



# ASLON CHRONICLE

*Dedicated to bringing interesting leadership trends to senior executives focused on integrity and values.*

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## WHAT DOES IT TAKE TO STAY AT THE TOP?

Through the years, the ideal qualifications for a CEO have undergone evolutionary changes. Never has the menu of required skill sets changed as much as it has in the past five to 10 years...

Leaders appointed to the CEO post in the U.S. today must have a different approach, skill set and set of experiences than those of their brethren who took the helm a decade earlier. Among the changes cited are the need to serve and interact directly with a wider range of audiences; tolerate intense pressure and scrutiny from regulators and shareholders; champion ethics and integrity throughout the organization; and relinquish the outdated command-and-control approach with the board and the organization.

Previous criteria dealt with factors like the technology revolution, industry consolidation, globalization and increasingly persistent customer demands. But newly empowered boards of directors, rigidly enforced and ever-intensifying regulatory requirements, and zero tolerance for unethical behavior significantly changed the rules of the game.

Of course, there is a reason for the board's new level of involvement. Directors face reputational as well as personal liability, so they are digging deeper into the companies or associations they formerly monitored on a relatively arm's-length basis. Today's boards do more work than ever before...

CEOs must have a robust international perspective to understand the worldwide competitive issues, with powerful competitive challenges coming from unexpected directions and legal and regulatory mandates arising from various corners of the globe. The CEO job is more time-consuming, complex, international, tech-related, more involved with regulatory issues and more customer-centric.

### Ranking CEO Competencies

While a performance/results orientation still is essential, a number of nontraditional requirements ranked high in a section of the survey dealing with CEO competencies. These include international experience with a global perspective, board governance knowledge/experience, vision/strategic orientation, team building, communications skills and, reflecting the new demands of the global marketplace, unimpeachable professional and personal ethics and character.

The challenge of CEO retention also has increased. CEOs often leave after five years or so, frequently because the company is doing well and the CEO wants to go out on top, or the company is troubled and the CEO is either dismissed or wants to leave before a bad situation compounds. Adding to the retention challenge, CEOs often spot lucrative private equity opportunities rather than the increasingly intense pressure of running a public company.

Articulating and aligning three important "value propositions"—addressing customers, employees and shareholders—is a difficult task, and personally exhausting, but it's a required skill for the CEO in the new era of business. He or she must balance the tremendous demands of governance and regulatory processes and deftly deal with all of the interrelated constituencies with the unending demands of running a company effectively operationally and strategically. ..

To read the entire article from January issue of CEO Magazine by Thomas J. Neff visit:  
<http://www.chiefexecutive.net/ME2/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=A166CD99B8B9431DA57AC72EC9AF6531>



## ASIAN AND AMERICAN LEADERSHIP STYLES: HOW ARE THEY UNIQUE?

The rapid economic development of Asia in recent decades is one of the most important events in history. This development continues today and there is every reason to anticipate that it will continue indefinitely unless derailed by possible but unlikely international conflicts. At the core of Asian economic development is its business leadership—managers and entrepreneurs who sustain and create Asian companies. Do they exhibit the same leadership styles as top executives in the West?

There are important differences. Are differences attributable to different cultures or to different stages of corporate development? How does an executive set direction and energize his organization to pursue the direction? This is appropriate because managerial techniques are being spread fast by imitation, adoption, and MBA education.

### LEADERSHIP STYLES IN AMERICA

Leadership styles are more varied in America today than in Asia. In America there are five:

- Directive
- Participative
- Empowering
- Charismatic
- Celebrity (superstar)

The first four reflect how an executive deals with subordinates in the company; the final one is directed at people outside the firm.

**Directive leadership** is well known in America, but is declining in frequency, and very common in Asia. It stresses the direction given by executives to others in the firms.

**Participative leadership**, which involves close teamwork with others, is more common in Europe than in America.

**Empowering leadership** is relatively new, and stresses delegation of responsibility to subordinates. American companies that operate with largely autonomous divisions employ this style of leadership. A few younger Asian business leaders now espouse this style (for example, the CEO of Banyan Tree Resorts).

At the core of empowering leadership is the ability to energize the people in a company. Jack Welch commented, "You may be a great manager, but unless you can energize other people, you are of no value to General Electric as a leader." Energizing others is the core of the new leadership in America.

**Adaptability** is less common and less valued in Asia and Europe. It will be needed everywhere soon enough.

**Charismatic leadership** is the leader who looks like a leader. People follow such a leader because of who he is, not because of good management or even business success. Human magnetism is the thing, and it is very different in different national cultures.

**Celebrity leadership** is very different. It looks outside the company to the impact on others—customers and investors. The CEO becomes a star and is sought after by the media like a screen star. Ordinarily it requires good looks, a dramatic style, and an ability to deal effectively with the media. It is in a bit of a slump in the United

States right now due to the corporate financial reporting scandals, which have focused attention on CEOs with the ability to get things done right in the company; but celebrity leadership will make a recovery. Boards looking for top executives to revitalize a firm look for superstars; they seek outgoing personalities.

