

An aerial photograph of a winding river, likely in a polar region, cutting through a vast, flat, snow-covered landscape. The river is a deep blue color, contrasting sharply with the white and light blue of the snow. The river's path is jagged and irregular, creating a series of sharp turns and bends that lead the eye from the top right towards the bottom left of the frame.

S_SHIFT_TO_LEADERSHIP_DX

LEADERSHIP TRANSFORMATION

THINK ENDURANCE

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ANALYZE
THE
FUTURE

S_SHIFT

IS SURVIVAL SUCCESS?

In December 1914, a British explorer by the name of Ernest Shackleton, along with 27 crew members set sail from the U.K. in hopes of becoming the first to traverse Antarctica. What they encountered instead was disaster.

Within a month of departure, their ship, the *Endurance*, became locked in ice, floundered, then sank, leaving the men stranded on an ice floe. For months, Shackleton and his crew drifted, skirting Antarctica, and victim to the currents. By April 1916 they found themselves nearly 1,000 kilometres from their original destination. It was then that the ice gave way sending the men scrambling to board three lifeboats held in tow. Five days later, through high seas and storms, the motley crew washed ashore on a remote arctic strip called Elephant Island.

Most of the men voted to hunker down and wait for rescue. But Shackleton saw this as poor odds, and instead ordered the re-outfitting of one of the lifeboats. He and four others – carefully selected – set off in hopes of intercepting a ship or making their way to the mainland.

Skirting disaster and braving stormy seas, the skeleton crew landed on the backside of a barren outpost many days later. It would take three of them 36 hours with only a carpenter's axe and a 50-foot length of rope to traverse the mountainous and icy landscape before arriving at a remote whaling station off the coast of South America. Shackleton commandeered a vessel and after three failed attempts, he succeeded in returning to Elephant Island, rescuing his crew, and making history. It had been a 20-month death-defying fiasco. Yet, it was heralded a grand success!

Success, because from the moment the *Endurance* became locked in ice, the mission changed. Traversing Antarctica was no longer the goal. Survival was! And Indeed, Shackleton and every one of his 27 crew members did survive!



WHAT SHACKLETON TEACHES US IN THE TIME OF DIGITAL TRANSFORMATION

The story of Ernest Shackleton and the Endurance has inspired books, movies and even a Harvard Business School case study. It also speaks to our times. The digital journey, for many, is as terrifying in today's commercial terms as was the Imperial Trans-Arctic Expedition of 1914 in arctic expedition terms.

Corporations – like expeditions – have their investors, their missions, their people and their goals. Along the way they face obstacles, encounter set-backs, endure disruption, and sometimes fall short of the goal. For much of the past 100 years, when properly financed, pointed in the right direction, and guided by competent professionals, large companies found their way. But things have changed.

Disruption – like the mighty ice floes that locked and sank the Endurance – has a way of throwing things off course. When this happens, it begs the question: What's to be done?

Leaders who prevail in a digitally disruptive world know the answer. The mission has changed. The goal has altered. The days of steady winds and a true compass are behind you. Indeed, all bets are off!

In this third of four insight papers brought to you by SHIFT – a partnership inspired by Ogilvy & Mather, DHR International, and International Data Corporation – we explore the role of leadership in a rapidly changing commercial environment. In previous papers we've explored the customer experience and creation of an omni-channel strategy. We also looked at the power and promise of big data and analytics and the importance of making the right technology decisions.

In this third instalment, we have joined forces with Management Development Services, Ltd. – an executive training & development organization with more than 20 years of operational experience in Asia. Together, we address the leadership dimension – arguably the most essential factor in ensuring successful digital transformation.

We've arrived at a point in the digital journey when more companies than not are failing to make the leap. It's not always easy to know why this is the case, but many organizations are hitting the pause button if only to reassess before taking the next plunge. Here are a few lessons learned:

1. Technology that enables digitalization is a means to an end, not an end unto itself.
2. Enhanced customer experience does not mean moving to an e-Commerce platform and firing your employees.
3. Data is dirty business. Before you can leverage data, you must clean it. This takes time, money, patience and expertise. You must endure.
4. No one member of an organization is fully-equipped to deliver on digital transformation. It's a team effort. C-Suite alignment is tantamount to success.
5. Disruption is imminent. How and when it impacts your organization is only a matter of time. How you respond to the fact is the real question.

