

Building leaders, changing lives: A decade of youth development in ASEAN

For over a decade, McKinsey's been committed to empowering youth in support of Southeast Asia's vibrant future.



Positive, enduring change

Southeast Asia is an economic powerhouse, with some of the fastest growing consumer markets in the world and a young, digital-savvy population. The region's youth are a source of creativity, dynamism, and high economic potential.

However, education and skills gaps still inhibit this potential. Of the 700 million young people in the Asia-Pacific region, around 300 million are employed—but many of those employed have low-quality jobs with little pay.¹ In addition, the number of youth not in employment, education, or training is increasing.

The unfolding fourth industrial revolution has added a new dimension to the challenges of poverty, lack of skills, and unemployment that many young people face. Sought-after skills are evolving, and may evolve further as advances in technology may displace or alter jobs susceptible to automation. But throughout the region, advances in technology hold the power to create new jobs in new industries that could offset or even exceed job losses.

Skills development is the key to empowering Southeast Asian youth to rise above these challenges, build a better future for themselves, and become the leaders of tomorrow. This is why McKinsey is committed to youth development through a variety of programs that provide skills, offer mentorship, and build leadership capability. We hope to play a part in enabling Southeast Asia's youth to flourish in life, in business, and in their communities—helping to fulfil their potential in the region's growth agenda. We have been honored to participate in this journey and to contribute to the region's sustainable inclusive growth.

In this report we reflect on challenges and impact, and outline our aspirations for youth development in the future. We also share the ambitions and achievements of the inspiring young men and women who are taking the lead in building a better future.

“Young Leaders for Indonesia (YLI) has been a life-changing experience for me that shaped me to become a more structured and organized individual, especially in solving problems, and turned my dreams into reality.”

—Juan Oktavian Daniel, YLI graduate

¹Youth employment in Asia-Pacific," International Labour Organization, <https://www.ilo.org/>.

²"Global employment trends for youth 2020: Technology and the future of jobs" International Labour Organization, 2020.

A look at the region's potential

Leadership capability, business skills, and life skills are key to preparing the youth of today to become the leaders of tomorrow.



The region holds great economic promise, but young people face significant challenges in career development aligned with inclusive economic growth. The number of young people not in employment, education, or training (NEET) has been growing since 2012. In the South-Eastern Asia and Pacific region, the total NEET rate was higher than the global average of approximately 22 percent.²

Investment in accessible education and training can be a powerful tool in closing the skills gap and providing employment for the region's youth. But the fourth industrial revolution has added a new dimension to this challenge in that sought-after skills are evolving. World Economic Forum research indicates that young people in ASEAN countries are highly aware of potential disruptions and challenges that the fourth industrial revolution may bring to their employment prospects. Approximately 9 percent of youths believe their current skills are already outdated, and a further 52 percent believe they must upgrade their skills constantly.³

³ "ASEAN Youth: Technology, Skills and the Future of Work," World Economic Forum, August 16, 2019.

McKinsey insights on the future of work in the region highlight that addressing skills transitions is critical to boost productivity and safeguard employment. For instance, in Indonesia, automation could displace as many as 23 million jobs by 2030,⁴ and up to 4.5 million workers could be displaced by automation in Malaysia by the same date.⁵

Equipping Southeast Asia's youth with the necessary skills to thrive in this new environment is critical. Across the region, skills likely to be in high demand include technological skills, socio-emotional skills, and higher cognitive skills linked to creativity, complex information processing, and problem solving. Leadership capability is an important element in providing access to opportunities to unlock performance improvement for individuals, businesses, communities and countries.

To achieve this, McKinsey and its partners support initiatives that develop business, leadership, and life skills to prepare the youth of today to become the leaders of tomorrow.

“The youth define the future of the country. Be proactive—learn, explore, experiment, and take risks. Also, develop your network, learn from others, and share insights and knowledge where you can.”