Corporate governance in the West means oversight from regulators, boards of directors, even institutional shareholders. While Asia now has most of these institutions, they are ordinarily not as well established and not as significant in the minds of top executives. Asia is bedeviled by official corruption that reaches far into business. America has less of this, but has in its place considerable financial reporting fraud. Both are very dangerous to the economic success of the nations involved. Graft tends to destroy an economy first by undermining the trust that is required for transactions to occur, and

The emotionalism that goes with passion is more common in America than elsewhere.

by distorting the economic calculus that underlies sensible business decisions. As it continues, graft destroys the national political entity. Long-established graft is a way of life that is very hard to root out.

The role models available for business leadership in the different regions of the world are significant. In America, with its longstanding experience with professional business leadership, the most readily available role model for the head of a company is the corporate CEO. In China and Chinese-related businesses it is the head of the family. In France it remains the military general. In Japan it is the consensus builder. In Germany today it is the coalition builder.

There are nine key qualities that research shows people seek in a successful leader:

- Passion
- Decisiveness
- Conviction
- Integrity
- Adaptability
- Emotional Toughness
- Emotional Resonance
- Self-Knowledge
- Humility

The emotionalism that goes with passion is more common in America than elsewhere. Europeans see it as a sort of business evangelism and are very suspicious of it. Decisiveness is common to effective executives in all countries: In this regard European and Japanese chief executives are the most consensus-oriented, and Chinese and American top executives are more likely to make decisions personally and with their own accountability. Conviction is common to all.

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"It is a very funny thing about life - if you refuse to accept anything but the best you very often get it.."

W. Somerset Maugham

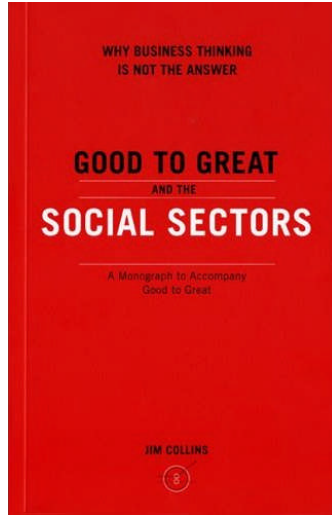
## LEADERSHIP IN THE SOCIAL SECTOR “HOW TO MEASURE THE IMMEASURABLE”

“A great organization is one that delivers superior performance and makes a distinctive impact over a long period of time. The critical question is “How effectively do we deliver on our mission and make a distinctive impact, relative to our resources?” What if your outputs are inherently not measurable? Then separate inputs from outputs, and hold yourself accountable for progress in outputs, even if those outputs defy measurement.

When Frances Hasselbein, CEO of the Girl Scouts, was asked how she controlled a governance structure of hundreds of girl scout councils and a volunteer force of 650,000 without concentrated executive power said “Oh, you always have power, if you just know where to find it. There is the power of inclusion, and the power of language, and the power of shared interests, and the power of coalition. Power is all around you to draw upon, but it is rarely raw, rarely visible.”

When Tom Morris became executive director of The Cleveland Orchestra in 1987, the orchestra faced deficits exceeding 10%, a small and stagnant endowment, and a struggling local economy. Prior to taking the position, Morris asked two key board members, “What do you want me to do if I come here?” Their answer was to make an already great orchestra even greater, defined by artistic excellence.

Tom Morris could not precisely measure artistic excellence, but that



does not change the fact that artistic excellence is the primary definition of performance for The Cleveland Orchestra. Nor does it change the extreme discipline with which The Cleveland Orchestra held itself accountable for playing the most challenging classical music with supreme artistic excellence, and doing so even better with each passing year guided by the goal of becoming recognized as one of the three greatest orchestras in the world.

“We asked a simple question,” explained Morris. “What do we mean by great results?” Morris and his team tracked a variety of indicators. Are we getting more standing ovations? Are we expanding the range of what we can play with perfection – from clean classical pieces to complex modern pieces? Are we invited to the most prestigious festivals in Europe? Are tickets in greater demand, not just in Cleveland, but when we play in New York? Do people increasingly mimic the Cleveland style of programming? Do composers increasingly seek to have their work debuted at Cleveland? Under Tom Morris, the orchestra tripled its endowment to \$120M and funded a remodel of Severance Hall into one of the best music halls anywhere. He accomplished this because he understood that endowment, revenues and cost structure were input variable, not the output variables of greatness.

Except taken from Good to Great and the Social Sectors by Jim Collins

## WHO ME, CEO? WHY SENIOR EXECUTIVES DON'T WANT TO PURSUE THE CORNER OFFICE

Business leaders continue to approach the CEO position with apprehension, according to a new global study conducted by Burson-Marsteller with the Economist Intelligence Unit (EIU). The 2005 CEO Capital™ research reveals that executives are now thinking twice about the corner office, with 54% of global business executives reporting they would not want to be CEO if given the choice.

