

## From the President

Warm greetings readers and fellow members of the Asian Association of Management Organisations (AAMO). I hope that you had a good start into 2018.

Well into the New Year it is encouraging to see the developments of several countries within the human capital space in future-proofing their workforce. In Malaysia, for

example, The Human Resources Development Fund (HRDF) recently launched the National Workforce Human Capital Development Blueprint (2018 – 2025) which outlines strategic initiatives to address workforce challenges associated with Industry 4.0, digitisation, and automation.

This is a positive step forward in up-skilling and re-skilling today's workforce which is crucial in producing technologically savvy talents ready to turn problems into opportunities.

While individual countries are doing their part in raising the standards of human capital development, we at AAMO are supporting this by providing the additional resources and opportunities to our member countries.



**Dato' Ng Tieh Chuan**  
President

Our aim this year is to expand our network and collaborate with more Asian Countries. Invitations have been sent to other Management Organisations in the region to attend the upcoming AAMO Meeting on 4 & 5 April 2018 set to take place in Macau, hosted by the Macau Management Association.

In keeping up to the changes within the industry, this year AAMO is looking to continue and update the Management Capability Index ensuring its findings to be more relevant and reflective of today's management concerns and practices.

Training tomorrow's leaders is also crucial to us, which is why we are offering the '24th TRYLA Experiential Leadership Programme' sponsorship through the Malaysian Institute of Management for AAMO Organisation nominees keen on developing young leaders within their region.

In this issue of the 'Leading the Way' you will find articles curated to give you a head start in 2018, from viewing the benchmarks within the industry through 2017's Australian Management Capability Index to increasing your understanding to become a better leader in 2018.

I hope you enjoy the issue and looking forward to more collaboration in 2018.

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MALAYSIA

## Innovation and Governance

By Patricia Magdelen Nelson John MBA(UK), C.Dip.A.F.(ACCA,UK), MABE(UK), CMIIA, MMIM.

**The author is a member of The Malaysian Institute of Management.**

Although in recent years, there has been much hype about innovation and corporate governance in the business arena, these concepts are not new. Nevertheless, in today's economic environment, business organisations need to maintain a culture for innovation and sound governance to respond rapidly to market demands and changes in the economic environment. Otherwise, the long-term sustainability of these organisations may be at stake. In this article, I would like to share some knowledge as well as my thoughts and opinions on innovation, and the impact of corporate governance on innovation, with the hope that Malaysian businesses will strive for good innovation and sound corporate governance for the benefit of our economy in these tremulous times.

### **The Importance of Innovation in Business**

Businesses today are operating in a volatile world where political, economic and even environmental crises are becoming the norm but are real threats to the survival of business enterprises. Moreover, with globalisation, businesses are facing intense competition from both local and global rivals, as more and more players enter the market despite the unpredictable future. The expectations of customers and other stakeholders are increasing whilst the earth's natural resources are depleting at an alarming rate and global warming concerns are accelerating. 'Sustainable development' has become momentous and a business can no longer stick to its 'economic sphere' only. In such a business climate, the principle of the 'survival-of-the-fittest' will operate, which means that only the strongest business entities to compete and win a share in the economy will get ahead. And the strong entities will

control and even wipe-out the weak ones. Hence, businesses have no choice but to seriously review their position in the competitive arena, pay attention to the demands of customers and society, and thereafter promptly respond by implementing new ideas, improved products and services and enhancing the way business operations are conducted. Peter Drucker, the esteemed management philosopher, believed business enterprises need innovation to be a core competence in order to face the challenges of the future; otherwise, they will fade away as needs change.

We cannot expect our government to shelter our businesses completely from the effects of globalisation, the impact of other nations' economic crises on our imports and exports, ecological problems, etc. We have to be realistic and accept the fact that our government does not have the financial resources and power to protect local businesses perpetually. I agree with Michael Porter, an esteemed professor at the prestigious Harvard Business School and well-known for his numerous books and articles on competitive strategy and advantage, that sheltered companies are rarely competitive internationally. So, our businesses cannot just sit and watch; they have to respond to the pressures they are facing by striving to become innovation-driven, otherwise they would most likely be defeated or destroyed by global rivals. This would impact our nation's economy.

Innovation is also an engine of growth for businesses and the nation's economy. Innovation, which cannot be immediately or easily emulated by competitors and offer superior benefits to customers, provides a business the opportunity to earn substantial profits which can be used for market expansion and business growth. Profitable businesses, through tax returns, help to boost the nation's economy. As such, successful innovation by businesses is vital for the nation's economy.

### **Where Innovation Can Occur in a Business**

Innovation is not only about developing creative new products and services for the market, it should not be restricted to the realm of R&D, business development, and technology only. And innovation is not just about 'going green', though innovative green solutions are highly commended. The success stories of outstanding corporations today reveal that besides innovative products and services, innovation can also take place in business processes and systems, business models, and even organisational structures. Innovation is appropriately defined by the Agensi Inovasi Malaysia Act 2010 as, 'any idea or knowledge in whatever form which brings about changes in the form of product, service or process, resulting in positive impact to the economy, business, public service delivery system, social well-being or the environment.' Thus, even if innovation in end products and services is viewed as having direct and immediate positive impact on the profitability of businesses, innovation in other business areas should not be overlooked. These offer powerful opportunities for healthy long-term profits which can be used to facilitate robust business growth, provided the products/services of the business are in demand.

Nevertheless, when considering innovation, businesses must ensure that the intended innovation:

- (1) is appropriate for the situation the business enterprise faces, for example to meet the increasing demands of customers, to improve operational efficiency levels;
- (2) creates or adds value to those for whom the innovation is intended to serve/benefit; and
- (3) satisfies the expectations of other stakeholders who would be affected by the innovation. Otherwise, the innovation would be a worthless endeavour benefitting no one and a waste of corporate resources.



**What has Corporate Governance Got to Do with Innovation?**

My focus here shall only be on three key concerns of corporate governance which I perceive as having the most critical and direct impact on the innovation of a business.

The first key concern is the corporate strategic planning process. In my opinion, the primary aim of corporate governance is to ensure that the activities or actions of the organisation are being directed effectively, economically and efficiently towards the achievement of the organisation's objectives. An essential tool needed here for this purpose to be effective is corporate strategy. An effective corporate strategy sets out the direction and scope of the business over the long-term. It shows how the business intends to achieve the competitive edge over its rivals, creates or adds value and satisfies or exceeds the expectations of its stakeholders. In developing (or reinventing) corporate strategies, the 'governing bodies'<sup>1</sup> of businesses cannot ignore stakeholder expectations, and the 'sustainability' issues pertinent to the business. The development and communication of a good and clear corporate strategy is the first step towards the long-term success of a business.

For appropriate innovations to be designed and to be of value, they have to be linked to the corporate strategy. A clearly articulated corporate strategy (along with the corporate objectives, specific goals or targets, and strategic plan) will indicate what kind of innovations or where innovations are needed. It is through such a corporate strategy that competent business or line managers will be able to identify and plan out details of the type of innovation needed by the business, for example new or improved products/services, or improved ways of operating.

Another essential governance concern that has an impact on innovation is the process of risk management and control throughout the enterprise. Innovation investments are usually very costly affairs for businesses. Unanticipated risks and mismanagement of risks by managers and their subordinates in innovation will result in innovation failures, defects in the innovation rendering it inefficient, or costs escalating much more than budgeted, etc. Such blunders will cause far greater pain to the business, not only in the form of low or nil returns on investment, but also dissatisfaction among affected stakeholders, adverse publicity, reputational damage, and in some cases, bankruptcy. To prevent or minimise such adverse situations, the 'governing bodies' of businesses must ensure that there is an effective and robust process to help their line managers:

- (1) promptly foresee and identify risks, at the various business units for which these managers are responsible, that could prevent the business from achieving its corporate strategy and objectives; and
- (2) effectively and efficiently assess, manage and control such risks whilst ensuring that the risk management and control activities are aligned to the corporate strategy and objectives.

It is usually at these business units and sub-units that most innovation decisions are executed. However, before such a process can be in place, certain crucial risk management decisions (such as risk tolerance thresholds) and policies have to be made by the 'governing bodies' during corporate strategic planning and communicated clearly to the business/line managers. These top-level risk management decisions and policies should guide the managers in developing and implementing:

- (a) a more effective risk assessment framework;
- (b) more appropriate risk management action plans, policies and procedures; and
- (c) more effective controls at their respective areas of responsibility.

It is imperative to ensure that there is proper governance oversight by the 'governing bodies' and effective monitoring by line managers (and their subordinates) at the various phases of risk management and control to facilitate the success of innovation.

