

Acquiring global leadership competencies involves a series of transformational experiences.



# The Sense-Making Loop

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**T**he economic world's centers are shifting—west to east and north to south. With them shifts much power and influence. This creates opportunities for such places as Dubai, which has developed into an international business hub for the Middle East, Africa, and the Indian subcontinent.

The challenge of leading in highly multicultural places such as Dubai, Singapore, or Geneva is that there is no single culture—and, therefore, no one clear set of social rules for correct or appropriate behavior. Expatriates cannot simply learn the unwritten rules of the traditional local culture as they do when moving to most other cities in the world.

Dubai is extremely diverse. The local population of Emiratis is approximately 10 percent. The majority (more than 50 percent) is from the Indian subcontinent. Westerners comprise less than 10 percent of the population, but have high influence because of their education (from schools in the United Arab Emirates and abroad) and historical British ties. This creates three significant cultures to which expats have to learn and adapt. Plus, at any given moment, expats could be interacting with someone from one of the more than 200 nationalities present.

If well led, the diversity of a place such as Dubai represents great business potential. Research shows that organizations with more diverse workforces are more innovative and perform better financially. However, research also shows that if left unmanaged, diversity has detrimental effects on performance.

Thus, to turn the potential of the diversity of places such as Dubai into leading-edge business performance, it takes leadership—global leadership.

### What global leaders are and do

Although the principles of effective domestic and global leadership overlap to a large extent, they are not the same. Developing global leaders is not the same as leadership development done globally. What is considered good leadership differs around the world. That means global leaders need to be able to read different leadership styles and flexibly adjust to them at a behavioral level.

For example, in more hierarchical cultures, such as Emirati and Indian, it is generally assumed that a team needs a leader and that the leader must have hierarchical decision-making authority. In less hierarchical cultures, such as Dutch and Scandinavian, it is assumed that leadership is shared and more of a process than a role.

Individualistic cultures, such as in the United States, tend to define specific, task-related roles clearly so that individual performance goals are easily identifiable. Collective or group-oriented cultures, such as that in the Philippines (another large portion of the Dubai population), tend to define roles more fluidly, with people contributing as they can and with high accountability to the team rather than individual. Naturally, the team is then rewarded or recognized, not an individual.

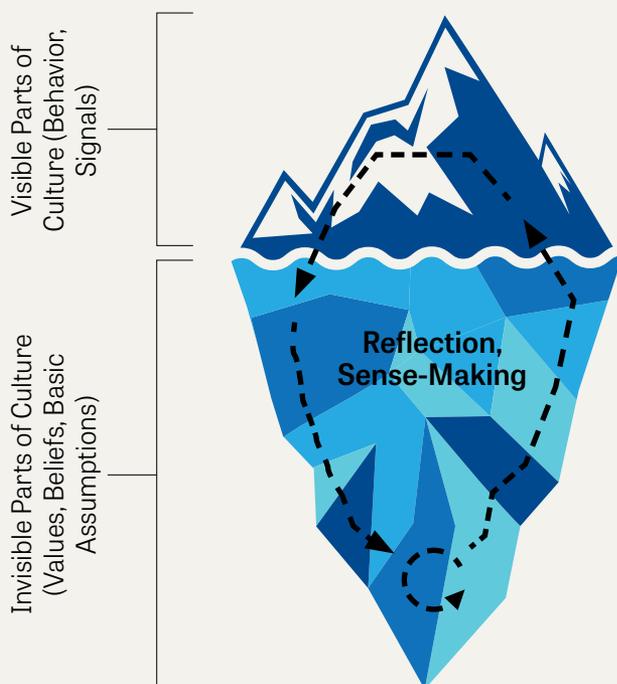
Global leaders in places that lack one shared culture need to be able to handle the high level of complexity and use meta-level mental maps of how the world works. Global leaders leverage cultural diversity for competitive advantage and for influence in a context of foreign bureaucracy, climate and geography, and economic set-up—both inside and outside the organization.

Developing global leaders is an individual, nonlinear, emergent process moderated by a variety of key variables across time.

### The transformational experience

Global leadership development is a process of

## The Iceberg Loop



personal transformation through direct experiences. These experiences are “characterized by the confluence of powerful intellectual, social, economic, or political forces that severely test one’s patience, and one’s beliefs, and that produce a transformation in the individual, leaving him/her deeply different in terms of who they were before the crucible experience,” according to the second edition of *Global Leadership: Research, Practice, and Development*. These experiences cause discomfort followed by a sense-making process.

The Iceberg Loop (see figure) represents this process. The visible part of culture (iceberg above the surface) is behavior and other signals. The invisible part of culture (below the surface) is values, beliefs, and basic assumptions. The Iceberg Loop starts out with a behavioral experience different from what is considered “normal,” followed by a sense-making process with changes to, or expansion of, what is considered normal—that is, of what works and what doesn’t. Sustainable behavior change is based on a change in the invisible part of culture.

That leaves the individual with more options. For example, a Scandinavian leader, from a culture where gender equality is important, arrives in Dubai to take up her position as team leader. She meets her Emirati team member who wears a headscarf. The Scandinavian’s basic assumption is that covered women are oppressed. After their first meeting, the Scandinavian’s basic assumption adjusts after time to reflect, meet others, and make sense of the experience of a strong, assertive, and covered Emirati woman. Being covered, it turns out, does not mean being oppressed. What is considered normal has just been expanded.

The transformational experience has to be tested to be sustainable. A second Iceberg Loop answers the question “Was the experience and conclusion real to life?”

The sense-making process can be done through introspective practices such as writing in a journal, meditating, praying, joining a support network, consulting trusted peers, and coaching/mentoring.

Global leaders are formed through a series of direct experiences and sense-making processes.

