

DEVELOPING AN ASIAN MANAGERIAL TALENT POOL

Results of a Study Conducted by Kandidata Asia Pte Ltd
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1. INTRODUCTION

Background

Asia is undergoing a massive transformation and growing at a scale and pace that has never been seen before. Many multi-national companies already have offices in Asia and are increasingly relocating their manufacturing operations, too. While this change impacts all areas of a business, one of the most challenging is that of managing the people resources.

The areas of concern run the whole gamut of HR, including hiring, training, developing and retaining qualified staff, but the most fundamental is the question of leadership. How does an organisation develop the necessary cadre of leaders? What type of leaders should be hired to run the Asian operations? While organizations may have experienced expatriate management from their home country, they absolutely need to develop a talent pool of strong local leaders in order to leverage local knowledge, build long term relationships and succeed in an increasingly competitive environment.

Purpose of the Study

Kandidata is constantly globally researching and developing new tools and programs to help our clients hire, assess, and develop their managers. Having operated in Asia for a number of years, we became interested in developing assessment tools and designing leadership development programs meeting the particular needs of international companies operating in the Asian market.

The purpose of the study was to identify:

- What are the most important traits for an executive to be successful in Asia while still meeting the requirements of the parent company?
- What Human Resource challenges do European and international companies face in Asia?

- What successful strategies – if any – do they have in place to select, retain and develop managerial talent?

The overall objective was to enhance international company's - with business operations in Asia - ability to recruit, assess, and develop their managers in Asia by providing the most effective assessment tools and development programs. The situation today is that local managers are assessed based on the standards and parameters of what makes a good manager in the company's head office, which may not necessarily constitute a successful manager locally.

The companies we interviewed are predominately European companies and have operated in Singapore and the Asia-Pacific region for a number of years or decades. We would like to thank all of them for their time and valuable input to this study.

2. SUMMARY

There is great overlap in view of the traits and qualities organizations require their managers to have. The list is long, however, there seem to be three main areas:

Traits & Qualities Organisations Require of their Managers:
<ul style="list-style-type: none"> • Interpersonal skills, with special emphasis on cultural aspects • Intrapersonal skills: Personal characteristics and value-systems • Overall Abilities Linking the People and Tasks Aspects of Management

The findings of this study are similar to results we have seen during our ongoing assessment of Emotional & Social Intelligence of managers in Singapore and other Asian countries. A large database has been built during the last half dozen years – adding up to about 1500 executives. They also link with the

results of a recent study conducted by Kandidata in Sweden related to Executive Derailment – A Study of “Why Managers Fail”.

While the organizations interviewed varied in size, number of countries they operate in, type of industry, ownership (private/public), etc they all face particular challenges, which can also be divided into three groups:

HR Challenges Faced by Organisations:
<ul style="list-style-type: none"> • HR-challenges caused by unique conditions of the Asian market and cultures • Cultural difference challenges related to human interaction and management styles • Challenges caused by being part of an international organization – the often conflicting differences of global and local needs and expectations

Several organizations have put processes in place and apply practises to deal with at least some of these challenges. We have compared these with the findings from the above mentioned studies and summarized the success factors.

3. FINDINGS

3.1. MOST SIGNIFICANT TRAITS AND QUALITIES OF SUCCESSFUL MANAGERS

We wanted to know what kinds of leaders are needed. What makes a successful manager/executive in Asia? What traits are important?

The list is extensive: Motivation, creativity, drive, energy and relationships are vital. For a manager it is important to be a good leader, to get along well with people and to have good communication skills. In any commercial job – regardless of the organization or country - it is vital to be good at social skills, to be flexible and adaptable to change, and to cope well

with stress. All of these "soft" skills are important.

Because of the added complexity working in a multi-cultural environment, dealing with global versus local expectations, interpersonal skills and a great level of self-awareness are even more crucial. In fact, it is the interpersonal and “soft” skills that were mentioned first by nearly all organizations interviewed, before they listed other abilities or traits.

Interpersonal Skills

These include the “basics”, such as being caring & supportive, showing appreciation, excellent communication and listening skills, high levels of empathy, understanding the needs of people, being able to manage teams, providing feedback and coaching, being interested in people and developing their staff.