The third key governance concern here is the organisation's control environment, primarily matters related to the integrity and ethical values of people throughout the organisation, and management's philosophy and operating style. The organisation's ethical climate and work culture are greatly dependent on the tone at the top — a proper tone at the top usually tends to positively influence people's standards of behaviour at work, which includes their moral judgments, control consciousness, and their commitment towards work. So, the tone at the top influences the tone of the organisation.

It is important to remember that in any organisation, it is the collective standards of work behaviour within the organisation that primarily influence the creation and delivery of the organisation's products/services. When the tone of the organisation is poor, great innovative business strategies simply fail or will not sustain, even if there are well-designed risk management and control processes and systems in place. Therefore, it is critical for the 'governing bodies' to set and maintain a proper tone at the top. Documenting great policies, rules and procedures, and then using these to communicate to and train employees

are insufficient in promoting integrity, ethical values, control consciousness and other expected standards of behaviour at work. By setting good personal examples, and backing up words with actions, board directors and top management can get this message across and gain the trust and commitment of their employees.

**The Way Forward for Malaysian Businesses**

I believe that good corporate governance and innovations are collectively important to any type and size of business. If there is good governance but no innovation, the business may survive now but its growth and long-term survival could be at stake. On the other hand, if there is good innovation but poor governance, not only can the delivery of the innovation be jeopardised, the business' reputation would definitely be tarnished and the business would probably incur substantial costs in rectifying the damage done, paying fines to regulatory bodies, and/or paying litigation expenses and compensation. It could also face the same fate as Arthur Andersen — forced to close down operations. And, of course, if there is neither good governance nor innovation, the survival of the business, even in the short-term period, could be at stake. I hope that Malaysian businesses would pay attention to both governance and innovation for the strength of our economy. Having said the above, good governance and innovation do not necessarily mean that the innovations will never fail; sometimes innovations fail for various reasons not connected to the governance practices of the business, for example a sudden change in the political climate of a country; a competitor creates a better or revolutionary product or service that could not have been reasonably anticipated; unanticipated changes in the market environment; etc. However, a business should learn from its failed innovations and continue to innovate rather than give up; otherwise it could risk being overtaken by competitors and even forced out of business.

In concluding this article, I hope that Malaysian business owners, leaders and management would view these tremulous times as an opportunity for their organisations to strive for progress (and excellence) and long-term sustainability through good innovations and sound governance practices. By doing so, our businesses may be able to help improve our nation's economic growth and enhance our competitive stature in the global business arena.

1 The term 'governing bodies' here refers to the parties responsible for the function of corporate governance in a business. In a small business, this function is primarily the responsibility of the business owners.

# INDIA

## Redesign the value curve

Looking beyond competition will help create an uncontested market space.

By Dr Simon George, Tapmi, Manipal

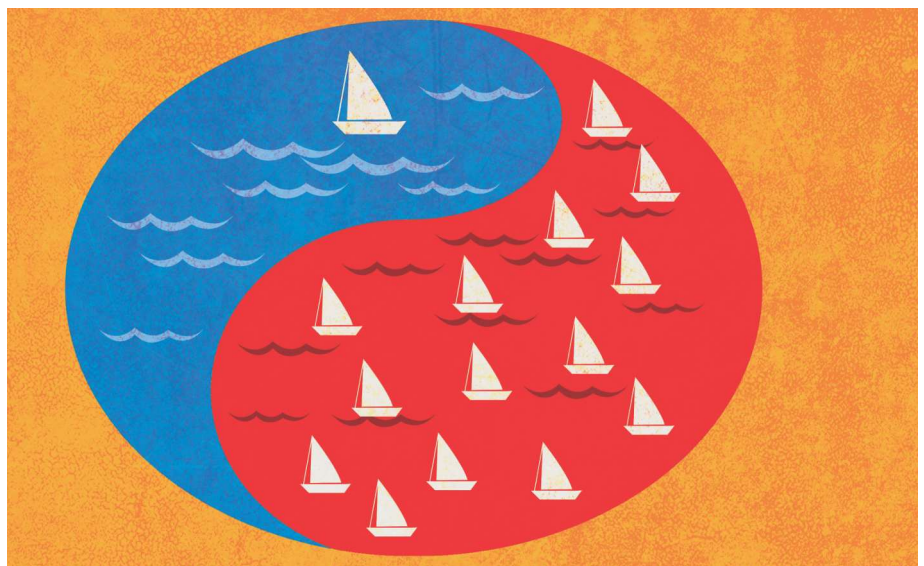
A blue ocean is a depiction of depth, calmness, and transparency, an ideal status a person or organization would like to possess. But the present-day external environment rarely allows this status to exist.

The ocean frequently becomes turbulent, muddy, and chaotic due to the influence of external factors. Organisations realise this special environment and increasingly start responding based on external influence, especially the behaviour of competitors. This is called the 'red ocean' way of organizational thinking and strategising, by keeping competition as the focus point.

This mostly leads to a win-lose situation, by believing that one can win by being better than competition. Many organisations did well this way, but it may not ensure them consistent and long-term success. It also drains a lot of energy. Professors W Chan Kim and Renée Mauborgne of INSEAD, Paris researched the activities and performance of several good companies and sectors spread over a period of 100 years, and came out with a body of knowledge that believes it is possible for all to win, if an organisation focuses more on their inherent capabilities and try to be innovative by providing value to customers. They put their research findings in the form of a book, Blue Ocean Strategy. It contains a set of analytical tools and frameworks that show how to systematically develop a blue ocean strategy.

### What is Blue Ocean Strategy?

Blue Ocean Strategy (BOS) is a systematic approach that changes the frame of reference from competitive



strategy to making competition insignificant. It challenges companies to break out from the red ocean of cut-throat competition by creating an uncontested market space that makes competition irrelevant. The blue ocean approach calls for creating a new, uncontested market space, breaking the value-cost tradeoff, aligning the whole system of a company's activities in pursuit of differentiation and low cost. Challenging the conventional wisdom about which buyer group to target leads one to the discovery of a new 'blue ocean'. By looking across, companies can gain new insights to redesign their value curves to focus on a previously overlooked set of buyer needs. These help them identify 'non-customers', who can later be converted to customers on the basis of value innovation.

### Value innovation: the corner stone of BOS

The blue ocean approach, surprisingly, does not use competition as the benchmark. Instead, it follows a different strategic logic called 'value innovation'. Here, the focus is on making competition irrelevant by creating a leap in value for buyers and the company, thereby opening up a new and uncontested market space. It lays emphasis on adding value with innovation rather than just value creation with improvements. Value

innovation occurs when companies align innovation with utility, price, and cost positions. Southwest Airlines exemplifies this approach perfectly well with their low-cost air travel concept. It was conventionally believed that companies can either create greater value at a higher cost or create reasonable value at a lower cost. Here the strategy is seen as making a choice between

differentiation and low cost. In contrast, blue ocean pursues 'differentiation' and 'low cost' simultaneously. The success stories of some of the Indian IT companies are a good example of value innovation.

### Developing a Blue Ocean Strategy

BOS covers both strategy formulation and execution. A strategy is developed and executed based on six principles:

- Reconstructing market boundaries
- Focussing on the big picture
- Reaching beyond current demand/consumers
- Establishing right strategic sequence
- Overcoming organisational hurdles and
- Building execution into strategy

A close and detailed analysis of the existing product and customers are the key to this strategy development. Developing a 'utility curve' of one's products against those of competitors helps a company bring out the strengths and weaknesses of its own. A more detailed analysis of the product leads to a fouraction framework in terms of reduce, eliminate, raise, and create various aspects of the product. This step is only possible when the 'buyer's experience' with the present product is mapped through his/her usage cycle of purchase, deliver, use, supplements, maintenance, and disposal activities. Buyer experience mapping and the four-action framework planning can lead to the creation of new and modified products, processes, and services which may create value innovation.

### Blue ocean thinking

BOS became a popular organisational approach in strategy, as it is derived from an important life principle of looking deep into the self in times of challenges. It motivates one to look at



the capabilities of oneself to [meet] the demand of the times, and encourages one to come out with creative options to tide over difficulties, enhancing drastically the value of the output. It helps one to identify one's own strengths and weaknesses too. It is hence an excellent thinking approach to face tough times. It stimulates one to stretch oneself to the next level rather than following the beaten path, to achieve goals. It discourages one to look at the other person's activities and achievements to chart one's own path.