DIGITAL DISRUPTION AND NAVIGATING THROUGH CHAOS

So what's a CEO to do? And let's be clear, this is the job of the CEO. Too many digital transformation projects have gone sideways in recent years because the CEO has turned to the CTO in the belief that it's a technology problem, or to the CMO in the belief that marketing will save the day. These short-sighted and stop-gap attempts, for the most part, have only served to perpetuate the problem and cast added doubt.

True digital transformation permeates every facet of an organization; from market-facing sales and customer care to back-end finance and supply-chain optimization. Begin that digital journey and by the end, no division or function will have gone untouched.

Now, more than ever before, responsibility for this change sits squarely with the CEO. Writing in a recent edition of McKinsey Quarterly, Thomas Siebel – Founder and CEO of Siebel Systems declares:

"Digital transformation is about sweeping change. It changes everything about how products are designed, manufactured, sold, delivered, and serviced—and it forces CEOs to rethink how companies execute, with new business processes, management practices, and information systems, as well as everything about the nature of customer relationships."

Siebel says that unlike technology decisions taken over the past 50 years where the CTO was empowered to invest to build efficiencies or accelerate processes, today's digital transformation is about fundamental change. And that responsibility, he argues, rests solely with the CEO.

There are as many circumstances and challenges facing organizations in the throes of digital transformation as there are CEOs. So rather than attempt to address the leadership requirements for every situation, let's consider what we see as the three primary states of being for organizations operating in Asia:

1. Waylaid - We estimate that up to 50% of corporations in Asia are in a state of indecision or stasis. Asia leaders at the helm of these organizations say they are either constrained by headquarter protocol and controls, or unwilling to assume the risks associated with driving fundamental change.

2. Off-Course – Approximately 30% of Asia-based organizations have acted impulsively, choosing tactics rather than comprehensive strategies in a bid to deliver results, albeit short-term. In most cases, this has resulted in additional cost with questionable shareholder value.

3. Shipwrecked - For the bold and the rash, desire to "make a difference" has in many cases resulted in disaster, ranging from lost market share, customer defection, accelerated asset depreciation, and leadership crisis.

Whatever your current set of circumstances, there is no escaping the need to retool one's leadership skills. For some, this will mean a fundamental redesign of the very skill sets that for decades have made a C-Suite executive successful. For others, it will mean redesigning organizational structures by breaking down divisional silos and empowering employees to make decisions across the value chain.

While there is no single set of guidelines to assure success or avert disaster, we do see promise investing in specific leadership principals and behaviours to guide you through treacherous waters. Like Ernest Shackleton, success as a leader in these turbulent times requires quick and innovative thinking, the art of persuasion, and indefatigable calm under pressure. Perhaps most importantly, transformation (digital or otherwise) requires action.

Know this: There is no longer a True North. Come to terms with the fact that the mission is less about the destination and more about the journey, and your relative chances of success will rise.



ESSENTIAL LEADERSHIP_SKILLS FOR THE DIGITAL TRANSFORMATION AGE

Over the course of the next decade, we will encounter some of the greatest transitions any generation has ever had to face. The combination of technological change and globalization is disrupting every business, every industry and every society across the planet. Business leaders are at the forefront of this disruption, charged with figuring out how to re-invent and future-proof their organizations, while at the same time keeping their teams, customers and shareholders inspired and engaged along the way.

As old business models give way to new ones, leadership must change or adapt to be effective. In a world of increased complexity, ambiguity and paradox what will the future of leadership look like?

According to a recent Management Research Group (MRG) survey of 2,663 global leaders that examined how leaders see themselves, as well as how others see their leaders, FOUR primary themes among 22 recognizable leadership practices emerged as **most critical** in the face of disruption and a volatile and complex business environment:

1. Cognitive Strength to be both Strategic and Innovative:

The ability to think ahead, plan for the future, assess long-term implications and demonstrate strong analytical skills are essential skills in the service of anticipating and acting on change. Knowledge and experience are indispensable but only to the degree that they influence vs. determine decision-making. Innovation is the brainchild of these combined cognitive skills and the hallmark of a greater willingness to take risk, challenge outmoded assumptions and put to the test new ideas.

