Center for Creative Leadership®

THE GLOBAL ASIAN LEADER

From Local Star to Global CXO

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Contents

THE GLOBAL ASIAN LEADER:
From Local Star to Global CXO

The Center for Creative Leadership (CCL) is delighted to present 'The Global Asian Leader: From Local Star to Global CXO' research study. The study is a culmination of almost a year-long research effort comprising 120 in-depth interviews with global CXOs – both Asian leaders in regional or global roles, and non-Asian leaders with considerable exposure to Asia.

Asia is the new center of the world! The past two decades have witnessed an unprecedented shift of global economic growth from West to East. This is driven by two critical factors. One, sluggish economic outlook in Europe and North America shows no sign of abating, therefore global organizations are 'looking East' to sustain growth. Two, sustained economic growth in Asia, especially over the last decade, has increased purchasing power of Asian countries. This in turn has spiralled consumption of goods, products and services, making Asia a critical untapped market for global enterprises. According to economic pundits, organizations that do not yet have a compelling Asia strategy are already late to the party! Formation of ASEAN Economic Community (AEC) will hopefully further fuel the Asian 'growth engine,' and not only drive up the already feverish talent movement within ASEAN, but also make the region more attractive for western enterprises. Analysts predict that the region could become the world's largest economy (by GDP contribution) by 2030.[1]

While Asia assumes unprecedented prominence on the global map from a business standpoint, Asian leaders comprise only a small fraction of the global leadership teams in most global organizations. It is imperative that the Asian leadership talent pool grows exponentially for not only on-the-ground execution of business, but also to help global headquarters understand Asia better.

Asian leaders aspiring for global careers need to develop a level of comfort with disruption. They need to step out of their comfort zone to develop global relationships and credibility with key stakeholders within and outside the organization.

Organizations also need to embrace diversity at the senior/highest leadership level, thereby creating compelling global career paths for Asian 'stars.'

Being one of the world's most respected brands in leadership development, with deep expertise in running successful open-enrolment, custom engagement, coaching, and online leadership development interventions, all deep-rooted in research, CCL is committed to furthering the understanding, practice and development of leadership in Asia.

Through this research, CCL takes a big leap in furthering the Asian leadership development agenda. The study will help Asian leaders understand critical capabilities to develop as they seek global success, and will enable global organizations get a handle on tactics that work in developing a global Asian leadership pipeline. We will follow this research up with a programmatic intervention and development journey crafted especially for Asian leaders to better prepare them for global roles.

We at CCL hope you find 'The Global Asian Leader: From Local Star to Global CXO' study useful as well as timely, as you prepare your Asian leaders for global roles!

Dr. Thomas Goh

Chief Client Officer and Managing Director, APAC
Center for Creative Leadership (CCL)

1. *http://www.reuters.com/article/2012/12/10/us-usa-intelligence-idUSBRE8B90HY20121210*
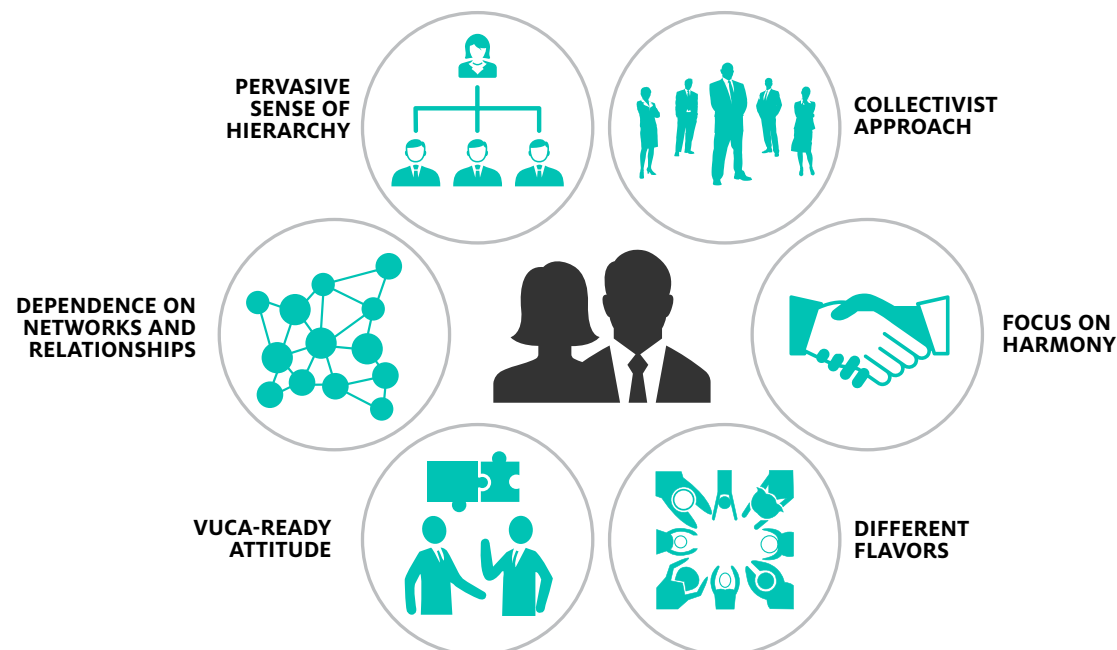
EXECUTIVE SUMMARY
The Study in 8 Conclusions

The Opportunity

1 Asia will be the biggest market in the future, and it may be the biggest exporter of workforce and talent to the entire world in a decade from now. For sustained success in the region, global organizations will need Asian leaders to help enterprises craft their Asia strategy, and also execute and win local business.

2 Asian leaders often have superior execution skills and work ethic, demonstrate empathy and humility, are VUCA-friendly and open to diversity much more than leaders from outside Asia.

3 Despite a compelling business case, and the inherent strengths Asian leaders demonstrate, Asian representation in executive leadership teams of top 200 companies is in single digits in percentage terms.

The Gap

4 There are three distinct reasons that hold back Asian leaders from stepping into global roles –

I. Unfavourable country conditions - Lack of talent competitiveness at a country level or inadequate talent development infrastructure may inhibit growth of leadership pipeline.

II. Organization culture constraints - Organization culture and posture may be the key 'culprit,' and may retard organizations' ability to develop critical skills due to budget constraints, structural and policy issues, absence of trust in non-native talent, lack of global mind-set in senior-most leaders, or non-optimal global talent management and development practices.

III. Individual 'skill and will' issues - Individual capability and aspiration issues may also inhibit growth of local talent. Asian leaders may find it hard to adjust to an 'MNC culture' as there maybe some cultural nuances that may put an Asian leader at a comparative disadvantage.

5 Six cultural nuances deeply influence Asian leadership traits and affect their aspirations for global roles.

PERVASIVE SENSE OF HIERARCHY

COLLECTIVIST APPROACH

DEPENDENCE ON NETWORKS AND RELATIONSHIPS

FOCUS ON HARMONY

VUCA-READY ATTITUDE

DIFFERENT FLAVORS

The Action Steps

6 Three critical experiences stand out in preparing Asian leaders for global roles – cross-border rotations, non-obvious career moves, and stretch or crucible roles.

7 Global Asian leaders come in four different flavours, often shaped by ethnicity, nationality, early experiences, exposure, and education.

ASIAN RETURNEE

Leader of Asian origin, educated and largely worked outside Asia until mid-career

REGIONAL CHAMPION

Leader of Asian origin with multi-country and multi-company experience within Asia.

GLOBAL NOMAD

Leader of Asian origin with diverse multi-country experiences within and outside of Asia

LOCAL EXPAT

Leader of non-Asian origin, has spent most of working career within Asia.

8 Building a sustainable Global Asian Leader pipeline needs four pieces of the puzzle to come together:

I. Asian leaders aspiring for global roles need to develop right set of individual capabilities by developing clarity of purpose on why to pursue a global career, and getting 'comfortable with discomfort' of challenging assignments.

II. Aspiring leaders need to sign up for suitable experiences to build critical capabilities by stepping into general management shoes early on, and building networks and relationships to navigate the 'system.'

III. Incumbent global leaders need to provide developmental support by taking risks on Asian talent, creating stretch opportunities, and helping direct reports develop a credible and trusting relationship with their skip managers.

IV. Organizations embarking on the global Asian leadership development journey, must get buy-in from the top leadership team at the headquarters, find an executive sponsor, curate and play to a 3-5 year global Asian leadership development plan, and tweak talent development interventions to suit Asian context.

STUDY OBJECTIVE AND RESEARCH METHODOLOGY

Study Objectives

The key objective of 'The Global Asian Leader' research was to understand:

(a) key reasons that stall growth of Asian leaders;

(b) strengths that Asian leaders bring to the table;

(c) development areas or critical gaps;

(d) competencies required to succeed in global roles;

(e) critical must-have experiences to prepare for global roles;

(f) practices employed in exemplar organizations to develop a robust pipeline of Asian leaders.

Research Approach

Center for Creative Leadership (CCL) research team interviewed senior regional/global leaders across large Asian/global organizations to identify key hindrances Asian leaders may face in their global career path, and must-have competencies. These were leaders of Asian origin in regional/global roles, and non-Asian leaders with considerable exposure to Asia.

The research team identified best practices across organizations towards global leadership pipeline development, and noted tips/advice from senior executives for Asian leaders, their incumbent managers, and HR departments.

The research team used the following definition of 'global leadership:' *Global leadership is the process of influencing individuals, groups, and organizations representing diverse cultural/political/institutional systems to contribute towards the achievement of the global organization's goals.[2]*

A 'global leader' is defined as a leader whose responsibilities cut across multiple countries. A 'global Asian leader' is a leader of Asian origin with global responsibilities.

Sample Set

- In total, the CCL research team interviewed 120 regional or global leaders (between June 2017 and November 2017) from across 68 companies. These were a mix of in-person and phone interviews.

- The interviewees belonged to a mix of industries such as financial services, banks, commodity trading, fast-moving consumer goods, technology, retail, infrastructure, and professional services companies.

- 83% of leaders held business roles, while 17% were senior HR executives.

- Interviewees held titles such as regional president, MD, regional head, CHRO, director, senior manager, VP, COO, etc.

- 61% of interviewees were of Asian origin. The balance 39% were mainly Europeans, Americans, or Australians.

- 31% of organizations were headquartered in Asia, mainly China, India, Singapore and other ASEAN countries. The balance 59% were multinationals based out of the US, Europe or Australia.

2. Mendenhall, M. E., Reiche, B. S., Bird, A., & Osland, J. S. (2012). Defining the "global" in global leadership. Journal of World Business, 47(4), 493-503.
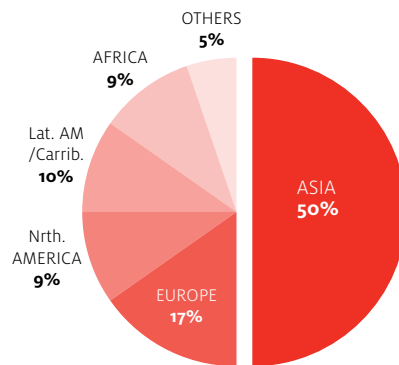
BUSINESS CASE FOR DEVELOPING GLOBAL ASIAN LEADERS

ASIA WILL BE THE CENTER OF THE WORLD

Enormous Business Opportunity and Availability of Talent in Asia will be the Key Driver

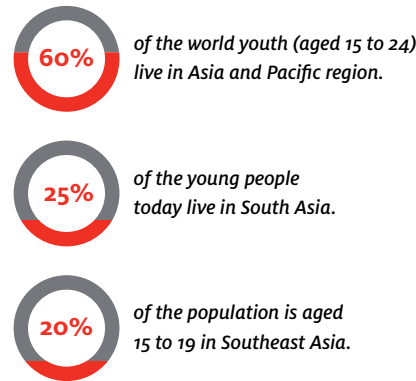## Why Asia Features in Global Strategy of Most MNCs?

Technology Maturity

Internet Users, Q1 - 2017

OTHERS
5%

AFRICA
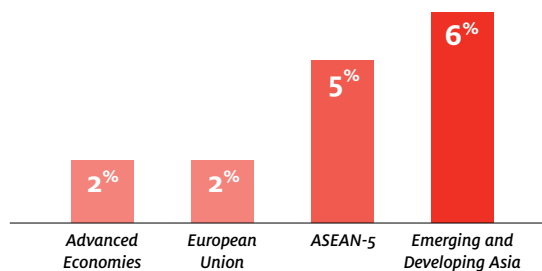**9%**

Lat. AM
/Carrib.
10%

Nrth.
AMERICA
9%

ASIA
50%

EUROPE
17%

Sizeable Potential Workforce

60% of the world youth (aged 15 to 24) live in Asia and Pacific region.

25% of the young people today live in South Asia.

20% of the population is aged 15 to 19 in Southeast Asia.

Steep Economic Growth

Real GDP Growth (Annual % Change)

- Advanced Economies: **2%**
- European Union: **2%**
- ASEAN-5: **5%**
- Emerging and Developing Asia: **6%**

Biggest Market!

Asia's Share in the Next Billion Entrants into the Middle Class

88%

Asia's Share in the Global Middle Class Population in 2030

67%

Asia is rapidly emerging as the new center of the world. Any organization that does not have a compelling Asia strategy in place is probably already 'late to the party.' When there is reference to global companies, while people often think 'western organizations,' one-in-three top 200 companies are Asian (mainly Chinese).

Emerging and developing Asia is growing at north of 6% per annum. This includes ASEAN countries (outside of ASEAN-Five), South Asia and China. 'ASEAN-Five' is growing at over 5%. With the ASEAN Economic Community coming into play, these rates may go up further a few notches in years to come.

Asia will be the biggest market in the future. Almost nine out of ten next one billion entrants to the middle class will be Asians, and the continent will account for two-thirds of the global middle class population by 2030.

Asia may be the biggest exporter of workforce and talent to the entire world in a decade from now. While most western countries are thinking of ways to deal with an imminent aging workforce issue, Asia and Pacific houses three-in-five world youth, with south Asia accounting for one-in-four young people in the world.

Proliferation of technology and internet in Asia has been the biggest accelerator of growth. One in two internet users across the globe are Asians. The region will continue to benefit immensely from digital-led economic development.

"Asia will constitute 50 percent of the population and therefore the growth of the business opportunity in Asia is tremendous. Even though it is a complex region, the upside is huge if organizations can figure out Asia," explained a global leader.

INCREASING NEED FOR ASIAN LEADERS

To Expand Locally, and to Feed the Global Pipeline

Global enterprises will need Asians to leverage the Asia-advantage. Interviewees highlighted three drivers of the need to create a stronger global Asian leadership pipeline. "We know our context, our customers, and the terms of competing much better than western leaders who come to Asia for a limited period," claimed a leader of Asian origin.

'There are multiple Asias rolled into one.' While it often gets clubbed as one region, each country within Asia has a very different and often a unique way of doing business. For sustained success in the region, global organizations will need Asian leaders to help enterprises strategize and craft their Asia strategy.

Not only strategize, Asians will need to contextualize and roll out global plans in Asia since they have a better understanding of local cultures, constraints, and potential partnerships.

Since Asia will be the 'catchment' area of young talent in the future, organizations will need to create a robust talent pipeline from the region.

In the past decade, Asian leaders have also proved their mettle in the global arena. Current CEOs at several large global companies, PepsiCo, MasterCard, Microsoft, Google, to name a few, are Asians (mainly leaders of Indian descent).

KEY DRIVERS FOR FOCUSING ON ASIAN TALENT

1 To help headquarters *understand Asia, and strategize* how to 'win' in Asia

2 To help global MNCs *expand operations* within Asia

3 To feed the global *talent pipeline;* availability of young talent in Asia

" Global companies need to take advantage of the Asian talent, young workforce, VUCA-friendliness, and local market understanding to grow their businesses. "

ASEAN CHRO,
European Automobile Company

INHERENT STRENGTHS ASIAN LEADERS BRING TO THE TABLE

Execution Skills, Humility, Team Thinking….

Superior Execution

"I felt that the drive and the purpose in Asia was much stronger than in Europe, even better than US. Once you explain what needs to be done, the executives will just go without sleep for days to make it happen with perfection."

VP Global Business,
Global Conglomerate

Strong Work Ethics

"Asian leaders have strong work ethics, and can generally work longer hours . It is societal; that's how people are brought up – to work hard for the company."

Regional MD,
American FMCG Company

VUCA Friendly

"Asians grow up in a disorganized economy - always dealing with problems, minor to major. We tend to be cool and calm. So our ability to deal with 'noise' is much better."

CEO-APJ,
Global Asset Management Firm

Humility

"Generally higher level of humility allows us to keep ourselves open minded and be patient-listeners."

MD ANZ,
Global Eye Care Co.

Empathy

"I think for Asians, their emotional quotient is very dominant. When there is a collective decision making process, Asians will have a more human point of view in their decisions."

VP-SCM,APJ,
European Energy Company

Embracing Diversity

"Asia is very diverse; there is no one Asia – one country is very different from the other – Singapore, Philippines, Japan, Vietnam they are all different. Diversity comes together beautifully at the workplace."

Executive Director,
European Professional Body

Source: CCL Research, 2018.
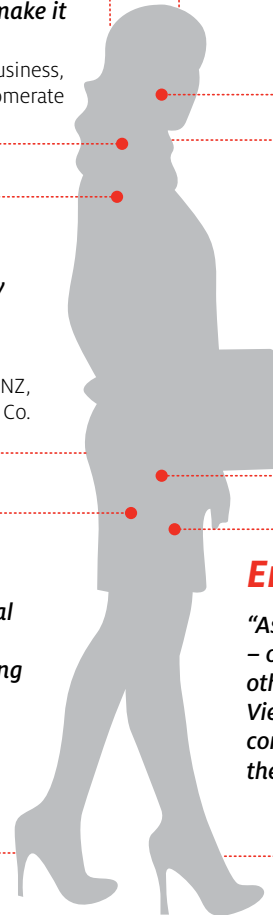
nterviewees pointed several skills Asian leaders bring to the table, or tend to demonstrate more often.

Asians tend to demonstrate superior execution and work ethic. Interviewees appreciated the willingness to stretch to achieve goals, even though it may often play havoc with the work-life balance in teams with Asian leaders. "Asians are fully immersed from their hearts, so work is a part of life rather than something that opposes it," pointed a leader.

Two personality traits – empathy and humility – are must-have to be successful in the region. They may manifest differently in different countries, but are extremely critical. Cultural upbringing, leaders experience and the dominant religious beliefs (Islam, Confucianism, Hinduism, Buddhism, etc.) ensure premium on the two traits.

There are also two characteristics that are a function of the context in which leaders in Asia grow up. VUCA friendliness, which is a function of living in a region with moving policies, volatile stock markets, disturbance due to the role of non-state actors, etc.; and, openness to diversity, which is again a function of living in a diverse region. "We grow up in disorder, so we adjust quicker to disruptions and tend to stay cool and calm," explained a regional leader of Asian origin.

" *I firmly believe Asian leaders can outperform non-Asian leaders. Asians are very humble and considerate by nature in general. They listen, and there is more of team-thinking. If we equip ourselves more on learning and be a little more confident, I think we will make much better leaders.* "

ASEAN Business Lead,
Asian Regional Bank

WEAK ASIAN LEADER REPRESENTATION IN 'WESTERN' COMPANIES

US-Based Companies Fare Better than European Firms

Despite a compelling business case to build global Asian leader pipeline, and several inherent strengths Asians tend to demonstrate, data suggests that there are not too many Asian leaders at the top in global enterprises. Asian representation in executive leadership teams of top 200 companies is in single digits in percentage terms (considering only 132 companies not headquartered in Asia). Leaders of Indian origin dominate the small community of global Asian leaders at the top.

US headquartered companies account for 8 percent Asians in their executive leadership teams, almost half of the community comprising executives of Indian descent. Data suggests that European companies tend to be much more conservative in this regard, with only 2 out of hundred leaders being Asian; Indians again account for almost the entire community of global Asian leaders in European companies.

One of the interviewees had an interesting hypothesis around fewer Asians at the top in European organizations. "Owing to the colonization history, it will take a long time for the Europeans to get rid of the 'lords and masters' type thinking; Americans are inherently all immigrants, therefore there is a higher level of acceptance and respect for diversity in their psyche," said the leader.

Several Asian leaders called this phenomenon a 'bamboo ceiling' for Asian leaders.

This plays out no differently in Asian companies. Non-Asians comprise about 2 percent of the leadership team in 68 Asian headquartered companies in the top 200 pool. They have majority Asian leaders, with again, very little diversity at the top.

> 66 *Asians, particularly ASEAN leaders almost always hit a 'bamboo ceiling' in large global MNCs, often due to a mix of lack of aspirations in Asian leaders, and 'lenses' that global organizations may wear to evaluate local talent. I hit a ceiling in my career in the MNC I used to work for, primarily because I was not mobile, therefore I decided to join a local Singaporean company.* 99

COO,
Asian Hi-Tech Company

ASIANS IN ELTS OF TOP 200 GLOBAL COMPANIES
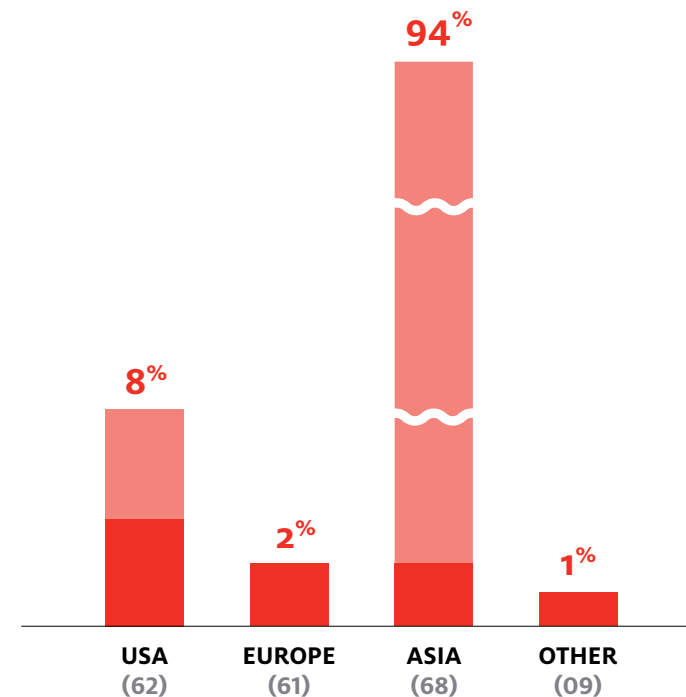
Executives of Indian Origin Comprising the Asian Community

N=2,722 leaders; numbers in Brackets indicate number of companies in top 200 list; data was compiled from Annual Reports/Company Websites; ELTS - Executive Leadership Teams

Source: CCL Research, 2018.

II CAUSES OF WEAK GLOBAL ASIAN LEADERSHIP PIPELINE

ROOT-CAUSING THE GLOBAL ASIAN LEADERSHIP CHALLENGE

Country, Organizational, and Individual Issues

Why is there a Deficit of Asian Leaders in Senior Leadership Roles in Large Global Enterprises?

Country Conditions May Inhibit Global Asian Leadership Development
- Lack of Talent Competitiveness in Several Countries in Asia
- Availability Lagging Growth/Expensive MNC Ready Talent

MNCs are Unable to Create a Robust Asian Leadership Pipeline
- Critical Must-have Skills May be Hard to Develop in Asia
- Organization Not Aligned to Develop Local Talent
- Low Risk/Conservative Approach on Asian Talent
- Talent Management/Development Challenges

Asian Leaders Lack Critical Global Leadership Skills and Attributes
- Asian Talent May Find it Hard to Adjust to 'MNC Culture'
- Reluctance to Make Cross-country/Region Career Moves

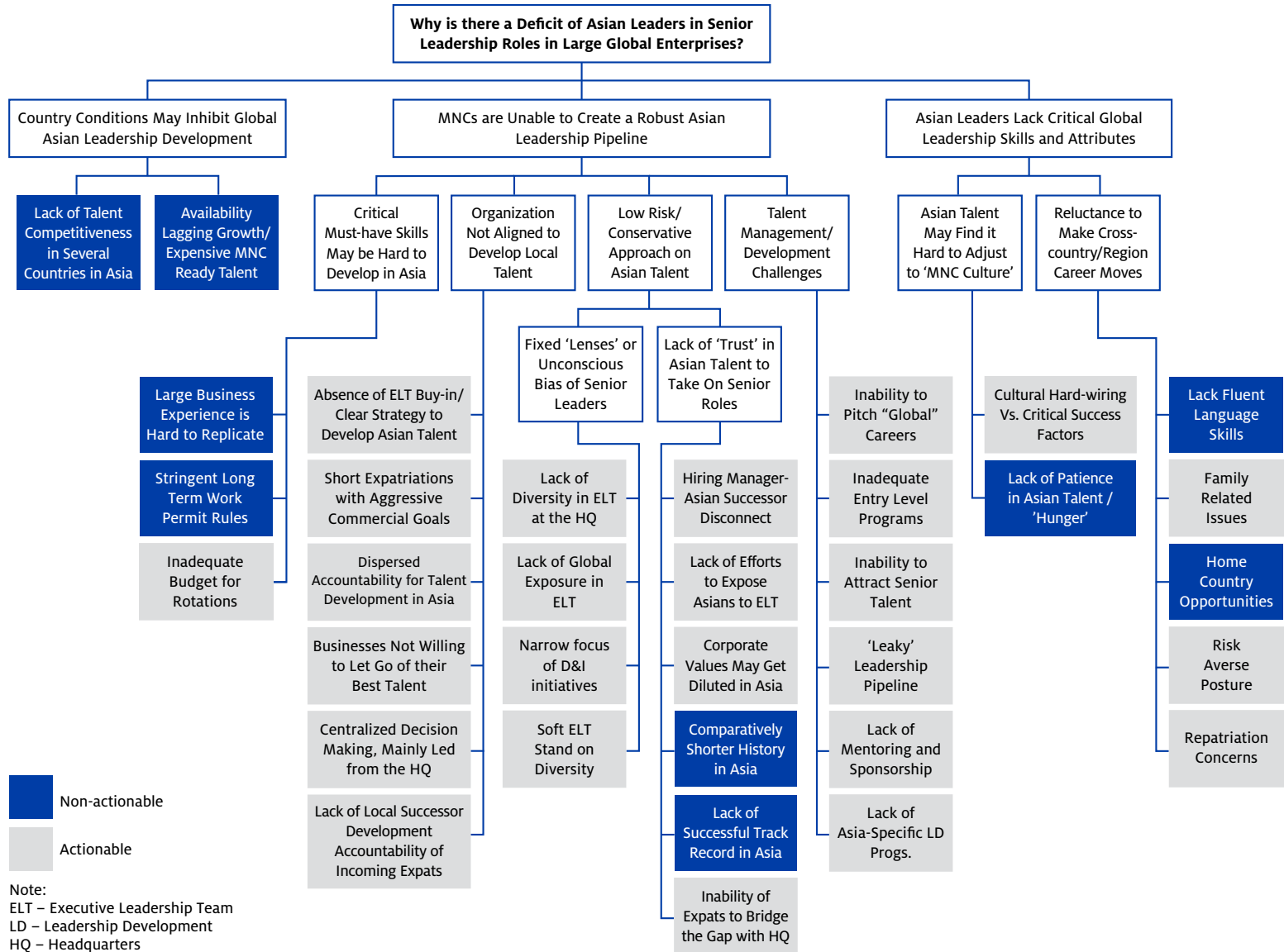Critical Must-have Skills May be Hard to Develop in Asia:
- Large Business Experience is Hard to Replicate
- Stringent Long Term Work Permit Rules
- Inadequate Budget for Rotations
- Absence of ELT Buy-in/Clear Strategy to Develop Asian Talent
- Short Expatriations with Aggressive Commercial Goals
- Dispersed Accountability for Talent Development in Asia
- Businesses Not Willing to Let Go of their Best Talent
- Centralized Decision Making, Mainly Led from the HQ
- Lack of Local Successor Development Accountability of Incoming Expats

Organization Not Aligned to Develop Local Talent:
- Fixed 'Lenses' or Unconscious Bias of Senior Leaders
  - Lack of Diversity in ELT at the HQ
  - Lack of Global Exposure in ELT
  - Narrow focus of D&I initiatives
  - Soft ELT Stand on Diversity
- Lack of 'Trust' in Asian Talent to Take On Senior Roles
  - Hiring Manager-Asian Successor Disconnect
  - Lack of Efforts to Expose Asians to ELT
  - Corporate Values May Get Diluted in Asia
  - Comparatively Shorter History in Asia
  - Lack of Successful Track Record in Asia
  - Inability of Expats to Bridge the Gap with HQ

Talent Management/Development Challenges:
- Inability to Pitch "Global" Careers
- Inadequate Entry Level Programs
- Inability to Attract Senior Talent
- 'Leaky' Leadership Pipeline
- Lack of Mentoring and Sponsorship
- Lack of Asia-Specific LD Progs.

