

Leaving on a jet plane

Cultural Diversity, International Experience & why
your next Senior Leader should be the candidate
prepared to leave it all behind

Executive Summary

- **73%** of CEOs from the world's largest organizations have previously worked overseas
- **50%** of them have done this in more than one location
- **48%** of current CEOs are working outside their home market/location
- Nearly **two thirds** of senior leaders who score highly for Inclusion have previously/currently worked overseas
- International Experience/Mobility can be an effective means for leaders to better understand "**Culture Distance**" and develop ways to drive **Diversity, Equity and Inclusion** as a result
- Additionally it has a signalling effect to future employers about a candidate's **risk appetite** and openness to leaving their **comfort zone**
- Data suggests prior International Experience could also be used as a proxy for **candidate performance** and potential success



Introduction

**“Its difficult to make predictions,
especially about the future”**

– Mark Twain

Whilst it is broadly accepted that **“gut feel”** and other drivers of confirmation bias are simply too risky a route to take where senior appointments are concerned, the assessment industry has created an increasingly crowded & confusing dashboard of data points available to hiring managers in pursuit of hiring-happiness.

Assessment tooling has a critical place in the senior hiring process, but when results are inconclusive and all else is deemed equal, try looking for the candidate who has left it all behind at least once in their career, when making your next leadership hire.

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History & Definitions

Notwithstanding the challenges of a post-COVID world and discounting weekly commuters and short-term assignments, the definition of “International Experience” in this context is a minimum of one year outside the individual’s home market and spans the following:

Long-term relocations:

The most common and obvious. Individuals who are approached internally (and externally) or apply, to relocate on a permanent or long-term assignment (minimum three years) basis to undertake a new role overseas.

Expatriate Assignments:

Typically undertaken on a finite lifespan and heavily subsidised in the employees favour, the employer cost of true “Expatriate” assignments makes them increasingly rare today.

International Management Programmes:

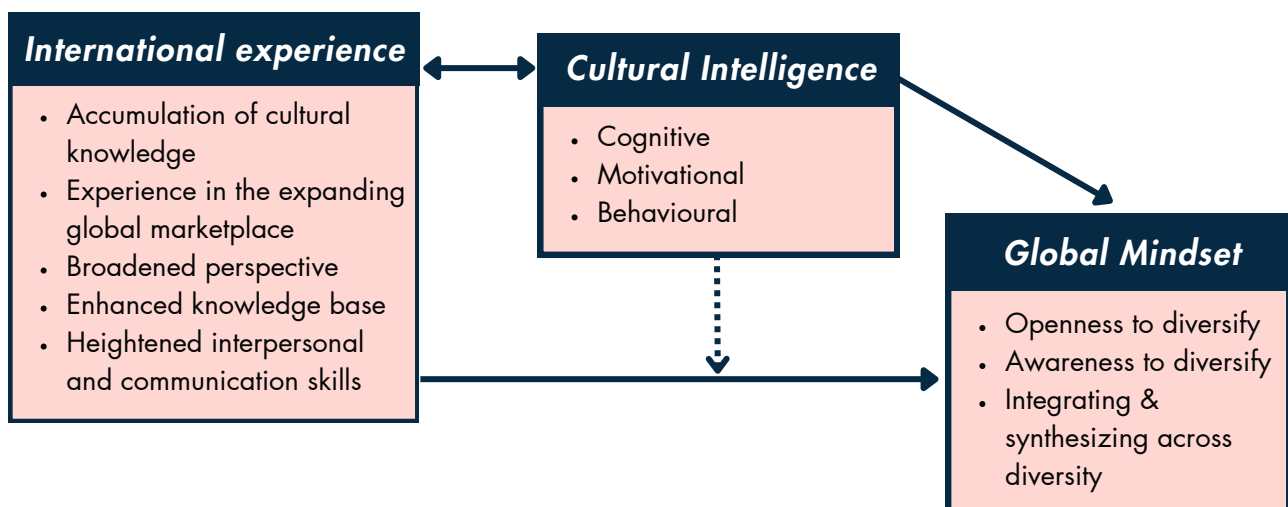
Again, whilst increasingly rare, historically many large multinationals (including Siemens, HSBC, CEMEX and British American Tobacco) ringfenced a cadre of “**permanently mobile**” executives who could be deployed to right-size, troubleshoot or expand territories with the HQ dictat in mind.