#### Creation of a blue ocean strategy-novopen by novo nordisk

Insulin is a medicine used by diabetes patients as per the prescription of a doctor. It used to be administered by either a doctor or under the supervision of a doctor. Insulin was supplied to patients in 'vials' with its syringes, needles, medicine, and with the required administering doses. This made administration of the medicine complex, and had to be done by a trained person, each time. Novo Nordisk, one of the leading pharmaceutical companies manufacturing this medicine, found that the primary way to differentiate the product was by improving the purity of the drug, which had reached a plateau among competing manufacturers.

Novo Nordisk looked at a different approach to innovate—i.e., a blue ocean way. Can we (the company) move away from the traditional way of competing? Instead of focussing on the medicine to do better in the market, why not look at the administration of it? Can we shift the focus from the doctor as decision-maker to the patient? Combining both these possibilities, the company created a blue ocean strategy, through its 'path of looking across chain of buyers'.

Novo Nordisk developed the NovoPen, which resembled a fountain pen, by which the patient himself/herself can administer/inject the medicine. It contains an insulin cartridge that can be carried as a self-contained unit, with roughly a week's dosage. The pen had a click mechanism, by which any one can control the dosage while administering. It provided ease and convenience without the complexity of syringes and needles (to have been used by a trained medical person). With NovoPen, Novo Nordisk created blue ocean strategy through its product and delivery.

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#### Disclaimer

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## INDIA

### The enigmatic 'Y'

#### Organisational approach towards millennials has to be rooted in the context of their paradox-ridden lives, aspirations, and the challenges they face.

By Dr Debashish Sengupta, Alliance University

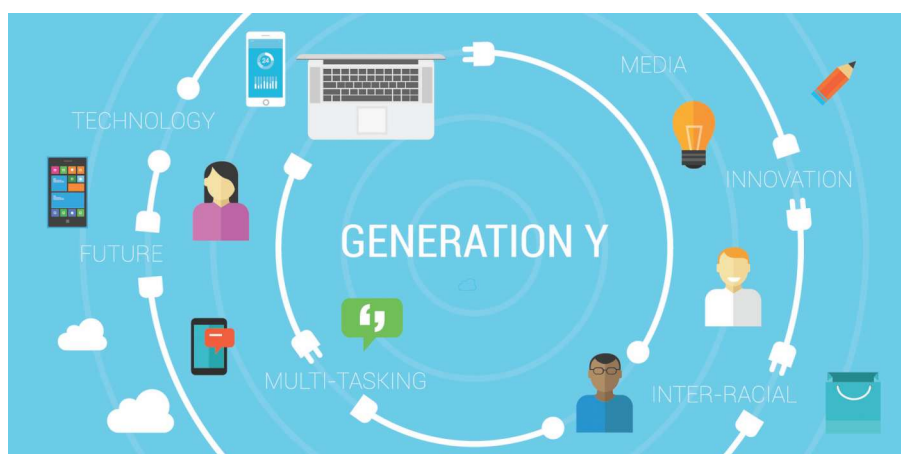
Melisa works as a nurse with a birthing boutique chain in Bengaluru. She comes out as a frank, young Gen Y or millennial, as they are popularly referred to, typically one who has a strong opinion. She likes her job but thinks that her organisation has little idea about managing people like her. Couple of minutes into the conversation with her, it is clearly evident that she is not the archetypal disgruntled employee who whines at the drop of a hat. Instead, she supports her arguments with logic and sound reasoning. Melisa finds some of the rules that govern employees like her

hers, yet we are supposed to follow her orders without questioning. She lends no ears to our counsel."

#### Rough edges

Melisa's is not an isolated case. In my countless conversations with millennials from India and other parts of the world, I have felt there are a lot of rough edges between them and the older generations at work. On numerous occasions while engaging with companies earlier too, I have felt this undercurrent of conflict that generally brews between the older generations (baby boomers and generation X) and the millennials at workplaces, in society, in educational institutions, and at homes. This does not mean there is some kind of animosity between the various generations at work but definitely there is a sense of discomfort and disengagement.

The 2016 millennial survey by Deloitte on India has alarming news for companies in the country. Almost 66% of the millennial or Gen Y workers in India are likely to change their companies by 2020. That works out to two out of every third millennial worker. While similar trends are visible the world over, India ranks third vis-a-vis the highest probability of Gen Y workers leaving



quite out of place and as ones defying logic. Take, for instance, the 'no mobile use and no social media at work' rule.

Melisa states, "I do not use my mobile or check my FB account when I am on duty. Patient care comes first and foremost. However what really bugs me is the fact that we are not allowed to use our phones even during our break periods at workplace. Only emergency calls are allowed and that too with prior permission of the Matron (head nurse)." Why would someone have any issues in me using the phone during a break?" she adds. Frankly, I have no answer to her question.

Melisa continues, "My matron is senior and has experience, but not very open to new aspects of nursing care. I often find my way of doing things better than

their present companies. The survey pinpointed a visible sign of neglect millennials experienced in organisations and contributed to their low levels of engagement. This shows that something is undoubtedly wrong. Deloitte's 2017 survey too echoed the same sentiment—of an apprehensive generation seeking stability and opportunities in an uncertain world.

#### So what is really not right?

Millennials at work have been given several labels—impatient, lazy, poor work ethic, no loyalty, job hoppers, entitled, mobile and social media addicts, and are considered as not having any respect for seniority. These have obviously come from the boomers or the Xers. So are millennials and the





older generations sharing an accusatorial relationship? No, it cannot be. Also, neither the older generations nor the millennials can be faulted for this. If we have to blame anyone or anything, then it has to be to the low level of understanding about millennials in general. Let us take the labels given to millennials. Research has proven them as nothing more than mere myths. Take for instance, the label 'disloyal'. It has been rejected by most millennial researchers. A recent study by Pew Research Center found that millennials are not hopping jobs any faster than Gen X. About 21.8% of Gen X workers worked in an organisation for five years or more in the year 2000. About the same percentage of millennial workers (22.0 %) considers working for an organisation for the same duration in 2017. Similarly, in the year 2000, about 60% of Gen X workers were found to be working in an organisation for 13 years or more. Similar preferences exist for millennial workers, in fact slightly higher (63.4%) in 2017.

In terms of opportunities, millennials obviously are far more inundated with better opportunities than the previous generation. Another view is that millennials do not respect seniority. My research of about a decade on millennials indicates that most of the labels, including this, are casual references by the previous generation and mere stereotyping. Millennials respect merit and not position. They would respect a leader only when he or she shows calibre and leads by example. Mere position or designation will not appeal to them or make them bow in reverence.

### Costly disengagement

Good understanding is the beginning of the blossoming of a relationship and building of engagement. A poor level of understanding leads to

misunderstandings and doubts. This also often results in a blame game that helps the cause of none and definitely not of the organisations. The resulting friction and disengagement will not just have cost implications. It will also have a negative impact on the growth, profitability, and sustainability of companies, especially when the going is not good for most of the industry sectors.

The sheer size and presence of millennials is a testimony to why there is a pressing need to understand and engage them better. At present, there are close to two billion millennials in the world, and in India, more than 65% of the population is below thirty-five years of age. And millennials (born between 1980 and 2000) have already started dominating the workforce composition around the world. Every second new hire is a millennial today. Pew Research Center statistics shows that millennials constitute the largest percentage of the US workforce and they will comprise



two-thirds of the working population around the world by 2025. They will also constitute major portion of the customer base. Companies and the older generations at work can ignore

them or write them off only at their own peril. Any shortsightedness in the approach to engaging millennials can affect a business firm in the long term.

### Understanding millennials

As mentioned earlier, millennials and the older generations at work are not each other's adversaries. The need of the hour is to first develop a right understanding of the millennial mindset and behaviour. We should first recognise the fact that they are different from the previous generation—both in the way they think and behave. An empathetic view requires us to understand the kind of lives they live and the unique challenges they face.

One of the most interesting findings of my work is the fact that the life of an average millennial is dotted with paradoxes. Take for instance, the friend paradox—they are flooded with friends and friend requests on Facebook, yet they find hardly any real friends in their lives who will stand by them through thick and thin. Most of them do not trust their social media friends. They are mere connections, yet they present themselves as friends, often creating an illusion and paradox in their lives. Or for that matter, the opportunity paradox. They have a multitude of career opportunities and global work options too, yet are comparatively poor both in terms of physical and mental health. Therealties and pressures of modern-day life—with no time to eat, sleep, and exercise—has led to a rise in obesity-related issues, hypertension, and cardiac issues at a young age. There is also a sharp increase in cases of anxiety, depression, and other stress-related disorders; the number of people with suicidal tendency is also on the rise.

