section of each team's reports will deal with the role of its members' companies as global citizens. We want to challenge them to take a position as individuals and as members of major corporations."



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And Now, a Word From the Participants

Deb Chatterji is the chief executive for technical activities of the BOC Group, a global company based in the U.K. It specializes in industrial gases, healthcare products and services, and vacuum products.

I found the program to be quite successful for the first of its kind. I think it went through a bit of teething pain, but overall the concept is very good as well as timely, and I think the program left a good impression on most of us.

Our company is very global. We operate in 51 different countries. One-third of our business is in the U.S., one-third is in the Pacific, and one-third is in Europe. For us, global business management is a fact of life.

Our company has been growing continually in terms of its global presence and aspirations. Five years ago our operations in the Pacific accounted for only a small part of our business. Now they account for 20 percent.

The global leadership program appealed to us because we have struggled with several global issues and we could readily relate to what the program was trying to do. We felt that by joining the group of supporting companies and sending a senior executive to the program once a year we would be able to compare our experience to the experience of other companies. We felt we could learn as well as teach.

As a result of attending the course I developed some personal understanding of Japanese business practices, philosophies, and strategies. While I had experienced some of these cultural issues in the past, the five weeks I spent in the program helped me understand some of the subtleties that I hadn't quite comprehended before. I found that spending five

weeks with the Japanese as friends was very educational.

I believe that people probably gained from the course in three dimensions. The first would be a company's overall mode of behavior in dealing with foreign cultures and foreign countries. What does a company learn from this interaction?

The second dimension concerns the relationship of specific organizational units to that culture. I brought back some ideas about how the R&D function, which I manage, might relate to our Japanese subsidiaries.

The third dimension is personal understanding: how different our thinking is and how one has to be cognizant of these differences in dealing with people from another culture.

Masato Murakami is general manager of human resource planning for the Sony Corporation, the Japanese electronics firm. He is based in Tokyo.

I still have a very strong impression of the five weeks I spent in the global leadership program last summer. I can still recall my experiences there and for me, that means the program was different from others.

The most valuable part of the program for me was to spend five weeks getting to know people from various companies. I was able to see how a person from GE operates differently from a person from AT&T.

At first the teamwork was rather difficult for me because we weren't working on a real project. I didn't feel any obligation to be involved at first. But some competition developed among the groups, and step by step, people became more involved. We became more serious about completing our country reports. The

process of creating teamwork was very interesting, and the trip to India was impressive.

I was convinced by what I heard and learned in the program that now is the time for business to be globalized. I had read about the global activities of many large companies in the U.S., but it was just facts on paper. In the program I heard about the global activities of GE in India, and of Merck in China. I heard people talk about how they had been involved in global activities and felt that I myself should be more globalized. Clearly I had to change my mind because there were companies more advanced than Sony.

The (adventure learning) experience at Hurricane Island was new to me. I liked it very much and managed to find the same kind of program in Japan, offered by a British company. We have decided to try it in Sony. That kind of team building is new to us, even though teams are very important in Japan. I think such a program helps you learn, not through your eyes, but through your whole body.

Sony decided to participate in the leadership program because of the importance of globalization and because it is difficult to find good training in this kind of thing. It is very easy to say we must be more global, but it is difficult to find the correct way to train people for it. This program is a good way to get global experience. Its first year was a good first try.

Joel H. Beck is vice-president of U.S. manufacturing for Bull Worldwide Information Systems. His company makes computers. Its owners are French, Japanese, and American.

The global leadership program was one of the best experiences I've ever had. There were a lot of

high spots but I think the most singular was the opportunity to deal in a multicultural environment of Europeans, Japanese, and North Americans. It was possible to get a feel for their different mindsets and different views. Many times we would have different views of the same situation.

We lived together for five weeks, and under those conditions you get to know people. You really understand how they view things because you see their views being reinforced continually.

Although my company is very global I had not had as much global experience as some of the other participants in the program. I'd like to think that my practices in this regard have changed in the year that's passed since I took part. I feel it gave me greater sensitivity about thinking I had "the answer." I became sensitive to the fact that North Americans tend to make decisions more quickly than the Japanese.

I would agree that in my company there is an awareness of the need to make executives more globally aware. In fact, that's one of the reasons why our senior management elected to participate in the total program and why I was selected to attend the first year. Our company is global, but a number of us have been more local, if you will. This was a chance to introduce us to different kinds of mindsets.

Five consecutive weeks is an unusually long time for an executive in our company to spend in a developmental program. It was an intense five weeks. We only had two or three days off in the whole period.

It was an outstanding experience for me. It certainly opened my eyes to different points of view. We were in India for 15 days,

and it was a devastating experience to see so much poverty and such crowded conditions. But I was able to see firsthand into the infrastructure of the government and learn how it worked and how it didn't work.

I felt we met the real movers and shakers. I came away with an in-depth insight into the thinking of government ministers, and heads of large corporations and financial institutions.

When I returned to the United States I did some hard thinking about the correlation between what was working well there and what was not working well there and how it might apply to a particular situation here. The fact that it was India was almost coincidental. I suspect that the people who went to China and Brazil had similar experiences and explored the same fundamental issues. These countries were selected because they're the largest emerging nations in the world and they're all wrestling with similar issues.

The experiences I had in the program helped me see my company against the background of a larger environment than just the United States. These three countries will be significant factors in our evolution in terms of potential markets and in terms of their contribution to the world economy. Having a better appreciation of what is happening in such countries helps you approach them with more knowledge. You don't take for granted things that just aren't there, and you appreciate the things that are there.

Another helpful aspect of the program was having instructors from the U.S., Japan, and Europe. Each one brought something different to the group, and we experienced that kaleidoscope on a daily basis. ■

Global Leadership Program Participating Companies

European

BOC Group
Bull
Fiat
ICI
Olivetti
Philips
SKF
SmithKline Beecham
Thomson

American

3M
American Express
AT&T
Chase Manhattan
Eastman Kodak
Exxon
General Electric
General Motors
Honeywell
IBM
Merck
Procter & Gamble
Whirlpool

Japanese

C. Itoh & Co. Ltd.
Hitachi
Honda
NEC
Japan Airlines
Nippon Life
Nemura Securities
NTT
Otsuka Pharmaceutical
Seiko
Shiseido
Sony