

## Build Your Global Leadership Image ©

By Daniel Williams\*

How can you develop and manage a global image for your leadership team and company? As more Chinese business leaders build global brands, partnerships and capabilities around the world, they must proactively manage their image. They must learn how to manage the perceptions of a diverse group of stakeholders—among them customers, employees, partners, analysts, governments, and the media—in highly competitive multinational environments.

The messages that you and your organization send to others on a daily basis create an image of leadership. And managing this leadership image on a global scale is not an easy task. You must contend with diverse languages and cultures. You must respond to a variety of business, political, and regulatory practices. The task is further complicated by the fact that the world is becoming much smaller. This is due, in part, to the emergence of the Internet, the speed at which communication flows, and the rapid development of global relationships. Increasingly, events in one part of the globe may unexpectedly affect your business on a completely different continent.

This global interdependency is clearly evident in the area of public trust. In many parts of the world, we are witnessing an unprecedented erosion of public trust in business and financial institutions. “Clearly, we are entering a new era,” observed one Business Week editor at the recent International Conference on Corporate Reputation in Boston. “Companies and their leaders are going to be looked at more skeptically than ever before.”

Many factors have contributed to the erosion of trust and corporate reputations. Chief among them is the collapse of the Internet economy worldwide. In the U.S., the Enron scandal, unethical accounting practices, and conflicts of interests on Wall Street have had serious negative consequences as well. Even General Electric Company, regarded as “the world’s most admired company” by Fortune magazine, has seen its global image tarnished, losing billions in market value over the last year.

### Why Manage Your Image?

In this climate, it is not surprising that a growing number of business leaders feel that it is far better to proactively manage their leadership image rather than leave it to chance. As one executive said, “Reputation takes a lifetime to build and just a minute to lose.” In many ways, your business is your reputation and you should manage it as just as rigorously as managing financial risks.

But there are other reasons why it’s in the best interest of Chinese business leaders to manage their leadership image as they strive to transform their companies into global competitors. Some researchers estimate that up to 70 percent of a company’s value is derived from its intangible assets, of which brands and corporate reputation represent a major part. One study at the University of Kansas examined the relationship between market value, book value, profitability, and reputation of all the firms rated in Fortune magazine’s “most admired companies” survey between 1983 and 1997. They concluded that a one-point change in

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reputation was associated with an average of \$500 million in market value. More recent studies by the Reputation Institute in New York City document similar trends.

A good opinion builds on itself, so managing your leadership image can produce a cycle of improving perceptions among key opinion makers. That, in turn, can have a positive effect on investors. The result is a decrease in the cost of capital and a corresponding increase in your company's ability to expand. You'll also be better equipped to respond to unanticipated events, wherever in the world they may occur.

At the heart of managing your corporate reputation is the image of the leadership team, particularly the CEO. Extensive research conducted by Burson-Marsteller, an international communications consulting firm, concludes that "nearly 50 percent of a company's reputation is attributable to CEO reputation."

Therefore, a global leadership image program for Chinese businesses should start with the CEO and, if appropriate, his or her leadership team. Chinese business leaders can enhance their leadership image in international markets by focusing on three key principles:

- Know What You Uniquely Stand For
- Communicate Across Cultures
- Build International Credibility, Trust, and Loyalty

### **Know What You Uniquely Stand For**

To capture a distinctive position inside the minds of international stakeholders, you must first understand what you stand for. And you must be able to explain, in a clear and convincing way, exactly what's unique about your beliefs. Your core beliefs and values become the foundation for a leadership image that is both authentic and compelling. To build such an image, you must explore such questions as:

- What am I deeply passionate about?

- If people only remember one or two things from my leadership message, what would they be?
- What do we stand for as a leadership team, what are our values, vision, and management philosophy? What's unique about our leadership approach?
- Finally, how can we successfully communicate what we stand for to the people we are trying to influence?

Leadership studies reveal that there is a common characteristic among those who have a large and loyal following. Most have only a few core themes—perhaps one to three—underlying their leadership image that makes them stand out. Consider Cheong Choong Kong, CEO of Singapore Airlines. Since becoming CEO in 1996, Cheong has stood for one core belief: excellence in customer service and performance. Cheong is also known as a man who values cost controls and prudent expansion, as well as a team approach to managing people. The result? Singapore Airlines has become one of the most recognized corporate brands in the world, recently ranked by Far Eastern Economic Review as the best corporation in Singapore. Moreover, Fortune magazine's "World's Most Admired Companies in 2002" survey places Singapore Airlines as the number one airline in the industry, outperforming all other international carriers in product and service quality.