I could also identify a total of nine paradoxes that dot all the wellness elements of life, including physiological, emotional, social, and material wellness. This is not to present a dismal

picture about millennials. It is only to sensitise the previous generation to the fact that millennials in particular live in an era that has seen change far greater than any other; and these changes have populated both the macro and micro contexts. The resultant generational effect has been a difficult set of paradoxes that dot their life. There is

need to break the traditional stereotypes about millennials and truly understand 'the life of Y'. Understanding is a precursor to engagement.

### New design of engagement

Most organisations are oblivious to demographic changes impacting their workforce. Old engagement models do not seem to be working for millennials. This is not to suggest that earlier

organisational designs and engagement models are poor, but they are simply inadequate since they were never created keeping the millennial reality or their needs, behaviour, mindsets, or aspirations in mind.

There is a need to urgently revisit and transform these organisational designs to engage millennials as employees, consumers, and as valuable, contributing members of society. Millennials workers, millennial customers, millennial entrepreneurs, and millennial learners are different from the previous generation. They are a distinct cohort whose needs, aspirations, concerns and challenges are different. We need to urgently change our understanding, capabilities, and create a new organisation design that engages them better. Faced with indifference, millennials will simply disconnect, something that companies, society, and nations can ill-afford.

(This article is based on the book The Life of Y: Engaging Millennials as Employees and Consumers.)

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## MALAYSIA

# Building Entrepreneurial Agility With Anwar Jumabhoy



Anwar has over 30 years of senior management experience across a range of industries, from shipbuilding, fast-food, technology, venture capital and hospitality. Until May 2015, Anwar was Director of Operations. Since then, he has been an active business and leadership coach.

Anwar's articles have appeared in publications of the Malaysian Institute of Management, Canadian Institute of Management, Edge Weekly and the online publication, Digital News Asia.

### Why do large companies struggle to cope with the changing business environment?

There are lots of reasons, but mostly the companies have grown and in a mistaken effort to maintain control or manage risk, end up with too many layers of management. This means they have managers who manage other managers and it goes on. Communication channels become complicated and then close up. Senior management loses touch with the customer's needs; instead of value-adding action, they are busy with reporting. Often prominence is given to support functions. This 'shift of power' away from operating unit heads means they spend too much time negotiating for authority instead of taking action. These are all signs the company has lost its entrepreneurial origins. 'Custodians of Procedure' have sprung up all over the organisation and they focus people on the 'how' rather than the 'why'. Usually, the 'why' is forgotten!

### Why do Management often complain they do not get support from their staff?

Some of these company CEOs do 'town halls' to sell their ideas. Unfortunately this only works if you have their trust in the first place. People want to be 'team players' and so everyone gets into a 'rah ... rah' mode and management may walk away from the meeting thinking they have 'buy-in'. Actually, you can't get 'buy-in' until the 'what's in it for me' (WIIFM) question is adequately addressed for the staff. Management assumes that what's good for them or the company is naturally good for the employee. That can be true only after they have invested time to align staff interests with company interests in the first place. Unfortunately, at a lot of companies, management may have lost the trust of their staff. Companies talk about 'pay for performance' but have not invested enough in defining performance. Instead, it tends to get confused with loyalty, respect and conformity! Rewards are small and the differential between 'high' and 'low' performing rewards are not significant.

### There are lots of books on entrepreneurship. How is yours different?

Well I haven't read them all! But I would suggest that most books focus on how to be a better entrepreneur. Unfortunately, 'entrepreneurship' has become synonymous with start-ups. For us entrepreneurship is a set of behaviors and learned attitudes. We looked at

start-ups as well as enterprises and identify the nine specific attributes or what we call Entrepreneurisms:

- Self-efficacy;
- Risk-taking;
- Passion;
- Innovation;
- Opportunism;
- Learning;
- Realism;
- Persuasion; and
- Execution.

Then we take our readers through a practical method for recovering their Entrepreneurisms.



### Can large companies really behave entrepreneurially?

In a nutshell, yes. Entrepreneurs are not different people, they just do things differently. Large organisations can learn, change their structures and become more entrepreneurial. We offer a proven, six-sigma-based methodology to undertake what we call a 3-PT make-over of the organisation:

- People;
- Policies;
- Procedures; and
- Technology.

### Why do the vast majority of transformation efforts addressing culture, digitisation, etc. fail?

This is a big question, but let me offer a bold answer. They fail because of two simple reasons: they don't answer the WIIFM question; and they focus on trying to create better employees, when in practice they should also be creating better organisations. Consider this analogy: you have a rowing team in a boat that has a captain and it has sprung a leak. Would it really help to send some of the rowers on a course to become better skilled? Of course not, you first have to fix the boat — what we call the 'mothership'!

### What is new about your recommendations for transforming corporations?

Well, several things. First, we believe culture is a result of both small and big decisions taken by management over several years. These have to change or be undone. Second, we believe, people do not resist change. They resist others seeking to change them, especially when they try it without addressing the WIIFM.

### Why do Middle Managers struggle to perform?

This is an interesting question. First, let me say this is so 'senior management'. If you ask the middle management, they will have a different answer! In fact, they are probably able to break up the problem into its components. That would be — problems at the Leadership level as well as problems at the execution level. What is true is that middle managers are the most stressed. They are typically caught between the promises of Leadership and the actual capabilities of the organisation.

### Why do large companies maintain outdated Human Resource practices?

Well many of these practices date back to the industrial age and so they are past the 'sell-by-date'. Let me give you a few examples:

- Performance appraisal — instead of an appraisal, it has become a year-end negotiation for your bonus and increment.
- Probation period — why have a 3 or 6-month period, when most companies confirm 95-99% of the candidates anyway?
- Pay for hours — instead of moving to task or deliverables based payments that is practiced by most start-ups, large companies are still hanging onto pay for hours at work. Think about it. Just because someone is sitting at their desk, or in the office it doesn't mean they are working!

### How can large companies attract young talent?

That's too broad a question, but let me take a stab at it. Young talent may be looking to work in the right environment. What does that mean? Well it could be they are looking for companies that have the same value system as theirs, or are selling products and services that they have empathy for. Some young people are looking for experience and are therefore not willing to make long term commitments. And many are looking to work at companies that are agile, willing to absorb and

implement new ideas. In other words, entrepreneurial companies. But let me ask another unasked question: why do you need 'young' talent? Especially when everything else about your company is anything but young?

### What needs to be changed for my company to have Entrepreneurial Agility?

In summary, a lot. That's why we detail out the 3P-T tool-set and the six-sigma-based methodology. Agility does not come about solely from a culture change. You have to get the right people in place and change the structure of the organisation. Changing the structure of the organisation, having 'honest' leaders will itself result in a culture change. Remember, entrepreneurs are not different people; they just do things differently. You need to change the way the organisation is structured, the way people are hired, report and are rewarded. Take a closer look at what your managers do daily and see if these tasks can be skipped, delegated or automated. You will save time, money and demonstrate to your management your commitment to improving company performance.

### How has MIM membership helped your professional development?

MIM is a 'one-stop' management resource offering weekly talks, a collaboration space as well as a fantastic online resource. MIM Direct, the online learning platform done in collaboration with Siemens and the UK Chartered Management Institute, offers exclusive access to hundreds of management and self-development tools and resources. They have also set up a huge online directory of courses.

### What advice do you have for someone considering joining MIM?

Why wait, join now, before your industry or career is disrupted! Individual membership is great value for money.

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# The Knowledge Economy is Now

By Herbert Lee



The futurist Buckminster Fuller created the “Knowledge Doubling Curve”; he observed that up until 1900 human knowledge doubled approximately every century. By the end of World War II in 1945, knowledge was doubling every 25 years. These days, human knowledge is doubling every 13 months.

The late Peter Drucker, the world's pre-eminent management guru predicted the rise of the knowledge worker back in 1968. Knowledge workers would become the foundation of the knowledge economy. Progressive companies adopted this idea and adapted their management model to accommodate.

## Role displacement

Thirty years ago, many managers had a secretary. Every secretary had specific functions and duties – mainly taking dictation and typing all forms of business correspondence. Every secretary had a typewriter and worked for a “boss.” Then with the emergence of word processing, things speeded up but the roles stayed essentially the same. Then came the personal computer with business software. Executives started writing their own correspondence and reports and the secretary's role began to change. The change became more complete with the arrival of the internet and email. Executives at all levels now

handled routine correspondence using email, without the aid of a secretary. Secretaries now became organizers and time managers for managers. They had become knowledge workers. Juggling schedules, planning meetings and doing some basic research became skills that secretaries needed to have. Their title became personal assistant (PA) and their role became administrative rather than functional. Keeping information flowing was the key.