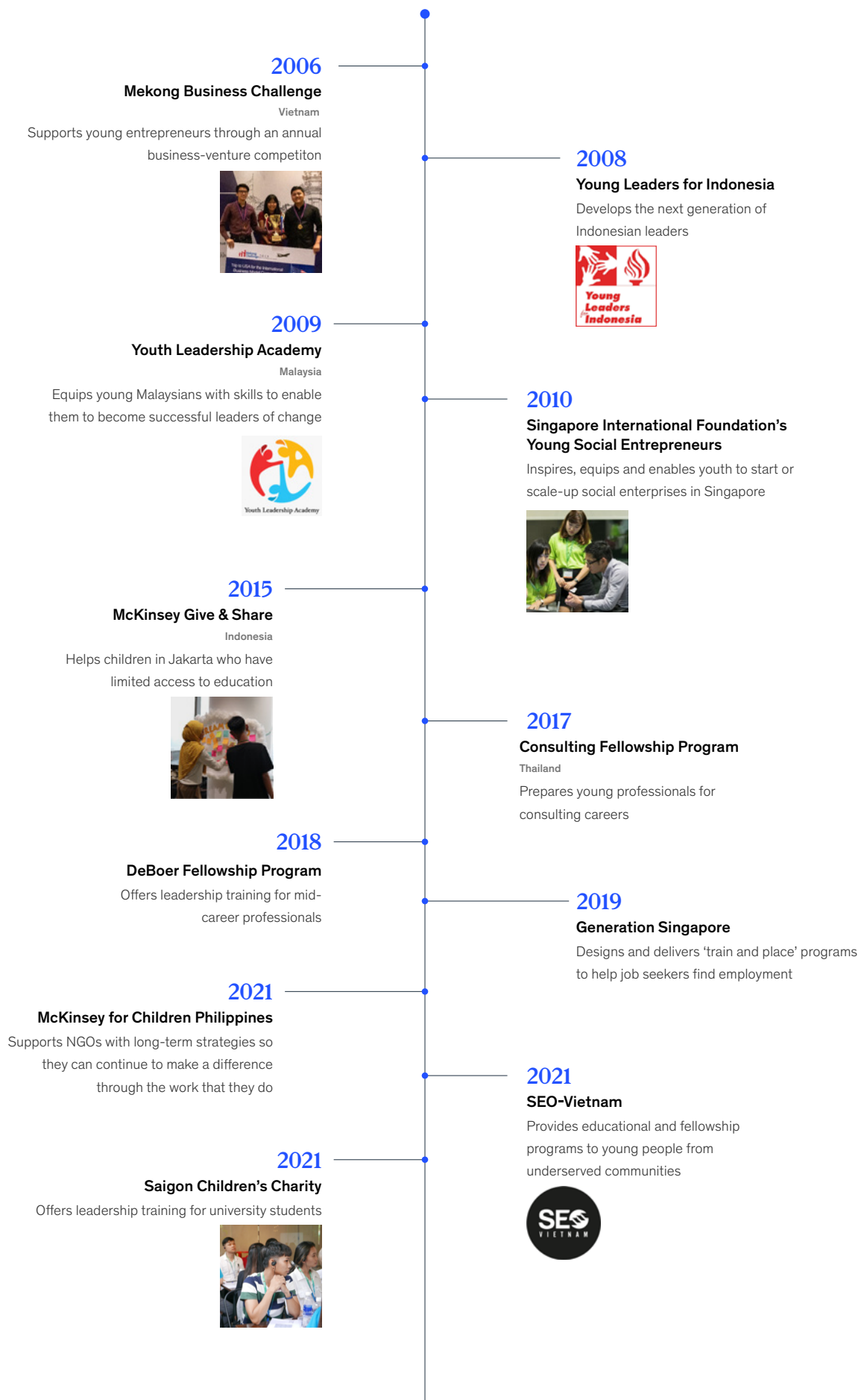
—Farih Rahim, YLI graduate and
Business Analyst at McKinsey & Company

