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**BEYOND COMPETENCIES: USING THE  
ABILITY TO LEARN FROM EXPERIENCE  
FOR THE EARLY IDENTIFICATION OF  
INTERNATIONAL EXECUTIVES**

**CEO Publication  
G 98-6 (334)**

**MORGAN W. MCCALL**  
*University of Southern California*

**GRETCHEN M. SPREITZER**  
*University of Southern California*

**JOAN D. MAHONEY**  
*University of Southern California*

March, 1998

*Acknowledgments: We thank Doug Ready and the International Consortium for Executive Development Research for generous funding for this research. We also thank the Center for Effective Organizations for their administrative support with data collection.*

*For submission to the Academy of Management Executive.*

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**Center for Effective Organizations - Marshall School of Business  
University of Southern California - Los Angeles, CA 90089-0806  
TEL (213) 740-9814 FAX (213) 740-4354  
<http://www.marshall.usc.edu/ceo>**

## **ABSTRACT**

What constitutes the “right stuff” for global leadership? Many companies today have adopted a competency approach for identifying future international executives. However, competencies alone may not be sufficient. How do we know that the competencies so highly valued today will remain essential for success in the international arena of the future? We identify several limitations of the competency approach and propose a complementary model based on a more dynamic notion, the ability to learn from experience. The ability to learn from experience offers promise as a predictor of subsequent acquisition of international executive skills and of eventual success. We discuss the development of an instrument which measures both traditional competencies for international executive success and the ability to learn from experience. We conclude by offering recommendations for the early identification and development of international executives.

## **Beyond Competencies: Using the Ability to Learn from Experience for the Early Identification of International Executives**

While most major corporations have done business in the international arena for many years, it is only in the last two decades that the merciless demands of global competition have hit full-force. In response, organizations around the world have gone through radical changes -- some ceasing to exist, some still faltering, and some emerging transformed. While definitive answers to questions about how to organize for success in a global environment remain elusive, one component consistently emerges as critical: the importance of executive leadership.<sup>1</sup> The international business world watches with anticipation as executives like Goran Lindahl at Asea Brown Boveri (ABB), Jurgen Schrempp at Daimler Benz, Alex Trotman at Ford, Jack Welch at General Electric, Lou Gerstner at IBM, George Fisher at Kodak, Hiroshi Okuda at Toyota and countless others try to steer their increasingly global corporations into the 21<sup>st</sup> Century.

What constitutes the “right stuff” for global leadership? Many business leaders predict that the next generation of top executives will have to have multiple global assignments to reach the top.<sup>2</sup> For example, Royal Dutch Shell already requires four global expatriate assignments before it will consider a manager for promotion to senior management. General Electric estimates that 25% of its managers will need global assignments in order to gain the knowledge and experience necessary to understand the global markets, customers, and competitors the company will face in the new millennium.<sup>3</sup> Clearly, international experience is an ingredient in the recipe for global leadership. But given the high rate of failure of executives in expatriate assignments,<sup>4</sup> it is also clear that international experience is not enough. In this paper, we take a deeper look into the identification and development of international executives.

### **A Competency-Based Approach to Global Leadership**

The long and periodically intense search for the “right” leader dates back as long as situations requiring leadership have existed. But the results have been modest at best: many places in the world

still choose leaders based on bloodline, bloodletting, bloody luck, or other criteria that have little to do with potential leadership effectiveness. Striving to do better, researchers have learned some important lessons about what effective leadership is and how it can be assessed. In corporate settings, great progress has been made in assessing important executive attributes such as strategic acumen, global perspective, and integrity. Indeed, empirically derived lists of “competencies” are an increasingly important selection and development tool in many large, Western corporations.<sup>5</sup>

Competency-based efforts to identify the crucial executive attributes typically begin with executives who have been successful on some organizational criterion (rank achieved, reputation, track record, etc.). They are interviewed about the characteristics of effective executives or about effective behavior in certain critical situations that executives may face. These descriptions are analyzed, producing a finite list of executive attributes (for example, integrity, strategic awareness, and business knowledge). A procedure is then developed for assessing people on these “competencies,” and the resulting assessments are used for such important activities as executive selection, succession planning, executive development, and early identification of executive talent. For example, AT&T links their list of 10 competencies to specific developmental experiences for their high potential employees. Royal Dutch Shell links their set of competencies to their organizational design, career development, and training programs. Unilever has developed a competency model for the selection and development of its employees worldwide.<sup>6</sup>

### **Problems with the Competency Approach**

Consistent with a value system that recognizes individual merit as a basis for choosing and rewarding senior talent, this type of career streaming<sup>7</sup> is a marked improvement over other options that leave executive selection to chance. As usual, however, implementation of the competency methodology has revealed additional challenges. Three weaknesses stand out:

- The executive characteristics produced are usually based on past success rather than on the attributes required to meet future challenges. Some of the skills and attributes necessary for

success today may be ineffective in tomorrow's environment, and new skills which are not important now may be central in the future.

