



Q5

Talent models in emerging markets

Part 1

The leadership talent challenge in emerging markets

2024

The need for global talent remains strong as ever



Globalisation has worked - organisations are becoming less reliant on the expatriate workforce than they once were, but many are still grappling with the need for global talent in emerging economies. CEOs and CPOs have long faced challenges in the war for talent, but the conversation has shifted in a post pandemic world.

How are organisations responding to an increasingly dynamic global economy, and what implications does this have for people strategy, talent development and the traditional talent model?

Historically, organisations have solved this problem through expatriate hires, external consultants or by sending high-flying talents out to developing markets for a secondment or rotation, setting them up for leadership roles with international experience.

The pros and cons of this model have been well documented. On the one hand, envoys are sent out into the world from a central HQ, disseminating processes, technical expertise, contacts, culture and ways of working into more remote arms of the organisation. On the other, expats must often find their way through cultural nuances, complex local economies and can sometimes find themselves to be somewhat ineffective towards the end of a rotation, as the clock counts down towards departure.

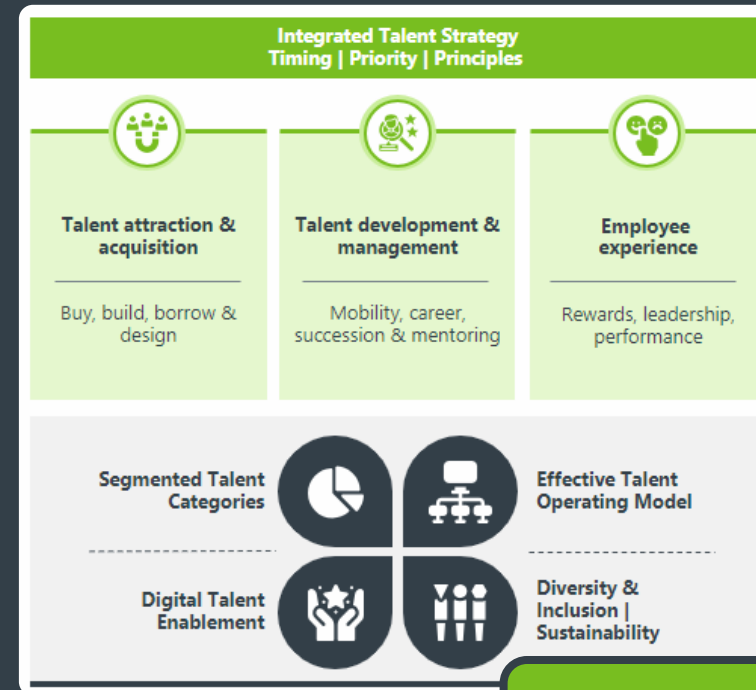
The key challenge we're seeing with clients globally

The traditional talent model **misses the mark** for organisations operating in emerging economies

Leaders have long known there is a deep well of talent resource to be leveraged if local talent, particularly female local talent, in emerging markets can be unlocked, but somehow **the traditional talent model is missing the mark in achieving this.**

Increasingly, organisations must balance the need for seasoned leaders able to operate in the context of market complexity, rapid growth and working cohesively in a global LT, with the demand for greater investment and opportunities for the local workforce, creating more sustainable growth and telling a more compelling and authentic story around diversity, equity, inclusion and belonging (DEIB).

Conversely, for those that have relied heavily on expat resources for several decades, this is a **nuanced moment in time** presenting the opportunity to develop leadership models that combine the **best of international good practice** with the **best of local norms and cultural practice.**



The traditional talent model needs to evolve to maintain pace and relevance in an increasingly dynamic global economy

What are some of the themes we are seeing play out in **global markets?**



Middle East

Impact of localisation

There is a significant push for national localisation and drive to upskill the local workforce through initiatives including Saudi Vision 2030, Oman Vision 2040 and Emiratisation in the UAE.

In **Saudi Arabia**, this has converged with the female talent agenda and calls for increased female representation in the workplace. Although positive, businesses still have a way to go in exemplifying best practice, ensuring equity and belonging in the workplace.

In **Oman**, new maternity leave laws may impact decision making and pose a risk that women are penalised for wanting a family. While these challenges certainly aren't new, they must be considered when discussing global leadership talent development.



East Asia

Overcoming cultural barriers

Cultural norms are also a major factor. As we know, different nationalities tend to approach situations differently, for example dealing with ambiguity or managing hierarchy and decision making. In an **increasingly globalised world**, there is an expectation that leaders can operate **internationally** as successfully as they do at home.

This highlights the potential need to shift the workforce from **technical delivery** to **leadership capability**, with some governments and bodies taking action to close the gap.

One example of this is the **SkillsFuture Leadership Development Initiative** in Singapore, aimed at cultivating a pipeline of leaders across various industries. The initiative supports individuals in **upgrading** their **leadership skills** and **competencies**.



Africa

Skills investment

Nations here are **leveraging long standing partnerships** with organisations to **secure investment**.

