

AAMO leading the way

Management & Leadership News from the AAMO Region

Volume 2 Issue 1

From the President

Here is wishing everyone a Happy New Year and may 2017 prove opportune to work together in creating a greater regional presence. I am pleased to introduce our latest edition of 'Leading the Way' as we



Dato' Ng Tieh Chuan
President

all step into 2017. Within this online paper you will find articles focused on a variety of topics surrounding management and leadership, contributed by our member national management organisations in the Asian Pacific Region. In this edition, we examine patenting as a tactic to build barriers against competition, the implications of having a high power distance index, and the importance of having an effective conversation, among other topics.

These topics will be relevant to many, as preparations for a new year commences. Some of the key trends in management that we have seen in recent times have revolved around increasing employee engagement, working with millennials, younger employees filling the upper ranks, high workplace flexibility and digital innovation as a part of management, to name a few.

Having observed all that in the last year or so, of this we are sure, every year the only constant is change. To better adapt to that constant change it is crucial to increase awareness and learn across borders. 'Leading the Way' is aimed at facilitating that learning. The practical knowledge contained in this newsletter will help equip readers with the right tools while creating a better understanding of what management issues are being faced by different countries across the globe.

Finally, I wish to thank and encourage all members to continue contributing content and effort to making this online publication a success. Let us continue to further promote the AAMO mission of sharing resources, knowledge and regional information.

Dato' Ng Tieh Chuan
President

Neuroscience and leadership coaching

By **PATRICIA BOSSONS**

How our growing understanding of neuroscience can help us direct our coaching more effectively to support individual leaders and leadership teams.

The challenges facing people with leadership responsibility are increasingly complex. The fact that a phrase -

Volatility, uncertainty, complexity and ambiguity' (borrowed from the American military to describe extreme conditions in Afghanistan and Iraq) now resonates in industry is something we should probably

pause and think about. It is likely to be the reason that coaching continues to grow in popularity, and that one of the most common benefits of coaching reported by the individual receiving it is that it 'gives me time to think'. Three key pieces of new research confirm this increased importance. They also show that what the organisation values most from coaching



Patricia Bossons says a coach with a good understanding of Neuroscience can help managers who become "stuck".

isn't what the person being coached values most, and that applying knowledge of neuroscience can help target coaching more effectively - both for the organisation and the leader or team being coached. The three research pieces are detailed below.

Key findings

The 2016 Henley Corporate Learning Survey is the latest research into current organisational learning and development trends. It surveyed 439 respondents from 47 countries; 62% of them were non-HR executives, 38% were HR executives. It found that for both large (more than 500 employees) and smaller (fewer than 500 staff) companies, the two greatest organisational challenges in the next three years were: effectiveness of management and organisationwide leadership capability. The development priorities for key staff groups showed that for both senior executives and high potentials, number one (out of 15) is leadership capabilities, and fourth is coaching skills. We can also see that team coaching and individual coaching have increased year on year in popularity, and are first and second in the ranking of most popular learning and development methods.

buy-in from the coach and the coachee to the organisational objectives needs to be explicit from the outset

The second piece of research, the MSc dissertation 'An Investigation into the Consistency of Expectations between Stakeholders in the Purchase, Adoption and Deployment of Executive Coaching' (Sartain D, 2013) uncovered a frequent marked difference between the focus of the individuals in the coaching relationship and of the organisational representative paying for it. One of the main conclusions was that buy-in from the coach and the coachee to the organisational objectives needs to be explicit from the outset.

The area of the brain responsible for focusing on tasks has problems focusing on more than one thing at a time

The decision to purchase coaching by the organisation was found to be much more transactional. The coach, and the coachee, were much more vocational, and focused on the quality of the relationship rather than any specific knowledge or technical expertise in the coach. Coachees were very explicit about what they valued from coaching. It was not about being helped to achieve workplace objectives, but about being acknowledged and feeling valued as an individual. This was often as a result of not getting this from their experience in the workplace. While coaches understand this, it seems organisations generally do not.

In the third piece of research, the book *The Neuroscience of Leadership Coaching: Why the tools and techniques of leadership coaching work*, the authors (including myself) used our experiences as executive coaches to identify core issues brought to coaching by people in leadership situations, analysing these through the neuroscience lens to shed light on why some situations cause people to become 'stuck', and to benefit from coaching.

An interesting area to emerge was the layers of engagement necessary. The following is an excerpt from the book on this: 'Neuroscience tells us that the very process of coaching is likely to create a change in the coachee's brain. In many cases, the issues that a coachee brings to the coach will be the result of stressful, anxiety provoking or threatening situations. In this case, the amygdalar activation resulting from the stress can lead to a level of arousal that makes coaching difficult. High levels of stress cause the brain to focus on the most salient and potentially threatening aspects of an experience and therefore can result in a narrow focus of attention, lack of flexibility, increased sensitivity to criticism

and a dependence on habitual ways of thinking. This is hardly a brain state that is conducive to coaching.'

The book goes on to describe how coaches can reduce this anxiety to produce a fertile ground for further coaching: 'There are several initial steps that a coach can take to reduce arousal and anxiety and to bring the coachee into a more resourceful state. Creating rapport is likely to increase the coachee's sense of security and belonging through creating a feeling of social inclusion, with a subsequent decrease in amygdalar activity. Similarly, repeating or paraphrasing an individual's words has been shown to create a feeling of being understood, thus increasing positive feelings. Thus, by establishing rapport, and demonstrating careful listening, the coach is already causing positive changes in the coachee's brain.'