- The end-state attributes of current executives are used to identify future leaders who may not have yet developed those attributes. Thus, the competencies characterize people who already have desired attributes, rather than those who can develop, with time, what it takes to be successful.
- A single set of executive attributes is identified — creating implicitly or explicitly a one-size-fits-all model of executive behavior that is applied in all contexts.

As a result of these potential problems, a competency model of executive attributes works when the future is similar to the past, the attributes of currently successful executives exist in some recognizable form in less mature managers who are still developing, and one kind of executive is successful in all situations. Unfortunately, these assumptions do not always hold, particularly in the complex organizations of today's fast-changing, increasingly global environment.<sup>8</sup> In the sections below, we challenge each of these assumptions as we argue for a shift from a static to a more dynamic model of early identification of international executives.

**(1) Will Today's Competencies Predict Success Tomorrow?** If the emergence of intense global competition is transforming organizations, and if the future is largely unpredictable because of the resulting tumult, then what has worked in the past may not work as well, or may even be dysfunctional, in the future. For example, expertise in delivering on cost-plus defense contracts may actually blind an executive to the requirements of competitive commercial markets. Similarly, highly developed skills in managing a traditional hierarchical and functional organization might hinder an executive trying to lead a flattened, boundaryless organization. The same might be said for an executive who earned success in mature domestic markets who now must compete in the emerging markets in South America, China, the former Soviet Union, India, or Indonesia.

By using assessment criteria based solely on the characteristics of currently effective executives, we risk choosing people who fit today's model rather than those who can fit the model of tomorrow. Even the executives who have successfully changed organizations in response to current challenges may not have all of the necessary skills for effectiveness in tomorrow's organization. Therefore, the ability to

identify additional attributes more directly related to an executive's ability to adapt to the unforeseeable reality, to change and grow as conditions change, would have value-added to executive selection and development.

**(2) End-States in Miniature?** A second limitation of competency approaches involves building an early identification, selection, or development system based on executive attributes derived from the finished product or "end-states." Studying a sample of effective executives and cataloging their attributes creates an amalgam of "finished" characteristics -- a portrait of what the ideal executive looks like after he/she has developed the capabilities for success. It may not be safe to assume, however, that these same characteristics, like the insides of a "Russian Doll," can be found in ever smaller or less developed versions as we assess people earlier in their careers.<sup>9</sup> Using end-states may work well if the goal is to select mature executives for existing positions, but if the purpose is to identify future executives, these end-state attributes may not be as useful. Some or all of the desired characteristics may be acquired over time, and so they may not be visible early in the careers of people with the talent to eventually acquire them. If this is true, attempts at early identification based on end-state attributes may identify the few people who have demonstrated the attributes early in their careers, but will miss the larger group of people who could develop those end-state characteristics over time. By the same token, people who demonstrate promising end-state attributes early in their careers may never fully develop them over time.<sup>10</sup> By assuming that desired executive attributes are developed rather than detectable in miniature forms, the focus shifts to assessing a person's ability to develop end-state characteristics over time.

**(3) "One Size Fits All"?** The third limitation of a competency approach surfaces when, after studying numerous effective executives and synthesizing from them a short list of characteristics, a single model of executive leadership is created. That is, one model of executive competence emerges -- the one defined by the list of attributes -- that would then be applied across situations and across time. One "ideal model," as appealing as its simplicity is, ignores the possibilities that there may be several different but equally effective constellations of attributes an executive might have, and that different current or future situations might require a different constellation of attributes. Even if one list were sufficient, it is

still an amalgam of the “good” qualities found across a group of managers, but not in any one individual. The “single model” creates an ideal composed of elements that no one person really has, leading to a search for an “ideal” executive who does not exist. Potentially effective leaders may be overlooked because their demonstrated competencies only partially reflect the ultimate list of desired characteristics, or because they represent a different model entirely. In a changing environment, it is always possible that the new model that doesn't fit is the one that is most needed.

