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MORE THAN JUST A NUMBER

EARLIER this week, I had a serendipitous meeting with Prof Charles Fine of the MIT Sloan School of Management, a professor who has not only conducted research in operations management, supply chain strategy and value chain road-mapping, but also applied that research and consulted with many large organisations over the years. 

Serendipitous, because this week, we chose to revisit the notion of cost-cutting exercises or its euphemism “right-sizing” — initiatives which may strike fear in the hearts of our people if not managed well. Notwithstanding the fact that innovation and change allows greater efficiency and improved outcomes, we all know that the people factor can have far-reaching effects.

I observed for example, how people left a company by the hundreds (entire teams decimated) mainly because senior leaders had announced impending changes, however took months to clarify the impact throughout the organisation. Inevitably, the implosion of cost-cutting exercises or its euphemism “right-sizing” — initiatives which may strike fear in the hearts of our people if not managed well. Notwithstanding the fact that innovation and change allows greater efficiency and improved outcomes, we all know that the people factor can have far-reaching effects.

Roshan Thivan stresses the point that even when our teams accept that change is necessary — whether for cost-optimisation or in response to an external crisis — effective leaders take into account the “heart” part of the equation when leading their people through change. And because we recognise that early exposure to skills and the right tools can help grow young leaders, we look at the leadership traits of endurance — instilled in schools, universities and corporations. Chong Keat Lim focuses on imparting skills to youth, while Andrew Lau and Elisa Dass zero in on university students and corporations. Chong Keat Lim focuses on imparting skills to youth, while Andrew Lau and Elisa Dass zero in on university students and corporations. Chong Keat Lim focuses on imparting skills to youth, while Andrew Lau and Elisa Dass zero in on university students and corporations.

There are times when “right-sizing” really does have the reduction of cost and size of labour in the crosshairs — and Dr John Sullivan shares a checklist of cost-cutting strategies. To complement this, Fabio Malagis walks us through six effective steps for cutting costs.

Just earlier today, a few of us were chatting about how a recent addition to Leaderonomics, a mechanical engineer, can easily draw added value to all that is happening in the schools, universities and corporations. Chong Keat Lim focuses on imparting skills to youth, while Andrew Lau and Elisa Dass zero in on university students and corporations.

In Starting Young, Divya Chandy reminds us how old the inventors of life-changing innovations like Braille, the mechanical calculator and the telephone were (hint: they were teenagers!). Highlighting some young inventors of our time, Divya also shares the five key traits that young investors have in common... just in case you moms and dads out there wanted to set up your own incubators!

Onward, upward!

KAREN NEOH
Editor
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“Time spent in nature is the most cost-effective and powerful way to counteract the burnout and sort of depression that we feel when we sit in front of a computer all day.” — Richard Louv

“Technology makes things faster and more cost-effective, but it’s not perfect. It requires you to be as flexible as you can be.” — John Phillips

“Efficiency is doing things right; effectiveness is doing the right things.” — Peter Drucker

“Obviously, the highest type of efficiency is that which utilises existing material to the best advantage.” — Jawaharlal Nehru

“A sustainable business is resource efficient, respects the environment and is a good neighbour.” — Phil Harding

The opinions expressed in this career guide are those of the writers or the people they quoted and not necessarily those of Leaderonomics.

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WHAT'S YOUR CRISIS?

Change only happens when you have a clear case for change

By ROSHAN THIRAN
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In 2014, our team the Leaderonomics Football Club (Leaderonomics FC) played in the top division in the Garden League (GSL) and won the Division 1 title and the Cup double.

Fast forward to March 2015 and after the first four games this year, our team was sitting second from bottom in the league standings. Even after our first loss, we narrowed and luckily won, there were signs that this year was going to be a tough year. Every team works hard to beat the champions and we were no exception to the norm.

However, after every defeat, our team would gather together and make a commitment to play hard, correct our mistakes and be more focused. Yet, each week passed and we tasted defeat after defeat.

In spite of the calls and desire to change, we never deviated from the style or performance levels we were putting in.

After our second defeat in a row, there was in-fighting and issues started to crop up. We finally decided we needed to give our younger and less experienced players a run.

Many of them started the next game, yet we lost again – our third loss in a row. As we approached rock bottom, we knew a crisis was looming. And what better way to galvanise the troops than with a crisis.

This mini crisis became the basis for our “change”. Like Manchester United was when David Moyes took over, we were becoming the “laughing boys” of the league.

The players rallied together and we made a commitment to work together, younger boys and the more senior heads, to take the team forward.

The result – fast forward to last weekend and our team beat the team at the top of the table for the majority of the season, the FFK Football Club, to pip them to win the league title for the second year running, with a game to spare.

CHANGE IS HARD

Many people will readily claim that they love change. Most people like to believe that they are flexible and adaptable and will not have issues with change. Yet, we hate change.

Why? Because change is painful. And we are hard-wired to avoid pain.

The primary function of our brain is survival. In order to survive, all forms of pain are deemed dangerous.

So, when we feel pain from change, our body signals the pain to the brain and there is an immediate command to “stop” the change.

However, when the organisation commands your employees to change, most employees will resist their head in agreement, yet when the change begins, they revert to their old selves.

When questioned why they refuse to change, they automatically provide answers that are not so user-friendly “to we did it before but it didn’t work” “it’s bound to fail so we decided to revert back to our old ways”.

THE CASE FOR CHANGE

In this tough era, when many CEOs (chief executive officers) try to drive various change initiatives including cost optimisation, growth initiatives and driving efficiencies, they have a hard time convincing employees to change accordingly.

Most employees prefer status quo and unless there is a clear case for change (i.e. a crisis that may jeopardise their way of living or their future), there is no desire to deviate from the current practices today.

Nicolo Machiavelli correctly stated, “There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things.”