Knowing what you uniquely stand for can also help your company polish a tarnished corporate image. In 1995 Royal Dutch/Shell's corporate reputation was badly damaged following the company's mishandling of two major crises. Shell's top leadership initiated a program to identify the company's business principles and "core purpose"—the values it supports and the behaviors it endorses. Focus groups of employees and leaders, held around the world, revealed that

Shell's core purpose was to "Help Make the Future a Better Place." This has since become the underlying theme for many of the company's internal communications.

Indeed, consistently communicating what you stand for, especially to your employees, is critical to building a leadership image that has to span several cultures. Employees, an often-neglected image-building resource, are your ambassadors to the world. For them to perform well in this role, they must understand and believe in what you stand for. Indeed, they must live and breathe your organization's core beliefs and values. And if they are not trained to communicate those core beliefs to external stakeholders, both domestic and international, your global image will suffer.

### **Communicate Across Cultures**

The first principle in building your leadership image globally is defining what you stand for, your core beliefs and values. Make sure your employees, the ambassadors of your organization, understand and believe in your message. The second principle is to communicate your leadership image and global brands across multiple cultures. These are the questions you must ask:

- Have I researched and tested my ideas in depth?
- Do I really know what my targeted audience is thinking? What are their issues, questions, and concerns? Do my messages address those concerns?
- How do I avoid my own cultural bias?
- How can I adapt my communication style to the environment?

In today's world, business leaders must develop a number of critical leadership qualities to successfully communicate to several cultures at once. One, not surprisingly, is a fundamental capacity to listen. Another quality is a genuine interest in, and sensitivity to, other

cultures. Without these abilities, leaders will not be able to view the world through other peoples' eyes. A third quality is the ability to adapt. Recent studies indicate that multinational executives with the best images use a broad repertoire of management styles to communicate their global brands, depending on the culture in which they do business.

However, if there is one overriding requirement for successfully communicating across cultures, it is your ability to manage the messages—the words and actions—that you send daily to others. The concept of Leadership Communications, the name of our consulting firm, is based on the simple yet powerful notion that everything you say and do sends a message: your passion, the clarity of your ideas, your policies and business practices, the structure of your organization, who makes decisions, who gets promoted, who gets fired, and media relations with the press and analysts.

If you want to manage your image globally, you need to manage, with consistency and cultural sensitivity, the messages that you are sending to people every day. Image management at this level has three key components:

1. Formal communications
2. Organizational policies and practices
3. Personal behavior

#### **1. Formal Communications**

Great business leaders are, above all, great communicators. In a multinational environment, the role of the CEO as a "head of state" or "public face" takes on greater urgency. As a business leader, you must communicate to local cultures your company's vision, strategies and global brands. Whether you are developing a high-level corporate

presentation, expanding your Internet channels, or rolling out new products and services in foreign markets, communicating with several cultures requires a different set of skills from communicating with a purely domestic audience.

Consider the requirements for developing a high-level corporate presentation or keynote address targeting international opinion makers. To successfully influence your foreign audiences, you must thoroughly investigate who they are, their expectations, questions, and concerns, from their cultural perspective.

Analyze what issues matter most to them. Address why they should care about your ideas, and directly communicate why it's to their benefit to do business with you. Link your ideas to a broader context of industry, leadership, and international issues that resonate with your foreign stakeholders. You must also test your ideas early on, and make sure that your speech delivery is appropriate to your international audience before you give the presentation.

## **2. Organizational Policies and Practices**

In addition to your formal communications, your organizational policies and practices produce a plethora of messages daily. Out of all those messages, the most important ones are generated by the performance of your management team. The international investment community, industry analysts, and the media increasingly assess a company's

market value, and the CEO, on his or her ability to attract, develop, and retain a seasoned management team that gets results in global markets. This issue is even more important given the current skepticism, on an international scale, about the viability and integrity of corporate leaders.

Therefore, a key requirement for communicating across cultures is to develop leadership programs that will allow you to demonstrate the quality of your international management team. The first step is to ask such questions as:

- Do we have programs in place that will allow us to attract and retain global talent?
- Are we providing managers with international assignments that provide learning opportunities?
- Will our training and leadership-development initiatives help us mold future leaders?
- Are we assessing managers' performance based on their international abilities, including their capacity to communicate with different cultures?

## **3. Personal Behavior**

And finally, there is the question of what impact your personal behavior has on your ability to communicate globally. What messages is your behavior sending to the people you are trying to influence in other cultures? Are you living your values? In other words, do your actions, in both your business and personal life, reflect your words?

