

TAPPING ASIAN LEADERSHIP POTENTIAL TO WIN IN EMERGING MARKETS

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Myriad socio-cultural factors are adversely affecting opportunities for Asian and Asian-American managers in Western organizations, including an over-emphasis on personal expertise, indirect style of communication, and reluctance toward risk-taking. Aspiring leaders must take deliberate steps to overcome any stereotypes. At the same time, organizations must root out culturally biased ideas about leadership effectiveness if they are to increase the number of Asian-Americans in the executive pipeline.

Asian markets overseas and in the United States are experiencing unprecedented growth. According to the Pew Research Center, some segments of the heterogeneous Asian American¹ community have the highest incomes, levels of education, and population growth rates among US ethnic groups (Pew 2012). By 2015, for the first time in three hundred years, the number of middle-class consumers in Asia will equal the number in Europe and North America (Kharas and Gertz 2010). This population presents a tremendous opportunity for North American companies, but to tap into it, organizations need Asian perspectives among their top leadership—and most don't have them.

"The Asian community is a very large economic force both inside and outside of the US," Barbara Adachi, Managing Director of Deloitte Consulting LLP's Human Capital Practice, told the Center for Work-Life Policy last year. "The more you understand what's going on globally, and the impact that China and India are having on the world, the more you will recognize the importance of having Asians be part of your organization and leadership team."

¹For the purposes of this paper, the term "Asian American" includes people of Asian Indian, Chinese, Filipino, Japanese, Korean, and Vietnamese descent, both American-born and non-American-born.

In this globalizing economy, there is a strong business case for bringing diverse, culturally attuned leaders into the executive suite and boardroom. Without those perspectives, organizations will have difficulty fully understanding customers in new markets; building trusting partnerships across cultures and countries; attracting top-flight talent from diverse backgrounds; and drawing the insights necessary to overcome trade barriers. “Companies need to have top leaders who understand diverse markets,” said Richard Leblanc, PhD, a professor at York University and specialist in board effectiveness. “They need diverse leaders who have access to networks that traditional executives don’t.” They also need a diversity of thought and culture if they are to respond with the flexibility, creativity, and imagination necessary to truly excel in the globalizing economy (Ernst & Young 2010).

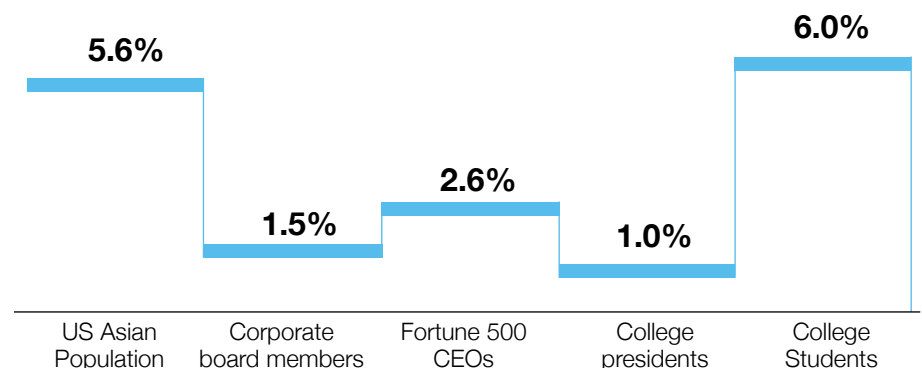
The number of Asian leaders dwindles along the talent pipeline

Discussions about employment diversity often neglect to include Asian Americans. Indeed, the prevailing perception among other ethnic or racial groups is that Asian Americans are well represented in corporate leadership. For instance, a 2005 nationwide phone survey found that 50 percent of non-Asian respondents agreed with the statement that “Asian Americans are adequately represented on corporate boards,” whereas only 23 percent of Asian Americans believed this (Wu and Zia 2009).

Figure 1

Percentages of Asian Americans

Asian Americans constitute 5.6 percent of the US population and 6 percent of US college students, but fill significantly lower percentages of top leadership positions.



In fact, Asian Americans represent 5.6 percent of the United States population but in 2007 held only 1.5 percent of the corporate board seats in Fortune 500 companies (Committee of 100 2007) and comprise only 2.6 percent of Fortune 500 CEOs (LEAP 2012). In higher education, Asian Americans comprise 6 percent of students, but hold only 1 percent of the presidencies (Zimmerman 2012), half of those at community colleges.