[See below]

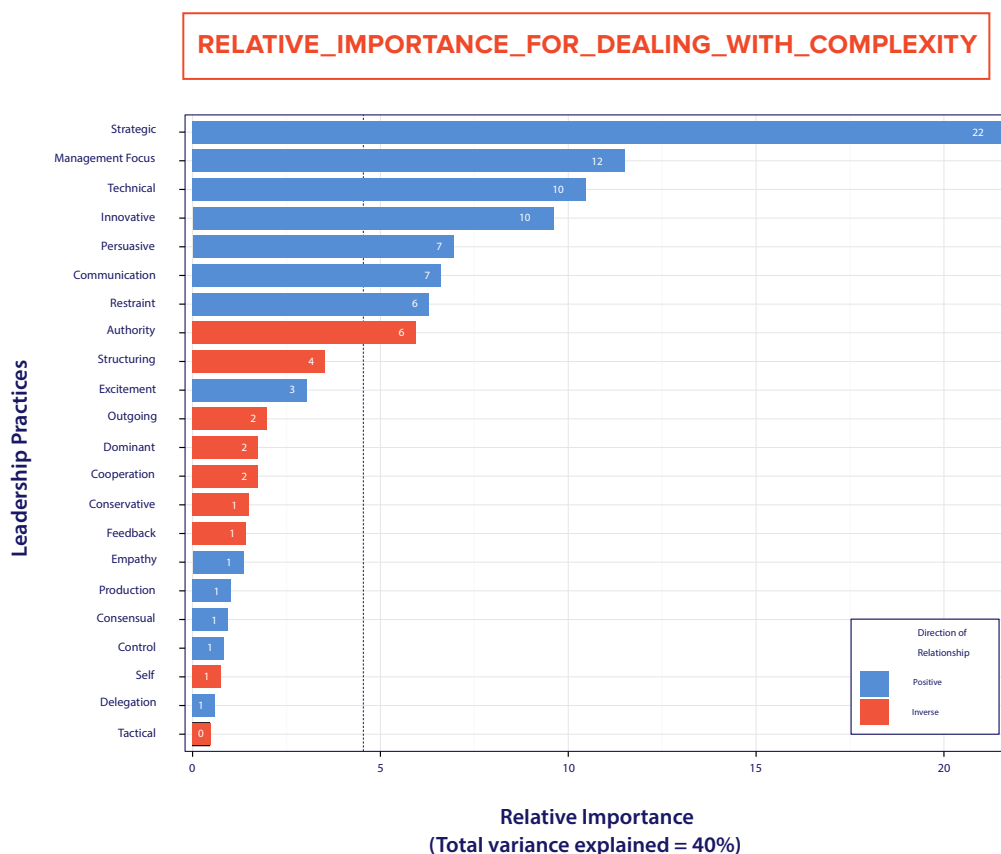
Shackleton's Way: *"Be bold in vision and careful in planning. Dare to try something new, but be meticulous enough in your proposal to give your ideas a good chance of succeeding."*

2. Impactful and Influential Communicators: Establishing a vision and deploying a strategy are only as good as a leader's ability to inspire and persuade stake-holders to get onboard. The best transformation leaders are compelling communicators, highly persuasive and deeply skilled in the ability to develop widespread commitment to central ideas and initiatives with customers, shareholders, and senior leaders within the organisation.

Shackleton's Way: *"Take the time to observe before acting, especially if you are new to the scene. All changes should be aimed at improvements. Don't make changes just for the sake of leaving your mark. Always keep the door open to your staff members, and be generous with information that affects them. Well-informed employees are more eager and better prepared to participate."*

3. Ability to Cultivate Team Collaboration: As organisations grow, an expected outcome is the formation of functional silos where team members quickly get out of touch with key parts of the organization and its overall vision and direction. Cultivating team collaboration starts with high levels of self-awareness from leaders who can demonstrate empathy, cooperation, authenticity and put other's needs over their own. Interestingly the research shows an overall trend for levels of cooperation to decrease as a leader becomes more senior in the organization.

Shackleton's Way: *"Start by making sure collaboration is demonstrated among the leadership team itself. Break down traditional hierarchies and cliques by training team members to do a number of jobs, from the menial to the challenging. Innovate and experiment in ways that create new opportunity bonds for team members who may have functioned in silos, such as cross-functional projects."*



4. Calm and Focused Under Pressure: In times of stress and uncertainty, no one wants to see their leader panic. Staying cool, maintaining order and discipline, while actively influencing and driving change are essential traits. A transformative leader must be comfortable in a position of authority and even be prepared to be unpopular. Once a decision is taken, there can be no room for doubt. Staying the course is a sign of strength.

