



August 2019

EMPOWERING TIMES



THINKING ALOUD

Leading across Boundaries:
Not an Easy Challenge
Jay

PODIUM

RVS Ramakrishna
Group President-APAC & MEA,
Signode Industrial Group



WE RECOMMEND

Atomic Habits
James Clear

Dear Reader,

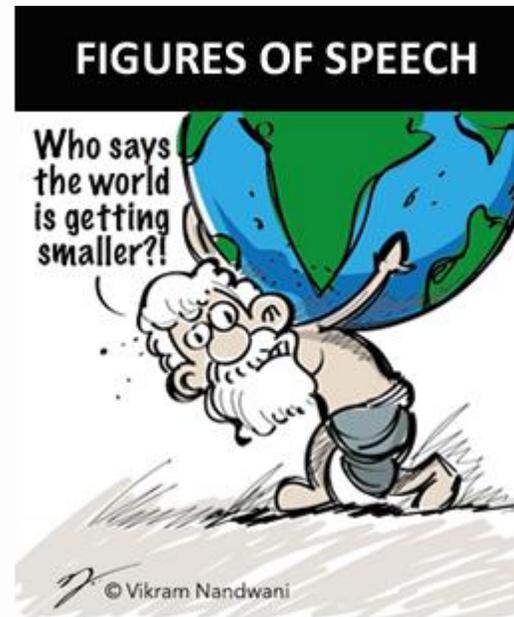
Leading and motivating a diverse group of people, improving efficiency, guiding change, managing stakeholders while creating value for the business are just some of the challenges modern leaders of today have to face internally in an organization. Externally, these challenges, and many more, become complex in a globalized business environment; they have to manage the requirements of various governments, keeping in mind cultural considerations while keeping up with competitors.

Drawing views highlighted in last month's **ET** theme, Growing Effective Global Organizational Leaders, this month we look at **Leading across Boundaries: Challenges of Transnational Business Leaders**. Leadership in the twenty-first century demands more from the leader, encompassing a multi-dimensional role than ever before. Effective communication and training global leaders go a long way to mitigate leadership challenges.

In the **Thinking Aloud** section, **Jay** highlights some of the vital skills needed to lead a corporation that cuts across geographical boundaries. Group President-Asia Pacific region and MEA, Signode Industrial Group, **RVS Ramakrishna**, on the **Podium**, discusses the transnational business leader's role, challenges and effective ways to overcome these challenges. In the **We Recommend** section, we review James Clear's **Atomic Habits** which gives insights on ways to inculcate good habits and proven ways to break old ones.

In **Figures of Speech**, **Vikram's toon** re-defines 'transnational' business leaders!

As always, we value your opinion, so do let us know how you liked this issue. To read our previous issues, do visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [Twitter](#) & [LinkedIn](#) - where you can join our community to continue the dialogue with us!



THINKING ALOUD

Leading across Boundaries: Not an Easy Challenge

Jay

The trade wars unleashed by Donald Trump may make one wonder whether the era of Transnational or Multinational firms is over. However, with apologies to Mark Twain, I think it is fair to say the reports of the death of the Transnational corporations, is greatly exaggerated.

Last week when Trump declared that he has 'hereby ordered' American companies to find alternatives to manufacturing in China, apart from the mandatory dip in the stock market, business leaders in America did not lose much sleep over the remark. With the stock market in any case being nervous in recent times, this new salvo from Trump was not seen as a game changer in any significant way. Truth be told, the rise of the multinational firms over the last half-century has meant that their clout over global affairs is more important than that of many political leaders. I would even say that the annual deliberations of the World Economic Forum at Davos attracts more attention than the United Nations' General Assembly's meeting, addressed by heads of state.

Which brings to the fore the extra-ordinary skills needed to lead a corporation that cuts across geographical boundaries. Let me highlight a few major ones that are vital to the success of today's transnational business leader.