The “model minority” perceptions of their success in education and in technical fields lead many to assume that Asian Americans have “made it” in the United States and need no intentional consideration. In reality, the proportion of Asian Americans in the leadership pipeline dwindles on the way to the top in most organizations.

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The problem is hidden in plain sight. Even in the San Francisco Bay Area/Silicon Valley, which has the largest concentration of Asian Americans on the US mainland (about 30 percent of all Asian Americans in the country live there), the twenty-five largest public companies (by revenue) had only a handful of Asian board members (5.4 percent) by 2008 (Gee 2009a). Likewise, technology companies, where Asian Americans are commonly overrepresented in the workforce, have an underrepresentation of Asian board members (6 percent), corporate officers (9 percent), and vice presidents (14 percent). In the New York tri-state area (Connecticut, New York, and New Jersey), Asian Americans are about 8 percent of the general population, but represent only 2.4 percent of board members of companies, 2.6 percent of the C-suite executives, and 4.5 percent of the vice presidents (Gee 2009b).

This suggests that organizations are not fully leveraging this talent pool and reaping the benefits of the Asian Americans’ networks and unique cultural knowledge, even though Asian Americans are the fastest-growing ethnic minority group in the United States (Pew 2012).

“Asian American executives have a massive opportunity for success in the global economy,” said management consultant Wesley Hom, who was a longtime executive at IBM. “But they need to develop the leadership skills to rise above the manager level and into higher positions of influence. For their part, companies also need to recognize their opportunity to develop and select leaders who are Western-trained, but by background may be uniquely attuned to Asian values, structures, and behaviors.”

Evolving from expert into leader

What's causing this scarcity of Asian American senior executives? Culture and its behavioral manifestations—and its corresponding misinterpretation by non-Asians—may be having a significantly adverse effect on opportunities and promotion for Asian managers.

Leadership is not management, and the former, to be done well, may require a fundamental change in values and identity.

Some Asian Americans, for instance, derive most of their professional satisfaction from their expertise, whether because of personal values, cultural expectations, or because that is

the work they have been rewarded for in the past. At the extreme, some feel they must perform twice as well as their colleagues in order to earn the same rewards. Indeed, compared with other racial groups, Asian Americans need higher SAT and MCAT scores for admission to elite colleges and medical schools, and these early lessons might persist (Espenshade, Radford, and Chung 2009; Perry 2012). It may also extend to a misguided belief that professional advancement into leadership rests largely on individual performance.

Yes, at the beginning of the leadership pipeline, individual contributors establish themselves as high performers by mastering functional skills and developing deep knowledge in their specialty area. This emphasis on “going the extra mile” individually to deliver high quality, precise, and timely work can be at odds with higher level leadership roles, such as managing managers, leading cross-functional teams, or leading an entire company or institution. Leadership is not management, and the former, to be done well, may require a fundamental change in values and identity.

Senior leaders must focus on getting the best out of others, not just their own personal accomplishments. They relinquish their laser focus on their own productivity to maximize the organization's productivity. Thus, instead of staying late to review a spreadsheet or run another modeling test, they spend time attending after-hours engagements, lunch meetings, or networking events. Those who make such changes appreciate that this time spent is a crucial investment in relationship capital, just as time spent mastering functional skills was mission-critical to their earlier success.