Shackleton's Way: *"When crisis strikes, immediately address your staff. Take charge of the situation, offer a plan of action, ask for support, and show absolute confidence in a positive outcome. Get rid of unnecessary middle layers of authority. Direct leadership is more efficient in emergency situations. Plan several options in detail. Get a grasp of the possible consequences of each, always keeping your eye on the big picture."*

The challenge for leaders today is that these skills are required earlier on in a career and more broadly across all functions and business units, not only for the top team, but also for select and essential operational roles. In a more stable business environment, traditional management skills specific to financial structuring, branding, sales & channel enablement, and production planning found favour over leadership traits that encouraged innovation, outside-the-box thinking, and risk.

To compound the challenge, leaders with demonstrated cognitive strength are oftentimes less communicative and persuasive. They tend to fall into the category of "left-brain" thinkers. Leaders with superior communications skills, on the other hand, tend to fall into the "right brain" category where lateral-thinking, passion and persuasion take point.

Even when it comes to remaining "calm," if not careful, leaders can be seen as cold or indifferent – not attuned to the passions, concerns, or inhibitions of other members of the team or the organization as a whole.

Bottom-line: It's a tall order to show up as a leader with all four of the aforementioned leadership qualities. It's also debatable as to the degree to which these skills can be learned – particularly for seasoned executives who may have already honed a leadership style that's worked for them. The new business climate reality, however, leaves us with little choice. Learning to "unlearn" can be as important as acting upon a lifetime of operating experience. It's the self-aware individual who is essentially comfortable and confident in his or her cognitive abilities, yet receptive to new and even outlandish ideas, that will cross the new leadership threshold and grasp the need for change in these cataclysmic times.

NEW ORGANIZATIONAL STRUCTURES FOR A NEW WORLD ORDER

No single leader can drive transformation in the absence of an organizational structure to support the plan. While hierarchy isn't everything, it's in many cases a major barrier to change when the call to action hovers around speed and innovation. Disrupters might argue that non-hierarchical organizational structures are a major source of their ability to build new business models and deliver capabilities that all but allude more well-established incumbents who remain dependent on divisional lines of responsibility and a matrixed reporting structure.

Cultivating intrapreneurship and gathering the collective intelligence of all key stakeholders – internal and external – requires both a system and technology to enable rapid communication and on-the-fly decision making. The very thing that once made big companies bigger – management structures, protocols, and checks & balances – is proving a major liability at a time when customer responsiveness and speed to serve are tantamount to success.

In order to keep up, new organizational models are emerging every day. From "holocracy" to self-managed teams, distributed decision-making power is the hallmark of the new enterprise. While it's the role of leadership to set the vision, establish a plan, and assign tasks. It is the obligation of multi-pronged and cross-functional teams to problem-solve and take action.

For traditional organizations gartered by classical management frameworks, it heralds a sea change in leadership style and execution. As Ricardo Semler, the innovative CEO of Brazil's Semco Partners and a man on a mission to "democratize" the industrial process once said: "The key to management is to get rid of the managers." The notion is anathema to most corporate CEOs who've learned to rely on the chain-of-command and resist the notion of distributed power. It begs the question: **Are we asking too much?**

According to Mercer's 2017 Global Talent Trends report, key trends in organizational change will include:

- **Moving support functions to shared services platforms.**
- **Flattening organizational hierarchies.**
- **De-centralizing authority.**
- **Eliminating roles and/or departments.**
- **Forming self-driven "holocratic" work teams.**
- **Building internal and external networked communities.**

Caught in the current maelstrom of commercial change and disruption, there's no arguing that some, if not all, of these changes may prove an important means for survival and organizational re-invention. Prioritizing these decisions, however, is dependent on the relative size and complexity of the business, corporate culture, leadership sophistication, and, current levels of bureaucracy.

From a human resource perspective, management roles will assume broader spans of control and over time focus will shift from "management" of the business to more explicit KPIs, centered on sales and delivery.

While it may not be reasonable or even possible for a regional or global business to shift to a "management free" structure overnight, only by evolving an organization in this direction can traditionally organized businesses hope to contend with the plight of disruption. However organizational change management is grouped and prioritized, the plan should focus on three key initiatives:

1. Hierarchies to Networks: While many matrixed organizations have aimed to reduce hierarchy by flattening organizational reporting lines, the results are mixed. If not careful, the effort can result in creating more silos rather than fewer. A commensurate

build-out of so-called "networks" is a necessary step, establishing corporate communities of shared interests and project-based initiatives that reach beyond divisional responsibilities.