### **A Complementary Learning Approach**

Rather than trying to specify precisely what the new skills should be, in a complex and uncertain world it may be more effective to emphasize a person's ability to develop new skills over time. As a case in point, consider the rapidly increasing concern of many corporations to identify global executives. What do we actually mean when we talk about global executives? Are they U.S. managers in expatriate assignments? Are they country managers for international firms? Are they U.S. executives in U.S. assignments but working in a “global” matrix with foreign nationals? Are they foreign nationals working for a U.S. corporation? Or, are they executives who deal with international issues, even if they never relocate from their home country?

It seems likely that the competencies required of an international executive may be different depending on the nature of the international assignment. For example, one might argue that the required competencies are different for a U.S. executive establishing a business in the emerging markets in China than for a Japanese executive heading up the same firm's existing subsidiary in Japan. Perhaps an executive in charge of an international joint venture involving multiple companies uses different skills than the home country executive running an established operation for a foreign multinational. Indeed, the “single model” approach demands that one-size-fits-all, even though the competencies required for various kinds of international challenges may be vastly different.

Despite these limitations, competency-based models identifying end-state executive attributes may be useful for selecting among several candidates for an existing executive position. For early

identification, however, the more interesting question may be whether a person has the ability to learn the desired end-state competencies. In the next section of the paper, we begin to explore what “the ability to learn from experience” might mean in the context of early identification. We begin with a different set of assumptions:

- the future will be substantially different from the past
- executives develop needed attributes rather than being born with them
- there is more than one constellation of effective executive characteristics which depends upon the context in which the executive must operate.

By starting with the assumptions that many executive skills develop over time, the emphasis in early identification shifts to a person's ability to develop skills rather than what the specific skills are. With this emphasis we no longer need to assume that the future will be the same as the past or restrict ourselves to a single, end-state model.

### **The Ability to Learn from Experience**

Existing research supports the promise of “the ability to learn from experience” in the early identification of executives. The evidence regarding people who become successful executives suggests that:

- They change in significant ways, some good and some bad, over the course of their careers,<sup>11</sup> even though some basic personality and cognitive abilities usually do not change much over time.<sup>12</sup>
- There are individual differences in the kinds of learning and growth that occur, with some people changing more than others, in different ways, and at different times.<sup>13</sup>
- Positive learning and change are associated with success in the executive ranks.<sup>14</sup> For example, Bennis and Nanus studied a large number of successful leaders and concluded that “nearly all leaders are highly proficient in learning from experience ... Very simply, those who do not learn do not survive as leaders.”<sup>15</sup>

While much of this research was done in the United States, there is no reason to believe that the underlying processes of learning and growth vary by country, although the evidence is scant and the contexts in which learning occurs can vary dramatically by country.<sup>16</sup>

All in all, these findings suggest that the qualities one finds in the mature international executive are not necessarily the only, or even the same, qualities possessed by people with the potential to become international executives. On the contrary, there is substantial research evidence that many managerial abilities are learned through certain kinds of experiences that accumulate throughout a career,<sup>17</sup> and that some of the specific skills an executive needs may be developed only if he or she has a variety of developmental experiences. That being the case, the ability to learn from experience, coupled with appropriate experiences, may predict the acquisition of those executive skills required for success in an international context. Developing ways to identify people who can learn more from their experiences and to help people become better learners are the next logical and necessary steps in refining the process of selection and development of international executives.

### **Assessing International Executive Potential**

Logically, an approach that combines the assessment of already acquired abilities with the assessment of potential to acquire others would be the most powerful way to identify international executive potential. In that context, the addition of variables related to the ability to learn from experience could be seen as adding value to the end-state competency approach discussed at the beginning of the paper. We have conducted research which takes such an approach to the early identification of international executive potential (see the Appendix for a description of the research).<sup>18</sup> The 11 dimensions for early identification of executives in the international arena produced by the research are:

#### **ACTS WITH INTEGRITY**

Tells the truth and is described by others as honest. Is not self-promoting, and consistently takes responsibility for his/her actions.

### **ADAPTS TO CULTURAL DIFFERENCES**

Enjoys the challenge of working in and experiencing cultures different than his/her own. Is sensitive to cultural differences, works hard to understand them, and changes behavior in response to them.

### **BRINGS OUT THE BEST IN PEOPLE**

Has a special talent with people that is evident in his/her ability to pull people together into highly effective teams. Is able to work with a wide variety of people, drawing the best out of them and achieving consensus in the face of disagreement.

### **HAS THE COURAGE TO TAKE RISKS**

Takes a stand when others disagree, goes against the status quo, perseveres in the face of opposition when necessary. Has the courage to act when others hesitate and will take both personal and business risks.

