

North Korea would be an economic basket case if only it could afford the basket

PETER RITTER, ON THE HERMIT KINGDOM

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WORK IN PROGRESS

## The New Expatriates.

Dazzling growth and a baffling workplace culture greet U.S. managers in China and India

BY LISA TAKEUCHI CULLEN

THE EXPAT GIG USED TO BE A CUSHY ONE for U.S. executives of a certain level: jet into Tokyo or Paris, tuck family into American schools and clubs, slide into fully established local office as the bigwig from headquarters. It was more of an exotic detour for loyal lifetimers than a slingshot into directorship for the young and ambitious—but who cared? Somewhere, perhaps in Tokyo or Paris, that old-timey expatriate still sips his midday martini at the foreign-

*Wild ride Ho, a GE executive in Shanghai, is at home in the city's back alleys and boardrooms*



**Global family**  
Back in Boston, Mangat and his wife hope to return to India with Meher, 2

ers' club. But in the rough-and-tumble markets of China and India, a new generation of expats—they prefer “global executives,” thank you—haven't yet had a chance to sign up for membership. They're too busy chasing local talent, adapting to a wildly different culture and riding phenomenal growth in markets vital to their companies' futures. And when they get back to the U.S., make no mistake, they'll jump the queue to the corner office.

As China and India roar ahead of the world in economic growth, multinational firms eager to partake of their labor and consumer markets are rushing in—and sending their best executives to lead the charge. The U.S. expat population has leaped over the past five years, according to experts, in large part because of growing delegations to China and India. And yet the two emerging giants remain famously tough for Western executives to navigate. In a 2006 survey by GMAC Global Relocation Services, they are cited

among the three most difficult locations for expats (the third is Russia). Corporations are learning that these 21st century markets require a new kind of expat. “You can set your business back by months or even years,” says Umesh Ramakrishnan, vice chairman of global executive-placement firm CTPartners, “by sending the wrong leader.”

The right leader in China and India, for many companies, is someone with the drive and creativity to manage what often

**‘Everyone talks about the huge populations, but there’s only a tiny number of people qualified for the jobs you need—and everybody’s fighting for them.’**

—RON LEONHARDT, SENIOR GROUP MANAGER, INTERNATIONAL HR, TARGET

feels like a start-up. The highest hurdle is usually building a local workforce from the ground up in savagely competitive labor markets. “Everyone talks about the huge populations, but in reality there’s only a tiny number of people qualified for the jobs you need—and everybody’s fighting for them,” says Ron Leonhardt, 41, Target’s director of human resources in the region. Leonhardt oversees the hiring of many of the 500 workers in Target’s sourcing operations in six Chinese cities and 1,200 IT, creative and financial employees in India.

Target has no stores in those countries, so Leonhardt couldn't rely on the hip, friendly Target brand to draw recruits—a far cry from the U.S., where the retailer is a household name and sought-after employer. “We’re competing against IBM and Dell and brands that are already huge out here,” he says. “Everyone wants to show their families they work for a big name.” Recruiting at top Chinese universities, Leonhardt would show the swoosh and the bitten apple, logos the students readily recognize as Nike’s and Apple’s. “But when I showed them the red bull’s-eye—silence,” he says. He compensates by showing them Target’s rank in the FORTUNE 500 (33rd in 2007).

In India, Leonhardt has to wage a full-court recruiting press. Candidates might receive dozens of offers, accept them all—then simply show up at the one that’s most appealing. Leonhardt estimates that as many as 3 in 10 accepted hires are no-shows on the first day of work. “It’s pretty frustrating, as you can imagine,” he says. Employers there thus use what’s called a keep-warm strategy, in which newly approved hires are plied with informational packets, calls from executives and even small gifts for their parents (Target sends stuffed versions of its mascot, the dog Bull’s Eye), before their first day of work. Appealing to workers’ filial loyalty is so critical in India that some employers fly parents to headquarters for visits, and at least one is said to offer parents free Internet service. Target competes by offering health insurance to workers’ parents.

Once a team is in place, expat bosses often have to reinvent themselves as managers. Lin Chase, 44, arrived in Bangalore in January 2006 to head Accenture’s research and development lab. “I come from a culture where people love a plan,” she says. “The plan is God.” Not in India. She would step away from meetings confident that a plan was in place and wait for its execution. And wait. And wait. “It happened so many times that finally I changed my whole style,” says Chase. “I talk to my team every day, ask them how it’s going. I spend a huge proportion of time chasing



people for commitments they made to me, but now I see it less as chasing than as a relationship.”