So where do we start if we want to drive change?

THE STARTING POINT

The starting point of change has to be creating a sense of urgency and despair. All successful organisational change efforts begin by getting this “urgency” creation right.

Companies that dive into change plans without clearly establishing this “crisis” or “urgency” set themselves up for failure.

Why? This critical?

People can only be moved to commit to your change if both their hearts and minds are aligned to this change. Many times, our case for change are presentation slides showing how the company can be better off if we change.

Why should employees even bother to change for your organisation? They want a personal benefit from the change and will ask “what’s in it for me?” to change.

Even if you manage to provide details and analysis that will prove beyond a doubt that the change needs to be embraced, people may still resist the change.

Having won over the “mind” of a person with well-supported and articulated facts will help address the “head” equation but fails to take into account the “heart” part of the equation.

This is where a crisis or a sense of urgency comes in. It helps create an emotional appeal to the change that connects to the heart.

How do you create an urgency for change?

There is a saying that goes, “when the pain of change is less than the pain you’re in, you will change.”

For you to successfully create a sense of urgency, you need to illustrate and clearly demonstrate that the pain currently being faced is much more than the pain of change. If you succeed in doing this, half your battle is won.

The best change leaders tell stories coupled with rich anecdotes of both organisations and individuals that failed to change and the resulting catastrophes, and the stories of those that changed and the incredible future that resulted from that change.

Helping your employees see that brighter future helps them overcome the pain of change.

WHAT'S YOUR CRISIS?

When Datuk Seri Idris Jala took over as CEO of MAS many years ago, he created a crisis of sorts to galvanise the employees to change. He succeeded where many others had failed before him (and after him).

Most companies that fail only change when there is an actual crisis. In such times, not only do you have to deal with the crisis and the sinking ship, it is hard to drive change in the midst of survival.

The best time to change is before the storm hits. Yet, there is no motivation to change unless we see the storm.

That’s why great leaders are able to clearly see and articulate the future. If there is no change, the result is status quo and if there is change, endless beautiful prospects will entice.

Enabling employees to see the crisis before it even happens helps them rally around the change.

CONCLUDING THOUGHTS AND INTRODUCING...

It is not the easiest thing to do, but not impossible. My colleague Joseph Tan, specialises in helping organisations clearly see their current state and then draw out their future state.

By doing this, he helps them clearly understand and articulate the impending crisis which sets the stage for change. So, if you are planning on driving change and don’t have a crisis or a sense of urgency, you just may not succeed.

Roshan Thiran is CEO of Leaderonomics, a social enterprise passionate about transforming the nation through leadership development. Leaderonomics recently set up a culture consulting arm headed by Malaysia’s culture guru, Joseph Tan. To learn more about the works of Leaderonomics Good Monday, email training@leaderonomics.com. To connect with Roshan, go to www.facebook.com/roshanthiran.leaderonomics
ENDURANCE VS DISCOURAGEMENT

YOUTH TEAM

WHEN IT comes to drawing out inward strengths within the group, doing one’s best, nothing beats camp season to bring out the challenge. The weeks leading to the camp dates are a flurry of session preparations, facilitator briefings, camp shopping, and last minute registrations, among others. This is the usual excitement that leads up to camp day but also one of the more stressful periods. While there is always a scheduled list of tasks, there is the risk of not being able to endure the pre-camp mad dash which could easily lead to fatigue and discourage – even before camp starts!

Then there are the challenges with campers. There will always be an enthusiastic bunch who has been looking forward to and excited about camp, a handful of melancholics whose parents signed up against their will, and still a few more individuals who are simply indifferent about their presence at camp. Sometimes, we fear that because of the latter two groups, the camp will not be as fun and exciting as we plan it to be. Certainly if we are not careful, we can sometimes allow discouragement to get the better of us.

Undoubtedly such times call for the practice of endurance. Surprisingly endurance has little to do with physical strength; it’s about drawing out the inward strength to withstand stress and do one’s best. And hope is the fuel that keeps inward strength alive. We refuse to let discouragement weigh down our hearts by bolstering our endurance with a lively hope of inspiring and building a generation of leaders from the youth.

Through our own examples and our intentional design of camp activities, we instil endurance as well as other leadership traits in the campers. Rather than crumbling under pressure, we should all learn to take each challenge one step at a time, pacing so as not to get ahead of ourselves.

Discouragement results when one tries to emotionally bear the whole load at once. It’s about facing each day and each goal, one at a time, and be ready to adjust when necessary.

Like a magician before a bed of nails, spreading the body weight over multiple points rather than a single point of a nail helps to disperse the force that otherwise would have punctured the skin.

■ The Leaderonomics Youth team is dedicated to providing youth between the ages of 12 and 19 with opportunities to develop and grow their leadership potential. To engage with the team, email youth@leaderonomics.com

CAMPUS TEAM

LIFE is tough – if you haven’t found out already. Challenges and disappointments come in all shapes and sizes. Worse still, they come in relentless waves to wear us down.

Nowhere is this more evident for someone than the big leap from being a young person into an adult. The leap we are talking about is graduating and finding a job. Statistics show that 5% gets the right job on their first try. The rest of the 95% end up doing jobs which they don’t want (Source: Economist Neil Howe).

It’s easy to feel discouraged over this predicament. In fact, most graduates hop from job to job hoping to find that magical fit. Most people give up and settle along the way – only to be more discouraged many years down the line when they are stuck in a job that they never wanted in the first place.

That’s why we instil a sense of purpose and self-awareness in the undergraduates participating in our programmes. Students discover their strengths and weaknesses and how they can make better career choices.

We have been asked what is the secret of some people who can seemingly endure setback after setback, for us, the key to endurance lies in the ability to accept failure and learn from it.

One of our signature programmes, Project 25 is a one-and-a-half-year leadership development journey for students to discover and reach their potential. It’s currently available in selected universities.

