

EXECUTIVE INSIGHTS

Written by Vincent Gauthier

Developing leadership in the Asian business landscape

Week 1 Overview

As business faces a shortfall in leadership, managers need to reassess their qualities



# Closing the talent gap

Many senior executives in Asia have a serious problem and it is not likely to go away soon. What they face is a severe shortage of up and coming management talent, which is causing major worries about where the next generation of top leaders will come from.

Research conducted by Hewitt Associates has shown that 79 per cent of organisations polled in Asia now regard this as a major concern. And demographic trends in the current decade show comparatively fewer people in Asia aged between 40 and 49 – the age group from which leaders are usually drawn.

The need to identify, develop and retain leaders has never been greater, but organisations across the region report that, particularly in the development of leaders, they are admittedly weak. In different situations, this can be attributed to an overemphasis on short-term goals, lean organisations allowing managers little time to acquire a new range of skills, or a simple lack of know-how in preparing good staff to move up to the next level.

In a recent series of workshops, I asked three separate groups of senior executives to list the qualities of a good leader. Perhaps, not surprisingly, each group came up with the same key attributes. These were setting out the company's vision and the business strategy, leading by example, recognising and holding people accountable, and communicating well.

With that agreed, my next question was to ask them why so few leaders actually do all of these things well. The room fell silent on each occasion, which was perhaps a good thing because it showed the executives were reflecting on their own behaviour and thinking about the reasons.

If you lead people at whatever level in an organisation, it is instructive to ask yourself, as well as a number of peers and subordinates, how you measure up in these four areas. You may think your strategy is clear, that you set the right example, recognise contributions and communicate effectively but, if so, you are an exception. The reality is that, whatever they like to think, very few leaders do each of these four things consistently.

When examined in detail, countless reasons can be found for ineffective leadership and failing to develop the required talent. These range from promoting people who lack the necessary attributes to inadequate preparation for the next position, inadequate feedback, and too little coaching of leaders once they have taken on the new role.

Another aspect is a failure to realise that

The leader sets an example. Whether in the army or in civilian life, the other people in the organisation take their cue from the leader – not from what the leader says, but what the leader does

Colin Powell  
Former Secretary of State of the United States

personal qualities that help someone make it to the top can detract from their effectiveness when they are there. For example, many leaders see being opinionated and decisive as keys to success. However, that style of behaviour is also likely to make them poor listeners and, therefore, poor communicators.

In the book *What We Really Know About Leadership (But Seem Afraid to Use)*, authors Gordon Curphy, Robert Hogan and Joyce Hogan delineate the characteristics that set effective leaders apart. Among these are that they "portray a sense of self-confidence, get along with others, build teams, follow through with commitments and adhere to ethical standards, and plan and organise work".

That is quite a list, but along with the four key attributes outlined above, it provides a clear guideline for companies wanting to identify potential and ensure a strong pipeline of leadership talent.

There are certain fundamental drivers that motivate high performers and help them to deliver exceptional results. Successful companies understand these drivers and put in place appropriate programmes to encourage them. For example, they know the importance of providing future leaders with challenging jobs, fair remuneration, regular opportunities for career advancement, and a good work-life balance. They also emphasise the fact that integrity and achieving solid business results are basic expectations of anyone who hopes to make it to the top.

Of course, there is also a strong link between effectiveness as a leader and an organisation's overall business strategy. The required attributes will differ depending on the company's plans and objectives, and they may even change

according to different market conditions.

Not all leaders realise this, so they fail to adapt as necessary. Consequently, they can operate successfully in one business environment, but find they are unable to replicate that success elsewhere.

One of the commonly seen examples of this occurs when a senior executive, who has shone in a division focused on maximising profitability and return on investment, struggles when put in charge of a newer unit where revenue growth and building market share is the priority.

All too often, that happens when leaders transfer from a relatively mature business in North America or Europe to run high-growth operations in countries like China and India. Within the same basic corporate framework, they are confronted with a completely different set of circumstances and must quickly learn to deal with the new parameters.

If organisations want to be sure of selecting future leaders properly and giving them the right training, they must choose the most suitable assessment and development strategies.

They should know when to use a personality inventory or a 360-degree feedback tool, and what to expect from an assessment centre. In each case, the results should be reliable and prove useful for both the organisation and the person being assessed.

Choosing the right approach for the individual and for the stage of their career is a skill in itself. It is also important to take account of the state of the company and its future ambitions to get the best match between the person and the assessment tools and, therefore, to improve the chances of identifying the right kind of leader.

It remains the case, though, that relatively few companies in Asia understand how best to approach leadership development. They know that an effective programme should include classroom training and executive courses, but often underestimate the importance of experiential learning, projects, job rotations, coaching and even volunteering.

In the best companies, all these activities play a part in the development of talent and, as part of a structured programme, help to nurture leaders who will fit the longer-term needs of the organisation.

Vincent Gauthier is managing consultant at Hewitt Associates, a global human resources consulting and outsourcing company.



## Four steps to developing leaders

**1 A company must identify** the leadership skills and competencies required to achieve the business strategy. In some cases, they will need to focus on an aggressive growth strategy and driving market share. In others, they will have to be more adept at engineering a turnaround or introducing new systems or processes to consolidate gains after a period of rapid expansion. At this stage, it is also important to identify what type of leaders the company will need in future and in which areas. For example, if corporate plans call for a big push into overseas markets, there will obviously be a need for leaders with significant international experience.

**2 Determine if the company** already has people with the required attributes. With the right assessment process in place, it is easier to identify talent and potential, and to decide on the optimal strategy for recruiting and developing leaders. Choosing the right approach at the right time in the career of the individual and the development of the company can make the difference between success and failure, and not matching the right people to the right assessment tools can cause more harm than good.