### **IS COMMITTED TO MAKING A DIFFERENCE**

Demonstrates a strong commitment to the success of the organization and is willing to make personal sacrifices to contribute to that success. Seeks to have a positive impact on the business. Shows passion and commitment through a strong drive for results.

### **IS INSIGHTFUL: SEES THINGS FROM NEW ANGLES**

Other people admire this person's intelligence, particularly his/her ability to ask insightful questions, identify the most important part of a problem or issue, and see things from a different perspective.

### **IS OPEN TO CRITICISM**

Handles criticism effectively: does not act threatened or get overly defensive when others (especially superiors) are critical.

### **LEARNS FROM MISTAKES**

Is able to learn from mistakes. Changes direction when the current path isn't working, responds to data without getting defensive, and starts over after setbacks.

### **SEEKS AND USES FEEDBACK**

Pursues, responds to, and uses feedback. Actively asks for information on his/her impact, and has changed as a result of such feedback.

### **SEEKS BROAD BUSINESS KNOWLEDGE**

Has an understanding of the business that goes beyond his/her own limited area. Seeks to understand both the products or services and the financial aspects of the business. Seeks to understand how the various parts of the business fit together.

### **SEEKS OPPORTUNITIES TO LEARN**

Has demonstrated a pattern of learning over time. Seeks out experiences that may change perspective or provide an opportunity to learn new things. Takes advantage of opportunities to do new things when such opportunities come along. Has developed new skills and changed over time.

These empirically-derived dimensions reflect both traditional end-state competencies and learning-related abilities. Five of the dimensions obviously reflect behaviors associated with active

learning: “Seeks opportunities to learn,” “Seeks broad business knowledge,” “Seeks and uses feedback,” “Learns from mistakes,” and “Is open to criticism.” Two other dimensions, “Adapts to cultural differences,” and, “Is insightful,” also reflect aspects of learning. The former includes items about working to understand cultural differences and then changing in response to them, while the latter encompasses asking insightful questions and seeing things from different perspectives.”

Several other dimensions – “Acts with integrity,” “Brings out the best in people,” “Has the courage to takes risks” -- appear on the surface to reflect the more traditional executive competencies for international executives. Woodruffe, for example, includes these attributes in his list of executive competencies.<sup>19</sup> No doubt such things are important in international executive success. However, if one looks a little deeper there is an important learning aspect embedded in each of these dimensions. “Integrity,” defined as being seen by others as honest and taking responsibility for one's actions, is essential to creating an environment of trust in which people are willing to provide feedback or other forms of developmental help. Similarly, “Brings out the best in people” not only has performance implications, but an emphasis on others' success also contributes to creating an environment in which feedback and growth can occur. “Has the courage to take risks” is a crucial executive attribute for making aggressive business moves, but it is also an attribute which allows people to take the risks inherent in accepting the stretch challenges from which most learning occurs.

This leaves only one dimension, “Is committed to making a difference,” with no direct and obvious learning significance. However, it is possible that a major stimulant for learning new skills is the pursuit of challenging goals. To the extent that a person needs new abilities to succeed at something that matters to him or her, this commitment may be a key driver for development. Thus, all of the dimensions to some extent reflect the ability to learn from experience.

Though the dimensions appear to reflect learning ability, is learning ability related to international executive potential? In our study, ratings by their bosses on all eleven dimensions empirically distinguished between people identified by their companies as having considerable potential as international executives and those considered solid-performers-but-not-likely-to-move-up. Some of the largest differences were in ratings of the more learning-oriented dimensions, including “Seeks

opportunities to learn,” and, “Seeks and uses feedback.” Such findings suggest that the ability to learn from experience does provide added value in predicting executive potential. The dimensions were also associated with ratings of current job performance, estimates of learning capacity for both behavioral skills and job content, and predicted success at international assignments with and without expatriate status. Although tracking the managers over time is the only way to demonstrate that ability to learn from experience actually predicts success as a senior international executive, the current findings show that the 11 dimensions are related to perceived international executive potential.

### **How Do These Dimensions Affect Learning?**

Presumably these dimensions may predict later executive success because they reflect a person’s ability to develop needed executive skills. Just how this might occur is described in the sections below. Learning executive skills appears to require attracting enough attention to get growth opportunities, taking advantage of opportunities when they appear, learning from opportunities taken, and finally retaining more of what was learned for future use.

