Developing Top Leaders for a Globalised Asia
Lessons from best-practice organisations in Singapore
MARCH 2012 | SINGAPORE
Human Capital Leadership Institute

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Introduction

The rising economies of Asia are on an explosive growth trajectory and offer exciting opportunities, despite the global financial crisis of 2008-2009. China, India and other emerging economies are expected to drive global GDP growth through faster capital accumulation by workers and rising productivity. Emerging markets are predicted by many experts to grow from about 30 to 50 per cent of global market cap within 20 years, with Asia accounting for the majority of the expansion.

The challenges brought about by the speed of change and the scale of growth in Asia will require a new generation of leaders who are able to learn quickly and act wisely – both now and in the future. Market complexity and hyper-competitiveness raise the stakes even further. More effective strategies are needed to develop the next generation of leaders faster and on a larger scale than ever before.

A majority of Asian CEOs say leadership shortages are a critical problem. In addition, nearly half the CEOs in mature economies report difficulties in deploying people overseas. This clearly indicates a need for Asian organisations to identify and develop domestic talent more intentionally and to look at best and effective practices for accelerating top leader development.

The Center for Creative Leadership (CCL®) and the Human Capital Leadership Institute (HCLI) set out to investigate the most impactful practices for developing future top leaders in a fast-moving and complex environment like Asia.

Methodology

Five successful organisations with a strong presence in Singapore – British American Tobacco (BAT), CapitaLand, Olam, Singapore Prison Service and Unilever – were selected for our study based on being recognised as ‘best practice’ organisations for talent and leadership development by third party consultancies. Each were asked to nominate three types of leaders to be interviewed for our research: Future Top Leaders, Top Leaders and HR Leaders.

- **Future Top Leaders** – sometimes referred to as high-potential leaders – have the potential to move into a top or senior-level leadership role over the next 5-10 years.
- **Top Leaders** – individuals already in senior level leadership roles who directly supervise a Future Top Leader in the study.
- **HR Leaders** – individuals responsible for the organisational practices used to develop leaders for senior roles.

HCLI and CCL analysed existing research to understand gaps in knowledge about the development of top leaders and to formulate our interview questions. Interviews were semi-structured to allow for open-ended answers.

Thirty interviews were conducted face-to-face or via telephone, with an average of four to seven interviewees per organisation. All were recorded, transcribed verbatim and analysed to identify the emerging themes featured in this report.

See Appendix I for a description of each organisation.
Summary of Key Findings

The Five Paradoxes of Leadership Development in Asia

Our research uncovered five paradoxical takeaways on how best to accelerate leadership development in Asia.

1. To foster learning, emphasise doing. Leaders learn most from challenging experiences, not from formal programmes.

2. To accelerate development, slow down. Leaders develop faster when they reflect deeply and see the impact of their decisions.

3. To excel at the task, harness relationships. The best leaders focus on developing their people skills and on achieving impact through others.

4. To achieve success, learn from failure. Leaders learn and grow from their failures, and share their learnings with others.

5. To develop greatness, practise humility. Leaders model humility and constantly learn from others.

This report summarises our findings. Firstly, we discuss the challenges and opportunities faced by organisations operating in Asia and the importance of developing leaders who can convert those opportunities and challenges into results. Secondly, we profile the types of top leaders needed in Asia. Lastly, we describe the practices used by organisations and senior leaders to accelerate the development of future top leaders.
Asia in Context
Challenges and Opportunities

Growth and speed. These two, simple words characterise both the tremendous opportunity and the challenging complexity faced by organisations operating in the Asia region. Each of the five organisations we studied faces rapid growth in consumer population, revenue and/or markets. They also recognise the need for speed as they address changes in competition, economies, societies and technology.

snapshots of growth and speed

BAT wants to win market share from competitors and become the fastest-growing tobacco company in the region. The approach presents unique and complex challenges, particularly in developing and emerging markets where governments play a large role in the regulation and taxation of tobacco products.

“Our business is not about convincing people to smoke. All that we do is try to compete within the legal contestable space that we have.”

Top Leader, BAT

For the Singapore-based real estate firm CapitaLand, the opportunities for growth go beyond the local real estate market. The company is focused on mature markets such as Singapore, Japan, Australia and the Euro Zone and on the emerging Asian markets of China, Malaysia, Vietnam and India. One key challenge is ensuring consistent quality across these regions with a strong commitment to integrity and ethical business practices. CapitaLand’s ability to grow will depend a great deal on volatility in the global environment, including the rapid spread of financial crises and unpredictable natural disasters, like the devastation caused by earthquakes in Japan.
The leaders of Olam, an agricultural and food products company, estimate the company will double in size every three years. Demand is driven by a rapidly growing global population. International operations, particularly in developing countries in Africa, have given Olam a first-mover advantage in some of the fastest-developing markets in the world. But the volatility of an interconnected global environment means Olam must navigate the challenges presented by terrorism, international conflicts and social movements like the Arab Spring.

“The world is going through a bit of rebalancing. The developed world is not able to find easy new growth and Olam, luckily, started in Africa and then went into other emerging markets.”

Top Leader, Olam

Not surprisingly, the Singapore Prison Service experiences the growth and speed of the Asia region in unique ways as compared to the other organizations studied. With the local public population becoming more knowledgeable and socially aware of government activities, the Singapore Prison Service sees an opportunity to engage the Singapore public in new ways. By looking to expand rehabilitative services beyond the prison walls, the Singapore Prison Service looks to build trust and credibility with a public that is able to use social media technology to spread information and criticism to local and international audiences.

