



**Strategic Paper**

**Development of Future Asian Global Leaders: Vision, Framework, and  
Implications for APO Member Countries**

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## **Introduction**

Along with the rapid globalization of economic activities, exchanges of information, technology, and competencies among Asian countries have accelerated in the last decade. International economic alliances have also been established for mutual benefit. For example, free trade agreements between ASEAN and India, as well as ASEAN and PR China, have promoted intraregional activities. The ASEAN Economic Community will be launched in 2015, five years earlier than originally planned. In addition, ASEAN's global partnership, ASEAN + 3 (Japan, the Republic of Korea, and PR China), has been developing economic agreements.

Due to increasing intraregional transfers of knowledge among Asian countries, a training system for developing a new generation of global leaders with management skills and cultural sensitivity is necessary. Asia is one of the most diverse regions in terms of culture, language, religion, and ethnicity. Therefore, it is important for future Asian global leaders to have a diversity management perspective. Many multinational corporations have subsidiaries in Asian countries to which headquarters have attempted to transfer ethnocentric (home country-oriented) management practices. Some local leading companies in Asia have adopted Western-style management systems without carefully examining their suitability to the local organizational culture and without offering appropriate training to local employees. This transplantation of management styles sometimes causes cultural conflicts within local subsidiaries.

The concept of "one size does not fit all" is particularly important for managers in multicultural Asia. Connerley and Pedersen (2005) described the importance of multicultural awareness as follows: "Multicultural awareness, knowledge, and skills increase a person's intentional and purposive decision-making ability by accounting for the many ways that culture influences different perceptions of the same solution.... Leaders need to develop multicultural awareness, knowledge, and skills to respond appropriately to the problems and opportunities of both domestic demographic changes and globalization" (p. 7). On the other hand, global harmonization is also important in conducting business. This will require a polycentric (multinational-oriented) management style of future Asian global leaders.

As a vision for developing future Asian global leaders, a report by the Asia Society (2005) stated that: "Preparation for the global age as a movement to prepare our young people to succeed in the global marketplace and to become informed global citizens has begun." The Asia Society summarized a new set of essential qualities and attributes required for future Asian global leaders in the new economic environment:

- Recognize the decline of national boundaries;
- Manage cultural differences in three dimensions, national, regional, and international;
- Able to cope with the speed of international events and crises, including the speed of technology innovation;
- Have adaptable, flexible management styles in changing economic environments; and
- Maintain a vision that incorporates people from different cultural backgrounds.

As a consequence, future global leaders from Asia are expected to possess the awareness, knowledge, and skills to manage businesses in multicultural environments. Because leaders are not born but developed, designing training programs for those abilities will be key.

## Global Leadership Competency

During the late 1990s and early 2000s, many consultant firms and researchers studied global leadership competence (GLC) for new management requirements after international business had expanded. Although there are many definitions of GLC, this paper defines it as: “observable and measurable characteristics of a leader involved in global activities using knowledge, skills, and behaviors that contribute to job performance.” Numerous empirical studies of GLC have been conducted and different sets of competency identified (O’Hara-Devereau and Johansen, 1994 [4 items]; Kanter, 1995 [6 items]; Tung, 1997 [3 items]; De Merode, 1997 [8 items]; London and Seesa, 1999 [9 items]; Stahl, 2001 [7 items]; Adler, 2002 [5 items]; McCall and Hollenbeck, 2002 [7 items]). However, the targets of those GLC studies were mainly US companies and relatively small numbers of samples were used for analysis. To improve the limitations of competency studies, Goldsmith et al. (2003) conducted a survey based on 200 future leaders nominated by 120 major companies worldwide. The survey found that four basic competencies were required everywhere: thinking globally; appreciating cultural diversity; building partnerships; and sharing leadership.