**Get Organizational Attention and Investment.** First, some of the dimensions seem to reflect basic qualities necessary for a developing manager to get the attention of the organization, a prerequisite for gaining developmental opportunities. People stand out who are unusually insightful, have the courage to act even when at risk, and show commitment and drive. Such characteristics are often reflected in lists of competencies and are major attributes considered in succession planning, career planning, and review sessions. People rated highly on them are likely to get the kinds of challenging opportunities that develop leadership ability than are those who do not show comparable foundation skills. Thus, these dimensions might be seen as “the price of admission.”

In and of themselves, though, these characteristics are not enough to ensure continued growth or effectiveness. It is even possible that passionate commitment to business performance could get in the way of, or compromise, learning new skills. By investing totally in current challenges, or by developing competencies in only one primary area, a person might be reluctant to accept the different kinds of

challenges that would develop needed new skills over the long term. Thus, dimensions related to getting attention need to be considered in conjunction with the other dimensions in the framework.

**Have a Sense of Adventure: Takes or Makes Opportunities.** A second cluster of dimensions seems to capture the sense of adventure required to break out of the comfort of current success patterns to take on something new. Managers in our study who were considered “high potential,” in contrast to solid performers, took more opportunities when they were offered or “made” opportunities when they didn’t appear of their own accord. This is reflected in the high ratings they received on three dimensions related to putting oneself in a position to learn new things: “Seeks opportunities to learn,” “Adapts to cultural differences” (this dimension includes enjoying new cultures), and “Seeks broad business knowledge.” Previous research has shown that successful executives learn their trade through exposure to experiences that challenge and stretch them beyond their comfort zones.<sup>20</sup> These three attributes may reflect that process.

**Creates a Context for Learning.** Certainly a minimum requirement of growth is experiencing things that are different from what a person has already mastered. Experience is necessary but not sufficient for development; it is also critical that the potential learning in the experience be realized. Five dimensions suggest that high potential managers are adept at creating a supportive learning context: “Seeks and uses feedback” (proactively seeking out information on his/her impact and using this feedback to make opportunities); “Acts with integrity” (taking responsibility for one’s own actions is a prerequisite for learning from others, and honesty is crucial to building trust); “Brings out the best in people” (commitment to others’ success promotes trust and a willingness to reciprocate); “Adapts to cultural differences” (creates openness in spite of differences); and “Is open to criticism” (staying open and avoiding defensiveness are essential to “hearing” the criticism others are willing, not always kindly, to share). Effective learners may get more from their experiences because they create conditions that result in feedback and support.

**Retain More Learning.** A final consideration is the extent to which a person actually retains the learning that can take place when the above conditions are met. At least one dimension directly captures the idea that some people simply incorporate more of the learning and take it with them --

“Learns from mistakes.” Another dimension, “Seeks and uses feedback,” explicitly includes the idea of using (not just seeking) feedback to change behavior.

In summary, those with the most potential are seen as exceptionally insightful, demonstrating commitment to the organization, having a clear action-orientation, and willing to take risks. This serves to get them attention from the organization, resulting in developmental opportunities. Those with the highest rated potential are also inclined to seek out learning opportunities, and are less likely than others to be satisfied with understanding their own narrow job. Thus, they are likely to take opportunities to try new things, including demanding projects, international assignments, and cross-boundary moves. If the organization does not offer them opportunities, they are likely to create their own, even though it may involve personal career risk.

An action orientation and sense of adventure not only separate high-potentials from solid performers, but also set the stage for growth. While taking risks and getting results don't necessarily lead to learning, they produce opportunities for learning of which those rated highest in potential take most advantage. They use their integrity and interpersonal skills to create trust with the people with whom they work. As a result, they are able to get valuable feedback (sometimes in the form of criticism) on which they subsequently act. They, more than others, are willing to change their behavior on the basis of feedback and mistakes.

This constellation of behaviors comprise the “ability to learn from experience” and characterize talented managers who can make the best use of the developmental experiences available to them as their careers unfold in the organization. As a consequence, these dimensions and the model have implications for the early identification, selection, and development of international executives.

### **Challenges in Selecting and Developing International Executives**

To the extent that international work puts a premium on development because of the increased sophistication of the skills required, common organizational practices that relate to development may be limiting. These include the use of end-state competencies to assess potential, piggy-backing

development on traditional appraisal and succession planning systems, and creating a climate that works against a learning organization.