From research to reality

We are only at the beginning of being able to join up new technical insights into how our brains work with practical applications of this knowledge into activities such as coaching. It is very encouraging, however, that once some of the basic facts are understood, it is relatively straightforward to integrate them into many aspects of organisational life, including effective leadership coaching.

Take this case study, included in *The Neuroscience of Leadership Coaching*. Jon, a senior HR team leader at the University of Singapore, presented his coaching issue as follows: "I am working very, very hard - long hours. There is so much to do. I have a team of 12 people reporting to me now as two units have merged, and they are all looking to me to tell them what to do. I feel like I have my job and 12 other jobs to work out each day. I have two young kids, my wife says she feels like a single parent. My boss thinks I can go far, but unless I can get some control over my life, I am going to start making mistakes. I just don't know where to start, there is never any time to think or plan."

The underpinning factors here are the quantity of items in the 'contents list' that the coachee is trying to hold in their consciousness at the same time - an impossible task, with the consequences of things being 'dropped'. The emotion attached to not getting everything done

can also be overwhelming and results in paralysis, displacement activity, denial or other coping strategies, which in turn cause their own problems.

The area of the brain responsible for focusing on tasks (prefrontal cortex) has problems focusing on more than one thing at a time - tasks that require similar types of processing (verbal, visual, hypothetical, logical, etc.) will compete for space. Studies have shown that the greater the degree of overlap between the brain areas required for each task, the greater the disruption when the tasks are performed together (Nijboer, Borst, van Rijn and Taatgen, 2014).

There is more to this case study in the book, but it shows how a coach with a basic understanding of neuroscience



Competitors who want to manufacture or sell similar functioning shaving set or even the shaving blades, cannot do so, until they have obtained patent licenses from the manufacturer, the holder of the patent rights.

How can manufacturers in other industries obtain such an envious position in the market? Whenever a novel product is developed (or significant improvements or modifications to an existing product or process of manufacture are developed) the company should seriously consider securing proprietary rights to the product or to the improvements. This can be done by obtaining patent rights or registered industrial design rights to prevent others from copying the new features into the new product or copying the process of manufacture. If the company is not sure whether the product or the improvements or modification would be eligible for any property rights always seek the advice of a patent consultant.

can recognise a leadership coaching challenge and approach it in a much more informed way.

Tutor profile:

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She has worked as a coach herself for over 20 years, and set up the Centre for Coaching and Behavioural Change at Henley Business School in the UK in 2004. She teaches on the Masters in Advanced Leadership Practice.

Building Barriers Against Competition

By P. KANDIAH

Did you know that the shaving razor you hold to your face in the morning is protected by more than 30 patents, giving the manufacturer of this well-known brand of shaving razor of over 80% of the global market share?

Directors of Technology or Production or CEOs of manufacturing companies should know about the importance or relevance of patent databases.

Patent databases are an extremely important reservoir technical information on products, process of manufacturing

Database mining for technology is a common strategy adopted by companies which constantly look out for improved products

product, solution to technical problems in all areas of technology and industry. Patent databases of the industrially advanced countries are available on the

Patricia is a Chartered Psychologist and Associate Fellow of the British Psychological Society, and a Board Director of the Association of Professional Executive Coaching and Supervision (APECS).

Her research interests include personality and individual differences, and coaching in different cultures, she works internationally in a number of different countries around the globe, and is a resident of both the UK and New Zealand.

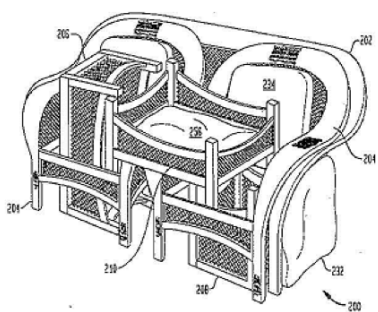
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Internet free of charge. What is needed by a company is a well-considered search strategy to uncover the right documents that provide a solution to the problem encountered. The technology disclosed in the patent can be freely adopted or copied in Malaysia provided there is no corresponding patent subsisting in Malaysia. Database mining for technology is a common strategy adopted by companies which constantly look out for improved products, or by companies which want to know what their competitors are up to. Patents are filed long before a product covered by the patent is released into the market.

Technology trend analysis done on the patent databases will reveal the changes that are taking place in a particular technology sector. Careful analysis of the results will enable a company to be prepared for change in the market place and not be taken by surprise when a new innovative product is introduced into the market by a competitor.

Local manufacturers of products in the same category could introduce similar innovations into their own product

A review of recently granted patents or recently published patent applications in the USPTO (United States Patent Trademark Office) website will at least reveal the latest change in products that are highly likely to be put into the US market in the near future. Local manufacturers of products in the same category could introduce similar innovations into their own product. Let us see how a recently granted US Patent in the furniture industry can be utilised to improve the sales of Malaysian furniture manufacturers. For example, US patent 8,366,200B2 granted on February 5, 2013 to Casual Living Worldwide Inc. a US company in the furniture industry related to a furniture assembly for compact and efficient packaging. As living apartments get smaller in size there is a need for a solution to storing furniture in a compact manner. The US Company had solved the problem by designing and dimensioning the components of the furniture assembly that can be arranged in a compact manner like a jigsaw puzzle (see drawing below).