“The landscape is really changing. By that I mean that the public has shifted quite a fair bit of their expectation of what a typical home team department is expected to do.”

Senior Director,
Ministry of Home Affairs
(Supervising future top leaders at Singapore Prison Service)

For a large, multinational consumer goods corporation like Unilever, understanding growth, changing dynamics and the imperative for a speedy response means adjusting expectations borne out of a Western mindset. In established markets, it is easy to be satisfied with yearly growth rates of 15 per cent. But in Asia and other developing or emerging markets, business can double annually. That makes it difficult, if not impossible, to create an accurate, long-range strategic plan.

“There is no way that you’re going to be able to make a five-year plan and even dream that it’s ever going to be right even one per cent.”

Top Leader, Unilever
Challenges and Opportunities: Two Sides of the Same Coin

The concept of paradox is deeply embedded in Eastern philosophy, with opposites seen as interdependent parts of a whole. Paradoxical themes emerged throughout our study and are reflected in the ways organisations as well as leaders view challenges and opportunities – both now and over the next 10 years. Three broad patterns emerged:

1. Navigating the External Environment. Each organisation studied reported challenges brought on by external stakeholders, governments or competitors, and in most cases all three.

2. Leading the Internal Environment. Capitalizing on opportunities requires changing and enhancing the way work is done: people, groups and functions need to collaborate, integrate and align effectively. Organisations are also looking at ways to innovate through the expansion and enhancement of their services, products or operations.

3. Having the Right Talent. Without question, the most critical challenge for these organisations is having the right talent in technical, professional and leadership positions. They are looking for individuals with the skills, knowledge, abilities and experiences to operate in the fast-moving Asia region and in other developing and emerging markets. The “right” leadership talent is in short supply. Organisations are striving to attract, develop, engage and retain leaders with the diverse experience needed to convert challenges and opportunities into results.

Navigating the External Environment

External Stakeholders

Each organisation studied must serve external stakeholders, from consumers, clients and investors to partner companies and the general public. They need to differentiate their approach based on regional and cultural distinctiveness. Even though companies tend to label Asia as a region, it is made up of countries with distinct cultures and preferences that require a local understanding and a customised approach.

Organisational Snapshot: Unilever – New consumer markets along with emerging social and digital media are changing the way Unilever looks at development, distribution and marketing. Every day new groups of consumers are being introduced to products they have never used before. Unilever is challenged with developing the right portfolio to meet varied consumer needs across different countries and regions.

Government Regulations

In the same way regional markets vary across Asia and the developing world, the policies and regulations of regional governments also vary and impact growth. Regulations related to trade, public health and real estate all present challenges to the organisations studied.

Organisational Snapshot: Olam – Government regulations, trade restrictions and food security have a significant impact on all of Olam’s operations. Each region requires leaders to understand and influence local governments in different ways.
Fierce Competition

As all eyes focus on Asia for growth, the number of competitors entering the market is skyrocketing. New local competitors are often smaller and able to adapt quickly to market changes — competing head-to-head with larger and more established organisations.

The battle for talent is fierce among both local and multinational competitors who offer lucrative compensation packages in order to lure the best talent.

**Organisational Snapshot: CapitaLand** — At the group level, not many real estate companies have CapitaLand’s scale and diversity. But local competitors in various market sectors are especially challenging. They have the advantage of being ‘closer to the land’ with a better understanding of local markets and culture.

LEADING THE INTERNAL ENVIRONMENT

**Expand and Enhance Operations**

The organisations in our study also face internal challenges as they expand their products, services and operations to capitalise on opportunities. They must focus on new product categories, build non-traditional capabilities, find efficiencies to maximise results and restructure to align around a new product, service or region.

**Organisational Snapshot: Olam** — Olam is expanding its traditional supply chain management operations to include “downstream” agricultural production and “upstream” manufacturing. This expansion means Olam leaders will have to complement their traditional entrepreneurial strengths with new standards, systems and processes.
Collaborate, Integrate and Align

Rapid growth and change in Asia means individuals, groups and functions must collaborate, interate and align their efforts around aggressive growth goals. They must share information, use global marketing to support local sales and deal with conflicts that occur as functional silos begin to work together.

Organisational Snapshot: Singapore Prison Service –
Along with expanding their focus and reach for rehabilitation to the Singapore community, the Singapore Prison Service is also finding that as a department they are playing expanded roles within the overall criminal justice system. This shift requires Singapore Prison Service leaders to have skills in interacting and collaborating with leaders in very different functions and very different organisational cultures. The ability to collaborate and influence without formal authority will be critical.

HAVING THE RIGHT TALENT

Though each organisation in this study is widely recognised as having best practices in leadership development, having the right talent is still the challenge they most frequently cite. Tremendous resources and efforts are being poured into talent issues.

Attract, Identify, Develop, Retain

Each organisation focuses on attracting early-career talent and building these new recruits into leaders who can excel in the dynamic Asian environment. This “build” focus is due in part to the scarcity of the right kind of talent in the region. Organisations are challenged to develop pools of high-potential personnel with cross-functional and regional experiences. In addition, pressures from competitors make retention a continual challenge.