Developing tomorrow's leaders

Our programs are designed to develop skills that can empower young people to change their lives and uplift their communities. In contrast to traditional classroom learning, programs are built around experiential learning that provides concrete skills to tackle real-world problems, and participants are given mentorship and support throughout their learning journeys. We also believe in fostering the types of skills most needed in a fast-changing world, such as creativity, problem solving, and socio-emotional skills. Some programs lead directly to employment. For instance, in Singapore, Generation is collaborating with SkillsFuture Singapore and educational institutions to develop demand-driven 'train and place' programs.

⁴ Kaushik Das, Phillia Wibowo, Michael Chui, Vishal Agarwal, and Vivek Lath, "Automation and the future of work in Indonesia," McKinsey & Company, September 2019.

⁵ Ee Huei Koh and Nimal Manuel, "Automation and adaptability: How Malaysia can navigate the future of work," McKinsey & Company, February 2020.



The following **five key principles** underpin our programs:

1

Business skills *and* life skills

Our programs offer a broad mix of holistic skills to prepare participants both for life and their careers, such as communication skills and leadership capabilities. For example, in Vietnam, McKinsey collaborated with Saigon Children's Charity to launch the charity's Leadership Accelerator workshop in May 2021 that exposed university students to communication skills that can lay the foundation for professional success.

Many programs for university students are designed around three focus areas: building industry knowledge and business acumen; strengthening professional skills such as communication and time and project management; and fostering a leadership mindset. For example, a July 2021 SEO-Vietnam program included workshops covering such topics (Exhibit 1).

Exhibit 1

A typical McKinsey skill-building partnership involves workshops that cover mindset, industry knowledge, and business skills.



Workshop 1: Mindset leadership

- Trust
- Get over fear of conflict/failure and courageous conversation
- Stress management and bounceback
- Giving and receiving feedback



Workshop 2: Industry knowledge

- Ecosystem
 - Synergies between entities within an ecosystem
 - Success factors for ecosystem players to win in Vietnam
- Vietnam specific + COVID-19 impact
 - Key themes to fuel Vietnam in 2021
 - What will it take to achieve Vietnam's long-term growth aspirations



Workshop 3: Business problem solving and presenting skills

- Business problem solving
 - 7 steps problem solving
 - Case problem solving
- Consulting: Life as a consultant?
- Story lining—How to tell a good story and presenting with impact
- Time and project management feedback

Many students found that being exposed to a leadership mindset gave them the building blocks to apply what they've learned to situations in daily life. One student said, "you talked about the models, the steps... but for me, I think it's about keeping the right mindset; either it's about leadership, conversation, or giving and receiving feedback. This is the most important aspect that I will try to apply in my daily working."