Arguably the first aspect that such a leader needs to appreciate is the power of diversity. Too often in the past, a transnational firm was run from the lens of the headquarters. Diktats flew from 'above' and the local minions carried out orders. Smacking of the colonial era, the reigning ethos was that wisdom resided in the headquarters and they intrinsically knew what was best for the natives. The country head in such organizations was no different from the Resident Dictator who connected the local arm with the corporate parent body. The

communication channel was controlled by him and he became the voice and the face of the outpost which he presided. The helplessness of the local functionaries was often voiced in whispers lest such rebellious actions invited punishment – an end to the career. The multinational firm would change the Country leader every 2-3 years and not surprisingly, the agenda of the Business Head was short-term oriented as his priority essentially was not to rock the boat & in Macmillan's words, ensure 'peace in our times'.

The rise of technology in business essentially shattered this peaceful world as multiple communication channels could be operated across the length & breadth of a firm in the most cost-effective manner. Those who did this well, understood that local countries have immense strengths that when harnessed well, provided multiple returns to the whole firm. The aggregate value created by such leadership was due to the recognition that welcoming diversity and decentralization offers benefits rather than worry about loss of central power.

A second factor that determines success for a multinational leader is the acceptance that cultural elements matter more than hard strategy. A global leader today behaves in an inclusive manner not only because he pays heed to the words of wise management thinkers that 'culture eats strategy for breakfast' but because he recognizes that it is people skills that help you achieve sustained success. While functional skills will help him win battles in the marketplace, it is only his people skills that will build a sustainable winning organization. Humility in dealing with his international team as he surveys his business across markets, and offering a patient ear to the local problems, will enable him to enroll a more engaged team to tackle volatile challenges that now have become quite common place in business. His team is also assessing him to see whether he has the openness to learn from them and judges whether he is a receptive person or operates with a superior air of arrogance. If it is the latter, what he receives in turn from his people will be compliant behavior not passionate support to overcome market challenges.

A final quality that is necessary is the ability not just to think critically but also strategically. In the face of information overload and the tremendous pace of change, it is vital that the transnational leader can sift the wheat from the chaff. Too often the pace is mistaken for forward motion. The question to contemplate is whether the business is being steered with strategic consistency, and yet displaying tactical operational flexibility to weather current local storms. There are enough examples in recent times when businesses have been unable to adjust when political upheavals on the ground have upset their financial goals. One reason for this has been their inability to take a stand when it mattered most in times of crisis. The issues during the Arab spring come to mind when many western firms failed to appreciate that popular sentiment was against them as they had

alienated the local populace as they viewed the country as a market for their goods and not a country where they had sunk roots. The current turmoil in Hong Kong is also a challenge to the business leader who has to advise his parent firm as to how they should be viewed when caught between the power of the Chinese state and the democratic urges of the local people. It is such times that test the new generation global leader as the recent example of the Cathay Pacific airline CEO demonstrates.

In sum, the new transnational leader has to be alive to the fact that his persona will determine his success and not the position power that he inherits in his role. Acceptance of the reality that he does not have all the answers, leveraging the strengths of his team with his open behavior and displaying a learner's mindset is perhaps the best recipe for his success. In other words, the role has changed, and he too must now evolve to grow.

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Podium

RVS Ramakrishna

Group President - APAC & MEA, Signode Industrial Group



RVS Ramakrishna graduated in Engineering in Chemical Technology from Birla Institute of Technology and Science, Pilani in 1978. He started his career with Coromandel Fertilisers Limited, Visakhapatnam as a graduate engineer trainee between 1978-1980. In 1982, he was awarded the PGDM from the Indian Institute of Management, Ahmedabad. He then joined ITW Signode India Limited as Area Sales Executive in Jamshedpur in 1982. In 1995, he was inducted on the Board as a wholetime Director to head the steel business.