Engage, Motivate, Diversify

Part of the retention challenge involves engaging and motivating leaders to find value and opportunities within the organisation. Diversity is also a challenge, whether it is increased gender diversity in senior leadership roles, finding ways to motivate multicultural talent or handling differences in generational values and expectations. Future top leaders have high expectations about career growth and may grow impatient if they do not continue to be challenged, engaged and promoted.

Scarcity of the Right Skills and Experiences

The scarcity of experienced talent in developing and emerging markets is a significant challenge. In many cases, expatriates are asked to fill critical leadership roles. This is a short-term necessity, but is not sustainable in the long term. Expatriates face a steep learning curve when it comes to understanding and leading in different regions and cultures.

Organisational Snapshot: CapitaLand – Real estate development is ultimately a local business. Leaders must not only be bilingual, but must understand and adapt to local cultures, regulations and partners. Having the right talent at CapitaLand means leaders must be “bicural” and “multilocal.”
In a dynamic environment defined by growth and by the need for speedy responses to changing conditions, the opportunities and challenges can seem overwhelming. The key question is how to accelerate the development of future top leaders in order to achieve organisational goals. Understanding the challenges organisations face sets the context and provides the basis for understanding what types of top leaders are needed to capitalise on opportunities and navigate challenges (See TABLE 1).

### Summing It Up

#### Challenges and Opportunities

**Navigating the External Environment**
- Generating growth against a landscape of challenging economic conditions.
- Responding to increasing regulations and changing consumer behaviours.
- Targeting regional markets at different levels of economic maturity.
- Increased local competition.
- Demand for food by a growing population.
- Trade barriers and regulations in regional markets.
- Maintaining low recidivism rates.
- Public demand for information, transparency and accountability.
- Developing the right portfolio to meet consumer needs.
- Competing against multinationals and locals.

**Leading the Internal Environment**
- Commitment to productivity.
- Improving core business processes to create efficiencies.
- Evaluating the organisational structure.
- Expanding into agricultural origination and manufacturing.
- Developing standard operating procedures, processes and systems.
- Partnering with community members to expand rehabilitation services outside the prison.
- Collaborating across different criminal justice functions.
- Focusing on new categories and new geographies.
- Integrating global and local functions.

**Having the Right Talent**
- Attracting, developing, and retaining talented individuals to build a winning organisation.
- Motivating and engaging talent.
- Developing younger generations of leaders.
- Finding and developing bicultural and multilocal leaders who are also effective developers of talent.
- Leaders with the ability to motivate and develop multi-cultural talent.
- Developing more local talent and relying less on expats.
- Developing engagement and passion.
- Developing new skills for new community initiatives.
- Finding and developing leadership talent in developing markets with the right skills and experiences.
- Having leadership diversity that matches consumer diversity.

### TABLE 1: Summary of Opportunities and Challenges

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<thead>
<tr>
<th>Navigating the External Environment</th>
<th>Leading the Internal Environment</th>
<th>Having the Right Talent</th>
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<td>BAT</td>
<td>CapitaLand</td>
<td>Olam</td>
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Profile of a Top Leader

When the leaders in our study described the key competencies and capabilities needed by top leaders in Asia, they identified five key roles an effective top leader must play.

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<td>Passion to develop people</td>
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<td>Strategic mindset about talent</td>
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<th>Relationship Builder</th>
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<td>Genuine connections with internal and external stakeholders</td>
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1. People Developer

Those we interviewed see a focus on people development as a significant differentiator for effective top leaders. It is especially important in Asia, since talent is not being developed at a fast enough pace to meet demand. Though many organisations have development programmes in place, they will also benefit significantly from having top leaders who focus on grooming future leaders and accelerating their development.

Our interviews revealed that successful top leaders use both their hearts and their heads when it comes to people development.

PASSION TO DEVELOP PEOPLE

Successful top leaders need a passion (heart) that drives them to think about talent, care about development and feel that employees are not merely resources to be used. A top leader told us that he spends 60 per cent of his time with people – talking to colleagues, having one-to-one sessions with team members, and coaching subordinates.

Our interviews revealed that top leaders who are passionate about people development often show an interest in the personal growth of their subordinates and invest in their holistic development. As a result, employees are likely to be more engaged, willing to work hard and view the organisation as a place where they can grow.

“We should groom people whether it’s in the area of leadership or other areas so that they can play a meaningful role, whether it’s within the organisation or outside the organisation.”

Top Leader, CapitaLand

STRATEGIC MINDSET ABOUT TALENT

To be a people developer, top leaders also need a strategic mindset (head). For example, when a top leader we interviewed met with the supervisor of a very talented manager who was ready to be promoted, one of the first questions this top leader asked the supervisor was, “So who is his successor?” Top leaders must have this kind of long-term view and see the link between talent management and business strategies.

Two elements of strategic thinking about talent were especially highlighted in our interviews: the vertical pipeline and the horizontal timeline. The vertical pipeline refers to succession planning to identify and develop the leadership needed at multiple levels over the next 5 to 10 years. The horizontal timeline focuses on an individual’s growth and career trajectory. Both the pipeline and timeline are critical. Leaders need to ensure that leadership talent is developed in time to fill key positions and that individual leaders have the opportunity to be fully developed for a top leader role.
2. Relationship Builder

In Asia’s complex and ever-changing business environment, relationships are vital to the flow of information and resources. They can help organisations shorten response times, access real-time information and navigate intricate competitive challenges.