Examples of this can be seen in the diamond industry, where we are seeing an **investing in local talent** to build a more sustainable pipeline and to **protect their economic relationship**. **Anadarko** implemented a similar strategy when expanding their operations in **Mozambique**, demonstrating the value in this type of approach for both parties.



South Asia

The drive to evolve capability

As a **hub of technology and enabling services delivery**, the National Leadership Development Program (NLDP) is a **government collaboration** with private organisations and academic institutions to offer **leadership training to civil servants, professionals and executives**, broadening skills and building upon the more typical corporate service centre footprint.

Key observations: How is the market responding?



Observation 1 Elevating the 'Social' in Environmental, Social & Governance

While there is very much still a place for mobility and a challenge to be more intentional about **mobility aligning to strategic workforce planning**, there is also a **pressing demand** for a more **sustainable, authentic and investment-led approach**.

The unpinning factor in most emerging economies is **greater investment in early skills development**. As we have seen, many organisations are active in this space, supporting **academic institutions, governments and charities** to deliver **globally relevant but locally led initiatives**, helping to close the gap and potential impact of **educational factors** on the local candidate pipeline.

Examples of these include our work with the **International Association of Oil & Gas Producers (IOGP)** and **Energy Workforce for the Future**, highlighting the need for Energy organisations to move 'beyond the business' and **tackle local challenges** to build a **more diverse talent pipeline**.



Observation 2 Driving 'home-grown' talent

Interestingly, the drive for local talent in developing economies is taking different forms.

While some firms are focusing on developing local talent, **others are seeking international hires with family ties to target countries**, supporting 'heritage relocations' to these markets.

While this model does achieve a trade-off between global experience and local context, it is still **reliant on globally mobile leaders able and willing to relocate**.

Others still are taking advantage of a more globally mobile workforce and **opting for 'locally hired foreigners'**, and while this may be **more cost effective in the short term**, organisations have limited control over the career choices of these individuals and therefore **less flexibility in redeploying them**.



Observation 3 Achieving the right cost-to-value

In the era of globalisation, **sourcing senior talent has become more accessible**, prompting a closer examination of the **cost of leadership**.

To **safeguard business continuity** and **enhance value creation**, the **leadership allocation framework** must take a more holistic approach and look **beyond cost** to instead assess **cost-to-value dynamics**.

This involves establishing a **sustained alignment** between the strategic significance of **regions, hubs and organisational assets** with top leadership.

A well-defined **cost-to-value framework** is essential to protecting business value, ensuring that shifts in leadership models do not pose a risk to organisational strategy. Rather, the framework should facilitate focus on **strategic locations, specific assets** and **organisational value streams** when assessing the **leadership talent approach**.

Creating a more **sustainable global talent pipeline**

Change is needed to keep pace with the dynamism of emerging market economies, developing technology and the DEIB agenda.

Six actions organisations can take to accelerate this shift and drive a more effective response:

-  Enhanced **Strategic Workforce Planning** and **talent practices** that diversifies the pipeline and aligns strong leaders to business priorities
-  Implement a **globally defined but locally led talent model**, better able to respond to **specific market and business needs**
-  Conduct **regional or market-level skills assessments** to identify **skills gaps** and **target investment opportunities**
-  Invest in **tailored leadership, coaching** and **skills transfer initiatives**, focused on **talent** roles in **emerging markets**
-  Conduct **culture assessments** to understand the specific **barriers** to local talent development in **priority markets**
-  Conduct a **talent strategy assessment** to refocus on **reducing bias** and **hiring for values** and **fit** over proven experience

How can we **accelerate** this shift?



Some firms have looked to disrupt the model by **challenging the 'success criteria'** on which individuals are **selected or promoted**. **Removing bias** towards Western behaviours is a big topic in building more diverse and **local talent pipelines**, and while the intent is encouraging, assessing for values and potential rather than skills and experience, the implementation of such initiatives has brought **varying degrees of success**.

A critical factor in ensuring a measurable and lasting impact is in having **the right mentoring, support and development opportunities in place**, such as high potential staff networks, targeted skills transfer programmes, gender equity forums and support initiatives with allies and advocates.

Our network and expertise

Organisations must proactively address these issues to create a more sustainable talent pipeline, maintain a competitive edge in developing economies and further embed the ESG agenda through responsible practices. We support clients to enact fast paced, meaningful change and shift the dial on the talent agenda to respond to the emerging market need.

How we support our clients



People Strategy & Workforce Planning

We help our clients decide **what** they want to achieve, and **how** to make it happen.



Talent Models & Organisational Design

We deliver our clients' **purpose** and **ambition** by designing a **healthy organisation** that is responsive to market needs.



Organisational Development, Culture & Skills

We **introduce** and **build** effective **leadership behaviours** to help nurture **healthy** working cultures **globally**.



Change & Implementation

We provide the support our client organisations need to help **enact change** and make it **stick**.

Our offices around the globe



To learn more about how we support our clients with their talent and future workforce challenges, [click here](#).

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Let's chat.

Our team would be delighted to speak with you



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Q5. The **art** and **science** of organisational health.