

The New Reality of Mid-level Leadership

A Closer Look at Middle Managers in South East Asia

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Mid-level leaders play a critical role as part of the new world economy. As companies shift their business strategies to remain competitive, mid-level leaders will carry out the executive agenda, and interpret and execute corporate mandates. They're the ones making bottom-line decisions about cost, quality, and efficiency for companies every day. As such, DDI wanted to hear how they felt about their jobs, the skills required for success, their level of engagement and loyalty, and their plans for the future.

We conducted a global study of 2,000 mid-level managers across Asia, Australia, Europe and the United States in 2010 just as the world economy was emerging from one of its most severe economic downturns. Nearly a third of the leaders surveyed were from countries in South East Asia: 10% from Malaysia, 10% from Singapore and 8% from Thailand. Key highlights from the global and regional research are summarized here.

TRAINING WHEELS ARE NOT AN OPTION: DEVELOPING MID-LEVEL LEADERS

Mid-level leaders don't feel they have the leadership skills they need to succeed.

Global findings show that leading change, executing work priorities, networking and partnering with others, and making tough decisions top the list of priorities mid-level leaders face at the moment. In the next two years, these will remain critical while areas such as building organizational talent are expected to increase in importance.

Like their global counterparts, leaders across the three South East Asian countries expect leading change to remain their most important priority (28% in Singapore, 20% in Malaysia and 35% in Thailand). Developing talent emerges as a key priority over the next couple of years with 14% citing this as one of their most important priorities compared to just 7% currently.

However on average, only 10% of respondents feel "well-prepared" to meet the top challenge they'll face in the next two years. Not surprisingly, the younger a mid-level leader, the less prepared they feel to handle these challenges.

MOST SIGNIFICANT CHALLENGES AT WORK ACROSS SOUTH EAST ASIA

	Today	In 2 Years
Leading change	22%	28%
Developing talent	7%	14%
Networking and partnering with others	11%	11%
Making tough decisions	10%	10%
Executing work priorities	17%	8%
Influencing others	10%	8%
Working effectively across cultures	8%	8%
Coaching others	6%	6%
Managing my emotions	5%	2%
Others	4%	3%

Leadership skills are key.

Mid-level leaders in the region felt competent and prepared in specific functional and technical skills related to their role (ie. accounting, marketing, sales)—not surprising as many leaders are often promoted through the ranks due to their technical expertise. But when asked to select whether leadership, technical, or business skills would be most critical to personal success in the next 3-5 years, the majority identified leadership skills. In both the global and regional findings, they report that leadership skills, more than business or functional skills, require the most development. In line with the foreseen challenges ahead, specific leadership skills such as coaching, influencing, networking and partnering with others will be critical areas to develop.

**DISCONNECTS AND DISAPPOINTMENTS:
THE MISMATCH BETWEEN TODAY'S
MID-LEVEL LEADERS AND THEIR ROLES**

There's a disconnect between what mid-level managers are—and what they need to be.

DDI has determined four key challenges that mid-level leaders must master to be successful in an operational role:

- > Drive performance in a changing world
- > Manage horizontal integration in a complex organization
- > Lead and develop talent
- > Make tough decisions

These challenges require leaders to master a diverse portfolio of roles and responsibilities. Yet our survey found that mid-level leaders tend to focus most of their energy on a few, more tactical priorities such as allocating resources and executing initiatives. The table below highlights this.

Role	Global	Regional
Resource Allocator	19%	14%
Negotiator	17%	18%
Executor	15%	16%
Navigator	10%	12%
Change Driver	9%	7%
Innovator	9%	8%
Global Thinker	7%	8%
Talent Advocate	3%	4%

Looking within the region, mid-level leaders in Singapore spend the majority of their time as an Executor with 20% of respondents identifying it as their highest work priority. This was followed by managing the allocation of company resources (18%) and navigating or “working through complex issues to resolve problems.” Unfortunately, the time spent on these functions appears to be at the expense of more long-term, organization-building priorities such as developing internal talent. Only 3% identified Talent Advocate as their key role.

