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— Human Capital Leadership Institute CEO Kwan Chee Wei (left)

Growing human capital ecosystem

HCLI is bent on producing an Asian leadership model, the institute's chief tells **CHUANG PECK MING** as he reveals its role in the region

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THE offer was too good to refuse. Kwan Chee Wei would not be given a chance just to start something big and become its boss, but also make a contribution to his country. Taking on the job at the Human Capital Leadership Institute (HCLI) would be another step up a career ladder that started in the Ministry of Defence, where he was an organisational psychologist, then progressed to human resource (HR) consultant and leading HR roles in the private sector.

"This was exciting to me," Mr Kwan recalls of the invitation to kickstart HCLI and head it. "I thought the ability to shape something on a national level and really understand leadership in Asia was something too good to pass up."

In a way, he would also come full circle in his working life. Though HCLI is run like a private-sector business, it was an idea that came from the public sector where he started. And its "strategic" partners are from the public sector: the Ministry of Manpower, the Economic Development Board and the Singapore Management University.

The government wants HCLI to play a big role in Singapore's future. It will groom tomorrow's leaders in people management and make Singapore an Asian talent hub. This was underscored by Prime Minister Lee Hsien Loong in September 2009, when he announced that HCLI was to be set up.

It is to offer "best-in-class training and development programmes on leadership and management", he said. HCLI would be the "premier institution for raising strategic human capabilities in Asia".

Mr Lee explained that its role in Asia was only logical and sensible. "After all, Singapore is at the crossroads of Asia," he said. "If we can help Asian economies gain talent to grow, we ourselves will in turn grow with them."

Strong partners

HCLI was rolled out in 2010 and Mr Kwan was hired as its executive director. He and his small team of seven staff members – which has since swelled to more than 30 – had relatively little time to build it up as a thought leader in human capital, but it helped that HCLI had strong partners.

With their backing, Mr Kwan says it has launched many programmes, including its flagship platforms Singapore Business Leaders Programme, Consortium and the Singapore Human Capital Summit. These have not only raised HCLI's profile, but also have had a positive snowball effect on the whole human capital business in the region.

"The success of the platforms has helped HCLI to further grow the human capital ecosystem in the region and inspire more partners to come together in accelerating the development of leaders in Asia," says Mr Kwan, who is now the institute's chief executive officer.

With HCLI up and running, its work has only just begun. In any case, good leaders can't be produced overnight. Mr Kwan says leaders of the future must first be identified – and the earlier they are, the better they can be developed and tested.

None of these is easy. For instance, who makes a good leader today? Mr Kwan says he's not somebody we used to know: A Mr



Rousing support: PM Lee speaking at the Singapore Human Capital Summit held in September 2009. He had then announced a plan to set up HCLI, and said it would be the premier institution for boosting strategic human capabilities in Asia. (Left) Senior Minister of State for Health and Manpower Amy Khor (centre) with winners of the Asian Human Capital Award 2013. FILE PHOTOS

Know-It-All who has the answer to everything. Such a leader doesn't exist any longer as the world has become too complex.

In Asia, there's a search for an Asian leader. While there's no common agreement on who he is, Mr Kwan says he's certainly not one seen through the eyes of an American or a European: confident, a great communicator, always in command and prone to a management style that produces quick results.

The Asian leader is more likely to be the opposite: more subtle, often low-profile and tends to make decisions with an eye on the future, according to him.

"If you identify leaders here using (Western criteria), you will be missing a big part of the Asian talent," Mr Kwan says.

HCLI's arrival is especially critical at a time when multinational corporations (MNCs) have come to "truly" appreciate the need to groom local talent, he says. There was a time, not long ago, when MNCs believed they could easily transplant Western managers to Asia – and these could perform just as well here as in Europe and America, Mr Kwan recalls.

The MNCs were mostly not off the mark. Those were the days when Asia was largely the cheap factory of Western MNCs and the

goods it churned out were shipped back to markets in the West. Asian consumers on the whole were then unsophisticated – and too poor to afford Western products.