2

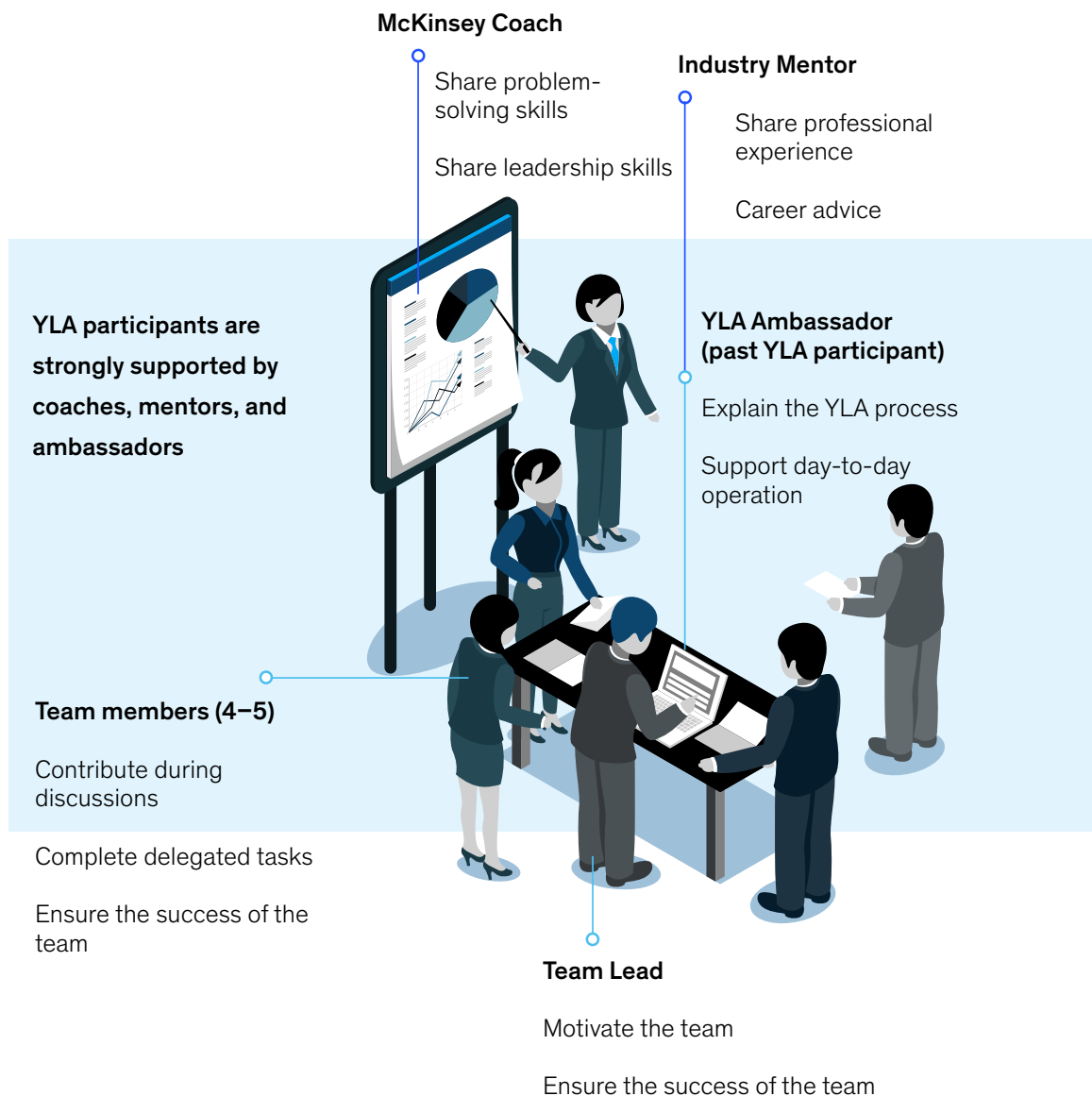
Community impact

Participants use their new-found skills to solve real problems in their communities and are encouraged to start commercial businesses as well as social entrepreneurship ventures. Programs give aspiring entrepreneurs practical, actionable advice on how to turn their dreams into thriving businesses. The Singapore International Foundation's (SIF) Young Social Entrepreneurs (YSE) program includes capacity building workshops; networking opportunities with like-minded individuals, corporations, practitioners, and entrepreneurs; mentorship from industry experts; overseas study visits; and financial support. And it not only sets entrepreneurs on their journey, but gives them the skills to build businesses that stand the test of time.

3

The importance of mentorship

Mentorship is as a key learning mechanism and a support structure that enables participants fully to engage with our programs and learn from others who have travelled similar paths. For instance the Youth Leaders Academy (YLA) program builds mentorship, coaching, support, and career advice into its design.