2. Controlling to Empowering: In an increasingly demanding market environment, a larger percentage of employees will be expected to actively participate in day-to-day problem-solving exercises. Only by breaking down the barriers to information flow, enhancing knowledge and skills, and empowering people to proactively suggest change, will companies be able to shift the culture and the mindset traditionally geared toward repeat and routine operational tasks. While this may pose a challenge for more seasoned workers grown accustomed to a clear set of roles and responsibilities, there is some indication that a new generation of workers and professionals want greater autonomy and decision-making power. Cultivating these changes will fall squarely on the shoulders of CHROs and Chief Talent Officers who work to match the demands of the business with the desires and abilities of a new breed of worker.

3. Planning to Experimentation: The old model of generating 3-5 year business plans are starting to give way to a more agile, just-in-time breed of "test and launch" cycles. For e-commerce and social media-based companies, these cycles might occur over days or even hours. For more traditional businesses, planning cycles can range between weeks and months. "Responsiveness" is the new rallying cry for businesses that are subject to consumer fickleness. Tomorrow's high-value jobs, therefore, will give emphasis to "design and innovate" over "plan and execute."

There's no escaping the fact that Asia Pacific organizations (both foreign MNCs and local conglomerates), will struggle to bridge from a more traditional hierarchical model to a more dynamic, laterally-focused business of the future. When comparing Chinese, US and European Leaders in multi-national companies across the same 22 leadership practices, there is evidence to suggest that Chinese leaders tend to remain higher on control and dominant, indicating a significant reliance on hierarchy to get things done. While an Asia 2.0 leadership profile is emerging that is focus more on empowering and energizing, rather than commanding and controlling, the shift in leadership style is proving to be uncomfortable and is not happening fast enough to meet the digital transformation challenges.

Make no mistake, the CEO from his seat at the helm is looking at turbulent waters. The digital transformation journey is uncomfortable and fraught with dangers. Like Ernest Shackleton and his band of adventurers one century ago, the payoff doesn't always stack up to the promise. Shackleton & Co. never traversed Antarctica the way they had planned, but they did learn a few things about survival, and in so doing, showed the rest of us that sometimes success is survival.

"Leadership is a fine thing, but it has its penalties. And the greatest penalty is loneliness."

-Ernest Shackleton

Each key stakeholder on the leadership team needs to own and drive specific agendas and actions, but the key is to work these together as a joint agenda.

CEO	CHRO
<p>DO</p> <ul style="list-style-type: none"> Position digital transformation as a people and leader driven journey that is essential not just for the success, but the very survival of the organisation. Create a sense of urgency from the most senior level and involve the entire leadership team, across all functions and business units, in the actions needed to drive the transformation. Ensure Asia Top Leadership has enough voice and is visibly at the table for all the global and organisation wide decisions being made by the top team. Conduct strategic design, rather than planning sessions on a regular basis throughout the year. Having a strategic plan that looks multiple years into the future is still useful, and must be augmented with top team thinking to innovatively re-conceptualize entire aspects of that strategic plan and make minor and major adjustments along the way. Involvement of multiple stakeholders who bring various perspectives in the process is key to avoid significant blind spots. 	<ul style="list-style-type: none"> Participate as an essential player in the digital transformation journey. Often the Talent and HR function is on the side lines at best. As this journey must be people driven, the CHRO and Talent function should be front and centre. Find new and innovative approaches to maintain a larger proportion of high potentials in the organization. As organisations grow and headcount increases the proportion of high potentials tends to decrease. Figuring out how to break that pattern is essential and the recipe will not be the same for every organisation. Having a clear picture of proportion of high potentials over time and the leaders who really have the combination of all three of the skills listed in section 2 is an important starting point. Leverage technology to create a culture of empowerment and flexibility rather than control, including flexible working practices, ongoing peer feedback, team rewards that incentivize team collaboration and tools for teams to manage themselves autonomously. Create a Talent Development Plan that will build muscle in the three areas listed in section 2 earlier on in the career of junior leaders and high potentials. Getting the combination of action learning, exposure to diverse and challenging project experiences, coaching, mentoring, and ongoing learning through both face-to-face experiences and digital platforms will be key. There must also be a clear view for young leaders to see where they are in terms of these critical leadership skills early on, so that there is time and opportunity to develop in the areas that may not come as naturally.
<p>DON'T</p> <ul style="list-style-type: none"> Consider digital transformation a data or technology problem that the CTO needs to drive and fix. Allow hierarchy or matrix structures to slow down your Asia organisation. Leverage networks and break down silos, letting go of enough control, so that decision making and innovation can take place at the right speed. Underestimate the importance of having the right talent, not just in terms of technical skills, but with the right mix of leadership skills that will drive the transformation. 	<ul style="list-style-type: none"> Be too hasty in overhauling and digitizing your learning platforms. The trend of 'bite size' learning spread over time through hand held devices will certainly be on the rise. Yet, there is a risk of diluting development and turning it into regular entertainment rather than the deeper developmental change and evolution that leaders required to thrive in this challenging environment. Focus solely on your Asia leaders when considering how to improve influence and communication with head quarters. Developing the global mindset of leadership is a journey that will require leaders from both sides to further evolve.