Here, they will face many moments where they will be out of their comfort zones. These are potential failure moments. We let them know that it’s okay to fail and that failure is the pre-requisite to success.

More importantly – both discouragement and endurance are learnt traits. We are not born with either one of it. That’s the good news because there is a choice available to us. It’s in the failure moments where we can choose to be discouraged or to endure.

So our encouragement to everyone out there is “don’t think that you don’t have a choice because you can grow from your failures”. As John Maxwell aptly puts it – we need to ‘fail forward’.

■ Leaderonomics Campus strives to empower undergraduates by arming them with a sound command of practical and professional knowledge, fostering creative and critical thinking, and facilitating the evolution of their unique leadership styles. For more information, email us at campus@leaderonomics.com

CORPORATE SERVICES TEAM

“If it’s hard to do, keep doing it! Find new ways of doing it, ask for help after you have tried 10 times and don’t give up. It’s only hard because you have not learnt this new thing yet. Whatever it is, smile and remember that I am here. Once you get it done, you have learnt something new and you have become one bit better!”

Every now and then I give this pep talk to my seven-year-old. At times it is met with a renewed glow of hope and determination. At other times, just a big sigh before she heads off to give it one last try. At times like those, I’m tempted to jump right in and give the solution.

This scenario is not uncommon when we work with our corporate clients as well. In many of our talent accelerated programmes for high potential, we stretch them to make sure they grow often times through business projects. These projects require them to change their paradigm, see things in a more strategic manner than tactical, come up with new ideas, conduct feasibility studies, speak to stakeholders, work out the financials, plan, propose and get approval from their senior management.

Phew! It’s tiring just to list all that down. And most of the time, that’s how the participants feel. They start off very excited but mid-way it is not uncommon to find them stressed, discouraged, wondering why they are doing this and wanting to give up. This is when the team and project manager support becomes very critical. The assurance that you have a team going with you has little to do with physical strength; it’s the right kind of endurance. Surprisingly endurance is a one-and-a-half-year journey for students to discover and reach their potential. It’s currently available in selected universities.

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■ The Corporate Services team in Leaderonomics aspires to help talents fulfill their potential for leadership through holistic efforts, via intended and customized talent management processes. We pinpoint your talents’ capabilities through talent assessment, and craft development journeys to help them move towards being successful leaders. To know what we have to offer, email training@leaderonomics.com
THE 30% Club movement, which began in the UK to work with women leaders into the upper echelons of corporate service, has reached our shores. At a high-powered session held on May 8, 2015, Prime Minister Datuk Seri Najib Tun Razak launched the Malaysian chapter of the 30% Club before an enthused crowd of the “who’s who” of corporate Malaysia.

It is essential that we harness the talent and energy of women in Malaysia, as equal partners in building a high-income, high-productivity economy with the right fundamentals for sustainable growth,” Najib said, addressing an audience of chairpersons and chief executive officers from listed companies and multinational corporations.

The 30% Club is a movement that champions diversity in the workplace, and seeks to break the glass ceiling for women in the top management and board levels.

As Najib pointed out, the vision he had outlined nearly five years ago – for three in 10 decision-making positions to be held by women by 2016 – is progressively being achieved.

During last year’s budget, it was announced that RM2.3b1 would be plugged into programs to improve access to jobs for Malaysian women. Today, the improvement in our female labour force participation (FLP) has risen more than 11% from 6% in 2014 to 46% in 2009. This puts us well within our hitting range of the targeted FLP of 55% by 2015.

Such data follows hot on the heels of another measure to increase women participation in decision-making positions. Listed companies, through Bursa Malaysia, will be required to disclose their composition of gender, ethnicity and age for their boards and top management.

By spurring companies to transparent Najib adds, “This is not just a women’s issue. It’s a business issue. Increasing diversity, particularly at top management and board level, is not just a matter of altruism. It makes business sense and it contributes to better business performance”. A 2007 study by McKinsey showed a high correlation between companies with diverse boards and strong corporate performance. These employing women at the highest level outperformed those with no women 20%.

The second batch of Women in Leadership (WIL MY) programme will commence in August 2015. In the Workplace Survey 2013, it was found that 40% of women make up 24% of Top Management positions in public listed companies and 10.3% of listed boards. The country’s target is to achieve 30% women representation in decision making positions by 2016.

SHARIFAH SARAH SYED MOHAMED TAHIR, head, strategy and finance, Maybank Bhd

When I was selected for the Women In Leadership Development Programme last year, my first thoughts were, “Finally an avenue for me to meet other women who are struggling in a male-dominated work environment. My request to the coordinators when asked about what I was looking for in a mentor was relatively simple – someone I could have a good conversation with, who would be able to challenge my perspectives and would be prepared to be brutally honest with me so I could grow.

Indeed, the wisdom of our Mentor-Mentee Matcher was precise. Roshan made it easy for me to share my experiences. At the start of the programme, I sought to ask questions, round up more women support for a cause that has been long fought for. Roshan offered me was far better. His views allowed me to see differences, particularly through the eyes of a male which is more often than not the question of gender bias.

Women and men have different perspectives in life and different ways of approaching things. His sharing about his experiences as a leader at a very young age inspired me to take advantage of my youth and be daring enough to take up opportunities without overthinking. This mentorship experience is valuable and thank you Roshan for lending your ears and guidance when I needed them most.

ROSHAN THIRAN, CEO, Leadonomics

A few months ago, I had the privilege of being the only male mentor for a group of amazing women leaders. As I approached my first mentoring session with Sarah, my mentee from Maybank, I started to recall my mentorship moments. I remember the numerous superficial relationships with senior company officers assigned to me through official mentorship programs that never yielded much value. But there were a few mentorship relationships that worked. And it worked not because the mentor was great but because the relationship was beneficial to both.