This was not a simple name change. It created a new dynamic within the organization. Instead of the secretary writing the bosses letters and sending them out to another secretary who would read and filter for their boss. With email, information sharing became more direct – everyone could freely and easily communicate with suppliers, colleagues and customers. It also “flattened” organizations – and a “chain of command” organization became less needed.

This is just one of the changes that resulted from the emergence of the Internet. Many others have occurred but many organizations have not noticed or acknowledged these changes.

Three components of change – institutions, the individual and the community.

## Educational institutions and the workplace

Traditional education in the 20th century was based on a training model from the Industrial Revolution. During this period, mass production was the mode of thinking. This extended to education. Uniform classroom size, standardized textbooks and a curriculum designed like a factory to churn out workers who would spend their lives doing one job for their entire life. Uniformity and conformity were the watchwords.

The knowledge worker that Peter Drucker envisioned was not like this at all. That individual was expected to be able to find and analyse information, think critically for themselves and make sound decisions based on this. Independent and innovative thinking were the requirements.

Many educational institutions have bought all the necessary hardware – high-speed wifi, smartboards in every classroom and online teaching methodologies. Unfortunately, this is a case of “new wine in old skins.” Some teachers were brought up without these technologies and do not willingly embrace new methods and approaches to teaching. And educational institutions have not changed their educational philosophy. Traditional education can be likened to a pitcher of

water and empty cups. The teacher is the pitcher and the students are the empty cups. The teacher fills the empty cups with information and the students are tested to see how much they can remember of what is “taught.” In the knowledge economy, knowing where to find information and how to use it is more vital than having information in your brain. As mentioned earlier, the sheer amount of new information generated these days is too overwhelming to use this traditional approach. There is just too much information available – information overload!

In the traditional workplace you only needed the three R's – reading, wRiting and Rithmetic to get by. And in traditional companies, you get by with these basic skills. The model of get an education, get a job and then retire is entirely out of date. Nowadays, we need lifelong learning not just to keep pace, but to move ahead. The sheer volume of information has increased so dramatically that you can not get ahead with limited skills. Knowledge is power in the information age.

### The individual

Individuals contribute to the development of the knowledge economy by developing the skills of a knowledge worker.

With the emergence of the Internet in the 1990's, it became both an opportunity to develop and advance the knowledge workers' skills and a threat to a stable work environment for employers. Employees at all levels were affected. Some gladly and willingly embraced the changes – others were enraged and later engulfed by the challenge to change.

For the knowledge worker, the skill of accessing the right information was more important than having a lot of information inside his/her brain. For the skilled knowledge worker, a simple Google search is not the answer. There's just too much information. The trained knowledge worker can find specific information for any given project – easily and quickly. Learning how to search Google effectively is yet another tool that if used properly, gets excellent results.

### Skills for the knowledge worker

**Communication.** In the old days you communicated in person, by phone or by mail. Then came the fax. Nowadays, you have your smartphone, Facebook, weChat, WhatsApp, texting, tweeting, Skype calls, email ... the list goes on. The challenge to the knowledge worker is using each communication channel effectively and appropriately.

**Collaboration.** This skill takes practice. This is a valuable skill since great ideas

come from many different approaches and ideas. Merging ideas into new ones creates innovation, the driver of modern business.

**Critical thinking.** The ability to find, analyze, understand and use information is vital to the success of the knowledge worker. The ability to read and then regurgitate it back (what we do a lot of in primary and secondary school) is no longer useful in an information-packed society.

**Creative thinking.** The ability to “think out of the box.” This skill creates innovation for any company. This ability can help solve problems in a creative and satisfactory manner is a driver to business development and growth.

### These skills became the “core” of their learning strategy.

Knowledge workers frown at the idea of traditional life-long employment. Instead, they value lifelong learning – opportunities to learn new skills and test new ideas. Knowledge workers keep pace with new learning and new trends and typically expect 3-4 career changes in diverse fields and industries. Knowledge workers are not only upwardly mobile – they are completely flexible and mobile.

### The community

The third component in the knowledge economy is the community. The community must also adapt and adopt changes.

Traditionalists in a community typically cry “foul” at any change. But change is necessary to make any progress. So it is vitally important for a community to embrace change. This does not necessarily mean everyone must learn and master all the skills of a knowledge worker. It does mean the acceptance of new ideas and change.

In today's globalized society and economy, many changes will occur whether we like it or not. Resisting change will not stop the changes from happening.

To come into the 21st century – the information age – all three protagonists must change. The individual, the institutions and the community must welcome and embrace change. Welcome to the brave new world of knowledge workers.

## NEPAL

# Do engineers make good managers?

By Dr. Madan Manandhar

“Managers are people who do things right; leaders are people who do the right thing.”

**Abstract:** More than half of the young engineers of today aspire to end up as executives or managers. Less than half of the young engineers aspire to end up as consultants, teachers, or other non-managers. The young engineers who would be managers aspire not merely to become managers of engineering departments. They hope to become general manager, chief officers, and managing directors of companies, which oversee not only the activities of engineering, but of others as well. In these aspirations, the young engineers are not alone. The young accountants, IT, management, finance and business officers, teachers, even doctors, and many others, likewise hope to become managers and general managers. This keen and extensive attraction to occupy managerial posts is a sign of increasing alertness to the vital role of the manager in our present society, organization and economy. Managing people is hard and, unlike a calculation, it is not very easy to see where you are doing wrong (and of course some don't care). A lot is to do with personality some people are born to lead some aren't. It is the purpose of this paper to analyze the qualifications of the engineer for managerial posts. To make this analysis, it is necessary to consider the following:

- i. What is the relationship of management to engineering?
- ii. Does engineering education and training qualify one to become a good manager?
- iii. What must an engineer do to become a manager?

**Truly,** I have a great deal of respect for both of those individuals as engineers, and at face value engineers should make good managers. Usually analytical, good at managing risk, innovative and excellent with figures, engineers possess many attributes required of a manager. So why do so many engineers seem to struggle?

In my experience, successful managers are good with people. They are usually





approachable and get the best out of individuals and teams by being good at listening, giving clear direction and praising good results. They need to be firm but fair and they need to make clear decisions in a timely manner. Some of these attributes don't seem to come naturally to engineers, but I think if an engineer can develop good communication skills and the ability to make timely decisions, rather than waiting for additional information, then they can make excellent managers.

A significant number of engineers reach senior management levels in industry, academia and the public service. Many achieve this despite inadequate training during their engineering careers in non-technical subjects, such as management, leadership, HR, law, finance and commerce.

**The Difference between Management and Leadership**

The terms management and leadership are often used interchangeably, which causes confusion. John P. Kotter (1990) has pointed out that management and leadership are very different activities requiring different competencies. To quote from the Harvard Business Review On Point summary of his paper (pp. 105-07): The most pernicious half-truth about leadership is that it's just a matter of charisma and vision – you either have it or you don't. The fact of the matter is that leadership skills are not innate. They can be acquired, and honed. But first you have to appreciate how they differ from management skills. Management is about coping with COMPLEXITY: it brings order and predictability to a situation. But that's no longer enough – to succeed, companies must be able to adapt to change. Leadership, then, is about learning how to cope with rapid CHANGE. Kotter (1990) compared the functions of each as follows:

Management	Leadership
Planning and budgeting	Setting direction
Organizing and staffing	Aligning people
Control and problem-solving	Motivation

The difficulty here is that, although management and leadership require

different competencies, a manager needs to be skilled at both, but is likely to be more skilled at one or the other. Jaques (1998), whose Stratified Systems Theory, revolutionized the traditional theories of organizational structures, puts it simply: Managers carry leadership accountability by the nature of their roles. He therefore uses the term Managerial Leadership as a fundamental description of the concept, but at first sight this may cause confusion about the separate functions of management and leadership. The point of this brief discussion is to alert engineers to the fact that, as managers, they need to develop their separate competencies in leadership while improving their management skills.

The innate skills of most engineers, such as objectivity, numeracy and problem-solving ability, equip them well for management roles. But many engineers take responsibility for the work of others only a few years after graduation, and thus become managers whether they realize it or not. So formal training in the

responsibilities, duties and practice of management is needed early in engineers' careers. Unfortunately, this often fails to occur because of the widespread belief amongst engineers that the really "hard" work is technical work (e.g. design, equipment and plant operation, maintenance) and it must therefore have the highest priority, and that non-technical, or "soft", work (e.g. HR-related activities, management and leadership training) is far less important. Experienced senior managers know the reverse is true. Why so? The possible reasons are:

- Engineering mindset and attitude not compatible with management work???
- Nature of education preventing engineers from becoming great leaders?
- Authority & strengths in engineering have become weakness in management?
- Differences in work done style by engineers versus that by managers?

