How to manage my Headquarter?

Business Breakfast Bratislava

March 25th, 2014

Andreas Philippitsch
Amrop Jenewein - Vienna
How to manage my headquarter?

Questions from invitation:

- What HQ expects from local managers?
- Are the HQ decisions helpful or harmful to achieving local targets?
- How changes at HQ impact country management?
- How strategically manage relations with HQ to achieve balanced relationships?
- To what extent the local success depend upon relationship with HQ?
How to manage my headquarter? Different views!

1. Headquarters view
2. Country Management view
3. Sidestep: impacts on HR
4. Competencies view
Introduction

Andreas Philippitsch
Partner Leadership Services

1997: Ernst & Young Consulting
2001: Capgemini Consulting
2007: First Data International
2009: Executive Consulting
2012: Amrop Jenewein
How to manage my headquarter? Different views!

1. **Headquarters view**

2. **Country Management view**

3. **Sidestep: impacts on HR**

4. **Competencies view**
Headquarters first look on themselves

Headquarter Global

Headquarter EMEA

Regional Headquarter Central & Eastern Europe

Austria / Poland / Slovakia

CEE Subregions

HR CEE

FINANCE & HR Global

Shared Service Centers

Center of HR Expertise

Comp & Ben

Leadership Dev.

Recruiting

„strong line“ Reporting

„dotted line“ Reporting

„Alignment“ & Support

CEO

CFO

HR

HR Local

HU

CZ

SRB

HR Local

HR Local

HR Local

...
Main findings:

- Turning corporate centers into **key drivers of operations**
- **Increasingly assuming functions** that go beyond representation, management and governance
- HQs represent a **cost factor** of between 2% and 7% of their group's sales

Source:

*Roland Berger Strategy Consultants: Corporate Headquarters 2013 (86 corporate headquarters in Western Europe, global business)*
Headquarters will provide new services for real contribution

- Besides traditional tasks such as finance, accounting and controlling, HQs must focus on 5 key capabilities:

  1. providing strategic direction
  2. managing complexity
  3. driving innovation
  4. working in global networks
  5. ensuring the execution of actions worldwide

What is the impact for local country management in CEE?

Source: Roland Berger Strategy Consultants: Corporate Headquarters 2013 (86 corporate headquarters in Western Europe, global business)
HQs are constantly identifying the overall cost structure.
How to manage my headquarter? Different views!

1. Headquarters view
2. Country Management view
3. Sidestep: impacts on HR
4. Competencies view
Country Management first look on themselves

Diagram showing the structure of the organization with roles such as CEO, CFO, HR, and HR CEE. The diagram is color-coded to indicate "strong line" and "dotted line" Reporting, as well as "Alignment" & Support.
Country management is either “Sales” or “House waiting”

- The future role of a country manager has to follow global or regional decision processes – your influence as CM is gone ...

Welcome in the world of matrix revolution and increasing complexity!
Why are matrix organizations so popular?

- Because of – a very personal view ...

+ Organizational development phases

- “Me too” decisions

+ Good in theory

- Poor execution

+ Handling complexity

- Wrong assumptions

Regardless of any structure: people and culture make the difference!
Functional changes result in uncertainty and more complexity

WHO and WHERE is my boss?
How to manage my headquarter? Different views!

1. Headquarters view
2. Country Management view
3. Sidestep: impacts on HR
4. Competencies view
Changes in structure reduce retention of managers

Main findings:

- 85% of managers are interested to change their actual jobs
- 46% of managers are „highly interested“ to move on
- 16,4% complains about increasing work pressure (constantly growing)

Source:
Stanton Chase: Führungskräfte Barometer 2013 (1,500 managers in Austria)
HR is heavily affected by additional tasks for HQ or business

1. HQs are getting more international – transferring foreign staff – from CEE outside

2. Support new roles of country and local senior managers in CEE

3. Paradox handling: achieve more with less
Expectations from country management towards HR increase

4. Leadership retention by individual development
5. Outsourcing of HR functions within and to CEE
6. Lack of local culture
How to manage my headquarter? Different views!

1. Headquarters view
2. Country Management view
3. Sidestep: impact on HR
4. Competencies view
Traditional career paths are no longer existing

Position driven career:

- Global Manager
- Regional Manager
- Country Manager
- Line Manager

Content driven career:

Responsibility

New definition of own responsibility
### Competencies for country management position

<table>
<thead>
<tr>
<th>Basics</th>
<th>Add on</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Content specialist</td>
<td>▪ Responsibility</td>
</tr>
<tr>
<td>▪ Result driven</td>
<td>▪ Entrepreneur</td>
</tr>
<tr>
<td>▪ Active Communicator</td>
<td>▪ Discipline</td>
</tr>
<tr>
<td>▪ Manager</td>
<td>▪ Persuasiveness</td>
</tr>
<tr>
<td>▪ Self-management competence</td>
<td>▪ Leader</td>
</tr>
</tbody>
</table>

Competencies are influenced by organizational life cycle – be agile
Different “Life Cycles” (corporate & personal) have to fit

- Basics
- Personal skills
- Self awareness
- Team leading
- Unit leading
- Organization leading
- Strategic leadership

Corporate request

Life Cycle – corporate & personal
- valuation and development recommendation are based on corporate & personal “life cycles”
Conclusion:

- Your headquarter is a key stakeholder (like clients) – manage it!
- Performance is still one of your best arguments – achieve it!

Outlook:

- Be agile for your content driven career – balance “life cycles”!
- Answer to more complexity: simplification – execute it!
Thank you!