So to me, the secret to successful mentorship is – it has to be beneficial both ways and there has to be a “what’s in it for me” (WIIFM) for both mentee and mentor.

After I met Sarah, I realized how amazingly brilliant and talented she was. I resolved to learn from her as much as I could and help her with any challenges she may have. This “reverse” mentoring actually helped me overcome my natural tendency to be over-relevant on my experiences and knowledge and not be able to see things objectively or be blinded by what is happening in Malaysian organisations.

At the end of the mentorship, I believe I have benefited tremendously. I not only have gotten to know a tremendously talented individual that will be a significant leader in Malaysia in the future, I learnt many lessons on corporate Malaysia from her too. In spite of feeling a bit out of place initially as the only male mentor, I am now thankful for the experience.

My advice: if you are a mentor or plan to be one, make sure you make it a reverse mentorship. Learn as much from others even though you may be the mentor.

The second batch of Women in Leadership (WIL MY) programme will commence in August 2015. To find out more about the programme, please contact Liza Chong at +603 2035 9710 or liza@lead-women.com

The next question on everyone’s lips is then: how do we find well-qualified women candidates to join few boards?

The answer lies in efforts spearheaded by the NIEW (NAM Institute for the Empowerment of Women), an agency under the Ministry of Women, Family and Community Development. In recent years, NIEW has trained nearly 900 women to be “board-ready”.

Names and profiles of talented women professionals who have received training under NIEW are available through the Women’s Directors Registry. You can also connect with them through the Ministry and Pemandu.

In his speech, Najib explains some of the purposeful approaches that will be taken to ensure Malaysian women will be represented across the board (pun intended). A mandate will also be issued to all government-linked companies to allow their senior executives to serve on corporate boards, while other private limited companies are encouraged to follow suit by “leveraging on the pool of their own serving women executives when appointing new board members”.

As a recent example, Maxis appointed a senior women executive from CIMB Group to serve as a board member. All in all, the 30% movement bodes well for high-performing women professionals in the country, bringing them one step closer to enjoying equality in the workforce, as Malaysia hurries towards becoming a high-income nation by 2020.

WORKING in partnership with the Institute of Chartered Accountants in England and Wales (CIAEW), TalentCorp launched the Women In Leadership Malaysia (WIL MY) programme for senior women managers in April 2014.

The development programme supports the careers of Malaysian women professionals across industry sectors and business functions who are one to three career stages away from a senior leadership or board role.

WIL MY has a strong focus on evolving women’s unique leadership style through a blend of workshops and mentoring. Mentor-Mentee pairing Roshan Thiran, CEO of Leadonomics and Sharifah Sarah Syed Mohamed Tahir, Maybank head of strategy and finance share their experience.

The 30% movement bodes well for women in Malaysia. As I approach my first mentoring session with Sarah, my mentee from Maybank, I started to recall my mentorship moments. I remember the numerous superficial relationships with senior company officers assigned to me through official mentorship programs that never yielded much value. But there were a few mentorship relationships that worked. And it worked not because the mentor was great but because the relationship was beneficial to both.

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NEED TO CUT LABOUR COSTS BUT AVOID LAYOFFS? A CHECKLIST OF COST CUTTING OPTIONS

COST REDUCTION OPTIONS

CUT CONTINGENT LABOUR

Jobs and work that is pre-designated as “contingent” is cut, or contracts are not renewed. Allows for rapid short-term decreases and increases in labour costs.

- EFFECTIVENESS — high, if the organisation has planned for contingent labour to be used as a buffer to economic conditions.
- BENEFITS — significant cost savings if low-impact jobs are made contingent. Contingent workers know up-front that they may be cut during a downturn when releasing contingent workers. Managers are more willing to engage in cost-cutting with contingent labour.

PERMANENT SURGICAL LAYOUTS

Reducing the percentage of the workforce with no immediate intention to bring them back. Surgical layoffs are targeted, while traditional “percentage of the workforce” layoffs tend to focus on employees with low seniority.

- EFFECTIVENESS — high, only if surgical and targeted toward low-wage jobs and low-performing employees.
- EFFECTIVENESS — high if employees expect no further layoffs and the workforce can recover. Reduces the need for additional cost-reducing actions.
- EFFECTIVENESS — high, if you surgical and targeted toward low-wage jobs and low-performing employees. Reduces the need for additional cost-reducing actions.

PLANT CLOSINGS

Where you close an entire facility or factory, and you shift work to other locations or to offshore locations.

- BENEFITS — low all labour costs are eliminated for the associated factory.
- EFFECTIVENESS — low, your firm’s capacity to produce is also eliminated. Unless you are willing to pay for retraining (and even then, they may not move), you will lose some top performers and individuals with key skills.

SEASONAL FURLOUGHS

Where you release employees during traditional slow periods. These furloughs are often during seasonal periods and may be repeated at the same time each year.

- BENEFIT — high, when you hire individuals who understand and accept the pattern.
- EFFECTIVENESS — high, if your employees adapt early to the pattern (especially if your employees hold jobs for extra-income, must sell additional products, etc.).
- POTENTIAL PROBLEMS — employers should understand and accommodate the pattern and if you tell them when they may likely be allowed to return.

OUTSOURCING WORK

Where you release employees by shifting to outside vendors that are willing to adjust their costs based on the changing workload.

- BENEFIT — high, where work that frequently fluctuates up and down in volume is outsourced.
- EFFECTIVENESS — high, shift employees to vendors and re-think your own workforce.

SHORT-TERM FURLOUGHS TO REDUCE PAY COSTS

This approach asks/asks employees to take several weeks off each month without pay. The days can be free or picked by the organisation.

- EFFECTIVENESS — low, with many work disruptions.

