

Looking beyond the obvious

Featured News

Globalization and new opportunities for growth

A recent Ernst & Young report, [Looking beyond the obvious: Globalization and new opportunities for growth](#), interviewed Clarke Murphy on how leading global organisations are tackling growth in the globalised world.

Clarke Murphy is the Chief Executive Officer of Russell Reynolds Associates, the executive search and assessment firm, and serves on the Board of Directors. He has over 20 years of experience in the executive recruiting industry and joined Russell Reynolds Associates in 1988.

Ernst & Young: How should changing economic times affect leadership styles?

Clarke Murphy: Different economic times require different types of leadership. At the millennium there was the vision thing and guidance around the role of technology. Then there was the offshoring and outsourcing of manufacturing. Then we had a financial crisis and leadership is all about survival, so you need great operators. Today it's all about the speed of change and having the flexibility or nimbleness to evolve the business, often with the support and enablement of technology.

However, you can be a great operator, you can be highly flexible, you can understand a rapidly changing world, but in any market if you can't communicate well with your employees then you won't succeed. We've seen very successful executives with the first two competencies that didn't have the third and failed.

Ernst & Young: In what ways do emerging markets offer different leadership challenges?

Clarke Murphy: In rapid-growth markets in particular, you have employees who sense that they have an entrepreneurial opportunity even though they're working for a multinational. They expect and need some flexibility on pricing and on marketing. I do think the leaders in larger corporations - and even expanding midsize companies - are saying that to have a local market you need to offer some flexibility to work on pricing schemes and other activities.

We're also going to see a corporate approach to holistic investment in countries of Africa and Latin America, by which I mean their investment is not strictly commercial, supply chain or revenue driven. Instead investment is in the country itself for a long-term sustainable business. You've seen that for better or worse with oil companies over the last decade - you

did not see this with them earlier. Now we see the same trend in telecommunications, wireless, rare earth elements, many kinds of areas.

Ernst & Young: Does this new approach to holistic investment inform your executive search process?

Clarke Murphy: Yes, our work reflects this holistic approach, in Africa for sure, and we're seeing it in other countries over time. They need to be committed to stability, infrastructure, education, health, and nutrition, which is as important to the country as it also is to their business. If you look at Ethiopia for instance there are only two paved highways. They are now constructing three and four and who's doing it? Chinese companies working with the Ethiopian government to create the highways to help the country to, ultimately, help their supply chain.

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