

# Singapore's Leadership Challenges: Developing Talent For A New Era

By Yong Ying-I

Singapore is making the transition to a new era of uncertainty. As a society, as organisations, as leaders and as individuals, we need to be more adaptable. We also need more leaders at more levels who are comfortable with ambiguity and who are able to bring together diverse views. A command-and-control leadership style in which a small apex of leaders directs a base of disciplined followers will no longer suffice. How can we broaden the leadership base? How can leaders both from outside and from within organisations gel as a coherent team? Yong Ying-I argues that a new leadership style is required for this new era, and it requires not only changes in leaders but changes in the followers' behaviour and the assumptions they hold of the leader's role.

*This article is an adaptation of a speech by Yong Ying-I, Permanent Secretary at the Ministry of Manpower. It was given at Standard Chartered Bank's 2005 Global Business Leadership Meeting attended by its senior executives from around the world.*

## Introduction

I have been asked to share my thoughts on Singapore's leadership challenges, as we make the transition not just from one Prime Minister to the next, but really, as our society and our organisations change from one era to the next. Within that topic is the huge issue of global competition for talent, and management and nurturing of our own talent. How do we manage continuity and change at the same time? How do we keep valuable old ideas and yet refresh them for new circumstances? StanChart and Singapore

both want to know how to compete successfully in an environment against global giants: David vs Goliath? Both of us have been successful. How does one manage success and see the need to improve when the status quo seems to be working well?

## Changes in Singapore

We have changed political leadership in a managed and orderly manner. A much deeper change going on in Singapore is our transition from a period of stable growth to a more volatile environment: newly strong competitors like China, India and Thailand, are causing disruptions to the economy.

Our companies are restructuring rapidly to adapt, causing shifts in employment patterns and wage structures. Of course, as old industries go away, new industries are developing rapidly. Restructuring is causing shifts in employment patterns and wage structures. We need a rapid and wholesale development of new skills for our workforce to compete in new industries like medical services, financial services, tourism, IT and business process services. Through these new jobs, innovation and new value-creation are becoming bigger drivers of our economy. Many MNCs continue to invest high-end production and innovation parks here. The work requires the ability not just to follow instructions and do well, but to participate in generating new knowledge and actively contributing to new value-creation.

This economic change has political and social implications. The regulatory environment is adapting to support this, shifting from being a regulator of rules to a facilitator of business development. Policy-making has changed from

rule-making to direction-setting and helping to build mass awareness of and consensus about the direction in which we are heading. The education system is emphasising questioning, thinking, and exploration. Singaporeans are well-travelled and more cosmopolitan in outlook. Our value systems now include care for the environment and preservation of heritage. Singaporeans have higher aspirations beyond just earning a living. And naturally, this new generation of Singaporeans wants a greater say in how their country and society is led and organised.

### A Leadership Style for an Era of Uncertainty

**T**he politicians and the media know that Singapore needs a new *modus operandi*. Singaporean CEOs are beginning to realise this is true at the organisation level as well. As a society, as organisations and as individuals, we have to become more adaptable. This is especially so because we live in Asia. A Conference Board survey on what CEOs find important showed that Asian CEOs emphasised adaptability and innovation as the most important factors for success. In contrast, the US and European CEOs saw achieving top-line growth as most important. The ample Asian opportunities mean growth per se is not a problem: your company's growth depends on whether you know how to leverage it, and how to operate within the complex environments of each Asian country. If you are adaptable and respond quickly in tailored ways to opportunities, you will win big. Small size can be an advantage to adaptability: it is easier to get everyone to build consensus, compared to the global giants.

Leadership styles depend on the times. Lee Kuan Yew and his team who founded modern Singapore were revolutionaries. During Singapore's industrialisation build-up, the emphasis was on the discipline of followers. Leaders could invent but they needed followers who could follow marching orders. In the phase of steady growth in a stable environment, the emphasis was on being systematic and organised, gradually decentralising and specialising. Again, the premium was on disciplined thinking, rational logic and having people who followed instructions well and worked productively within the box. These are strengths if you think of production operators working on a production

line—the last thing you want is every production operator trying to innovate on the product as it comes down the line. The product wouldn't work when it comes out at the end!

In this era of uncertainty, we need many more people to be actively engaged in thinking and planning, in adapting on the run while retaining the effective execution skills for which Singaporeans are known. We need our best people to be comfortable taking jobs that do not have fixed parameters and clear outcomes, to be prepared to work towards visions which may not be crystal-clear or immediately quantifiable.

We need people who are comfortable acknowledging that they do not know the answer to the problem but can suggest how to begin to tackle it and adapt as they learn. We need people who are not afraid to bring together other views, to ask for suggestions for better ways or ask if we have missed the forest for the trees. If someone in the team points out a better way, we listen and take it on board as we will be better off.

Till then, we tackle the issue with the weapons in our armoury, make calculated judgements and move. We have some way to go to behave this way—Singapore has ranked consistently No. 1 in global competitiveness for a hardworking productive labour force, but we are down the rankings on features for operating in uncertainty.

