Leadership Challenges

Interview with Mary Kramer, Global Practice Group Leader – Human Capital Solutions (HCS) of SpenglerFox

[To listen to the interview please click here]

Discussion on the challenges that executive and managerial talent face in the area of change management on both developed and emerging markets.

Mark Hamill, CEO of SpenglerFox
Good morning everybody. This is SpenglerFox's Global Influencer series. This morning I am delighted to welcome my fellow equity partner in SpenglerFox and our global head of Human Capital Solutions, Mary Kramer.

Good morning, Mary.

Mary Kramer, Global Practice Group Lead - Human Capital Solutions (HCS), SpenglerFox
Good morning, Mark.

Mark Hamill, SpenglerFox
Before we kick this off, could you please introduce yourself?

Mary Kramer, HCS – SpenglerFox
Sure. Thanks. I'm Mary Kramer. You can probably tell from my accent, or rather my non-accent, that I'm from the US. I grew up in the States, but I have been living in Europe for many years. I worked first for consumer goods multinationals in the area of marketing. For the last fourteen or fifteen years I have worked in human resources consulting; both executive search and during the last years in human capital solutions. I joined SpenglerFox in 2007 and am delighted to be here seven years on; as an equity partner as well. At the beginning of 2014, I took on the role of global head of Human Capital Solutions for SpenglerFox. We are doing quite interesting things with clients in the areas of leadership assessment and development and talent development.

Mark Hamill, SpenglerFox
That's wonderful. Well, it's an absolute joy to work alongside you, Mary.

Mary Kramer, HCS – SpenglerFox
Thank you. Same goes for me with you.

Mark Hamill, SpenglerFox
Mary, this morning we are going to discuss the trends and your observations on what companies are looking for in their leaders; and the differences between leaders in developed and emerging markets. What are the similarities and differences in the challenges these leaders face?

Mary Kramer, HCS – SpenglerFox
That's a very good question. At SpenglerFox we are working with clients across wide geographies and certainly have a view on this. I will start with the differences. Basically, on developed markets, leaders face the challenge of trying to deliver growth: both in sales and in profit. This is true also in markets that aren't growing and are actually often declining in many cases. So I guess when we talk about them trying to grow sales, we mean them fighting for market share and trying to tap ways to have clients or consumers use their products or services. These managers and leaders usually have a plethora of information in terms of data analysis, detailed historical data, etc. They are really trying in many cases to find incremental ways to improve customer loyalty, to change route to market, etc. Basically every little detail counts when you are in a stagnant market. They often face having to consolidate and streamline operations; doing more with less people to protect profits. Many times there are especially being asked to do this, because the company is going to be conscientiously spending a lot of cash in emerging markets. They need to have solid delivery

but not use more resources than they had before: they have to do more with fewer resources.

On the other hand, in emerging markets, leaders are being asked to get into the market fast, to achieve market share in a growing market, etc. So it's really a rush to put down your stake, to get in the market and to become a leader while the market is still growing. At the same time, they have many risks they face, because they have limited market information. They often have to cooperate with local players in the beginning in areas such as sales and distribution. So it really does call for close follow-up by these leaders to ensure that their companies' products or services (and even more so business practices or values) are being represented correctly to the customers in emerging markets. What I mentioned before about the risk is that they have to be willing to take decisions with more risk, I would say, versus their counterparts in developed markets. This is because there are many unknowns. There is political risk sometimes or monetary exchange rate volatility; simply a lot of factors that are taken for granted in developed markets. Usually, with managers in emerging markets, they have to build teams and they're often always running behind. They don't have as many people on board as they'd like to. They're competing for limited "ready talent" I would say. There's plenty of potential talent in these markets. However, talent that has already run processes before, when everything is new, is very difficult to find. This can delay plans and push back product launches or market entries because (companies) lack having people on board. I would say these are the key differences that we see.

There are many similarities as well for both developing and emerging markets. Certainly one thing that we see is that leaders need to manage and prioritize their time more than ever. They are really bombarded with a continuous flow of information; both from inside and outside the organization. It's the challenge of handling all of that information on a daily basis, and deciding what's important and what's not, that can take a lot of time. In both cases the whole focus on people management and development/grooming of successors for leadership and for other critical roles in the organization is really key. I would say these are the main similarities.

Mark Hamill, SpenglerFox
Thank you, Mary. What competencies do you find are needed for both; and again what is different?