What it says about the company:

Where internal moves are concerned, at a base level one could intuitively conclude that the vast majority of firms would not suggest or sanction International transfers for bottom quartile performers. Even if on a fully local contract, cross-border placements still generate significant organizational costs and administration hurdles – items a firm is unlikely to bear for people they do not regard as a **“performer”**.

Whilst measuring any ROI on International Assignments is naturally difficult, research suggests that businesses who operate globally place a higher premium on a **“Global Mindset”** and this ability to think in global terms, factoring socio-economic and geo-political considerations into decisions, is a by-product of **“Cultural Intelligence”**, which in turn, is gained through International Experience.

Cultural Intelligence via International Experience



Cultural Intelligence (CQ) > Global Mindset (GM)

- Direct effects
-→ Moderating Effects

**Adapted from Chen, Lovvorn (2011)*

What it says about the Employee:

“I can’t think of anything that excites a greater sense of childlike wonder than to be in a country where you are ignorant of almost everything. Suddenly you are five years old again”.
– Bill Bryson

If we assume that on an internal transfer at least, the Employers willingness to sanction the move acts as a loose proxy that the Employee is a sound-to-good performer, what can we infer from the candidate’s willingness to make a move?

(i) Risk Tolerance:

Exiting one’s comfort zone and stepping into the unknown is an easier undertaking at 21 than 45 when trailing spouses, children and pets are involved, but at both ends of the spectrum, there is a risk associated with such a move and the indication is that the candidate has a heightened tolerance of ambiguity and risk in making such a move.

(ii) Cultural Diversity & Life as an “outsider”

Granted there are wildly differing degrees of discomfort & quality-of-life dependant on where one goes, but at core the Employee is willing to experience life as an outsider, a **cultural “nube”** and someone unacquainted with the norms, rituals and probably the language of their new home.

It is also briefly worth mentioning the US market in isolation. Whilst the focus of this research is International Experience, by sheer scale and diversity of culture alone, a domestic transfer within the US (eg East-to-West coast (and vice versa)) can still have strong signalling effects to potential employers about a candidate’s mindset and risk appetite.

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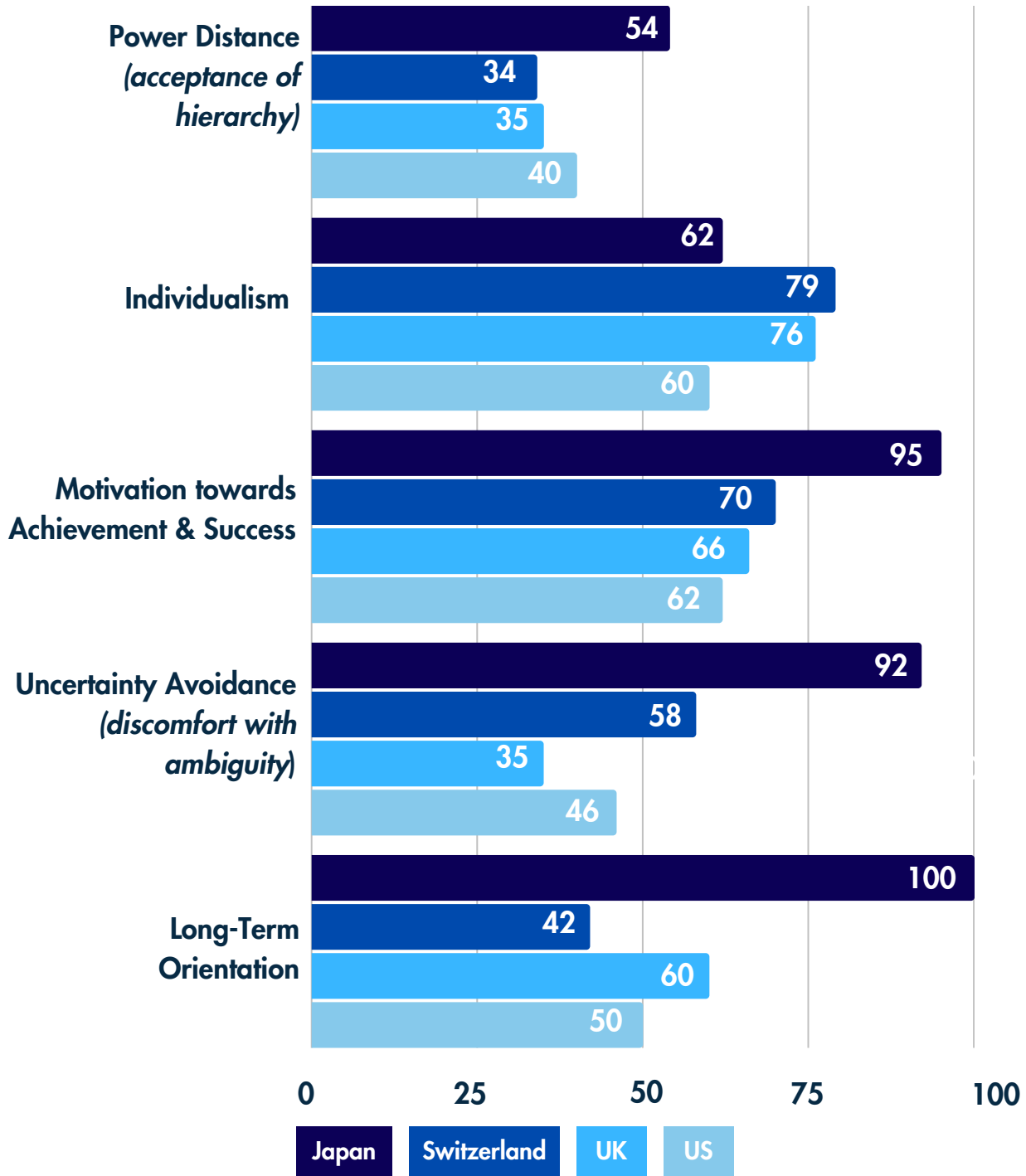
International Experience among Leaders:

**“To travel is to discover that everyone is
wrong about other countries”
– Aldous Huxley**

“Culture Distance” is the term used to aggregate the intangible underlying differences in behaviours and norms between country cultures and spans dimensions such as “Power Distance” (acceptance of hierarchy), “Uncertainty Avoidance” (discomfort with ambiguity) and “Long-term Orientation”. Failure to recognize and act equitably in response to these can significantly hinder a leader’s ability to make cultural and bottom-line progress.



Different Strokes for Different Folks: Country Cultures Compared



Source: Four countries comparison from Hofstede-Insights.com

S&P 500®

 FTSE

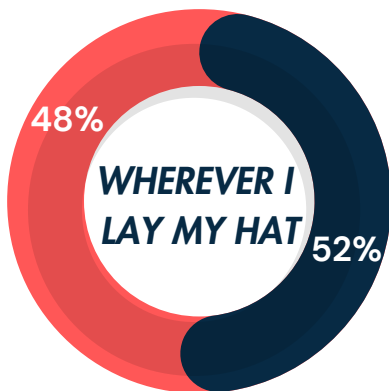
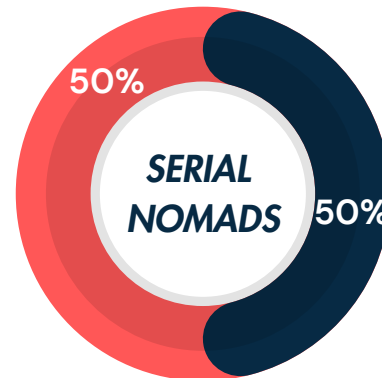
“THE BIG 60”: International experience among CEOs

A composite Index of the 60 largest companies* in the S&P 500, FTSE 100 and Swiss SMI respectively (including Apple, Microsoft, Salesforce, BP, Unilever, UBS and Zürich Insurance), yields some interesting results.



73% of CEOs have previously spent time stationed overseas in their career

Of these, 50% have worked in more than one country location



48% of CEOs are currently based outside their home market/country

*Market capitalizations and CEOs in seat, correct as to 30th August 2023

The data should rightly spark a healthy Correlation Vs Causation debate (did they achieve their lofty position as a result of the Cultural Intelligence/Global Mindset gained overseas, or were they granted the International Opportunities because they already displayed it?) but there is a strong relationship, nonetheless.

Assessment, International Experience & Inclusion

“On Assessment, measure what you value instead of valuing only what you can measure”
– Andy Hargreaves

Diversity, Equity and Inclusion (DEI) is rightly front-and-centre for any forward-thinking business, with Inclusion seen as the sustainability angle to diversity; on the basis that whether diverse or not themselves, a leader with a high inclusion-quotient is far more likely to build diverse teams beneath them, which in theory become self-sustaining for the same reasons.