**How is engineering management different from management in general?**

Characteristics	Engineers	Managers
Focus	Technical/scientific tasks	People (talents, innovation, relationships); resources (capital, knowledge, process know-how); projects (tasks, procedure, policy)
Decision Making Basis	Adequate technical information with great certainty	Fuzzy information under uncertainty (people's behavior, customer needs, market forecasts)
Involvement	Perform individual tasks	Direct work of others (planning, leading, organizing, controlling)
Work Output	Quantitative, measurable	Qualitative, less measurable, except financial results, when applicable
Effectiveness	Rely on technical expertise and personal dedication	Rely on interpersonal skills to get work done through people (motivation, delegation)
Dependency	Autonomous	Interdependent of others
Responsibility	Pursue one task at a time	Pursue multiple objectives concurrently
Creativity	Technology centered	People centered (conflict resolution, problem
Bottom Line	"How" (operational)	"What" and "Why" (strategic)
Bottom Line	"How" (operational)	"What" and "Why" (strategic)
Concern	Will it work technically?	Will it add value (market share, financial, core technology, customer satisfaction)?

Adopted and revised from P. Morrison, "Making Managers of Engineers," Journal of Management in Engineering, Vol. 2, No. 4 (1986).



In fact, their innate task skills and work practices equip them very well for management roles. But many engineers take responsibility for the work of others only a few years after graduating, and thus become managers whether they realize it or not. As senior or principal engineers, they may not realize that, in taking on responsibility for the work of others, they have assumed the role of manager with the associated accountability. So, formal training in the responsibilities, duties and practice of management is very much needed early in engineers' careers.



### Most Common Reasons for Career Failures for Engineers (Kotter, 1990):

#### 1. Poor Interpersonal Skills: Poor in emotional intelligence:

This is the single biggest reason for career failures. Everyone needs to be:

- Showing respect and sensitivity in dealing with others,
- Minimizing conflicts and disagreements,
- Giving and taking criticisms well,
- Striving to build team support,
- Becoming emotionally intelligent, and
- Behaving professionally

#### 2. Wrong Fit

- Not fitting to the cultural norms, core values, priority, profit motives, social/ environmental preferences, and others of the workplace
- Hard to adapt one's own abilities, styles, personality and chemistry to those of co-workers
- Solution is to move on quickly

#### 3. Not Able to Take Risks

- Staying in a position far too long for fear of losing control of own comfortable life

- Not willing to venture out (e.g., taking on a management position, relocation for a promotion, new job, different industry, etc.)

#### 4. Bad Luck

- Caught unexpectedly in an organizational restructuring situation (mergers and acquisition, downsizing, change of market conditions, economic downturn, outsourcing strategies, formation of supply chain, etc.)
- Bad luck is not always avoidable. Be ready for it by keeping oneself marketable: Value creation attitude, skills, and records.

#### 5. Self-destructive Behavior

- Examples include: work in depth, resistance to change, being excessively aggressive, shown less people skill & non-cooperative attitude, picking fights with people, becoming overly argumentative, being readily excitable about trivialities, and showing a lack of perspectives in things.

Recent major international studies (Jaques, 1998) show that companies which have superior HR practices and formal leadership development programs are significantly more successful financially, and that leadership development is the most important issue facing companies today. They found the following eight attributes are the most important for a manager to be an outstanding manager. They are, in order of priority:

1. Be a good coach and have regular one to ones, presenting solutions tailored to your employees' specific strengths.
2. Empower your team and don't micromanage.
3. Express interest in team members' success and personal well-being.
4. Don't be a sissy: be productive and results-oriented.
5. Be a good communicator and listen to your team.
6. Help your employees with career development.
7. Have a clear vision and strategy for the team.
8. Have key technical skills so you can help advice the team.

The people skills, the emotional intelligence skills, the ability to relate and build really strong, trusting relationships with people are MORE important than the technical skill of the manager.

Finally, only speaking from personal experiences the quality of a manager is not inherently based on the education & training they've quite often it's due to

their personal experiences & background that makes a manager good at being manager. A good engineer may or may not make a good manager but then not all managers are good managers. Some managers are just not as good at some aspects of the job. However, they may be exceptional at other aspects of the job. Indeed, I have had more than a 25 year career in the Management Training consultancy industry, some of the best trainers /managers I have had the good fortune to work with have been engineers. The main point to my comment is that managing data is easy. Managing people is hard.

For an engineer, dealing with people is unavoidable. Understanding principles, like those mentioned above can change the processes by which engineers live their lives and understand themselves and others. This will increase their emotional intelligence capability and in turn their job performance capability. Hence, engineers who have previously had little or no exposure to theories of intra- and inter-personal management skills will benefit considerably from increased knowledge in this area. And this is at a time when the quality of engineers' relationships with their managers, subordinates, colleagues, customers and suppliers, not to mention families and friends, is at an increasingly high level of importance for their careers and for their personal satisfaction and happiness.

#### Conclusions

Engineers are well placed to reach high levels of management in most organizations and to be both competent managers and leaders in either technical or non-technical roles. Formal training in the theory and practice of management and leadership is needed early in their careers as well as later. Non-technical training to increase their emotional intelligence capability and understanding of the other issues determining job performance is as essential as technical training. And organizations which implement formal staff development programs should realize improved financial results. This paper has addressed ways of assisting engineers to progress their careers and to be more effective managers and leaders through provision of relevant training, which can lead to financial benefits to their organizations.

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## NEW ZEALAND

# Brother, sister let me serve you: the call for servant leadership and the need for followership.

Author: Erika Barden, 1st NZ MALP graduate (with Distinction), 2017



It makes sense that without followers there can be no leaders. Likewise, without a high performing team, a leader can't be successful. As more and more Millennials enter the workforce, they're not interested in following someone because they have a grandiose title, corner office, or long tenure - that's more likely to garner disdain than respect. A recent study on Millennial workplace preferences found that 88% of participants prefer a collaborative work culture, 79% want a manager to serve as a coach or mentor, and that 64% want to help make the world a better place (Asghar, 2014). Positional power and traditional hierarchies just don't cut it anymore - 20 - 30 year old's need something else. They want work with a purpose, and a leader who is invested in them - and their wider community.

Enter servant leadership. While the concept sounds contemporary, servant leadership is actually an ancient philosophy that can trace its background to the Tao Te Ching, a Chinese philosophical and religious text, dating back to somewhere between 570 and 490 BC. It is also found in other early texts such as the Indian treatise Arthashastra and the Bible, and was

echoed in the teachings of leaders such as Gandhi, Mother Theresa and Martin Luther King Jr.

Servant leaders put the needs of others first, and, in a work environment, they help people attain their highest performance potential. Servant leadership turns the power pyramid upside down: instead of people working to serve the leader, the leader exists to serve the people.

Robert K. Greenleaf popularised the phrase 'servant leader' in 1977 after he queried traditional command-and-control notions of leadership and authority. He suggested there was a better approach to leadership, and advocated leaders serving others, such as employees, customers, and their community. Instead of focusing on self-promotion, Greenleaf recommended leaders make the needs of others a priority.

In his 'The Servant as Leader' essay, Greenleaf writes about the motivation of servant leaders:

The servant-leader is servant first... It begins with the natural feeling that one wants to serve, to serve first. Then

conscious choice brings one to aspire to lead. That person is sharply different from one who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions (p. 22).

This construct sits nicely alongside the motivation of many Millennials, who value collaboration, creativity and community, and are inclined to forgo consumerism in favour of wanting to make a positive difference in the world.

### Servant leadership in Agile

It stands to reason that to achieve successful outcomes, leaders must encourage others to succeed. This is an underpinning principle of Agile, where leaders 'meet the needs of their teams while modeling collaboration, trust, empathy and ethical use of power' ("Agile Certified Practitioner," 2016).

Within the Scrum framework - the most popular and most practiced Agile approach globally - there are only three roles, one of which is 'Scrum Master'. The person filling this role is a facilitator and coach, helps remove impediments to progress, and is responsible for creating an environment in which the team can flourish. Training material literally states that Scrum Masters act as servant leaders (Schwaber & Sutherland, 2016; "Who is Scrum Alliance?," 2016) and their core objective is to 'care for people' and help the rest of the scrum team be successful.

In practice, this means:

- leading by example
- creating an environment of safety and support
- listening without judgement
- respecting individuals' abilities
- removing any obstacles to success, and
- helping the team work better together.