Asian Talent May Find it Hard to Adjust to 'MNC Culture':
- Cultural Hard-wiring Vs. Critical Success Factors
- Lack of Patience in Asian Talent / 'Hunger'

Reluctance to Make Cross-country/Region Career Moves:
- Lack Fluent Language Skills
- Family Related Issues
- Home Country Opportunities
- Risk Averse Posture
- Repatriation Concerns

Legend:
- Non-actionable
- Actionable

Note:
ELT – Executive Leadership Team
LD – Leadership Development
HQ – Headquarters

There are three distinct reasons that are holding back Asian leaders from stepping into global roles - unfavourable country conditions, constraints due to organization culture, and individual skill and will issues.

Lack of talent competitiveness or inadequate talent development infrastructure may inhibit growth of talent at a country level. Besides, talent that is available may be too scarce and too expensive.

Organization culture and posture may also be a key 'culprit.' Reasons include organizations' inability to develop critical skills in Asia due to lack of necessary experience or budget constraints, structural and policy issues, absence of trust in non-native talent, lack of global mind-set in senior-most leaders, or non-optimal global talent management and development practices.

Individual capability and aspiration issues may also inhibit growth of local talent. Asian leaders may find it hard to adjust to an 'MNC culture' as there may be some cultural nuances that may put an Asian leader at a comparative disadvantage. Lack of mobility may further constrain Asian leaders' ability to take on global roles.

As the graphic suggests, there are a lot of stalls that Asian leaders may face in their journey to the top. Organizations that are ahead of the curve pick their bets carefully, often starting with low hanging fruit – e.g., dealing with simpler structural and policy issues, allocating budgets for developmental rotations, and ramping up talent management and development practices.

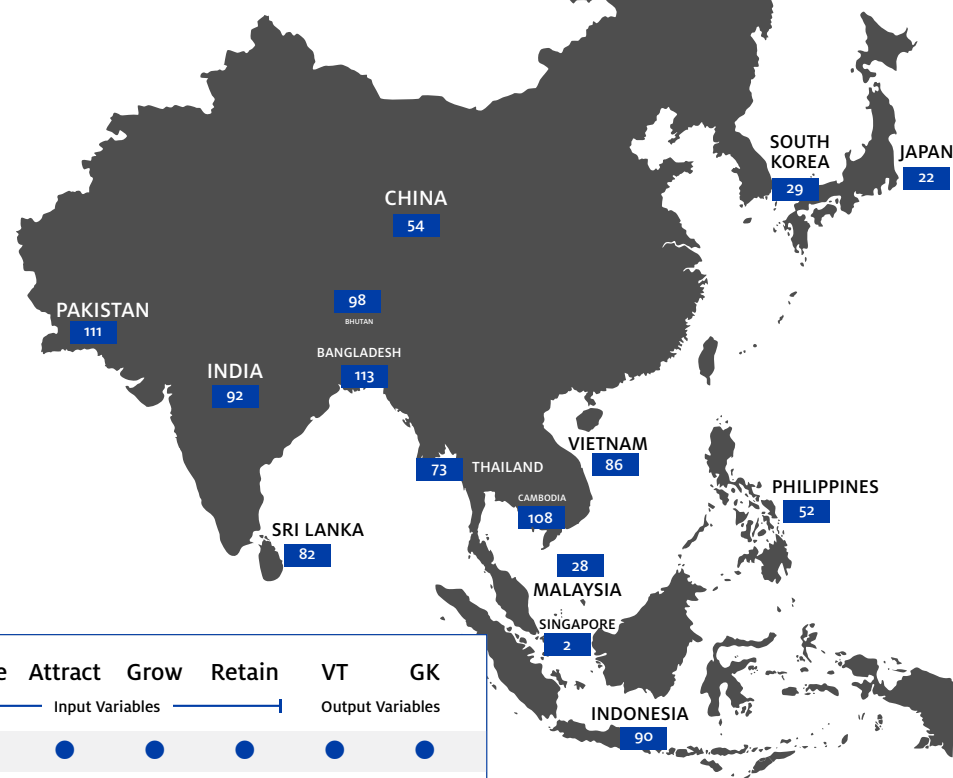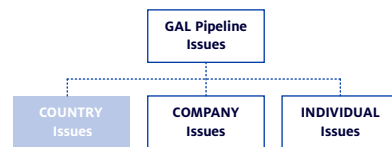# ASIA MOSTLY IN BOTTOM 50TH PERCENTILE ON TALENT

Most Asian Countries Lack Talent Competitiveness

Global Talent Competitiveness Index (GTCI) measures country competitiveness to develop talent on a set of four input and two output variables. 'Attracting' talent is viewed in terms of attracting valuable resources from abroad, both productive businesses and people with needed competences, while internal attraction is focused on removing barriers to entering the talent pool for groups such as those from underprivileged backgrounds, women, and older people. 'Growing' talent includes initiatives around apprenticeships, trainings, and continuous education, as well as relevant experience. 'Retaining' talent is necessary to ensure sustainability, and one of the main components of retention is quality of life in the country. 'Enabling' pillar comprises the regulatory, market, and business landscapes within a country.

On the output side, the GTCI model differentiates between two levels of skills - mid-level and high-level. Vocational and Technical skills (or VT skills) describe technical or professional worker base developed through vocational or professional training and experience. High-level skills, labelled Global Knowledge skills (or GK skills), deal with knowledge workers in professional, managerial, or leadership roles that require creativity and problem solving.

Only Singapore ranks in the top-10 countries. And only four countries in Asia – Singapore, Japan, Malaysia, and South Korea – are in the top quartile in the stack ranking.

Bulk of Asia lacks necessary conditions to nurture a robust talent pipeline. Coupled with low 'attractiveness' of most countries, there is double-negative impact – most Asian countries are not only unable to attract talent from outside, but also lose top native talent to the developed markets.

Map labels:
SOUTH KOREA 29 · JAPAN 22 · CHINA 54 · PAKISTAN 111 · BHUTAN 98 · BANGLADESH 113 · INDIA 92 · VIETNAM 86 · THAILAND 73 · PHILIPPINES 52 · CAMBODIA 108 · SRI LANKA 82 · MALAYSIA 28 · SINGAPORE 2 · INDONESIA 90

GAL Pipeline Issues
- COUNTRY Issues
- COMPANY Issues
- INDIVIDUAL Issues

Country	GTCI Rank	Enable	Attract	Grow	Retain	VT	GK
		Input Variables				Output Variables	
Singapore	2	●	●	●	●	●	●
Japan	22	●	⬤	●	●	⬤	●
Malaysia	28	●	⬤	⬤	⬤	●	⬤
South Korea	29	●	⬤	●	⬤	⬤	⬤
Philippines	52	⬤	⬤	⬤	⬤	⬤	⬤
China	54	⬤	○	⬤	⬤	⬤	⬤
Thailand	73	⬤	⬤	⬤	⬤	○	⬤
Sri Lanka	82	⬤	○	○	⬤	⬤	○
Vietnam	86	⬤	○	⬤	⬤	○	⬤
Indonesia	90	⬤	○	⬤	○	⬤	○
India	92	○	○	⬤	○	⬤	⬤
Bhutan	98	⬤	○	○	⬤	○	○
Cambodia	108	○	○	○	○	○	○
Pakistan	111	○	○	○	○	○	⬤
Bangladesh	113	○	○	○	○	○	○

● Top Quartile Ranking (1-30)   ⬤ Ranking (31-89)   ○ Bottom Quartile Ranking (90-118)

Source: Global Talent Competitiveness Index, INSEAD, 2017.

Global Talent Competitiveness Index (GTCI)
Input Variables
- Enabling environment
- Talent attraction
- Talent growth
- Talent retention

Output Variables
- Vocational & Technical skills (VT) available
- Global knowledge (GK) skills available

" *Language capability is the number one challenge in international business; few people in Asia, especially Thailand, speak fluent English. The constant request I hear from my clients is - can I find an executive fluent in English? My advice to people in this part of the world, particularly Thailand, is that you need to learn the language of global business.* "

Senior Partner
American Professional Services Firm, Thailand

GAL Pipeline Issues

COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues
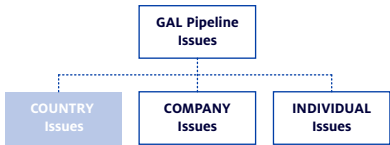
TALENT SEEMS TO BE A CHALLENGE IN ASIA

Despite Abundant Labor, Asia Has Insufficient Skilled Talent

Talent is More Expensive!

3X Expense to recruit employees in Asia as compared to Europe.

30% Incremental speed at which employees in Asia expect to get promoted as compared to global peers.

1.9X Incremental premium (while changing jobs) demanded by leaders in Asia as compared to leaders in the rest of the world.

Talent is Less Engaged!

22% Employees in Asia that show strong 'intent to stay' as compared to 33% in North America.

Talent is Less Ready!

25% More low performers in Asia as compared to other regions.

14% Leaders in Asia that think they have "ready-now" successors.

Source: CEB Global Labor Market Survey; CEB, Enabling World-Class Leadership Team Productivity in Asia.

"The [Asian] market is hot so we have a strong external pull for available talent, which makes it even more critical to have a strong pipeline of talent in Asia," highlighted a leader, talking about the need to have a strong Asian leader pipeline. Despite the need, and despite the fact that Asia is the biggest pool of young labor, there is severe paucity of talent in the region.

Talent that is ready to take on senior roles is expensive, and thanks to the hectic economic activity in the region, talent also has unrealistic expectations on the compensation front.

Incremental job opportunities created by a comparatively heated economy also mean that the talent has comparatively less patience, and are ready to 'jump ship' if pushed into crucible/hardship roles which may even benefit them in the longer term. "Patience is critical but in short supply in Asia," said a leader. He advised, "learning comes with experience, a leader needs to build the right relations, get the right experiences, etc., and if you jump too much, you may not be seen very favourably."

Ironically, Asian leaders are also 'less ready' to take on large roles and responsibilities. Less than two out of 10 incumbent leaders claim they have 'ready-now' successors, and data also suggests that there are more 'low performers' in the region as compared to the global average.

So, in most situations, a multi-national company with aspirations to expand in Asia, not only needs to deal with less ready and possibly more expensive talent, but also must manage the engagement aspect closely since the talent is not shy of jumping ship.

> *If you recruit Asians in a senior role who aspire to work in an international company, they are usually sought after by a lot of MNCs. And those who fit the bill are horrendously expensive.*
>
> Business Unit Head
> Global Trading Company

KEY SKILL DEVELOPMENT ROADBLOCKS

## *Critical Must-Have Skills May be Hard to Develop*

Critical must-have skills may be harder to develop due to limited scale experience Asia can offer, budget constraints, and incremental difficulties faced by enterprises in acquiring long term work permits.

For training to take on larger roles, Asian talent must have experience in managing large scale businesses. For instance, if leaders are transitioning from running a half-a-billion dollar business in ASEAN to managing a 15 billion dollar business in North America, the jump is very hard to make, and in Asia there are few opportunities to train for large scale. Leaders must leave Asian shores to spend a few years running large businesses in Europe or North America to train for larger scale. There are also issues around training executives in Asia for specialist roles because on-the-job training may not be possible for some niche roles without undertaking a short- to mid-term relocation.

Recent emergence of 'pseudo-nationalism' has resulted in stringent laws around long-term work permits. Interviewees candidly shared that a two-year rotation is not worth it, so unless leaders can rotate for four to five years, there is only limited business benefit. With visa-embargoes in a lot of countries, long term visas are incrementally harder to procure.

Thanks to the VUCA world and uncertainties around business outcomes, organizations are vary of investing in developmental experiences, even for senior executives. Business cases for mid- to long-term developmental rotations are therefore much harder to get approvals on.

Incumbent managers therefore must partner with regional HR and global hiring managers to identify short-term, long-term, project-based opportunities for Asian leaders to overcome some of these challenges.
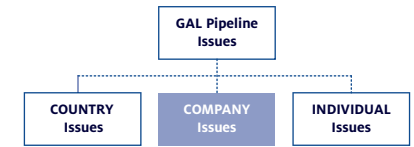
Budgets for Rotations are Harder to Come By

"There is a general reluctance from the receiving company to take on someone for developmental purpose. The feedback we hear is - we don't have the budget to train Asians, cause we have our own people to worry about."

VP, HR Operations
Global Energy Company, Singapore

Inability to Offer Large Scale Experiences

"The guy who heads the global business needs to have an experience of handling large scale businesses, and Asia is not yet at that scale, hence local leaders are seldom considered for 'big' global roles."

President - Asia,
Global Luggage Manufacturer/Retailer
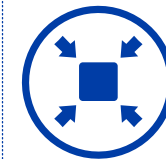
Specialist Roles are Hard to Train for in Asia

"How do I train geologists without sending them to the Gulf of Mexico, or strategists, without sending them to the headquarter for between 2 and 4 years?"

MD, Singapore
European Engineering Company

Increasing Immigration Embargoes

"There are immigration embargoes in a lot of countries, thanks to the increasing pseudo-nationalism of the world we live in; long term work passes are harder to get, and I see no point in sending a leader to another country for 3 to 6 months."

HR Lead, APAC
Global Tech Company, Singapore

Source: CCL Research, 2018.

LACK OF STRUCTURAL ALIGNMENT

Organizations Not Aligned to Develop Local Talent

GAL Pipeline Issues
- COUNTRY Issues
- COMPANY Issues
- INDIVIDUAL Issues

Is HR function structured to develop a central pool of global-ready talent from Asia?

> *"Since our businesses are so different, HR is aligned by businesses with often no clear leader driving regional HR. Hence any cross organization initiative does not have a clear owner. If we are to fund development of local talent, we need all businesses to nod, and that takes time and energy."*
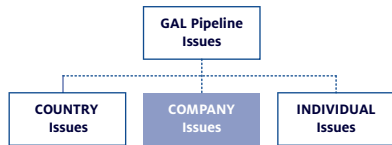>
> HR Business Partner, APAC,
> Global Conglomerate

Are expatriate engagements structured to develop local talent?

> *"I believe that often average tenure of expat leaders is 4 years or below, and the KPIs, more often than not, are mainly around financial performance, so how do you expect the incoming expat leader in Asia to spend her energy and time on developing the successor? It should be a longer tenure, cause then the expat can look at developing local talent seriously."*
>
> Regional CEO,
> Global Pharmaceutical Company

Do I have structured sponsorship of a senior leader to pursue the local leader development agenda?

> *"If it is the CEO who is driving this [developing of local talent in regions we operate in] we can get it solved fairly quickly – it just needs money to buy the best talent and assemble a top class team in Asia. If it is the corporate HR driving this, then, yes, it will get attention. Otherwise we will be having these conversations [of developing local talent] for a very long time."*
>
> Business Head,
> Global Conglomerate

Is there clear accountability of who owns the region?

> *"There are folks who carry external titles which may imply regional or organization-wide responsibility, but their performance is judged only on the basis of how well they run their respective businesses."*
>
> Business Head,
> Global Conglomerate

While multinational organizations are striving to develop global Asian leadership pipeline, their lack of internal alignment to develop Asian leaders or the way things are 'wired' in the system may be a big obstacle.

Asia-Pacific operations in majority of the multinationals are structured such that individual regional businesses (and leaders) report into the line, with only a dotted reporting relationship to the regional President, if there is one. In most cases 'no one' owns Asia as all senior leaders are mainly accountable to their businesses. Even HR functions are aligned by businesses, with no cross-cutting responsibilities to develop talent in the region. Amidst this dispersion of responsibilities, pan-enterprise regional initiatives are hard to drive.

Two to four year expatriations often come with very aggressive commercial targets, not giving enough time and incentive to incoming expats to develop local talent. "If all I am being measured on is meeting financial goals, why should I spend time in developing local talent?" pointed an expat leader. He also added that hiring his successor was his manager's responsibility, not his.

So, at best, there is dispersed accountability for local talent development. There is rarely a sponsor in the region and at the headquarters who pushes local leader development agenda. The key question to ask in order to test level of accountability is – if Asia lacks a local leader pipeline, is there someone who may get hit adversely in terms of career advancement or compensation?

Finally, there are also constraints around the level of decision making that can happen at the regional level. This not only makes it harder for local incumbent leaders to take quick decisions, but also stunts the growth of local talent since they are often not trained to make strategic critical decisions.

Source: CCL Research, 2018.

UNCONCIOUS BIASES AT PLAY

Conservative Approach in Selecting Asians for Global Roles

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                                    GAL Pipeline
                                       Issues
         ┌──────────────────────────────┼──────────────────────────────┐
    COUNTRY                          COMPANY                         INDIVIDUAL
     Issues                           Issues                           Issues
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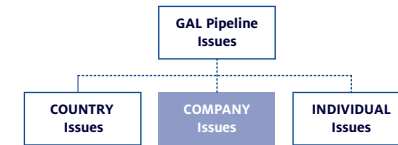
In most enterprises, the headquarter country culture tends to dominate, and most leaders tend to inherently prefer more of 'their own.' This bias is often not limited to Western MNCs, it is as valid for Asian enterprises. "Unless we can normalize all biases and trust issues, one has to accept that senior leaders will be a reflection of the footprint of the headquarters," pointed a leader. Such biases are often unconscious in nature. "It is human to lean favourably towards people who speak the same language, have similar interests, have grown up in a similar environment, share the same jokes, etc."

Expanse of business may also limit the exposure and readiness of Asian leaders. To progress as a global leader, Asians often need to have exposure in the biggest markets in US and Europe. Before Asian leaders can get global jobs, they need experience in key regions outside of Asia, so sometimes the 'chicken-and-egg' story plays out. "While selecting for global roles, the hiring manager will say, it is an important job and I want someone with experience in these regions [US and Europe], which inherently puts folks from developing countries at a disadvantage cause they are non-proven in big markets," explained a leader.

'Trust' in Asian talent may also get eroded due to distances! Since Asian executives may be far away from the headquarters, which may be based in Europe or the US, there is a limited opportunity and time to build trust, which in turn may impact global opportunities for Asian leaders.

Who is Stopping Asians?

"What's stopping Asians from taking on senior board positions, is non-Asians. Because, the reality is if you look at some of the large Asia-based MNCs, more often than not, people at the top of the house are Asians. But why is it when it comes to global MNCs, we start to fall out. This is linked to the fact that we cannot deny that people at the top of the house will always be reflective of headquarter footprint. So, that has a big play and then there is a whole ecosystem that comes in the interplay – trust, people you grow up with, mainly human aspects."

VP, HR Operations,
Global Energy Company

Why is there a Trust Deficit?

Operations/Business Reasons
"For you to progress as a global leader, you need to have exposure in the biggest markets - in US and Europe. Now before you can get a global job, you need to get to these countries. But hiring managers in these countries will always prefer someone with experience in these countries, and hence folks from developing countries will be at a disadvantage."

Cultural Affinity
"Every firm is headquartered in a certain country and has a certain culture, and most leaders prefer more of their own. It is also true for Asian companies."

Tradition/History
"Asia was always built as an emerging market, and was a learning ground for expats. That creates a bit of a barrier if you want to think differently."

Distance
"Degrees of separation, local priorities, and long distances may result in corporate values not being embraced as tightly by local staff."

Hard-wired Processes
"There is a level of 'selection blindness' as organizational succession planning processes are often done on a regional basis."

❝ *Over and over and over and over, we replace expats by expats, and we call it development. You send people to Asia for development, but unintended consequence is that you are stopping the development of local leaders.* ❞

Business Unit Head
Global Tech Company

❝ *To pursue the agenda of developing Asian leaders, the senior leadership team at headquarters need to pass on the decision making to the region. I'd say, that is step-one in 'giving regions back' to the locals.* ❞

Regional Leader
European Engineering Company

TALENT MANAGEMENT AND DEVELOPMENT ISSUES

Regional HR has a Key Role in Global Asian Leader Pipeline Development

GAL Pipeline Issues
- **COUNTRY Issues**
- **COMPANY Issues**
- **INDIVIDUAL Issues**

Questions to Ponder...

Are we able to engage Asian talent by creating compelling regional/global career paths?

Have we created a catchment area for incoming entry level talent by developing relationships with local universities?

Are we able to pitch the desired employment value proposition to incoming talent?

Are we able to make a compelling case to attract senior Asian leadership talent?

Talent Acquisition

Onboarding & Engagement

Workforce Planning

TALENT MANAGEMENT

Development

Succession Planning

Performance Management

Are we able to identify and plug (through targeted interventions/learning journeys) key development areas unique to Asia?

Are we able to collaborate with global hiring managers to create compelling global opportunities for Asian talent?

Are we able to 'regionalize' global performance management requirements?

Source: CCL Research, 2018.

T alent management and development challenges may also stunt the growth of global Asian leaders. Regional HR's inability to manage the polarity between global HR's need to standardize talent processes across different offices, and contextualizing HR per the Asian environment, may create unfavorable global Asian leader development environment.

Inability of the regional HR departments in MNCs to pitch a compelling global career may result in Asian incoming talent pushing back on critical mobility requirements later in their careers.

Cultural nuances may also need the HR function to closely monitor the hiring process for global roles, and step-in if local leaders are overlooked due to their cultural upbringing, and sometimes their lack of language fluency. "I am the go-between because there may be some cultural nuances that global hiring man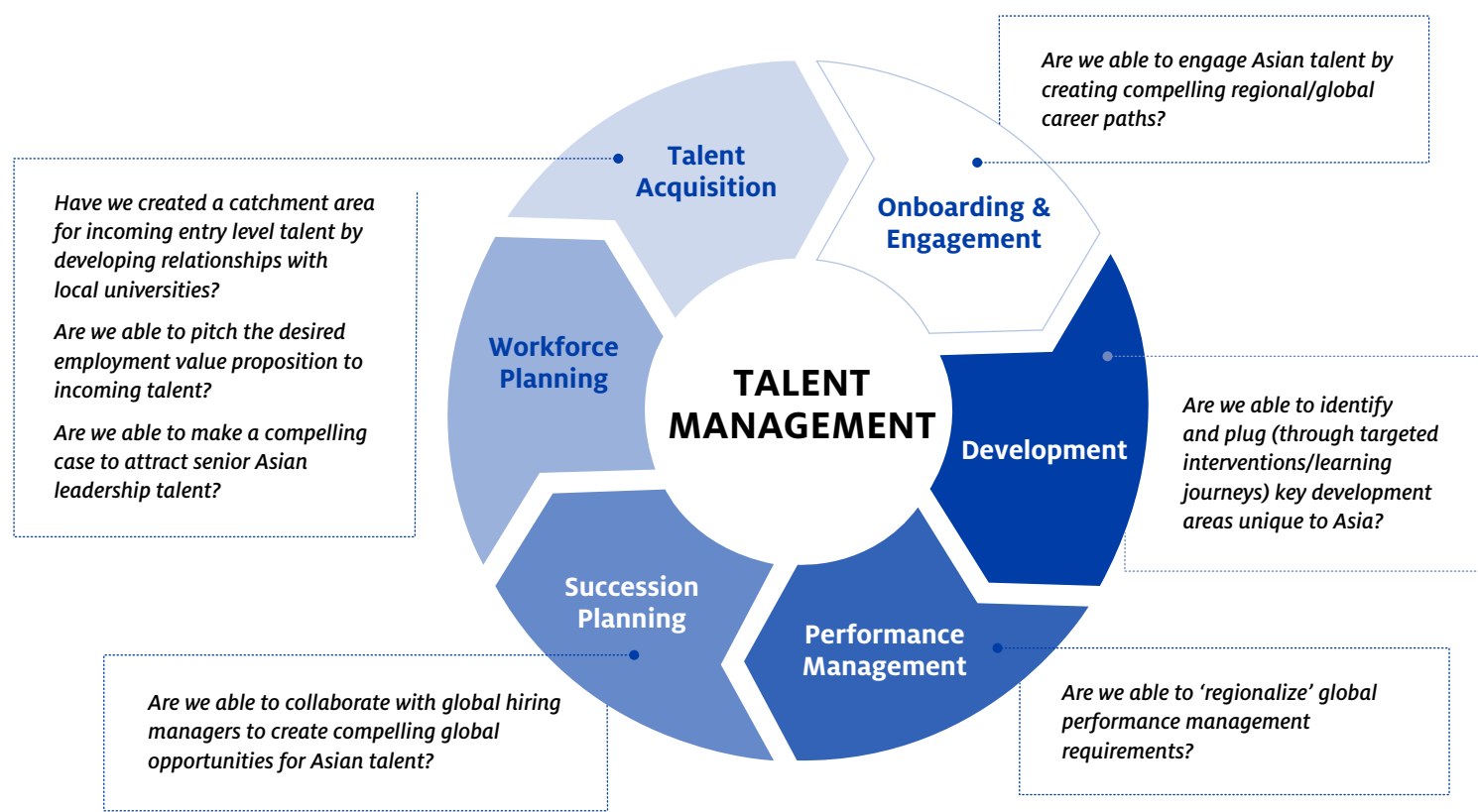agers may not get; I give examples to hiring managers on why they [Asian leaders] said what they said to help hiring managers reconcile," explained a regional HR leader.