Such flexibility is critical for running a business in China or India, and more companies are beginning to screen expat candidates to make sure they’ve got it. “Companies used to think that whoever was successful here would be successful anywhere else, and so they’d send that guy,” says Ramakrishnan of CTPartners, which is based in New York City. “That is no longer the case.” Through a battery of tests, including psychological profiling and hypothetical scenarios, the firm tries to identify ideal candidates by looking for clear demonstrations of flexibility: interest in other cultures, knowledge of at least one other language, varied careers.

More and more, the candidate turns out to be a woman, under 40 or both. Even more often, the ideal choice is an immigrant to the U.S. who can take back to the country of her birth the skills and experience honed in her adopted land. Rebecca Weiner, a China consultant who has lived in the country on and off since 1985, says she has seen an evolution of expats there from the 1980s, when corporations sent anyone who stuck his hand up, to the booming 1990s, when they sent over any heavy hitter, regardless of adaptability, to today, when corporations are more carefully selecting executives, favoring repatriated nationals and Chinese Americans. “It shows that companies realize China is the most important market in the world and it matters who they send over,” she says. “Strategically, it’s a very good thing.”

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ACCENTURE TECHNOLOGY LABS INDIA

Vicki Ho, 43, was born in Taiwan, immigrated to the U.S. at 7 and attained her M.B.A. from the University of Chicago. Rising swiftly through the ranks at General Electric, she lobbied hard for an overseas assignment, finally landing one in 2005 as head of equipment-leasing for GE in China. But she learned quickly that being ethnically Chinese has some disadvantages for a U.S. executive. “Customers, particularly the older ones, thought nothing of lecturing me on how I speak,” says Ho, who speaks conversational but not business Mandarin. On the other hand, she skipped some of the culture shock that slams many newly arrived expats. She is comfortable enough in her Shanghai skin to scold a woman who recently jumped a long queue at Ho’s neighborhood bakery. Ho says her swift adaptation to Chinese culture, along with the very American networking skills she used to cultivate mentors and allies back at headquarters, helped her survive when GE abruptly shut her unit last year. Instead of hauling her home, the company immediately placed her atop another division in China, selling security equipment like airport baggage-screening machines. “You can get orphaned out here,” she says. Instead, she raised revenue fivefold at her new unit.

**New look** Chase threw out her old management style after joining Accenture’s India team

The opportunities are so dazzling in China and India that many young workers—particularly those who studied the local language in school or, better yet, are native to the culture—are heading over without expat packages. Jasjit Mangat, 38, had a graduate degree in engineering from Cornell and business-consulting work under his belt when his wife Preet, 36, a cancer researcher, was offered a prestigious fellowship in India in 2003. He quit his job and went along. Though he was born and raised in New Delhi, “India was not part of my career before that,” he says. He attracted several offers in Bangalore and joined Carlyle Group as an investment consultant before becoming a senior-level executive at OAT Systems, a Boston-based company that is building technology in India that identifies and tracks products. Mangat was offered a job at headquarters in 2006, and this time Preet went along (then fortuitously landed another fellowship, at Harvard). But both intend to spend more time in India—in part to raise their young daughter biculturally. Moreover, he says, his stint in his homeland now defines his career. “I can’t imagine another job that won’t involve India,” he says.

Time abroad—especially in China and India—is becoming as “essential as an M.B.A. for a top executive’s résumé,” says Stacie Nevadomski Berdan, co-author with C. Perry Yeatman of *Get Ahead by Going Abroad*. The only problem is that the go-go growth and business style of emerging Asia can get into an executive’s blood—so much so that he or she finds it hard to go back to headquarters. “I get a lot of résumés from executives just as they’re being called back from an assignment,” says Benjamin Zhai, head of China recruiting for Egon Zender International, a global executive-placement firm. He advises client companies to design specific new challenges for the returning expat, “or you will lose his motivation, if not him.”

While companies may need them more than ever, expats agree that the eventual goal is to make their roles obsolete by developing local talent to take over the reins. That’s no easy task. “We’re trying to cram in 20 years of knowledge about procedures, communication, project-planning—all the things that make a business work,” says Pete Lorenzen, 53, head of global IT support services for IBM in India. Still, helping his employer harness a surging new economy, he says, is “just about the most exciting thing I’ve done” in a long career. Who needs the foreigners’ club? ■