LAYOUTS FOR IMPROVED PRODUCTIVITY

Rather than focusing on costs, improve management processes, tools, and managers so that your current workforce produces more output. At a higher quality. Tools might focus on job rotations, turnover reduction, work restructuring, workload re-assessment, identifying barriers to productivity, and rewarding those that make sense for your organisation.

- EFFECTIVENESS — high, when you hire individuals who understand and accept the pattern.
- BENEFIT — high, if your employees adapt early to the pattern (especially if your employees hold jobs for extra-income, must sell additional products, etc.).

LONG-TERM FURLOUGHS IN SELECT INDUSTRIES

Where you release employees, but you intend to bring them back in the future. This typically happens when you maintain a relationship with individuals affected while they are on furlough. Furloughs are common in the airline and transportation industries.

- BENEFIT — medium in industries with high volume.
- POTENTIAL PROBLEMS — there may be workforce disruption in the short-term during such furloughs. Such actions in management and maintenance costs must also be considered. Unions and current employees may actively resist any substitution of technology for people.

SUBSTITUTING TECHNOLOGY FOR LABOUR

Where you substitute software or hardware for labour.

- EFFECTIVENESS — high, although the initial costs of any equipment or software may be high.
- BENEFIT — a significant percentage of “people work” can now be done remotely with the right software, hardware, or robots. Technology can work 24 hours a day and doesn’t get sick. Learning can reduce initial costs.

POTENTIAL PROBLEMS — there may be workforce disruption in the short-term during such furloughs. Such actions in management and maintenance costs must also be considered. Unions and current employees may actively resist any substitution of technology for people.

PLANT CLOSINGS

When you shut down an entire plant or facility.

- BENEFIT — high, even when a shift to a more permanent level of flexibility in labour costs.
- POTENTIAL PROBLEMS — low direct control over the work. When you add the need for a vendor margin, the overall labour costs might increase. Vendor reliability and maintaining quality are also issues.

OUTSOURCING WORK

Where you release employees by shifting to outside vendors that are willing to adjust their costs based on the changing workload.

- BENEFIT — high, where work that frequently fluctuates up and down in volume is outsourced.
- EFFECTIVENESS — high, shift employees to vendors and re-think your own workforce.

CHOOSING THE RIGHT REDUCTION APPROACHES

In the absence of a new two decades on how to reduce labour costs or increase productivity, and have documented a number of options that organisations can consider. The following is a list of the options and rank, categorized into those that provide significant, moderate, and minimal cost reduction.

- Reducing labour costs (a given)
- Reduce labour benefit costs
- Reduce the possibility of key employee turnover
- Assure the chances of “released” workers returning upon recovery
- Minimise worker displacement from the cost reduction process
- Minimise employee productivity/ production loss to those employees with obsolete skills
- Reduction in time of employees with unstable history of performance
- Reduction in labour costs without increased costs of employee separation (severance/layoff)
- Reduction in non-employee labour costs
- Minimize damage to your external image and future recruiting capability

PRODUCTIVITY IMPROVEMENT PRACTICES

Rather than focusing on costs, improve management processes, tools, and managers so that your current workforce produces more output. At a higher quality. Tools might focus on job rotations, turnover reduction, work restructuring, workload re-assessment, identifying barriers to productivity, and rewarding those that make sense for your organisation.

- EFFECTIVENESS — high, when you hire individuals who understand and accept the pattern.
- BENEFIT — high, if your employees adapt early to the pattern (especially if your employees hold jobs for extra-income, must sell additional products, etc.).

POTENTIAL PROBLEMS — employers should understand and accommodate the pattern and if you tell them when they may likely be allowed to return.

POTENTIAL PROBLEMS — choose individuals who need a continuous income stream probably won’t return. Top performers will likely look elsewhere first.
The ultimate characteristics of the business-savvy leader is his sense of ownership. Whatever he does, he puts his mind, heart and soul to achieve his best with the same feeling as if he truly owns the company.

The entrepreneurial leaders possess commitment and pride in putting their best foot forward and getting a rewarding outcome for the company.

**CONCLUDING THOUGHTS**

The best advice to unleash the business-savvy side of us in the workplace comes from Sir Richard Branson, the founder of Virgin Group.

Branson said it best: “I believe that drudgery and clock-watching are a terrible betrayal of that universal, innborn entrepreneurial spirit… There is no greater thing you can do with your life and your work than follow your passions – in a way that serves the world and you.”

Dr Victor SL Tan is an international authority on change management and is currently the CEO of KL Strategic Consulting Group. He is the author of many management books, including his book on Lessons of Success of Tan Sri Teh Hong Piow of Public Bank Berhad. He is also a panel speaker for Leaderonomics. If you are interested in his consulting services, please email training@leaderonomics.com
HOW TO CUT COST: 
6 EFFECTIVE STEPS

By FABIO MALAGISI
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In today’s ever changing world of technology, disruption and rapid economic cycles, it is inevitable that, as a leader, you will have to face the shoe of cost-cutting.

While cost-cutting is often difficult and emotional, strong leaders deal with it in an authentic and open manner. They use it as an opportunity to refocus efforts on what is most important so that their organisations emerge stronger.

Here are six guidelines that a business leader can follow to cut cost.

**STEP 1: BE OPEN**

Explain the dynamics of the business to the team and need to cut cost in a straightforward and transparent manner. Use specific data and examples. Respect the team enough to allow them the opportunity to make their own conclusions on whether the need to cut cost is legitimate or not. Only a shared conclusion will set the stage to a productive process as you move forward.

**STEP 2: BE AUTHENTIC**

There is no faster way to lose credibility than to force blind optimism on your people. You need to exude confidence that this is the right thing to do. However, be balanced and acknowledge that this will be difficult and will have its share of trade-offs and negative impacts. It is not a perfect world and you need to be human in the process and acknowledge sacrifices.