Interviewees also pointed that leadership development in Asia must not take a 'cookie-cutter' approach – rolling global leadership programs in Asia (without any changes). They pointed that leadership development interventions must be contextualized to represent local competency gaps, development needs, and mega trends.

The most critical gap in several MNCs is the regional entry level two- to three-year journey-based program cutting across businesses. "A strong entry level program in Asia is a must-have," highlighted a leader.

Finally, in order to create a strong talent pipeline in Asia in the longer term, HR departments may also need to partner with local universities to create a mutually beneficial corporate-academic eco-system.

CULTURAL DISCOMFORT

Asian Talent May Find It Hard to Adjust to the MNC Culture
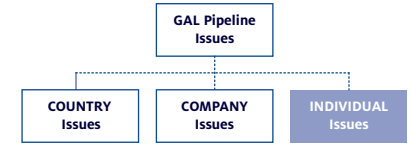
A stereotypical global leader needs to be 'comfortable with discomfort,' assertive, risk taker, ace communicator, and an active networker. Interviewees however pointed that Asian leaders seldom fit the image of a stereotypical global leader, primarily due to the cultural frame-of-reference that is very different for Asian executives.

The key difference between the stereotypical image of a global leader and the Asian executive centers around social skills (or lack of it) in Asian leaders. Some leaders pointed the schooling system that Asian leaders experience at a young age as the key differentiator during foundation years. "There is a far too much focus on scholastic activities or skills, or competencies, and much less focus on social skills; STEM [science, technology, engineering and mathematics] subjects receive extra attention, while developing social skills may be neglected," explained a leader. He added, "focus in the west is on part-time work, problem solving skills, emotional development by connecting with different individuals, and solving client problems during internships."

All leaders the research team interviewed shared that a typical MNC is meritocratic; "you earn your promotion." But most also conceded that Asian leaders can be perceived differently. "Asians are quieter in group meetings, so it is easy to draw a conclusion that they don't have a view on things," explained a leader. He added, "you have to seek their view differently; if leaders don't have the awareness and interest to explore different leadership styles, Asian executives may never get promoted."

> *Culture is often the 'elephant in the room,' and while we may shy away from talking about it and its impact on leadership style of Asian executives, it is something that cannot be ignored. Asian executives are brought up in a different environment [as compared to Western leaders], may have different role models, need to deal with different societal pressures.*
>
> CHRO - APJ
> Global Tech. Products Company

A global leader needs to...

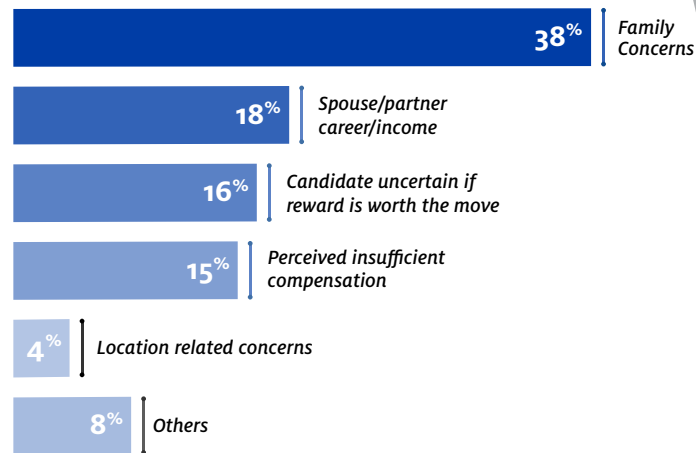| A global leader needs to...		Asian perception
"*adapt to new cultures* and new environment"		"Asians don't want to leave their family, friends, and known territory; are less mobile" 👎
"be *assertive, challenge* and push ideas"		"Most Asian cultures focus on harmony; anything that destroys harmony is not good" 👎
"*take chances*, or risks"		"Concept of 'face' means that failure is a bad word in most of Asia" 👎
"be *open to complexity*"		"Thanks to the world we have lived in, Asian leaders are used to VUCA environment" 👍
"*navigate* through the organization"		"Asians are behaviorally more reserved, and therefore developing relationships may take longer" 👎
"have a *longer term view* on business"		"Traditionally, the focus is on execution; long term strategic thinking is a development area" 👎
"have the ability to concisely *communicate* ideas and opinions"		"The communication style is more indirect" 👎

Source: CCL Research, 2018.
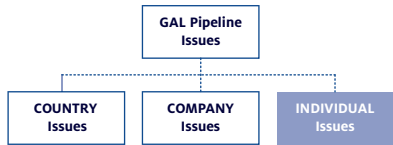
MOBILITY REMAINS THE BIGGEST CONCERN

Reluctance to Make Cross-Country/Region Career Moves

GAL Pipeline Issues

COUNTRY Issues   **COMPANY Issues**   **INDIVIDUAL Issues**

Key Reasons for Global Assignment Refusal

Key Hurdles in Accepting Global Assignments

- **38%** — Family Concerns
- **18%** — Spouse/partner career/income
- **16%** — Candidate uncertain if reward is worth the move
- **15%** — Perceived insufficient compensation
- **4%** — Location related concerns
- **8%** — Others

Source: 2016 Global Mobility Trends Survey, BGRS.

Family Constraints
"Asians typically have a linear education program for their kids, so it is difficult getting into a high school or university of choice. Also, a lot of Asian cultures feel strongly that grandparents need to be looked after; then there is the role of the extended family."

Risk Averse Posture
"There are in Asia many cultures that are risk averse, so people will not step out of their comfort zone - I sent someone to Dubai on a short term assignment; she did a fantastic job and the host business unit wanted to give her an offer to stay there at a senior level; but she insisted on coming back to Singapore; and now, it is back to square-one."

Repatriation Issues
"How many bigger, better jobs can we create for repatriating employees? We are limited by the visibility into business, and the uncertain business environment."

Source: CCL Research, 2018.

Lack of mobility can be a 'career-killer' in a multinational organization. Leaders may not be mobile due to several reasons – family concerns, spouse or partner career, risk averse posture, repatriation issues, etc. Interviewees pointed that often Asian leaders do not see the benefits mobility brings to their careers, enriching their personal and professional lives, developing cultural intelligence, building networks in global enterprises, and dealing with diversity. "Mobility aspect needs to be seen in relation to career opportunities it can bring to you and enriching your family life," said a leader.

Interviewees also mentioned that there is often a lag between the overseas assignments and a windfall in the career, and that a lot of people may not have the patience to see through the benefits.

Mobility however is rarely permanent, since it depends on the life stage of a leader. "You must revisit it once in a while, because personal situations change," advised a leader.

> ❝ *Asian leaders are not as mobile as Westerners, so if I tell my Asian leader that you have done a good job for 3 years, now move to Kazakhstan, he will say 'no.' But if I ask my Australian team members, he will say, 'yes, sure, I am happy to move.' That is a key challenge. There is an unwritten rule in MNCs that you will move up much slower if you are not mobile. So, the question is - do you want to move up or not? Many Asian leaders on my team don't seem to get that. They say 'its OK if I have good salary, I can live well, I can do this job for 10 years and not move out.' Now, if you have too many people like that, the pipeline suffers because you only have a few people who can take over from you...* ❞

Director,
Global Tobacco Company, Indonesia

III

CULTURAL OUTLOOK OF ASIAN LEADERS

SIX COMMON LEADERSHIP TRAITS

Visible Leadership Attributes Pan-Asia

6 Traits that Tie Asian Leaders Together

PERVASIVE SENSE OF HIERARCHY
Caring-Autocrat Attitude

COLLECTIVIST APPROACH
Asia Scores Low on Individualism

DEPENDENCE ON NETWORKS AND RELATIONSHIPS
Friendships, Family Ties, or Social Strata

FOCUS ON HARMONY
Non-Confrontational Attitude at Work

VUCA-READY ATTITUDE
Moving Pieces Make Leaders Very Complexity-'Friendly'

DIFFERENT FLAVORS
There are 'Multiple' Asias Rolled into One!

Source: CCL Research, 2018.

Any conversation about leadership must include a dialogue on culture. In a way, culture is the 'elephant in the room.' Culture profoundly changes our perceptions, therefore its influences on leadership aspects need to be evaluated closely to understand the context in which the Asian leader operates.

Value attached to hierarchy, level of individualism, focus on harmony, and premium on relationships and networks, influences the leadership style of Asian executives. In addition, two elements – the VUCA context in which the leader operates, and diversity – introduce another layer of complexity that may shape the behaviour of leaders.

The need for cultural sensitivity was highlighted by most interviewees as they talked about the need for (Western) expat leaders integrating into the Asian 'fabric,' or an Asian leader being successful outside of Asia. "Individuals here operate in a much more VUCA environment, and they may attach a very different value to various aspects of employment life cycle - money, title, hierarchy, development, relationships, etc.," explained a leader.

Interviewees also pointed that although we talk about a globalized economy, it is impossible to generalize how culture influences leadership perception and execution styles.

PERVASIVE SENSE OF HIERARCHY

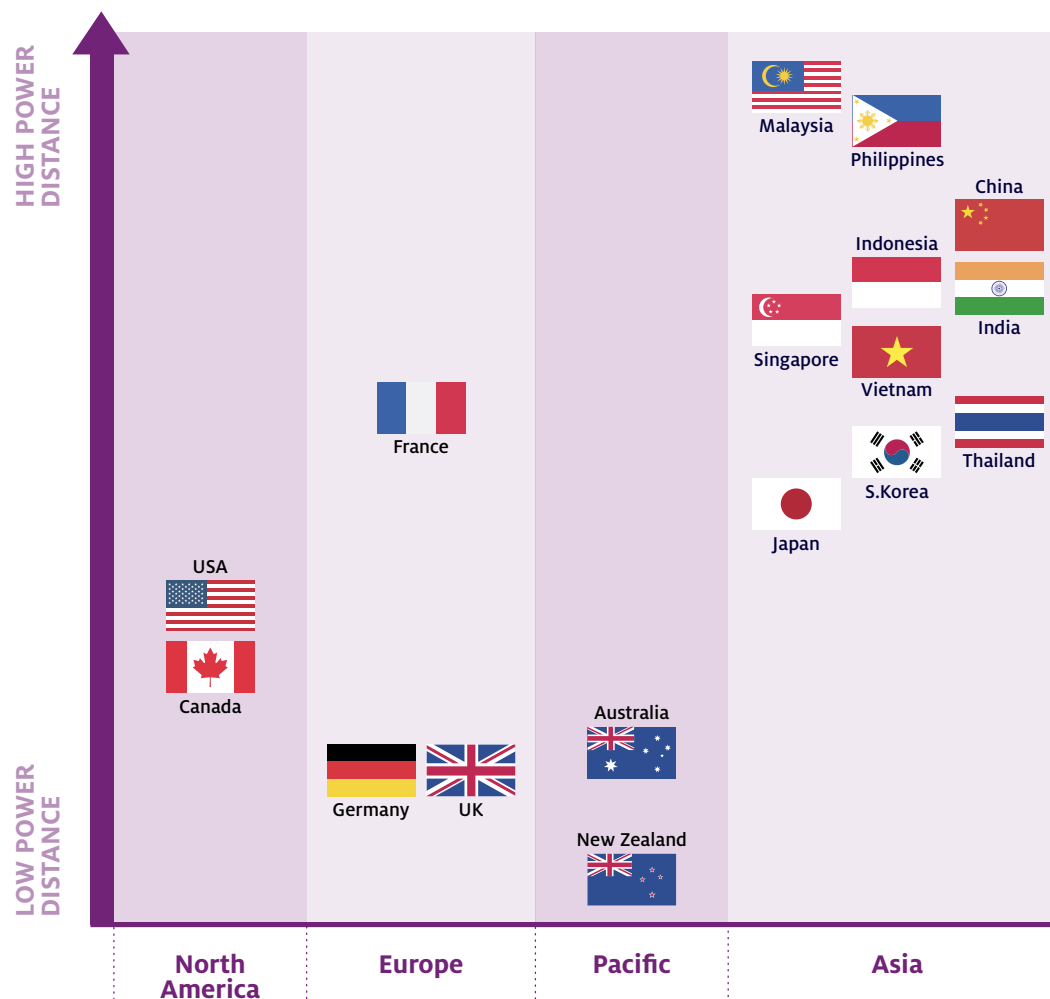## Caring Autocrat Attitude with Authentic Concern for Followers

Most countries in Asia have a higher power distance. This may be because of the culture, which focuses on the family as a 'primary unit,' and therefore the role of elders. Or, religions (mainly Islam, Confucianism, Hinduism, Buddhism), which teach patience and respect to the father, or the 'enlightened one.' It may also have its roots in the fact that the region has a deep colonial past. There are also social classes and structures in the society that lend to a hierarchy driven social 'fabric.' And, at least in a few countries in the region, Monarchy played a key role in forming hierarchy-based structure.

Power distance however may manifest very differently in different countries. Interviewees pointed that while a Chinese leader for instance may be very comfortable ruling with an 'iron fist,' a leader in Thailand with a similar power distance may be extremely forgiving and caring of his teams. It is denoted in how leaders may be addressed respectfully – 'Khun' in Thailand, 'Po' in Philippines, 'Pak' or 'Ibu' in Indonesia, 'Shri' in India.

"You can get power distance out of the equation to some extent by building appropriate culture in the organization, but it is something you need to deal with outside, in social interactions, at home, in government offices, etc.," explained a leader.

> ❝ Boss-is-always-right kind of culture rules in Asia, a culture that borders on subservience and/or respect for hierarchy or elders. ❞
>
> General Manager,
> Global Energy Company

Power Distance in Different Countries

EXAMPLES FROM ACROSS ASIA…

- Malaysian political history highlights the autocratic style of 'Sultans' and former British colonial masters.
- Vietnam's past dynasties and incumbent governments shaped a top-down society.
- Most local companies in China are either family-owned or government-run and tend towards a hierarchical structure; the hierarchical approach has roots in the Confucian teachings and the bureaucratic Party structure.
- Political dynasties in Philippines were an offshoot of the country's colonial experience; even post-independence, the feudal system persisted, as influential Filipino families sought to protect their interests by occupying public offices.
- India largely remains a 'hierarchy-conscious' society; family upbringing, the caste system, or the political environment, being key influencers.
- In Indonesia, superiors are often called 'bapak' or 'ibu' which mean the equivalent of father or mother, sir or madam.
- Employees in Thailand may formally address their bosses by the title 'Khun' which automatically marks a power distance between boss and the employee.
- When Thai's meet, a person who is junior in age or social rank will 'wai' (Thai way of greeting) first; also monks do not return 'wais' from 'commoners.'

COLLECTIVIST APPROACH

Asia Scores Low on Individualism

Individualism
Preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families.

Source: https://geert-hofstede.com/
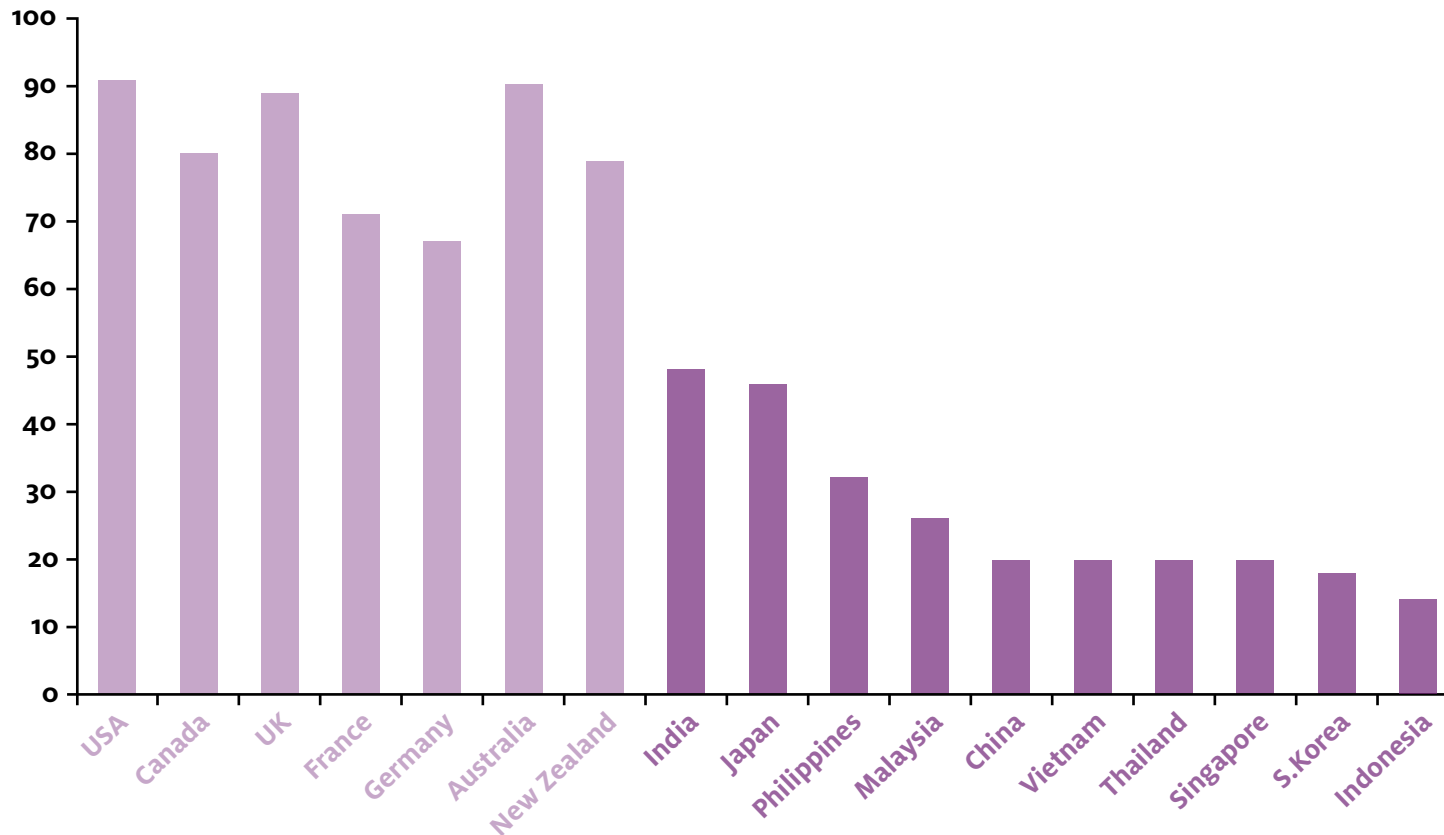
While there is an undercurrent of hierarchy, in a sharp contrast, decision-making is very collectivist. In order to maintain the societal equilibrium, decision-making in most cultures in Asia is more about addressing the 'we' rather than 'I.' Decisions, since they are consensus driven, may however take longer to arrive at.

So, owing to the collectivism, hierarchy in the region has led to 'caring autocracy,' not dictatorship, or absolute authority blended with concern for followers. This may also have roots in a parallel focus on family, and the feudal past in ASEAN countries such as the Philippines and Indonesia, and several countries in South Asia. So the posture a 'caring autocrat' may have is: "even though I am the boss, I will provide for you, I will keep you away from the line of any harm, and will take care of your family."

An extension of 'collectivist-hierarchy,' is the expectation of loyalty. There is a deep premium on 'trust,' which may be gained very differently in Asia. While in the west, trust may be gained by fulfilling a commitment, in several countries in Asia, it may be a function of the level of familiarity and personal connect the leader and his/her follower may have. ("Do I know you at a personal level?" "Do I know your family?" "Do I know your vulnerabilities?")

Professionally, it may manifest in a work environment that is less transactional, less business-like, not necessarily driven by pure-play performance, with more focus on relationships, wellness programs, and family benefits.

Low focus on individualism may also manifest in an environment where team goals are preferred over individual targets, or an environment where any reference to 'I' (instead of a 'We') may not be appreciated by peers or key stakeholders.

FOCUS ON HARMONY

Non-Confrontational Attitude at Work

In most Asian countries, there is tremendous premium on maintaining harmony, love, and togetherness. This may often stretch to a level that a leader may have to tolerate under-performance by his/her teams. The underlying principle being that anything that destroys harmony is not good – therefore there may be fewer instances of pointing finger at someone, praising an individual in public (promotes jealousy), pulling-up an individual, arguing in a meeting, etc. It may also manifest in inability of an Asian leader to push back, have an equal-eye dialogue, or deliver tough feedback.

The driver for achieving harmony is a family-like approach which is deeply embedded in cultural values. For instance, Buddhism and Confucianism celebrate 'patience' and prescribe taking a 'middle path.'

There are several examples in Asian countries - maintaining 'rukun' in Indonesia, use of the phrase 'mai pen rai' in Thailand, the concept of 'pakikisama' in Philippines, principle of 'ren' in Confucian cultures, or promotion of 'vasudhaiva kutumbakam' in India.

An expatriate leader in Thailand commented that non-Thais must understand the concept of harmony to be successful in the country. He shared his early experiences in the country: "when I came in, people were nice and smiling, and I would never hear any feedback from managers about their teams' performance. Despite under-performance in the unit, the managers were very reluctant to identify under-performers." "Only later, when I built a trust-based bond with the core leadership team, did the local leaders open up to have frank and transparent conversations," he added.

Vasudhaiva Kutumbakam is a Sanskrit phrase found in Hindu texts such as the Maha Upanishad, which means "the world is one family".

Mai pen rai, commonly used phrase in Thailand, loosely translates into 'never mind,' or 'it does not matter.' The focus is on maintaining harmony and showing tolerance.

Pakikisama, one of the key values in Philippines, refers to an interpersonal relationship where people are friendly with each other. It comes from the word sama, which means 'to go along' and yielding to the will of the leader or majority so as to make the group's decision unanimous.

Achieving harmony is one of the most critical social value of Confucianism, the teachings of Confucius during 500 BC, which have played an important role in forming values in China, Japan, Korea and Some regions of ASEAN. 'Ren' is the central ethical principle, and is equivalent to the concepts of love, mercy, and humanity. It is best explained by Confucius in the following statement: "Do not do to others what you do not want done to yourself."

Singapore, which is a melting pot of different cultures, has taken several steps to maintain harmony. These include passing of Religious Harmony Act, and maintaining racial quotas in housing. It also has considerable Confucian influence since bulk of the population is of Chinese ethnicity.

Rukun, the Javanese value of respect and maintenance of social harmony, is the basic principles for social interaction within both the family and the community in Indonesia. The strong emphasis on Rukun has marked the typical Javanese as avoiding social and personal conflict.

DEPENDENCE ON NETWORKS AND RELATIONSHIPS

Networks are Often Based on Friendships, Family Ties, or Social Strata

Social Structure

"Asians in general are like pack animals; the mother looks after the 'cubs' while the father goes out and hunts. When the kids grow up, they go out and hunt and take care of the parents till they die - very family oriented."

MD, Thailand,
European Engineering Company

Infrastructure (Lack of)

"Role of relationships and networks becomes critical due to a lack of clear rules and dependable institutions that can protect a party's rights."

Ex-Chairman, Indonesia
Global O&G Technology Company

Economic Context

"The role of networks is accentuated in countries that are below par economically – you need to depend on relationships to get things 'done,' at individual and organization levels. Networks build on friendships, family ties or social strata."

Author and Thought Leader,
South East Asia

Business Context

Guanxi (China) is the system of social networks and influential relationships which facilitate business and other dealings.

Chaebols (South Korea) are large, conglomerate family-controlled firms characterized by strong ties with government agencies.

Keiretsu (Japan) is a form of corporate structure in which a number of organizations link together, usually by taking small stakes in each other and often as a result of having a close business relationship, such as suppliers to each other.

Source: www.economist.com; www.sjsu.edu/faculty/watkins/chaebol.htm; www.koreatimes.co.kr.

Religious Beliefs

"Confucianism, Buddhism, Islam, Shinto believers, and Hindus, all religions in Asia talk about the role of the family and community."

Regional Head,
Global Chemicals Company

There is a huge focus on developing and maintaining relationships. Owning to lack of dependable governance and institutions, hard-wired regulatory environment, and strict compliance requirements and rules in most countries in Asia, leaders build their own security net, which is often 'their network.' So, 'know-who' supersedes 'know-how' in most Asian countries.

Leaders not only contribute to the networks, but draw heavily from them. Most executives take great pride in 'having the right connections.' These networks may help leaders tide over the hugely VUCA environment. These networks may not necessarily have a professional genesis. The 'network equity' is often built over many years and may be based on friendships, belonging to the same extended family and social strata, same provincial origins, or simply high school or college ties.

The concepts of Guanxi in China, Chaebols in South Korea, and Keiretsu in Japan, all have their genesis in this need to build relationships, associations and the power of networks.

Heavy dependence on networks is one of the reasons Asian leaders are reluctant to move to another country and start afresh. Some Asian interviewees also pointed that local leaders are good at nurturing networks only in a familiar terrain, often their home country. This is not necessarily a strength leaders are able to build on when they cross borders.

Source: CCL Research, 2018.

VUCA READY ATTITUDE

Moving Pieces Make Asian Leaders Very 'Friendly' to Complexity

Thanks to the VUCA environment most Asian leaders grow up in, they learn to manage uncertainty and ambiguity. Also, owing to shaky political, business environment, lack of good governance, and instances of compromising business ethics, leaders know how to 'get things done.' Leaders therefore are adaptable, resilient, and innovative at the grass-roots level.

This may be exhibited by leaders as they learn not only to survive but thrive in countries where they need to deal with dynasties of political leaders, stay on the 'right side' of the part-military regimes, or manage the dichotomy between communist set-ups and capitalist markets.

Singapore however is a contrast; it is built on the premise that 'nothing can be left to chance,' therefore this skill may not be as pronounced in Singaporean leaders.

Interestingly, leaders are often VUCA-friendly in their own countries, not necessarily in foreign lands. This is because heavy dependence on networks and relationships may be lost as the leader leaves familiar shores.