While getting things done is also a key function for Malaysian mid-level leaders (14% citing this as their number one priority), the majority (25%) spend their time negotiating within or between departments. Again, a relatively small number (6%) of leaders spend time on attracting, developing and retaining talent.

Similarly in Thailand, the majority of mid-level leaders said they spend much of their time negotiating between departments (20%) and executing strategy (15%). Only 5% placed their focus on talent development.

While the demands of the global financial crisis may have forced leaders to focus more on day-to-day operations, managing costs, and meeting targets as companies move in to recovery and growth, mid-level leaders need to spend more time developing and re-engaging their neglected talent. If not, they risk losing this group of valuable human capital assets to competitors. While the war for talent may have been in a temporary ceasefire during the global financial crisis, the conditions that created this environment have not gone away and are quickly re-emerging.

Companies are doing more with less—and mid-level leaders are feeling the stress.

Nearly 7 in 10 mid-level leaders report that their work stress increased during the global financial crisis. Across the region, the number one contributing factor was the increased pressure to succeed. Given the demands of the global financial crisis which saw many leaders having to deliver more with less resources, this is perhaps not a surprise. The other major contributors to stress were working across boundaries, functions or other work groups (23% in Singapore and 10% in Malaysia); and increased personal workload (19% in Thailand and 16% in Singapore). One out of five leaders in Malaysia also singled out their unsupportive bosses and senior leaders as reasons for increased stress levels.

Money and managing people were major motivations for taking on a middle management role, but stagnation can be an issue.

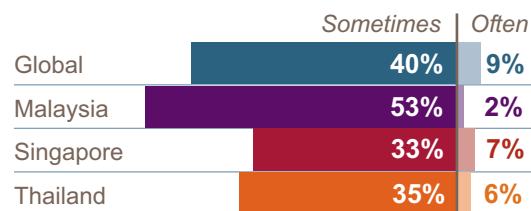
Across the region, the top three reasons for pursuing a mid-level leadership role were: the opportunity to manage people, increased financial rewards, and increased power and influence. While they may not wear the hat of talent advocate too often, 30% of leaders in Singapore said that the opportunity to manage people was the primary motivator when they first stepped into their role. In Malaysia and Thailand, mid-level leaders cited increased financial rewards as their biggest motivator at 33% and 39%, respectively. This was followed by the opportunity to manage people (27% in Malaysia and 28% in Thailand).

An increase in power and influence was also an important motivator for leaders in Singapore (21%) and Malaysia (18%).

Around the world, the majority (54%) of mid-level leaders would take a demotion to a non-leadership role for the same amount of money, and 16% said they would take the demotion even if compensation was reduced. In Singapore, however, given that the opportunity to manage people is the biggest motivator, it is no surprise that 64% of leaders would rather stay in a leadership role than move to an individual contributor role even if the money was the same. For leaders in Malaysia and Thailand, who tend to be more motivated by financial rewards, they are more inclined to step away from a leadership role if compensation remains unchanged. Nearly half of mid-level leaders in Thailand and two-thirds in Malaysia would move back to an individual contributor role if the money was the same. These results show that leaders without the intrinsic desire to lead and manage people are more likely to fizzle out and opt for an individual contributor role, when given the opportunity and particularly as the business landscape changes.

Nearly 40% of mid-level leaders around the world feel their jobs are stagnant “sometimes” while 9% feel their jobs are stagnant “often.” The more stagnant leaders’ jobs were, the more likely they were to say they would give up their leadership position if they were offered the same compensation or reduced compensation to be an individual contributor.

DO YOU FEEL YOUR JOB IS STAGNANT?



EMPOWERMENT AND TEAMWORK: ENGAGING MID-LEVEL LEADERS

Empowerment and teamwork keep mid-level leaders engaged.