A Malaysian furniture manufacturer may also realise that there could be a market of similar furniture assembly sets in Malaysia and in other countries where living rooms are getting smaller and that could be a possible demand for such furniture sets. The manufacturer could be

persuaded to investigate the local market. Apart from the example of assemblable furniture set shown in the US patent, other designs of compact assembled furniture sets could be designed by local designers. The Malaysian furniture manufacturer can then export the furniture assembly sets to the US after ensuring its furniture assembly does not infringe any US patent. However, the manufacturer would be free to sell this furniture assembly in Malaysia and in other countries where no corresponding patent exists. The verification exercise can be undertaken by patent consultants in Malaysia. Similar analysis and review can be undertaken in other product categories by manufacturers of products or by trade associations for the benefit of their members.

CEOs should look how to exploit the various types of Intellectual Property Rights in a strategic manner

CEOs of manufacturing companies should be aware of strategic use of patent databases in identifying technology trends, obtaining ideas to solution to technical problems on the production floor, obtaining ideas for product improvement, identifying demands for new products in the market. Obtaining several patents on a product and/or on the method of manufacturing a product will increase the entry barrier to competitors to make the new or similar product. During the period of patent protection (when the patentee enjoys a monopolistic position in the market for the product) the entire premium profit on the product can be utilised to build the brand value of the product, such that after its patents expire, the product sale would still be maintained at high level due to the popularity of the brand of the product. For example the patent for paracetamol (a medicine to cure headaches) expired long ago, but when you have a headache despite

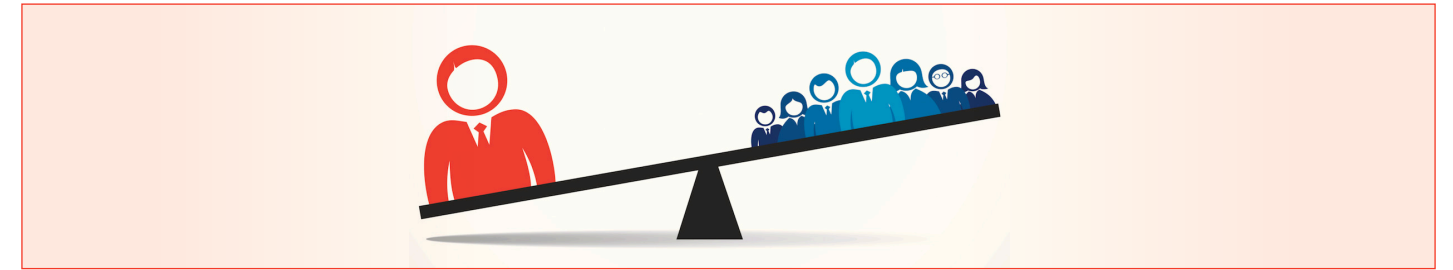
the presence of several brands of paracetamol in the market which brand do you ask for.



Probably it is PANADOL® which is the trademark of its original patentee of paracetamol. Trademark literally lasts forever, long after the patents and industrial design rights on the product have expired. So CEOs should consider how to exploit the various types of Intellectual Property Rights in a strategic manner so as to increase entry barriers to competitors and to increase their sales revenues.

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High Power Distance Index kills Entrepreneurship

By ANWAR JUMABHOY & SRIKRISHNA VADREVVU

The “Power Distance Index” (PDI) was a concept introduced by Prof Geert Hofstede to explain the cultural differences in society that illustrate the level of deference to authority. Wiki’s definition is “the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally.”

Malaysia has the highest index (100) in the world, possibly as a result of the colonial times and the legacy of the Malay feudal system. We also seem to have a fondness for the various titles that are given out with regularity by each of the states and the Federal government. It has become customary for titled persons to insist on being called by titles rather than given names. The Hofstede Centre© offers this explanation for Malaysia; “Malaysia scores very high on this dimension which means that people accept a hierarchical order in which everybody has a place and which needs no further justification.” In short, the people in power can expect a high level of compliance from their subordinates.

The scores for other Asian countries are also relatively high; Philippines at 94, Indonesia - 78, India - 77 and Singapore - 74. The Nordic countries are at the other end of the spectrum, with Norway and Sweden at only 31. The PDI for United States is 40, whilst United Kingdom and Germany are at 35.

What is the practical implication of a high index?

The higher the index, the greater the hierarchy and the less likely that a junior person in that society will be willing to raise issues with a superior. In simple terms this means that “the boss is always right”, which means it is unlikely that new ideas or suggestions will filter up from lower to senior management. In a discussion, the junior is not going to argue with her senior, or any other “important person”. This

will hardly create a fertile environment for innovation or a high performing culture.

It’s quite different in an entrepreneurial environment, where discussions, conflicts and debates are judged on the quality of the information and not the title of the protagonist. No wonder that young people are drawn to working in less traditional companies or startup environments and employee engagement remains low in the larger companies.