**The Limitations of a Competency Approach.** Executive identification and selection systems based on a competency model are a clear improvement over systems based on wishful thinking or irrelevant attributes. When they are carefully developed and firmly connected to the business strategy, the resulting set of defined and internally accepted competencies can be invaluable. But as useful (and even essential) as competencies may be, their origins in current and past performance and their focus on end-state qualities limit their usefulness for early identification. When current performance of an individual is assessed against end-state qualities, the result can be misleading in terms of predicting future performance. The things that get immediate attention (even in the current study), like commitment and a results orientation, are not enough to insure that a person will be an effective learner of new things. Given that future demands may include some skills that are different from the skills prized today, the ability to learn may in the long run prove more important than a high rating in a currently valued end-state competency. Indeed, it was interesting to note that even dimensions that looked very much like traditional executive competencies, things like integrity and talent with people, turned out to have a dual role. That is, they are obviously important to executive performance, but they are also critical in the ability to create a learning environment for future performance.

An intense focus on an individual's demonstrated competencies may also lead to overlooking the critical role that developmental experiences play in individual development. If competencies are developed through experience over time, then they will not appear nor can they be assessed if a person has not had the opportunity to develop them. Most often these opportunities come in the form of job assignments and other experiences that require the person to stretch – to master specific new skills in order to succeed.

Because a person's experiences are usually determined by a business need for that person's skills or by serendipitous opportunities, there is no common point in time by which people will have mastered a specific skill. It is true that any individual may be a "natural" in some of the desired end-state attributes, but for many of them, an individual's experience history must be considered as the

context for assessment. Even a person with exceptional ability to learn from experience can only learn from the experiences he or she has had. An essential part of any executive selection, development, and career planning system, then, must be a mechanism for tracking experiences over time as well as documenting what was learned from them.

**The Limitation of Typical Appraisal and Succession Systems.** While tracking experience over time sounds simple enough, and logically, individuals' experiences would be included in annual performance reviews, a learning perspective adds a subtle requirement. Whereas annual reviews usually track job title and assess performance against specified goals or criteria, they seldom contain enough information to tell what challenges a particular job presented, how those challenges stretched the incumbent in learning new things, or how much the incumbent actually learned. As measures of executive potential, such annual reviews can be quite misleading because repeated application of already-mastered skill sets would produce a track record of high performance without producing the development of new skills or demonstrating an ability to acquire new skills. Studies of derailment have shown that these selection mistakes are common when the person's track record alone is used, and typically result in unexpected failure when the person is given an assignment or boss that is markedly different from those he or she has had in the past.<sup>21</sup> Playing people to their strengths, which is a seemingly rational use of human resources, may be a smart move in the short term but it may prove detrimental in the long run development of international executives.

Succession planning usually introduces a broader scope to the assessment of executive skills, but it too has limits when it comes to the development rather than the selection of initial executive talent. Approaches to executive succession that emphasize "ready now" criteria (meaning that the optimal candidate has already demonstrated the capacity to do the job) actually create an organizational culture that works against development. While no one can argue against the desirability of putting the most qualified person in a job, it is also true that the person already able to do the job is the least likely to learn much from doing it. Thus, the "Catch-22" of succession planning is that, if it were perfectly executed, it would stop development completely and future generations of leaders would be ill-prepared for new challenges. Organizations are inherently conservative when it comes to the selection of

executives, relying quite sanely on demonstrated ability. Challenging jobs in such an environment may be seen as tests, with successful performance constituting a passing grade. The “high potential” list often contains people who have strong track records (have passed a number of tests), are perceived to be brighter than their peers (have done something unusually creative or daring that worked), and are action-oriented. While there may be nothing wrong with this, other than that it does not explicitly take into account the ability to learn, it supports a Darwinian climate where only the “fittest” survive. This of course is tautological because those who survive are, by definition, the fittest. To the extent that real development requires a climate of trust, the ability to make mistakes so that learning can occur, support for the personal risk involved in taking on different kinds of difficult challenges,<sup>22</sup> and valid, timely feedback, a Darwinian culture works against the nurturing of talent.<sup>23</sup>

**The Limiting Effect of a Non-Learning Climate.** It may be up to individuals to refine their ability to learn from experience, but the organization must create a climate in which that ability can be used.<sup>24</sup> Looking at the eleven dimensions produced by the current research, such a climate would consist of many challenging assignments, multiple opportunities to learn (e.g., availability of cross-boundary, cross-functional, and international moves), a feedback rich environment, support for taking growth risks and the inevitable mistakes that result from them, senior executives who model learning and personal responsibility, and exposure to a wide variety of people with diverse interests and backgrounds. These and other related elements are not unlike the components that make up what has recently been called the learning organization,<sup>25</sup> suggesting that the benefits of creating such a climate extend far beyond the development of executive talent. Unfortunately, organizational environments like that are rare.