Across the globe, 52% of mid-level leaders said their engagement level was higher now compared to 24 months ago, 36% said it was the same, and 12% said it was lower. The results are as optimistic in South East Asia. Thailand reported the highest percentage of engaged leaders, with 94% saying they were either more engaged or just as engaged compared to the previous 24 months. Singapore and Malaysia also recorded high engagement levels from leaders at 92% and 89% respectively. In both the global and regional results, the top three biggest drivers of engagement were teamwork and collaboration, trust in the workplace, and the ability to make decisions.

In South East Asia, the survey found that having an exceptional manager was not as critical an engagement factor for mid-level leaders as compared to the other factors. Mid-level leaders are often at a point in their careers where they rely less on their manager for day-to-day support and coaching. They are more inclined to work on the business execution once the overall strategy has been set, and thus do not require or seek micro-management from their own leaders.

Engagement was a clear driver in their desire to continue on their career path. Those with higher engagement are less likely to say they would go back to being an individual contributor (regardless of compensation) than their unengaged counterparts. Six percent of engaged mid-levels feel stagnant “often” compared to 20% of those who reported lower engagement levels.

Growth matters—opportunities to advance are coveted by mid-level leaders.

We asked respondents to identify the likeliest next step in their careers and many would choose to stay with their current organization. Looking at the data by age, the first move anyone under 50 is looking for is a promotion within. Mid-level leaders who are over 50 overwhelmingly intend to retire in their current position. The younger the leader, the more likely they are to look for outside opportunities.

	Global	Malaysia	Singapore	Thailand	
Stay In	Look for a higher position in my company	22%	36%	38%	37%
	Stay in current job for next 5 years	17%	10%	16%	16%
	Ready to assume my boss' role	14%	6%	6%	14%
	Retire in this position	11%	6%	1%	8%
Move Out	Will look for a lateral move internally	5%	6%	8%	3%
	Will look for a lateral move externally	7%	6%	5%	4%
	Look for promotion outside my company	11%	20%	11%	14%
	Don't know	11%	6%	8%	4%

As the table above shows, leaders in South East Asia are more inclined towards growing their careers within their current organization either in a more senior position, the same position, or in a lateral move, compared to a career move outside of the organization.

Across the region, mid-level leaders have generally experienced a rapid climb up the corporate ladder. Slightly more than half of leaders in Singapore (55%) and Thailand (54%) received two or more promotions in the last five years. Mid-level leaders in Malaysia have not experienced the same level of upward mobility as their regional counterparts. Less than half (42%) of leaders in Malaysia received two or more promotions in the last five years. This finding supports earlier data which found a larger proportion of Malaysian respondents perceiving their job to be stagnant.

While mid-level leaders' rapid ascent up the corporate ladder might be good for their individual careers, this may create negative repercussions on the organization and hamper future business

sustainability. For instance, companies which promote leaders quickly over a short period of time may only do so out of a necessity to fill gaps in their leadership pipeline. With these quickfire promotions, companies may not be able to sufficiently train their mid-level leaders to manage their new job challenges competently. As a result, many managers may find themselves struggling with their work performance in their new role. Leaders who experience several promotions within a short time period may also come to expect the same rapid career progression throughout their time in the company. If companies are unable to manage leaders' career expectations, they run the risk of breeding disengaged leaders who feel that their careers have stagnated.

It can be argued that the future success—or failure—of your organization sits squarely on the shoulders of your mid-level leaders. Now that the world has survived the economic crisis, are your mid-level leaders ready to lead in this time of recovery and growth?

For more information about mid-level leaders, please refer to *Put Your Money in the Middle: A Meta-study and Talent Management Guide for Mid-level Leaders*. In addition to DDI's data about this level of leadership, the meta-study includes:

- > Additional data from over 20 contemporary sources.
- > Implications drawn from the data, including how the mid-level leader's role is evolving, the skill set critical to success, instilling them with a sense of purpose, and delivering development that fits the unique learning needs of this audience.
- > Five points of view about how organizations can best select, develop, promote and engage mid-level leaders.
- > A call to action for an organization's senior leaders, HR professionals, and mid-level leaders, detailing the role each needs to play in strengthening the leadership ranks in the middle.

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