4

Field and forum approach

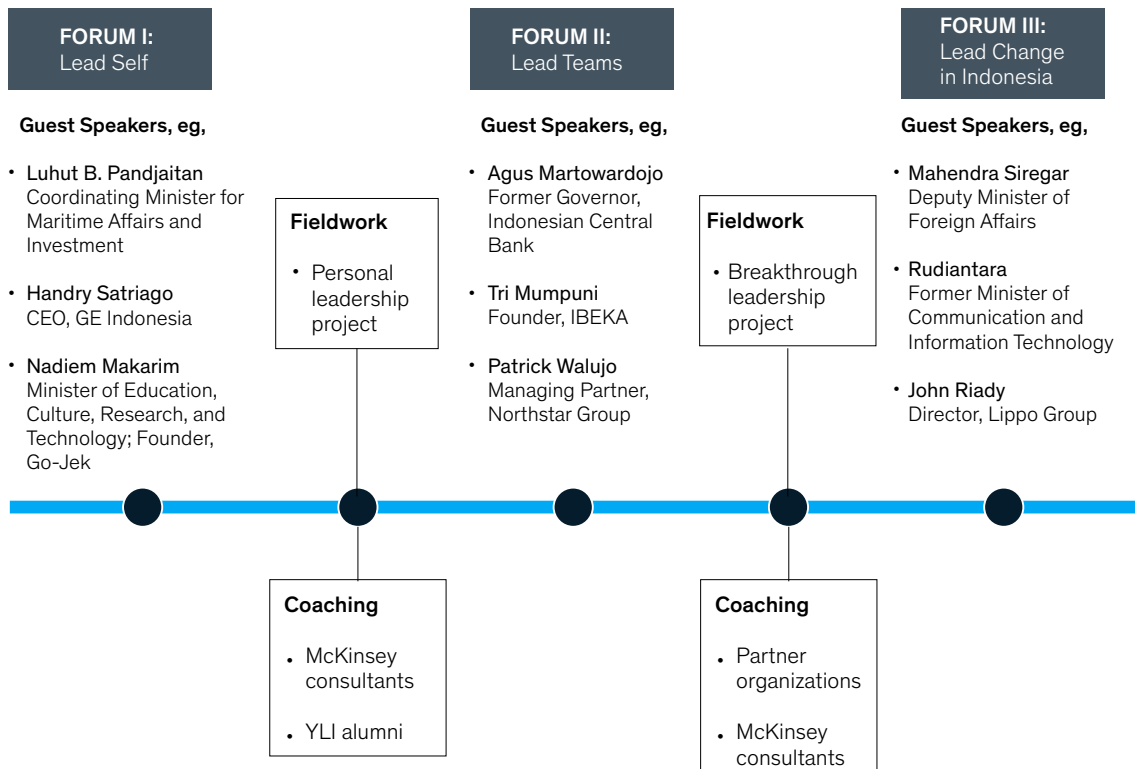
Programs combine classroom-based instruction with experiential learning. For instance, Young Leaders for Indonesia's six-month program combines training modules covering themes such as 'lead self', 'lead team', and 'lead change' with time to reflect and apply learning to real-life projects (Exhibit 2).

Between the first and second module, students launch their own personal leadership projects where they have the opportunity to apply leading-self skills that they have learned. Students need to plan, develop, manage, and evaluate these personal leadership projects, and are encouraged to design initiatives that create a positive impact in their communities.

Between the second and third modules, students take on a breakthrough leadership project—a team project that gives them the experience of working with participating organizations in a professional team setting.

Exhibit 2

Young Leaders for Indonesia develops a pool of top talent and the next generation of leaders in Indonesia.