CMO

DO

- Leverage multiple platforms to create noise in the market about your digital transformation journey, making it one that the best people want to be a part of.
- Involve and incorporate the perspective of clients and shareholders when shaping your digital transformation story.

DON'T

- Over complicate your digital marketing approach.
- Drown in the data.

CIO

- Enlist the perspectives and support of all other functions, rather than feeling you must go it alone in making digital transformation a reality.
- Address gaps in leadership capabilities and skill early on in the career of your high potential tech stars, so they will be better prepared once these skills are needed in addition to their technical expertise.

- Overlook human capital data and analytics, which can be essential to support business decisions related to products and the organisation overall.



EVOLUTION OF THE CHINESE LEADER

If digital transformation were a country, it would be called China. On almost every possible digital front, the People's Republic is demonstrating the power and potential of technology with the pervasive and almost ubiquitous rollout of advanced communications, messaging, payments and e-commerce platforms and services. It's a transformation tinged with irony given the government's unyielding adherence to information firewalls that on the one hand keep out overseas providers, while at the same time, offer homegrown companies time and protection to innovate and scale.

In less than a decade, the country has birthed scores of powerful and impressive next-gen enterprises, but none stand taller than the so-called "BAT" triumvirate; Baidu, Alibaba, and Tencent. With a combined market capitalization of more than US\$1.1 trillion, these three Internet behemoths control the lion's share of China's consumer internet business and are now hard charging into global markets on the back of recent capital-raising efforts.

In the meantime, China's State-owned Enterprises (SOEs) are racking up profits of their own. In 2017, SOEs generated 26.4 trillion yuan in operating revenues to realize 1.4 trillion yuan (US\$218 bil) in profit - a 15.2% increase over the preceding year. These massive organizations controlling oil, utilities, banks and construction - though still rigidly hierarchical - are rolling out new IT systems, streamlining processes and upgrading talent to meet the demands of the 21st century.

Taken together, China's corporations are entering a new phase of growth and expansion. Indeed, success at home has emboldened a new breed of Chinese corporate leaders, who, not surprisingly, are charting plans for global engagement.

It doesn't come without risk and disappointment. Witness the recent rise then rejection of Huawei Corporation in the United States. In a climate of increased trade tensions and suspicions of Chinese corporate espionage, AT&T withdrew plans to sell Huawei phones in the US market, undermining years of planning and investment by the Chinese telecom and networking equipment giant. While clearly a setback for Huawei, other Chinese companies appear to be full steam ahead with Chinese foreign direct investment in the US showing a steady rise.

With the growing success of Chinese corporations, the question now is how will Chinese corporate leaders adjust both to the rising demands of the Chinese consumer, and the complexities of sophisticated overseas markets?

The speed of digital transformation in China and increased appetite to go global arguably make the upcoming leadership challenges an even taller order for Chinese leaders than their international counterparts. For MNCs, failure to elevate Chinese executives to global roles may undermine plans to further penetrate the Chinese market. In a recent Green Park study, it