Plane crash due to fuel outage

It does seem remarkable that a pilot and co-pilot on a regular flight would not raise the alarm if they are mid-air and are repeatedly asked by air-traffic control to delay a landing. Yet that is exactly what has happened and more than once. In 1997 Korean Air Flight 801 crashed in Malta during an approach to the airport. The investigators determined that the co-pilot was aware of the critical condition of the aircraft yet was not able or willing to override the decision of the pilot. Malcolm Gladwell in his book, Outliers: The Story of Success, writes about the poor safety record of Korean airliners as a result of the hierarchical society in Korea. Hence the reluctance of the co-pilot to question the decision of the pilot. He goes on to say that once they had identified the issue, they were able to fix it.

The importance of learning

It seems pretty obvious that when an organization fails to address the power issue, they remain vulnerable to failure. This is most easily seen in an authoritarian military environment where a subordinate is not likely to challenge a wrong decision by a superior. In business, if parts of your organization are afraid to provide honest, timely feedback, you had better prepare for the end. Typically entrepreneurs don’t have

this problem. Ben Horowitz speaks often about his clashes and arguments with Marc Andreessen, his former boss at Netscape and now partner at Andreessen Horowitz, the venture fund. So in an entrepreneurial environment, this is never a problem as the team is focused on getting a result or an outcome through a path that is not certain and hence importance is placed on listening, learning and arguing!.

How can we summarize entrepreneurial traits?

In our search to understand entrepreneurs, through research and over 80 interviews, what we did uncover were, what we call nine entrepreneurisms (9Es), that describe what successful entrepreneurship is all about. Not all entrepreneurs have all 9Es, but you need at least a few of these, or you are not going to find success. The 9Es are Self-efficacy, Risk Taking, Passion, Innovation, Opportunism, Learning, Realism, Persuasiveness, and Execution. What is equally interesting is that whilst these traits might seem to be personal or more natural in startup companies, they can be successfully adopted by larger companies. However the nine entrepreneurisms have conflicts and tensions. So, for example, if they company is too grounded in realism, it might miss out on opportunism. In order to achieve results the company needs to go through a structured process to identify the required entrepreneurisms and how they will be adopted.

How much fuel do you have in your aircraft?

If you are a CEO of a large company, you need to ask yourself this question; Are you circling in the air in your aircraft, not realizing fuel is about to run out? A chilling thought, indeed, so our suggestion is that you embrace entrepreneurship as a management practice – and do it soon!



Lessons for the big boys

by **ANIL KSHATRIYA**, IMT Nagpur and **AJEET KHURANA**, Angel Investor

Large corporations have systems, processes, and protocols in place for conducting business—these well-defined systems help them standardise their day-to-day practices. But startups and SMEs generally do not have extensive maps for navigating through the landscape of their daily business. Although many small enterprises worry about the lack of ‘formal’ organizational systems, there are quite a few advantages in being flexible. Here are six lessons big firms can adopt.

Openness to change

People working in large companies get used to the boundaries set by systems and processes, and this at times diminishes their ability to accommodate new ideas. In a regimental environment, dynamic employees with innovative ideas begin to feel stifled. Often, pre-defined ways of doing things teaches people to ‘say no’. What is not as per norms gets shot down; it becomes an easy reason to reject innovation because the general tendency is to maintain the status quo. Startups have no choice but to remain open to change. If they do not adapt, they die. This is perhaps a lesson for big companies who, in the need to solidify systems, end up becoming rigid. This rigidity then transforms into lethargy and leads to fall in market share.

Simplification of work

Long checklists do not always make a workplace efficient—too many checks and balances can complicate the tasks at hand. Some big companies even manage to create mechanisms which make the simplest of tasks complicated. Simplification—unstructured, clean-slate thinking—of small tasks is the first step towards solving any business problem. Big firms do not allow people to break the barriers of past actions. Every time something is to be designed, there is an inherent tendency to look backwards in search of a similar context from the past. And companies often stick to an earlier process, failing to realize that the context in which it was established may not suit the present. Startups, on the other hand, avoid this stickiness by approaching decision scenarios with a fresh perspective.

Adjusting to customer expectations

Agile companies believe in outside-in thinking. Big firms, to the contrary, end up nurturing an inside-out approach. Small and medium enterprises always keep the outsiders’ expectations at the top of their priority list. They handle customer expectations in a manner which enables them to learn from their mistakes. Large companies have well-established practices for customer relationship management. However, these practices are often so full of methodical loops that there is hardly any scope to incorporate change in customer expectations. As competitors gain experience in serving the market, companies have to accept the fact that their ability to calibrate to rising customer expectations must increase proportionately. This is another key lesson startups teach big players, who sometimes feel that they have everything to achieve customer delight.

Moving on

There is a saying, ‘success is not final; failure is not fatal. It is the courage to continue that counts.’ Small companies have better survival instincts than the bigger players in the market. They certainly have limited resources and a high chance of failure, but their courage is their biggest asset. Entrepreneurs are risk-takers; they do not get stuck in the past. The speed of recovery from a lost opportunity for large corporations is much slower than startups. This is simply due to the ‘clinging on’ trait of professional managers who invest tremendous amounts of their time and energy in starting a new project. For them, it is hard to digest the failure of a deal that

falls apart. This is an important lesson from small enterprises—if things do not work out, simply move on. The opportunity cost of lingering on mistakes is sometimes too exorbitant.

Envisioning infinite scale

Though this might also be a criticism of the startup world, the fact is every starry-eyed entrepreneur is targeting a billion-dollar valuation, at the least. Some of them will even go on to achieve it. While there is something to be said for ‘realistic’ planning, the corporate world has become too straitjacketed in their quarterly reports to target a quantum leap in numbers.

