



## The role of the Regional Leader in times of crisis: local hero or unwanted expense?

Cost saving target or indispensable local leader?  
In time of worldwide crisis, they play an even more critical role in global leadership

**As the Covid-19 Pandemic worsens, Iain Martin revisits the pivotal role played by territorial heads in large corporations.**

“Some of our clients perform this function for global corporations. It demands a very special range of leadership skills, local contacts and territory knowledge. Never more essential than in time of global crisis!

Supporting them in such pivotal roles is one reason why we maintain three locally-based coaching teams in Europe, Asia and USA.”

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Interesting role, isn't it - that of the regional or country head? Often these are the 'unsung heroes' of the corporation, most visible only when a scapegoat is needed or when playing local escort to visiting corporate celebrities.

“Think global, act local” is the oft-repeated mantra of head offices located in far-off parts, in places as varied as rural 'one-horse towns' and major financial centres. Often their locations result from historical reasons such as the presence of river water for mechanical machine power, access to merchant finance or the source of basic chemicals for their early products.

They mostly share three features:

- their locations are no longer relevant to the global business but they are tied to them out of community loyalty, local networks, inherent corporate knowledge or sheer inertia
- they are a long way from their international markets
- they house experienced senior leaders who have first-class macro business perspectives and detailed product knowledge but who may have little current awareness about conditions on the foreign ground.

### **Local Leaders - the Corporation's Special Forces**

Just as a country's Special Forces serve as Military Command HQ's 'eyes and

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ears on the ground' to spot trouble and verify targets, so country and regional leaders provide local insights and personal influence to support corporate head offices.

In the past, this combination has greatly assisted the successful growth of global business. And never has their presence been more critical to the survival of a global enterprise in its worldwide markets than in today's Covid-19 Crisis. In normal times, head office leadership conveys a unique aura of power. To the regions, those distant figures communicate their authority with the visual reinforcement of the trappings of control. The best leaders will repeatedly communicate a persuasive corporate vision to engage the worldwide workforce. Some, however, will rely on the theatrical props of headquarters management – the spacious corner office, the wide desk, the imposing high-backed chair and the ego wall behind.

**Global Leaders are Human too!**

But now, like everyone else, imprisoned in the confines of homeworking and excluded from those plush offices, does the typical head office leader not suddenly become much more human, and not always in a positive sense? Online video meetings reduce the imposing boss to a mere 'talking head', confined to using only voice and facial expressions to convey their wishes and opinions. Gone are the theatre props, replaced by a mundane home-office background and intermittently interrupted by the distant barking of the family dog. Unable to travel, the head office leader can no longer be present in the field. Thus, literally disembodied and figuratively disempowered, the head office manager cedes de facto power to the locally familiar persona of the regional leader: the man or woman 'on the spot', known and trusted by local markets, politicians and media.

**Cost-saving or Costly Mistake?**

The regional or country leader was always, in normal times, regarded with suspicion as a rival power base and a candidate for cost-cutting. Sadly, the ever-growing demand from impersonal short-term investors for profit growth has pressured corporate leadership to cut costs. Often this has meant reducing headcounts and, since it is not easy to offer to cut off your own head, global HQs have eliminated or downsized remote regional organisations instead. While this has indeed led to some trimming of redundant overlap, it has much more eliminated the 'eyes and ears' of the business in its global markets. In complex countries and regions, this has been costly. It promises to be even more so in the current crisis and its aftermath.

It may seem like a smart cost-saving now, but global corporations must be aware of the hidden costs of what happens without the inside information and local influence of regional leaders. Even more damaging perhaps, is the cost of what does *not* happen. Well-run country and regional leaderships play a key role in sustainable business success, in normal times and in crisis.

### **Influencing with Trust and Two Faces**

Part-diplomat and part-business leader, regional or country presidents often have wide responsibility with little power, thus calling on the highest level of influencing skills to achieve anything. The job demands careful balancing of pressures from the local communities and markets against those from the remotely based managers of global business units.

Territory heads need to be skilled 'two-faced' operators. That is, they need to know the markets, the socio-political forces and the external influencers/decision-makers in their territory and, at the same time, understand the levers of power politics inside the corporation. More important than anything in crisis times, they also need to be known as the comforting and trusted local presence to customers, influencers, employees, the media and politicians.

### **To Cut or Not to Cut – that is the Question!**

Usually seen as an expensive cost centre, local heads are often under the 'cost reduction' microscope for cosmetic short-term gains and under suspicion by global business unit leaders who carefully guard their own decision-making power.

Done well, local representation is a first-class training ground for business leaders with potential for the highest corporate levels. Done badly, it can cost the business dearly.

***In the current global crisis, effective regional and country leaders are indispensable links between customer, community and the corporation.***