HAVING A GENUINE CONNECTION WITH INTERNAL AND EXTERNAL STAKEHOLDERS

Top leaders are expected to proactively initiate and build relationships both inside and outside the organisation — especially in organisations where decision-making and collaboration involve multiple parties. Internally, those relationships span both vertical (with superiors and subordinates) and horizontal (with colleagues from other departments and functions) boundaries. Externally, top leaders are often the “face” of the organisation. They must develop and maintain good relationships with a variety of stakeholders. From the interviews, we found that top leaders are actively involved in building external networks by attending conferences as well as industry events, and sitting on the boards of other organisations. External relationships help these leaders gather market intelligence, influence government regulations and outpace competitors.

“You need relationships, you need to build alliances … you need to network with the industry, you need to rub shoulders with them on an equal basis so as to understand.”

Top Leader, Olam

The individuals interviewed say relationship skills are lacking among many future top leaders. Just having a large network is insufficient as it is imperative to also have strong ties. Building and maintaining relationships is an art; only when leaders are sincere and authentic will trust be gained and connections built.

“We should not just leverage on technology to interact with people but to continue to revisit the basics of having face-to-face interaction with the staff.”

Top Leader, CapitaLand

ABILITY TO COMMUNICATE EFFECTIVELY

Building good relationships with others depends a lot on the fundamentals of communication — both the ability to listen and to clearly articulate ideas. While this may sound like common sense, this competency is consistently overlooked.

Communication skills are particularly important in large organisations. Listening becomes difficult because there are too many voices and too many stakeholders. A conscious effort must be made to listen carefully.

To lead involves influencing others, and influencing requires articulating ideas clearly. Otherwise, top leaders are unable to share strategy, mission and vision, generate buy-in and impact organisational outcomes. Messages that are not clearly articulated get misinterpreted as they cascade down the organisation.

“If you are not able to articulate your thoughts, you are lost because when it flows through the organisation, things get muddled up.”

Future Top Leader, BAT
Leaders at the top often oversee a specific function, division or even an entire business. In each instance, strategic skills are imperative in order to manage rapid growth and an uncertain and complex environment.

STRATEGIC ORIENTATION

Instead of busying themselves with day-to-day operations, effective top leaders are able to step back and take a macro perspective of the business and their operational environment. They are often presented with lots of information and expected to make quick decisions. They need to see the connections and apply a broad knowledge base and perspective to their decisions — linking their actions to the broader picture. This strategic orientation was commonly cited as something future top leaders lack and need to acquire.

“But eventually what is required at the higher level … is to go beyond your business unit and your country and look at things at a macro level.”

Top Leader, Olam

EMPOWERING AND DELEGATING

Being a strategist also involves empowering subordinates and delegating tasks in order to focus on the bigger picture. Top leaders need the time to tap key pieces of information without getting bogged down by details. Subordinates also benefit from the opportunity to learn and grow, which contributes to the development of future top leaders.
4. Nimble Adapter

Given the speed of growth and change in Asia and the inherent complexity of cultures, governments and systems, it is critical for leaders to be nimble, agile and adaptable. The Asia landscape is comprised of multiple countries, each with their own unique culture. Even within a country there are often multiple ethnicities and cultures to be managed. The workforce is also increasingly multigenerational, with three or even four generations working together. In the Asia region, leveraging diversity and embracing change are especially vital over the next 5 to 10 years.

LEVERAGING DIVERSITY

With globalisation and the development of new information technologies that promote connectivity, organisations are no longer constrained by geographic boundaries. They negotiate, collaborate and benchmark with their counterparts around the world. Cultural sensitivity and adaptability have become vital ingredients for success.

“When I handle five countries, each country has a different challenge … your ability to navigate or manage the different contexts becomes very handy.”

Future Top Leader, Olam

Sensitivity to generational differences is also important. Top leaders are often from a different generation than their subordinates and even their superiors. To lead effectively, they must adapt their leadership style to connect with each generation. For example, a top leader told us that he learns to use new technology and social media to get in touch with Generation Y.

EMBRACING CHANGE

Asia leaders constantly deal with change. The economic and political environments are changing, markets are changing and each change triggers another change. Top leaders must be ready to adapt to circumstances beyond their control.

“You have to be adaptable because you don’t know what’s coming next.”

Future Top Leader, BAT
5. Constant Learner

A fast-changing environment means top Asian leaders need to “upgrade” continually in order to stay relevant and in the game. Though the organisations we studied operate in very different industries, constant learning was consistently mentioned by each as a key competency. Top leaders are expected to embrace new things and take on new challenges, have an open mindset and exhibit a thirst for knowledge that can keep them at the cutting edge.

“If he has the ambition and he has the capacity to up the game and learn, it is fantastic for the business, because he wants to grow himself, he wants to grow the business, he wants new challenges, he wants new avenues.”

Top Leader, Olam

The interviews highlight two aspects of constant learning that are often overlooked — humility and failure.

HUMILITY FOSTERS LEARNING

Interviewees cited humility as a praiseworthy quality and noted that high-potential leaders who lack it are not making it to the top. Top leaders told us that they learn from superiors, subordinates, friends and competitors. Having that humble learning orientation is critical for a leader’s personal development.

