Be a Better Manager: Live Abroad

T ravel and living abroad have long been seen as good for the soul. What’s perhaps less well-known is that they’re also good for the company. People who have international experience or identify with more than one nationality are better problem solvers and display more creativity, our research suggests. What’s more, we found that people with this international experience are more likely to create new businesses and products and to be promoted.

For example, we ran an experiment in which 220 MBA students from Northwestern’s Kellogg School were asked to solve the famous Duncker candle problem. In this behavioral test, individuals are presented with three objects on a table: a candle, a pack of matches, and a box of tacks. They’re asked to attach the candle to a cardboard wall—using only the objects on the table—so that the candle burns properly and does not drip wax on the floor.

The correct solution demands the ability to think creatively: Empty the box of tacks and use it as a candleholder. The solution is considered a measure of “insight creativity” because it involves making the “aha!” discovery that the box is not just a repository for your tools but a tool itself.

We found that the longer students had spent living abroad, the more likely they were to use the box as a candleholder. In fact, 60% of students who had previously lived abroad solved the problem compared with 42% of students who hadn’t lived abroad. Interestingly, time spent traveling abroad had no effect on creativity.

In another study, we asked undergraduates at the Sorbonne to complete a creativity test called the Remote Associates Task (RAT). Participants were shown three words and asked to come up with a word that is associated with all of them. (For example, for “manners,” “round,” and “tennis,” they’d need to come up with “table”; table manners, round table, table tennis.) The students who recalled and wrote about an experience living abroad just before doing the RAT answered more questions correctly than those who recalled and wrote about other experiences.

This creativity effect was even more pronounced in students who had made an effort to adapt to their host countries. In a study of 133 Insead students from 40 countries (15 of whom held dual citizenships), we found that creative enhancement was significantly higher for students who said they had adapted to the foreign countries while they lived there than for students who said they had not.

A subsequent study reinforced the finding. Israeli managers working in Silicon Valley who had incorporated both Israeli and American cultures into their personal identities (such people are called biculturals) had better professional reputations and got promoted faster than managers who identified themselves with only one culture or the other (monoculturals). When we measured the ability of these managers to see and integrate multiple perspectives on different issues—what psychologists call “integrative complexity”—we found that bicultural managers scored higher, and it was this enhanced integrative complexity that led to better job performance. In another study, we found that biculturals were more likely than monoculturals to create new products.

Expatriate programs are good for developing better managers, our research suggests. We believe that companies could make them even better by ensuring that expats are not cocooned from the local culture during their stints abroad. The more expats interact with locals and local institutions, the more creative and entrepreneurial they’ll become.

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