### Individual Initiative and 'One United People'

**A** major leadership challenge in governance is how to shift from a command-and-control environment to one of individual initiative and empowerment, and yet enables us to remain "one united people". Without that unity, everyone could pull in different directions, resulting in anarchy and chaos—like Russia when Gorbachev tried dismantling the old system with Glasnost. Let me share some of the facets of this journey that I see Singapore going through.

First, everyone wants empowerment, but sometimes don't like the look and feel of it. When a problem crops up, they fully expect the Government to have a solution and solve it. If you say you want their views on solutions or don't

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have the answer, they might see it as weak leadership and lose faith in you and confidence in the future.

Second, we are committed to public consultation. But some people have become cynical: if you didn't accept their view, they say you are insincere or not listening to them. As a leader you know that as people have differing views, you can't accept them all. Indeed, as a leader, you have the responsibility for making the decision after taking in everyone's best advice.

Third, one of the favourite phrases in societal debates is that we must tolerate failure better. But obviously it cannot be "anything-goes". Entrepreneurs who failed once should be able to bounce back easily without being shunned by their bankers, for example. Failures through laziness or slipshod work or fraud, however, are different things.

Fourth, it is a struggle to judge how to keep what's good, what made us successful, and yet actively embrace change so that we can further improve. Singapore's workforce is known for its ability to walk the straight and narrow without exercising its imagination about whether to divert to byways. That's what makes us highly productive. The way we delivered aid in Indonesia after the tsunami in December, systematically and in a highly organised fashion, showed our strengths. We don't want to lose this.

There are two common features in the four facets I just described. First, transition not only requires change in the behaviour of the leader but also in the behaviour of the followers and assumptions they hold of the leader's role. Instead of a tiny group of thinkers and planners at the top and everyone else focused on being skilled at

good and fast execution, we now need many more thinkers, planners, innovators, leaders throughout the organisation. They must accept stepping up to shared responsibility and the challenges of working in an environment of distributed power, including when to support the decisions of others.

The second common feature of the transition is that while we want individual initiative, we also need forces that pull the organisation or society together. As individuals initiate, create and act on their ideas, there will be corporate or societal chaos unless there are shared beliefs to anchor people together. Take the people in this room—I know that you have individual skills to create value, but it does not mean that you all agree, as one unified team, what your group strategies and group values are. The more diverse your backgrounds, the more divergent will be your views. Unless you consciously forge group clarity in terms of what you stand for, what you will or won't do, the group will not function smoothly together and you don't realise the synergies of the whole.

### Making and Buying Talent

This takes me to talent management and developing new leaders. In an environment of rapid change and uncertainty, factors like economies of scale become less important to competitiveness. Virtually anyone can win including those who are smaller, like us. The differentiating factor is talent management and development—not talent per se, but talent management.

Or to put it in another way: the issue of making versus buying talent. This is not an either-or question. At the macro-level of the country or the

organisation, of course we must buy talent. We need to bring in people with the new skills our business needs or different experiences who can help shift the perspectives of the group. In Singapore's case, we simply need more numbers. But we cannot simply buy everyone and expect them to gel into a coherent team, for the two common features mentioned earlier—the role of the leader and the followers, and the relationship between them—take time to develop and for all parties to be comfortable with. Secondly, effort is required to pull individuals together so that they are a team and not merely a collection of individuals.

All of you know that settling in and assimilation is an issue. Recruitment is expensive and the right people cannot be easily found at affordable prices. Then, it is quite common for organisations to fail to assimilate a good proportion of these recruits, raising recruitment costs further. Why is that? I offer you two reasons. First, some of the skills to success in a more turbulent environment and to help the organisation succeed in that environment, are not easily found. You can buy professional skills, like merger-and-acquisition skills, legal skills or accounting skills, but the skills to succeed in uncertainty are different. Assuming you can find such people, they don't come cheap, and the chap you're headhunting has plenty of options.

Second, there is a distinction between group performance and individual performance, and many of the difficulties about getting the right fit and the right skills are group-based issues and are not about weaknesses in individual technical ability. Assimilation and fit include actively engaging in the organisation's shared vision and values. Team members can suggest different solutions to an issue, but they must first have a similar understanding of the problem in order to "connect". Building this takes effort and there is no short-cut by buying people. So at the next stage of growth, we need to nurture and develop our people from within.

The big question is not what to do, but how to actually go about it. Who do you perceive to be "leaders" in the organisation? How far down in the organisation do you go to develop leaders? And the development is different, because good follower-ship and good leadership are very different.

## Developing Leaders at All Levels

Let me talk about broadening the leadership base. If we are to have pretty much the whole organisation participate actively in initiating programmes, if empowerment is to take off, people need to be led, not managed. This means that the front-line supervisors of your customer service agents, the heads of your units and sub-sections, need to act as leaders, not managers. In other words, the mass of people in the middle of the hierarchy—the sandwich group—needs to be developed in different ways. Traditionally they were expected to manage tasks. Now they need to coach, to inspire, to motivate, to communicate directions but give room for and to reward initiative, usually for the first time in their lives. The vast majority of mid-managers will find this shift from following rules and formulas and simply making sure routine tasks get done to their new roles very challenging, and they need to be supported in the journey.