Speed

Finally, among the large corporations, we notice a general attitude of incrementalism. In a startup, founders not only want outstanding results but they also want it ‘now’. This leads to a premium being placed on speed. That is one of the reasons new economy players have, in under a decade, replaced some of the erstwhile giants.

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All conversations are crucial

by **RAHUL SHAH**, DDI India

It has been traditionally believed that leadership is all about business analysis, planning, process improvement, problem solving, and workflow management. However, since the 80’s and 90’s, there has been a marked shift in the understanding of what makes leadership effective. There has been an increasing focus on ‘right brain’ leadership, not to say that ‘left brain’ leadership qualities are not important. However, research seems to indicate that right brain activities such as creativity, empathy, humility, and intuition have a significant place in leadership.

A study at the Department of Psychological Sciences at Purdue University discovered that social or emotional pain is as real and intense as physical pain. When a person experiences a physical injury, the same brain networks are activated as when they go through a painful

social or emotional pain is as real and intense as physical pain

emotional experience. Your brain cannot distinguish between physical and emotional pain. “While both types of pain can hurt very much at the time they occur,” says Kip Williams, Ph.D., “social pain has the unique ability to come back over and over again, whereas physical pain lingers only as an awareness, that it was

indeed at one time painful.” Consider for a moment that when we hurt someone emotionally, it may very well be the equivalent of breaking one of their bones.

Most of the times we may not intend to hurt someone, but our actions may communicate something else. The late famous author Dr Stephen Covey once said that we judge ourselves by intentions and we judge others by their actions. There is a gap between intention and action, and the only way to bridge it is through conversations. Most reputable organisations understand this fact, but there is still a huge gap between the CEO’s intentions and actions because he is represented by all the layers below him—the message may not cascade in the right manner to managers as well as team members.

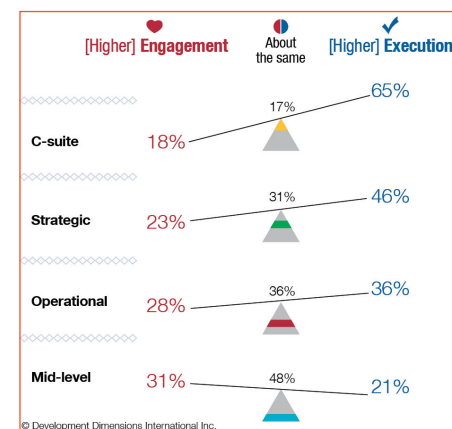
Conversations are critical and everyone talks about it, but rarely do people understand how to have an effective one. Conversations can happen with peers, bosses, team members, suppliers, customers, and other stakeholders, which in turn implies

that conversations can be upward, downward, sideways, and outside. Amongst these, some of the critical ones include conversations about strategy, individual performance, career growth, new products, alliances, customer satisfaction, and innovation.

I once counted the number of ‘formal’ conversations I had been a part of, over a three-day period. Each one, in its own way, was critical in accomplishing the goals of the organisation. In my opinion, seventeen of these were well directed to enable the intentions, while one of them was messed up. I am certain stakeholders will long remember this one, while the good ones will be forgotten!

If you dig deeper, you will realise all conversations stem from two basic needs: first, to manage the obvious practical need, i.e. to solve a business issue, and the second to communicate what needs to be done, to resolve conflict—simply said, to get things done. However, we get so bogged down with these practical needs that we often miss giving cognisance to underlying human needs.

Human needs include the need to be heard and understood, to be valued, trusted, and appreciated. These are universal needs which are often missed while driving a business agenda, as the environment around us is becoming more rugged by the day. While this helps leaders in the short term in getting the task at hand completed, making them great executionists, it often hits them and the organisation hard in the long term as these human needs have a direct correlation with employee engagement.



DDI conducted a study to explore if experienced leaders are ambidextrous—if they have the ability to manage both execution as well as engagement. Our studies showed senior leaders lose their grip on engagement while their execution focus increases. Figure 1 depicts our findings.

So, what is the key to having balanced conversations? How can leaders at all levels ensure they meet the short term as well as long term goals of the organisation?

It begins with leaders demonstrating interest in their employees by having ‘frequent conversations’ with them which are meaningful to the employees as well as the organisation. While doing so, they need to ensure they prevent the common interaction traps that can inhibit the leader, team, and organisational effectiveness. These being:

- Going straight to fixing the problem: Leaders can jump too quickly to presenting the solution. In doing so, they fail to understand the context of a situation and miss opportunities to include all parties.

- (Mistakenly) believing one size fits all: People develop a preferred style or approach to interactions, but this can make them oblivious to the impact their approach has in certain situations and on certain individuals.

- Avoiding tough issues: Many leaders struggle to address the tough issues. They lack the skills to diffuse uncomfortable situations and tackle sensitive topics. As a result, issues can go unresolved, leading to even greater tension.

- Inconsistently applying skills: Leaders may often adopt different conversation styles depending upon their comfort in a given situation. As a result, they may apply skills to some interactions and not others—this inconsistency can lead to confusion and feed a perception that the leader is ineffective.

- Influencing through the facts only: As leaders move through the ranks, they increasingly need to influence through personal power rather than position power. Too often leaders rely on logic and rationale to position an argument when a ‘softer’ approach would be better.