It is also important to consider contingency-based GLC in different business environments to improve performance. To determine what comprises contingency-based GLC, the Global Leadership Competency Study Group (2005), a tripartite study group composed of Tsukuba University, Institute for International Business Communication, and Fuji Xerox Learning Institute, Inc. conducted empirical research targeting 2,000 pairs of global leaders. That study developed a contingency-based 18-item GLC scale based on Internet research and identified different sets of competency anchors required for higher performance in each of five geographic regions (Japan, Asia, China, EU, and USA). The results suggested that organizational commitment and job involvement are two major factors that promote GLC for improved performance (Nagai et al, 2003; Watanabe, 2004). In addition, Zucal (2007) demonstrated that three dimensions of competence, personal, professional, and cultural, must interact with the global community to promote organizational success (Figure 1).



Figure 1 Three dimensional competency model modified from Zucal (2007)

## Managerial Challenges and Required Competencies in Asia

The study meeting on Global Leadership Development organized by the APO was held in Tokyo, 17–20 December 2007. One of the main objectives was to develop a framework for a new program to foster the next generation of business leaders in the Asian context. Participants, who comprised government officials, scholars, and human resources managers

from both for-profit and nonprofit organizations, submitted country papers answering the following questions to determine the current business environment, the influences that shaped that environment, and competencies required in each country:

- 1) What are the current managerial challenges in your country?
- 2) What are the recent regional as well as global business influences on managerial behavior in your country?
- 3) What types of skills, knowledge, and competency are required for managers to deal with the current situation in your country?

Table 1 shows a summary of the responses given in the country papers and comments during discussions as well as from external sources. The responses reflect the diverse managerial challenges in the region. For example, economically advanced countries such as Japan, the Republic of Korea, and Singapore are striving to revise established management systems to deal with the new global business era. Newly developing countries such as India, Malaysia, the Republic of China, and Thailand are trying to establish technology-based economic systems. Indonesia, the Philippines, and Vietnam are attempting to develop management systems to improve productivity. Therefore, each Asian country faces different managerial challenges and requires different types of competencies according to the level of economic and technological development.

However, the two factors “team-oriented organizational culture” and “technology-based innovations” are common characteristics throughout the Asia-Pacific region. Specifically, competencies such as strategic thinking, people management, and result-driven work practices were perceived as important. Therefore, the new generation of Asian global leaders will be required to have global, regional, and domestic savvy to achieve higher performance in this region. Hence, a new training system is necessary to inculcate a unique set of proactive competencies in future Asian global leaders who must deal with diverse business environments.

Table 1 Managerial Challenges and Required Competencies in Asian Countries

Country	Managerial Challenges	Required Skills, Knowledge & Competencies
Republic of China	<ul style="list-style-type: none"> <li>● Cost down pressure from global competition</li> <li>● Complex social and legal environment.</li> <li>● Changes of industrial structure to more emphasis on service industry.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Strategic thinking/Visionary skills</li> <li>◆ People management skills</li> <li>◆ Performance management skills</li> <li>◆ Team management skills</li> <li>◆ Change management skills</li> </ul>
Japan	<ul style="list-style-type: none"> <li>● Dealing with diverse and complex market under the harsh and indefinite conditions.</li> <li>● Corresponding to the maturing of the domestic market and the overall decline of business opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Communication , conflict resolution skills</li> <li>◆ Human characteristics</li> <li>◆ National identity</li> <li>◆ Understanding and carrying on the managerial creed.</li> <li>◆ Devising and proposing business visions.</li> </ul>
Malaysia	<ul style="list-style-type: none"> <li>● Speed of execution</li> <li>● Innovation and renovation</li> <li>● Diversity &amp; knowledge management</li> <li>● Retention planning</li> </ul>	<ul style="list-style-type: none"> <li>◆ Market and product Knowledge</li> <li>◆ Innovation &amp; Renovation</li> <li>◆ Result Focus</li> <li>◆ Proactive Cooperation</li> </ul>