“I look for other things like humility because humility is usually linked to curiosity.”

Top Leader, Unilever

Growing from Failure (and Success)

Often, leaders focus only on success and how to replicate it. As the Chinese saying goes, “failure is the mother of success.” Failure played a great role in the growth and development of the top leaders we interviewed. They say effective top leaders should be able to deal with failure and learn from mistakes as part of their leadership journey — reflecting on setbacks, learning lessons from negative experiences, growing stronger and continuing their journey.

“We will not take any failure as a failure. We will take the failure as an opportunity to understand what went wrong, learn from it and not make the same mistake again.”

Top Leader, Olam
Summing It Up

Putting Key Competencies into Context

Our research suggests that the five leadership roles mentioned above are interactive and cannot lead to success in isolation. As such, it is not competency in an individual role that distinguishes a leader at the top, but the combination of these roles.

While the organisations we interviewed recognised that these five roles were critical for a top leader, they placed varying levels of emphasis on and ascribed different qualities to each role. (TABLE 2)

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<th>TABLE 2: Top Leader Competencies across Organisations</th>
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Accelerating Leadership Development
Organisational Practices

Knowing the critical competencies that top leaders in Asia must possess, we now focus on what organizations are doing to accelerate the development of future top leaders. We start by summarizing systems and processes that are often enabled by the Human Resource (HR) function. We then distil practices that are spearheaded by individual leaders and their supervisors.

From an organizational or HR perspective, there are three key best practices for accelerating the development of future top leaders: structuring challenging assignments that include feedback processes; providing timely, relevant programmes; and recognising high-potential leadership talent.
1. Structure Challenging Assignments and Build Feedback Processes

HR leaders recognise the power of learning through experiences and develop systems and processes that provide rich and diverse experiences for future top leaders. Rotational assignments are frequently used to provide experiences in different functions, geographies and roles — helping future top leaders develop a wider perspective and fostering effective networks.

Olam rotates future top leaders along a country or product route to broaden their experience. Those on the country route are exposed to different products within one country. Those on the product route are exposed to one product across different countries. The rotations through these roles are often quick and designed to trigger deep learning. Olam recognises that critical experiences are key to development and constantly expose their leadership talent to valuable experiences. The company also recognises the need to build systems and processes to encourage reflection and learning. For example, after action reviews are conducted upon completion of significant projects.

“...You go through those critical experiences...but how you accelerate the learning is through some reflection and some hand-holding of your coach or mentor or supervisor. We try building in a formal loop of critical experience, process of reflection, and a process of discussion, and a review with your supervisor. So...the learnings are clearly identified and institutionalised.”

HR Leader, Olam

These leading companies are deliberate in exposing their top leadership talent to enriching experiences, and build in processes to encourage feedback and reflection.

2. Provide Timely and Relevant Programmes

Our research shows formal programmes are most impactful when the learning can be quickly applied on the job. To accelerate development, the organisations in our study provide individual leaders with the autonomy to select programmes on an “as-needed” basis.

CapitaLand — for example — provides individuals in its talent pool with a training budget. Unilever also uses formal programmes to encourage deep reflection, foster strong networks and inculcate common leadership paradigms. Olam uses just-in-time programmes to prepare future top leaders as they rotate into a new role and take on new responsibilities.
3. Recognise High-Potential Leadership Talent

The five organisations took pains to identify and recognise top leadership talent. They often provide these individuals with exposure to senior management, peer-to-peer forums and pivotal assignments.

At CapitaLand, future top leaders are singled out for special status through their recruitment to the Graduate Development Programme (GDP).

“Young talents development programme such as the Graduate Development Programme (GDP) is highly visible because they are rotated around the businesses during their first two years in the company. They will spend 3-6 months in each of the businesses including an overseas stint.”

HR Leader, CapitaLand

At Olam, future top leaders are selected for special activities and rewarded differently. HR has observed that the mere act of being designated as a “high-potential” often leads to a significant improvement in performance.

“Globally Assignee Talent Pool (GATP) ... [these are] the top 700 roles in the company, more or less ... And for these roles there’s a disproportionate level of the resources which are invested ... It’s not just resources, it’s attention, it’s time spent, it’s mind share.”

HR Leader, Olam

High-potential programmes enhance individual performance, but also can have broader positive implications for the organisation. Unilever HR believes special treatment for future top leaders not only influences them to perform positively, but also creates a sense of ambition and motivation for all employees.

“They are tracked, they go in for special programmes and they are special ... More importantly people ask, ‘Why am I not a high-potential? What is it that I need to do to become a high-potential?... We want those uncomfortable conversations to happen.’”

HR Leader, Unilever
Summing It Up

The Impact of HR Policies

Overall, HR policies impact future top leaders by exposing them to top leaders, promoting exchanges with peers and by improving their performance. Beyond that, recognising future top leaders also increases actual performance and sets higher standards for the entire organisation.

In all the organisations interviewed, HR policies support culture, strategy and impactful developmental intervention. HR enables the identification and development of future top leaders, but also implements practices to build strategic capabilities needed by the organisation.

