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In Search of the Extraordinary Executive

10 questions you need to answer to become a more successful leader:

How to evaluate your unique leadership situation

By Dr. Jeannine Hertel, Christopher Villasenor & Sylvie Faria

Mercuri Urval

It's All About People

The dynamic challenges of achieving results in every leadership role are unique. Now every leader has their own particular leadership situation to work within. Our experts have found that successful leaders are set apart from others by their ability to understand their own leadership situation and identify what leadership capabilities are required to succeed in it. So, how do you decide which leadership capabilities your unique leadership situation requires?

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Leadership has become much more complex and demanding than it ever was. Being a leader is still about achieving results, but different leadership situations require different leadership skills. The people you need to lead might be co-workers, but are just as likely to be suppliers, clients, contractors and HQ staff that you have never met. So to be successful you need to adapt to the leadership environment, the leadership task AND the team that should follow you. Understanding what leadership skills your team and organisational environment need is a vital skill for you to master. Today's successful leaders know their leadership situation and understand how their strengths and weaknesses relate to it.

Analysing your leadership environment

In this article we focus on how to evaluate your leadership situation. We do it by answering the following questions:

1. **What macro forces will influence the environment in which you lead?**
2. **How does the environment influence your leadership situation?**
3. **Which capabilities are required to be successful within different leadership situations you will face?**

To provide insight into this discussion we have interviewed **Dr. Stefan Schmitt**, Head of Human

Resources Strategy at thyssenkrupp AG, and **Paulo Marcelo**, CEO at Resource IT. They both have deep experience from successfully recruiting leaders and working as international leaders themselves.

By combining their expertise with our expert insights, we will explain the 10 key questions that will help you analyse your own leadership situation and apply the right capabilities to succeed.

Macro forces impact your situation

Macro forces influence the environment in which you lead and your leadership task. What will these forces mean in practice for you as a leader, and what lessons can you learn from them?

1. Global talent mobility

According to OECD statistics, more than 4.5m students were enrolled in university-level education outside their home country (OECD, 2014). This means many leaders today have had an international career, and know the advantages and burdens of leading a business away from their corporate HQ. Others are facing the challenge of managing people who are based abroad and have to operate across various borders. Talented people and graduates therefore come from all over the world and can be found everywhere. They don't necessarily start their career at a company's HQ, but might come from a small subsidiary.

→ **Learning 1:** As a leader today you are more likely to work in a culturally diverse environment, leading people who are not in the same building, the same city or even the same country as you. Diversity will demand additional leadership agility.

2. Shift of growth

The increasing level of education and experience in emerging markets require companies to think differently, with a focus on local business and local organisation development. Leaders in emerging markets are often the drivers of global organisational development. These employees are managing the high growth businesses that many companies' futures are relying on. The required actions to enable growth in emerging markets are not the ones which the traditional organisation is familiar with in established mature markets. Hence, a different type of leadership requirement emerges.

→ **Learning 2:** Leaders operate worldwide, in a context where business growth and opportunity may increase the further away you get from the HQ or a traditional mature company in a developed market. As a local leader, you need to consider how to influence HQ and effectively communicate the unique challenges and opportunities of your leadership situation. If you are in HQ you need to understand the new market in which you should win.

3. New organisation models

The agile organisation has arrived. The "matrix organisation", overlapping reporting lines, "no boss" cultures and "leading without authority" are realities today. "Flat hierarchies" are often a requirement for attracting talented people all over the world and allow agile organisations to flourish. Many leaders today cannot rely on corporate authority symbolised by a title. This creates a need for leaders who can attract followers, rather than managers who assert authority. It leads to a new thinking of what leadership means and how it is executed in a successful way. Managing a large team is no longer the criteria by which a leader's impact or value can be measured.

→ **Learning 3:** Your leadership effectiveness is defined by your ability to attract followers that create results, not line management headcount, budget or authority levels.

4. Technology, change & dispersed responsibilities

Today's fast changing environments ask employees to handle multiple responsibilities. Markets have moved closer together and cost pressure has decreased headcounts. The pace of change and the increasingly urgent need to adjust to a changing landscape at micro and macro levels poses serious challenges to a leader.

→ **Learning 4:** Business environments change at a ferocious pace. You need to be able to turn change to your advantage and build agility into the way you and your teams work.

5. Shortage of talented people

Talented people will choose which leader to work for. The old saying "people leave managers, not companies", has become more apparent than ever. The 'war for talent' means a continuous challenge to leaders, constantly facing the pressure to attract, retain and develop talented people. Where leaders are not living up to the unique talent challenges of their particular market – they will fail to succeed in leading the business.

→ **Learning 5:** You need to attract the best, and you need to be able to help the sub-optimal succeed. So your leadership situation is unique and in flux.

