Rethinking the East Asian Leadership Gap

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BY WINTER NIE, DAPHNE XIAO, AND JEAN-LOUIS BARSOUX

MANY WESTERN MULTINATIONAL corporations (MNCs) operating in East and Southeast Asia bemoan the lack of local leadership talent. Several recent surveys have pointed to the scarcity of regional talent as a growth-limiting factor in the Far East. But fast-emerging MNCs in Indonesia, South Korea, and Malaysia, as well as companies in China and Japan, don’t seem to have as much trouble finding or growing Asian leaders.

This raises important questions: Is there a shortage of suitable talent and leadership in these regions? Or should we examine the validity of the “global leader” yardstick? Based on our work with Western MNCs with operations in the Far East, these are questions such MNCs need to ask.

We began hearing about the “Asian leadership gap” several years ago when Western MNCs expressed interest in creating development programs for emerging leaders in Asia. We conducted hundreds of interviews with Asian executives, paying particular attention to the challenges of managing across cultures. The perception in Western MNCs was that management talent from East Asia often had difficulty demonstrating the leadership skills and competencies required to be successful MNC leaders.

Understanding the Gap

In this article, we address Western and Far Eastern cultural models broadly. We recognize that these are sweeping generalizations, in that wide cultural disparities exist even within the individual models. Yet we think broad distinctions are warranted by the underlying orientations. (The Far East tends to be more collectivist; the Western orientation is more individualist.)

East Asians pursuing careers in Western MNCs often have to make dramatic adjustments, not just in terms of acquiring linguistic and cultural fluency but also in terms of behavior. The requirements are so ambiguous that many East Asian managers aren’t sure where to begin, and few make it to C-suites of Western MNCs. In fact, the “Asian seats” on leadership teams are often filled by executives from the Indian subcontinent whose early exposure to English makes the adjustment easier for them. Indian-born executives have reached the top levels of technology giants such as Google Inc. and Microsoft Corp., as well as nontech companies such as PepsiCo Inc. and Mastercard Inc.

Many of the communication qualities considered “leader-like” in Western businesses — a willingness to speak up, express unpopular views, and dominate conversations — run counter to principles that are widely valued in Far Eastern cultures. Broadly speaking, East Asians tend to value reflection over urgency, harmony over discord, introspection over feedback, and humility over attention-seeking behavior. When operating in Western contexts, East Asian executives often feel forced to act over aggressively to ensure their voices are heard.

What’s more, in Western MNCs, facility in English can play a disproportionate role in the judgment of one’s communication capability. Fluency and spontaneity are often proxies for being persuasive or creative. Indeed, there is a tendency to conflate eloquence in English with the ability to communicate and influence strategically. And, although diversity is valued, Western education is held in high regard.

Developing personal visibility is a challenge in collectivist cultures, where self-promotion may be considered
undignified or shallow. Western-style networking also poses problems. The issue is not that Western networking skills are any better than those of East Asians. In fact, each group connects well within their own social group but struggles to connect with others. However, global-leader assessment criteria adhere to a Western version of networking without realizing that it is biased.

East Asians also have a different understanding of how to build goodwill with colleagues. Behavior seen as essential to group well-being in the East is less valued in the West. For example, research suggests that individuals from collectivist cultures put a high premium on “enduring without complaining” (labeled “sportsmanship” by scholars) and “giving advance notice” (labeled “courtesy”). To Western eyes, an employee’s reluctance to self-disclose, participate actively, or disagree publicly is seen as a lack of confidence, competence, or trustworthiness — deficits that can be hard to correct.

These inherent biases result in two consequences for aspiring East Asian leaders. First, many people with leadership potential are likely to miss out on the stretch assignments, training, and exposure that would help them access wider responsibilities. It leads to a “chicken and egg” situation: One can’t develop a global mindset or impress the people who make leadership assignments if one doesn’t get the right kinds of opportunities.

Second, East Asian executives have to deal with a constant focus on their “shortfalls,” and that can seriously undermine their confidence and make them feel like they don’t measure up. For example, an Asian executive in the leadership program of one U.S.-based MNC sensed that his Western colleagues considered him meek. Although his division was reporting stellar results, he realized he was thrown off-balance when Western peers or bosses challenged him forcefully. He found he had to invest much energy in controlling his negative emotions in such situations that he had limited mental resources left to come up with smart answers.

For many East Asian managers, adapting to meet the expectations of Western MNCs is a painful journey, paralleling the discomfort often reported by women attempting to advance in corporations dominated by male values. Moreover, research suggests that East Asian executives who adopt Western-leader characteristics (such as assertiveness, competitiveness, independence, and self-confidence) risk experiencing what psychologists call “stereotype backlash”: They may be harshly criticized for violating expectations people may have of them. They may also be viewed as less likable, which could hurt their chances for promotion.

All of this raises questions as to whether “global leadership competencies” developed by Western scholars, consultants, and MNCs (based on the reported traits of people in positions of power) are less universal than they claim to be. The arbitrary nature of certain global leadership competencies is highlighted by the case of a Thai woman from our research who was under consideration to become a country manager for a large consumer goods corporation. Despite her first-rate external assessments, she was perceived by many senior managers as being too soft-spoken and reflective for the position. Eventually, people saw her other strengths (including her ability to identify and develop local talent), and she got the job.

**Aligning the Pipeline**

As much as the one-size-fits-all approach to global leadership has been criticized, many Western MNCs rely on a set list of global leadership competencies. In many cases, the requirements they use to select global leaders are essentially the same as those used to select domestic leaders, making it extremely difficult for Asian managers to compete.

The reality is that corporations can’t turn Easterners into Westerners or vice versa. Rather, Western MNCs need to change their way of thinking and consider how to leverage the differences. They can do this by focusing on three areas:

**Reducing the Number of Must-Haves**

The global competencies that MNCs insist upon should be pared down to a tight core. Global leaders must fulfill a wide variety of roles that depend on the context in which they operate — and the needed competencies must be tailored accordingly.

**Reviewing HR Practices**

Senior executives at corporate headquarters systematically underestimate the barriers and biases executives from other cultures face in reaching the top. Many of those barriers are built into assessment and development practices. HR practitioners should monitor the relationships between people-related decisions and business outcomes, and audit talent management practices to identify outcome biases, blind spots, and gaps.

**Replenishing Their Leadership Pipelines**

East Asian HR managers must make their voices heard. Looking forward, the weight of economic power is shifting to Asia — so Asian millennials are increasingly asking themselves why they should adapt their style to fit in with Western business practices. Asia-based HR executives must prepare their corporations to meet that leadership development challenge. The big risk for Western MNCs is not just that they underestimate the talent at their disposal, but that their leadership pipeline is misaligned with the impending leadership needs. Global businesses need East Asian voices and business perspectives at the table if they are to survive.

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