



Taking a Step Back in An Unpredictable World

After being established in 1990, the International Institute for Management Development, or IMD, currently stands out as a world leader and pioneer in corporate leadership development, where staff work together with top organizations and CEOs across the globe to deal with real issues and challenges in creating positive business impact. IMD president Jean-François Manzoni, on the sidelines of his visit to Jakarta, discussed these challenges and the relevance of executive courses, especially in Southeast Asia, with *GlobeAsia's* **Eko Prasetyo**.

Manzoni elaborated on the main challenges within the global scene, namely the complexity and unpredictability of the world, as well as the accelerated pace of change.

“The pace of change has become absolutely extraordinary and we are operating in a world where things are evolving and moving rapidly,” Manzoni said, adding that the second aspect is that the nature of competition has shifted to trends and instant advantages.

The professor took Amazon as an example, noting that what was initially a gigantic warehouse of products has now turned into a major player in trade and distribution with the addition of technology, which has played a crucial role to produce totally permeable industry boundaries. “The nature of competition itself has increasingly become more forceful and fluid than it used to be,” he said.

Another challenge that many business leaders are facing, he continued, is how they manage themselves. “It is a demanding lifestyle and you really have to manage yourself, manage the workload and manage things in perspective. It is very demanding,” Manzoni said.

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THE RELEVANCE OF EXECUTIVE COURSES

Without eliminating the risk of sounding self-serving, Manzoni said executive courses and lessons are more relevant than ever, as executives are offered the opportunity to step back, take a breath, look around, think and connect with others from different industries or different parts of the company.

“Obviously, we are also offering a few different angles or frameworks,” he added. “There is nothing as practical as a good theory.”

Manzoni emphasized the need for frameworks and basic principles to create a sense of mastering the constant, unpredictable changes in the world. “What you can also look at is, instead of asking somebody else to solve our problems, we can solve it ourselves. We need help to solve these questions, otherwise we would have solved them,” he said.

According to him, IMD helps organizations to tackle specific questions, and also helps executives and employees to find answers, as opposed of giving them the answers.

But in his personal preference, Manzoni — who completed his doctorate degree at Harvard — is keenly interested in the interactions between organizations, interpersonal skills and intrapersonal skills.

CHARACTERISTICS OF ASIAN BUSINESS LEADERS

Manzoni also elaborated the characteristics of Asian business leaders, as opposed to their European counterparts.

The professor greatly emphasized the need to understand generic trends and significant intra-region differences, while also mentioning that Asia and Southeast Asia in particular have distinctive characteristics related to the high speed of growth and development, as well as the youthful population.

“Asian cultures tend to be what we call ‘more high context’, where the US (and Europe) is at the other extreme, ‘a very low context culture’,” he said, adding that in a low context culture, things are very explicitly described.

In a high context culture, people will need to pay more attention and read between the lines. “There are lots of things unsaid that you need to infer.”

In addition, in comparison to Europe Asia is considered a high-growth environment with a different atmosphere. “There is this sense of energy and drive as the result, as also a sense of resilience and capabilities of dealing with issues, problems and challenges. I think in Southeast Asia, there is still a certain amount of unpredictability, where things don’t work as advertised or hoped for at times,” he elaborated.

Another issue he brought up was the evolution of technology and digital platforms, as it transforms various aspects of society, with big data and AI to bring extraordinary changes over the coming years.

“It is particularly transformational because we are used to think of technology displacing blue-collar work. I think we are entering an era where we are going to have ‘technology’ displacing white-collar work, which is extremely transformational,” he said.

Moreover, the moral contracts between employees and organizations are also crucial, in a world where a growing number of young people (a) do not want to work with the same company forever, and (b) do not want to work with one company, or (c) decide to be freelancers and work for three companies simultaneously.

“It will have significant impact on how companies recruit and how people work with others who are in some cases ‘inside’ and ‘outside’ of the organization,” he said.

SHIFTS ON CORPORATIONS AND GOVERNMENTS

Realizing these facts, traditional organizations and government institutions will have to transform in addressing these behavioral changes. A large industrial company will need time to change its habits, as it will need to improve rapidly and substantially to remain a viable employer.

“These organizations are, for example, trying to develop more agile methods, which is visible in some organizations today. They are trying to lower the “bureaucratic pressure” and make it more possible for people to innovate, create and adapt,” Manzoni said.

He also mentioned how a government should shift measures and policies to cater for more businesses and investments, as well as to face competition with other countries or even regions.

“I think there is competition between countries in terms of attracting business activities and organizations,” he said, adding that Indonesian Minister of Finance Sri Mulyani Indrawati had also emphasized eliminating bureaucratic obstacles during a keynote speech at the Singapore Summit.

“The issue is to make it easier, more predictable and less frustrating for organizations to get set up, invest and operate in a country. Again, it is not an easy task,” he said.

In a world where every year everything becomes more competitive, “bureaucracy” or “governmental machinery” is one of the key factors of competitiveness for many countries, as it needs to improve over time.

French-born Jean-François Manzoni became the president of IMD on January 1, 2017, where he also serves as the Nestlé Professor. His research, teaching and consulting activities are focused on leadership, the development of high-performance organizations and corporate governance.

Manzoni has received several awards for excellence in teaching, also becoming a frequent keynote speaker. He is a member of the Human Capital Leadership Institute’s International Advisory Panel and was invited to the 2014 and 2016 World Economic Forum meetings in Davos. 🌐