One of the most important strategies in managing your leadership image and successfully communicating across cultures is crisis management. A multinational crisis involving a foreign company and its leaders can have an impact on company image for years to come. How you, personally, respond to a crisis can really cement your reputation as leader because it is often the time when your true nature and values are revealed. If you don't want to be caught unawares, you must plan ahead. You and your company must continuously assess for potential crisis. Above all, you, as a leader, must think about what kind of behavior that you should demonstrate if you are faced with an emergency.

The best international business leaders react quickly and honestly to an international crisis, reinforcing their credibility as a leader. For example, when Singapore Airlines Flight SQ006 crashed on takeoff from Taipei in the fall of 2000, killing 83 people, CEO Cheong immediately took on the role as "communicator-in-chief." He dealt directly and candidly with the media, acknowledging early on that the plane had used a runway that had been closed for repairs. "There is no point concealing anything," he said. Cheong communicated proactively to airline executives, airport authorities, rescuers, and survivors. He was visibly shaken at the extent of the disaster. Who was ultimately responsible for the crash remains tied up in litigation. However, Cheong's personal behavior and communication skills turned a potential public-

relations crisis into a demonstration of corporate responsibility.

Therefore, when communicating with different cultures, you must assess consistency in the messages that you and your organization are sending on all three levels: your personal behavior, organizational policies and practices, and formal communications. The best leaders always make sure their messages are consistent and aligned with their vision, strategy, and what they want their company to be.

### **Build International Credibility, Trust and Loyalty**

The more you succeed in communicating what is distinct about your global brands and core beliefs, the greater the chance that those you hope to influence will find you credible. But what is credibility exactly? "The cornerstone of credibility is expertise and relationships that are built on trust," says Harry Mills, author of the book *Artful Persuasion*. "When leaders lack them, we discount everything they say."

Credibility consists of:

- Expertise: Are you really good at what you say you do?
- Trustworthiness: Do you have your stakeholders' interests in mind? Do you live your life in a principled manner? Does your leadership team demonstrate a commitment to business ethics?
- Respectability: Are you and those around you making a real difference in peoples' lives? Are you having a positive impact in communities? Do

people enjoy collaborating with you?

The most successful multinational executives operate from the assumption that credibility is the foundation upon which their global image rests. Unfortunately, though, credibility is in a state of crisis in many parts of the world. In North America, for example, we are witnessing the downfall of one international executive after another—largely because of poor ethical decisions, shady accounting practices, and personal greed. Take the recent example of Tyco International Ltd. Last December this global conglomerate, under the leadership of CEO Dennis Kozlowski, enjoyed a higher market capitalization than the entire U.S. automobile industry combined. Yet since then, the company has lost an estimated \$80 billion in market value, largely because of Tyco's questionable financial reporting and erratic operational plans.

Kozlowski built his empire through an aggressive acquisition strategy, earning him at least \$100 million in a single year. On his way to success, he basically said, "we don't have to manage our reputation." But that strategy—or lack thereof—backfired when Tyco started to have problems and the Financial Times began comparing the company to Enron.

At the time of this writing, this once powerful international conglomerate is now on the verge of collapse, and the once successful CEO Kozlowski has resigned in disgrace. He is currently being indicted on charges that he conspired with New York art galleries to evade paying more than \$1 million in sales taxes. Concludes one large institutional investor: "Bringing in an outsider with a strong reputation for integrity would score a goal."

The lesson from this sorry story is clearly evident. Strong, lasting, and respectable

corporate images depend on leaders who operate with a high degree of credibility and integrity, not leaders who focus solely on self interests and the bottom line. Principled leaders ensure that the information they disclose about their company is accurate and grounded in the highest professional standards. They are also more open in the way they conduct their affairs with stakeholders, especially the investment community and financial markets.

Clearly, we are entering a new era—one that is bringing both unprecedented uncertainties as well as unprecedented opportunities and dreams. As we adapt to this new way of doing business, it is very clear that business leaders must find ways to distinguish themselves and their global brands in a crowded field of international competitors. It is my belief that developing and managing a global image for your leadership team and company is one way to succeed as you "go global."

This is not a time for "spinning" messages or superficial public relations campaigns. Rather, it is a time for thoughtful, honest, and sincere management of your leadership image. It is a time to build leadership teams driven by your passion and core beliefs. It is a time to communicate with many cultures at once, building lasting credibility, trust, and loyalty among your international stakeholders.

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