### **Developing the Ability to Learn from Experience**

Our original notion was that using end-state attributes (realized potential) to assess future potential is problematic. A better strategy is to select people with a highly developed ability to learn from experience and then give them the appropriate experiences for developing the skills needed in

international work. Defining what are appropriate experiences has implications for training, early career development, and other interventions that might enhance potential for developing international executive competencies. Training, for example, is often designed around technical or managerial content. When a sophisticated competency strategy is used, the competencies themselves sometimes become training program topics. Rarely, however, does training explicitly address the ways people learn from experience and attempt to enhance that ability.

Early job experience, too, becomes an important element in developing the ability to learn from experience. Early job challenge is critical to making the transition from individual contributor to manager<sup>26</sup> because how the early challenge is handled has lasting consequences. In the context of the four processes inherent in the ability to learn that we have discussed above, it is in early work experiences that talented people have their first opportunity to attract organizational attention, take on challenges outside of their technical expertise, learn to create a learning context, and incorporate learning from their mistakes. Coaching, feedback, support, positive role models, training, and other developmental initiatives may be most critical at this juncture in a career -- at least in regard to developing a learning attitude and skills. All too often, executive development is reserved for those who are already executives, when a strong case can be made that the critical intervention needs to begin much sooner.

A developmental perspective also places an emphasis on maintaining openness to learning throughout a career. The organizational forces for short-term performance and the increasing competition for fewer executive positions create an environment in which the underlying elements of learning are not supported. It can be a risk to try new things, especially when what one is doing has worked in the past. It is possible, therefore, that the most talented people actually learn to stay the same because the risk of long-term development is too high when short-term consequences are severe. This is another reason that executive development must be on-going and career-oriented, and that the larger organizational context in which it takes place must be consistent with individual growth.

There is no quick fix for international executive development. If international executive leadership is a strategic advantage, then it is not a matter of putting together a few programs or putting

succession planning software on-line. The commitment is no less than identifying those people with the ability to learn from experience, helping them enhance that ability, providing them with the kinds of experiences they need to be effective in an international context, and providing the kind of organizational environment in which they can grow.

## Appendix: About Our Study

This appendix provides some background on the research study which developed and validated the 11 dimensions for the early identification of international executives. We set out to identify a set of dimensions that would encompass both end-state competencies seen as important to success in various international situations and various indicators of managers' or executives' ability to learn from experience. As a first step, we reviewed the existing research on early identification and on learning from experience. Interviews were conducted with 46 experienced executives who had observed and assessed large numbers of high potential candidates for international posts. The interviews contained rich, comprehensive descriptions of early identification selection criteria and of how the ability to learn from experience might be detected.<sup>27</sup> Using behavioral examples from the interviews, and translating prior research findings into behavioral statements, almost two hundred items were written to represent both "end state" qualities (what experienced executives said an effective international executive is like) and "ability to learn from experience" (qualities necessary to learn the skills and abilities needed to become an effective international executive).

The survey was pre-tested on a sample of 47 international managers from 12 different countries (including Argentina, China, Indonesia, Japan, Korea, Mexico, Taiwan, the United Kingdom, and the United States). In a separate content validity check, participating companies from the International Consortium for Executive Development Research helped refine the items and screened them for cross-culturally inappropriate language and content. The resulting 116-item survey instrument was used to collect data from the superiors of 838 executives and managers from six international corporations headquartered in Australia, England, Germany, Holland, and the United States. Data generated by the new questionnaire (named **PROSPECTOR** **ä** to symbolize the search for talent) were analyzed, resulting in 11 reliable dimensions for assessing international executive potential.<sup>28</sup>