- Spotting opportunities for change but forgetting to engage other leaders: Often leaders recognise opportunities for improvement, but struggle to include others. They oversimplify the issues surrounding change and show little appreciation for the impact change can have.

- Coaching in the moment: Leaders often struggle to provide coaching in a timely fashion, i.e. when it is needed the most. This leads to putting the blame on the employee, resulting in lower performance and incorrect development needs. DDI recommends the use of five key principles in structuring conversations, based on the logical map of OCDAC (Open - Clarify - Develop - Agree - Close). These critical skills, also referred to as ‘interaction essentials’, are a prerequisite for all leaders.

Consistent use of these principles can enable leaders to be effective in the short as well as long term. These include:

These skills may sound like common sense, but our research has shown that leaders often lack them

- Maintain or enhance self-esteem
- Listen and respond with empathy
- Ask for help and encourage involvement
- Share thoughts, feelings and rationale (to build trust)
- Provide support without removing responsibility (to build ownership)

The interaction essentials also include guidelines that form the five-stage ODAC process—leaders need to follow them in order to ensure that interactions achieve their intended outcomes.

These skills may sound like common sense, but our research has shown that leaders often lack them. The good news is that these skills can be developed. With the right training, practice, and continued application, any leader can acquire these skills and become adept at conducting effective and successful conversations that serve to strengthen relationships, drive engagement, and deliver results.

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The Macau Management Capability Index (MMCI) 2016 is the first such initiative of Macau Management Association. We have adopted the Management Capability Index (MCI) which was established by the New Zealand Institute of Management in 2003. The MMCI provides a benchmark against which we can assess and track performance against a series of key categories of management capability at the company and industry level. Moreover, MMCI not only establishes the baseline for monitoring management capability performance over a period of time but also provides significant insights into the existing management capability of organizations in Macau.

The survey was conducted in the 2nd quarter of 2016 with a total of 365 respondents spanning both CEOs and senior managers from across the breadth of organizations in Macau. They were asked to rate questions for all 10 key categories of management capabilities that contribute to sustainable performance. Each category is comprised of several statements or subcategories against which an assessment on a scale of 100 is made.

The overall MMCI is 72.0 (of a potential 100 capacity). This means that organizations in Macau are performing at less than three-quarters of their capability. This overall rated is similar to results obtained from surveys in India (75.5), Hong Kong (71.6) and Australia (68.6).

It is, however, pleasing to note the MMCI overall score of 77.8 for the category ‘integrity and corporate governance’. This highest score

inspires confidence that organizations in Macau take the importance of sound governance practices seriously.

The lowest score (69.4) in the category of ‘people leadership’ is an indication that respondents have to review their current human resources policy so as to empower employees’ growth to become leaders. Moreover, the management of organizations should find some ways to enhance the leadership skills of subordinates; the management could be open to attract, retain and lead talent to become an effective team being capable of achieving organizations’ objectives.

It reveals that organizations in the survey, need to shift from hierarchical command to a more adaptive management style

The industry category described as ‘education’ is generally rated highest across nine categories. Respondents in the industry category of ‘human health and social work activities’ rated their organizations lower on categories especially ‘visionary and strategic leadership’ and ‘people leadership’. It is proposed that training is provided.

The results are analyzed by gender of respondents, their level in the organizational hierarchy, the size of

The Survey of Macau Management Capability Index (MMCI)

Macau Management Association

With organizations in Macau under pressure to deliver productivity growth, the understanding of management capability and improvements in management performance is increasingly becoming critical to enterprises and the economy alike.

the organization by the number of employees and the industrial category of the organization. It is interesting to find that male respondents tend to rate their organizations higher on all categories than female ones. However, the differences in scores of all categories between males and females are not noticeable in the results of the survey.

While the overall category score for ‘organization capability’ is relatively weak, it reveals that organizations in Macau may, like other countries/economies in the survey, need to shift from hierarchical command and control style of management to a more adaptive management style conducive to the rapid pace of change that characterizes the 21st century. The rejuvenation of organizational structures and management approaches to meet contemporary challenges should be a priority focus area for improvement for many organizations.

With the successful completion of the first MMCI, we envisage greater participation in future surveys. It is expected that a better understanding and greater awareness of the survey will allow for additional areas of date profiling in particular, a more comprehensive industry-by-industry breakdown as well as the capacity to provide more in-depth data analysis.



Leading successfully in a man's world

By TERESITA "TESSIE" SY-COSON

The following is the acceptance speech delivered by the author when she recently received the "M.A.P. Management Man of the Year 2016" Award from the MANAGEMENT ASSOCIATION OF THE PHILIPPINES or the M.A.P.



I would like to thank the MAP Board and those who are instrumental to this award and honor. I really was not expecting this, but I appreciate the recognition.

I was told a few times, "Why is it 'Management Man of the Year' and not 'Management Person of the Year'?" Let me tell you-- It is still a man's world. In my working years, and many times in my career, I've had to think like a "man". In order to work in this business community. Of course, I also draw on my being a woman to perceive situations from a different angle too, in order to gain leverage in many decisions.

My Dad has always told me: "Should you be lacking in core competence in any endeavor we undertake, we should work extra hours and work harder to speed up and catch up with our colleagues in the business world". I learned how to keep up the pace when doing business with men who have wider business exposure. I was guided constantly by my Dad, my late husband, and my four brothers, who all helped me along.