Be an open communicator throughout the process. It is essential to remain trustworthy and authentic.

**STEP 3: FIX ANNOYING THINGS FIRST**

There is no perfect company and if you talk to anyone at any company, you will hear a litany of complaints, frustrations, broken promises and actual ideas of what will make things better. This is where your cost-cutting efforts need to begin. Start with addressing areas of process improvement that will make the lives of your people easier.

It is important to start from a place of fixing the annoyances, as this will give you the goodwill that you will inevitably need to cash in when making tougher decisions.

**STEP 4: FOCUS ON THE TEAM**

It is important to involve the team as much as possible. Each team member should directly own an initiative that contributes to the overall mission. They need to drive the car and not just wait for it to reach its destination.

You are in this together and allowing the team to own projects such as vendor negotiations, process re-engineering, product redesign, pricing and commercial offering changes are all great areas to start.

It is important that the team focuses on driving something tangible that they can contribute during this tough time, or they will quickly get distracted and swallowed by the difficulty of a cost-cutting environment.

Steps one through four are meant to start the process with as much focus and productivity as possible. They are important because they focus on getting the team ready for what lies ahead, no matter how difficult things can become.

**STEP 5: PRIORITISE THINGS THAT MATTER**

Cost-cutting exercises are tough, so while you are going through this difficult time, make sure you are going to come out of this stronger in the end.

Use this as an opportunity to get razor-focused on what drives value in your business (and what doesn’t) and then aggressively eliminate the non-value add.

My suggestion is to start with doing a full assessment of everything that is driving cost in your business.

Ask yourself the questions in Figure 1. It is important to frame your efforts with these simple questions in order to focus priorities clearly and eliminate the tendency to justify old ways of doing things.

The justification for anything must be a clear case of benefiting employee engagement and customers, or fulfilling the long-term strategic vision. Everything else is secondary and up for trimming.

**STEP 6: CUT DEEPER AND INVEST WHERE YOU NEED TO**

Despite difficult times, it is important to remain steadfast in your focus and to continue to spend where needed.

The items (in Figure 1) that you answered “yes” to, form the foundation of where you need to focus your investment efforts.

If you need to cut 20% of cost, then aim for 30% and continue to invest the 10% in those key initiatives that drive employee engagement and customer satisfaction, or efforts that are integral to executing the organisation’s long-term vision.

This is extremely difficult and the hardest part of cost-cutting. You will endure much criticism for continuing to spend on key initiatives while making structural cuts and announcing layoffs.

It is important to stay focused and not allow your short-term environment to dictate your long-term vision. In other words, you must continue to invest even through difficult times.

**CONCLUDING THOUGHTS**

With cost-cutting, there are often very complicated issues that are difficult to decipher.

Strong leaders drive clarity during these times and focus the business on what is most important. These six steps serve as a guide to reinforce that focus.

It isn’t easy and there will be sacrifices, but the more you can focus on your core business and your long-term success, the better off you will be.

Doing this will allow you to use this difficult time to actually improve your business in the long run.
COST CONSCIOUS AT THE RIGHT PLACE

By JOHN WALTER BABAY
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In a PricewaterhouseCoopers (PwC) survey conducted in 2015 called “Align costs with business strategy”, 71% of chief executive officers (CEOs) globally plan to initiate a cost-reduction initiative in 2015. Well, this does not come as a surprise as we have all been feeling the pinch here and there though not as hard as the last round of delayering and restructuring seen since the global financial crisis of 2007 to 2008. Is there any new value to be created in this day and age? Truly there seems to be a bit of room but many executives seem to be taking a more conservative view.

While opening the subject matter of strategy with “cost reduction” would always have eyes rolling and have people reaching for parachutes, we have to note that some of the greatest innovations in management is perhaps the philosophy that you can take both cost savings / cost mitigating measures while pursuing innovation to push or even build new value propositions.

SUSTAINING GROWTH IN GREY AREAS

In the same PwC study, an equal amount (71%) of CEOs see the value in innovation capacity, and more so in the United States at 76%.

Sixty-one percent to 73% say that they are seeing an increase in both direct and indirect competitors and that there will be entrants both from traditional and new fields. Forty-seven percent to 70% of CEOs see industry disruption coming from technologies and service provision. While “cost alignment” is often seen as death knells for employees, there still seems to be a lot of growth in the grey areas where the usual boundaries are blurred.

It is not always as black and white as you may think. There is a reason why strategists must align their costs with strategy. The dynamics of competition still remain the biggest effect on strategic development. As Michael Porter would say: “Competitive Forces Shape Strategy”. It is a mistake however to believe that industry structure remains static with defined market segments and accurate valuations of transacting markets. Even within existing frameworks, there is a lot of room to move about. The intensity of competition often determines the volatility of industry structures.

The optimist would base their strategic decisions on penetration or even an expansion of an existing market space. For the most part however, executives are too pessimistic and defensive. The latter will tend to have a myopic view of the industry and look more towards defending turf rather than exploiting existing and emergent demands. The end market is a moving target and shifts at greater rates of speed due to intensifying competition.

A MORE REALISTIC VIEW

While some visionary corporate strategists would like to throw a curve-ball by disrupting market structures, the fact remains that we work with finite resources and that traditional structures cannot cope with the demands of an ever-shifting competitive climate. The flip-side of disruptive innovation is that companies who cannot respond to these drastic shifts in industry structure would fall victim to more creative and nimble entrants. Strategy needs to be aligned with structure as well.

A new captain who wants to steer a large vessel that chooses to remain in its course sometimes cannot steer fast enough to avoid collision with an iceberg especially when the rest of the crew is sailing through a fog.

Strategies are only as good as the organisation’s capacity or capability to execute them. Leaders should not be in the business of selling pipe-dreams! Companies must be “fit to cope” with change. The company functions very much like a human organism. Surely one who has too much fat around the belly would do better to lose some of the weight. The same goes with having a “cost consciousness” or more blantly a “cost-consciousness”!