	<ul style="list-style-type: none"> <li>● Work-Life Balance</li> </ul>	<ul style="list-style-type: none"> <li>◆ Insights</li> </ul>
Philippines	<ul style="list-style-type: none"> <li>● Building a culture of innovation among industries.</li> <li>● Rising costs of production inputs.</li> <li>● Use of ICT-based technologies</li> <li>● Knowledge management and human capital development.</li> <li>● New working arrangement</li> </ul>	<ul style="list-style-type: none"> <li>◆ Expertise in ICT tools/skills.</li> <li>◆ Knowledge management</li> <li>◆ People management skills</li> <li>◆ Cross-cultural approach to management</li> <li>◆ Management of Innovation</li> <li>◆ Systematic problem solving</li> </ul>
Singapore	<ul style="list-style-type: none"> <li>● Development of effective HR system.</li> <li>● Job security from competitive challenge in the region.</li> <li>● Strong leadership with communication skills.</li> <li>● Developing an engaging management system listening and valuing inputs from employees.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Drive for results</li> <li>◆ Global focus, strategic thinking</li> <li>◆ Teamwork &amp; Collaboration (Partnership)</li> <li>◆ People skills(communication, motivation, development)</li> <li>◆ Sound judgment</li> <li>◆ Self-learning skills</li> </ul>
Thailand	<ul style="list-style-type: none"> <li>● Combination and balance of leadership and management,</li> <li>● Move from bureaucratic organization to performance driven organization.</li> <li>● Develop innovative and result oriented leader,</li> </ul>	<ul style="list-style-type: none"> <li>◆ Think strategically</li> <li>◆ Drive performance</li> <li>◆ Act decisively</li> <li>◆ Work collaboratively</li> <li>◆ Change championship</li> <li>◆ Quality excellence</li> <li>◆ Develop people and organization</li> <li>◆ Sufficiently economy application</li> </ul>
Vietnam	<ul style="list-style-type: none"> <li>● Development of market economic structure</li> <li>● Development of high standard production system.</li> <li>● HRM for managers and employees to meet global standard.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Effective communication with technical system.</li> <li>◆ Self-confidence</li> <li>◆ Cooperation to share information</li> <li>◆ Vision to workout a strategy</li> </ul>

### Framework for GLC Development

As the country papers presented at the APO study meeting on Global Leadership Development indicated, different sets of GLC are required depending on where a manager works. To develop successful Asian global leaders, it would be useful to provide training in how to identify the appropriate GLC set for various environments. The metacognition theory can serve as a powerful tool for developing a new training system. Metacognition is one of the latest topics in educational psychology and consists of two basic processes occurring simultaneously: 1) monitoring one's progress while learning; and 2) making changes and adapting one's strategies if one perceives that things are not going well (Winn and Snyder, 2004). It is a practical theory related to self-reflection, self-responsibility, and taking the initiative, as well as goal setting and time management for managers. Specific managerial skills based on the metacognition theory include taking conscious control of learning, planning and selecting strategies, monitoring the progress of learning, correcting errors, analyzing the effectiveness of learning strategies, and changing learning behavior strategies when necessary (Ridley et al., 1992).

Figure 2 explains how the metacognition theory works in learning new GLC strategies. This model is composed of three types of loop, the routine, learning, and mastering loops. The routine loop is a basic loop in which global leaders learn new types of GLC based on given information. For example, a newly assigned global leader will be instructed in a standardized GLC set to contribute to improved performance in a specific business environment. Utilization of the GLC set in that environment could lead to better organizational performance, and appropriate feedback will motivate the global leader to use that GLC set in a similar business environment.

The learning loop is the next higher level. It involves utilizing the GLC set in a new business environment based on accumulated work experience. Global managers with experience in working in country A and then are transferred to country B will likely experience this learning process. Finally, the mastering loop is the highest level, usually experienced by global managers who have worked in more than three countries. Experienced global managers tend to have a larger GLC pool from which they can select the set most appropriate for a new business environment. Therefore, it is suggested that the metacognitive model will served as a basic framework for developing the GLC of future Asian global leaders. A suggestive strategic approach for developing a training system based on the metacognitive model is discussed in the next section.