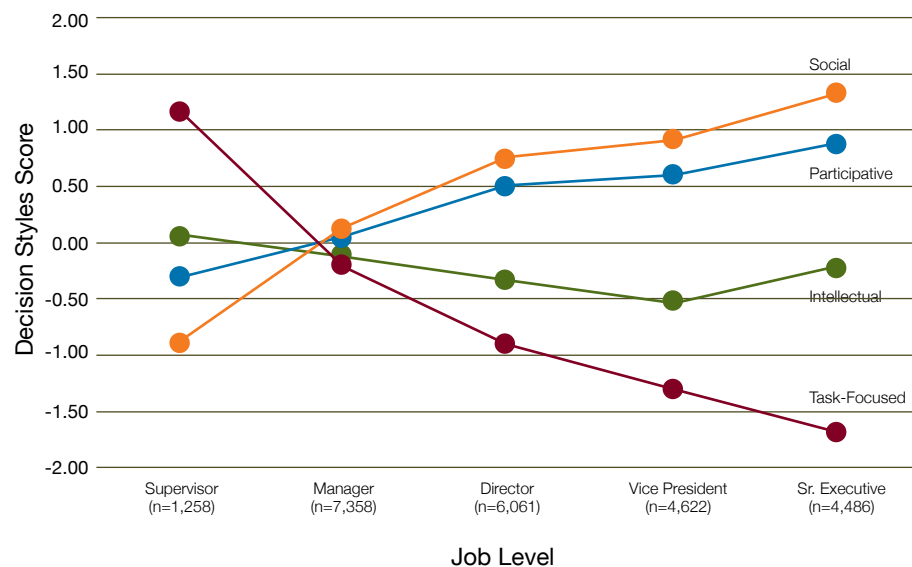
Such differences may shape decisions on whether to give Asian Americans a vital developmental assignment, include them in informal networks, or provide mentorship needed to progress toward top leadership positions. Korn/Ferry International research (Brousseau et. al. 2006) has found that best-in-class leaders evolve their leadership style as they move up the ladder.

Although being very hands-on and directive at lower levels appears to work well, the best-in-class top executives appear to drive results through relationships and collaboration (See Figure 2).

Figure 2

Best-in-class executive leadership style

Analysis of scores on Korn/Ferry's Decision Styles leadership assessment shows that as the top-compensated leaders are promoted, their leadership style shifts dramatically, becoming less task-focused and more social and participative.



Relationship capital is key, said Michael Chen, former CEO of GE Capital Media Finance. “People do business with people. It’s not just your résumé that gets you ahead. It’s knowing the right people, having credibility with them, and developing their personal trust in you.” Asian Americans who want to advance must work to counter the perception that Asians don’t know how to network or inspire people.

Culture, communication, and confidence

Culture may also play a prime role in the perception of whether Asian Americans come across as natural leaders. For instance, leadership ability in US organizations is frequently imputed by outspokenness, especially in group meetings. The person who steps in to provide direction when a discussion is drifting, who raises issues, who speaks with passion, and who readily interrupts or disagrees, is likely to be positively perceived as a leader. This stems from an individualist orientation that values directness and candor. But to some Asian Americans who hold a collectivistic view of



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human relationships, an indirect communication style that is sensitive to conversational turn-taking is prized as mature and sophisticated. To them, such bluntness is self-centered and insensitive. “Thinking out loud” is similarly avoided out of respect for others; one does not waste other people’s time with insufficiently vetted ideas or animated interruptions. Also, verbal reserve and ambiguity, especially when being critical, are preferred strategies because they help reduce damage to another person’s status.

“A lot of Asians value social harmony, so we may avoid conflict,” said Denise Peck, former Vice President of Marketing at Cisco Systems, who was born in China and grew up in the San Francisco Bay Area. “Some may not like to argue in a workplace public forum and challenge conventional thinking. We may not want to disturb hierarchy, which gets in the way of a lot of Asians to step out of the mold.”

This perspective also presumes that members of the same in-group (e.g., members of the organization) will prioritize the group’s needs over the individual’s and understand the nonverbal cues and implicit meanings of ambiguous communication. So, the communication style that is taught and valued in some Asian cultures might be misconstrued as an indicator of lack of interest, new ideas, strong opinions, or confidence.

“As one moves up the corporate ladder, the more important it is that one spends time thinking about the future and being an inspiration to the people around them,” Chen said. That requires excellent interpersonal skills. “Learning these soft skills and networking, being an active member

Rewards for risk takers

Though risk-taking might seem more rare among Asian Americans than non-Asians, there is no shortage if one looks beyond superficial impressions. Consider:

> **Tony Hsieh**, the CEO of Zappos, quit his job at Oracle after five months to found an Internet advertising network, subsequently created a venture fund, then jumped into shoes online.

> **Andrea Wong**, who earned an electrical engineering degree from MIT, segued into the

media industry where she brought *The Bachelor*, *The Bachelorette*, and other reality programs to television audiences. She went on to become CEO of Lifetime Television, and now serves as President of International Production at Sony Pictures Entertainment Television.