A regional CEO of Asian origin, having worked previously in Europe and US before the current Singapore stint, commented on Asians' ability to navigate VUCA: "Asians grow up in a disorganized economy - always dealing with problems, minor to major. We tend to be cool and calm. So our ability to deal with 'noise' is much better."

VOLATILE MARKETS

CHINA'S SLOWDOWN: THE FIRST STAGE OF THE BULLWHIP EFFECT

Bank of Japan worried about a stock market crash

YOUR MONEY'S NO GOOD: RUPEE NOTE CANCELLATION PLUNGES INDIA INTO PANIC

RAPID TECHNOLOGY CHANGES

83% *Leaders at mid-to-large-sized companies in APAC see digital start-ups as a threat to their business longevity.*

TOUGH BUSINESS ENVIRONMENT

5 *Asian Countries in the top Quartile of 'Ease of Doing Business Index 2017.'*

TOUGH SURVIVAL

0 *Asian country in the top Quartile of 'Quality of Life Index 2017.'*

MEDIOCRE GOVERNANCE

1 *Asian Country in the top Quartile of 'Corruption Perception Index 2016.'*

VUCA-READY LEADERS

SECURITY CHALLENGES

2 *Asian Countries in the top Quartile of the 'Global Peace Index 2017.'*

HOW NON-STATE ACTORS COULD CAUSE WAR IN SOUTH ASIA

NEWER BUSINESS MODELS

In addition to three traditional business models— asset builders, service providers, and technology creators, new age enterprises are choosing to operate as network orchestrators. Examples include Airbnb, Uber, Alibaba.

DIVERSITY IN ASIA

There are 'Multiple' Asias Rolled into One!

Leaders working in state-owned-enterprises in China may engage in collective decision-making and can be complacent and risk averse. Founder-entrepreneurs working with privately-owned-enterprises are innovative, confident and daring. Those working with MNCs are structured and process-oriented and may or may not have an appetite for risk taking basis the corporate culture.

People in North China are thought to be more aggressive and independent, while people to the South are considered more cooperative and interdependent.

Senior leaders from North Vietnam tend to be formal, abiding by protocol; they are indirect and diplomatic in their speech. In comparison, South Vietnamese leaders appear less formal, friendly and jovial; they tend to be more direct and open.

Companies and leaders in the South of India are seen as generally conservative, non-aggressive and reactive, while their counterparts in the North are considered aggressive risk takers.

While Javanese leaders (from Jawa) in Indonesia appear soft spoken and indirect, Bataks (from Sumatra) are outspoken and straight forward. One possible explanation could be that Jawa was colonized, while Sumatra was not, so the latter are more free to express their opinions.

"We often talk of Asia as one big block, but there are several blocks since the region is very diverse," highlighted a leader. "Asia seems to be an identity but does not subscribe to one culture; Japan, China, Indonesia, Singapore, Vietnam are all very different, though they may be a part of one region. I am very cautious of using the word Asian," explained another leader.

Asia is very diverse. Basis types of experience leaders have, regions they grow-up in, ethnicities, etc., they may look and behave very differently.

So while a Singaporean leader may be an expert executor, an Indian leader may be more comfortable with uncertainties. While a Chinese leader may be comfortable taking unpopular decisions, a Javanese executive from Indonesia will refrain from doing so.

Also, there are some very interesting differences within country depending on the history of the place. E.g., a leader in North India may be more aggressive than her counterpart in the South of the country, a Batak leader in Indonesia may be more outspoken than his Javanese colleague, a north Vietnamese leader may be more formal than her peers in south Vietnam.

Diversity in leadership attributes may also be driven by the type of enterprise executives work for. A state-owned-enterprise leader may be more hierarchical than a privately-owned-enterprise leader, who may be more proactive as compared to a family-owned enterprise leader.

> *Organizations need to understand that Asia is very different; culture, people, thinking, and even execution is different in different countries. People don't understand ASEAN; they say you are all neighbours, so how different can you be. There is clearly not enough understanding by the senior management.*
>
> MD, Thailand,
> European Engineering Company

Source: North South, Fortune India, 2011; Leadership Mosaics Across Asia, HCLI, 2016.

IV

**GLOBAL ASIAN
LEADERSHIP
SUCCESS MODEL**

MUST HAVE ATTRIBUTES AND TRAITS FOR GLOBAL LEADERSHIP

Asian Leaders Must Refine Five Critical Capabilities to Become Successful Global Leaders

CURIOSITY

"Reading people"   "Quick learning"
"Being mobile"
"Asking questions"   "Seek new experiences"
"Cultural curiosity"
"Hunger to learn"   "Keen to explore"
"Adventure spirit"
"Global awareness"   "Expand knowledge"
"Learning agility"
"Open minded"

COURAGE

"Self belief"   "Not giving up"   "Being assertive"
"Step out of comfort zone"   "Risk taking"
"Managing conflict"   "Challenge leaders"   "Grit"
"Appetite for challenge"   "Persistence"
"Adaptability"   "Taking initiative"   "Have thick skin"
"Giving feedback"   "Dealing with uncertainty"
"Take chances"   "Be bold"   "Confidence"
"Being vocal"   "Saying NO"
"Speak up"   "Resilience"   "Being direct"
"Pushing back"   "Emotional strength"
"Confronting"   "Express opinion"

ASPIRATION

INFLUENCE

"Political savvy"
"Collaborating to get stuff done"
"Self advocacy"
"Leading remotely"
"Lead communication"
"Remote influencing skills"
"Articulating ideas in a compelling manner"
"Navigating the matrix"
"Negotiation skills"

TRUST

"Non judgmental"
"Relationship building"   "Networking ability"
"Win trust"
"Open with people"   "Transparency"
"Global mindset"
"Being resourceful"   "Humility"
"Understanding different POVs"
"Ability to listen"   "Involving key stakeholders"
"Manage cross-cultural alliances"
"Authenticity"

STRATEGIC THINKING

"Market knowledge"
"Long term thinking"
"Strategic intent"   "Commercial acumen"
"Economic motivation"
"Understand complexities"
"Understanding macro-shifts"   "Managing resource conflicts"
"Reading the environment"   "Understanding the organization"

Source: CCL Research, 2018.

There are five critical attributes that an Asian leader must demonstrate to be successful in global roles.

Courage to have tough dialogues, push back, lead difficult conversations, to speak up, to create and defend business cases, to have unpleasant conversations.

Curiosity to learn new things, new cultures, new ways of doing things, being open-minded.

Trust (trusting people and being trustworthy) to be able to build relationships, get work done, develop networks in a complex environment, being non-judgemental.

Ability to influence decisions via compelling communication, managing the 'political' landscape in the enterprise, negotiating skills.

And finally, strategic thinking, or having long term view on business, understanding micro and macro shifts, displaying commercial acumen, resolving resource conflicts.

In addition to the five critical traits, there is also a must-have hygiene element – aspiration to step into global roles. What leaders told us was that being a global leader is a tough job – lots of travel, mid-night phone calls, rotations, uncertainty, etc. "While you do get rewarded handsomely, it takes a toll on you and your family life, so you need to be willing to undergo the pain," explained a leader.

Interviewees mentioned that if the Asian leader is not aspiring to a global role, pushing her to take on a global career path will be too much pain for her, her family, and the company.

Aspiration is actually fundamental, it is almost a 'hygiene' factor. It is not driven by organization, and has a lot to do with upbringing, family, culture, safety, etc. Putting an executive on a global career path if she does not have an aspiration to do so, will cause too much pain to the family, to the individual, and to the organization. It is not worth the pain.

SVP and GM, Singapore,
Global Media Company

COURAGE

To Overcome Fears...

Successful global leaders have the courage to push back, negotiate, challenge, speak up, say 'no', and to develop and defend business cases with senior stakeholders. Since global leaders have to navigate through complex organization structures, they also need to have the courage to take chances and express their opinions without fear or hesitation.

In sharp contrast, a stereotypical Asian leader does not push back, does not say 'no,' and shies away from tough conversations. "Asians tend to be very hierarchical and do not challenge status-quo, and that may hold back a number of leaders in Asia," explained an interviewee.

To step into global roles, Asian leaders will have to break the shackles built around them due to years of cultural influences around respect for hierarchy. They will have to overcome the hesitation to challenge managers, senior stakeholders, to speak up, have uncomfortable conversations, and engage in debates and arguments.

Dialling up the 'courage' trait will make Asian leaders more proactive, assertive, adaptable and resilient.

One of the leaders, a senior banker in an Asian headquartered bank, advised: "You [next generation leaders] really must have courage to fail, cause even if you fall on your face, you go and do it again. A lot of young executives aspire to be leaders, but one of the things that holds them back is that they are afraid, so they don't commit; if they don't believe in themselves, nobody will believe in them. I learnt this lesson early in my career."

Courage

Overcoming the fear of facing unknown or unfamiliar situations, and having the ability to express one's opinions freely.

"Sometimes you need to have the courage to do what you have never done before, but also have confidence that you will be able to do it."

"I am not scared of any challenges. I have experienced living in Africa as a single parent with no support. That experience prepared me well for any kind of situation."

"You cannot be afraid, you need passion, grit and resilience, and the ability to take chances and risks."

"Success is about being able to function in different teams and understanding that negative feedback is not about me as a person. It is also about having the emotional maturity to let people's ideas shine; it is no longer about the 'I' but about the 'we.'"

"Never, never giving up, and fighting for budgets, getting approvals, getting resources, etc."

"I decided I wanted to experience work outside of India. I got an opportunity to move to Dubai with a bank, and I left my 3 month old baby and my hubby behind and took on that role."

"I have thick skin, and generally I am not afraid to ruffle some feathers. I always try to be direct and to the point."

"Ability to keep going, and leaning forward to do things that other people wont take."

Source: CCL Research, 2018
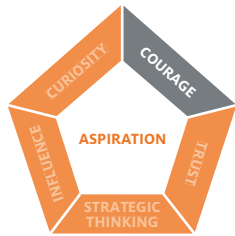
COURAGE

To Overcome Fears...

How Do Global Leaders Compare on "Courage"?

N=2,672

Category	Score
Asians in Asia	3.63
Asians outside of Asia	3.80
Non Asians in Asia	3.77
Non Asians Outside of Asia	3.79
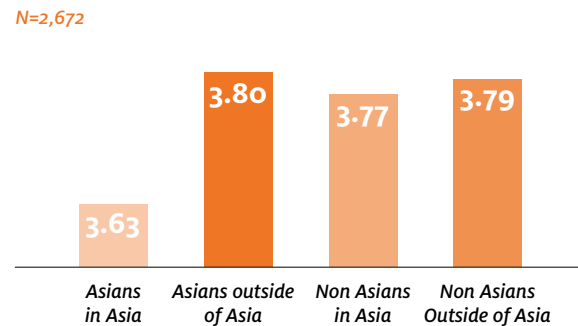
Tips for Asian Leaders

Believe in Yourself
"We need to be convinced we are good enough to reach the top. Self-belief goes a long way in a global enterprise."

Push Back
"We must understand that pushing back, negotiating, debating, is just a natural process of arriving at the best decision; it is not about being disrespectful."

Take Risk
"Don't maintain status quo, take risks, and don't be afraid of speaking the truth."

Be "Hungry"
"Plan ahead; it is alright to be aggressive. When you achieve something, ask: what's next?"

Asian expatriate leaders within Asia (e.g., an Indonesian leader working in Thailand) lag other expat categories (Asians outside Asia, non-Asians in Asia, non-Asians outside of Asia) on the 'courage' dimension.

We heard four tips from senior business leaders on how Asian executives can be more courageous.

One, Asian leaders need to have conviction and self-belief. "They must believe they are as good if not better than non-Asians," said a leader. "Asians take a backseat when there are Caucasians in the room, even if they have something critical to contribute to the dialogue; this tendency must stop," commented another leader.

Two, local leaders need to learn how to push back, and be persistent in their asks, be it for seeking more budgets, for getting approvals, or to say 'no' to unreasonable requests.

Three, Asians may need to overcome their need to 'save face' and take some risks, on their careers, in their projects, on the choices they make.

And four, be realistic but hungry for more and better projects, better roles, more lucrative postings.

> " *Inherently, Asians lack the confidence to put up their hand and say 'I want this.' They are waiting to be told to do so. They will be 110% ready before raising their hand, rather than saying that I am 80% ready but I want the job.* "
>
> Chief People Officer,
> Global Financial Services Firm

Source: CCL Research, 2018.

CURIOSITY

To Learn New Things, and to Undergo Different Experiences...

Global leaders need to be curious about experiencing new cultures, diverse cuisines, different languages, interesting places, new thoughts, etc. Curiosity enables global leaders to be 'comfortable with discomfort.'

Except for Indian, Filipino, and to some extent Chinese leaders, most other Asians are inherently less open to mobility. This may be due to premium on local networks that Asian leaders may have within the country, the need to be close to the extended family, and issues around children's education or spouse's job. "Asian executives need to understand that lack of mobility will stunt their careers in a global organization," explained a leader.

Even when Asian executives leave home shores, they tend to create a cocoon of familiar food, nationalities, environment, around themselves in a foreign land.

Incumbent global leaders suggest that Asian executives need to make more diverse networks, have more diverse experiences, be culturally agile, and more comfortable in unfamiliar terrain.

One of the leaders, and Asian banker, advised next generation talent to be curious and agile leaders: "Be a quick learner; the higher you go, the more diverse yet critical learning agility will be. Assimilate and digest information, turn it into knowledge and apply it."

Curiosity

Hunger to learn something new, seek different experiences, ask questions, and genuinely wanting to know more about different people and cultures.

"I am always curious to know more."

"Being open to learning from different cultures, taking a leap of faith, curiosity, asking questions, open mindedness, lifelong learning, are some of the critical skills."

"The head and heart needs to adjust to the new environment; appreciate cultures, connect with people, and appreciate people at the fundamental level."

"Ask questions, and be open minded. Soak it up as much as you can. Talk and connect with people within and outside of the company to genuinely try and understand who they are and what drives them."

"I think I got the wanderlust bug from my grandmother, who was always wanting to experience or learn something new. When she was 90 she came to me and wanted a computer and wanted to 'hang out' on the internet. I taught her to use MS word, internet, and she thrived on it. Getting exposed to different cultures was a passion."

"Learning agility is to keep an open mind, and to listen to not only the explicit, but the implicit message."

"Reading people and situations and being able to make adjustments is a skill that is a must have. I often check with my local colleagues if I showed up well in the meeting."

"Passion to keep going, and leaning forward to do things that other people won't take."

CURIOSITY

To Learn New Things, and to Undergo Different Experiences...

How Do Global Leaders Compare on "Curiosity"?

N=2,672

3.89	4.03	3.98	3.99
Asians in Asia	Asians outside of Asia	Non Asians in Asia	Non Asians Outside of Asia
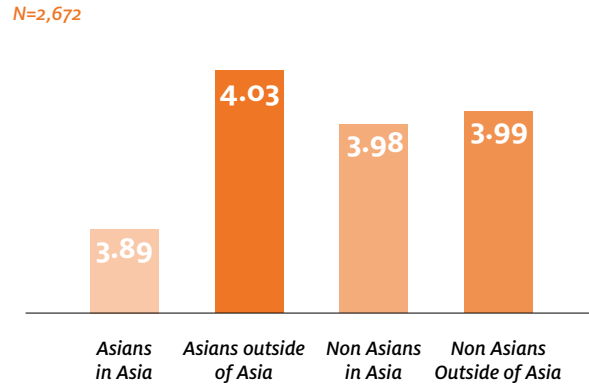
Tips for Asian Leaders

Understand the Environment
"You need to be a thought leader. Work hard to understand mega-trends in your industry. Have a point of view for the future."

Ask Questions
"Be confident and ask questions; the more you ask the more you know, and more people know you know! Don't be too humble."

Be Honestly Curious
"Genuinely try to know people. Keep on exploring different cultures, and be open to new experiences."

Be an Agile Learner
"What I typically see is that once you get your masters degree that's the end of learning. The educational degree is a beginning to your next life."

Asian expatriate leaders within Asia lag other expat categories (Asians outside Asia, non-Asians in Asia, non-Asians outside of Asia) on the 'curiosity' dimension. We heard four tips from senior business leaders on how Asian executives can act and be more curious.

One, put in the effort to understand mega trends that impact your industry and your function, micro- and macro-economic trends, etc., and have a view on the future of business.

Two, do not shy away from asking questions, even if you feel they are not the smartest. Questions highlight a sense of curiosity, and a willingness to learn.

Three, genuinely try and connect with people, and explore the 'unknown.' Do not fake it. Making honest attempts to connect with people within and outside of the enterprise is a must-have as Asian leaders polish their ability to be comfortable with discomfort.

Four, be agile learners. Rather than learning new functional and technical skills, be like a sponge, and learn how to learn more efficiently and creatively.

" *Curiosity in what you are doing, what is happening with the organization, in your team, in your host country. In the world when everything is moving very fast, it is critical to have curiosity and continuous learning.* "

ASEAN CHRO,
European Automobile Co.

Source: CCL Research, 2018.

INFLUENCE

To Get Things Done in a Global Organization…

Asians may be very good in familiar terrains – their own function, business unit, their country. A successful global leader however needs to spread her span of influence across complex organization structures, geography, teams, and often business units and functions.

"My general manager in Thailand knows everything about Thailand, but is he good enough to interact with my global controller to understand what he can bring from there to Thailand, or best practices he can teach globally from Thailand, that is the gap my Thai leader needs to plug," commented an expat leader based in Thailand. He added, "management of relationship outside own area of confidence is a development area for Asian leaders."

Influencing skills include the ability to communicate effectively, being able to network across geographies, being able to negotiate, having the political savvy to navigate through a complex organizational maze, and astuteness to collaborate effectively.

"Influencing is also about making yourself visible in different projects that get you noticed," pointed a leader. He added that peers who work with the leader, collaborate with him, review his work, must also know his capability; that builds trust and credibility, and helps the leader be more influential.

"We need to be better at communication across stakeholders. Otherwise people don't know what you are talking about. You need to use different approaches for people with different background. This skill is often more complicated than the technical ability," added an Asian leader.

Influence

Power and the ability to personally affect key stakeholders' actions, decisions, opinions in a matrixed, multi-geography environment.

"In a global organization you need to navigate the system, meaning common frame of reference that comes naturally if you are from the same country, have gone to the same schools, can talk about the same things, and have generally grown up in a similar environment."

"Leading a team remotely is a critical skill. In a complex multi geography organization with matrix structure, it is important to make an impact without physically being there."

"Asians need to be very organization savvy, understand power-centers within the enterprise, network across the globe, use coffee-catch-ups more creatively, and use media options to influence."

"Managing upwards is a skill that will help an Asian leader get things done."

"Network with external stakeholders to get more information and Increase your influence outside the company."

"To be influenced by you, first people need to notice you, hence the role of self advocacy."

"Being able to communicate to any audience, and being confident about how you communicate is critical. Ability to phrase your thoughts in a manner that is compelling, succinct, and can send the right message across can take your career further in a global organization."

Source: CCL Research, 2018

INFLUENCE

To Get Things Done in a Global Organizations...

Asian expatriate leaders within Asia lag other expat categories (Asians outside Asia, non-Asians in Asia, non-Asians outside of Asia) on the 'influence' dimension. We heard three tips from senior business leaders on how Asian executives can act and be more influential.

One, while communication may not be a development area in itself for Asian leaders, they need to get better at 'lead communication.' Interviewees defined lead communication as the skill to lead, direct, and navigate a meeting, especially when it is being done remotely, or there are stakeholders dialled in on video conferencing/phone.

Two, practice self-advocacy! Interviewees assured Asian leaders that it is an acceptable practice to 'project' your work. One leader, who called it blowing-your-own-trumpet, urged Asian leaders to learn the 'critical' skill.

Three, Asians must learn to partner and collaborate across geographies, businesses, teams, and functions. One leader advised that collaboration must looked at as a 'win-win' to make it successful. "Collaboration is not me-versus-you, it is me-and-you," he pointed.

How Do Global Leaders Compare on "Influence"?

N=2,672

3.61	3.67	3.77	3.71
Asians in Asia	Asians outside of Asia	Non Asians in Asia	Non Asians Outside of Asia

Source: CCL Research, 2018.
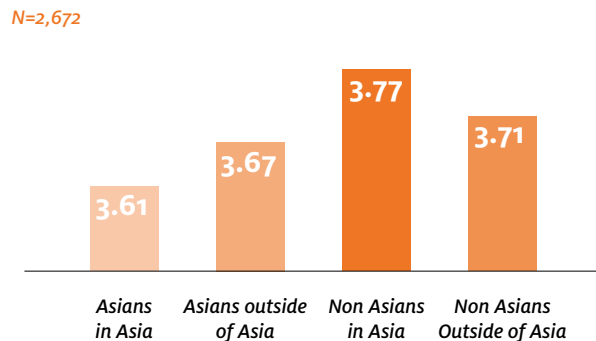
Tips for Asian Leaders

Focus on 'Lead Communication'
"Conducting a meeting effectively, especially a remote meeting, designing and presenting a business case, are skills that go a far way in exerting influence."

Practice Self-Advocacy
"A little bit of 'blowing your own trumpet' is a good practice, which does not come naturally to us Asian leaders. We must however train ourselves to do that."

Collaborate Effectively
"To collaborate effectively and influence your way in a multi-geography company, you need to know which strings to pull and when."

> " *I think we are good at communication in general, what we need to learn however is what I call 'lead communication,' leading a meeting, directing a large team, making presentations, making a compelling business case to the board, etc.* "
>
> Author and Thought Leader,
> South East Asia and China

TRUST

Developing Deep Credibility...
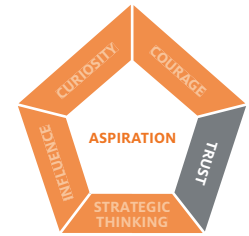
Global leaders need to have a strong 'trust' account within the organization – being trustworthy as well as trusting of others. This enables global leaders to develop honest and authentic relationships within the organization.

Trust came up frequently in our dialogue with incumbent leaders. They pointed that strong trust defines the strength of the relationship that leaders can build within the organization. Lack of trust was also pointed by several interviewees as one of the key reasons Asian leaders find it hard to make it to the top. The gap in most cases is due to distance from the headquarters, which may be in Europe or the US.

The need to develop lasting relationships and nurture internal and external networks was highlighted by several incumbent leaders. "Next generation leaders need to make relationships with senior leaders to build credibility, and understanding," said one leader. "Collaborative nature and ability to build partnerships not only within but outside the organization will take you a long way," pointed another leader.

Asian leader will therefore have to go the extra mile to build relationships in order to develop familiarity with stakeholders in the headquarters and peers in other locations, in order to be seen as trustworthy.

Humility, which clearly came up in research as a key strength of Asian executives, can help local leaders develop better and trusting relationships with their global peers and teams.

Trust

To establish and develop deep credibility of one's authenticity and capability within and outside of the global enterprise.

"People want to feel that if they invest their time and future in your hands, then you are in that position to make a positive impact on the organization."

"Trusting and deep networks give you the next deal, the client that may make your career, the best employees. Authentic networking is not about frivolous conversations, we need to tie it to a purpose and relevance."

"To develop deep relationships reflect on your capabilities, your strengths, who you are, what you can or cannot do. Be honest with yourself, before being honest with the world."

"We in Asia tend to judge people too much. And, have a measure of being good, bad, successful, not successful, etc. Being judgemental kills trust."

"I think what worked well for me from a trust standpoint is a deep connection with people high up in the organization. That helped me align to the values and ambitions in the organization. You must understand that trust is created based on how people know you."

"Humility is a must-have capability to connect meaningfully with people."

Source: CCL Research, 2018

TRUST

Developing Deep Credibility...

How Do Global Leaders Compare on "Trust"?

N=2,672

3.81 — Asians in Asia
3.94 — Asians outside of Asia
3.96 — Non Asians in Asia
3.94 — Non Asians Outside of Asia
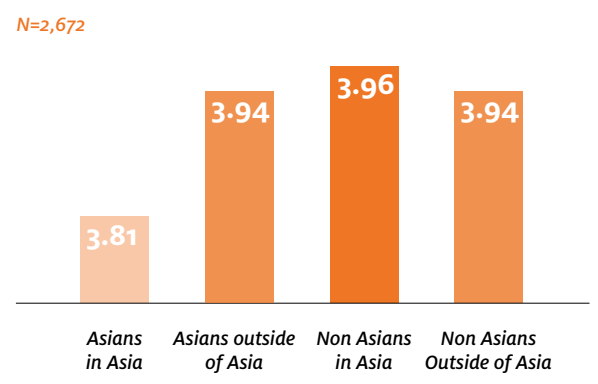
Tips for Asian Leaders

Hold on to Your Values and Beliefs
"Do not color yourself in the color of the new culture and country, hold on to your values and beliefs cause that is seen as authentic."

Don't Judge
"Be conscious of the lenses or unconscious biases we may have as we meet people from different countries and cultures."

Maintain Asian Strength of Humility
"Humility in leaders is something that is very critical; it is not all about you, yourself."

Invest in Building Relationships
"You should be curious about what the other folks are doing, understand business drivers, and hold conversations with senior leaders."

Source: CCL Research, 2018.

We heard several pieces of advice on how Asian leaders could build their 'trust balance.'

One, while Asian leaders need to get out of their home country, they must hold on to their beliefs and values, and not color themselves in the color of the host country. Authentic leaders are seen as honest and often develop better networks within and outside of enterprises.

Two, try and rid yourself of lenses and unconscious biases in order to develop deeper relationships.

Three, in order to build trust, use the gift of humility that Asian leaders already have.

And four, the most important advice – network to build honest relationships.

"You should be curious about what other folks are doing, understand business drivers, hold conversations with senior leaders, and have a view on the enterprise," advised a leader. He added, "your network may give you the client that may make your career, it may give you the best employees; networking is not about frivolous conversations, we need to tie it to a purpose and relevance." Underlining the need to develop strong relationships, another leader pointed, "relationships are critical for being successful in large, matrixed organizations; you could have one direct boss but every day work with 3 other bosses."

Executives need to be authentic in their journey, especially while connecting with people across cultures. If they [stakeholders] get a whiff that you are not authentic or not credible, you won't get a second chance.

GM, HQ,
Global Energy Company

STRATEGIC THINKING

Developing a Long Term View on Business...

Global leaders, especially leaders of the future, need to be comfortable wearing the 'CEO hat.' While execution strength shows up as one of the key strength of Asian leaders, strategic thinking is a critical development area.

Asian leaders therefore need to step away from 'how' of doing things and think more about 'why' (why we need to undertake) and 'what' (what is the wider business impact) of key initiatives to get a better understanding of enterprise strategy.