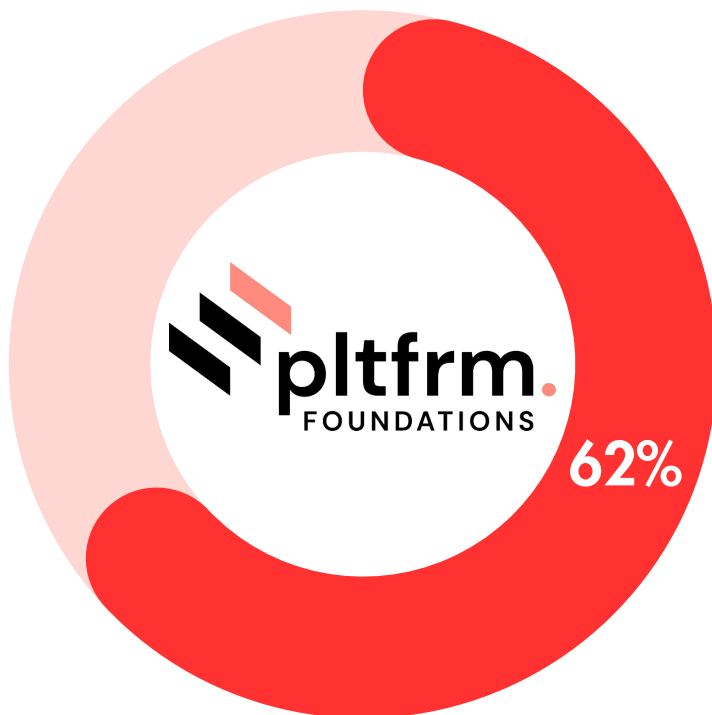
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Much like being Transformational, Inclusiveness is easy to self-diagnose and harder to evidence.”

In a modern enterprise, one would be hard-pressed to find a candidate who doesn't publicly identify as Inclusive (or Transformational, for that matter).

The outputs from **“pltfm foundations”** - the pltfm assessment tool blending left-brain/right-brain thinking through measuring a combination of Inclusive Leadership & Digital Mindset – are telling:

62% of individuals scoring above average* for Inclusive Leadership have at least 1 year of International Experience within their career history



*“average” score for Inclusive Leadership calculated as 6.5 (sten score) as of 28.9.23

Take a closer look at pltfm foundations [here](#).

Conclusion

- It would be wrong to suggest that International Experience is either a) a one-way ticket to the ExCo table or b) universally successful. Similarly, there are plenty of one-company, one-location women and men who have scaled significant career heights and displayed inclusive leadership without working internationally.
- With regards' expatriate assignments in particular, research estimates that up to 20% of Expats leave their parent firms within a year of repatriation. Equally, many assignees fuel the negativity associated with Expats by taking the view that they are there to milk the system, point out "what the locals are doing wrong" and leave.
- However, the data does imply a positive relationship between International Experience, Leadership and Inclusion through Cultural Diversity. In the Data-era, at times it appears we can never have too many outputs in pursuit of a decision. As an example, in a split-decision scenario on promotion candidates, perhaps one of the most powerful data points, might just be one of the most obvious.

Who are we?

Next generation executive search for corporate and digital functions.

Talent remains the critical ingredient in the Value Creation process. Inclusive leadership, resilience and digital-readiness are the scarce talent traits upon which growth & success are built in modern organizations.

Pltfm exists to find them.

Pltfm blends the human insight, interpretation and judgement you would expect from leadership advisory experts, with the latest talent and research digital technologies, to maximise candidate coverage and assessment.

The Team



Will Lahaise | Co-founder

T: +44 20 3934 9069 / +44 796 8146 459

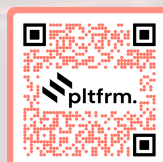
E: will.lahaise@pltfmsearch.com



Chris Rowe | Co-founder

T: +41 43 883 93 67 / +41 78 809 17 64

E: chris.rowe@pltfmsearch.com



Alex Howard-Jones | COO

T: +44 20 3855 4026

E: alex.howard-jones@pltfmsearch.com



Freddie Barrett | Associate

T: +44 20 4570 2221

E: freddie.barrett@pltfmsearch.com