As part of my 2016 research into 'How leaders enable the successful delivery of agile projects', I interviewed 10 participants who had recently delivered, or were currently leading, an agile project. A recurring theme was the importance of servant leadership, as evident in these sample quotes:

"In agile you become more of a servant leader and play a support role. It's not about you - it's about your team and enabling your team to succeed." (Participant B - a Scrum Master in the education sector).

"Managers must sacrifice their vanity and forego their traditional power. Agile leaders are servant leaders first, and put their team first. The idea is to coach and support them, and do everything possible to help the team be successful." (Participant I - a banking Agile Delivery Lead).

I was surprised that these participants referred specifically to servant leadership without prompting, but their familiarity with the term, and practice, was a result of their Scrum Master training.

While not Scrum certified or agile trained, Participant F (an Agile Project Manager in the digital creative space) captured the concept of servant leadership when she explained the capabilities of her ideal leader:

I always find the best leaders are ones who don't make the work their own. They enable you, they empower you. They're there if you need them. They're there to support you. They want you to do a good job, but don't do your job. They help you succeed.

While not directly naming servant leadership, this participant highlighted her preference for a manager to support and empower a team to realise their potential, and this is the cornerstone of the servant leadership approach.

### The importance of followership

The flip side of leadership is followership. Defined by the Merriam-Webster Dictionary as the 'capacity or willingness to follow a leader', followership theory is concerned with the characteristics and behaviours of individuals acting in relation to leaders (Archibald, 2015, para 5).

Naturally without followers there can be no leaders, and it has been suggested that leaders only really accomplish something by permission of their followers. While personal experience supports this, it also makes sense that to achieve successful outcomes, leaders must encourage their teams to be successful. This requires managers to surrender their ego and place the needs of their team before themselves, thus acting in a servant leader capacity.

For these brave leaders to be truly successful, it is imperative that they create and nurture followers who are committed to their vision, are loyal and steadfastly supportive. This is particularly important for agile leaders who no longer have traditional, positional power to rely on, and instead must develop relationships and build trust and support among their followers.

Likewise, good followers serve their team, their leaders, their organisation, and community. In this regard they too are servant leaders – in their desire to 'serve first' and ensure other people's requirements are met before their own. As such, the practice of servant leadership is as valid for followers as it is for leaders.

### Wrap up

According to Statistics New Zealand, Millennials are now the single largest age group in New Zealand, and they'll make up the majority of the labour force within five years. These digital natives crave collaboration, innovation, flexibility and autonomy, and want work with purpose. As such, Millennials need a different type of leadership from the traditional, transactional kind. They require leaders who care, are authentic and ethical, and serve a wider network and need.

I believe that a move to servant leadership is unattainable for most 'old school' autocratic managers, who often run their teams by intimidation and fear. These managers enjoy their hard-won status too much to give it up and become a servant-leader.

However, this group is waning. As Baby Boomers retire they're replaced by

Generation Xers, who need to learn how to lead Generation Y – a generation that doesn't value the traditional trappings of corporate success, and instead are motivated by lifestyle choices and making a positive difference.

Conversely, many of these Millennials are turning their backs on the 'establishment', creating their own businesses, being their own boss, and practicing socially-responsible leadership.

Regardless of the location or industry, when leaders shift their mindset and change their behaviours to serve others, they unlock the purpose and potential in those around them. This results in higher performance and engaged, fulfilled employees – regardless of their age, role or organisation. And this benefits all of us.

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# NEW ZEALAND

## What's in a New Year celebration?

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As you read this, the New Year will have arrived. At the stroke of midnight on the 31 December, fireworks will have lit up significant places in cities all over the world like a domino effect as the New Year is welcomed across the world as many will have ushered in 2018. New Years resolutions have been made (and may have also have been broken by now). New Year's Day is a public holiday in most countries marking the first day

eve involves many traditions such as feasting, dancing and singing “Auld Lang Syne” at the stroke of midnight. The Welsh celebrate Calennig that means “New Year Celebration/gift”. Whilst in the West many celebrate the New Year on the 1st of January with parties and countdowns, New Year celebrations are different in other cultures and countries. Japan celebrates 正月 Shōgatsu on the 1st of January. At the stroke on midnight, Buddhist temples in Japan ring their bells 108 times. Many dress in their traditional Kimono dress and visit the temple on New Year's Day. Other traditions in other countries include parades, football games, or celebrating Mass on the 1st of January.

Other cultures also celebrate the New Year, but not necessarily on January the 1st. Some like the Chinese, Korean, Cambodia, Thai and Vietnamese follow the lunar calendar and therefore celebrate the Lunar New Year at a different time of the year. Malayam, Sinhalese, Tamil New Years also happen each year but at different times. Each celebration is an important religious and/or social gathering with traditions and feasts that bring family, friends and a community together. How each culture celebrates New Year reflects the values, beliefs and traditions of that culture. There

is diversity in why, when and how we celebrate New Year. It reflects the rich cultural diversity of our world, and the growing diversity in Aotearoa, New Zealand.

To foster inclusion and belonging in any organisation, community and society, acknowledging and celebrating the many diverse cultural celebrations of our staff and clients is a significant way to demonstrate the importance of the relationship. Celebrations and festivals can be great opportunities for everyone to grow interest, knowledge and understanding of one another culture's traditions, practices and beliefs. It can also provide an opportunity for those for whom the celebration is significant, to share why. Conversely, knowing a little about these festivals can also ensure that traditions and practices that are important to others can be respected. We can also reduce the potential of offending or saying the wrong thing.

As New Zealand grows more super-diverse, many of these festivals and celebrations will become important to know and understand. There are social implications and practical implications for communities, businesses and organisations to consider. Whilst the 1st

and 2nd January is a public holiday in New Zealand, other celebrations of New Year's such as Diwali and Chinese New Year are normal work days. In your organisations and businesses, what would embracing the different significant holidays festivals for your staff that celebrate those days look like? Is your first response to consider disruption this may cause in your business or the financial cost of giving staff so many "holidays"? Are there other ways of showing each of these diverse employees that you respect and value them by learning more about how they celebrate, or create opportunities to celebrate together? It may not be realistic and practical to allow employees that celebrate different significant festivals to have that day off. For some such as the Chinese, the celebrations last fifteen days. Finding other ways to celebrate with staff, clients and customers for whom these celebrations are a significant part of their culture can demonstrate our individual and organisational cultural intelligence. Larger organisations such as ANZ Bank have organised Chinese New Year and Diwali celebrations for their Chinese and India clients (and Kiwi clients too) and created specific opportunities for their staff to also celebrate these occasions. Another small business I know gave their Muslim staff a half day off to prepare the food for the celebration of Eid.

Every leader and manager of a diverse workforce needs to grow and develop their cultural knowledge of such cultural festivals, traditions and practices of the staff that they manage. It is an opportunity to know more about the worldview and values of their staff, and grow awareness and understanding of the individuals in their team. As celebrations usually involve food and gathering together, this can be a positive and team building experience. Asking questions and inviting those whom these celebrations are important to share can be a rich experience of learning from one another. As a leader, creating these opportunities will develop trust and respect in your team and also clients.

Any celebration is also good for business. It often involves feasting and gift-giving. If your business or industry can benefit from celebrations, it is important to grow your cultural knowledge about traditions, food, and what happens in each of these New Year celebrations. It can attract a different customer segment. Developing your cultural knowledge and understanding of how different cultures celebrate New Year and other festivals can benefit you, all those whom you manage from diverse backgrounds and clients whom you do business with. As 2018 begins, make every opportunity to ask, learn from others and to develop and grow your cultural intelligence.



of a new year. It represents the start of a new period of time that also gives us time to pause for reflection, and to look forward to a new season.

Celebrations and traditions are an important part of each society and culture. They bring together what is common in a country, social group to create a sense of belonging and identity. Some festivals have religious origins, others seasonal. How each culture celebrates festivals, special occasions and the traditions that take place often reflect the history, values and worldview of this culture or society. As we celebrate the New Year in 2017 all over the world, there is a common theme of celebrating what 2017 was, recognising all the good as well as bad that took place BUT it is also a time to bring 2017 to a close, with hope, anticipation of what the New Year 2018 may bring. Many welcome in the new year with family, close friends in different ways. In New Zealand, there will be public concerts, countdowns and fireworks in the large cities, and on some of the East Coast beaches and campsites. There will also be gatherings among family and friends. In other parts of the world, regional celebrations such as Hogmanay, or the Scottish celebration of New Year's

## AUSTRALIA

# Projecting a vision in the first 100 days

By Institute of Managers & Leaders, Australia

Perhaps the most crucial time to be focusing on vision is within a manager's first 100 days. This is when a manager is particularly under the spotlight, and being able to communicate and implement your vision is critical in establishing your place within the organisation and developing a cohesive and effective team.

