

PERFORMANCE ARCHITECT

LEADERSHIP

AT A CROSSROAD



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by Andrew Simon

Chinese leaders across all sectors of the economy face a crucial period in front of them.

Given that the CPC is deeply involved in every key area of the economy, the call for improvement and for better leadership at all levels of the party and government is a significant one.

China is re-calibrating and re-balancing its economy, whilst trying to hit the 2015 GDP growth target of “around 7 %”. At the same time, the country is attempting to balance how it deals with the environmental and social consequences arising from its unprecedented development with the increasing hopes of its expanding middle class and needs of an aging population.

While macro socio-economic challenges rest with the leadership of the Communist Party of China (CPC), leaders at all levels of government and across all sectors of the economy face the common challenge of providing effective leadership through uncharted waters.

The Chinese are not necessarily daunted by traveling uncharted waters however. Their propensity to learn rapidly from their own experiences and that of others, and to navigate forward in their own way is evident through much of their history.

Yet, the challenge of providing effective leadership is very much a significant concern of President Xi Jinping. In an important speech delivered to senior Party cadre in July 2013 for example, he laid out his concerns and called for the improvement of effective “selection and training of good officials” across the country. Given that the CPC is deeply involved in every key area of the economy, the call for improvement and for better leadership at all levels of the party and government is a significant one.

Effective Australian leaders will have a high degree of resonance with the call for a more moral approach to leadership and business, which balances concerns for social fairness, the environment, employee welfare and transparency with a concern for fair profit.

It is also significant because it underscores the concern President Xi has with corruption within the party and the existential threat that he and others think this could pose to the CPC and its ongoing political leadership of China.

This explains in part, the tone and content of his speech which focuses on the character of the Chinese leader, which in its idealised form, is someone of high integrity, competence, service, benevolence and humility.

This ideal of the moral leader is ancient and can be traced to imperial traditions and Confucian ideas of leadership. But it is also a part of the Marxist-Leninist rationality and indeed, the President called on all Party leaders to be aware of and to hold on to this latter tradition.

National leadership development Institutions like the prestigious China Executive Leadership Academy, Pudong (CELAP) in Shanghai for example, will continue to play a pivotal role in the development of technical leadership capability as well as the ethical and moral aspects of Chinese leadership.

What does this mean for Australian business leaders with interests in China?

Well for one, it's important for us to be aware of the significant and real pressures that all party, government and SOE business leaders face to deliver on business outcomes, but that they have to do so in different, more ethical ways.

Effective Australian leaders will have a high degree of resonance with the call for a more moral approach to leadership and business, which balances concerns for social fairness, the environment, employee welfare and transparency with a concern for fair profit.

As the dependency on corrupt practices, opaque decision making, special relationships and insider connections are gradually weaned off; many Chinese business leaders will face the real challenge of building genuine leadership competence that can steer their organisations to sustainable success.

By acting as role models, Australian business leaders can play a positive part in supporting positive leadership practices in Chinese organisations for mutual benefit.

By acting as role models, Australian business leaders can play a positive part in supporting positive leadership practices in Chinese organisations for mutual benefit. The Chinese propensity to learn from positive example and the Australian propensity to be open and to share should be better leveraged.

Australian business leaders will also be well served by understanding the nature of Chinese models of leadership and how this is under pressure. Such an understanding must move beyond the superficial 'business culture' hype to the more fundamental. This involves not just appreciating Chinese and CPC history and language, or the pervasiveness of Chinese philosophy to contemporary expectations of leadership. It also has to be about appreciating the current practical realities, wicked problems and dilemmas (many of their own making) that Chinese leaders face on the ground.

This appreciation of historical context and contemporary reality, as well as appreciating individual leaders as individuals, will arm the serious Australian business leader with a deeper empathy. The kind of empathy that can underpin genuine partnership, exert more positive influence, and build more productive, reliable and sustainable international business.

References

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