5

New skills for a new world

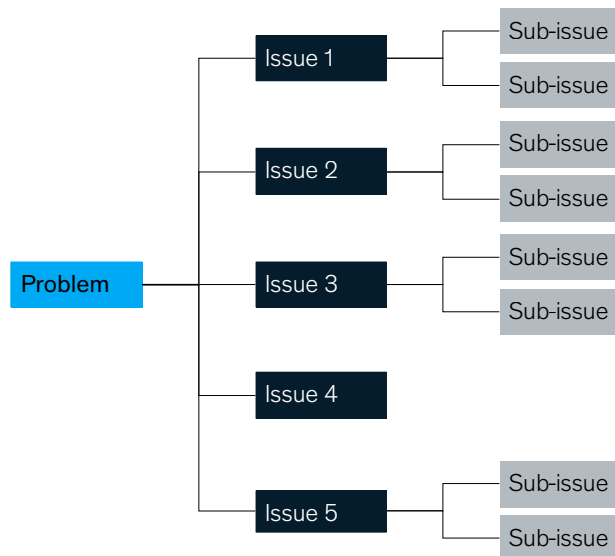
Programs foster the types of skills most needed in a fast-changing world, such as creativity, problem solving and socio-emotional skills. These skills build leadership potential and lay the foundation for successful careers. For instance, many programs teach how to approach problem solving through logic (Exhibit 3).

Exhibit 3

A problem solving tool that breaks a problem into discrete chunks.

Why use logic trees?

- To break a problem into component parts
- To ensure integrity of the problem solving is maintained
- To build a common understanding within the team of the problem solving framework
- To help focus team efforts



Many students find this approach helpful and applicable in their work. After a problem solving workshop that McKinsey delivered through the DeBoer Fellowship in May 2019, one participant said, “The most useful lessons are approaching problems and issuing problem trees, as the team focuses more on finding answers instead of thinking about the right questions.”

**“I was inspired to dream big and think differently—
and to shift my perspective from ‘me’ to ‘we’.”**

—Eunice Loh Tze Ying,
Youth Leaders Academy (YLA) graduate

Reflecting on impact

For more than a decade, McKinsey has launched programs and partnered with organizations in the region to build tomorrow's leaders. Our efforts focus on targeted interventions that develop local talent, prepare individuals for the workforce, and support young entrepreneurs who go on to build businesses that have a positive impact in their communities. Our involvement in these programs is essentially people-driven and entrepreneurial, based on our wish to further the potential, opportunities, and capabilities of youth in the region.

10+

years

7

countries

11

programs

Flagship programs

Young Leaders for Indonesia (YLI)

YLI is an intensive six-month program for final-year university students that has helped to develop the pipeline of Indonesia's future leaders. Originally, YLI was intended to run for two years, but it has become a long-term commitment—a testament to the program's resilience and its success.

McKinsey is proud to have served as a knowledge partner for the program since its inception, and has built a strong YLI community within the Jakarta office. Leadership development is an integral part of McKinsey's approach in the countries that it serves and YLI is a direct expression of this in action.



YLI's annual conferences continue to connect participants to top Indonesian leaders to facilitate conversations for the betterment of the country. More than 150 speakers, including ministers and CEOs, have inspired these young students.

The program has seen more than 1,000 graduates to date and feedback shows that YLI is highly regarded, as 90 percent of graduates rate it as exceptional. The program builds leadership skills, provides business experience through practical projects, and offers mentorship and coaching. As part of the program, students launch their own personal leadership projects that create positive impact in their communities—and 80 partner organizations have contributed to more than 160 of these projects to date.

Over the past 12 years, YLI's graduates have become leading figures in global public-sector initiatives, and have built businesses and social entrepreneurship ventures that benefit their communities. For instance, Belva Devara and Iman Usman met through YLI in 2011 and have since launched Ruangguru, the largest online education platform in Indonesia.

Ruangguru now reaches more than 22 million students and 300,000 teachers. Furthermore, in 2015, three YLI alumni—Windy Natriavi, Dayu Dara Permata, and Fransiska Handiwidjana—were named as leading figures in Indonesia’s next generation of tech startups by Tech in Asia.

Some alumni have embarked on careers with leading global companies, such as Ignasius Ryan Hasim, who is a Market Operations Lead for Indonesia and Bangladesh at Google.