Many times in the past, I was dismissed because of my gender and my small stature. In the past, the top slots in the banking industry were run by the big boys. It is only after the merger of Equitable PCI Bank and BDO, that the business world saw me differently. Though I still think it was luck that brought us into the merger.

After the merger, I was nervous. I did not know where to get more income to meet the large OPEX (operating expenses)

which tripled after the merger. We had to change. We couldn't rely on the traditional banking strategy. We had to find ways.

One of the things we did was to work with clients affected by the Asian Financial Crisis in 1997. We also looked to servicing many clients beyond Metro Manila where the credit was tight many years after 1997 and where banks have shied away. BDO then gained a good foothold with many clients and made us the top of mind for many of them. Many other banks, who were actually ahead of us but stayed passive before our merger, stepped up and competed with us. This started accelerating the business activities outside Metro Manila after 2008.

Gender is not an issue to me. It does not matter if you call me Management Man or Management Person

But truly, gender is not an issue to me. It does not matter if you call me Management Man or Management Person. I still appreciate the honor.

What our company is today started with my Dad, Henry Sy. He had the vision not only of where to take the business in a

20-year horizon but also of how. He also knew what my siblings and I should be working on. It was a mandate we had to follow. We had no choice, unlike the millennials of today. They have many choices and many options on how to live life.

We were trained to work in the business very early. It started as a family business where everyone in the family is expected to chip in. We all started working when we were teenagers. We were expected to work on Saturdays when most of our classmates were out having fun. We had fun too, working, because we did not know any other kind of fun.

When we left college, we were expected to continue working in our family business full-time. During those days, my Dad, who was demanding, was always driving us to work hard, and to do our best. While we were not expected to do our best in school, once out of school and into the real world, we were taught to aspire to be the best in any endeavor we are actively involved in.

We have to think creatively, stay disciplined, and be productive. We need creativity to find opportunities or develop concepts. We need discipline to see the implementation through and practice good governance. We need to produce enough to go for volume or to expand.

It took us a long time to understand my Dad's drives and his teachings. We learned a lot though, amidst all the arguments, hard feelings, and complaints. We could not understand

then why our lives and our discussion are all about business. When we think we did something right and expected his congratulations, he would just say "not bad", but thought that we could do better. But we now see the wisdom of his demanding character. In the past few years, my siblings and I continue to grow and enhance the business based on his guidance and principles of business leadership.

Our organization, across all our businesses, is geared toward good customer relationships to all levels of customers, regardless of age or economic level, as well as maintaining good community relationships. We make sure our goods and services are reasonably priced and generally affordable. Our malls are meeting places for families, and friends.

The residences are affordable options for city living. While we serve mostly the mid-market, we also offer some aspirational or even premium leisure products for the discerning upmarket too like Aura, shopping, Tagaytay Highlands, and Conrad and Radisson hotels.

BDO and Chinabank follow the same market strategy. BDO serves a large segment of the mid-market, large corporates, consumers and even microfinance clients.

Our group believes the Philippine market is still growing and we will go where the market wants us to be, brick and mortar, virtual or online or omni-channel. We will continue to give our customers a wide

array of choices, and many options of services. We will continue to improve our customer service every year.

We work alongside the communities where our business is located, employing local people

We work alongside the communities where our business is located, employing local people, working closely with the local providers of goods and services, SMEs, the local government units, and public institutions. As we grow, so do the communities we are in.

Our company's mission includes taking care of those who cannot afford to buy things from us. We formed the SM Foundation decades back to do work with the underprivileged and the neglected, hoping to make a positive impact on as many lives as we can. Many of the Foundation's projects are outside of Metro Manila and some in far-flung places. We hope to improve their lives in those areas and bring a little happiness—with school buildings, health centers, housing, scholarships, farmers training programs and medical missions. We have been attending to the needs of the disabled and the elderly. We have

programs for the OFWs whom we respect a lot. We also have been working harder to protect our environment. Many of our buildings have applied environmental safeguards for sustainability.

And although this award may bear my name, without my family's support and without the organization who worked hard to make the SM Group of companies succeed - I wouldn't be here today. I am lucky that our family works together and we have capable people in our organization who share the same values and principles with us. They worked hard to improve our business. This award is also for them.

And without the judges, who all happen to be my good friends, the award would not have been given to me.

This award for me is all about being at the right place and at the right time.

Most of all, I would like to share this with my Dad, as it is from him that I have become who I am today. He was one of the two awardees in 1999 and today, he shares half of this honor with me.

Thank you very much.

Teresita Sy-Coson is the recipient of the "M.A.P. Management Man of the Year 2016" award of the Management Association of the Philippines is the Vice Chair of the SM Investments Corporation, Chair of BDO Unibank and Adviser to the Board of SM Prime Holdings. Feedback at map@map.org.ph. For previous articles, please visit www.map.org.ph.



Why emotional intelligence drives performance at work

By Dr Benjamin Palmer

How you feel at work affects everything else. Learn to recognise your emotions and you will do better.

“You can get everything else right — hiring, strategy, innovation — but if you fail to drive peoples’ emotions in the right direction, nothing will work as well as it could.”

Daniel Goleman, Author, Emotional Intelligence

You have a job to do, a team to lead. How you go about it, and how you manage your colleagues as you do, depends not only on how you feel, but how aware you are of your own state of mind, and of what’s going on for those around you.