On top of these are additional requirements such as the ability to

- Read people and situations accurately and adjust own behaviour accordingly
- Demonstrate a high level of reality testing – be able to look beyond the obvious and notice the sometimes very subtle and easy to overlook emotional and social cues
- Quickly assess which management style works best, how to gain control and respect in a way that suits the particular nationality
- Assess whether behaviours are personality-driven or culture-based

Intrapersonal Skills: Personal Characteristics & Value-System

Most companies interviewed mentioned several if not all of the following: drive, a keen interest in one’s own development, high levels of confidence and self-regard, maturity and integrity. Here again are additional requirements:

The ability to

- Demonstrate high levels of tolerance and openness, i.e. for cultural practises and behaviours
- Control impulses – being able to hold back one’s own preferred responses if it is not culturally acceptable
- Respect and appreciation for other cultures even if these are in conflict with one’s own values and preferences
- Be able to adapt to changing requirements when working in more than one country

Overall Abilities Linking the People and Tasks Aspects of Management

As mentioned above, in response to the questions what makes a successful manager/executive in Asia and what traits are important, most companies listed soft skills first. But there are others as well, such as being cost-conscious, having a sales/marketing mindset (even as an engineer or technician), being solutions-oriented, and more depending on the particular needs of the individual organizations.

And there are some overriding abilities, such as the ability to

- Balance being directive, decisive and results-oriented with excellent social skills
- Balance dominance with respectfulness
- Be able to think out of the box and be creative
- Take responsibility versus blaming
- Be extremely flexible, manage changes and changing requirements very well

Looking at the list of traits and qualities most organizations desire in their managers, it seems like looking for Superman/-woman. Reality is that local managers have their set of gaps, foreign/expatriate managers another, which we will explore in the next section on main challenges.

While there may be only a few, if any, who can fit the profile of the ideal manager, the good news is, the above skills and traits can be developed. An absolute necessary foundation, however, is a person’s level of self-awareness: knowing one’s own thinking, belief patterns, communication and interaction styles as well as values, all of which are a mix of our own cultural background, but also upbringing and individual personality. All too often there might be a conflict with one’s own values and the requirements of the local culture. There can be conflicts between one’s preferred communication and management style and what a particular situation requires. Many times, manager’s patience and tolerance are being tested. Realizing how one feels and managing emotions appropriately are vital. High levels of self-awareness also include being aware of how one’s behaviour impacts others.

3.2. MAIN CHALLENGES

HR-Challenges Caused by Unique Conditions of the Asian Market and Cultures

These include

- The lack of qualified candidates available in a booming market or fast growing industry where there just isn’t enough talent available to fill all openings and thus requiring companies to continue bringing in managers from their head offices or other non-Asian countries resulting in a different set of challenges
- A lack of Asian managers who have worked for MNCs and managed multi-cultural teams
- Although a manager may be qualified in many aspects, such as education and personality, interest and drive, they may lack traits, such as age and experience to be accepted and respected in various cultures
- Being able to retain talented staff, especially in a booming market or industry

Cultural Difference Challenges Related to Human Interaction and Management Styles

There are certainly differences in view of challenges faced with foreign/expatriate managers versus local/Asian managers. In Singapore, managers are known to be much stronger in task-aspects of management rather than people-aspects. They are known to work hard, being able to manage stress and changes well. They often use a command and tell approach, which may help to get things done in certain situations or for a certain time, but should not remain the only approach and needs to be balanced with inspiration and motivation.

As any strength overused can become a weakness, thus local managers are criticized for not having any or enough interpersonal skills, lacking in empathy and neglecting developing their teams. Not being open to new ideas as well as not speaking up, expressing their views, etc, basically lack of assertiveness are additional areas for improvement.

Foreign – non-Asian - managers have their share of criticism, too. Such as their inability to adapt their preferred communication and interaction styles to the local cultures, poor ability to read others and being able to sense and respond to emotional and social cues. Insensitivity is probably the highest ranked critique, followed by ignorance or intolerance.

The fact that Asia itself consists of so many different cultures, is an additional challenge: for example, a Singaporean manager working in Thailand or Vietnam may find that the managerial style that is successful in Singapore may not work in those countries with a more people-oriented culture. So not only non-Asian/expatriate managers may face issues.