> **Bill Mao**, a computer scientist developing guidance and control systems at Litton Industries, became an entrepreneur and founded Bugle Boy, one of the hottest clothing manufacturers in the 1980s.

> **Padmasree Warrior** left India with a bachelor’s degree in chemical engineering, a one-way ticket to the United States, and \$100. She rose through the ranks of Motorola to become CTO, and is now Chief Technology and Strategy Officer at Cisco Systems.

> **Christine Poon** was a biochemist who jumped into the business side of the pharmaceutical industry, eventually rising to be the chairman of Pharmaceuticals at Johnson & Johnson. She is now dean of the Fisher College of Business at Ohio State University.

of the community, and making an impact for the company beyond just the job are important because people who are visible as role models are the ones who get ahead,” he noted.

But even professional visibility and efforts at self-promotion can be a struggle. Whereas individualistic cultures reward the “squeaky wheel” and self-marketing, collectivistic cultures believe that the “tallest head gets chopped off” and admire public reserve and self-restraint. Furthermore, some Asian Americans who have an outsized respect for authority believe that their superiors, noting their hard work, will recommend them for plum assignments. Lobbying for a special assignment, then, would show a rude lack of humility.

Although Asian Americans may not outwardly trumpet their accomplishments, research shows that in private, they directly request raises and promotions from their supervisors and managers just as often as their Caucasian counterparts (Hewlett and Rashid 2011). And yet outward visibility is essential. “You can be humble but not invisible,” Chen said. “If they don’t know who you are, what makes you tick, you’ll never get opportunities.”

Culture also influences attitudes and beliefs regarding risk-taking and the shame of failure. In collectivist cultures, one member’s failure brings shame to the entire group, which raises the emotional stakes. Though shame and guilt are both mechanisms for discouraging undesirable behavior, guilt can be reduced via atonement but shame cannot. Also, guilt makes one feel bad about an action or thought, but shame makes one feel fundamentally flawed as a person. In other words, shame can be more debilitating and is a powerful motivator against *visible* risk-taking.

The psychology of perception

Correctly identifying managers with high potential or promoting a talented team leader before he or she is recruited by a competitor can spell the difference between mediocrity and excellence in talent management. And yet, how all humans perceive and judge abilities is greatly influenced by subconscious psychological processes—and this too may be shaping how Asian employees are viewed.

Selective attention, a vital way of coping with the onslaught of information in the contemporary workplace, is one such pitfall. It can lead to oversights, as demonstrated by Chabris and Simons’s oft-cited Invisible Gorilla experiment. In the Invisible Gorilla experiment a video shows six people passing two basketballs among one another and test subjects are instructed

to count passes among the three people wearing white shirts. Meanwhile, a person in a gorilla suit walks right through the scene. Incredibly, half of the test subjects do not notice the gorilla. Selective attention can cause bosses to simply overlook talented employees right in front of them.

Heuristics, or mental shortcuts that efficiently guide our judgments and decisions, also play a role. They serve an essential mental function, saving us precious time and attention. But heuristics are based on inferences, assumptions, beliefs, and attitudes rather than on detailed data—and are thus particularly subject to bias when it comes to people.

One such mental shortcut is to categorize people into groups, often according to their appearance (e.g., race, height, gender, etc.). Our unconscious habits of thought then lead to certain associations with those categories (Reskin 2000). These associations become unnoticed biases in the decision-making process. For instance, some non-Asians perceive Asians as “good workhorses but not racehorses.”

Those who evaluate talent want to believe they can be objective and judge executives solely on their credentials and achievements, but copious research shows that a person’s experience and cultural history shapes any review process (Fine and Handelsman 2006). A study of symphony auditions shows this in action. Frequently, judges criticize female musicians as having “poorer techniques” and producing “smaller sound” than male musicians. However, when musicians audition from behind a screen (and there are no telltale signs such as the sound of high heels walking across a stage), gender heuristics can’t be applied. The result? Orchestras hire significantly more women than they typically do when they know the musician’s gender (Goldin and Rouse 2000).

