
Leadership Challenges in Emerging Markets

By Tom Verghese

Over the past few months I have been travelling in and out of Asia frequently. A key topic of discussion with some of my clients has been 'the war for talent', the term coined by McKinsey & Co in 1997. I think that there is a war for talent in the developed countries; but this is not the case for the emerging economies, such as Indonesia, India, Vietnam, Malaysia and China.

How can there be a lack of talent in these countries, when for example India has more than 65% of its population below the age of 35 and with a population greater than 1.2 billion no less? Indonesia is another example, where nearly half of the total population is under the age of 30.

Now, I concur that talent development in emerging market economies is a multi-layered and complex process; but surely these well-populated countries should have an ample pool of potential talent? These markets require a greater focus in terms of how talent is identified and how it is leveraged. Talent programs and succession planning need to be more creative, innovative and holistic in these economies.

As emerging economies have experienced rapid expansion they are now coming up against succession planning challenges that are demanding the attention that they deserve. Organizations working in these markets need to take stock and focus on the long-term goals and changing business models by investing in human capital to ensure their competitive advantages.

It begins with questions such as:

- What does talent look like?
- How is talent defined in the first place?
- Are the talent strategies culturally appropriate?
- How does one 'prime' the talent pipelines?
- How are global leaders developed?

Some of the areas for consideration are:

- Leadership in India has different characteristics to leadership in China or Malaysia. There is no 'one size fits all'. Talent development programs need to include culture specific components.
- Human Resources need to be placed as a higher priority than they have been in the past. For example, values, biases and motivations vary across cultures; therefore directly impacting engagement, incentives, interpretations of competency and expectations.
- Executive Coaching, mentoring and shadowing alongside board members and senior executives is critical. On-the-job training and opportunities in terms of observation and immediate feedback are invaluable.

- Career development plans need to promote a sense of loyalty and connectedness. This is especially important in countries that have high staff turnover and are high context and highly relationship based.
- As the growth of potential female leaders in emerging economies is expected to continue, strategies that support their advancement need to be in place.
- Progression and succession planning need to be culturally appropriate and clearly disseminated to the up-coming talent.

Dr. Tom Verghese is an internationally renowned consultant, presenter, executive cultural coach, author and founder of Cultural Synergies. He has over 21 years' extensive experience working with a diverse range of global organisations and leaders from different cultures.

Tom's expertise is cultural intelligence, inclusive and ethical leadership and the promotion of sustainable global leadership and high performing international teams.

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