Developing World-class Business Leaders in Emerging Markets – Strategic Challenges and Opportunities

Andrew Bell, Vice President, International, CPP, Inc.
Agenda

- Macro-economic Context  The Opportunity
- The Leadership Gap  The Challenge
- HR Strategies and Practices for Emerging Markets
- Developing Leaders for Global and Local Effectiveness
CPP, Inc. – Globally Integrated Provider

Research-based personality assessments and people development services

CPP, Inc. Headquarters, Mountain View, CA

View from CPP, Melbourne, Australia

View from CPP, Singapore

CPP, Auckland, New Zealand
Globally Integrated Provider
Research-based personality assessments, people development services

Canada
Psychometrics
Canada
(Edmonton)

Europe
OPP
(Oxford, UK)

Asia Pacific
CPPAP
Melbourne
& Singapore

South Korea
ASSESTA
(Seoul)

Philippines
PPC
(Manila)

Brazil and Argentina
Fellipelli
(Sao Paulo, Brazil)

Rest of World
CPP
(California, US)

GulfCC
IHS
(Dubai)

USA
CPP
(California, US)

South Africa/
Sub-saharan
Africa
JvR Associates
(Johannesburg)

Canada
Psychometrics
Canada
(Edmonton)

Japan
JPP
(Tokyo)

Territories:
India
Singapore
China
Hong Kong
Indonesia
Taiwan
Malaysia
New Zealand
Rest of World
CPP
(California, US)

South Africa/
Sub-saharan
Africa
JvR Associates
(Johannesburg)
Macro-economic Context The Opportunity

Shares of World GDP (@Purchasing Power Parity)

2000
- US: 23%
- EU-15: 23%
- Other advanced: 16%
- China: 4%
- India: 4%
- Russia and CIS: 8%
- Other emerging: 23%

2010
- US: 24%
- EU-15: 19%
- Other advanced: 16%
- China: 18%
- India: 14%
- Russia and CIS: 5%
- Other emerging: 23%

2020*
- US: 21%
- EU-15: 15%
- Other advanced: 13%
- China: 8%
- India: 8%
- Russia and CIS: 24%
- Other emerging: 11%

The Leadership Gap: The Challenge

Demand
- High, but unpredictable
- Competition is broadening
- Retention of mobile talent pool

Supply
- Quantity versus quality
- Defining, developing competencies
- Local or global or glocal
Level of seriousness the rapidly changing competitive environment has on leadership development plans

Greatest challenge to leadership development is unprepared people assuming higher level of positions due to lack of available talent.

• Expectations on employee growth over the next ten years

50% of organizations surveyed have difficulty filling key positions

Quantity : Quality

- Graduates of undergraduate and advanced degree programs in China

Sources: China National Bureau of Statistics, CEIC, The Conference Board
The Leadership Gap → The Challenge

Defining and Developing Competencies: Local or Global or Glocal

Has your company developed a global competency model?

- Yes
- No

What are the top 3 practices that you have found to be the most effective in developing global leaders?

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<tr>
<th>Rank</th>
<th>Practice</th>
<th>Frequency mentioned in top 3 of most effective practices</th>
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<tr>
<td>1</td>
<td>Participation in cross functional international teams</td>
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<td>International assignments &gt; 2 years</td>
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<td>Short-term international assignments &lt; 6 months</td>
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<td>Cross-cultural training</td>
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Internal Barriers to Developing Leaders

- “A tendency to believe that whatever works in the United States should work across the globe”

- “Perceptions in European headquarters that top executives need to be hard driving like stereotypes of Western executives”

- “In many cases, [expatriates contribute] not at all, as we often replace one expatriate with another”

HR Strategies/Practices for Emerging Markets

- What works best in emerging markets?
- Is it different from developed markets?
HR Strategies/Practices for Emerging Markets

- Developing a Credible and Competitive Employee Value Proposition

  **S**tatus of company (includes sector and national identity)

  **H**uman Resource policies, HR capability

  **O**pportunities for personal and professional growth

  **R**espect – Diversity and Inclusion, Work:Life

  **E**thical and social responsibility
What is the definition of HR? – 360 Feedback

**The Cynics**
- Human Remains
- Head of Redundancy
- Horrible Relations
- Highly Rigid

**The Optimists**
- Huge Rewards
- Harmonious Relations
- Help Required
- Helps Results
HR Strategies/Practices for Emerging Markets

At what level does the local HR function contribute?
HR Strategies/Practices for Emerging Markets

- What works best in emerging markets?
- Is it different from developed markets?

- Is it all about money?
- No it’s not – Maslow and Herzberg revisited
Do we develop for global consistency or local differences?
Developing Leaders for Global and Local Effectiveness

Has your company developed a global competency model?