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Experience counts less and less in today's business, while the ability to embrace the new and at the very same time to ensure that core values remain stable, becomes increasingly important”

Dr. Stefan Schmitt, thyssenkrupp AG
Head of Human Resources Strategy

What capabilities are required in your leadership situation?

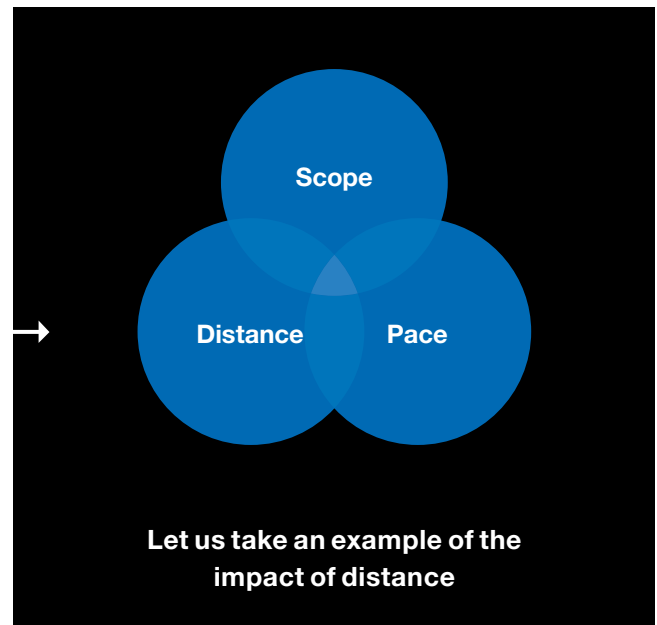
So what determines which capabilities are required to become a successful leader within your specific and changing leadership situation?

“To rely on experience only is not really an option in today's business, while the ability to embrace the new and at the very same time to ensure that core values remain stable, becomes increasingly important. This is what makes an executive successful these days”, says Dr. Stefan Schmitt, Head of Human Resources Strategy at thyssenkrupp AG. Paulo Marcelo, CEO at Resource IT

agrees that it's not skills or experience that makes a leader successful, but capabilities, this is what makes the difference.

To simply describe which capabilities are required to become a successful leader in any given setting, we need a framework for understanding a leadership environment. We have found three main dimensions that form a leadership environment: **(1) Scope**, **(2) Distance** and **(3) Pace**. These three dimensions subsequently influence the capabilities required of you as a leader.

What do these dimensions mean for you in your role as a leader? Here are some key questions you should ask yourself when analysing your leadership environment.



As a local leader in a new market far from HQ, you need to bring simplified solutions to your local market. Since the corporate infrastructure is not relevant locally, you must be able to innovate. Instead of applying existing processes defined for other parts of the organisation, you need to develop new ones. However, innovation alone will not be enough. You also need effective communication skills to engage key stakeholders and get their support. The stakeholders might be managers at HQ, as well as local staff who dislike change and remain loyal to old but irrelevant processes inherited from HQ. You need to innovate within the corporate framework, and take stakeholders with you – or your innovation will be short-lived.

Leadership scope:

The scope of executive roles that demand leadership vary significantly, for example:

- What is my level of decision-making authority? Reporting frequency and feedback?
- How much can I adapt and create a local vision and direction for our business?
- What is the scope of the risk the organisation is willing for me to take in the business?
- What is my geographical scope? Local? Regional? Global?
- What is the size of my task? How is that measured – Employees? Customers? Growth? Sustainable profit?

So what could leadership scope mean for you in your leadership role? If you have a high level of scope you have a high level of strategic and stakeholder responsibility. Your responsibility for interpreting the environment, anticipating change and bringing people with you is paramount. If this is a strength of yours then leverage it. If your strengths are more to do with people management and operational effectiveness then use these skills to appoint people who can do the strategic and stakeholder management for and with you. These need not be senior people. High potential people on secondment can help analyse strategy and set up communication plans, under your leadership. To be good at something you do not have to do it, but you do have to lead it.

“A leader’s task is today much more about capabilities and competencies. A leader has to be able to give orientation and answers to the rising complexity” says Dr. Stefan Schmitt.

“The local leader has the responsibility to make things happen locally based on how the various parts connect to the global objective – his portion of the global objective”, Paulo Marcelo explains.

Leadership distance:

Many leaders fall into the trap of ‘doing the job’, but do not realise that managing distance is a vital attention area;



“The moment you make the choice of being present in different geographies, you need to understand that you will need to respect cultural differences, time and distance”

Paulo Marcelo, Resource IT CEO

- How far away from HQ am I? In an established or emerging market? What impact do time zones have on communication?
- How do the products or solutions HQ builds compare to my market’s needs? What is the required level of adaptation?
- What type of interaction and reporting does HQ require?
- What do I need to do to make my people feel part of something if they are far from HQ?
- Which cultural environment applies to my team?