HR practices reflect each organisation’s culture and strategy. Olam’s systems reinforce the company’s entrepreneurial spirit. Unilever has more formal systems, but gives individual supervisors who are passionate about personal development the ability to select the right experiences for their future top leaders. CapitaLand has a variety of training programmes that emphasise formal learning. Singapore Prison Service relies on job rotations, communication and coaching. In each instance, HR operates in conjunction with top leaders, future top leaders and their supervisors to accelerate development.
Accelerating Leadership Development

Individual Leader Practices

We interviewed a diverse group of future top leaders to understand what has been most pivotal to their own leadership growth. Similarly, we spoke to current top leaders about the practices most effective in accelerating the development of future top leaders. There was a striking consensus around several key themes.
1. Never Waste a Crisis

“If a leader really has a long-term view of developing his own talents, he will value crisis as a lesson and a learning platform.”

Senior Director,
Ministry of Home Affairs
(Supervising future top leaders at Singapore Prison Service)

When we asked top leaders what contributed most to their own leadership development, the vast majority mentioned adversity and crisis. No one mentioned a management book, leadership guru or executive education programme. Instead, they vividly recounted challenging circumstances that tested and stretched their leadership abilities.

A senior leader from CapitaLand recounted a volatile labour strike that erupted while he was leading an Indonesian unit. As a Singaporean, he had little experience in handling strikes, since labour relationships are generally positive in Singapore. He was concerned that if the strike lasted too long, customer service would be adversely impacted. As the situation became more adversarial, he also worried about the safety of his team. He decided to be very open. He explained the situation fully and encouraged his employees to return home for their safety. Their reaction stunned him. Instead of leaving the workplace early, they decided to stay and help with negotiations. Tensions were defused, settlements were reached and customer service was unaffected.

Challenging experiences come not only from crises, but also from sustaining success. A top leader from Olam says his most difficult assignment was taking over a very successful business unit. While employees in a failing unit may understand the need for change, he found it difficult to win over colleagues from a high-performing unit. The experience honed his ability to influence and energise his team.

The top leaders we spoke to believe in providing challenging assignments for their direct reports. They show great faith in them and believe the best way to accelerate their development is through bigger and more challenging assignments. Especially early in a career, tough postings can instil confidence and build resilience.

“The Africa posting really helped. If you lived in Africa for three years, everything else looks like a piece of cake.”

Top Leader, Olam
2. Provide Autonomy and Let People Fail

The future top leaders we spoke to also appreciate the value of challenging experiences — even those that make them uncomfortable.

A senior leader from CapitaLand recounted his experiences running a unit in New York. He was far away from his superiors in Singapore and compelled to solve problems by himself as much as possible. On hindsight, he counts that experience as pivotal. It inculcated independence, initiative and confidence. Experiencing autonomy may be all the more important in many parts of Asia, where power distance between subordinates and supervisors are high. The risk is that subordinates will defer to the superior and fail to develop their own leadership capabilities.

Many of the supervisors we spoke to understand they have to step back to help their direct reports blossom. A senior leader from the Singapore Prison Service believes that giving her direct reports autonomy is one of the most important ways to accelerate leadership development.

“I don’t believe in holding too tight a reign on my branch heads. I usually try to leave it to them to run the show.”

Top Leader, Singapore Prison Service

Challenging assignments can lead to great success — or to failure. But both outcomes can lead to accelerated leadership development. The challenge is fostering a culture that embraces learning from failures. This seems particularly difficult in Asia, where issues of “face” and fear of failure have been widely reported.

An important theme emerging from our interviews is that the combination of tough experiences and deep reflection ignites professional growth. For example, a top leader from Unilever spoke about the importance of letting subordinates make their own decisions and analyse their mistakes. While it may be tempting to step in and provide strong guidance, the consensus was that the deepest learning occurs when people make their own decisions and see the consequences. In other words, top leaders should help with the decision-making process, rather than make decisions for their people.

While the future top leaders interviewed appreciated a culture open to failure, they also emphasise the importance of credibility. Having a prior track record of success makes it easier for them to take risks and make mistakes. They also clearly understand that while they may have a license to fail, they are also expected to learn quickly from their mistakes and not repeat them.
3. Practise Humility, Foster Learning

“[He] had a simple formula of trusting the individual to make calls on the spot. He gave complete freedom to people on the floor to make decisions and make mistakes, and to learn and to bring that learning back so all of us could also learn.”

Top Leader, Olam

It is important for organisations to foster a learning culture. Challenging experiences alone — without the willingness to learn — are insufficient. One thing that struck our research team was the genuine humility of the people we spoke to. In spite of their impressive career histories, they were focused on constantly learning and developing for the future.

For example, we asked a top leader from Olam about his biggest impact on his direct reports. He answered that his direct reports have taught him as much as he has taught them. He provided examples of how he had learned from the natural strengths of his subordinates. We realised he was modelling constant learning and sending a message to his team that you can learn from multiple sources.

Being humble does not equate to lacking ambition. Instead, the leaders we spoke to often came across as being driven by a collective, rather than a personal agenda. For example, leaders at Singapore Prison Service often spoke passionately about “rehabilitating lives.” Future top leaders at Unilever were inspired by their firm’s commitment to halving its carbon footprint while doubling business revenues. Leaders at Olam talked about their role in improving livelihoods while ensuring food security for millions.

4. Model Authentic Leadership

While there is a lot of consensus among future and current top leaders, there are subtle differences in emphasis. For example, a future top leader from Unilever spoke passionately about how inspiring it is to work with and learn from top leaders.