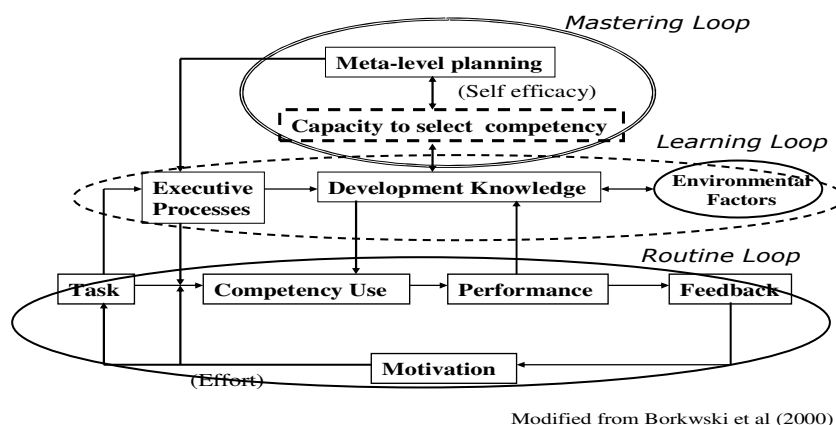


Fig 2: Learning Loops for GLC

### Proposed Approach

An approach consisting of three phases based on the metacognitive model for the development of a GLC training program is proposed. Each phase represents the basic, developmental, and applied steps, respectively.

#### *Phase 1: Determining country- and region-specific GLC*

The objective of the first phase is to identify country- and region-specific competencies required by individuals in Asian countries with high potential to become global leaders. Based on a literature survey of recent GLC studies, a GLC construct for high-performing Asian global leaders should be developed. Based on such construct, a survey to gather qualitative and quantitative data could be conducted. Qualitative data should be then analyzed using the mixed research method to correlate with the quantitative data (Creswell, 2002, 2007).

### *Phase 2: Analyze self-learning strategy*

The second phase of this project will analyze how Asian global leaders learn multicultural knowledge, skills, and competency based on the metacognitive model. An individual's transition from the routine loop to the learning loop based on metacognitive model (Borkowski et al., 2000) will be the focal point for analyzing the self-learning strategy. In-depth interviews of newly appointed global leaders transferred from their home countries to another Asian country will be conducted to analyze the cognitive mechanisms used. The targeted potential leaders will be asked three basic questions:

- Which incident(s) had a strong positive influence on your development and use of a new GLC set in your current assignment?
- Where was that GLC set initially learned?
- How did the GLC set help to resolve the incident successfully?

### *Phase 3: Training and development*

The third phase of this project will design a training and development program to allow future global leaders to self-learn GLC based on the active-learning method by combining the results of the first and second phases. Individual cognitive mechanisms for learning new competency will be broken down into basic behavioral components. A simulation-style training course will be designed for trainees which requires them to choose a GLC set that will solve problems presented in case studies. The sample cases will be collected through in-depth interviews conducted during the developmental research phase.

## **Conclusion**

Due to its long, complex history, the Asia-Pacific region is culturally and socially diverse. However, globalization has been forcing economic systems in the region to become convergent rather than divergent in recent years. To achieve a balance between cultural diversity and economic convergence, future global leaders from Asia will be expected to possess contingency-based competencies that work in multicultural environments. Designing an appropriate training program to deal with specific sociocultural features of the Asia-Pacific region is thus necessary to develop future global leaders.

In the past two decades, many consultants and researchers have investigated the types of GLC needed to develop new management abilities required for personnel worldwide following the expansion of global business. One of the latest key findings is the importance of the contingency leadership style to adapt to various business environments and improve managerial performance. Because each Asian country presents different managerial challenges and solutions, developing contingency-based GLC will be an important issue for global leaders in this region to achieve higher productivity and performance. In multicultural, rapidly changing Asian environments, it is necessary to train global managers to learn how to utilize proactively new competencies that are effective during times of transition.

This paper suggests a new type of global leadership training system based on the metacognition theory under which two basic processes occur simultaneously: 1) monitoring one's progress while learning; and 2) making changes and adapting one's strategies if one perceives that things are not progressing satisfactorily. The proposed model consists of three types of loops, routine, learning, and mastering and it is expected to act as a consecutive

development training tool for global managers' development of contingency-based GLC through on-the-job training. For further clarification of the framework and planning for this project, it is suggested that roundtable discussions among researchers from major academic institutions in APO member countries be held.

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