



## Managing Across Borders – The Glocal Manager

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The challenge of being a Global Company that operates effectively in a number of local markets - the “Glocal Company” - requires that companies grow or recruit “Glocal Managers.” As companies expand their cross-border operations they need to realize cross-border synergies while enhancing the value of local operations, safeguarding local company cultures and not imprisoning them in a corporate straight jacket.

Over the last few years in particular we have seen a rapid expansion into under-developed countries. The US and China have urgently been seeking suppliers of food, energy and minerals. Electricity, water, telecoms are have already become global businesses.

Two key competencies critical to achieving success are cultural sensitivity and the ability to take the necessary decisions to develop the overseas business to realize its full potential.

Some companies have found it hard to identify and realize opportunities across disparate businesses which cover several countries. Head Office Managers have not always co-operated sympathetically with colleagues in other parts of the company. It is often the case that there are few managers in place in companies new to international expansion who have the knowledge and experience needed to develop business across borders with a cross-functional approach.

Equally full organizational integration is not always the answer as this may suffocate the local business. The overseas business may lose its autonomy with the Country Manager having unclear objectives and losing the ability to manage its own profitability e.g. procurement is changed to groupwide sourcing or product development is centralized. Differences in language and culture are also common reasons for poor execution. Companies should not underestimate the difficulty of getting large numbers of people to cooperate for a common goal.

A common denominator throughout is about having the right people. Companies either need to recruit managers with the required competencies or grow their own. Companies can increase their glocal managerial capability by sharing best practices in formal and informal ways, rotating key people within functions from one country to another or giving managers overseas projects. Communication and discussion of company policies and procedures is important to enhance co-operation, especially the discussion part!

### BALANCING THE NEEDS AND BEING BOTH GLOBAL AND LOCAL

Overseas businesses are not easy to manage where there are different products, different markets and different growth objectives. Managers will increasingly have a wider span of control than they used to have, meetings are harder to arrange and the need for travel grows. Video conferencing saves time and expense but at a cost of not acquiring a full understanding of the local market and its cultural nuances. Also businesses in stable, low-growth countries require different strategies to those in fast growing emerging markets.

Companies need to develop Glocal Managers by providing overseas assignments and job rotation early in their careers when they are more mobile, have fewer problems with childrens education and can occupy less senior roles and only make small mistakes rather than large ones! Companies often will send SBU/HQ Managers to visit overseas businesses but sometimes neglect to invite the local managers to visit the SBU/HQ as part of glocalising local managers. Its all about making investments in

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human capital. Companies find it easy to invest in plant and machinery but often have a mind block about investing in their human capital assets.

Effective and informed country management is essential rather than just imposing a vertical SBU approach. Companies need to review spans of control, provide more focus on businesses at different stages of development and take into account the strategic priorities of the local national governments.

The role of country manager needs clear definition of reporting lines and responsibilities so that it is properly understood in SBU's and at HQ. The challenge is to maximize value within the country and ensure that the local organization works smoothly with the centralized functions and any regional/cross-country functions.

Some multinationals who think of themselves as a single family may not tolerate deviation from corporate cultural norms. Glocal Managers usually have experience of a number of local or corporate cultures, local regulations, know how to interface with local governments and have a high tolerance of ambiguity. Neglecting cultural assimilation usually means lost opportunity and lost profit.

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