### Why Not Be CEO?

For the first time, global business executives were asked their reasons for wanting or not wanting to be CEO. The overriding factor in choosing not to be CEO is the absence of a positive work/life balance. More than 64% cite this reason as the leading obstacle to pursuing the corner office. Other barriers cited are the tyranny of quarterly earnings, persistent stress and intense public scrutiny. Interestingly, global business executives are less likely to cite the actual pressures of running a business - regulatory oversight, cost-cutting, talent development, stakeholder demands and critical media - as leading reasons for turning down the CEO position if offered.

"CEOs today are increasingly challenged by time zones, global markets, unpredictable crises and an expanding portfolio of stakeholders demanding attention," said Dr. Leslie Gaines-Ross, Burson-Marsteller's Chief Knowledge & Research Officer Worldwide and the study's architect. "Not until companies train the next generation of leaders to better balance work/life pressures will executives clamor for the top job."

### So Why Be CEO?

Although generous compensation, perks and prestige dominate headlines worldwide, they are among the least compelling reasons given by global business executives for wanting to be CEO. The top three reasons for wanting to be CEO are the opportunity for complex problem-solving (56%), ability to have a personal impact on the business (43%) and satisfaction of having their ideas implemented (36%). A sizeable number of global business executives also cite helping a company go from "good to great" (33%) and building a company that lasts (26%) as primary reasons for seeking the corner office.

"All businesses today are in dire need of talented, ethical and credible leaders. The reluctance of many senior executives to accept the top slot will continue to impact efforts to restore overall trust in companies across the globe," said Patrick Ford, Burson-Marsteller's Global Corporate/Financial Practice Chair

Their research highlights the need to have willing executives in line to succeed outgoing CEOs. As we witness a rapidly rising CEO departure rate (a Fortune 1000 CEO departs every two business days, [www.ceogo.com](http://www.ceogo.com)), the need has never been greater to build the next generation of global leaders.

New Burson-Marsteller Survey [www.ceogo.com](http://www.ceogo.com)



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## ASIAN & AMERICAN LEADERSHIP STYLES (FROM PAGE 2)

Integrity is a complex characteristic very much determined by national cultures. What is honest in one society is not in another, and vice versa. Adaptability is a pronounced characteristic of American leadership generally. It is less common and less valued in Asia and Europe. It will be needed everywhere soon enough. Emotional toughness is common to all top executives; Americans spend more time trying not to show it.

Emotional resonance, the ability to grasp what motivates others and appeal effectively to it, is most important in the United States and Europe at this point in time. It will become more important in Asia as living standards improve, knowledge workers become more important, professional management gets greater demand, and CEOs have to compete for managerial talent. Self-knowledge is important in avoiding the sort of over-reach so common in America; it is less common a virtue in America than in Asia, and is a strength of the Asian executive.

Humility is a very uncommon trait in the American CEO. It is sometimes found in Asia. It is often a trait of the most effective leaders, as it was in the best-respected of all American political leaders, Abraham Lincoln. Once, when the Civil War was not going well for the Union side, a high-ranking general suggested that the nation needed to get rid of Lincoln and have a dictatorship instead. The comment came to Lincoln's ears. Lincoln promoted the general to the top command in the army anyway and told him, "I am appointing you to command despite, not because, of what you said. Bring us victories, and I'll risk the dictatorship."

What is the conclusion? Styles of leadership are currently different between Asia and America. Culture colors the way things are done, but less so what is done. The differences in styles most markedly reflect the stage of development of the economies and companies of Asia. As Asian companies seek access to world capital markets, they will move toward professional managers who will employ leadership styles more akin to those now used in the United States.

As Asian companies rely more on professional employees of all sorts, and as professional services become more important in Asian economies, the less autocratic and more participative and even empowered style of leadership will emerge. Asian leadership will come to more resemble that of the West. But significant cultural differences will remain—economic and geopolitical rivalries within Asia and between Asian countries and the West will continue and perhaps grow. Economies will retain characteristic national features. Convergence in a leadership style does not guarantee likeness of results nor even peace. We will continue to have to work for economic progress and peace; it will not come automatically.

<http://hbswk.hbs.edu/cgi-bin/print>, **D. Quinn Mills** is the Alfred J. Weatherhead Jr. Professor of Business Administration at Harvard Business School.

## ASLON LAUNCHES INTERNATIONAL PARTNERSHIP

Last year ASLON partnered with the IESF (International Executive Search Federation) in order to serve our global clients better. Domestic corporations establishing a footprint overseas and needing leadership talent to drive their initiatives have found ASLON a service of benefit. We are happy to announce that our partner in Asia has completed two searches for Boston Power, a company that has taken the lithium-ion battery technology, as we know it today, to the next level. They identified Kevin Sit Chi Keung, as the new Manufacturing Director and Ricky Chu Chi Kong, the new General Manager. Previously Kevin was Factory Manager - GP Batteries International Ltd and Ricky was Vice President – Shun Wo New Power Battery Technology Ltd. In Hong Kong.

Boston Power's Asian office is located in Shenzhen city in the Guangdong Province in China.

### Mission Statement

**Our mission is to be the leading integrity-based retained search firm focused on identifying, assessing and delivering world class leaders.**