## Global competencies

For positive transformation to take place, the individual needs to have certain competencies that enable this process. There are several lists of enabling competencies that create the foundation for assessment. For example, if a Japanese leader can tolerate ambiguity (an enabling competence), then he is less likely to draw quick and inappropriate conclusions about an Indian employee. Instead, the Japanese leader will seek out information about the employee’s challenges or the specific cultural contextual circumstances, which demonstrates another enabling global competency—curiosity or openness.

## Global leadership development in practice

Prior to entering any structured program offered by an organization, employees already have chosen experiences from which they have learned how to navigate cultural differences. These chosen and individualized experiences most often come in the form of studying abroad, engaged travel, work experiences across cultures, and friendships or mentorships across cultures. From these experiences, they have begun shaping a global mindset, developing their global competencies and a global network.

Development might continue this way, with experiences taken on by the leader that become key transformational experiences through the Iceberg Loop. For example, a young employee motivated for a challenging global assignment reaches out. The leader, with an understanding of the challenges of working globally, supports the young employee.

That support includes coaching, as well as business seminars on working globally, online resources, and self-assessments. The global assignment—such as strategic field research, participation in a global team, or organizational development based on functional expertise in a foreign context—naturally will be tied to business goals. Experiences acquired during these short and pointed business assignments early in their career are debriefed

## Sample Structure of a Global Leadership Program

Global leadership programs can be divided into face-to-face summits of two to three days, with two to three months between each. Between summits, participants work in global teams to solve business challenges.

The location of the summit changes and includes the major business unit in that location. The objective is to provide direct cultural experience for those not acquainted with the local culture, and develop relationships with local organizational functions.

Each summit includes elements of peer-to-peer coaching and a talk by or discussion with top leaders role-modeling organizational values and exemplifying possible career paths. Here's a generalized framework of a global leadership program:

### **Summit 1 (Focus: Self- and relationship management)**

- Establish global teams.
- Complete team building activities.
- Take assessments and gain feedback.
- Define business challenges and initiate the work.

### **Summit 2 (Focus: Perception and self-management)**

- Discuss cultural differences and the impact on collaborating, and influencing.
- Go through sense-making based on the intercultural experiences of working on the business challenges.

### **Summit 3 (Focus: Self- and relationship management)**

- Discuss leadership competencies in general and the impact of culture.

### **Summit 4**

- Present the solution for the business challenge.
- Get 360-degree feedback from a multicultural group.
- Receive evaluation and feedback from peers and top leaders.

with a coach (leader or peers) to make sense of these and relate them to personal growth.

Development also can take the form of a structured organizational program. Programs take various formats, depending on factors such as whether participants are early or late in their careers, or at mid- or top management, and size and locations of the organization. Despite their differences, all programs share two qualities: a selection/assessment process and ties to business goals.

Spotting employees with the potential for a career as a global leader often is done by senior leaders, based on potential turned into performance. It also can be done in an assessment center.

Programs provide transformational experiences through various means, such as action learning; coaching or mentoring by a peer or executive with a different cultural background; 360-degree feedback from multicultural colleagues; developing and using a global network of peers; and performance support on global leadership challenges—often an online resource with cultural insights.

### **Case study**

After having acquired a PhD in wireless communication from an acknowledged university in Germany, Adam completed his post-doc at a university in the United States. During the final month of his study, he was contacted by one of the technology leaders in Germany and offered a position as project manager for a product development project, which he accepted.

At a status meeting in South Korea with the key collaborating company on the project, attended by Adam and the vice president for product development, Adam experienced for the first time the serious challenges of communicating across cultures.

During his next session with his mentor—who happened to be the vice president for product development with whom he attended the meeting in South Korea—Adam realized that for him to pursue a global career, he needed a better understanding of what happened and what he could do different in the



## DEVELOPING GLOBAL LEADERS IS NOT THE SAME AS LEADERSHIP DEVELOPMENT DONE GLOBALLY.

future. So, Adam requested to go through the company's global assessment center and receive coaching based on the results to develop his global competencies.

Throughout the next few years, Adam successfully finalized more global projects, which led him to being accepted in a one-year internal global leadership program involving four summits. These summits included approximately 30 other up-and-coming leaders from the same global organization. The first meeting was at headquarters in Germany and the following at major hubs in China, the United Arab Emirates, and the United States.

The program included projects in global teams running the full year. Between the summits, the global teams received training and coaching on the use of social media, ensuring effective collaboration. Core parts of the program included peer-to-peer coaching, self-reflection, putting themselves in the other's place, and establishing "leader-as-coach" as a concept in the organization. In the evenings during the four summits, top leaders gave fire-side talks on their career paths, role-modeling organizational values.

Today, Adam is based in Dubai on a three-year contract—his first long-term assignment outside Europe—heading a development team of five: two Germans, a Pakistani, a Filipino, and an Egyptian. Adam reports to the product development director in Germany. Before arriving in Dubai, Adam and his wife completed a one-day training session focused on his

local context: the Emirati culture and the mix of his team, as well as effectively leading and working in Dubai. A couple of months after arriving, Adam and his wife met with the trainer to make sense of their experiences so far, both privately as well as in relation to challenges Adam faces with his highly diverse team. In the midst of daily complex challenges, Adam draws on his global network of peers in similar situations for reflection and personal development.

### Personal transformation

Global leadership programs are founded on global assessment centers where potential is assessed. That is, the potential to develop the ability to collaborate and influence in complex contexts is assessed and, based on the results, the individual designs a path of personal transformation.

The capacity to lead in a global context such as Dubai—with its high level of complexity and more than 200 different cultures—is developed during a transformational process. A series of direct experiences with a sense-making loop are intertwined with the development of global competencies. One enables and fuels the other.

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