RVS Ramakrishna was appointed as the Managing Director of the company in June 1999 and is presently Group President - Asia Pacific Region and MEA of Signode Industrial Group.

ET: The transnational business leader's role is an all-encompassing one. What skills make a good leader in the current business scenario?

RVS: Managing across borders is quite similar in terms of objectives, that is, setting a strategic path and operational performance. However, the difference would be in terms of execution which is where the cultural sensitivities come in. One needs to be thorough and spend whatever time it may take to get the strategic direction and having the right leader for the country. It is prudent to get a touch and feel of big customers in each segment, channel partners and employees to feel the business and issues in setting the strategy. I cannot over emphasize the need for a strong leader, as one may at best get to visit the country once or twice in a year and probably meet the leader in a few more group settings. Mutual trust and transparency are absolutely essential to discuss any issue.

Country Managers need to be provided with all the support required to accomplish goals which enable the Transnational Manager to earn respect. Needless to mention, frequent communication will help stay in touch and ensure business is progressing as planned.

In short, effective and good leaders should have the ability to communicate well, motivate their team, handle and delegate responsibilities, listen to feedback, and have the flexibility to solve problems in an ever-changing workplace.

ET: In your experience, what are the challenges that transnational business leaders face today in the VUCA business environment?

RVS: As the world is getting more globalized and interconnected, it is not only about local issues or factors influencing/impacting the business. Since information is available to everyone at the click of a button, one needs to be agile and act very quickly. Material, money and people can move across borders very easily. Protectionism is rearing its head - US and England being the examples, but the implications are difficult to fathom. The US-China trade war has impacted exports of Japan and Korea to China!!

Also, our policies, regulations, framework, logistics, environment and risks involved can make the task challenging for new businesses in India, as they appear a lot more difficult than it might actually be.

ET: Please share a few instances from your career on how you adapted to cultural changes to succeed as a global manager in creating change.

RVS: Adapting to cultural aspects in each country is the biggest challenge a Transnational Manager faces as they need to be observed since they are not stated. They could be very unlike from the country one comes from and very different in each country which needs flexibility. Firstly, everyone has tremendous pride in the nation they belong to. Indians who have taken a citizenship of another country talk highly of the country they have become national of, including their values. I remember an Indian who had lived in Kenya for a long time that he took so much pride in the number of medals Kenyan athletes won in the Olympics compared to India of over a billion people!! So never ever disapprove/downplay any aspect of the host nation.

Secondly, winning the trust of people is very important. In our company, China was traditionally managed from

elsewhere as it was a trading operation. Products were imported and sold, and these Sales Managers were reporting to Managers residing elsewhere. We set up manufacturing in China only in 2012 and I was determined to learn and address in Chinese at the grand opening of the manufacturing facility and this totally altered the way I was perceived compared to earlier due to our historical /competitive issues.

In Japan, as the whole team needed to be taken into confidence, one normally needs to leave the issue with the leader who will consult all concerned and come back with their thoughts on the issue. They are prompt on getting back in the time frame set with all the details and perspectives on the issue which makes it pretty simple to take decisions.

ET: What is your advice to aspiring business managers to help them prepare for global careers?

RVS: In view of globalization, most middle managers too need to deal/report with people across borders. It is becoming very essential to be able to work with people across geographies to succeed in their careers. Hence, good effective communication is the first necessity. English is the global business language and we had to provide English classes to middle level managers and even shop floor supervisors to work effectively.

Aspiring business managers working towards global careers need to be adaptive, culturally sensitive, able to get along with people easily with a learning attitude. Now with most students studying abroad or starting their careers with multi nationals, Gen-X is far more suited towards working on global assignments at a very early age.

Treat every challenge as an opportunity, be open to "change", invest in the teams' growth as well as your own and learn from mistakes.

ET: Could you please share the unique characteristics of your company, Signode Industrial Group, and what makes it stand out from the competition?