Challenges Caused by Being Part of an International Organization

The often conflicting differences of global and local needs and expectations cause challenges such as

- A mis-match between the organizational culture, desired leadership styles and local preferences, i.e. being bold, outspoken, challenging status quo clashes with valuing being humble, soft-spoken and kind
- Local managers being assessed based on the standards and parameters of what makes a good manager in the company's head office, which may not necessarily constitute a successful manager locally
- Poor or no communication of the organizational vision, mission, and values. Thus the local offices do not have enough connection to what the organization is about and trying to achieve
- Little or no presence of head office or lack of communication with local offices resulting in a detachment of the local managers and staff
- Perceived or actual lack of interest of the head office in the local market and conditions as well as ignorance of local needs when rolling out corporate-wide initiatives

Locally there can also be issues related to the global office, such as local managers micro-managing their local/regional offices and no longer thinking of the needs of the overall organisation. Or rather than rejecting a decision by the head office right away to work on solutions to perhaps modify an initiative to accommodate local needs, customs, practises. So instead of “act local – think local” it is necessary to have an “act local – think global” approach.

While it is essential to show respect and tolerance for local needs and customs, these should not be used as an excuse either, why something cannot be done or why things can't change. Essentially it is a balancing act and constantly seeking to practice the best of both worlds.

4. FINDINGS FROM OTHER STUDIES & RESEARCH

EXECUTIVE DERAILMENT: WHY MANAGERS FAIL

International studies support the findings from Singapore in that soft skills i.e. “Emotional Intelligence” have become hard skills. The importance of emotionally intelligent managers who have a high degree of self-awareness and interpersonal skills such as empathy and social responsibility have been demonstrated in various studies worldwide. It has been consistently found that these key leadership skills are related to Emotional Intelligence and the absence of Emotional Intelligence is related to career derailment. (Center for Creative Leadership 2003, Kandidata 2006). That leaders fail has very little to do with factual skills or lack of knowledge but is connected to how they handle themselves and their relationships.

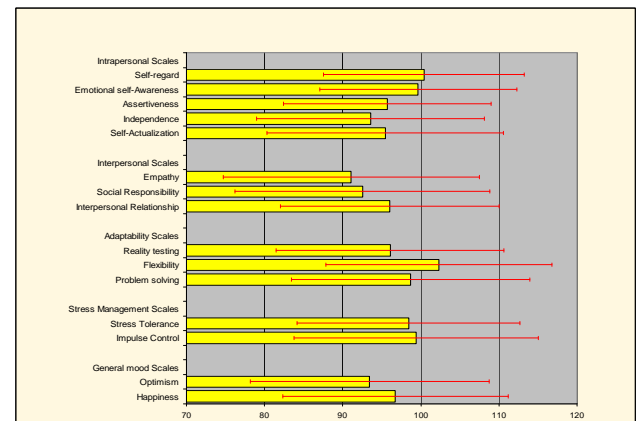
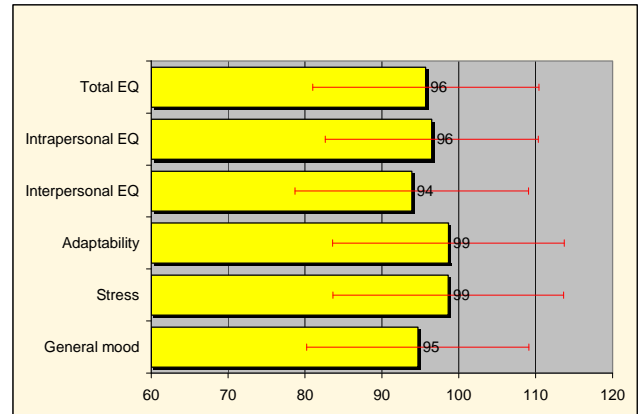
ASSESSMENTS CONDUCTED IN SINGAPORE

Most of the interpersonal skills required by the organisations we interviewed are part of Emotional Intelligence, nowadays most often referred to as Emotional & Social Intelligence. EQ is not about being emotional, soft or nice. It is a broad framework which includes the key soft skills which have been proven to be important to success over and over again in previous and ongoing studies worldwide. EQ includes skills like inner strength, interpersonal skills, adaptability, stress management and overall well being.