In a busy, results-driven workplace, it’s easy to dismiss emotional intelligence. Not as a concept, perhaps, but as a must-learn skill for success. We know when we are happy, sad, scared, angry or in love. And when we’re working, many of us know that how we feel has to take a back seat. There’s a job to be done and your bad mood after a difficult commute to the office isn’t going to change that.

Except that it is. And so is the mood of your boss who strolls into the office after a dawn paddle across a serene harbour, or the person at the next desk whose daughter threw up on her just as she was about to walk out of the door this morning. It happens.

Experts in emotional intelligence (EI) say that how we feel affects the quality of our decisions, behaviour and responses towards others. They also suggest that emotional intelligence can be learned, practised and increased.

Measuring the actual impact emotional intelligence (EI) has on your success at work is not an exact science. The most popular statistic - attributed to a study by Carnegie Mellon Institute of Technology - that your IQ influences only 15% of financial success, leaves a whopping 85% of your success to other factors, which they suggest are primarily EI. Researchers at the University of Michigan are more moderate. Their research identifies a specific impact of emotional intelligence to between 1% and 7%. But is even a 7% effectiveness boost to be sneezed at?

Research identifies a specific impact of emotional intelligence to between 1% and 7%.

What is emotional intelligence, really?

Emotional intelligence is “intelligently using emotion to produce a desired result,” says Dr Ben Palmer, CEO of Genos International and developer of the first set of Emotional Intelligence tools developed in Australia that orientate specifically towards outcomes at work. “We bring awareness about the science of emotions to managers and how they can utilise that science to drive better decisions, behaviours and performances,” he says.

Emotional intelligence became a leadership thing in 1995 when Daniel Goleman, psychologist and New York Times science writer, published the best-selling Emotional Intelligence. His work sparked a whole body of research, including Ben Palmer’s own PhD. Emotional intelligence is now widely recognised an established capability in the leadership toolkit.

Why emotional intelligence especially matters for leaders

People perform better and have a sense of being valued in environments where they feel supported, understood and trusted. It’s the leader’s job to create such an environment.

But this is not something all leaders are good at. According to the Australian Institute of Management’s National Salary Survey (2016) four in five workers are unhappy at work. And 50% of us have quit a job because of the boss (Gallup, April 2015).

An emotionally intelligent leader can more easily create an emotionally intelligent workplace. This does not mean talking about feelings all day, Goleman himself has stressed. It is about acknowledging that underlying how we interact, the quality of the decisions we make and how people perform, is how people are feeling. “A lot of people in business get focused on culture, strategy and business in a cognitive, output focused way,” says Ben Palmer. “but fundamental to how we interact, the quality

of our decisions and how people perform, are feelings.

Do emotionally intelligent leaders rise to the top?

No. And yes.

A study lead by Travis Bradberry, best-selling author of Emotional Intelligence 2.0 and co-founder of TalentSmart, looked at the EI results of over a million people in TalentSmart database.

The report found that the top performers in each job category were those with the highest emotional intelligence, suggesting that if you want to do well at your job, emotional intelligence is part of the picture.

However, the highest EQ scores (the measure of EI) peaked with middle management - those roles in which you must manage up and down and around the organisation to motivate and influence. EQ scores for those in roles from director level

“In any good EI program you need mindset shifting material, from research to experiences to help people see value.”

and above, says Bradberry “descend faster than a snowboarder on a black diamond. CEOs, on average, have the lowest EQ scores in the workplace.”

Nonetheless, as Bradberry pointed out in inc.com, the best-performing CEOs are those with the highest EQs.

How to use emotional intelligence tools to deliver results

Dr Palmer has been working with blue chip companies to develop emotional intelligence in leaders and their teams across several industry sectors and around the world. He has a clear picture of what makes for a successful emotional intelligence program.

“In any good EI program you need mindset shifting material, from research facts and figures to experiences to help people see value. You also need a toolkit: practical models and tools that people can apply the learnings to and produce the outcomes on the job. You also need the skill set stuff, interesting role plays, and scenarios that allow real practical application of that toolkit,” he says.

The quality of the facilitator - and his or her willingness to appropriately share their own experiences and vulnerability - is also crucial if the training is going to have an impact.

4 things an excellent Emotional Intelligence trainer will do:

- Tailor the content of the program to the role or the kind of work that the person or group does with relevant role plays and scenarios
- Read the results of EI assessments in context and in conjunction with other findings
- Appropriately share their own experience and vulnerabilities
- Bridge the gap between the theory, the EI assessment data and the actual leadership development that needs to be realised
- Emphasise that the real work of creating lasting change to emotional intelligence capabilities happens after the classroom, when the leader chooses to challenge him or herself to put what they have learned into practice, daily.

Dr Benjamin Palmer (FAIM) is the CEO and Co-founder of Genos International. Genos International’s Emotional Intelligence tools are available through the Australian Institute of Management.

About AAMO:

AAMO is a partnership of National Management Organizations (NMO) in the Asian Region whose purpose is to share and actively leverage resources to enhance the achievement of their respective missions. AAMO is an independent, non-political 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 include Australia, Hong Kong, India, Macau, Malaysia, Nepal, New Zealand, Pakistan, Philippines and Sri Lanka. **Learn more**

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