Let me share one of my experiences working with the hotel sector on jobs. We started simply, with job placements for chambermaids and waitresses to help tackle unemployment. But people left a few days after joining, due to supervisors from hell. So we had to develop the supervisors who were a long way down the organisation hierarchy, not just the leadership capabilities of the CEO or his key reports, but leaders much further down.

## Group Development of Talent

I believe firmly in the importance of group development of talent. I have been interested for a long time in Organisational Development and Learning Organisations (LO) as a management and leadership field of study. The successful learning organisations are those where active learning is consistently and clearly demonstrated by the CEO and his or her immediate leadership team. The foundation of leadership in the new age is personal mastery—self-awareness of one's own values, needs, weaknesses, impact on others. It is most common in HR programmes for management to worry about fixing other people—"the problem is out there; I'm perfect". Leadership of people who want to be engaged, motivated and inspired requires leaders to first fix themselves. This is not easy.

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Deeper change comes from addressing attitudes and beliefs, by strengthening awareness and sensibilities and having the skills to listen well and reflect deeply. Because all these are contextualised to the organisation, the learning is more powerful if the group deepens their learning about their attitudes and assumptions together rather than individually. There are group skills of open inquiry and generative conversations, and of suspending judgement and assumptions that enable the group to build trust and speak the truth. This is not about theoretical concepts but is very practically-oriented, focusing on how we can understand ourselves better so that we can be more effective as a group.

The phrases I have just used—trust, values, beliefs, engagement—are in the realm of the emotional. Work environments that engage their people require leaders with the capacity to leverage their own emotional side and empathise with the people they lead. Today, emotion and empathy are what most command-and-control leaders suppress. Bosses are supposed to be detached and logical. Most of us grew up in organisational environments that do not encourage displays of emotion. Just look at our office settings—they emphasise the lack of individuality and personality.

But you only need to think of some of the changes in the workplace like retrenchment to know that it is a highly emotional experience. It generates fear, loss of confidence, uncertainty. When our organisations go through outsourcing and have retrenchments, the issue is not just the 3% let go, but the morale, trust in you and confidence in the future of the other 97% who are staying on. Cutting 3% is an IQ challenge—you use your head to decide that. But persuading the rest of the people to shift behaviours for a tougher

environment out there, to help them feel safe and believe that they can make it together with you, that there is a future for them in the organisation, requires not head, but heart, and gut. If we as leaders can recognise and connect with our emotional side, we can better help our people cope with theirs.

### Three Large Learning Organisations: The Police, SAF and Education Service

Can a group development of talent, of leadership, of EQ be done on a large scale? I have seen it done. Interestingly, amongst the Singapore public sector organisations that have experimented widely with LO, the three organisations that have made the most headway are in fact the largest organisations—the Police, the Singapore Armed Forces and the Education Service. Both the Police and the SAF have CEOs who actively drove the development, but their management teams were politely sceptical, especially at the early stages. I was told—I don't know with what truth—that some junior generals asked the Chief of Defence Force how long he was staying, i.e. was it worth their making the effort to follow what they saw as the latest fad pushed by the boss!

In both organisations, the pioneering clusters championing the change were some of the highly influential mid-managers—training schools in the army and divisional deputy commanders in the police. Shifting from a command-and-control approach to an approach of engagement and buy-in was not forced on them. They were exposed to the concepts, the tools, and some volunteered for more.

Let me share a few examples of how LO worked. When the Minister created the Home Team, no

one else agreed with him: there were different uniforms and great service pride among the respective services. Group tools enabled them to discuss “undiscussables”: difficult operational issues, issues of ego and pride, of rivalry and sharing of credit, of different perspectives of the same problem. They have, through the years, built a very strong Home Team where intelligence is shared, and they are able to do outstanding joint operations.

The Police actively brainstormed how people could concurrently play leadership and follower-ship roles and switch between them according to the challenges at hand. They have developed in some depth what good follower-ship looks like! When I left my MHA posting, my farewell present was a signed picture of a flock of flying geese.

I thought the SAF did a great job rendering tsunami-relief aid. But what I believe struck so many of us about the SAF effort was not the rapid speed of response and the highly organized execution. I was deeply impressed at their

sensitivity to the local parties’ feelings: they engaged head, heart, and gut. The question they asked the Achehnese, translated to management-speak, is not, “Let me tell you what I think you should do,” but “How may I be of service to you?”

### Conclusion

**M**y last point may be a warning—as the largest organisations, the Police, SAF and the Education Service are not organisations that only have hot-shots and expensive talent. They have some of the best talent, and they have many more ordinary people—just normal hard-working, committed people who want to do a good job. My experience has been that the organisations with the most “talent”—the hot shots, the brightest, the most expensive—find it the hardest to go this route, because they are too smart to learn, too smart to listen and reflect. Singapore’s challenge may well be that we have been highly successful. Can we find the courage to change? ■

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