“The moment you make the choice of being present in different geographies, you need to understand that you will need to respect cultural differences, time and distance”, Paulo Marcelo argues. People based far from HQ often think they are less informed than people in HQ are. They may not be less informed in reality, but they ‘feel’ that they are – and how people ‘feel’ is what matters.

On the other hand, although present in various places, what the organisation is looking for

is likely to be the same global purpose, even if it is achieved in different ways. This means it is not about controlling the process but about achieving common results that reflect shareholder expectations.

Building networks of influence with key stakeholders is vital, and remembering that relating to and getting the best from HQ is a leadership task just as important as any other. Paulo Marcelo highlights the importance of the “connecting leader”, “Connecting leaders manage to gather a network of the necessary capabilities to achieve a vision and a purpose”.

Don't fall victim to the arrogance of “only I know this market”. Know your HQ and its people just as well, you have to get them to follow as well.

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As a local leader you need to know the reality of your market and then integrate the purpose of the global organisation and the fundamentals”

Paulo Marcelo, Resource IT CEO

Leadership Pace:

Keep learning. Think new. If you are working far from HQ, your task is to build a business that works at a different pace. Not a replica of the old established world. At the same time, always ask for feedback. It is important for your success to

know how you are perceived at the headquarters, and to fully understand the overall purpose of the organisation. Ask yourself:

- What is the development stage of the industry I am in? Conservative? Progressive? Aggressive?
- How active is my competition?
- What is the normal pace of the local market compared to headquarters?
- How should pace be regulated (accelerating and slowing down speed of change) in a planned way?

“As a local leader you need to know the reality of your market and then integrate the purpose of the global organisation and the fundamentals”, Paulo Marcelo says. Dr. Stefan Schmitt agrees, and argues that successful leaders must be open to new ideas: “A leader today needs to be able to step back, not always wanting to be superior in everything, but to welcome an idea from someone else and to evaluate it against the company's set of values and whether this idea complies with it.”

Conclusion: 10 key questions to choose the right leadership role for you

Every leadership role is unique and every leader needs to work within his or her own particular leadership situation. Your specific leadership situation can be analysed by its scope, distance and pace. These dimensions define the capabilities required to succeed as a leader. As they change all the time, constant re-assessment of your situation and leadership behaviour is vital for success.

When analysing your leadership role, the following questions will help you evaluate your leadership situation.



Key questions

10 key questions to choose the right leadership behaviour

1. What is the authority scope of your leadership task?
2. What is the scale of risk your organisation is willing to take?
3. What is the size and geographical scope of your leadership task?
4. What is the level of your leadership autonomy; how much can you adapt to create a local vision and direction?
5. How far away from the headquarters are you leading?
6. How far away are HQ's products and solutions compared to your market needs?
What is the required level of adaptation? How will they judge you?
7. What type of interaction and reporting does your HQ require?
8. What is the development stage of the industry?
9. Which cultural environment applies; how do you engage people?
10. What is the normal pace of your local market compared to HQ's, and how should the pace be regulated?

Writers & contributors

External contributors

Paulo Marcelo (CEO at Resource IT)

Paulo has over 25 years of experience on Information Technology market with solid expertise on strategic planning and P&L management. Paulo Marcelo is viewed as a Digital Transformation thought leader, has been keynote speaker and written articles on innovation and management. Paulo is also a board member of Brasscom (Brazilian Information Technology Association) and has a seat at the CEO's group of American Chamber of Commerce.

Dr. Stefan Schmitt (Head of Human Resources Strategy at thyssenkrupp AG)

Stefan joined the Corporate Strategy Function of thyssenkrupp AG in 2008 and additionally founded the thyssenkrupp Management Consulting GmbH in 2009. In 2013 he was appointed regional CEO for Asia Pacific, and became Head of Human Resources Strategy at thyssenkrupp AG in 2016.

Mercuri Urval:

Dr. Jeannine Hertel

Jeannine is Director in Mercuri Urval Singapore and works with her clients in how to master business transformation through Executive Search and Leadership & Talent Advisory projects. As a German with Indonesian roots, being based in Singapore, having lived and studied in Japan and Indonesia, she is well aware of the challenges from international leadership assignments and team management.

Christopher Villasenor

Chris is Director in Mercuri Urval North America and supports his customers in business coaching, executive search, M&A and capability review. Over the past decade he has supported multi-nationals with market entry into the region and developing leadership capabilities to be successful in global-matrix work environments.

Sylvie Faria

Sylvie is Director in Mercuri Urval Brazil. She has extensive experience of international leadership, Executive Search and Leadership & Talent Advisory for medium and large international companies. Being Canadian herself she has first-hand experience of the different dimension leadership in an international organisation entails.

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