Fast Track
Accelerating the Leadership Development of High Potentials in Asia
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Fast Track: Accelerating the Leadership Development of High Potentials in Asia

A Report by Right Management and The Conference Board

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by Rebecca L. Ray, Ric Roi, Nandani Lynton, Amy Lui Abel, Gary R. Schmidt, and Nicholas Sutcliffe with Yolanda Lannquist and Kate Yan

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Introduction

In no part of the world is the shortage of leaders (and talent in general) more pronounced than in Asia, and in no part of the world is there greater pressure to develop leaders faster. Retaining top talent, accelerating leadership development, and engaging and motivating top talent emerged from our research as the three top challenges facing human capital professionals in Asia whose responsibility it is to align business strategy with organizational capacity. Based on numerous interviews and a survey of 210 executive-level human capital professionals in Asia, clearly the task is daunting:

- only 7.2 percent of survey respondents believed their company’s leaders are “very prepared” to address business challenges over the next one to two years, and 45 percent said their leaders are not prepared or only marginally prepared.
- Eleven percent of respondents have been very successful in identifying and accelerating leadership talent. Few have an adequate pipeline: almost 74 percent report being only somewhat successful at this endeavor, while 15 percent have been unsuccessful.
- This situation is exacerbated by significantly higher levels of turnover in Asia, particularly among high performers.

Survey respondents indicated that few leaders at their respective companies are very prepared and almost half are only marginally prepared. But there are successful companies that are finding ways to consistently develop the leaders they need to execute the strategies they articulate.

This report begins to frame the conversation about how top companies for leadership select, develop, and deploy leaders in Asia. It is based on The Conference Board research working group Accelerating the Leadership Development of High Potentials in Asia, whose members collaborated to study this topic (see p. 51 for member companies). Members included human capital executives from prominent organizations based in Asia. Each member aimed to enhance his or her knowledge around current leadership development initiatives and how practitioners are addressing challenges.

Building on author and educator Dave Ulrich’s leadership model (Personal Proficiency, Human Capital Developer, Strategist, Talent Manager, and Executor) from The Leadership Code: Five Rules to Live By, research working group members analyzed more than two dozen leadership characteristics and, based on survey and interview data, found that the three most important characteristics in Asia today are:

1. Global thinking and mindset
2. Leading change
3. Retaining and developing talent

These are also projected to be the most important characteristics in five years, which means that leaders in Asia will need to master:

- People engagement
- Navigating and making decisions in a complex, diverse, ambiguous environment
- Relationship building and collaboration
- Agility
- Cultural sensitivity

In general, our research found that the three primary factors shaping decisions about leadership development are:

1. the breathtaking rush toward globalization being driven increasingly by Asia, as many companies move from being local leaders to pan-Asian powerhouses and some become major players on the world stage;
2. an emphasis on experience; and
3. the increased demand for leaders that results in a compressed timeframe in which leaders in Asia must be forged—little more than one year in many cases.

Approaches to execution vary, but were surprisingly similar in that they share:

- A planned, structured, and formal process to develop high potentials
- A clear articulation of the selection criteria
- A clear roadmap of developmental opportunities
- A tracking mechanism to monitor progress
**Action Learning and Coaching Are Key Investment Areas**

In terms of investment, the vast majority of human capital leaders in Asia are either maintaining or increasing their leadership development budgets; only 8 percent of our survey respondents are decreasing levels of spending. The two areas of largest investment are in action learning (e.g., business challenges and simulations) and executive coaching/mentoring. Rotational programs ranked a close third.

What is the impact of those investments? While there is an ongoing debate on the exact ratios of education, exposure, and experience for leaders in Asia, there is agreement that accelerated development should primarily focus on exposure and job-related experience activities to more quickly close skills gaps and make the high potential candidates role-ready for their jobs. Our findings are that these four programs (often customized for local needs) have the greatest impact on developing leaders in Asia:

1. Action learning
2. International assignments
3. Rotational programs
4. Executive coaching/mentoring

Any of these may be found singularly in global programs, but together they constitute a demanding, fast-track program with an Asia flavor. The high value placed on experiential learning and the rapid globalization of regional companies are guiding factors in choosing these methods of leadership development.