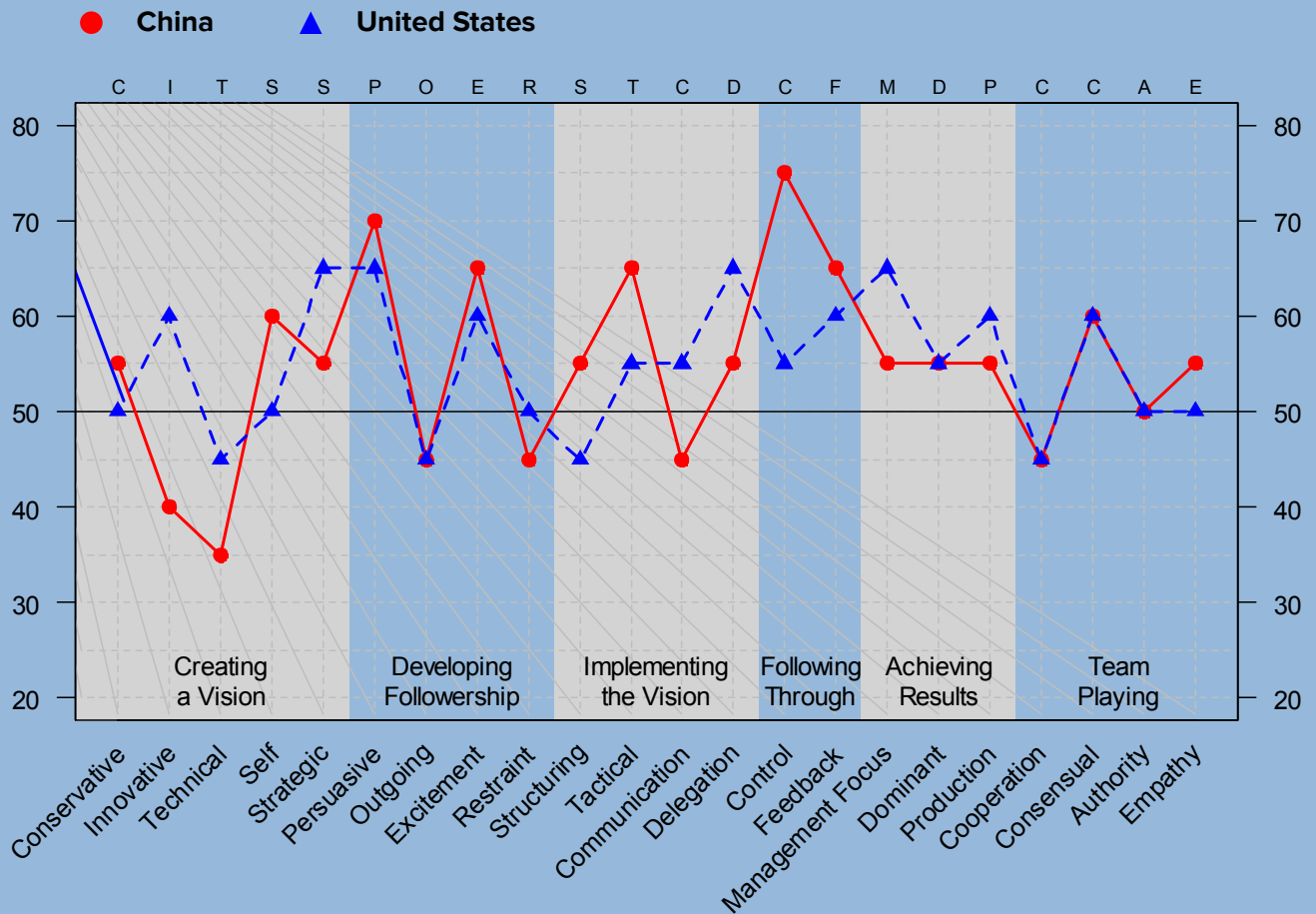
was shown that among the FTSE 100 only a handful of Chinese leaders held C-Suite positions. The report states: "As China grows to be the largest consumer market in the world; and as the United States becomes a majority-minority society the fact that two thirds of our biggest companies have all white executive teams - and apparently not one person of Chinese descent - should set off a big red flashing light that we aren't equipping ourselves to compete in these markets."

While MNCs dawdle, fast-growth Chinese enterprises are stepping in, snapping up MNC-groomed talent to take on bigger roles within homegrown organizations. In a 2017 report co-produced by the consulting firm Bain & Company and LinkedIn, analysis of 25,000 Chinese executives representing 220 major corporations and 18 industries showed that the move from MNCs to China enterprises is in full swing, citing Chinese corporations' willingness to provide senior-level talent with greater influence, ownership, and career advancement.

Not all Chinese leaders poached from MNCs will succeed. In fact, our research shows that in many cases, Chinese talent plucked from MNCs may struggle to adapt, but not for the reasons you might imagine. While no doubt, adjustments to Chinese style management pose challenges, the bigger issue appears to be adaptability to faster-moving, higher-pressure, and less transparent operating environments where "decision-making" vs. "order-taking" is the directive of the day.

