

The Alexander Hughes Review, among other things, deals with the topic of internal promotions / internal mobility of top managers, the company CXO, on a global level. The results show very clearly that it is of the utmost importance to build and foster talent within firms in order to keep knowhow in the company and to learn from company experience.

On the other hand, however, it has become apparent that innovation suffers if management positions are filled from within a company's own ranks only. Ideas from a different environment, from a different company culture, or from other countries can be inspirational for the company culture and its further management. Global companies must adapt to a fast-moving world that is continuously growing on an international level.

Also, as a result of the demographic change on most mature markets, it has become an absolute must for large corporations to establish an international culture and to attract talent regionally or from all over the world. As executive search professionals, we have been aware of this trend building up for more than a decade now but its intensity during the last few years is unparalleled.

Yet, the paradox is that the issues that CEOs of global corporations report to us revolve around the same recurring topics. More flexibility is required in order to retain and develop key management, technical skills (especially around technology) are becoming increasingly rare and corporations also need to be increasingly aware of the importance of cultural fit whenever they attract a new top executive.

A few weeks ago, we met with the CEO of a German international corporation, who stated that the current members of their Board had no understanding of the business environment, culture and realities of key emerging markets such as India and some major African countries. All Board members were German and had been recruited from within their own ranks. Of course, they did not lack international experience, but their background and mindset revolved around the German way of thinking, along with a traditional company approach. Unsurprisingly, it was taking far too long for the Board to understand and accept ideas from India, which meant that they were not taking full advantage of the opportunities to grow locally. As a result, this company decided to add two external Board members with an international background.

New markets can only be developed with new ideas; establishing early on that finely-tuned, optimal composition of a board of directors is crucial to achieving strategic goals and, in the long run, profitability.

# NURTURING AND DEVELOPING OUR LEADERS

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