RVS:

- Customer centric approach - Everything starts and ends with customers in mind. We will go to any length to deliver value to our customers.
- Investment in employees - Each employee is made to believe that he is an entrepreneur and the owner of

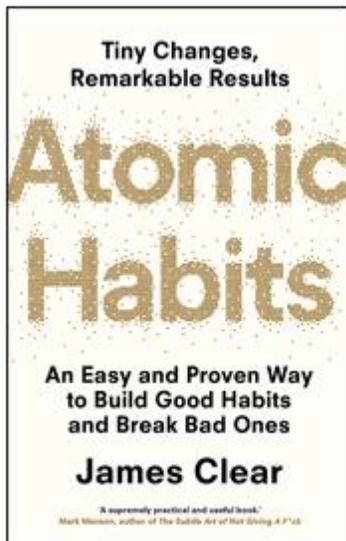
the business.

- Basket of products - We have a range of products required for packaging - one stop solution for customer needs.
- Multi-segment experience and global expertise - Our depth and breadth of knowledge and experience is unmatched. We have the right mix of experienced hands and young innovative minds to deliver the best.
- Solutions approach - We associate with our customers from the very beginning. Our solutions include pack-style design and testing, optimized and sustainable packaging, contract packaging, packaging automation and supply chain solutions.

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We Recommend

Atomic Habits James Clear



The ancient Greek parable, Sorites Paradox, talks about the effect that one small action can have when repeated enough times. In his book, James Clear talks about the effect that one tiny change can do to transform your life, through developing good and lasting habits.

According to James Clear, the holy grail of habit change is not a single 1% improvement, but a thousand of them. It is a bunch of atomic habits stacking up, each one a fundamental unit of the overall system. At the start, small improvements can often seem meaningless because they get washed away by the weight of the system. However, over the course of time, as we layer one small change over another, the scales of life start to move. Eventually, if one sticks to the positive side of the scale, it becomes easier to stick around with the good habit.

The backbone of this book is the four-step model or the four laws of behavior change (Cue, Craving, Response, Reward) which teaches readers to create new habits while revealing some interesting insights about human behavior. The cue triggers a craving, which motivates a response, which provides a reward, which satisfies the craving, and ultimately becomes associated with the cue. Together, these four steps form a neurological feedback loop - cue, craving, response, reward; cue, craving, response, reward that ultimately allows you to create automatic habits. Keeping in mind that all behavior is driven by the desire to solve a problem, the framework offers an integrated model of the cognitive and behavioural sciences.

The author reiterates the fact that success is not a goal but is more of a system to improve, an endless process to refine. Over the course of the book, drawing examples from top performers, one gets the feel of the importance of the science of small habits and the commitment to tiny sustainable, unrelenting improvements. The author has spoken at Fortune 500 companies and growing start-ups about how to apply the science of small habits to run more effective businesses and build better products.

As the book draws to a close, readers are equipped with a set of tools (one being the habit tracker, among other tools) and strategies that can be used to build better systems and shape better habits. The read is simple and easy to understand. While the book offers no right way to create better habits, the author is optimistic about his approach, whether the goals are centred on health, money, parenting or relationships.

James Clear is the creator of the Habits Academy, a weightlifter, and a travel photographer. At the end of the book, he compiles an entire chapter as a ready reckoner for readers to fall back on which summarises the various lessons that his framework intends to achieve. The main secret to getting results that will last is to never stop making improvements and to ensure that good habits become inevitable. In the writer's enthusiastic words..."tiny changes, remarkable results!"

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THROUGH THE LENS



Rupesh Balsara spots the Grey-winged Blackbird, whose natural habitat is the northern parts of the Indian subcontinent, stretching all the way to the nearer parts of Southeast Asia, including in Bangladesh, Bhutan, India, Laos, Myanmar, Nepal, Thailand, Tibet and Vietnam. Its natural habitat is subtropical or tropical moist montane forests.

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