Incumbent leaders explain strategic thinking as a combination of being able to analyze the market, thinking about risk profile of the company, sensing disruptors, market knowledge, and being able to 'read' the market, playing visionaries. "We [Asian leaders] are like – give us directions and we will follow it to the 'T' and do it very well, but when we are to bring in our own perspectives, we tend to struggle," explained an Asian leader.

One of the interviewees pointed, "global ready leaders must understand the long term view of the company, and so they should be able to not only vision ahead, but rather position themselves in the future and solve the present day problems from there." "You need to wear the CEO hat while taking decisions; you need to have a long-term view, not transactional and here-and-now approach," added another interviewee.

Strategic Thinking

Ability to understand organization's long term strategy, and come up with effective plans in line with the organization's business objectives within local/regional/global economic context.

"One thing that needs to change in Asian leaders is the lack of breadth of perspective."

"We need to train ourselves in becoming top-class visionaries."

"We have noticed in our leaders that they don't read the market very well, and do not spend time on developing their own perspectives."

"We need to see beyond our work desks, and have a long term view on where the organization is going, and what is the connect between what I do and the enterprise strategy."

"The difference is in the approach – our approach is 'what can I do' versus 'what is the impact we can have.' I see that as a difference in vision between Asian leaders and global counterparts."

"Economic motivation – this is a fundamental skill CEOs need in this part of the world. If a leader doesn't understand it, he/she is not a leader."

"Intellectual agility is probably to me the most important aspect. Having a strategic mind and the ability to understand a completely different business context, regulation, context, product, and to question established practices, business models, that is very important."

STRATEGIC THINKING

Developing a Long Term View on Business...

How Do Global Leaders Compare on "Strategic Thinking"?

N=2,672

3.74	3.88	3.86	3.88
Asians in Asia	Asians outside of Asia	Non Asians in Asia	Non Asians Outside of Asia
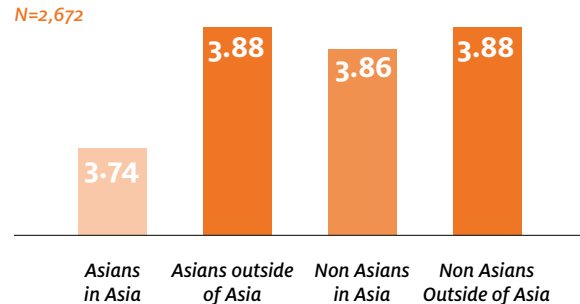
Tips for Asian Leaders

Think Long Term
"Defocus on the execution role that you are used to playing, and once-in-a-while wear the global CEO hat, assume there is no regional office, and vision."

Think Global
"Definition of market knowledge is much wider than just our region and our clients."

Asian expatriate leaders within Asia lag other expat categories (Asians outside Asia, non-Asians in Asia, non-Asians outside of Asia) on the 'strategic thinking' dimension.

We heard two tips from senior business leaders on how Asian executives can develop a more strategic point of view.

One, think long term by de-focussing on the execution aspect and having a longer term vision for the enterprise. Interviewees suggested a few ways to build that capability – interact with the global leadership team, develop mentoring relationships with global leaders, consume latest thought leadership about relevant industries, regions or businesses, and interact with leading academics.

Two, think beyond immediate region. Leaders suggested that next generation global leaders must think global, and not limit their vision, planning, strategizing to their country or their region, but rather understand the interplay between different regions.

Asian leaders need to therefore take off their execution hat, step back, and think more long term and global.

> " *Asians are not very good visionaries. They are like – give us directions and we will follow it to the 'T' and do it very well. But when we are to bring in our own perspectives, we struggle. We don't have a point of view on things.* "
>
> APAC HR Lead,
> Global Tech Company

Source: CCL Research, 2018.

V

EXPERIENCES
THAT MATTER

EXPERIENCES THAT MATTER

Some Experiences Matter More Than Others in the Journey to the Global CXO Role
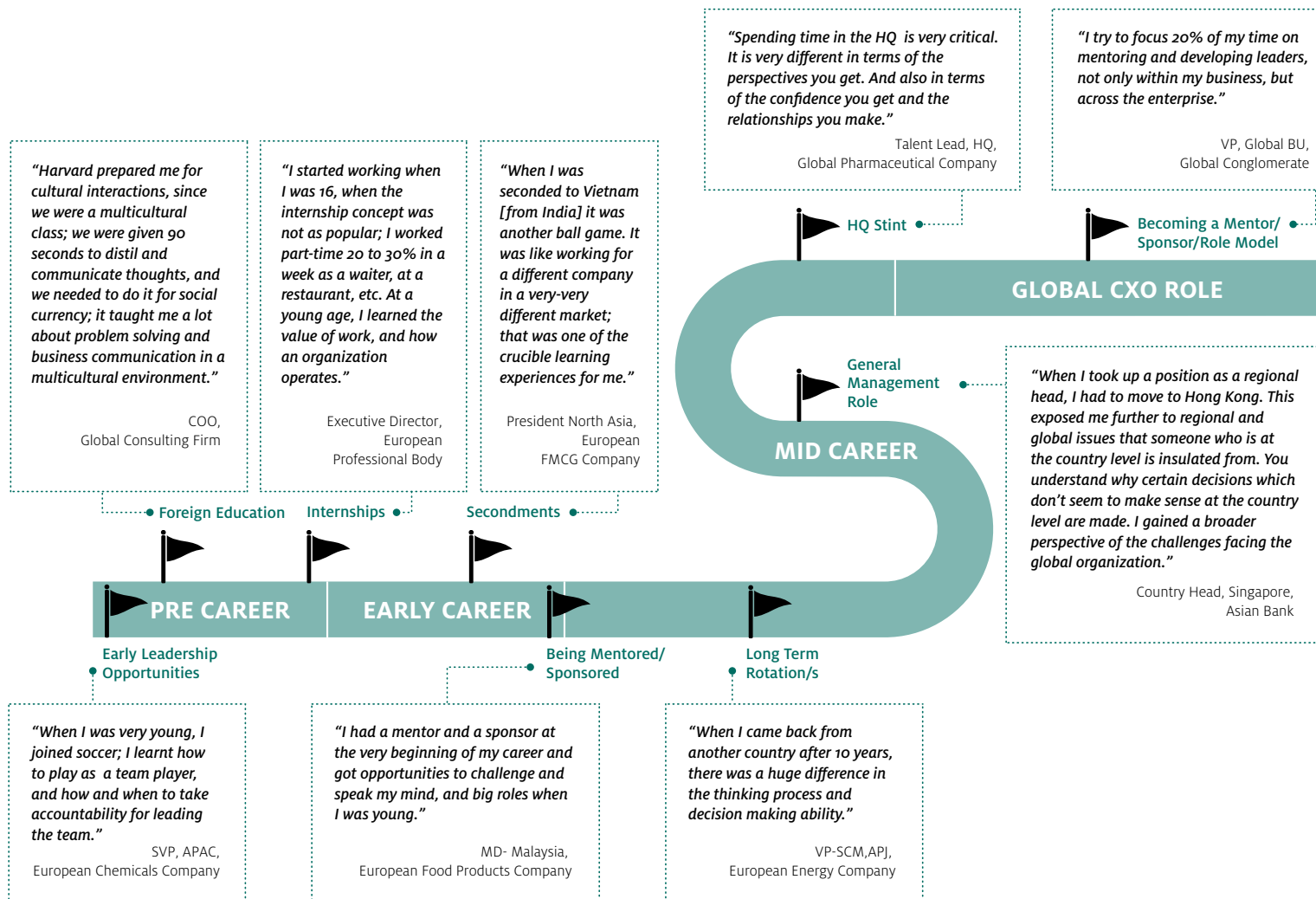
Career mapping of global leaders highlighted several common themes. There were clearly some experiences that mattered more than the others.

Several global leaders were educated outside of their home country, and had early leadership opportunities - leading a football team, an extended school project, or some community initiatives. They also had early internships and work experiences - serving tables, flipping burgers, doing paid duty in libraries, etc.

During early career, the leaders opted for secondments outside of their home country – these were rotations as a part of graduate programs or early offshore projects. They also talked about early mentoring by their managers, or even people outside their organizations.

Three things stood out in mid-career experiences. One, leaders did a long-term rotation outside of their home country. Two, a lot of the global leaders stepped into GM roles in their mid-thirties to late-thirties. And three, they did a stint at the headquarters, which helped them network, build credibility in the system, and deliver critical engagements.

Several senior global leaders also highlighted that they currently keenly sponsor and mentor next generation and upcoming talent.

Incumbent leaders advised next generation leaders to develop broad experiences. "Get a broad experience, don't worry about money and tangible aspects such as promotion," advised a leader. Yet another leader however cautioned against moving too many jobs in this bid to get diverse experiences. He advised: "you need to work in one institution for over 5 years to get the market understanding and culture of the institution."

PRE CAREER — **EARLY CAREER** — **MID CAREER** — **GLOBAL CXO ROLE**

Milestones: Early Leadership Opportunities · Foreign Education · Internships · Being Mentored/Sponsored · Secondments · Long Term Rotation/s · General Management Role · HQ Stint · Becoming a Mentor/Sponsor/Role Model

"Harvard prepared me for cultural interactions, since we were a multicultural class; we were given 90 seconds to distil and communicate thoughts, and we needed to do it for social currency; it taught me a lot about problem solving and business communication in a multicultural environment."
COO, Global Consulting Firm

"I started working when I was 16, when the internship concept was not as popular; I worked part-time 20 to 30% in a week as a waiter, at a restaurant, etc. At a young age, I learned the value of work, and how an organization operates."
Executive Director, European Professional Body

"When I was seconded to Vietnam [from India] it was another ball game. It was like working for a different company in a very-very different market; that was one of the crucible learning experiences for me."
President North Asia, European FMCG Company

"Spending time in the HQ is very critical. It is very different in terms of the perspectives you get. And also in terms of the confidence you get and the relationships you make."
Talent Lead, HQ, Global Pharmaceutical Company

"I try to focus 20% of my time on mentoring and developing leaders, not only within my business, but across the enterprise."
VP, Global BU, Global Conglomerate

"When I took up a position as a regional head, I had to move to Hong Kong. This exposed me further to regional and global issues that someone who is at the country level is insulated from. You understand why certain decisions which don't seem to make sense at the country level are made. I gained a broader perspective of the challenges facing the global organization."
Country Head, Singapore, Asian Bank

"When I was very young, I joined soccer; I learnt how to play as a team player, and how and when to take accountability for leading the team."
SVP, APAC, European Chemicals Company

"I had a mentor and a sponsor at the very beginning of my career and got opportunities to challenge and speak my mind, and big roles when I was young."
MD- Malaysia, European Food Products Company

"When I came back from another country after 10 years, there was a huge difference in the thinking process and decision making ability."
VP-SCM,APJ, European Energy Company

Source: CCL Research, 2018.

THREE MUST-HAVE EXPERIENCES FOR NEXT-GEN LEADERS

Critical Experiences Next-generation Leaders in Asia Must Get Under their Belt

Three critical experiences stood out in preparing Asian leaders for global roles – cross-border rotations, non-obvious career moves, and stretch roles.

Center for Creative Leadership research points that stretch or 'crucible' experiences are extremely valuable in preparing for leadership roles in an uncertain environment. Crises, hardships and tough roles, even 'mean' bosses can be compelling 'teachers.' Crucible experiences could include participating in a global M&A, cross-business transformation projects, developing a new market, dealing with a tough customer, or even reporting into a 'demanding' manager.

Interviewees also mentioned that international assignments early in their careers contributed to their success as global leaders. Leaving the 'safety' of home shores requires leaders to tolerate uncertainty and discomfort. Considerations of security, safety and possibly disrupting predictable family life can hold back many who do not see incremental value in cross-border experiences. The value of making such moves early in the career benefits leaders as well as their organizations. For leaders, it may mean an easy transition since there will be fewer family constraints, while for organizations, it may mean rotating leaders at mid-management level, thereby somewhat protecting or limiting the potential risk due to non-performance.

Leaders with diverse professional experiences early in their careers stood the best chance of breaking down organizational barriers to cultivate a more collusive culture. Diverse experiences also help leaders build credibility, network, and trust in the organization. Interviewees pointed that in the VUCA world, leaders must have a holistic understanding of business operations, rather than a narrow (and often deep) sliver of specialization.

"I was asked by the MD to move to Singapore [from Australia] since the business here was performing below market expectations; we were in a number nine position and it was a turnaround job. It was a truly crucible experience, but I believe that in order to become an authentic and a capable global leader, everyone needs to do a "crucible" role. It is a 'tour of duty' when you test your mettle as a leader. Where you are kind-of forced to go to your breaking point, and if you are able to survive that, you are much more comfortable in your skin."

ASEAN MD,
Global Professional Services Firm

"I went through quite a few roles and found my way around what I wanted to do, so in a way, I took a few chances in my career, but I made all those moves for exposure, not for money. I took up anything that looked interesting to me where I could learn. That helped build my skills, my outlook. I was not worried about taking risks cause I always knew from deep within that if things did not work I could do something else."

COO,
Asian Hi-Tech Company

"I was exposed to several different projects, strategic thinking, change management, and communication styles through the early transition I did for 10 years in Hong Kong; I got a lot of chances to meet different people, people coming from different lines of business, and got an opportunity to develop my internal contacts in the company."

VP-SCM, APJ,
European Energy Company

Source: CCL Research, 2018

FLAVORS OF GLOBAL ASIAN LEADERS

Asian Returnee, Regional Champion, Global Nomad, Local Expat

ASIAN RETURNEE

REGIONAL CHAMPION

GLOBAL NOMAD

LOCAL EXPAT

	ASIAN RETURNEE	REGIONAL CHAMPION	GLOBAL NOMAD	LOCAL EXPAT
REPRESENTATIVE PROFILE	• Born in China Educated in the US • Worked in the US • Returned to China during mid-career; with same or different MNC	• Born in Indonesia • Educated in Singapore • Worked in 3-5 Asian countries with multiple MNCs	• Born in India • Educated in US/India • Worked in several countries in 2-3 regions (and HQ) in the same MNC	• Born in Germany • Educated in Europe • Moved to Thailand early in the career and stayed there; worked with different MNCs
EXPOSURE TO DIFFERENT CULTURES				
STRENGTH OF RELATIONSHIPS IN HQ				
EMBEDDED IN ENTERPRISE STRATEGY				
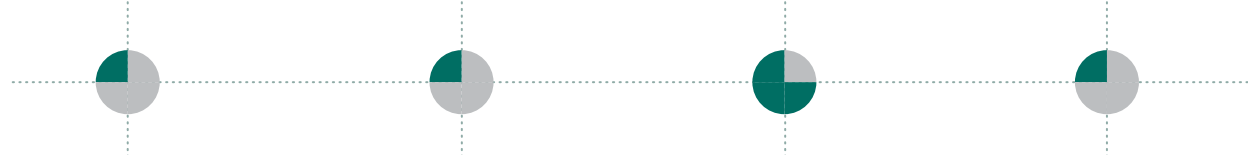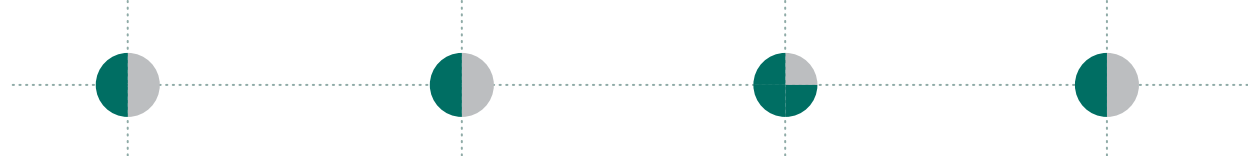
Note: Completeness of dark-colored circle indicates representative level of experience in each area.

Rich/High   Moderate   Low

G lobal Asian leaders come in four different flavours! These are shaped by ethnicity, nationality, early experiences, exposure, and education of the leaders.

'Asian returnee' is a leader of Asian origin who has educated and mainly worked outside of the region (often till mid-career). Having spent considerable time outside of Asia, she has rich exposure to different cultures.

'Regional champion' is a leader of Asian origin with multi-country and perhaps a multi-company work experience, but mainly within Asia.

In a sharp contrast, a 'global nomad' is an Asian leader who has diverse multi-country experiences within and outside of Asia, often with the same organization. Since the leader has moved around locations in the same enterprise, he has strong ties, networks, relationships, credibility and trust with key stakeholders.

A 'local expat' is a leader who may not be of Asian origin, but has spent most of his working career within Asia. Much like a 'global nomad,' he also has diverse exposure to different cultures.

Interviewees pointed that it is hard to paint all Asian leaders with one broad brush. Organizations therefore will need different tactics to develop different 'communities' (or flavors) of Asian leaders. "A cookie-cutter approach to developing Asian leaders, as companies prepare them to step into global roles, will not work," summed up a leader.

Source: CCL Research, 2018.

VI COMPENDIUM
OF DEVELOPMENT
PRACTICES

BEST DEVELOPMENT PRACTICES

Creating a Steady Pipeline of Global Asian Leaders

Developing a Robust Global Asian Leadership Pipeline

Overcoming Constraints due to Lack of Talent Development Infrastructure

- COMPANY A: Decoding Flavors of Asian Talent
- COMPANY B: Graduate Program to Develop Local Talent
- COMPANY C: Making it Someone's Full Time Job to Develop Global Asian Leaders

Overcoming Constraints Due to Organizational Context and Biases

- COMPANY D: Tweaking the Top Leader Potential Competency Set
- COMPANY E: Engineering the 'Right' Experiences
- COMPANY F: Non-obvious Career Paths
- COMPANY G: World Café to Put Asian Leaders on the Talent Radar
- COMPANY H: Centralized Platform to Swap Talent
- COMPANY I: Multi-level Coordinated Secondments to Plan Ahead
- COMPANY J: 'Name-and-Shame' Approach to Expand the Diversity Agenda in Asia
- COMPANY K: Engineering 'Critical Experiences' to Accelerate Development in Asia
- COMPANY L: Mapping the Network
- COMPANY M: Helping Leaders 'Vision' Global Leadership Roles
- COMPANY N: Making Expats Accountable for Developing Asian Successors

Helping Asian Leaders Overcome Skill and Will Issues

- COMPANY O: Looking Within to Strengthen the Asian Leadership Pipeline
- COMPANY P: Pushing Asian Leaders to Take Risks
- COMPANY Q: Short Term 'Twin Axis Backpack' Development Rotations
- COMPANY R: 'Injecting' Global Ready Talent Into Asia

Source: CCL Research, 2018.

The Global Asian Leader research study highlighted several practices around Asian leader development. The research team evaluated and documented eighteen key practices; we have segregated these in three high-level categories. Several practices however cut across two or more themes.

First, a set of practices that help enterprises overcome constraints due to the lack of infrastructure at a country level to develop local leaders. These are practices around successful graduate programs or tweaking practices and structures within organizations to create a steady pipeline of leaders.

Second, practices to overcome enterprise constraints that may stunt the development of global Asian leaders. These practices are aimed at overcoming concerns around biases, lenses, and trust issues that may exist at a leadership level; and, innovative talent management interventions.

Third, practices to overcome skill issues of Asian leaders to succeed in a global enterprise, and levers to ignite aspirations of local executives to take on global leadership roles.

COMPANY A

Decoding Flavors of Asian Talent
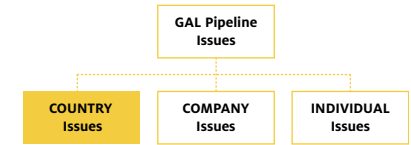
Company A, a global investment banking company, wanted to ensure that its senior management teams in Asia were representative of population in Asia and well positioned to represent the firm in meetings with local clients and regulators.

Recognizing that 'Asian' is a broad term that goes beyond ethnicity and citizenship, the firm started by trying to define what it means to be 'Asian'. They developed a model that takes into account cultural experiences, work experiences, ethnicity and language skills.

In order to undertake this complex task, the company put together an 'Asians in Asia' advisory group, made up of senior leaders in different locations throughout the region. Over the course of a year, the firm gathered views of managing directors, vice presidents and associates, asking questions such as "How would you define Asian?", "Where would you place yourself?", "What particular strengths does your group bring to the organization?" and "What challenges does your group faces?"

The result was the development of a 'Cultural Spectrum' which categorized employees in Asia into eight categories. The company uses the framework to inform its people processes in Asia.

With this tool, the firm is not only able to better understand its Asian populations but also get a sense of how they are doing in terms of hiring, attrition and promotions. As such the firm is able to develop targeted programs and initiatives that meet the needs of its Asian talent. It also uses the Cultural Spectrum in trainings to raise awareness on cultural diversity and to facilitate discussions. This is especially critical outside of Asia, where global managers may default to looking at all Asians with one lens.

Key challenge: To ensure senior management teams in Asia are representative of their customer base

1

Asians-in-Asia Advisory Group

Advisory Group Reflects on the Following Questions

- How do you define "Asian"?

- Where would you place yourself?

- What are inherent strengths of your group?

- What are the key challenges faced?

2

"Cultural Spectrum"

LOCAL LOCAL
Example:
- *Born, raised and educated in China.*
- *Has only ever worked in China but may have travelled outside the country for vacation.*
- *Speaks fluent Mandarin and maybe a local dialect.*

BOOMERANG
Example:
- *Born and raised in Korea.*
- *Went to school in the US, worked in New York for 5 years.*
- *Has returned to Korea.*
- *Speaks fluent Korean and English.*

MIGRATORY
Example:
- *Born, raised and educated in Singapore.*
- *Speaks fluent Mandarin and English.*
- *Moves to a job in Mainland China working with Chinese clients.*

2ND GEN (Some affinity)
Example:
- *Born in Australia to Cantonese parents.*
- *Learned Cantonese from the family and went to visit Hong Kong frequently as a child.*
- *Has some familiarity with Hong Kong culture.*

2ND GEN (No affinity)
Example:
- *Born in the US.*
- *Ethnically Asian.*
- *No Asian language experience or cultural affinity.*

LOCALIZED EXPAT
Example:
- *Born in the UK.*
- *Moved to Japan, perhaps studied there.*
- *May speak fluent Japanese.*

GLOBAL NOMAD
Example:
- *Has worked in several locations.*
- *Has become culturally agile.*
- *No local language skills.*

NEW ARRIVAL
Example:
- *Born in Germany.*
- *Moved to Hong Kong last year.*
- *No Asian language skills.*

3

- *Focus on specific groups*
- *Inform People Processes*
- *Track hiring/attrition/leadership/etc.*

COMPANY B

Graduate Program To Develop Local Talent

GAL Pipeline Issues

COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues

Key challenge: Creating a strong pipeline of young Asian talent

Name: Ahmad Budi

Education: Electrical Engineering, Atma Jaya University, Indonesia

Function: Manufacturing

3 Year Graduate Prog.

"Hijack graduates mid way to be a part of the team."

"Sponsors not doing their job well."

YEAR 3
√ 'Out and back' opportunity to work in another geography
√ Expose graduates to leaders in other geographies

Graduation; Induction in the first formal role

3

Name: Ivy Nguyen

Education: Masters in Economics, SMU, Singapore

Function: Finance

3 Year Graduate Program

YEAR 2
√ Give graduates two live 6 month projects
√ Enable them to make their own networks and develop strong relationships

2

"Treating graduates like project labor; they moved from team to team, no sponsor, no mentor, with no boss."

Graduate Program; 4-6 graduates; 3 year journey

YEAR 1
√ Assign a sponsor /coach who stays with the graduate through a 3-year journey (not their direct boss)
√ Give candidates real projects/jobs
√ Encourage them to challenge traditional ways of doing things in the 100 year old company
√ Regular line-of-sight to the regional president; monthly meetings

1

Source: CCL Research, 2018.

Company B, an Australian multinational, set up a graduate program in their Asia operations to develop a pipeline of Asian talent.

"In 2 years prior to the launch of the program, we lost 100 percent of the interns who started their career in the Asia operations," shared the regional head underlining the need for the program. He added, "I came out of the graduate program at another organization, so I knew the value such an initiative could add." The leader also shared that earlier, graduates were treated like 'project labour,' they moved from team to team during the initial years, and there was a complete lack of accountability - no sponsor, mentor, or boss.

The program started on a small scale, by hiring 4 to 6 candidates from local graduate schools in the region, and putting them on a 3-year journey. Each graduate had a sponsor or an advocate, someone who was a senior leader but not their direct boss. In year one, they were given 'real' jobs; year two involved two six-month projects to help them build their networks within the organization; and, year three entailed two 'out and back' opportunities for the graduates to experience two other geographies.

The program sponsors ensured they guarded the graduate pool against three critical risks – being treated like 'project labour,' lack of interest by mentors and sponsors, and people 'stealing' them mid-way during the program.

Ever since the initiative was kicked off, there has been no attrition in the pool of candidates that have gone through or are going through the program.

66 *Talent gets exposure not only with my leadership team but also outside the region. From nobody wanting to work with them till 2 years ago, today everybody wants to 'steal' them.* 99

Regional Head of Supply Chain,
Australian MNC

COMPANY C

Making it Someone's Full Time Job to Develop Global Asian Leaders

GAL Pipeline Issues

COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues
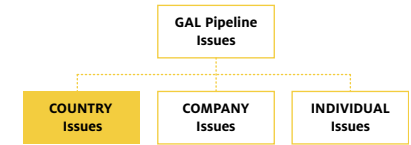
Company C, a global pharmaceutical company, realizing that Asian leader pipeline development required dedicated focus, started several very focused and critical initiatives.

The organization set up 'Asian Talent Program' headed by a director-level executive based out of their APAC headquarters. The position was sponsored by the global head of talent management in the global headquarters, and jointly funded by businesses. The program office worked with various business 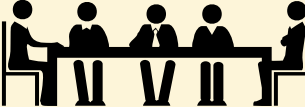units to initiate interventions at the APAC level; it signed up for targets to uplift percentage of global VPs, GMs, and regional head-level leaders coming from Asia.

The Asian Talent Board (ATB) was set up to review the status of Asian talent periodically. The group, comprising regional and global HR and business heads, meets thrice a year in different locations, always within Asia. Agenda typically includes updates from various countries, along with action planning on critical issues or gaps in succession pipelines.

On the back of ATB meetings, senior leaders also meet up with next generation high potential talent in host countries. "The idea is to expose senior leaders to top class local talent, so that when regional or global positions open up they [Asian talent] occupy some mind-space of these potential senior hiring managers."