Recent studies by First100, a leadership consultancy, have shown that upwards of 40% of new leadership appointments struggle to make an impact in the early period. The consequence of this is that many leaders end up leaving, getting fired or not meeting expectations within the first 12 months. The 100th day of your appointment has become the first judgment point of leadership effectiveness within organizations and its importance cannot be overstated: it is a vital time to develop your leadership style, and cement your vision among your peers and team.

### What to expect

Expect your first 100 days to be packed with meetings, emails and queries. You will be on a steep learning curve and the time pressure will feel intense. You may feel overwhelmed by putting out spot fires and not being able to focus on your strategic priorities. There may be legacy issues that remain from your predecessor that you will need to address, or challenges associated with inheriting an existing team. Or you may instead be leading a team who were previously your peers. While all of these scenarios are challenging and complex, they are also the norm for a new manager and should not prevent you from beginning to implement your vision.

### Gather information

The first step for a manager wishing to bring their vision to a new workplace within their first 100 days is collecting information. Study up before you begin and make the most of your induction: this will enable you to ask the right questions, observe the new environment more closely and better engage with your colleagues. Intelligent

Executive suggests that "being introduced to a new colleague and saying, "Ah Sam, am I right to assume that you will be doing the procurement for XYZ project?" is a far better ice-breaker than asking how long Sam has been with the company."

Once you have properly begun your new role, observe and be aware of the existing culture, even if as part of your vision you are aiming to change it. Do not assume that your interpretations or assumptions are correct and be prepared to be corrected or proved wrong.

Finally, identify the criteria against which you will be judged. Understand the key indicators that your boss, other managers and employees measure the success of the organisation by. Use this to your advantage, and cater your vision accordingly.

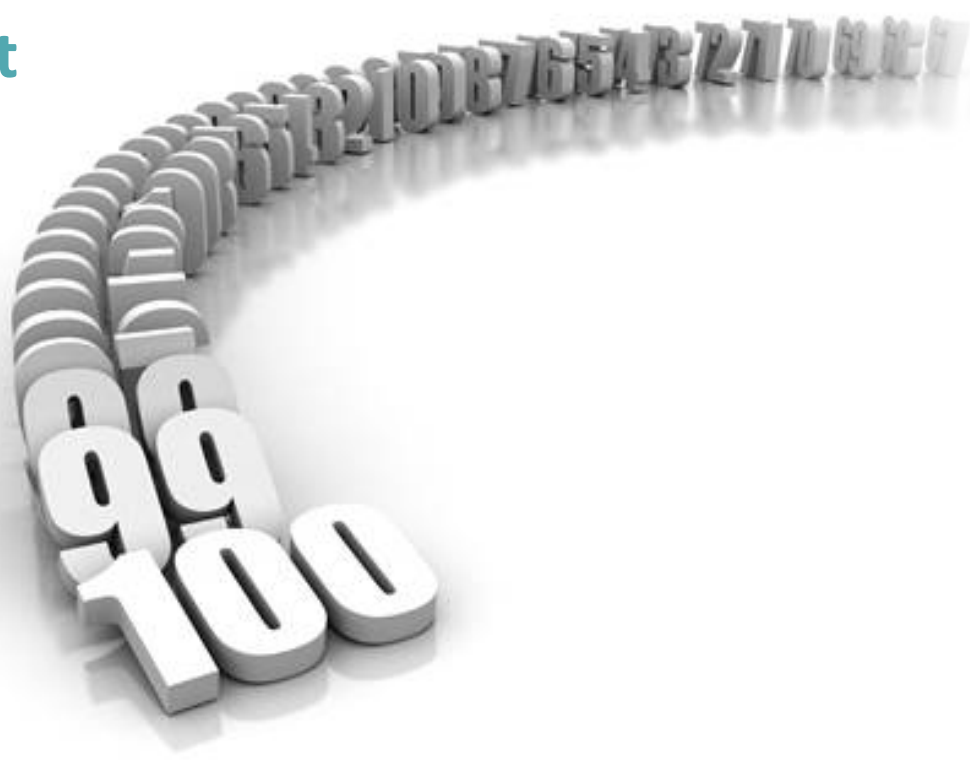
### Get to know the people

Get to know your team. Elizabeth Oliver from the Chartered Management Institute suggests the best way to do this is to sit down with each team member individually and ensure that they all understand their individual responsibilities: "emphasise how their role fits within the wider context of the team. For each member of your team, create a personal development plan. By checking in with colleagues regularly, you'll be taking a clear interest in your

team and their career ambitions."

In addition to your own team, take note of the formal and informal networks that make up any organisation, including the information holders and gatekeepers. Work to build relationships with these individuals. Don't fall into the trap of spending all your time focusing on your boss – they will often already be invested in your success, and that time and effort will be better spent fostering relationships elsewhere.

And remember, while you are getting to know your new team and colleagues, they are also getting to know you. First impressions count, so present appropriately. Be aware of your personal habits – the Boston Consulting Group suggests that you imagine yourself projected on a huge screen, where "every move you make as a leader will be subject to discussion and interpretation. That includes how early you arrive to work, how you relate to people in the hallway, how you allocate your time and how thoroughly you prepare for meetings." While this can be an intimidating prospect, use this scrutiny to your advantage – avidly communicate your vision and demonstrate your commitment to it through your actions while you have an audience.



# AUSTRALIA

## The Australian Management Capability Index 2017 Report

By Institute of Managers & Leaders Research Team

The Institute of Managers and Leaders is proud to present its latest findings from the fifth Australian Management Capability Index.

The Australian Management Capability Index (AMCI) provides a benchmark against which we can assess and track performance using a series of key categories of management capability at a company, industry or national level. For the past four years the AMCI has been conducted annually in Australia and (less frequently) in other countries in the Asia region as well.

The AMCI compares results by ownership type, industry, employee numbers, annual turnover, managerial level and gender. It tabulates and averages survey responses and uses prescribed weightings to generate a score out of 100.

This year's report contains the views of 181 CEO's, MD's, senior executives and senior managers from across the breadth of Australian organisations. Managers completed the AMCI survey online (from June to October 2017) and self-assessed ten categories of management capability that contribute to sustainable performance and, where relevant, profitable growth.

The findings from the 2017 report indicate an ongoing decline in

management capability, despite the slight increase shown in the 2016 report.

The overall AMCI for 2017 is 67.0 of a potential rating of 100, down slightly from last year's result of 68.7.

Australian CEOs and managers assess their organisations as being most capable in:

- Integrity and Corporate Governance (82.7)
- Financial Management (73.7)
- External Relationships (73.0).

They assess their organisations as least capable in:

- Innovation – Products & Services (64.3)
- People Leadership (63.0)
- Organisational Capability (61.8).

CEO's and MD's continue to rate management capability in their organisations higher than middle managers. The gap between overall AMCI scores reported for Level 1 and Level 3 managers mimics the results from last year, signalling the continued optimism of Australian leaders at the top end, which is not always shared by managers on the ground.

Interestingly, male managers and leaders assessed their organisation in

higher regard (68.2) than female managers and leaders (62.2). This gap has significantly increased since last year's (2016) survey.

The highest overall scores are found in:

- the Not for Profit company type (72.0)
- the Insurance & Finance industry (75.3)
- the 26-100 employee range (70.1)
- the up to \$10 million turnover range (66.4).

The lowest overall scores are found in:

- the Government Services company type (47.0)
- the Construction industry (54.7)
- the 201-500 employee range (57.8)
- the \$51-\$100 million turnover range (60.6).

This result suggests that, on average, Australian organisations are performing at only around two-thirds of their potential capacity and have significant opportunity for improvement in specific areas.

Of particular concern is the continued decline in the overall management capability results recorded since the inaugural AMCI Survey was conducted in 2012. The 2016 results seemed to have stopped the negative trend – however the 2017 did not share the same result.

A full copy of the report and key findings can be found at:

<https://managersandleaders.com.au/research/management-capability/>



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### About AAMO:

AAMO is a partnership of National Management Organizations (NMO) whose purpose is to share and actively leverage resources to enhance the achievement of their respective missions. AAMO is an independent, nonpolitical and not-for-profit Association of NMOs, which promotes, facilitates and supports the development of professional management in the Asia Pacific Region.

The current 10 members of AAMO are Australia, Hong Kong, India, Macau, Malaysia, Nepal, New Zealand, Pakistan, Philippines and Sri Lanka.

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