Times have changed. Asia is still making goods for others, but it's now also a big market in itself – the world's fastest growing, Mr Kwan points out.

"Now you're looking at an emerging market as a market you sell to, not just a factory," he says.

With most of its basic needs met, Asia is revealing itself to be a region of great diversity. Working habits, for example, differ from one place to another.

"Our research shows a huge disparity between Chinese and Indonesian working culture," Mr Kwan says. "Indonesians care about relationship, they're very familial – the kampong style. The Chinese are very transactional in a business sense."

Of course, this makes selling in the Asian market and running a business here much tougher.

"Imagine, if you move your best Chinese managers to Indonesia and vice versa, there will be a huge potential for conflict," Mr Kwan says.

The situation could be even more explo-

sive if the transfers involve American or European managers who are much less familiar with the region's cultures, he says.

At the same time, consumption patterns are changing. Growing affluence is driving consumers to want more value for their purchases, and they want them to be cheaper, Mr Kwan says.

Thanks to the Internet and technology, changes are happening so fast in Asian emerging markets today that scholars have coined an acronym to describe them – VUCA (volatile, uncertain, complex and ambiguous), he says.

Yet something stays unchanged: the short supply of workers, especially those with skills.

In fact, the shortage has worsened in many parts of Asia because population growth is slowing, even as the economy is growing faster. This makes the perennial problem of hiring and retaining staff seem overwhelming.

Mr Kwan concedes that the new Asia offers a lot more opportunity for business, but for HCLI he says the question remains: What kind of business leadership model do you need in this more dynamic, diverse and difficult environment?

Though the search is still on, Mr Kwan is confident that at least they know where to look.

You begin with people who have awoken to the fact that leaders today don't have all the answers, he says. "That's the first step to dealing with the future. It leads to the question of how do we engage the eco-system?"

This in turn points us to those who buy the concept of "we collaborate to compete".

"It's something you've never heard of," Mr

Kwan says. "In the past, you're either my competitor or my partner."

In this model that's still evolving, he says business leaders are prepared to team up to tackle big problems everyone in the industry faces but at the same time still find it not odd to compete with one another at the company level for customers.

These require soft skills in cultivating relationships, in dealing with people from different cultures and who work differently, and in operating in an environment where things are less clear cut.

Mr Kwan says these are things most business schools don't teach but progressive MNCs are taking note of in grooming their future leaders.

"Top business schools are still very much focused on global best practices, but the fact is these may not be 100 per cent relevant especially for our region," he says. "And that's the part that's not researched as well."

Which leaves the field wide open to HCLI – the institute is bent on producing an Asian leadership model.

"With Asia's growing prominence as a hub for business, the scarcity of equipped Asian leaders will only become a larger challenge for businesses operating in the region," Mr Kwan says. "This, coupled with the specialist knowledge needed to navigate the Asian business landscape, forms the rationale behind HCLI's specific goals."

Achieving goals

How is HCLI going to achieve these goals? "By driving pan-Asian, industry-relevant research, creating cutting-edge executive development programmes and fostering rich networks between leaders in business, government, academia and consulting," he says.

The research includes getting insights into human capital and leadership unique to Asia. And these will be weaved into HCLI's development programmes.

But the institute is moulding Asian leaders not only for the region. Mr Kwan says the programmes are also designed to build "the critical capabilities" companies to grow beyond Asia.

"We help identify, develop and embed these capabilities for individuals and for organisations," he says.

While HCLI's programmes aim to help Asian companies expand their global footprint, they also help global companies make their presence felt in Asia.

The programmes include its "flagship by-invite top management residential programme, customised in-house programmes, open enrolment programmes for senior leaders and consortium programmes that bring together leaders for cross-organisational learning".

Mr Kwan sums up the two planks of HCLI's role: One is to develop "global leader with a strong understanding of Asia"; the other is to build "Asian leaders with the ability to lead on the global stage".

They didn't forget that the world today is still very much global – and so is doing business.

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