“I have to tell you the impact of Paul Polman’s and Harish Manwani’s leadership is is very, very inspirational in this part of the world … When you’re young and coming through, there’s no better learning opportunity than working with senior leadership.”

Future Top Leader, Unilever

 Likewise, a future top leader from CapitaLand extolled the impact of her supervisor on her career development.

“He is very willing to give ideas, even if he is not directly involved in the project. That really helps because you can learn how he thinks and does certain things.”

Future Top Leader, CapitaLand

While future top leaders recognise the impact of role models, they feel it is important to discover one’s unique leadership style. The same supervisor who inspired the future top leader in the quote above sends a message about the importance of authentic leadership.

“To be the most effective leader you can be, you need to develop your own leadership style, because you are most effective when your style is anchored on your own personality, temperament and personal qualities. While it is good to observe and learn from the best leaders, I think it is pointless to try and copy wholesale someone else’s leadership style, as it may not be suitable for you.”

Top Leader, CapitaLand
When we spoke to top leaders, they emphasised the value of rotating talent in order to foster broader perspectives and inculcate strategic thinking. Future top leaders, though, had a slightly different spin. They emphasised the value of slowing down to move fast. For example, a future top leader at BAT talked about the impact of a sabbatical that allowed him to travel the world and learn from different cultures.

One of the findings of accelerating leadership development appears to be the risks inherent in trying to move leaders too quickly into different roles. All the leaders we spoke to recognise the importance of accelerating leadership development but paradoxically, they also noted that for deep-seated learning to take place, organisations must show patience in grooming leaders and must build reflection time into their development processes. This seems especially important in Asia, where the rapid rate of growth provides leaders with lots of experiences, but little time to reflect deeply and learn.

Another risk prevalent in Asia is “rapid-fire promotion.” As the war for talent rages, there is a danger that future top leaders are being promoted too quickly. They are not given sufficient time to see through initiatives they have launched and to learn from the outcomes.
6. Harness Relationships

Relationships are important everywhere, but especially in Asia. Those best able to build and harness relationships are most likely to operate at the highest levels. The best leaders leverage and build on the capabilities of their teams and are committed to the development of their people.

Harnessing relationships is important internally, but also externally with clients, partners, government officials and other stakeholders. Strong external links are especially important since most of the interviewees in our study prefer developing new leaders from within. While there are many benefits from doing so, there is a risk of becoming too internally focused. Therefore, external networks are critical.

We noted the often deep, personal relationships between future top leaders and their supervisors. A top leader from Olam stressed the importance of genuinely caring about the well-being and career development of one’s people. In Olam’s context, the first assignment for fresh recruits is often a posting to a rural location in Africa. As such, it is common for a supervisor to take charge not just of professional development, but to ensure that direct reports and their families are adapting well to their new environment. Similarly, a top leader from BAT talked about the value of developing, sustaining and leveraging a network of mentors throughout one’s career.

This perspective is also shared by future top leaders. Many of them express profound gratitude to personal and caring mentors, and many admire their supervisors as role models. One future top leader recounted how her boss sensed her frustration at work and correctly anticipated she was considering leaving the organisation. He took the time to sit her down and openly share similar experiences he had faced and overcome. This episode not only convinced her to stay, but also strengthened her resolve to persist and overcome challenges.

Potential Derailers for Future Top Leaders

When we asked what might derail the development of future top leaders, the lack of a work-life balance was a major concern. Future top leaders say they are not prepared to sacrifice family and personal needs to achieve professional success.

“I have two young girls – I want to be there in their lives. For me it’s this tension – raising my young children versus the demands of the job.”

Future Top Leader, Singapore Prison Service

As this report went to print, we learned that two of our interviewees have left their respective organisations. This is a reality for many Asian companies. Talent retention is a constant challenge – even for companies with leading talent practices.
Summing It Up

The Return on Leadership Development Practices

While the respondents we spoke to were highly articulate, there was one question they often struggled to answer. We asked them to articulate their organisation's return on investment in leadership development. Most admit it is difficult to document the impact and to make a precise numerical claim about the importance of leadership development. They come from organisations with a strong passion for and belief in the importance of leadership development. It is an article of faith that has been instilled in them. Thus, they never have to justify investments in building people. Instead, they focus fully on the task ahead – accelerating the development of the next generation of top leaders.
Conclusion

Many organisations in Asia are struggling to develop leaders who can capitalise on the growth and speed that defines the region. Organisations are looking for ways to accelerate the development of the right kind of talent, particularly for top leadership roles. By looking deeply at leaders in the five top organisations operating in Singapore, our research team has improved our collective understanding of the opportunities and challenges facing Asian organisations, the competencies and capabilities needed by top leaders and the sometimes paradoxical practices involved in accelerating leadership development.

*Note: HCLI and CCL collaborated and contributed equally to this research and report.*
organisational profiles

BAT

BAT is the world’s second largest tobacco group by global market share, with brands sold in more than 180 markets. BAT employs over 60,000+ people worldwide and their employees come from many cultures and backgrounds. BAT offers competitive rewards for success, invest heavily in training and development, and offer truly international career opportunities.

The operations of BAT are grouped by geographical regions. Singapore is part of the Asia Region, one of the fast-growing regions in BAT which comprises major markets such as Australia, Bangladesh, Indonesia, Japan, Malaysia, New Zealand, Pakistan, South Korea, Taiwan and Vietnam.