Since 2001 Kandidata has been assessing the emotional and social competencies of managers in Singapore. EQ, like IQ, tends to follow "normal" distributions meaning that most people score around the average -- with a smaller proportion at the very top and very bottom of the scale. The top 2% in terms of IQ are geniuses -- and it could be that the top 2% on the EQ scale are the "stars" of soft skills. Results in Singapore suggest the same distribution of scores to apply here as well.

Most people are around the average but there are some outstanding people at the very top.

The following graphs show the results based on EQ assessments conducted by Kandidata in Singapore since 2001, including managers from other Asian countries.



The Interpersonal domain and –competencies rank the lowest. This and the comparatively low score in assertiveness are in line with the findings of the recent survey. The lower score in social responsibility links with the findings that local managers tend to not focus on developing their staff.

In a previous study (Kandidata Asia, 2003) a group of "star" performers was selected from within their organization based on their overall job performance. The group consisted mainly of young outgoing managers who had excelled in their current jobs and had been identified as having strong potential for the future. These “stars” had EQ scores which were substantially above the local and international averages. This group was selected based on excellent performance at

work - and they all had a high EQ in common. They outperformed the average on all measures of EQ. The areas where the top managers scored highest included flexibility, assertiveness, stress tolerance and interpersonal relationships. It seems the "stars" were better at handling stress, dealing with change, were better able to assert themselves and formed stronger interpersonal relationships. Again, parallels with the recent study of what characterizes successful managers.

Having high EQ, particularly empathy, interpersonal relationships, emotional self-awareness, flexibility, self-regard, assertiveness and impulse control support managers in being successful in a multi-cultural environment. High social responsibility would also result in greater care and concern for others.

5. SUCCESS FACTORS & STRATEGIES

THE 4 KEYS TO ATTRACTING, DEVELOPING AND RETAINING MANAGERIAL TALENT

Based on what organizations shared during the survey interviews, the findings from EQ assessments and feedback-sessions as well as the executive derailment study the following "best practises" can help organizations be more successful in hiring, developing and retaining managers:

1. Offer and Demand that Managers Engage in Professional Feedback:

Managers rarely, if ever, have the opportunity to talk about themselves and spend time on reflecting and increasing their self-awareness. Most of them do not usually receive feedback unless they ask for it and even then, it is not certain that the feedback is honest and constructive.

Using assessments, such as 360 feedback, that is adapted to local needs, will provide a conducive platform. The key success factor with this practise is the professional analysis of the data and thorough feedback and individual coaching. Just administering the

tool(s) and handing the report to the manager is not sufficient.

2. Invest in Assessments for Recruitment:

Hiring the right person in the first place is obviously the best way – but like most people involved with recruiting will know- it is easier said than done. Only by understanding the nature of the work in each key role can you determine which individual fits best and match the individual qualities with the leadership skills required for a specific role. Companies need to invest more in formulating a recruitment strategy and using scientifically based assessment methods when they are hiring. Assessments performed by an independent and professionally objective partner will increase the individual's odds not only of a good match with immediate roles but also for those roles, for which they may be candidates in the future. Evidence suggests that internal recruiting is often best and that companies that invest in their own supply of future leaders can look forward to a better cultural fit and leaders that deliver results.

3. Offer Development Programs that Can Prove they Lead to Change:

Taking development very seriously by having development programs and practices in place is another key success factor. But not just any generic program: It is crucial to customize the programs based on the organizational requirements as well as individualize them according to the manager's development needs. Make sure that the programs are effective by using quantifiable methods to measure the degree of change before and after the program. Follow-up, such as coaching and other support processes, are key to successful application and implementation of skills learnt.

4. Demand Active Involvement by Top/Senior Managers:

Another success factor is that the top/senior managers of the organization are personally involved in developing a managerial talent pool and make it their personal interest to retain and develop their talent.

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Based on this study and accumulation of databases with assessment results from about 1500 Asian managers we have developed and adapted our Response 360 assessment tool to assess and develop local managers on the standards and parameters of what makes a good manager in Asia. This Asian Response 360 addresses the areas that this study as well as other multiple international studies have shown to be success factors. Each manager will be assessed on these skills and the result will be a SWOT analysis on which a personal developmental plan for each individual is based. The accumulated developmental plans will be the platform on which the content of the leadership development programs are based. The key success factor with this practice is the professional analysis of the data and thorough feedback and individual coaching.