- Yes: 43%
- No: 57%

Three most important company-wide competencies

- Strategic thinking, visioning
- Integrity, trust, values
- Excellence, delivering results

Developing Leaders for Global and Local Effectiveness

Do you find that leadership skills and competencies are transferable between locations?

- Yes: 83%
- No: 17%

If leaders are effective locally, will they be effective internationally?

- No: 38%
- Yes: 35%
- Not sure: 27%

If leaders are effective in one region, will they be effective in another?

- No: 33%
- Yes: 34%
- Not sure: 33%

Developing Leaders for Global and Local Effectiveness

How to resolve the conundrum?

- Should we just bury our heads in the sand?
- Can we identify some universal building blocks/competencies?
- Can we help people develop and adapt behaviors to be effective across a range of contexts and cultures?
Universal Building Blocks / Competencies

- Vision
- Interpersonal style
- Communication
- Problem solving/Decision making
- Situational and cultural context
- Business objectives and results

Developing Universal Competencies

1. Improved understanding of self
2. Improved understanding of others – similarities and differences
3. Communicating and working more effectively with others
   - Building on personality differences
   - Recognizing and adapting to different cultural contexts
4. Improving organizational performance
   - Problem solving / Decision making
   - Resolving conflict
   - Managing change
   - Selling / Influencing
   - Innovation
Jungian Theory

Developing Leaders for Global and Local Effectiveness
Developing Leaders for Global and Local Effectiveness

Myers-Briggs Type Indicator® (MBTI®) Preferences

- **EXTRAVERSION : INTROVERSION**  
  Where do you prefer to focus your attention?  
  Where do you get your energy?

- **SENSING : INTUITION**  
  How do you prefer to take in information?

- **THINKING : FEELING**  
  How do you make decisions?

- **JUDGING : PERCEIVING**  
  How do you deal with the outer world?
16 Broad Personality Types
Developing Leaders for Global and Local Effectiveness

MBTI® Lenses

**Function Lens**
- Communication
- Persuading
- Selling

**Quadrant Lens**
- Change, Conflict
- Team Culture

**Team Type Lens**
- Team Dynamics – Strengths and Challenges

**Leadership Lens**
- Leadership and Followership

**Dynamics Lens**
- Problem Solving
- Decision Making
- Stress
The Quadrants ‘Lens’: Top Leadership Team Example (2011)

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Change, Conflict, Team and Organization Culture

‘Lens’ distribution

IN: 3
EN: 8
ES: 4
IS: 1
The Leadership ‘Lens’: Top Leadership Team Example (2011)

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Leadership and Followership Style

‘Lens’ Distribution

- TJ: 13
- TP: 2
- FP: 1
- FJ: 0
Developing Leaders for Global and Local Effectiveness

Participants in Leadership Development Programs
Data source: The Center for Creative Leadership (CCL) N=26,447

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Developing Leaders for Global and Local Effectiveness

Participants in Leadership Development Programs
Data source: Ashridge Management College N = 8,039

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Developing Leaders for Global and Local Effectiveness

Participants in Leadership Development Programs
Data source: Indian Managers, Technical; Reported Type, N = 597

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Developing Leaders for Global and Local Effectiveness

Participants in Leadership Development Programs
Data source: Global Electronics company. 1,244 Managers in 12 countries (including USA, Canada, Latin America, Europe, China, Japan)

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TJ Leaders Likely Strengths in Leadership

- Use logical analysis and decision making
- Decisive; express positions assertively
- Remain calm during stressful events
- Fair and reasonable
- Make decisions and create implementation plans quickly
- Put plans into action

How these are expressed can vary by cultural context
Developing Leaders for Global and Local Effectiveness

TJ Leaders Possible Weaknesses in Leadership

- Emphasize efficiency, overlook inclusion
- Take charge and dominate others
- May not see impacts of decisions on others
- May reject required individual exceptions
- Can make decisions and plans too quickly
- May stick to plans instead of adjusting to new information

How these are expressed can vary by cultural context
However, cultural norms influence behavioral expression.

From A to Z and Everywhere in Between
- MBTI® assessments were taken in 178 countries or territories – from Afghanistan to Zimbabwe – during the three months December 2010 to February 2011
- Available in more than 24 languages
• Opportunities and challenges
  – Evaluate numerically and qualitatively

• Develop HR capability
  – Fewer cynics, more optimists

• Define what is universal; acknowledge the differences
  – Embrace the conundrum

• Use a common language and process for:
  – Better understanding of self
  – Improved understanding of others – similarities and differences
  – Communicating and working more effectively with others
  – Recognizing and adapting to different cultural contexts
  – Increasing organizational performance
Thank You

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