Perhaps a legacy of giving executives lavish allowances and car-plans could take a back seat to funding product and service experiments? Perhaps you can use your cost alignment measures to launch innovation pilots and invest in technologies that improve processes that will have a positive impact on cost and ultimately result in a greater capacity to serve the customers.

BUILDING CAPABILITIES FIRST AND FOREMOST

The importance of aligning cost to strategy is equivalently weighed with execution. Economic considerations should always be weighed with every strategic decision. Financial decisions that you make today will affect your future and the organisation’s capacity to execute future strategies.

Focusing on the numbers makes a lot of strategic sense! Proper fiscal alignment allows you the budgets to invest in your company’s capacity and invest in its people’s capabilities. In the words of Alex Molinaroli, chairman, president and CEO of Johnson Controls Inc.: “Companies are capability-driven today End markets don’t mean as much as the capabilities you build.”

So the next time your CEO starts talking about cost-reduction, perhaps you could start looking at the statement as a step in the right direction instead of having to reach for the parachute or scrambling to the exit. “Cost alignment” could be taken more positively than negatively.

On a personal note, when someone tells you that you’ve gained a bit of weight around your waist, take it as an opportunity to change. Perhaps you would do better if you did. While I do agree that drastic dieting is overrated, the same could be said about companies. Smarter people would have you know that it is not as much about how much you eat but rather what you choose to eat. Budgets are the same. The company is like a living human organism. Cost-alignment is better said and received than cost-cutting.

Amputation is never a pleasant operation! The negative reaction to “right-sizing” as a euphemism for “lay-offs” has caused way too much trauma that we cannot undo. Perhaps by replacing “cost-alignment” with “right-eating” then perhaps it all makes sense. In the end, eating right leads to better effectiveness and performance.

This applies both to the person and the organisation. So yes, be cost conscious and put the energy in the right places for performance.
STARTING THEM YOUNG

TEEN INNOVATORS SHOW THAT AGE IS JUST A NUMBER AND GOOD IDEAS CAN COME FROM ANYONE, ANYWHERE

They have a special cocktail of these 5 things:

» **AWARENESS**
People who are more aware of their talents, strengths and weaknesses build confidence earlier in life and know how to use it to their best advantage. Young people should be provided with the opportunity to not only explore their interests but to gain various experiences to widen that scope.

» **MOTIVATION**
Having a reason for action, desire or need drives a person to achieve greatness. Young people should be surrounded with a healthy support system, and given the right dose of encouragement (not too little, not too much!)

» **CULTIVATE GRIT**
Discipline and perseverance take time and practice. Some see it as a muscle; the more you work it out, the stronger it gets. Oh, and it can get weak and waste away when not exercised enough. One of the best things you can do for a young person is to encourage them to bring tasks or projects to completion. After all, it is about finishing the race!

» **KNOW THINGS**
Knowledge is power. Need we say more? Curiosity is a trait that should be encouraged among young people as well as showing them the right ways of gaining information. Studies by psychologists show that curious people report having a greater sense of meaning in life while less curious people tend to exhibit more hedonistic behaviours.

» **SELF-CARE**
Your mental and physical state are your assets, but it doesn’t mean that you should be running around doing stuff all the time. Protect your assets. Take a break. Breathe deeply. Play! Be it an organised or unorganised activity, some indulgence is necessary, if anything, for sanity sake.

Age is not a deterrent to achieving great things in life. These days, young people are more informed than ever. They will have good ideas, the key is to find ways to make these ideas come to fruition.

**HISTORY**

- **BLAISE PASCAL, 19**
Invented the mechanical calculator

Educated at home by his father, a successful French tax collector, Blaise Pascal was a child prodigy. While helping his father at work in 1642, he created the adding machine by creating a wooden box that had 16 separate dials and when each dial was turned, additions and subtractions were able to be done quickly. His invention laid the groundwork for the modern day calculator (pictured above).

- **ALEXANDER GRAHAM BELL, 18**
Invented the telephone

“Aleck” as he was fondly known had displayed a natural curiosity as a child and built his first invention at the age of 12 with his best friend, Ben Herdman, for Herdman’s father who was a miller. In return, Herdman’s father gave them a small workshop to run for them to “invent”. At 18, circa 1865, he started to develop a way to transmit speech through the “harmonic telegraph” that transmits a voice message through a single wire to a separately located receiver. He persevered until 1876. That year, while assisted by Thomas A. Watson, he successfully transmitted the first complete sentence: “Watson, come here. I want to see you.”

**WHAT DO THEY DO IN THEIR TEENYS?**

- **LOUIS BRAILLE, 15**
Invented the Braille Reading System

Braille was accidentally blinded as a child while tayying with tools in his father’s workshop. He later moved to Paris to attend a school for the visually impaired where he found books that allowed students to use their hands to touch large raised words on its heavy pages. But Braille despaired over the lack of depth in the books and the amount of information kept in such books. In 1854, he presented a better system using raised dots instead and the Braille language has since become the most recognised tactile writing system used by the blind and visually impaired around the world.

**BY DIVYA CHANDY**

Divya Chandy is excited about finding new ways to help children and youth get off to a right start in life. With almost 4 years’ experience in the youth division at Leaderonomics, she admits to struggling with an occupational hazard: “forgetting how to talk to adults, especially since most of her time is spent with the youths at DropZone, a youth inspiration center in PJ Old Town. For the upcoming holiday season, Divya and her team have specially designed a programme for children ages 8 to 11 to kick start their leadership journey. Find out more at www.diodecamps.com or drop her a line at divya.chandy@leaderonomics.com.