Key challenge: Lack of focus in developing a global Asian leadership pipeline

Top Level Sponsorship

Asian Talent Board (ATB)

√ ATB meets 3 times a year at different locations in Asia

√ Mandate is to track talent in Asia

√ ATB comprises Regional Presidents, Regional HR heads, Global Heads of HR, and Director - ATB

Dedicated Senior Level Resource

Director, Asian Talent Program (ATP)

√ Full-time director level position based out of regional HR operations in Singapore

√ Director, ATP, reports into the global head of talent management

√ Position funded jointly by business units

√ KPI: X percent of top leaders to come from emerging markets at the level of Global VPs, regional heads; Asians at GM, regional head roles, in the succession pipeline

√ Role supported by HR business partners/managers

Making Asian Talent 'Visible'

Exposing Asian Talent to ELT

√ ATB members interact in pairs with local high-potentials (45 minute structured meetings to understand career aspirations, successes, challenges, etc.)

√ Local talent exposed to ELT (Executive Leadership Team) attending conferences in the region

√ Nominate Asian leaders for projects that have top team sponsorship

> " *Two critical success factors for the Asia Talent Program were sponsorship of the executive leadership team and creating common standards of assessment at GM and above levels. The program is a huge success, and we have over 200 Asian leaders in GM and above levels.* "
>
> Talent Lead - HQ,
> Global Pharmaceutical Company

Source: CCL Research, 2018.

COMPANY D

Tweaking the Top Leader Potential Competency Set
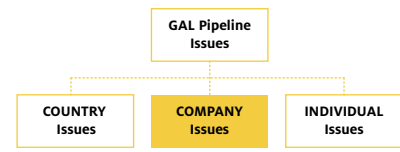
Key challenge: Top team identification criteria not representative of the context in which leaders operate

AMERICAs
- Stable market
- Low growth rates
- High market share

ASIA
- Growing market
- Low market share
- VUCA environment
- Culturally different

Different operating environment in Asia

Merits

A different approach to understand top team potential

Capabilities the C-3 Leader Must Demonstrate to Get Bosses' Job in Three Years

'Mental horsepower'
Mental quickness and sharpness

'Drive'
Intense desire to accomplish a task

'Influence'
Exerting power on someone or something to get work done

'Curiosity'
Ability to lean-in and understand complex situations quickly

'Determination'
Firmness of purpose and resilience to accomplish a task

'Fostering Engagement'
Creating 'right' conditions for employees to give in their best

Source: CCL Research, 2018.

Company D, a global technology firm, realizing that there may be fundamental differences in Asian leaders vis-à-vis 'Western' leaders and that evaluating them with the same lens used in the west may not be efficient, tweaked leadership capability identification competencies for Asian executives.

The firm made a shift in recognizing what potential looks like in Asia by looking at different (but closely related) competencies for Asian executives. "Understanding that potential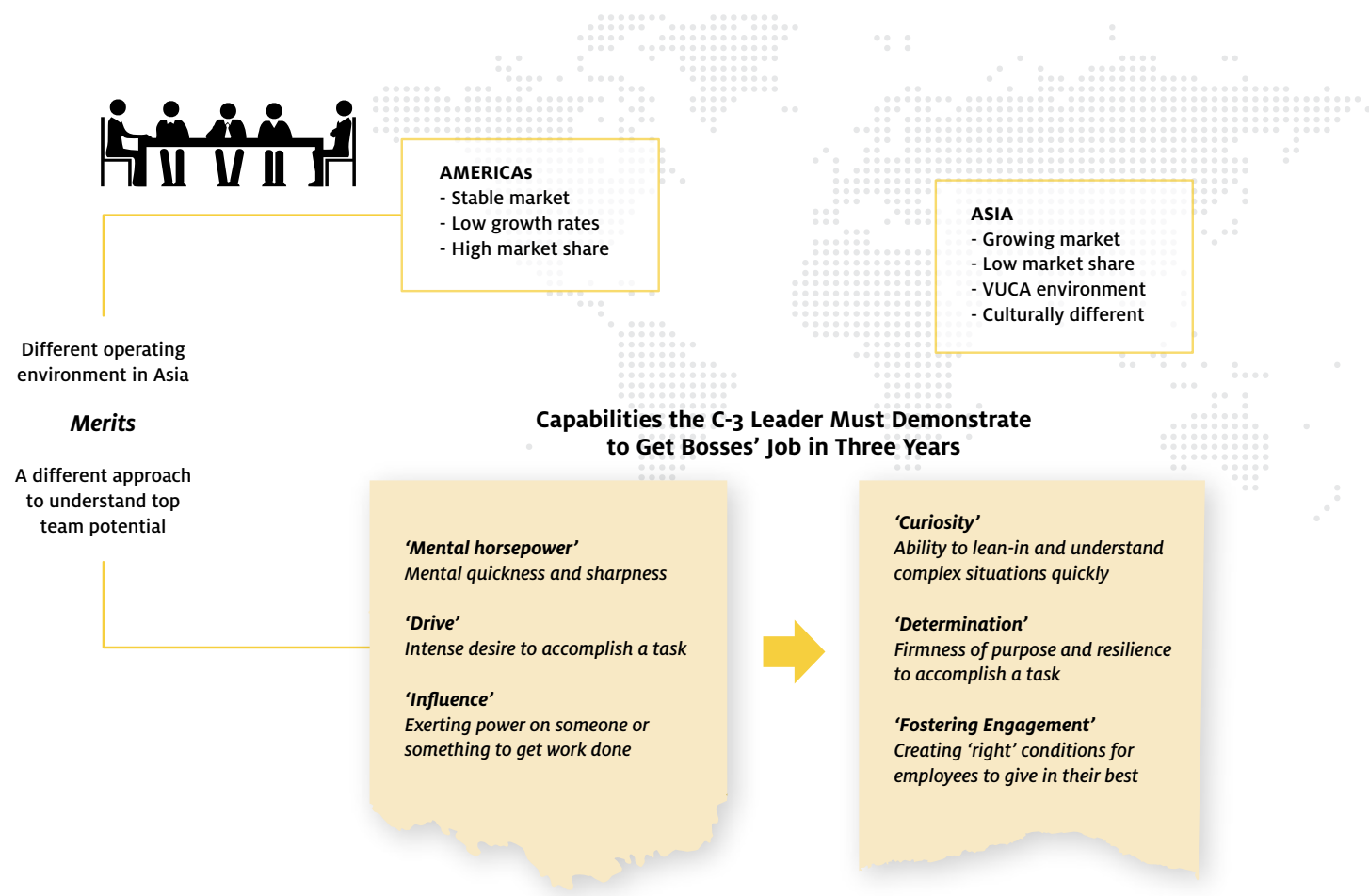 leader we should develop in Asia doesn't look the same as what it does in North America or Europe for example, we devised new competencies to gauge ability to lead," said the leader.

Instead of 'mental horse power,' they identified 'curiosity' as an equivalent critical competency for Asian leaders. "Leaders here have to make sense of complex situations quickly, and need the skill to deal with that," added the leader. So, instead of 'drive' they identified 'determination' as a critical Asian competency. "We wanted to see if leaders had a sharp sense of wonder for learning." They decided not to go with 'drive' cause they thought it often focussed on 'getting the job done,' while 'determination' measured ability to continuously pursue the job despite setbacks, almost like 'resilience.' It also correlated to the VUCA world in Asia. They also used 'fostering engagement' as against 'influence.' The hypothesis was that the ability to influence someone was very different from the ability to engage them.

Asian leaders had a much better acceptance for tweaked parameters. The company also reported that it witnessed lower turnover in the HIPO community as a result of moving to the new competency model a few years ago.

> *The top team looked at the outside-in scenario – let's see how the operating environment is different in this part of the world as compared to other regions, and what does that mean for leadership....*
>
> ASEAN MD,
> Global Professional Services Firm

COMPANY E

Engineering the 'Right' Experiences
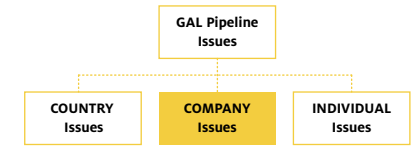
Company E, a global energy company, has set up an 'Asian Talent Council' to track and accelerate development of Asian leaders. The council, comprising country heads in Asia, business unit heads and HR heads, meets a few times a year and looks at the succession pipeline in 'critical' roles.

If there is lack of a robust succession pipeline in any particular function, role or business, the council subscribes specific interventions to fix the situation and then tracks progress on key issues.

Initiatives led by the council include sending leaders for 2-3 year rotations to accelerate their development and to build their exposure to certain technical roles; ensuring visibility to high-potentials with the executive leadership team at the headquarters.

The council is also looking to develop a recurring fund to facilitate developmental rotations of Asian leaders. "The plan is that each business unit that has representation in Asia will contribute a fixed percentage of their annual budget to a shared pool that will be used to fund developmental overseas experiences."

Key challenge: Create the 'right' experiences for developing Asian leaders

Are there ready-now Asian successors for critical roles?

N → **Do we have necessary environment to accelerate the development?**

N → **Escalate to the Asian Talent Council**
- HR Heads
- BU Heads
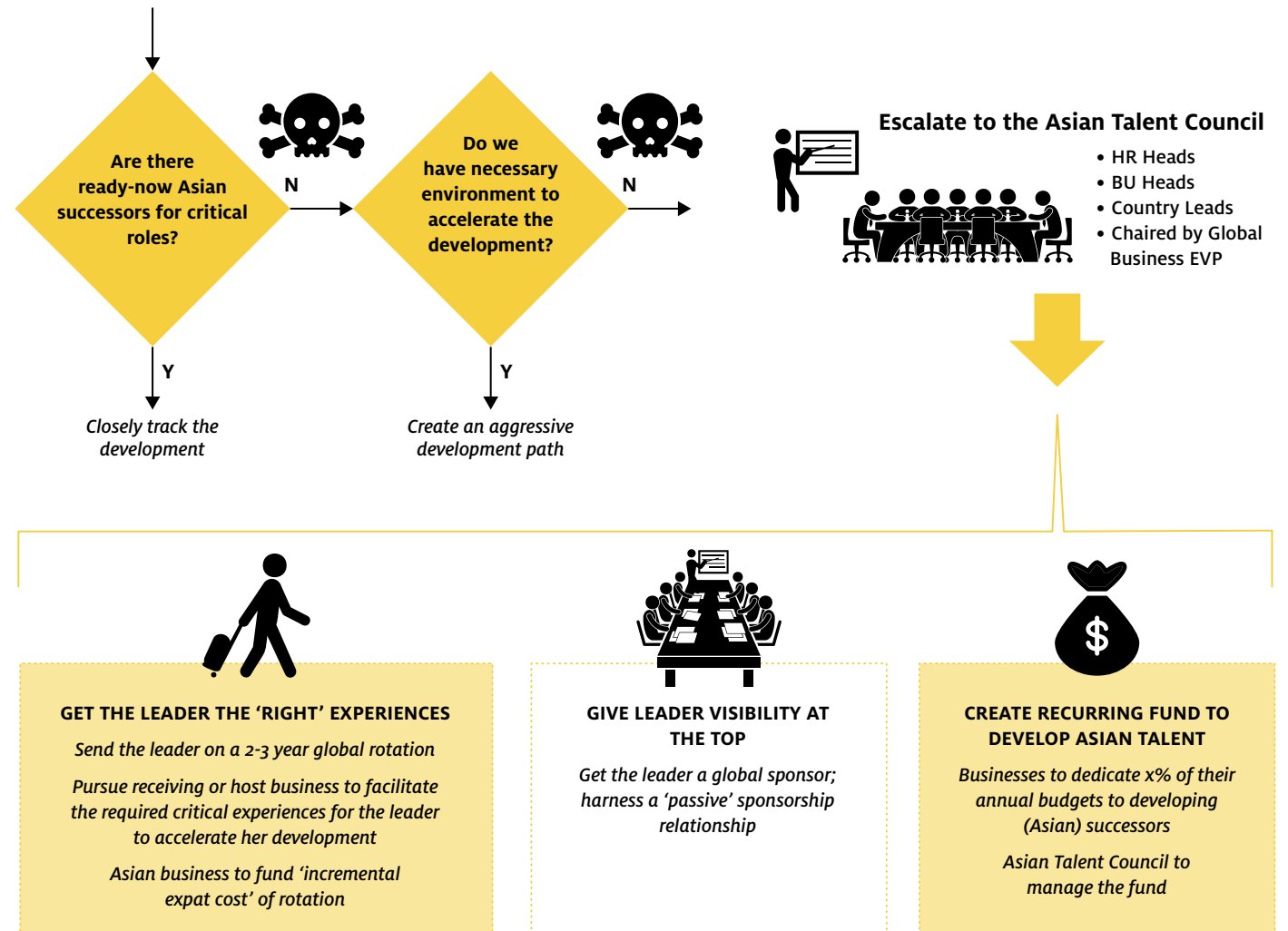- Country Leads
- Chaired by Global Business EVP

Y ↓ *Closely track the development*

Y ↓ *Create an aggressive development path*

GET THE LEADER THE 'RIGHT' EXPERIENCES

Send the leader on a 2-3 year global rotation

Pursue receiving or host business to facilitate the required critical experiences for the leader to accelerate her development

Asian business to fund 'incremental expat cost' of rotation

GIVE LEADER VISIBILITY AT THE TOP

Get the leader a global sponsor; harness a 'passive' sponsorship relationship

CREATE RECURRING FUND TO DEVELOP ASIAN TALENT

Businesses to dedicate x% of their annual budgets to developing (Asian) successors

Asian Talent Council to manage the fund

Source: CCL Research, 2018

COMPANY F

Non-Obvious Career Paths

GAL Pipeline Issues

COUNTRY Issues | **COMPANY Issues** | **INDIVIDUAL Issues**

Key challenge: Expose Asian leaders to 'crucible' developmental experiences
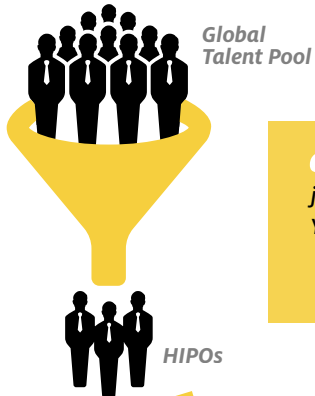
Global Talent Pool

> 66 *I was given a life-changing opportunity when I was hired in Indonesia; within 4.5 years of joining as an engineer, the company appointed me to run operations in the UK and North sea. You cannot imagine the trust and the confidence it gave me.* 99
>
> Ex-Chairman, Indonesia
> Global O&G Technology Company

HIPOs

NON-OBVIOUS CAREER PATHS

Regional HQ **Singapore** | *Regional HQ* **London** | *Regional HQ* **New York**

Country BU **Indonesia**

Sales Engineer, Upstream Business 4 Years → Operations Lead, North Sea 7 years → HR Business Partner, Exploration 3 Years
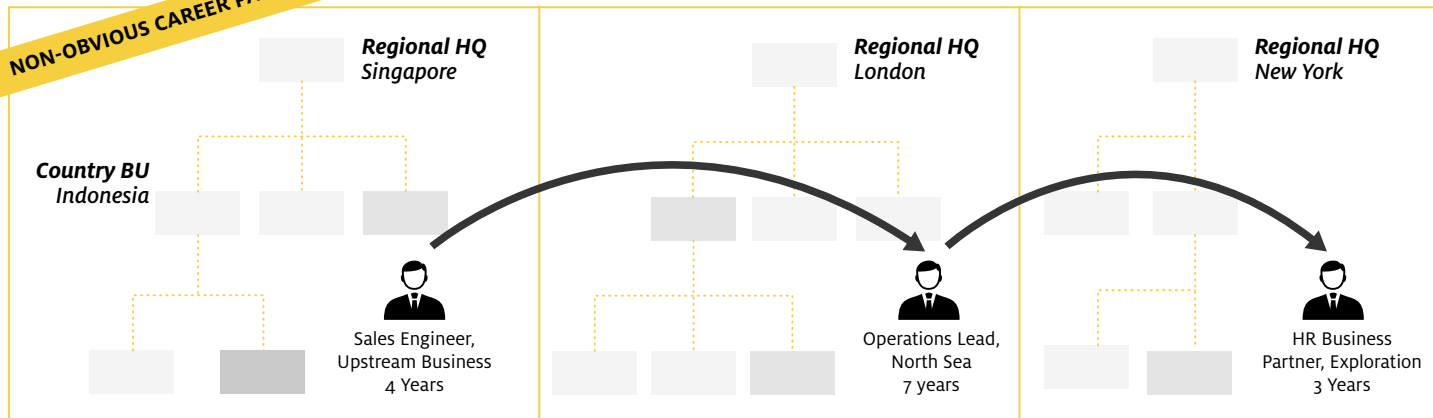
NON-OBVIOUS CAREER PATHS

√ *Mainly targeted at HIPOs in the general management global talent pool*

√ *Cross business, cross function, cross geography; 'crucible' or stretch opportunities*

√ *Safety net around executives during the non-obvious career move*

√ *Key benefits include exposure to different parts of the business, opportunity to expand internal network, and understanding global opportunities in business*

Source: CCL Research, 2018.

Company F, a global O&G technology company, deploys crucible roles and non-obvious career paths as a leadership development tool.

"I was given a life-changing opportunity when I was hired in Indonesia; within 4-5 years of joining as an engineer, the company appointed me to run operations in the UK and North Sea area. You cannot imagine the trust and the confidence it gave me," shared a retired senior leader.

The company believes that non-obvious career paths help leaders deal with disruption and prepare for change in a controlled environment. So how do people get supported when they move across roles? The leader mentioned that it is a difficult process, the organization has crafted support ecosystem since it is committed to growing managers from within. "You are not only focussing on people, but also on environment, systems, processes, and the ecosystem; and that includes policies, value statement, support, budget allocations, and what-have-you," he added.

"Later on in my career, I was sent to southeast Asia to run HR," pointed the leader, sharing the example from his own career journey. "The support that the organization gave me was unquestionable trust," he added. He shared that it was not the conventional support in terms of courses, classroom sessions, etc., it was about mentoring to take risks, developing learning agility, fuelling aspirations to do well, in order to set him up for success.

The company philosophy is that if a leader is stuck in one function, she is 'not' successful. "So change is what you are seeking, not avoiding, and that is what we want in our leaders."

COMPANY G

World Café To Put Asian Leaders On The Talent Radar

GAL Pipeline
Issues

COUNTRY
Issues

COMPANY
Issues

INDIVIDUAL
Issues
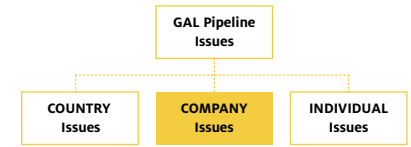
Company G, a defence and security technology company, realized that in order to open more global opportunities for Asian leaders, the company needed to expose global executive leaders (who are also hiring managers for global roles) to Asian high-potential talents.

The HR team decided to ride on the opportunity created by annual top talent review process when the entire executive leadership team comes together in one location for two full days. "Since that is the only time, the entire executive leadership team is in one place, it is a good opportunity to subtly push business case for Asian talent," explained the regional HR leader.

They employ a 'world café format' wherein they create 'booths' (tables) for discussing top leaders from a region.

While the concerned business and HR leaders present key accomplishments of their respective talents, the executive leadership team moves from one table (booth) to another getting familiar with key high-potentials in each region. "In our recent session, we spent two hours talking about 25 people in Asia; it is an interesting format where people move from table to table, talking about people," pointed the leader.

Key challenge: Exposing Asian talent to global leaders at the headquarters

ANNUAL TOP
TALENT REVIEW
12 - 14 Nov

14

9 - 11 am:
Emerging
Markets
Talent
World Café

√ Talent sharing World café is scheduled on an annual basis as a part of annual top talent review meeting in the headquarters.

√ Regional teams spend 2 hours talking about 25 people in Asia to the Executive Leadership Team (ELT) of the company.

√ The regional CHRO talks about young emerging talent.

√ ELT moves from table to table.

Executive Leadership Team
Moves from one table to another to know about 'rising stars' in each emerging economy!
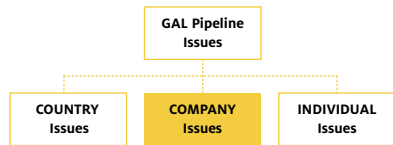
Ivan Ng
SCM Director,
ASEAN

MD, South Asia

MD, ASEAN

Head of
Talent, APAC

LATAM TABLE

MD, North Asia

CHRO, APAC

ASIA TABLE

EMEA TABLE

Source: CCL Research, 2018.

COMPANY H

Centralized Platform To Swap Talent

GAL Pipeline Issues

COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues

Key challenge: Exposing Asian talent to global work environment

JOB SWAP APP.

Name: Debbie Zhang
Role: Finance Head
Country: Singapore
Region: APAC
Target Country: Spain
Rotation Period: 2-3 Years
Move Date: July 2018
Family (co-locate): None

Sal. Expectations: Local Salary
Benefits: Local

Manager: Ivan Paul
HR Partner: Shally Singh

√ Talent post their profiles on the centralized platform; automated matching

√ Targeted talent pool – millennials

√ 'Light' administrative and visa support from HR

√ Managers 'expected' to be supportive

√ Swapping candidates to sign a one year bond post return to the home country
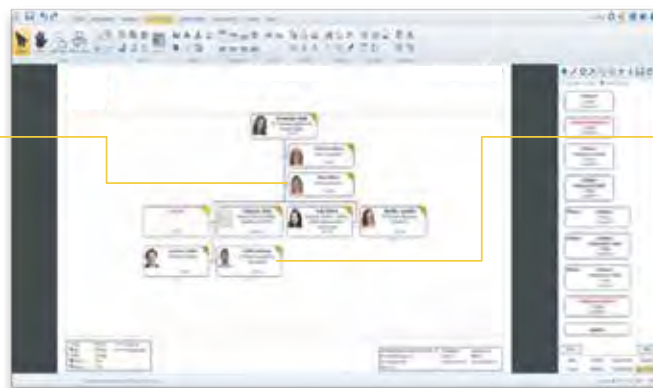
Name: Javier Iglesias
Role: Accounts Lead
Country: Spain
Region: EU
Target Country: Singapore
Rotation Period: 2-5 Years
Move Date: April 2018
Family (co-locate): Partner

Sal. Expectations: Local Salary
Benefits: Local

Manager: Ronny Trost
HR Partner: Belina Drewer

Source: CCL Research, 2018.

Company H, a defence and security technology company, in a bid to create a scalable approach to expose young talent in Asia to global work environment, started a program called 'Job Swaps.'

The company believed that international exposure was a must for developing a global mind-set. To enable young leaders to take up jobs elsewhere across the globe, regional HR held discussions with business managers across regions and got their buy-in to create a job-swap program. The guidance from the managers was to reduce their [manager's] involvement in order to make the program smooth and scalable.

The HR department subsequently set up an online platform for leaders across the globe to register their interest in moving to another country for a fixed period.

Once there is a match between two candidates in similar roles across two different locations, HR seeks support from business managers, and itself gets only selectively involved in the process, mainly to overcome any administration and visa constraints.

"The fact that we are looking at younger talent, not business leaders, we expect business to be supportive of such moves," explained a leader.

" The individuals' wish is a driver for the swap arrangement; HR's and manager's role is very light by design; we have just given them a platform to find their swaps globally. "

VP HR APAC,
Defence and Security Technology Co.

COMPANY I

Multi-level Coordinated Secondments to Plan Ahead

GAL Pipeline Issues

| COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues |
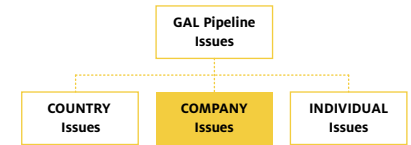
Company I, a global hi-tech engineering firm, wanted to ramp up large volumes of people in a very short time, so they pioneered a 'vertical secondments' approach to develop multiple layers of the group at one go.

The regional HR and leadership team realized that once they send a leader for secondment, and subsequently promote him, there is a void (the level vacated by the leader.) So they initiated a 'group secondment' approach wherein the leader, his successor, up to three levels, would undergo secondments together, if they were not ready to step into the next level.

"We decided not to go layer by layer, but vertically to build the capability quickly," pointed a senior leader. These were a minimum of 18 to 24 month rotations. "3 months is just a school holiday," said the leader. "We are doing multiple secondments; we ask - who is the one going to that positions, and who will be stepping into that position, and send the group vertically to secondments," added the leader explaining the concept. These secondments are targeted at upgrading the understanding of country corporate culture, build relationships, value add, and to help the leader ramp up and lead.

> *We are seeing how to grow the first line of leadership in Asia. So we are doing multiple secondments - who is the one going to that positions, and who will be stepping into this position - and we send the group vertically to secondments.*
>
> MD APAC,
> Global Hi Tech Engineering Firm

Key challenge: Accelerating the ramp up of local leaders across multiple levels

President, APAC

Regional HQ Singapore

MD, R&D, APAC

Design Lead, APAC

Design Lead, SG Plant

Is she among the top 2 successors? — **YES** → Is she a ready-now successor — **YES** → No Action
NO → No Action
NO →

Is she among the top 2 successors? — **YES** → Is she a ready-now successor — **YES** → No Action
NO → No Action
NO →

Is he among the top 2 successors? — **YES** → Is he a ready-now successor — **YES** → No Action
NO → No Action
NO →

2 - 3 Year 'Secondments' to the HQ in Europe

KEY BENEFITS

√ Secondments expose Asian leaders to corporate culture at the headquarters, and help them build relationships.

√ 'Vertical' secondments help simultaneous ramp up of leaders across different levels.

√ Minimum 18 months, mostly 2-3 years.

