

Zeti Akhtar Aziz: Global leadership development

Speech by Dr Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia, at the Official Launch of ICLIF Alumni Association and ICLIF Leadership Competency Model, Kuala Lumpur, 30 November 2004.

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ICLIF Alumni Members,
Distinguished Guests,
Ladies and Gentlemen,

It is my great pleasure and honour to welcome you to the official launch of the Alumni Association of the International Centre For Leadership In Finance (or ICLIF) and the ICLIF Leadership Competency Model (ILCM).

ICLIF Alumni Association

It was just over a year ago that we witnessed the Official Launch of ICLIF on 28 October 2003. Within this period, ICLIF has already made considerable progress in meeting its objective to provide a more focused and coordinated approach towards the development of world-class leaders in the financial services sector in Malaysia and in the region.

To-date, ICLIF has successfully concluded two sessions of its flagship Global Leadership Development Programme or GLDP, in addition to a Directors' Forum and a seminar on Scenario Planning. Besides providing participants with an opportunity to learn from the "top thinkers" from world-renowned institutions and industry practitioners and experts, one of the key strengths of ICLIF's programmes lies with the unique opportunity for the participants to establish strong social and professional networking and build lasting fraternity bonds. The launch of the ICLIF Alumni Association has been designed to play this role. For this purpose, all participants, faculty members and facilitators of ICLIF programmes will automatically be accredited as members of the Alumni Association. With the rapid changes taking place in the financial and corporate landscape in the country and the greater integration in the region and the world, networking among leaders and captains of industries is most valuable in contributing towards greater understanding and in increasing the potential for collaborative efforts that are of mutual interest.

The establishment of the Alumni Association represents an important part of ICLIF's commitment to provide a platform for members to maintain active networking and productive collaborative alliances. It is also in line with our philosophy that leadership development is a continuous journey. The Alumni Association would thus provide a forum for continuous sharing among its members. Alumni members will also receive automatic notification and invitations to all ICLIF programmes and activities that will be organized in the future.

As the members of the Alumni are spread across the region, ICLIF will leverage on Information and Communication Technology to help members stay connected. To facilitate networking opportunities, a special section has been created on ICLIF's website to cater for the activities of the Alumni Association. This would include the facility to disseminate information among its membership, including the publication of an alumni directory, highlights of important events and latest developments that may be of interest to its members. The Centre will serve as the secretariat to support all activities undertaken by the Alumni Association.

As we advance forward, the reputation, image and stature of the Centre will depend on the performance of its participants and their contributions to the environment and the organisations they represent. ICLIF regards its alumni members as important and looks forward to your continuous support to building ICLIF into a regional centre of excellence for leadership development in financial services.

While ICLIF has put in great efforts in working with leading international consultants and the best schools in the design and delivery of its leadership development programmes, we see this as an evolving process. In this context, we see alumni members as an important sounding board in providing feedback to enhance the relevance and effectiveness of ICLIF's programmes. As beneficiaries of

ICLIF's programmes, the alumni members are the best intermediaries in making ICLIF better known to the industry.

Ladies and Gentlemen,

ICLIF Leadership Competency Model

One of the first initiatives by ICLIF upon its inception is to develop a unique leadership competency model that will analyse and enhance the understanding of what makes for great corporate leaders in the regional context. The Competency Model was developed through a participatory process involving strategic insights by industry leaders in the country and the region. This was achieved through behavioural-event interviews as well as benchmarking exercises based on literature research and the database of leadership competency models of world class companies.

The preliminary model was further refined in a Validation Seminar attended by visionary and prominent leaders with proven track record of business performance excellence from both the private and public sectors. The Model forms the foundation to guide the philosophy and drive the design and delivery of ICLIF's leadership development programmes. I wish to take this opportunity to express our appreciation to the industry luminaries who have given so much of their time in participating in the validation seminar for the ICLIF Leadership Competency Model.

Let me share with you some of the interesting findings of the consultants in assessing our leaders based on the competencies identified in the Model.

Among the positive findings of the exercise was the observation by the consultants that many of the leaders interviewed exhibited strong competencies in the area of focus, drive, execution, negotiations (and deal making) and entrepreneurial drive. These are all competencies resulting from high achievement needs and high achievement values. There is also a high sense of national pride and desire to enable Malaysia to meet the challenges of 2020. Participants also displayed a strong sense of performance drive for excellence.

There are areas of competencies that, however, require further development. The review detected some degree of performance complacency by some respondents, as reflected by a lack of drive to achieve and the lack of desire to benchmark against the global best. Participants seemed quite satisfied with what they had personally achieved.

In the studies of how joint ventures between multinationals and local firms sometimes fail, one of the main reasons cited was the misalignment of the ambitions of global multinationals and local partners. The results showed that while global multinationals had unlimited appetite for growth and ambition, fuelled mainly by shareholders' demands and driven by professional managers, local joint venture partners may have achieved their personal goals as professional managers and thus reached a plateau in their ambitions.

Another area of shortfall was in cognitive energy as reflected in the low desire to putting energy into the thinking process and to pushing the mental discipline when the issues gets a little more complex.

Another important issue was in the area of Talent Management. Although the leaders interviewed spoke about the importance of leadership and talent management, there was little or no supporting evidence of action on this important area. Also, there was a need for systems to be in place for constructive, honest and candid assessments about the capabilities and potentials of subordinates who may someday assume a leadership position in their organizations. Such feedback is vital for the development of the intellectual capital and management capabilities of senior management to drive strategic direction and operational excellence in the industry to pave the way for the development of their future leaders in the industry.

Those observations and insights have brought to the fore the importance of leadership competencies in articulating the combination of essential skills, attributes and behaviours required by leaders for the successful and effective performance on the job. It is our hope that the ICLIF Leadership Competency Model will be a constant source of reference, inspiration and impetus to our leaders in building a dynamic organizational culture and in meeting future challenges.

In order to better position ourselves in this more challenging environment, one that is more globalised, more integrated, more competitive and more complex, we need to play a more pro-active role in strengthening our own organizations, we need to prepare ourselves for difficult periods, we need to also contribute towards the development of the environment in which we operate, the markets and the

financial infrastructure and finally and importantly we also need to invest in people, in their skills, to enhance our organisational capacity to bring about institutional development so as to enhance our respective organizational effectiveness. Leadership is an integral part of this process. Our investment in ICLIF hopes in some part to contribute to achieving these goals.

Alumni members, distinguished guests, ladies and gentlemen, it is now my privilege and pleasure to officially launch ICLIF Alumni Association and ICLIF Leadership Competency Model.