## Endnotes

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- <sup>1</sup> Finkelstein, S. & Hambrick, D.C. 1996. Strategic leadership: Top executives and their effects on organizations. St. Paul, MN: West.
- <sup>2</sup> Adler, N. J. 1997. International dimensions of organizational behavior, 3rd Edition. Cincinnati, OH: South-Western Publishing.
- <sup>3</sup> Black, J. S., Gregersen, H. B., & Mendenhall, M. E. 1992. Global assignments: successfully expatriating and repatriating international managers. San Francisco: Jossey-Bass.
- <sup>4</sup> Tung, R. 1988. The new expatriates: Managing human resources abroad. New York: Ballinger.
- <sup>5</sup> A growing literature on managerial or executive competencies is emerging. See for example:  
Boyatzis, R. E. 1982. The competent manager. New York: John Wiley.
- Or Quinn, R. E., Faerman, S. M., Thompson, M., & McGrath, M. 1990. Becoming a master manager: A competency framework. New York: John Wiley.
- <sup>6</sup> International Consortium on Executive Development Research meetings, Stuttgart, Germany, June, 1995.
- <sup>7</sup> Gunz, H. P., & Jalland, R. M. 1996. Managerial careers and business strategies. Academy of Management Review, 21: 718-756.
- <sup>8</sup> Arthur, M. B. 1992. Career theory in a dynamic context. In D. H. Montrol and C. J. Shrinkman (Eds.). Career Development in the 1990s: Theory and Practice. Springfield, IL: Charles C. Thomas (p.65-84).
- <sup>9</sup> The Russian Doll model was introduced in Bartlett, C.A., & Ghoshal, S. 1995. The myth of the generic manager: New personal competencies for new managerial roles. Working paper. International Consortium on Executive Development Research.
- <sup>10</sup> A variety of developmental experiences are discussed in McCauley, C. D., Ruderman, M. N., Ohlott, P. J., & Morrow, J. E. 1994. Assessing the developmental components of managerial jobs. Journal of Applied Psychology, 79: 544-560.
- <sup>11</sup> See for example:  
Bennis, W. 1989. On becoming a leader. New York: Addison-Wesley.

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Cytrynbaum, S. & Crites, J. O. 1989. Adult development theory and career adjustment. In M. B. Arthur, D. T. Hall, & B. S. Lawrence (Eds.) Handbook of Career Theory. New York: Cambridge University Press.

Gabarro, J. J. 1987. The dynamics of taking charge. Boston: Harvard University Press.

Levinson, C. J. 1978. The seasons of a man's life. New York: Knopf.

<sup>12</sup> Campbell, J., Dunnette, M., Lawler, E., & Weick, K. 1970. Managerial behavior, performance, and effectiveness. New York: McGraw-Hill.

<sup>13</sup> See for example:

Howard, A. & Bray, D. 1988. Managerial lives in transition: Advancing age and changing times. New York: Guilford Press.

McCall, M. W., Jr. and Lombardo, M. 1983. Off the track: Why and how successful executives get derailed. Technical report no. 21. Greensboro, ND: Center for Creative Leadership.

<sup>14</sup> Hill, L. A. 1992. Becoming a manager. Boston: Harvard Business School Press. Also McCall and Lombardo, 1983.

<sup>15</sup> Bennis, W., & Nanus, B. 1985. Leaders. New York: Harper & Row, pp. 188-89.

<sup>16</sup> McCall, M. W., Jr. 1994. Identifying leadership potential in future international executives: Developing a concept. Consulting Psychology Journal, 46: 49-63.

<sup>17</sup> McCall, M. W., Jr., Lombardo, M., & Morrison, A. 1988. Lessons of Experience. New York: Lexington Books.

<sup>18</sup> More information on the research can be found in:

Spreitzer, G. M., McCall, M.W., Jr., & Mahoney, J. D. 1997. The early identification of international executive potential. Journal of Applied Psychology.

McCall, M. W., Jr. 1994. Identifying leadership potential in future international executives: Developing a concept. Consulting Psychology Journal, 46: 49-63.

<sup>19</sup> Woodruffe, C. (1993). What is meant by a competency? Leadership and Organization Development Journal, 14, 29-36.

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<sup>20</sup> See for example:

Kotter, J. (1982). The general managers. New York: Free Press.

Bennis, W. (1989). On becoming a leader. New York: Addison-Wesley.

<sup>21</sup> Van Velsor, E., & Leslie, J. B. 1995. Why executives derail: Perspectives across time and cultures. The Academy of Management Executive, 9: 62-72.

<sup>22</sup> Note the important distinction between “difficult” and “different kinds of difficult” challenges. One stretches current abilities while the other develops new abilities.

<sup>23</sup> McCall, M. W., Jr. 1992. Executive development as a business strategy. The Journal of Business Strategy, January-February: 25-31.

<sup>24</sup> See Butler, J. E., Ferris, G. R., and Napier, N.K. 1991. Strategy and Human Resource Management. Cincinnati, OH: South-Western Publishing.

<sup>25</sup> Senge, P. 1994. The fifth discipline: The art and practice of the learning organization. New York: Doubleday.

<sup>26</sup> See the Hill reference above.

<sup>27</sup> Results of these initial research efforts were reports in McCall, M. W., Jr. 1994. Identifying leadership potential in future international executives: Developing a concept. Consulting Psychology Journal, 46: 49-63.

<sup>28</sup> **PROSPECTOR**<sup>™</sup> is available from the Center for Creative Leadership, One Leadership Place, P.O. Box 26300, Greensboro, North Carolina 27438-6300.