In the public sector space, Puteri A. Komarudin has become one of the youngest female legislators in Indonesia where she is part of Commission 11, focusing on finance, national development planning, and banking. Niwa R. Dwitama ventured into the world of diplomacy, and is now a diplomat at the Permanent Mission of Indonesia to the United Nations and WTO in Geneva, Switzerland. Andhyta Firselly Utami is also creating an impact in the public sector as an environmental economist with the World Bank in Jakarta.

“YLI is a fantastic program that is able to attract the best talent in Indonesia. I’m very proud of the association. It only takes a few people in Indonesia to make a difference, and these are the few that I think Indonesia is going to need going forward.”

— Gita Wirjawan, former
Minister of Trade, Indonesia

Mekong Business Challenge (MBC)

MBC is an annual competition that supports young entrepreneurs in Cambodia, Laos, Myanmar, Thailand, Vietnam, and Bhutan to launch their social and business ventures. MBC connects entrepreneurs with international and local businesses, angel investors, and key academics. Every year since 2006, McKinsey has coached 10 venture teams and helped them to refine their business models for the competition.

Although the competition was initiated by McKinsey and the firm continues to sponsor it and coach participants, other companies have joined and become part of the movement. The competition was launched in Cambodia, but has since spread to other countries with no connection to McKinsey locations. Our role is purely to give back to the economies and the workforces of these countries.

Since inception, MBC has seen 390 participants and the competition has launched 15 new businesses in the region. For instance, Brown Coffee & Bakery, was started by a group of young Cambodian entrepreneurs in 2009 and is on track to become a regional business after expanding to 21 outlets across the country.



In Bhutan, another MBC participant has started an organic mushroom business. After noticing that Bhutan's appetite for mushrooms was on the rise, entrepreneur Deepak Kumar Chamlagai aspired to provide consumers with local organic mushrooms. Two years since presenting his idea at the MBC, Deepak has been successfully scaling his mushroom business.

Another business, Edemy, was founded after the team won the MBC title in 2016. Edemy, founded by an MBC graduate, developed Cambodia's first competency-based learning platform for learning STEM and English, reaching more than 100,000 high school students.

“MBC gave us a starting ground to move from ideation to prototyping to full product. To aspiring leaders I say: Know your ‘why’, have a clear goal, and don’t be afraid to experiment.”

—Sovan Srun, founder and CEO, Edemy

Youth Leadership Academy Malaysia (YLA)

YLA was established in 2009 to help Malaysia's most talented young leaders achieve their full potential. Through workshops, mentorship, and hands-on projects, the 12-week program helps top university students develop the skills, knowledge, and experience to become leaders of change.

The program consists of four pillars: problem solving and leadership capabilities; social entrepreneurship; a speaker series with influential leaders; and personal mentoring and coaching from a host of distinguished business leaders. Mentors include Chan Soon Seng, CEO of Teach for Malaysia; Chen Chow Yeoh, Co-Founder of Fave; and Greg Blackwood, Chairman and Co-founder of Genuine Interest Ltd.

YLA has seen 480 graduates to date, and more than 60 social entrepreneurship projects have been launched as a result of the program.

Recent examples of alumni impact include Ibupreneur, an online marketplace that sells premium baked goods produced by Malaysian women. The company envisions a world where all women are economically empowered.





Aida Zunaidi, YLA graduate and co-founder of Ibupreneur, shares her story:

“I’ve always been entrepreneurial. At university I launched my own café that provided healthy food options, as none were available. Looking back on it now, that was my first act as a social entrepreneur, even though I hadn’t been exposed to that concept yet. I just wanted to make a difference in my community. Of course it was very challenging—I had no business background, I was very young and inexperienced, and my team was made up of recent graduates from the culinary school.

Later I realized I wanted to focus on empowering women, which was one of the topics at YLA. I joined the program because I wanted to learn how to approach problem solving and get practical advice on running a business which requires a different kind of framework in your thinking. Also, the program has an intensive screening process, so I knew that my cohort would be made up of the best students, and I was looking forward to the opportunity of working with the top talent in Malaysia.