Source: CCL Research, 2018

GAL Pipeline Issues

COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues

COMPANY J

'Name-and-Shame' Approach to Expand the Diversity Agenda in Asia
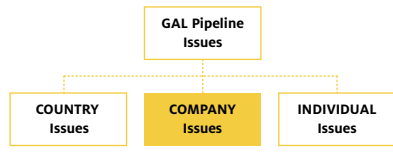
Key challenge: Subtly coerce business leaders to build diversity in their teams

TOOL

QUARTERLY DASHBOARD
2nd Quarter 2017

Nationality Mix By Levels

% Asians - last 6 Quarters

HIPOs by Nationality

Gender Mix (% women)

Opportunity

Impact
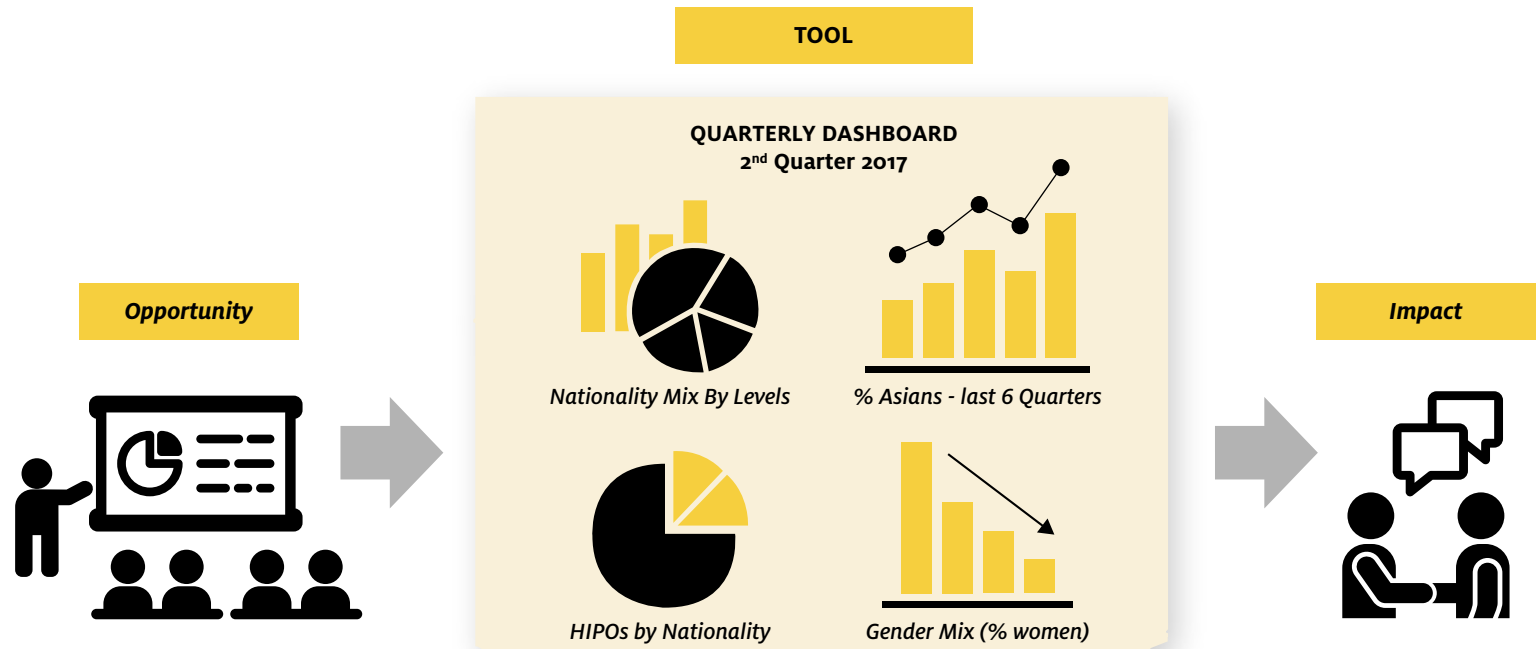
> " We started collating and presenting data when the local government asked us to, but I soon realized the power of the dashboard as a name-and-shame tool to coerce leaders to build more diversity in their leadership pipelines. "
>
> Chief People Officer,
> Global Financial Services Firm

√ The initiative is supported by the global D&I team, and sponsored by a senior executive in the Executive Leadership Team (ELT)

√ The dashboard is published every quarter

√ It is a one page summary of nationality, gender mix in the leadership pipeline, and the high-potentials community

√ The dashboard also reaches the global ELT

> " I see that in the last one year we have more and more leaders coming to me to talk about diversity of their leadership pipeline; a lot of those leaders are expats. "
>
> Chief People Officer,
> Global Financial Services Firm

Company J, a global financial services firm, uses the power of 'name and shame' to further the diversity agenda in Asia.

In order to coerce various business functions to create a more diverse succession pipeline, the regional HR team partnered with the diversity & inclusion team in Asia-Pacific, to publish a quarterly update on what the talent pool in each business looked like. The data reported included Asian pipeline, nationality by business unit, gender split in high-potential pool, etc.

The initiative was supported and sponsored by the executive committee of the organization.

The HR leader shared that she has seen a huge impact of the quarterly sharing, and that businesses are not only sensitive to the diversity in various groups, but also have started strategizing how to change some critical diversity metrics in the mid-term.

Source: CCL Research, 2018.

COMPANY K

Engineering 'Critical Experiences' to Accelerate Development in Asia
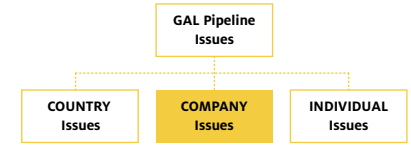
Company K, an Asian commodities trading company, included an element of critical experiences to prepare their leaders for regional roles.

The company realized that their work often took leaders to inhospitable and 'tough' regions, and that all successful leaders in the organization had almost always had an opportunity to prove their capability in a tough and demanding context. "You have to go through roles that are outside your comfort zone and stretch a bit, to prove your mettle," highlighted a leader.

The company's concept of "critical experiences" can be a turnaround experience, extensive span of roles, experiences across multiple business streams, etc. During the performance review process, exceptional talent and 'critical roles' are identified. Deliberations are held to match suitable candidates to open opportunities.

Once the leaders have had such experiences, often only then they are considered for top regional jobs. "In most cases, senior leaders have those critical experiences, but these roles are not a checkmark on the list," clarified a leader.

Key challenge: Accelerate talent development for senior leadership roles

√ *Consistent performance*

√ *Embracing company values*

√ *Rotations in different departments*

√ *Multi-country experiences*

√ *Participation in Future Leadership Program (FLP)*

Top Talent Selection

Review the performance in the past 6 months and try to find critical roles.

Talent Review

Include leaders with critical experiences (10-15% of the pool) in the top leadership succession pipeline.

CXO Role

Engineer 'Critical Experiences'

√ *Turnaround*

√ *Extensive span*

√ *Mixed business stream*

√ *Mixed function*

Critical Experiences

Source: CCL Research, 2018.

COMPANY L

Mapping the Network

Key challenge: Asian leaders need to navigate through the 'system' at global HQ

THREE-PRONG APPROACH

1
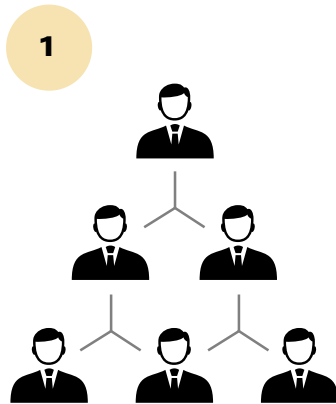
Professional Mapping

√ *Who reports to whom?*

√ *Who are the key stakeholders for my role?*

√ *How does the decision-making happen?*

√ *Who controls 'key resources'?*

2
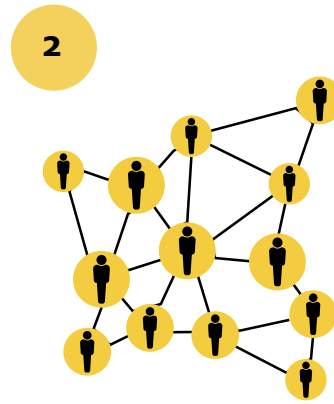
Social Mapping

√ *What is the 'political dynamics?'*

√ *Who are the 'power centers'?*

√ *Who 'gets along' with whom?*

√ *Who are the stakeholders with most 'social capital?'*

3

Cultural Mapping

√ *What do people like to talk about outside of work?*

√ *Where/how do people 'hang out' post work hours?*

√ *What are the updates on politics, sports, arts, etc., in the home country?*

Source: CCL Research, 2018.

Managing director of Malaysian operations at Company L, a European food products company, realized that Asian executives often get overlooked for global roles since they lack the ability to develop compelling business relationships. She attributed this to the fact that Asian leaders may not be adept at 'understanding the system.' "The education system is very rote-oriented and there is a crazy amount of focus on scholastic skills, not general business acumen or social skills," she pointed.

The leader explained 'system' as the common frame of reference that comes naturally if you are from the same country, have gone to the same school, can talk about similar things, and have generally grown up in a similar environment. She explained that if the leader does not understand the 'system,' she may get 'judged' through a 'set of lenses,' therefore making it much harder to pass the test of trust.

"For instance, if I need to know my CFO, I must find conversations that he will be interested in; I therefore need to know 10 people who know him well to tell me what he often likes to talk about," she explained. "When you have 30 seconds with the CFO, you must make the connect."

The leader explained that she uses a set of criteria (or questions) to map the social, cultural and professional aspects of the 'system.' She also encourages her direct reports to map the system a few months ahead of the move to another region.

> *For some reason, nobody talks about 'understanding the system,' which I feel is very critical; by 'system' I mean the common frame of reference that comes naturally if you are from the same country, have gone to the same schools, can talk about similar things, and have generally grown up in a similar environment. If you are not from the 'same system' you tend to get judged through the lenses, and it is therefore hard to pass the test of trust.*

MD - Malaysia,
European Food Products Company

COMPANY M

Helping Leaders 'Vision' Global Leadership Roles

GAL Pipeline
Issues

COUNTRY
Issues | COMPANY
Issues | INDIVIDUAL
Issues
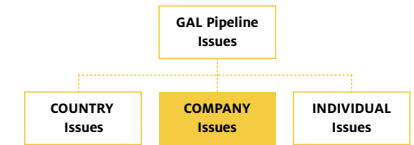
Company M, a global technology giant, realized that proactivity and long-term thinking were two areas their Asian leaders needed development on. In addition, Asian leaders often found the journey to global roles hard.

One of the elements they introduced in their senior leadership training journeys was a visioning exercise, wherein Asian leaders were encouraged to think of a world where there was 'no headquarters.' They were encouraged to plan the strategy of the enterprise if there was no global corporate strategy team to lean on, and if they had a 'free hand' in steering the enterprise.

In order to develop better credibility of Asian leaders, the regional HR team also identified forums and opportunities for global executive leadership team to get exposed to high-potential Asian talent.

The global leadership team is also looking at possibilities to re-locate certain global roles to Asia, roles that do not require constant coordination and connect with the corporate headquarters in the US.

> 66 *Our organization did not have a system to tap the talent globally, so whenever they looked for recruitment at headquarters, they looked for folks at the headquarters. In addition to helping Asian leaders appreciate the role at headquarters, we have tried to informally engineer ELT interactions for Asian executives, and to build some role models locally by bringing senior leaders of Asian origin in GM roles to Asia.* 99
>
> HR Lead - APAC,
> Global Tech Company

Key challenge: Lack of Asian executives' ability to 'vision' global roles

1

Helping Leaders "Vision"

"Apart from leadership competency development, our focus is helping leaders vision – 'be in the shoes of a global leader.' In one of the sessions, we ask leaders to assume there is no headquarters and ask them to define the vision and strategy in that scenario."

2

Exposing Asian Talent to ELT

"The effort is to ensure regular interactions between Executive Leadership Team (ELT) and Asian leaders; it may be during conferences/events, regular travel, skip reporting relationships, joint assignments, fire-side chats, etc."

3

Moving HQ Leaders/Roles to Asia

"The one battle I have been fighting is to bring global roles to Asia – why can't the head of sourcing operate out of China? The other area where we have experienced success is to get Asian leaders in headquarters to rotate to their native country for 2-3 years."

Source: CCL Research, 2018.

COMPANY N

Making Expats Accountable for Developing Asian Successors

GAL Pipeline Issues

COUNTRY Issues — **COMPANY Issues** — **INDIVIDUAL Issues**

Key challenge: Breaking the cycle of one expat leader following another in Asia

SETTING CLEAR ACCOUNTABILITY FOR DEVELOPING ASIAN LEADERS

1	2	3
Pre-Move to Asia	3-4 Year Asia Expatriation	2 Years Back in HQ/Another Region
Crafting Clear Expectations	**Setting Accountability**	**Following Through**
• *Implicit understanding that one of the key success expectation will be to develop a successor of Asian origin* • *Clarity that the successor will continue to report to the leader in the subsequent role upon completion of Asia repatriation* • *10% of bonus linked to partnering successfully with manager to select and onboard the successor*	• *Expat leader positioned in a 3 year business unit/function head role in Asia* • *Has visibility into a subsequent role as well (contingent on successful completion of Asia repatriation)* • *Selects a pool of successors in year-one* • *Crafts a development plan, which includes skip level projects, a one-year assignment in the headquarters* • *Finalizes the successor in partnership with his/her manager, regional HR, and global business CEO*	• *Successor continues to report to the leader in his/her subsequent assignment (for a minimum period of 2 years)* • *Upon completion of two years, the Asian successor's reporting relationship may change*

Source: CCL Research, 2018.

Company N, a global pharma company, devised an innovative approach to make incoming expat leaders in Asia more accountable for developing local successors.

The company realized that outgoing expat leaders from Asia were often replaced with other expats coming from headquarters or other regions. The key reason was lack of ownership and accountability the expat leaders demonstrated towards local successor development during their tenure in Asia.

The HR team crafted a plan to sensitise expat leaders to the need of local successor development before they took on the assignment in Asia, and make them accountable for local leader development even much after they completed their Asia rotation.

Before the rotation, global HR made the leaders understand that one of the key success expectations from their rotation will be to develop a successor of Asian origin. Part of the bonus of incoming leaders was linked to how well they performed on the local leader development KPIs. The team also ensured that the local successor continued to report to the expat leader even during his/her subsequent assignment (post Asia rotation).

Expat leaders positioned in a 3-year Asia rotation were expected to select the potential successors in year-1, create a development journey for them, including a stint at the headquarters, and then continue to manage and mentor them after they (expat leaders) are gone, in order to ensure Asian leaders' long term success.

> *When I came to Asia, I knew fully well that my success in my repatriation assignment will emerge long after I transition into my subsequent role; the aspiration was to be the 'last expat' in the role.*
>
> Business Head,
> Global Pharma Company

COMPANY O

Looking Within to Strengthen the Asian Leadership Pipeline

GAL Pipeline Issues

| COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues |
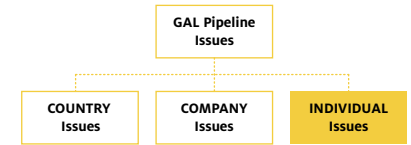
Company O, a global FMCG company, realized that with ambitious growth targets in China, it needed to ensure a strong pipeline of local talent to drive and grow business.
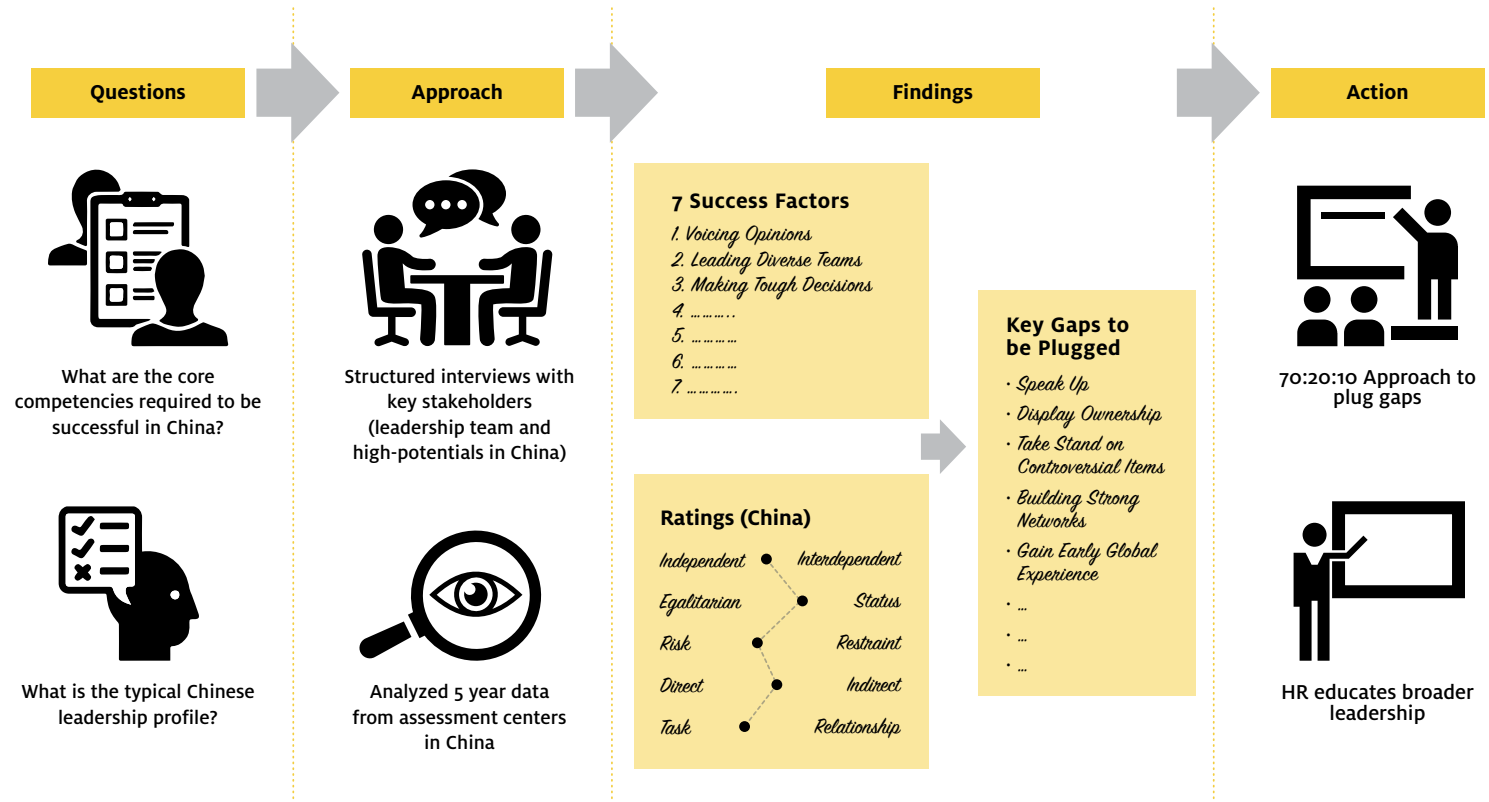
In 2009, the company observed that its leadership team in China was not sufficiently diverse or representative of the Chinese market and decided that steps were needed to fast-track the development of local Chinese talent. The company began by trying to understand core competences required to be a successful leader in China. Through structured interviews with key stakeholders, including the leadership team and high potential Chinese talent, the company examined key business and leadership challenges in China in order to answer the important question: "What are the few critical success factors to be a competent functional leader in our organization in China?"

The company identified 7 Critical Success Factors – which although closely aligned to global competencies, were more specific to the China context. They included for example, elements such as 'voicing opinions', 'leading diverse teams' and 'making quick and tough decisions'. At the same time it sought to better understand the profile of its Chinese talent by leveraging five years of data from its assessment centers in China.

With both sets of information – a picture of what is required to be a successful leader in China and a better understanding of the profile of its Chinese talent – the company was able to identify key gaps and target specific areas for development.

In response to these key development needs, the company focused its development programs around crucial themes. The HR team in China also worked with its senior leaders to provide training on this subject. This included sharing findings of the study as well as providing specific recommendations and workshops to enable senior leaders to further support the development of their Asian teams.

Key challenge: Fast track development of local Chinese talent

Questions

What are the core competencies required to be successful in China?

What is the typical Chinese leadership profile?

Approach

Structured interviews with key stakeholders (leadership team and high-potentials in China)

Analyzed 5 year data from assessment centers in China

Findings

7 Success Factors
1. *Voicing Opinions*
2. *Leading Diverse Teams*
3. *Making Tough Decisions*
4. ………..
5. ………
6. ………
7. ………..

Ratings (China)

Independent — Interdependent
Egalitarian — Status
Risk — Restraint
Direct — Indirect
Task — Relationship

Key Gaps to be Plugged
· *Speak Up*
· *Display Ownership*
· *Take Stand on Controversial Items*
· *Building Strong Networks*
· *Gain Early Global Experience*
· …
· …
· …

Action

70:20:10 Approach to plug gaps

HR educates broader leadership

COMPANY P

Pushing Asian Leaders to Take Risks

GAL Pipeline Issues

COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues

Key challenge: Crafting short-term incentives to push Asian leaders to take risks

Bet on A Performer

Create a Compelling Incentive Scheme...

3X

- Targeted at HIPO employees
- Targeted at business units or functions that are critical to the success of the global organization
- Scheme 'exploits' the fact that money is still the biggest engagement driver in Asia

- 25% of the monthly salary is locked away for 2 years
- A multiplier of 3X - 10X is applied on that based on the performance of the function/business unit and individual performance rating average for previous 2 years
- Expectation is that the leader will push his team(s) and business operation harder
- Big upside for the global organization

- The leader can draw down 30% of the amount at the end of 12 months, and 70% at the end of 24 months
- Bonuses and other incentives are not impacted

Source: CCL Research, 2018.

In a bid to encourage Asian leaders to take risks, Company P, a professional services firm, tweaked their compensation strategy in Asia.

"Money is very much linked to recognition in Asia, so we decided to link it to their aspirations" pointed the leader. He added, "in order to push leaders harder and to encourage them to take risks, I told my leaders, if you have delivered X, I will give you Y, and then six months later if you have delivered A, I give you B."

The company introduced a bonus plan, wherein a particular percentage of salary of the leader was locked for 2-3 years, and basis the business performance of the leader, the compensation strategy allowed and applied a multiplier of between 3 and 10 to the locked amount. The agenda was to encourage Asian leaders to take risks.

In the interim period, the leader could draw upon a part of the bonuses in a time-linked manner.

According to the organization, the incentive scheme encouraged risk taking ability of leaders, and also worked as a retention 'lever.'

We are using short-term cash incentive schemes to push Asian leaders to take on more risks. It also works as a retention tool as other offers become much less valuable since there is a pot of money to be made at the end of 2 years.

ASEAN MD,
Global Professional Services Firm

COMPANY Q

Short Term 'Twin Axis Backpacker' Development Rotations

GAL Pipeline
Issues

| COUNTRY Issues | COMPANY Issues | INDIVIDUAL Issues |
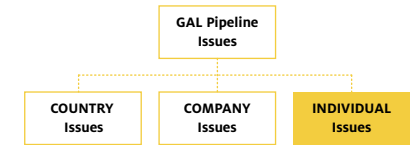
Company Q, a European chemicals company, realized that in order to make better global leaders, Asian talents needed exposure to different countries and cultures.

The organization started to encourage people to take delegations into Europe – short term, up to one year long, because some Asian leaders were not mobile for 4 or 5 year assignments. These were structured for the early career phase to enable Asian talent to see different cultures and experience different parts of the organization.

Leaders pointed that since this was a short term rotation program, the projects were very tightly defined to achieve tangible outcomes. "We believe culture you get when you work there [in another country], not just visit, or sit with another colleague and listen," explained a business leader.
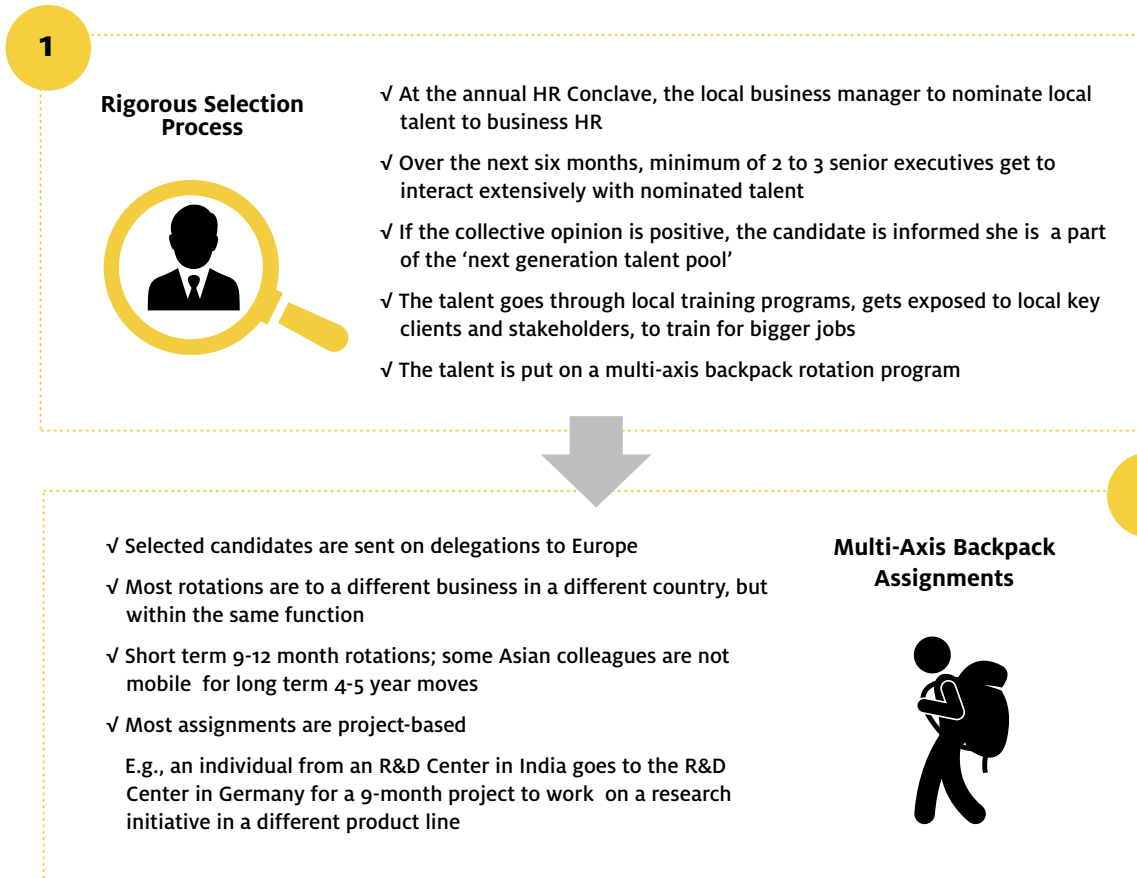
For instance, while the organization has R&D operations in Germany, India, and China, the HR team (in partnership with business) would select an engineer from Mumbai to do a project in Germany, fully aware that he could have executed the project even locally in India. The objective however is to expose them to the global organization and other cultures.

Business nominates talent for such assignments to regional HR. HR then loops in 2 to 3 senior leaders to interact and evaluate the nominee over a six-month period. Selected talent then attends local training programs, gets exposed to various businesses and key accounts, in a journey to get ready for bigger jobs. At the end of a six-month period, selected talent is sent on a multi-axis 9 to 12 month long 'backpack' rotations.