**3 This stage consists of** filling gaps in each future leader's competencies and skills. Typically, this process will combine workshops or training sessions, university courses, job rotations, overseas assignments, coaching and mentoring. Latest studies have indicated that in-class training and university programmes only form a small part of an effective leadership development strategy.

**4 Make sure the company** has the right structure and policies to retain its current and future leaders. Special attention must be focused on how they are managed, rewarded and groomed for higher positions in the organisation.

**On the Web** Tell us about your interesting leadership-related stories in the workplace for a chance to win a copy of *Make the Right Move*, a guide to help managers become better decision makers. Winning entries will be published in each Saturday's Classified Post. Send your entries, which should be no longer than 250 words, to editor@classifiedpost.com, with the subject "Executive Insight Contest".

Also visit [www.classifiedpost.com/opinionpoll](http://www.classifiedpost.com/opinionpoll) to participate in our online poll: "Do you feel like your organisation has the leadership succession for the future?" The results will be published in this column.

## HR Trends Written by Andrea Li

# Struggling to get the right people on board

Interest in joining Hong Kong's shipping industry began to wane with the booming economic development of the city in the 1980s, and since then the industry has struggled to find suitable candidates to fill vital positions.

"The industry itself is actually growing but we are unable to tap the pool of people we had 20 years ago who would have been interested in joining us. With some of our existing crew also nearing retirement age, recruitment of new talent has been immensely difficult," said Anna Hong Yu-han, deputy general manager of Shun Tak China Travel Ship Management. The company is operating under the brand Turbojet, the major operator of ferry services between Hong Kong and Macau, and has taken things into its own hands as part of its succession planning strategy.

In 1997, in the hope of easing the talent drought, the company launched a cadet officer scheme, designed to train up graduates who have completed a two-year diploma in maritime studies from the Maritime Services Training Institute.

### The rundown

- Recruitment of fresh talent has been extremely challenging
- Turbojet's expanding operations fuels headcount increase of 12.5 per cent in three years
- Long term solution lies in closer co-operation between relevant authorities and organisations

Since its launch, 26 trainees have participated in the structured scheme that guides the graduate through a pyramid programme from an entry level cadet officer to night vision officer before becoming chief officer and ultimately the master of the boat. "Becoming a master requires a minimum of about six to seven years of training," Ms Hong said.

"There are a number of examinations they must sit and pass as required by the government. With the job involving major responsibility for the boat, both in terms of looking after the ferry as property and the paramount importance of passenger safety, it takes a long time to train up someone for the position of master."

In 2003, Turbojet introduced its engineer trainee programme, a shorter course of about three years, depending on the individual's qualifications, but grounded in a similar approach, where the junior engineer can work towards becoming either a chief engineer on board a ferry or an engineer based on shore at the shipyard.

Those interested in the scheme must have an engineering degree.

Both schemes are designed in a manner that gives trainees exposure to almost every facet of the ferry operations, with training conducted through a combination of classroom and hands-on practical exercises.

The company has, where possible, also recruited experienced professionals externally and in some cases from overseas.

"The pool of available labour is increasingly small," said Ms Hong. "In the past two years, we have recruited five gangs of crew." Each ferry requires a full gang of crew on board before it can operate, consisting of a master, chief officer, chief engineer and night vision officer.

One successful method of increasing recruitment levels has been through the launch of its internship programme last year, which took on students from the University of Hong Kong, Chinese University, Polytechnic University and the Hong Kong Institute of Vocational Education, for a two month summer stint.

"The students were deployed to various departments to work shadow a member of staff, and assisted with some of our work. The idea is to give them an overview and understanding of what we do in the hope that this will stimulate their interest in our industry," Ms Hong said.

Ms Hong believes the longer term answer to the problem lies in the relevant authorities and organisations taking on a proactive approach in raising the profile of the industry so young people will begin again to see it as an alternative career choice.



Anna Hong, Shun Tak's deputy general manager. Photo: Dickson Lee

## QuickFixes

### Getting in right from the start

**How can we assist with the transition of a recent high-performance hire into a structured corporate environment?**

It is always best for both parties to be honest and upfront in terms of job expectations and the working environment.

During the interview process, it is important for the employer to include questions about the culture and corporate environment that the candidate has worked in before and the environment that the person would prefer to work in.

Understand what are the key motivators for the candidate to achieve high-performance levels. If there is a discrepancy between what the candidate says and the culture within your organisation, then it is necessary to set clear expectations from the start.

Once both parties have a clear understanding of the differences, it will help to set a programme to ease the candidate into a transition process.

First and foremost, ensure that the manager is aware of the need for a transition process and is involved in implementing it. It is necessary that clear guidelines are set and communicated to the new employee before or on the day of commencement. Employees who work closely with the new hire should be aware that there will be challenges for the candidate.

Hold regular meetings to see how the new employee is settling in and how both parties can work further towards a smooth transition.

All parties should express their expectations clearly without feeling intimidated. It is also very important to note that a new hire can bring a fresh set of eyes into how to operate more productively. Keep an open mind and see if any flexibility can be offered. Be aware that being too flexible could be seen as favouritism by other employees. The HR manager should also keep in close contact with the new hire to get feedback that the employee may not feel comfortable giving to the line manager.

If the transition process becomes too difficult, you may need to accept that even though this employee has high-performance potential, he or she may not be able to perform to that potential within your structured corporate environment. The person may feel too restricted and will start looking around for other opportunities. In this case, you will probably be faced with a situation where the employee will leave your company.

Article contributed by Aruna Alimchandani, manager - sales & marketing, on behalf of Hudson, which delivers specialised professional recruiting, outsourcing and human resource solutions worldwide

### A model for developing leaders