One of the key learnings was around leadership. YLA taught me how to be a leader, which can be tough, especially as a young woman. I learned that to lead a team, you must drive everything with a vision. You must also understand the people that you are working with. At Ibupreneur, if we didn’t have that resilience, the motivation, and the belief in what we were doing, we wouldn’t have survived as a social enterprise. We’ve certainly grown a lot. It relates back to finding your purpose as an organization. Everything we do has to have a ‘why’. We need to understand the real purpose in everything that we do. And we also need to value ourselves, be able to stand our ground and know what’s right and what’s wrong.”

“Each of us can point to moments that radically changed our life’s trajectory. For me, YLA was that moment. I emerged as a better leader, a better problem-solver, and a more confident person. It inspired me to dream about making ripples of change that can affect all of society.”

— Kenneth Chung, YLA graduate

Other programs

We work with **Singapore International Foundation's Young Social Entrepreneurs** program to help young entrepreneurs establish or scale-up businesses and social enterprises in Singapore and further afield. The eight-month YSE program culminates in participants pitching their business models in a competition for seed funding—McKinsey consultants mentor teams for at least six months to help them refine their business models and prepare for the competition.

We partnered with **The DeBoer Fellowship Program** in Myanmar to offer leadership training for mid-career professionals in the social, public, and private sectors. Our consultants offered workshops and training session to help these young leaders build their problem-solving and communications skills.

We offer similar workshops in partnership with **SEO-Vietnam**, an affiliate of Sponsors for Educational Opportunity, that provides educational and fellowship programs to young people from underserved communities.

And in recent work with the **Saigon Children's Charity**, we helped to design and deliver the inaugural Leadership Accelerator workshop that focused on effective communication skills, setting university students on a path to entering the job market.

Our programs also offer support for individuals wanting to further their careers. For instance, the **Consulting Fellowship Program** in Indonesia, Vietnam, Thailand, Myanmar, and Sri Lanka, prepares young graduates and working professionals to embark on consulting careers. And **Generation** designs and delivers 'train and place' programs to help job seekers find employment. In Singapore, Generation is collaborating with SkillsFuture and higher-education institutions to offer participants certification programs in future-oriented skills including digital marketing, engineering, and customer management. This initiative hopes to help 1,000 job seekers find employment over the next three years.

Our definition of 'youth development' encompasses more than university students. Each year, **McKinsey Give & Share** mentors children aged between 8-16 years old. Most of these children are informally educated and under the care of non-profit organizations with which we partner. To date, McKinsey Give & Share Indonesia has mentored 250 children, raised \$12,000 in international donations, and engaged 150 colleagues from the Jakarta office as program volunteers. And **McKinsey for Children** in the Philippines supports NGOs with their long-term strategies so they can continue to make a difference through the work that they do.

“We are grateful for the support of McKinsey volunteer mentors who have journeyed with the Singapore International Foundation over the years to grow the YSE program from strength to strength. The young change makers often cite the mentorship scheme as the most valuable part of their program experience.”

—Jean Tan, Executive Director, SIF

Looking ahead

We're committed to building on our past strengths to increase our impact in the years to come. Our involvement in Southeast Asian youth development programs is essentially people-driven and entrepreneurial, based on our wish to further the potential, create opportunities, and foster capabilities of youth throughout the region. In fact, several McKinsey partner alumni remain involved in initiatives and programs to this day.

McKinsey colleagues, program leaders, and alumni share a common aspiration for the future—that the region's youth will channel their energy, intellect, and creativity toward what they are passionate about, while creating positive change in society.

“We should all continue to learn and to improve ourselves. Only by putting our best into what we do can we maximize our impact in our work and ultimately in our country.”

— Sovan Srun, CEO of Edemy and MBC participant