How Effective Are Companies in Developing Global Leadership Competencies?

Joerg Hruby and Carlos Canfield
Anáhuac University, Business and Economics School, Campus Norte, Estado de México

Eyden Samunderu
International School of Management, Campus Dortmund, Germany

Ronald Busse
Fachhochschule der Wirtschaft, Campus Bergisch-Gladbach, Germany

Abstract. Developing global leadership competencies is crucial for organizational success in today's interconnected world. Despite extensive theoretical discussions, practical insights remain limited. This study aims to bridge the gap between theory and practice by exploring how companies implement and measure Global Leadership Development Programs (GLDPs). We interviewed 75 global HR managers from Germany, Austria, and Switzerland through qualitative analysis using the grounded theory methodology. Our findings reveal effective strategies for developing and appraising global leadership competencies (GLCs). We discovered that feedback and direct observation of behavioral changes post-program are the most common evaluation methods. Our research provides actionable insights and key propositions to help organizations design impactful GLDPs and apply our theoretical framework across various contexts. This study not only enhances understanding but also offers practical tools for fostering global leadership excellence.

Keywords: Global Leadership Development Program (GLDP), Global Leadership Competency (GLC) Development, Measurement, Global Leadership Effectiveness.

1. Introduction

A global leadership development program (GLDP) is designed for executives, or global leaders, *"...who are in jobs with some international scope, who must effectively manage through the complex, changing, and often ambiguous global environment"* (Caligiuri, 2006, p. 219). Similarly, Mendenhall (2013, p. 2) defines a global leader as an *"individual who effects significant positive change in organizations by building communities through the development of trust and the arrangement of organizational structures and processes in a context involving multiple cross-boundary stakeholders, multiple sources of external cross-*

boundary authority and multiple cultures under temporal, geographical, and cultural complexity."

The worldwide shortage of such talent has created an urgent need to develop effective global leaders (e.g., PwC, 2017; Bird & Mendenhall, 2016; DDI Global Leadership Forecast, 2014-2015). Caligiuri (2013) noted that a lack of culturally agile global leaders negatively affects companies' global competitiveness and international growth plans. Studies related to the GLDP have been published in practitioner-oriented journals and book chapters (e.g., Hruby et al., 2022; Frederick, 2020; Davis, 2015) or the Global Leadership book series by Mendenhall et al. (2020). The topic is further discussed on practitioner websites like www.clomedia.com, www.td.org, www.ccl.org, and others.

Theoretical discussions of the GLDP by Hruby et al. (2022) and Grundling et al. (2014) highlighted the design and conception of GLDPs, especially from the perspective of companies and, most recently, business schools (e.g., Mendenhall 2021; Zetting et al., 2020). Other scholars have focused on developing global leadership competencies (GLC) as outputs of such programs (e.g., Caligiuri & Tarique, 2014; Samunderu et al., 2021; Reiche et al., 2017). However, the literature lacks empirically tested process models for developing GLCs (e.g., Jokinen, 2005; Osland & Bird, 2018), and the evaluation of GLDP and GLC development effectiveness remains unclear (e.g., Hruby et al., 2022).

Examples from companies such as McDonald's, Ford, and the World Economic Forum show that GLDP designs differ across organizations. GLDPs incorporate methods such as international service-learning programs (Caligiuri & Thoroughgood, 2015), company-wide development programs (White & Rosamilia, 2010), and action learning in multicultural teams (Grundling et al., 2014). Most GLDPs focus on participant transformations and provide high-quality international developmental assignments. However, in our study, it was essential to deconstruct these GLDPs in order to understand their effectiveness. Different methodologies require different measurement approaches, and no universal approach exists.

Thus, this study aims to evaluate the GLDP for international organizations. As GLDP design has become more essential, the critical aspects of their outcomes have been assessed. Theoretically, research must focus on the influence and impact of participation in an effective GLDP and how to measure GLC development as a learning outcome of these programs. Companies must also know how to design GLDPs effectively (e.g., Hruby et al., 2022) for return-on-investment reasons. We address the overall research question arising from the lack of empirical insights.

"How can the effectiveness of a GLDP concerning global leadership competency (GLC) development be measured?"

This study enriches the theoretical landscape by providing insights from 75-panel interviews with global HR leaders from Germany, Austria, and Switzerland. It includes a literature review, grounded theory methodology, and

findings, and offers practical implications for designing and evaluating GLDPs for GLC development. The final section discusses the impact of our research, its contributions, limitations, and future research agendas.

2. Literature Review

2.1. Global Leader, Learning Mindset, and Learning in the Organization

Today's organizations face a global shortage of leaders who can effectively navigate a complex and demanding world (Oliver et al., 2009). As the requirements for global leaders increase rapidly, companies must fill these gaps efficiently. We adopt the definition from Reiche, Bird, Mendenhall, and Osland (2017, p. 556), which defines global leaders as *"... individuals who influence a range of internal and external constituents from multiple national cultures and jurisdictions in a context characterized by significant levels of task and relationship complexity."*

Reiche et al. (2017) proposed four ideal-typical global leadership roles (incremental, operational, connective, and integrative) differentiated by (1) task complexity, reflecting variety and flux, and (2) relationship complexity, which concerns the boundaries and interdependencies in relationships. We strongly believe that a global leader must also have international experience (IE) (Fey, 2020) and the ability to adapt to diverse cultural expectations. While IE has long been recognized as a vital tool for fostering global leaders (Mendenhall, 2008), it does not automatically enhance global leadership ability unless there is learning from that experience (e.g., Walker, 2017; Li et al., 2013; Ng et al., 2009; Terrell & Rosenbusch, 2013 a, 2013b). Global leaders must engage in IE with a learning mindset to develop new competencies based on their experiences. As Terrell (2020) notes it is relevant to have the knowledge and skills to learn from experience.

Global leaders with a learning mindset derive meaning from their experiences through interactions and communication within their organizations (Schwandt, 2005). In environments characterized by ambiguity and uncertainty, global leaders engage in sensemaking to create certainty. Reflective dialogue with others informed by past experiences enhances learning and development. Global leaders become more effective by processing their experiences and adapting behaviors to meet their goals. Learning occurs primarily on the job (Keys & Wolfe, 1988, p. 216) through both *"planned and unplanned experiences"* (Wexley & Baldwin, 1986, p. 278), with numerous educators emphasizing the role of experience in adult learning (Merriam & Caffarella, 1999).

Learning is critical for global leaders, as it involves experiencing, reflecting, creating meaning, and implementing new behaviors (Barnett, 1989). However, as Van Velsor and Guthrie (1998) argue, *"most managers are neither active nor continuous learners. People learn easily within their comfort zones but struggle*