We build mental prototypes as well, assembling attributes and behaviors we think typify, say, a “CEO” or “business leader.” Culture shapes these too. So in the United States, leaders are generally thought to be autonomous, outgoing, articulate, persuasive, and charismatic. This sort of leadership requires forthright communication, diplomacy, and risk-taking skills—all attributes that people tend to associate with certain physical attributes, such as being tall and Caucasian (Lindqvist 2012; Judge and Cable 2004; Sy 2010). As we interact with people, we quickly decide how much they match our prototypes, and make judgments accordingly.

Thomas Sy, a psychology professor at UC Riverside, illustrated this in a series of experiments in 2010. He started with two identical employee descriptions (of an engineer or salesperson), but one came with a picture of an Asian man named Tung-Sheng Wong and the other a Caucasian man

named John Davis. Then he asked respondents to evaluate them, including on leadership. Leadership perception scores were higher for Caucasians than Asians regardless of the sales or engineering occupation.

Someone with a collaborative decision-making approach may be highly effective. And yet if compared with someone with a charismatic leadership style, he or she might appear to be dodging tough decisions, says Dr. Doris Ching, Emeritus Vice President of Student Affairs at the University of Hawaii and past president of the National Association of Student Personnel Administrators. She knows this firsthand. A university president once didn't support her promotion to vice president, he told her later, because he didn't think she was "tough" enough to improve a lagging department. In fact, she used gracious diplomacy to move some underperformers into retirement, and firmly pushed for resignations of others.

Changing the paradigm

The breakneck expansion of consumer markets across Asia already has organizations rethinking their operations and approaches. Whether it's Cisco Systems opening a second headquarters in Bangalore, or New York University opening a branch campus in Shanghai, organizations recognize the benefits of strong connections with Asia and Asian communities.

The talent pieces still need to be fit snugly into that puzzle. That will require more proactive work by companies, current leaders, and Asians looking to advance.

"Let's not be naive and realize that people are human and do create stereotypes. However, everyone faces obstacles," Chen said. "Asian Americans might not have sponsors and may not be considered as good leaders, but we do get the benefit of the doubt that we're smart and hardworking. Accept that benefit and . . . work on changing the perception that Asian Americans can't be great leaders. In other words, you have to make the effort to create your own personal brand around leadership."

Among the steps that individuals can take:

Draft your tagline. Think about your tangible accomplishments over the past year and what you want to be known for, whether it's easily adapting to constant change, creating a collaborative culture that inspires others, or bringing out the best in the grumpiest team. That's your personal brand. Then talk about yourself in those terms. Telling others about your accomplishments is not self-serving; it's sharing.

Rehearse offstage. If risk-taking or public speaking or other leadership requirements aren't your strong suit, take your first steps away from the workplace. Service organizations and community groups can be great training grounds. "Before you speak to a big group of 250 people, do it in front of ten," suggested Chen. "Or get involved in the community where if you mess up, it doesn't risk your job."

Step into the spotlight. The more top-of-mind you are to decision makers, the better your chances of being considered for a leadership role or plum assignment. Volunteer for special projects; you can start very low-risk, such as organizing a charitable event. Then work up to high-visibility assignments.

Win over your audience. If you know when to be witty, serious, expert, or entertaining, people will feel an affinity toward you and those positive feelings will become associated with your brand. You'll increase your visibility, obtain more informal information, and broaden your network. Be mindful of how you collaborate: lead the ensemble, but don't be overbearing.

Organizations, for their part, need to operate from the position that there is untapped Asian American leadership talent in their ranks, and start looking for it, said Ching. Hiring managers in particular need to become aware of their heuristics, implicit assumptions, and unconscious prototypes. Then, the next steps become:

Expand the definition of good leadership. It's not just about charismatic personality. Focus on objective assessment of what actually needs to happen to accomplish the desired outcomes.

Develop Asian American candidates. Intentionally seek Asian American candidates for the organization's leadership pipeline and offer them stretch assignments, leadership experiences, and mentoring to prepare them for executive roles.

Build objectivity into the system. Like putting auditioning violinists behind a screen, what can your organization do to filter bias out of the HR system?

Companies must always attract and retain the best talent at all levels to compete. But to win in a globalized economy increasingly influenced by the rise of Asians and Asian Americans, they must ensure diversity of thought in the executive suite. Without it, organizations risk not fully understanding their Asian customers, staff, and suppliers.

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