There are a number of BAT business units currently operating in Singapore, including Singapore Supply Hub, Asia Pacific Supply Chain Service Centre, Singapore Distribution Business (BAT Sales & Marketing), Asia Pacific Treasury Service Centre and Global Travel Retail Asia Pacific.

BAT Sales & Marketing, a division of BAT Singapore, is involved in the sales & distribution of the products to approximately 5,000 distributors and retailers all over Singapore. It operates in a highly regulated market and is currently the No. 2 tobacco company in Singapore.

CAPITALAND

In 2000 ST Property Investment, a stakeholder of Pidemco Land, acquired a stake in DBS Land. Pidemco Land Limited and Singapore-listed DBS Land Limited signed a merger agreement and formed CapitaLand. In the last 11 years, CapitaLand has grown and diversified its business into offices, shopping malls, value housing, residential in Singapore, serviced residences via the Ascott brand. It has also expanded business into China as CapitaLand and into Australia through its majority shareholding stake in Australand. Its business structure in Singapore is comprised of Corporate, Real estate, Hospitality, Financial Services and REITs. For financial year 2010, CapitaLand posted a total revenue of SGD 3.38b.

CapitaLand is an internationalised organization with its presence in more than 110 cities in 20 countries. In Asia, its business covers China, India, Japan, South Korea, Thailand, Vietnam, Malaysia, Indonesia, Philippines and Singapore.

CapitaLand embraces diversity in many aspects including cultures, nationalities and languages. Through the international recruitment and development programs, CapitaLand is developing more local talents to lead businesses in overseas locations as part of its multi-local corporation strategy. Its commitment to building people is epitomised by its in-house training school, CapitaLand Institute of Management and Business (CLIMB) which has provided training for 5750 employees since 2006.
OLAM

Founded in 1989 by the Kewalram Chanrai Group, Olam is the leading global supply chain manager of agricultural products and food ingredients. It manages each step in the supply chain from origination to processing, logistics, marketing and distribution and supplies many of the world’s leading brands with cocoa, coffee, beans, nuts and cotton, amongst others. Olam went public in 2005 and equity stakes are held by Russell AIF Singapore (since 2002), Temasek Holdings (since 2003) and the International Finance Corporation. In 2011, Olam reported revenue of SGD 15.9b SGD.

A Singaporean company with a global footprint, Olam enlarged its global presence with a number of acquisitions in the last couple of years. Currently, Olam business covers 65 countries across Africa, America, Europe and Asia. In Asia, Singapore has been Olam’s global headquarter and the business has been expanded to Vietnam, Thailand, and Papua New Guinea.

Olam employs 3000 people worldwide and has less than 10% attrition rate. It relies on promotion from within and sees living and working overseas as a rite of passage.

Olam was awarded the Global Top Company for Leaders and Top Company for Leaders in Asia, by Hewitt & Associates, The RBL Group and Fortune, in 2009.

SINGAPORE PRISON SERVICE

Singapore Prison Service (SPS) is an agency under the Ministry of Home Affairs. As a key member of the Home Team, its responsibilities encompass the safe custody, rehabilitation and aftercare of offenders and preventive education.

SPS is made up of a professional team of uniformed officers and civilian staff, including psychologists, counsellors, medical personnel and management officers, working together towards a common vision co-created by its management and staff.

SPS currently administers 14 institutions grouped under 3 clusters.

At the staff level, SPS has 6 main divisions namely Operations, Staff Development, Corporate Services, Rehabilitation & Reintegration, Strategic Planning & Research and Intelligence Division and 3 other staff units, namely, Corporate Communications and Relations, Provost and Prison Staff Inspectorate.

SPS was awarded the Top 10 Best Employers in Singapore by Hewitt Associates in 2007 and 2009. In 2011, SPS was awarded both the Top 10 Best Employers in Singapore and Top 20 Best Employers in Asia by Hewitt Associates.

UNILEVER

Unilever is a global conglomerate specializing in fast-moving consumer goods. It was founded in Great Britain in the 19th century. Today, it is split into Unilever N. V. registered in the Netherlands and Unilever PLC registered in the UK and listed in Amsterdam and London. The two parent companies operate as one economic entity under the Unilever Group. It has 12 brands globally, that produce more than 1B Euro each. Unilever’s products are sold in 180 countries. Next to its financial performance, it also prides itself in providing and measuring sustainable figures in the Sustainability Development Report.

In 2010, Unilever reported double digit growth for Asia, Africa and Central and Eastern Europe (CEE). Emerging markets (Latin America, CEE, Africa, Middle East and Turkey, Asia) had a 53% in the overall revenues in 2010. Recognising the potential in the emerging markets, Unilever plans to open a Unilever training facility – Unilever Four Acres Singapore – in 2013. This will be the first Unilever training facility outside of the UK.

Unilever has over 167,000 employees worldwide. It has various programs in different geographies to develop its people in various positions. Unilever also frequently assesses its employee engagement practices through a Global People Survey (GPS). In 2010, the level of employee engagement saw a significant increase from 65% to 73%.

Unilever was awarded the Special Commendation Prize for its regional strategic talent development programmes by Asian Human Capital Awards in 2011; and was ranked 16 in Hay Group Global Top 20 Best companies for leaders.
References


4. Rankings from third party consultancies included:


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