Mary Kramer, HCS – SpenglerFox
If I start with the similarities first this time, certainly there is a clear focus for all leaders, regardless of whether they are from developed or emerging markets, on developing, managing and motivating teams for maximum performance. This calls for understanding and respecting diversity; whether it's generational (which we see more of in the developed markets – GenX vs. GenY and the millennials and different priorities in approach to work); gender (in all markets I would say); and ethnicity (especially in some of the emerging markets where there's a delicate balance between different ethnicities that needs to be respected and managers need to have the understanding and sensitivity to manage it correctly). Another area is the competency of really adapting your leadership style to the situation at hand. I think business leaders often have a tendency to use one management style; without adapting to whom and where they are managing. This is something that many clients are telling us in terms of developing their managers and assessing their managers' leadership styles and using the appropriate styles depending on the situation. Another area that companies focus more and more on is the ability to handle change and constant change; to be resilient. Resilience and change kind of go together. There is often a need to accept new realities in terms of the economy or ways of doing business. These are the most common, shared competencies that we see in both types of markets. I would say the differences are really connected to what the different challenges are. For

emerging markets, there really is a call (for managers) to have a more entrepreneurial profile. You have to think fast; make decisions quickly. You have to build things from scratch – maybe not perfectly, but quickly. For developed markets, you focus more on getting involved in specific details that will make a difference in very competitive markets. It doesn't necessarily mean that you have to have two different people, but we do see some styles that are more natural for people who wish to take on emerging market roles and others more suited to developed markets. We also see that with clients, when they're asking to do executive search in emerging markets, they are looking for some core competencies that are similar. But really they seek people who are willing to make that step into, let's say, a more volatile business environment. Of the two, I would say the "emerging markets" profile is really in high demand these days, because of the importance of emerging markets. That is where companies are placing a lot of their investments.

Mark Hamill, SpenglerFox
Following on from that stream of thought, Mary, talking about readiness for cross-cultural differences: how do you approach this?

Mary Kramer, HCS – SpenglerFox
This is something that even impacts us at SpenglerFox. We have a lot of our own internal cross-cultural assignments. It's really important before making a decision as a company (but also for the person who will be going to another country) to really understand and have an in-depth discussion with the person, who is going to be transferring. You need to address their awareness of what this change will entail; particularly if they've never done it before, i.e. move to a different country for work: especially a country that may be quite different from their own on both a personal and professional level. A lot these discussions focus initially, from what I've seen, on the personal level. There are often a lot of setbacks in these decisions because of family members; because of an inability to make the actual transfer because of the person's family. A lot also has to do with what candidates expect on a professional level. Even though it might involve the same company with the same products, there are clear differences.

These kinds of assignments call for people who are open to change, who are very flexible. They should involve people who don't see one type of culture as the "right" one; people who are open to understanding different worldviews and who are quite resilient. It also takes a lot of time; a time investment in terms of understanding - even before you go, learning about the new host country that you're going to be in. At SpenglerFox we've actually been involved in assessing and preparing executives to make cross-cultural moves. We've had a few examples, especially moves from developed markets to emerging markets like China, Russia or Africa, where clients have asked us not only to make assessments of, but also to prepare a development plan for these executives. In these cases, we often use psychometrics, where you can really see the point about openness to change, resilience, flexibility, etc.; competency-based interviews to review a little bit the manager's natural management style to see how that would fit or might need to be adjusted a little bit depending on where they're going. We look at their worldview, what they know of the world and how curious they are to learn more about other countries. This is done in most cases to get them ready. In some instances it could be that the person is not the best fit for an emerging market, and it would probably make more sense for them to stay in their home country. Then, of course, for those who are going, we put together a development plan to make sure those first few months are quick in terms of adjustment to the new country.

Mark Hamill, SpenglerFox
That's wonderful. Thanks, Mary.
We know how difficult it can be for executives to become successful, once given leadership opportunities. Whether it be from inside or outside the organization,

what can you do, Mary, to help executives get up and running effectively?

Mary Kramer, HCS – SpenglerFox
That's a good question. We have seen more and more interest in onboarding programs from companies that believe (from their own experience) that without a special focus in the beginning with a new hire, or someone who is taking on a new role, there can be unintentional misalignment in the priorities of the new leader versus the organization and its priorities and values. So it's really important during the first weeks and months to get it right. There are programs now that our clients are either doing internally; or through outsourcing this activity to us or other companies. In any case, these programs usually last two to six months. They have to do with alignment of expectations: both from the executive and the company, priority setting, working on challenges the executive faces in adjusting to the new role, making sure there is a connection in terms of this new person's line manager style and the company culture in general. Another important thing is getting 360° feedback during the course of the program. This is to also get a feel of how the management style is with the new team and if there is a consistency in terms of feedback between the boss and the team. Of course, the key to this is the feedback that passes back and forth during these months. We specifically have a program called "Time to Perform". It focuses on senior managers. Our experience is that this really helps; it's more of a coaching-style program for participants. It lasts about three months, but it really helps new managers getting up and running; running the right race – the one that's been jointly agreed with the company. Those first months are key to the manager's overall success and adjustment to their new role.

Mark Hamill, SpenglerFox
Mary, that was wonderful. Thank you for sharing all your thoughts and your observations on this morning's call. I hope we can do it again soon. Thank you very much.

Mary Kramer, HCS – SpenglerFox
Thank you, Mark. I hope we can too.