In a survey of executives in China, with a strong weighting towards those currently working within foreign MNCs in China, MDS assessed the full spectrum of key leadership skills. Not surprisingly, Chinese executives who make the jump from "manager" to "senior leader" within China-based organizations tend to demonstrate key strengths in areas associated with Western-style leadership success. These competencies include: strategic, persuasive, communicative, management focused, technical, empathetic and restrained.

LEADERSHIP_EFFECTIVENESS_ANALYSIS



In keeping with our assessment that the four most essential areas of leadership competency in times of hyper change include: 1) cognitive strength to be both strategic and innovative, 2) impactful and influential communicator, 3) ability to cultivate team collaboration, and, 4) calm and focused under pressure; an MDS survey of 900 Chinese executives reveals the following:

Cognitive Strength to be both Strategic and Innovative: MDS findings suggest that while senior leaders in China score high on “strategic,” when it comes to “innovative,” Chinese leaders lag their Western counterparts.

What’s Next: For MNCs targeting China, creating opportunities for Chinese leaders to test and demonstrate their “strategic” and “innovative” abilities is essential and largely overdue. At the same time, MNCs would be well served to deploy training and development programs to prepare Chinese managers and young leaders in assuming a greater degree of decision-making autonomy and empowerment.

Impactful and Influential Communicators: The research shows that compared to senior leaders in the United States and Europe, effective communications skills are even more important when operating in China. Evidence suggests that while Chinese

senior leaders are largely effective when communicating and influencing their Chinese cohort, they tend to struggle in this regard when faced with articulating the needs of the business to non-Chinese colleagues. Language is surely one aspect of the challenge, but there are cultural and confidence issues in play as well.

What’s Next: Increasing exposure to non-Chinese colleagues residing outside of China is an important, if not essential, training ground for improved overall communications. In this instance, it’s really about exposure and practice; offering the chance for Chinese executives to engage with colleagues from diverse cultural and geographical backgrounds.

Ability to Cultivate Team Collaboration: Chinese leaders scored higher than their Western counterparts when it comes to cultivating a collaborative work environment. MDS research shows that Chinese executives demonstrate greater levels of empathy and support for their colleagues, with a higher overall understanding of the needs and wants of team members. Loyalty is a defining aspect of Chinese leadership and organizational success. Development of close-knit relationships with colleagues therefore, is a key element of successful organizations and results.

What's Next: In the go-go nature of today's business environment, time and attention taken to know and understand the personal as well as the professional needs and motivations of colleagues and team members can prove critical. Increasingly, organizational structures will shift from strict functional and hierarchical order to more dynamic, team-based problem-solving. In the absence of trust and inter-reliance, results will be impacted.

Calm and Focused under Pressure: Research results show that Chinese leaders perform well in this regard when given the authority to take ownership and demonstrate results. There is also evidence to show that Chinese Senior Leaders with title and hierarchy in their favour, tend to be more effective than when these organizational lines are not firmly established.

What's Next: Figuring out how to shift to collaborative networks, breaking down hierarchy and silos, without disempowering Chinese leaders is the key. Often matrix organisational structures are meant to foster collaboration and global integration, but oftentimes end up mired in complexity that delay or stall key decision-making.

With the understanding that every organization is different and that our analysis is designed to indicate key leadership trends and challenges, we can conclude with the following:

- **Chinese Senior Leaders are better prepared than most MNCs might believe to take on a greater level of strategic ownership, but must be encouraged to innovate and experiment.**
- **Exposure to multi-cultural and multi-geographical teams is essential if Chinese Leaders are to develop a more dynamic set of communication and influencing skills.**
- **The ability to leverage relationships, demonstrate empathy, and cultivate loyalty is a Chinese Leadership strong suit, which we believe will serve them well as organizations move toward less rigid and more dynamic organizational structures.**
- **Knowing when to take ownership and when to delegate in a more fluid and less hierarchical environment will test Chinese Leaders who to date have a higher comfort level with clear organizational lines and titled authority.**

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S_HIFT is the partnership between Ogilvy & Mather Asia Pacific and DHR International with independent digital transformation insights being supplied by IDC Asia Pacific. Bringing expertise in customer insight and brand (Ogilvy) and talent transformation (DHR), the objective of S_HIFT with the assistance of IDC's technology industry expertise is to help businesses tackle a holistic approach to digital transformation. S_HIFT research papers and executive briefings are designed to help the C-suite clarify and simplify in a world of digital disruption. And its bespoke consulting offering helps to unify the boardroom through structured assessments and tools, which ultimately help organizations plan, implement, and deliver short, medium, and long term strategic growth.

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