Key challenge: To expose Asian leaders to corporate and country culture across geographies

1

Rigorous Selection Process

√ At the annual HR Conclave, the local business manager to nominate local talent to business HR

√ Over the next six months, minimum of 2 to 3 senior executives get to interact extensively with nominated talent

√ If the collective opinion is positive, the candidate is informed she is a part of the 'next generation talent pool'

√ The talent goes through local training programs, gets exposed to local key clients and stakeholders, to train for bigger jobs

√ The talent is put on a multi-axis backpack rotation program

2

Multi-Axis Backpack Assignments

√ Selected candidates are sent on delegations to Europe

√ Most rotations are to a different business in a different country, but within the same function

√ Short term 9-12 month rotations; some Asian colleagues are not mobile for long term 4-5 year moves

√ Most assignments are project-based

E.g., an individual from an R&D Center in India goes to the R&D Center in Germany for a 9-month project to work on a research initiative in a different product line

> ❝ *We build delegations around projects to have something tangible at the end of the rotations. It is better to be working in another geography to integrate with the new environment, rather than sitting with another colleague and listening. We believe, you get a better sense of culture when you work there, and are not just a visitor.* ❞
>
> SVP – Construction & Chemicals, European Chemicals Company

Source: CCL Research, 2018
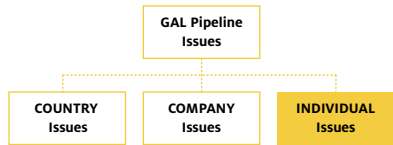
COMPANY R

'Injecting' Global-Ready Talent Into Asia

Key challenge: Solving the global Asian leadership pipeline issue at multiple levels

1

TACTIC 1:
Create a Strong Pipeline at the Intake

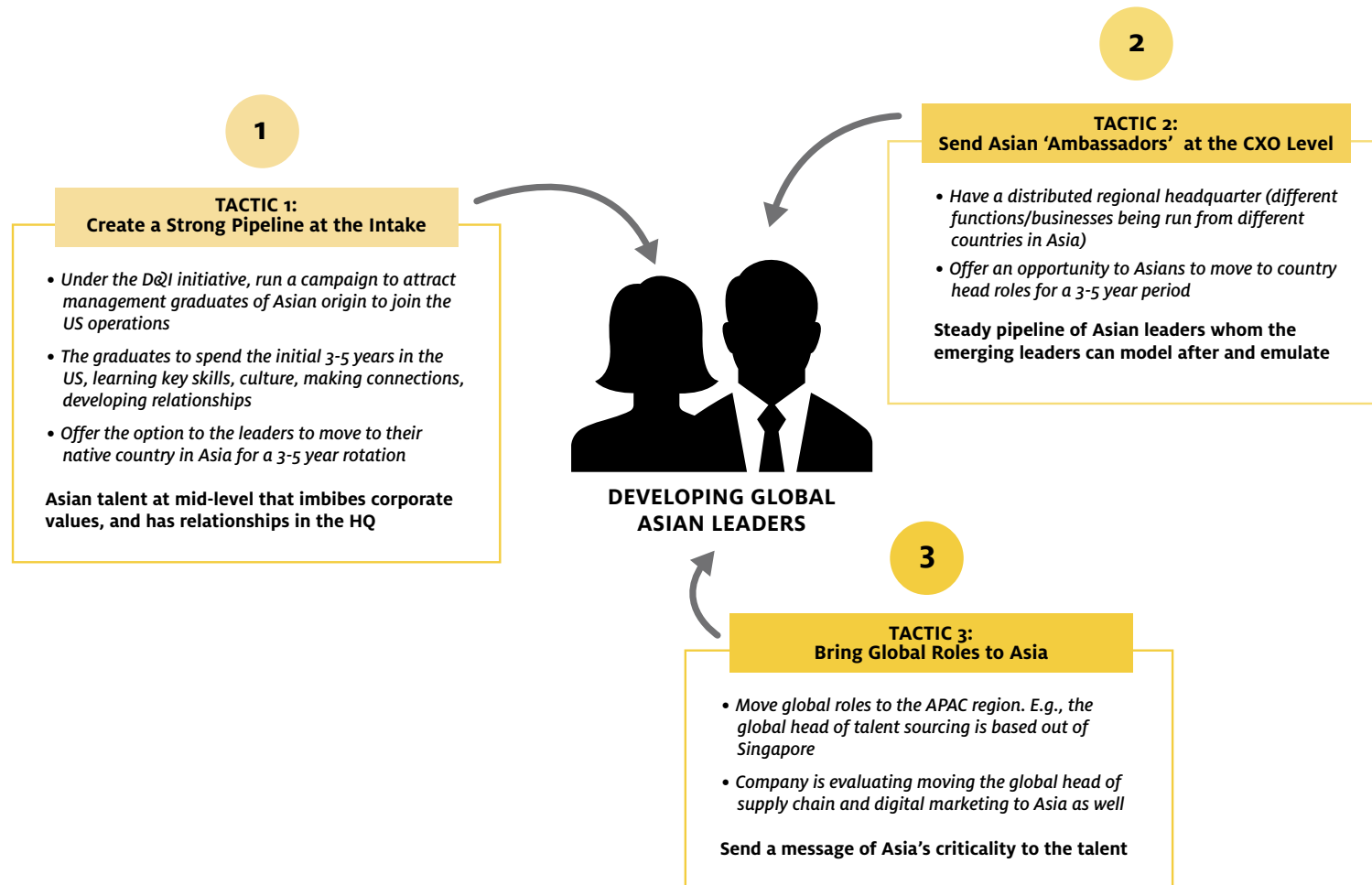- *Under the D&I initiative, run a campaign to attract management graduates of Asian origin to join the US operations*
- *The graduates to spend the initial 3-5 years in the US, learning key skills, culture, making connections, developing relationships*
- *Offer the option to the leaders to move to their native country in Asia for a 3-5 year rotation*

Asian talent at mid-level that imbibes corporate values, and has relationships in the HQ

2

TACTIC 2:
Send Asian 'Ambassadors' at the CXO Level

- *Have a distributed regional headquarter (different functions/businesses being run from different countries in Asia)*
- *Offer an opportunity to Asians to move to country head roles for a 3-5 year period*

Steady pipeline of Asian leaders whom the emerging leaders can model after and emulate

DEVELOPING GLOBAL ASIAN LEADERS

3

TACTIC 3:
Bring Global Roles to Asia

- *Move global roles to the APAC region. E.g., the global head of talent sourcing is based out of Singapore*
- *Company is evaluating moving the global head of supply chain and digital marketing to Asia as well*

Send a message of Asia's criticality to the talent

Source: CCL Research, 2018.

Company R, a global courier company, adopted a three-prong strategy to solve the global Asian leadership pipeline issue at the Asia-Pacific level.

One, realizing that it had a higher demonstrated performance rate of Asian leaders who were recruited in the US, and spent a few years in the headquarters, before transitioning to Asia, the company ran a campaign to attract management graduates of Asian origin to join the US operations. After spending a few years in the US, they were offered an opportunity to move to their country of origin in Asia.

Two, the company decided not to have one mega regional headquarters in APAC, but distribute business headquarters across different countries.

Three, the company has also taken a policy decision to move some global roles to Asia. To date, they have moved the global recruiting role and global head of digital marketing role to Asia.
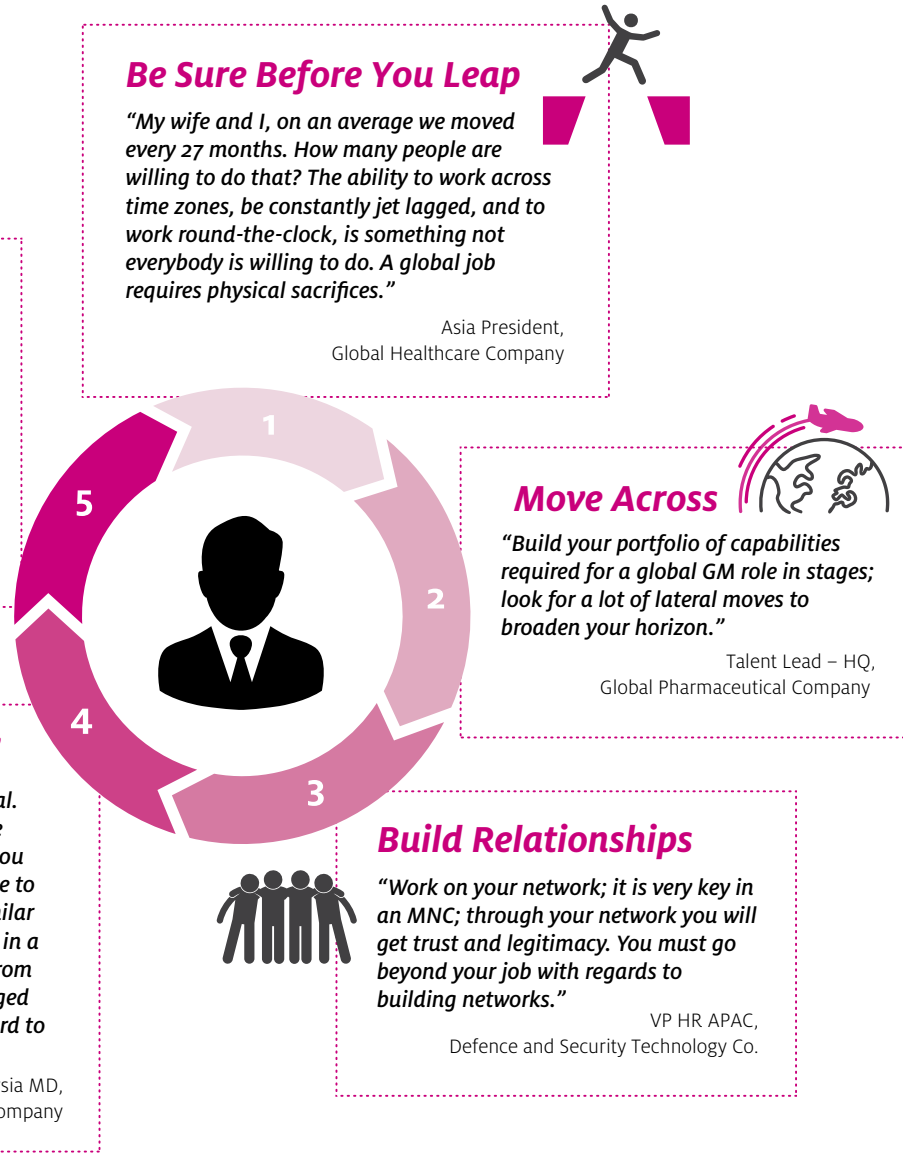
VII ACTIONABLE ADVICE

NEXT-GENERATION GLOBAL LEADER

5 Pieces of Advice

Be Sure Before You Leap

"My wife and I, on an average we moved every 27 months. How many people are willing to do that? The ability to work across time zones, be constantly jet lagged, and to work round-the-clock, is something not everybody is willing to do. A global job requires physical sacrifices."

Asia President,
Global Healthcare Company

Step Out Early

"Get out of Asia, work in another geography, in global headquarters; it is critical to get some exposure out of the region where you are comfortable; you need to test for yourself what works and what doesn't in another environment, culture, context."

Singapore MD,
European Healthcare MNC

Move Across

"Build your portfolio of capabilities required for a global GM role in stages; look for a lot of lateral moves to broaden your horizon."

Talent Lead – HQ,
Global Pharmaceutical Company

Navigate the 'System'

"Understanding the 'system' is critical. By system I mean the common frame of reference that comes naturally if you are from the same country, have gone to the same schools, can talk about similar things, and have generally grown up in a similar environment. If you are not from the same system you tend to get judged through lenses, and it is therefore hard to pass the test of trust."

Malaysia MD,
European Food Products Company

Build Relationships

"Work on your network; it is very key in an MNC; through your network you will get trust and legitimacy. You must go beyond your job with regards to building networks."

VP HR APAC,
Defence and Security Technology Co.

Incumbent global leaders had several pieces of advice for Asian leaders aspiring for global roles. Advice about clarity of purpose on why you want to be a global leader cause it is a tough path, with long work hours, lots of travel, and uprooting and re-rooting your family several times during the career. "Be clear why you want to do what you want to do," advised a leader.

Several interviewees advised the need to step into general management shoes early on in the career and not wait till when the leader is in the fifties. "Go for general management roles early - Westerners get their first GM role in 30s and Asians get their first GM role during late 40s," a leader explained.

Working across cultures also requires getting comfortable with discomfort. "Get some exposure out of the region where you are comfortable, test for yourself what works and what doesn't," advised another leader.

Another set of leaders underlined the need for building networks and relationships. Interviewees pointed that diverse and wide relationships in the organization help leaders get trust and legitimacy.

Finally, the need to navigate the system – 'system' indicating a common frame-of-reference that comes naturally if leaders share the same context. For Asian leaders to navigate and be considered as a part of the same context, they need to understand the host-country culture and social fabric, and micro-culture at the headquarters.

Source: CCL Research, 2018.

INCUMBENT LEADER (MANAGERS OF NEXT-GEN LEADERS)

5 Must Do Action Steps

Incumbent global leader had five pieces of advice for their peers.

Interviewees pointed that the first step in developing local talent is the intent to do so!

Taking risks on Asian talent, and placing safe bets even when the talent may not be one hundred percent ready is the other hurdle incumbent leaders need to cross.

Creating stretch opportunities – global transformation projects, tough markets, high visibility engagements – is one way of helping Asian leaders develop on an accelerated pace.

Asian talent also wants to understand the 'story' around level of the commitment the organization has towards their development. Sometimes, local leaders are not interested in global roles because they are not convinced of the commitment and intent of the global leadership team towards their (local leaders') development.

And finally, it is the key responsibility of expat leaders to help their direct reports develop a credible and trusting relationship with their skip managers (bosses of expat leaders, often based out of the headquarters). This is critical because leaders in the headquarters are often the ones taking a call on regional successors.

STEP 5

Play the 'Bridge' Between Local Talent and HQ

"I help my successor understand who the key stakeholders are, and I take it upon myself to help find reasons for her to connect formally or informally with those stakeholders."

Malaysia MD,
European Food Products Company

STEP 4

Communicate Long Term 'Story'

"I realise that I need to convince local leaders that I have a long-term vision or plan for them, and that the organization is committed to their growth."

Asia President,
Global Healthcare Company

STEP 3

Create 'Crucible' Roles

"Incumbent leaders need to create stretch opportunities for local leaders to accelerate their development; put a Chinese sales person in Jakarta in a Bahasa speaking environment, or push them towards non-obvious career moves."

Author and Thought Leader,
South East Asia

STEP 2

Take 'Risks' on People

"I need to take risks on people to help them grow. I need to convey 'if you fail it is OK, we will not punish you' but you must embrace new opportunities. I believe in fast-bold-innovative culture, and 'bold' means letting them make mistakes."

Vietnam CEO,
Global Insurance Company

STEP 1

Have a Development 'Agenda'

"When you go up, make sure you press the button and send the elevator down; I want to leave a development legacy behind; I spend between 10% and 20% of my time developing leaders, not only in my business unit, but even outside of it.

Regional Head of Supply Chain,
Australian MNC

ROLE OF GLOBAL LEADERSHIP TEAM

1. Play the executive sponsor to the Asian leadership agenda

2. Set clear accountability around talent development in Asia

3. Get involved in the leadership development strategy

4. Take individual ownership of mentoring at least one or more leaders from Asia

5. Send unequivocal message on importance of diversity

Source: "Adopting an Asian Lens to Talent Development" Report, Diversity and Inclusion in Asia Network.

HUMAN RESOURCES

5 Hats HR Needs to Wear

Brutal 'Myth Buster'

"My job is to ask tough questions and bust myths about talent in Asia. Businesses find me difficult to deal with cause I will not tolerate biases."

APAC CHRO,
Global Transport Company

Patient 'Match-Maker'

"Helping develop mentoring and sponsoring relationships is like match-making. It is about adopting someone as your 'elder brother.' When it is assigned it does not work, but when you go out and help talent 'adopt' a mentor, it works much better."

Chairman,
Asian Conglomerate

Astute 'Politician'

"HR needs to go out of its way to make sure that Asian leadership development program is sponsored by a senior business leader in the headquarters, and jointly funded by businesses in the region."

Talent Lead – HQ,
Global Pharmaceutical Company
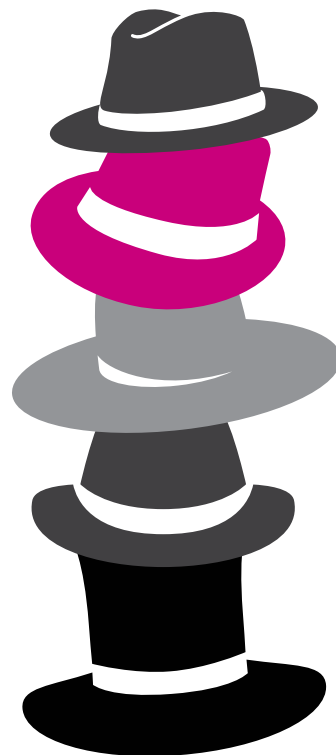
Clever 'Marketer'

"I do 'marketing' for Asian candidates. I am legitimate enough to call hiring managers and talk about the person, and I also talk to candidates to give them 'tricks.' I often give examples to hiring managers on why they [Asian leaders] said what they said to help them reconcile."

VP HR APAC,
Defence and Security Technology Co.

Passionate 'Advocate'

"Developing an Asian leadership pipeline is a tough task – so it is all about patience, passion and persistence. For example, if talent is not mobile, don't give up, revisit that dialogue again and again, as mobility is never permanent. Don't write-off talent if they are not mobile at the moment; keep at it."

Talent Lead APAC
Global Fin-Tech Co.

HR needs to 'wear five hats' as they attempt to develop a global Asian leadership pipeline.

One, busting the myths around what Asian leaders can and cannot do. Two, 'marketing' Asian talent aggressively for global roles. Three, playing the match-maker to help Asian talent find senior mentors and sponsors in the headquarters. Four, having the undying passion to push the Asian talent development agenda, despite pushbacks from critics. And five, partnering with key stakeholders to get funds for cross-business talent development interventions in the region.

HR has a critical role to play in facilitating the development of local leaders. The regional HR function needs to work with regional president and global HR to ensure that the Asian leadership development agenda is top-of-the-mind for the enterprise.

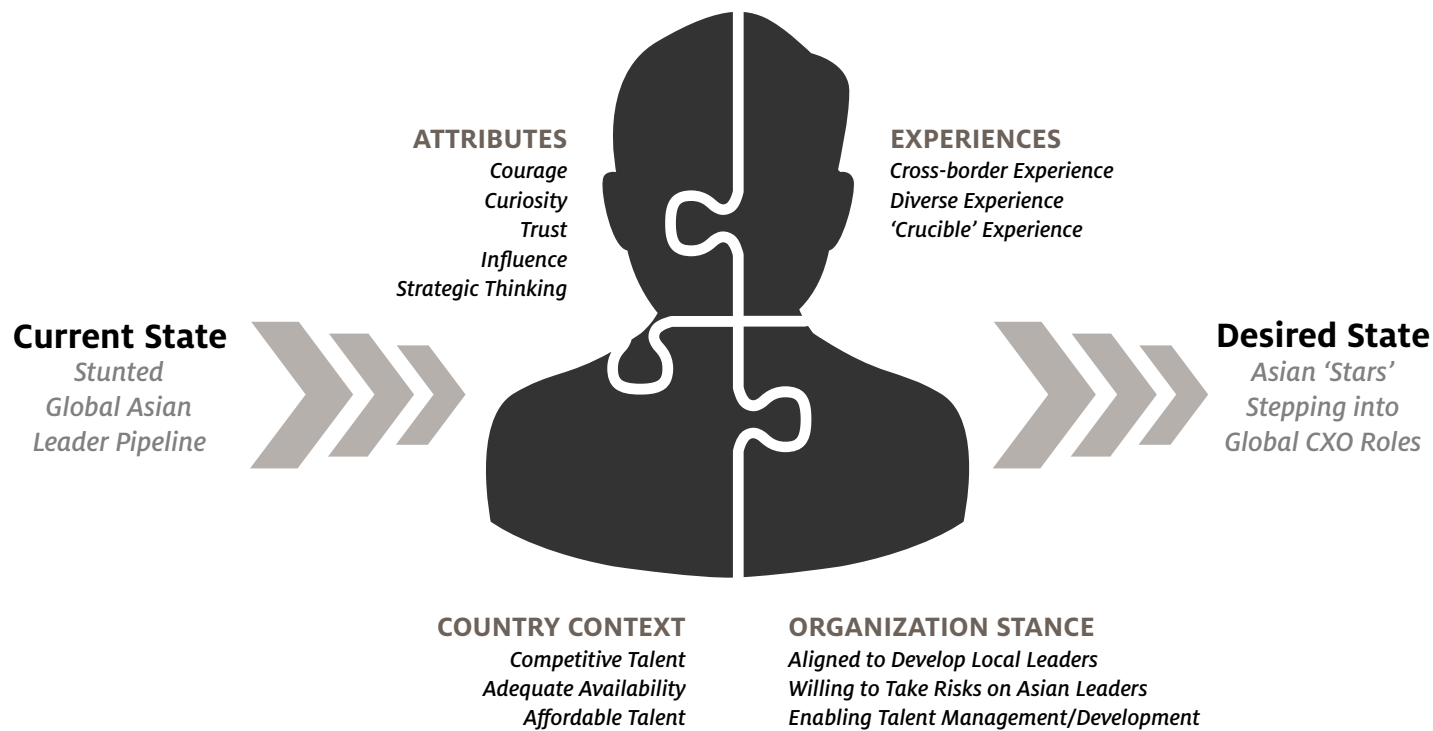Interviewees suggested that the regional HR leader has a pivotal role in driving the local leadership agenda.

Source: CCL Research, 2018.

VIII

CONCLUSION AND NEXT STEPS

'Building' Global Asian Leaders

ATTRIBUTES
Courage
Curiosity
Trust
Influence
Strategic Thinking

EXPERIENCES
Cross-border Experience
Diverse Experience
'Crucible' Experience

Current State
Stunted
Global Asian
Leader Pipeline

Desired State
Asian 'Stars'
Stepping into
Global CXO Roles

COUNTRY CONTEXT
Competitive Talent
Adequate Availability
Affordable Talent

ORGANIZATION STANCE
Aligned to Develop Local Leaders
Willing to Take Risks on Asian Leaders
Enabling Talent Management/Development

Source: CCL Research, 2018.

Building a steady pipeline of Asian leaders who can play global roles needs four pieces of the puzzle to come together – right set of individual capabilities, suitable experiences to build critical capabilities, supportive organization context, and development-friendly country scenario.

Asian leaders must have five critical skills, called the 'big-five global leadership traits' in this study. These are courage, curiosity, trust (being trustworthy and trusting of others), influence and strategic thinking capabilities. In addition, Asian leader must have 'the will' to go global.

To develop these skills, the leader must undergo stretch roles, multi-cultural experiences (or cross-border roles), and develop diverse understanding of business operations so that he is fit to wear the general manager 'hat' early in the career.

These experiences will need an organizational context that favours diversity in leadership. Enterprise policies should enable local leader development, and there should be top management sponsorship to the Asian leader development agenda. Also, this should be aided and supported by focused interventions on the talent management front.

And finally, for a consistent and robust Asian leadership pipeline to emerge, the country context should be such that enables leadership development. This includes having top-of-the-line institutions 'churning' out capable and job-ready young leaders, and an environment that is able to develop and retain top class talent.

NEXT STEPS

From Local Stars to Global CXOs

Asian and Western multinational organizations embarking on the global Asian leadership development journey, must initiate three actions as early as possible.

One, get a buy-in from the top leadership team at the headquarters, and find an executive sponsor (or a set of executive sponsors) at the top. This will need a lot of persuasion and persistence from the Asian leadership and HR teams. This is a must-have condition. Enterprises that are not able to find a set of sponsors at the top or get 'buy-in' from the executive leadership team are rarely successful in pushing the envelope on the global Asian leadership agenda.

Two, create and play to the 3-5 year global Asian leadership development plan. The plan must identify clear responsibilities and key stakeholder accountability, and there must be a top team forum to evaluate success of the plan on a regular basis. Critical parameters in the plan must include tapering off the number of western expats, talent interventions to develop Asian leaders, and a graduate program to ensure there is enough Asian talent entering the 'funnel.'

Three, the talent development interventions must be tweaked for suiting the Asian context, and focusing on the critical gaps in local talent, not driven by the stereotypical (and often Western) picture of what a global leader must look like.

THE LAST WORD...

❝ *More of talk-of-the-same is not going to help, we need action – action and commitment on wanting to solve for this issues of developing local leaders; business leaders need to put their money where their mouth is!* ❞

Regional Talent Leader
Global Trading Company

Current State
*Stunted
Global Asian
Leader Pipeline*

1

STRATEGIC BUY-IN FROM EXECUTIVE LEADERSHIP TEAM

- Ensure a global sponsor in the senior executive leadership team
- 'Engineer' right messaging (through the sponsor) on diversity and Asian leader development

2

3 TO 5 YEAR PLAN WITH CLEAR ACCOUNTABILITY

- Craft a 3-5 year Asian leadership development strategy
- Ensure KPIs with clear accountability

3

TALENT DEVELOPMENT INTERVENTIONS

- 2-3 year entry level program in Asia
- Global Asian leadership development journey deep-rooted in local context

Desired State
*Asian 'Stars'
Stepping into
Global CXO Roles*

Source: CCL Research, 2018.

HOW CAN CCL HELP ME DEVELOP A STRONG GLOBAL ASIAN LEADER PIPELINE?

Center for Creative Leadership®

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1 DISCOVER

CCL Can Help You IDENTIFY...

- ☐ Key stalls leaders face in your organization

- ☐ Drivers of leader performance

- ☐ Key capability gaps

Conduct HR leader and business leader interviews

Roll-out the Global Asian Leader capability gap survey

GAP / OPPORTUNITY REPORT

2 ADVISE

CCL Can Help You UNDERSTAND...

- ☐ Development needs

- ☐ Critical experiences

- ☐ Potential action steps

Help HR and regional / global team understand the current snapshot, and evaluate the options and recommended action steps

DEBRIEF ON THE DISCOVERY EXERCISE

3 DEVELOP

CCL Can Help You CRAFT...

- ☐ Developmental journey for Asian leaders

Co-create measurable action steps with HR and regional / global team

Partner with HR to evaluate, design, and develop a comprehensive plan to overcome critical capability gaps

DEVELOPMENTAL JOURNEY DESIGN AND IMPLEMENTATION

ACKNOWLEDGEMENTS

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