HISTORY books are full of stories about young innovators whose inventions changed the lives of millions around the world. You may recognise a few of these remarkable individuals:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Invention</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blaise Pascal</td>
<td>19</td>
<td>Mechanical Calculator</td>
<td>Invented the mechanical calculator for adding and subtracting numbers efficiently</td>
</tr>
<tr>
<td>Alexander Graham Bell</td>
<td>18</td>
<td>Telephone</td>
<td>Invented the telephone for transmitting speech and voice messages through a single wire</td>
</tr>
<tr>
<td>Louis Braille</td>
<td>15</td>
<td>Braille Reading System</td>
<td>Developed a system using raised dots for the blind and visually impaired</td>
</tr>
</tbody>
</table>

**REFERENCES**

- Sahil Doshi, 14, developed an eco-friendly battery that harnesses carbon dioxide to generate electricity. His prototype, PolluCell, could potentially provide their children with all sorts of alternative for electricity in developing countries.
- The list goes on and on. The up-and-coming Generation Zs (roughly those born after 1995) is said to be the generation of innovation. With a recent study showing that 72% of Gen Zs (roughly those born after 1995) is said to be the generation of innovation. With a recent study showing that 72% of Gen Zs were inspired to create patent-worthy ideas for humanity.
- There are stories of very young innovators who were inspired to create patent-worthy ideas for humanity.
- For the upcoming holiday season, Divya and her team have specially designed a programme for children ages 8 to 11 to kick start their leadership journey. Find out more at www.diodecamps.com or drop her a line at divya.chandy@leaderonomics.com.

**MORE ON TOPIC:**

- [California High School Student Built a Prototype for the AI-Fueled Air Traffic Controller](https://www.theatlantic.com/technology/archive/2017/12/california-high-school-student-built-prototype-for-the-ai-fueled-air-traffic-controller/550954/)
- [Ben Herdman’s Invention](https://www.nytimes.com/2015/05/31/education/ben-herdman-invention.html)
YOU HAVE BEEN DOMINATED
DO WE STAY CONNECTED OUT OF NEED, DO WE USE MOBILE TECHNOLOGY FOR THE SHEER HECK OF IT?

By NINA TI
nina.ti@leaderonomics.com

MOBILE technology is ubiquitous these days. We browse, message and “game” in an addictive cycle of connectivity. So, it is no surprise to look around and find people twiddling their handheld devices non-stop. All that time spent looking at screens must be worthwhile. But does keeping our noses buried in gadgets mean that we become so numb and occupied that we forget to keep our noses to the grind? Thanks to an online poll conducted recently by Leaderonomics – it had to be “online” or else – readers of this career pullout had a chance to weigh in on the debate.

The results of the poll showed that while the majority admitted that mobile technology dominated their lives, the respondents believe it has truly made the world a better place to live and work in.

By and large, readers felt that technology intruded into their privacy and often workflow, but this intrusion had reaped benefits in the workplace that included the freedom of working wherever and whenever they choose.

Twenty-eight per cent say that they need mobile technology to keep up with evolution of modern business processes, which has meant the changing needs of employees by proffering flexible work arrangements and little or no “facetime” with the bosses.

HOW DOES MOBILE TECH WORK FOR ORGANISATIONS

More options for meeting the changing needs of employees through virtual teams and flexible work arrangements

Understand our consumers better and respond to their needs more rapidly

Learning will be social and can happen anywhere, anytime

Big data can help HR find the right talent for our company

New technology will increase productivity and support better decision making

Better compete with industry leaders by leapfrogging older generations of technology

Mobile apps are the new job search frontier

HOW DOES MOBILE TECH WORK FOR INDIVIDUALS

I can study and compare products before deciding to buy, and let the company know if I am not happy

There’s so much free content out there. Can I sit off the good from the bad?

Access to information helps me follow organisations I might work for, and their leaders too

I am concerned about who is looking at my information, and how they are using it

Don’t believe all the stuff I am reading online, it might just be paid advertising

I won’t get a fair assessment if I choose flexible working arrangements

The results of the poll offers us a number of interesting insights. Firstly, readers say privacy issues are a low concern for them when using mobile technology (12%).

A more in-depth study should be able to determine if this opinion is due to a blanket trust for social media sites, unintended ambivalence or simply ignorance of the consequences of security breaches.

Secondly, a percentage of respondents felt threatened by the possibility of receiving negative feedback, as they felt it was more damaging on the internet because the whole world would see it. Ultimately, those who respond appear to whole-heartedly embrace mobile technology as an integral part of their work and lives.

We thank you for responding to the poll.

As Figure 1 illustrates, readers also rate mobile technology as a quintessential learning tool. It should be noted that since learning is a cognitive process of acquiring new knowledge, it is very possible that, with the constant spew of online information shared by millions around the world, one can possibly learn something new every second.

Decision-making, indicated as one of the top five advantages of mobile technology, is not necessarily tied to the ability to work remotely.

Twenty-eight per cent of readers (see Figure 2) report that prior to making a purchase, access to peer reviews and forums means that they can study and compare products before deciding to buy. Companies who tout their wares on the internet can also expect to receive direct feedback from unhappy customers.

As a part of the poll, we also invited our readers to submit their views on the application of mobile technology to their work. Below are several perspectives from our readers.

As a marketing executive in an MNC, I am required to access internal and external email and download files on my laptop. It helps me in my work and saves a lot of time. I don’t have to keep email and document management software on my laptop; it is all done online.

NINA LIVES SOMEWHERE BETWEEN REDDIT, QUORA AND ZYGMA’S WORD WITH FRIENDS. IF YOU WOULD LIKE TO UPVOTE THIS PIECE, WRITE TO NINA.TI@LEADERONOMICS.COM. TO VIEW THE FULL POLL RESULTS, GO TO http://LEADERONOMICS.COM/BUSINESS/MOBILETECH