*Focused skill development, executive education programs, and executive assessments* were rated as significantly less effective, and the purported impact of *social learning* was negligible.

**Critical Success Elements**

Critical elements of successful leadership development programs include:

- Holistic approach
- Transparent in the selection process
- Led by senior leaders
- Customized
- Measured in business terms
- Varied in terms of the development approaches
- Challenging
- Future-focused
- Experiential
- Global
- Broad-based
- Diverse
- Candid—even tough—in performance feedback

Of the many models and frameworks for accelerating leadership, members of the research working group selected one that provided a roadmap incorporating assessment, some foundational training and exposure, experiential learning, team action learning, critical experiences, and ongoing assessment after assuming a new role.

All in all, this study confirmed that, more often than not, leadership models and characteristics, as well as development programs, have more commonalities than differences, even when viewed from an East/West perspective. One strength in Asia is that, having grown up in a VUCA (volatile, uncertain, complex, and ambiguous) world, leaders there know what unbridled growth and its resulting turbulence is like and are better equipped to navigate an ambiguous terrain. However, they have not experienced economic downturns and are not prepared for them. Such preparation should come before that particular experiential development opportunity arrives. That is one area in which leaders in Asia may want to look westward for guidance.

Finally, leadership is a journey, one that takes time and offers a chance to absorb the lessons of the trip while appreciating the scenery. The risk of accelerating the development process is that leaders may arrive at the destination not quite knowing how they got there and, perhaps, not having brought all of the tools that they need.
Research Methodology

The goal of this report is to answer the question, “How are organizations accelerating the leadership development of ‘high potentials’ in Asia?” To thoroughly answer this, the methodology included several elements:

A survey was launched online, and responses were collected between June 12 and July 12, 2012. In total, there were 210 responses. Respondents were from 11 Asian countries (Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, and Vietnam). The majority of respondents were from multinational corporations, with approximately two-thirds headquartered in Western (North American/European) countries and one-third headquartered in Asia. Only 17 percent of companies operate in solely one country, while 35 percent operate in more than 50 countries. Companies varied in size, according to annual revenue and number of employees, and covered a range of industries (see Survey Respondent Profile, p. 50).

Interviews were conducted with leading talent development executives of prominent organizations based in Asia regarding their “best practices.” Discussions focused on determining what the organization defined as its own “best practices” in accelerating leadership development of their high potential employees. Interviewees also provided a brief outline about the company and its experience with talent development programs. Research working group members consolidated the interview notes into summaries for each company.

A literature review was developed to identify what companies are doing currently to accelerate leadership development and the impact of different programs. Sources included academic and business school publications, peer-reviewed journals, industry magazines, and consultancy publications. With a focus on Asia, the literature review covers research on practices ranging from experiential programs, action learning, and simulations to mentoring, coaching, job rotations, and others.

Company profiles from research working group members.

Top Research Findings

Rushing toward Globalization Initially pushed by the West, globalization is now also being driven by Asia. The definition of leadership and the evolving contents and methods for accelerating leadership development are increasingly coming from Asia and spreading globally.

Experience over Theory Research shows that companies are emphasizing experiential learning and job experience in their acceleration programs much more so than on theoretical discussions or classroom learning.

Speed and Acceleration In Asia, the Western timetable of giving a leader three to five years for certain job steps is often collapsed into less than one year. Accelerated development depends on rapid job rotations, stretch assignments, and appropriate support structures, as well as demanding that leaders at headquarters take a risk on talent.
Spanning the Talent Gap in Asia

Since the restarting of economic growth in China in the early 1990s, and increasingly following the global financial crisis raging since 2008, Asia is the focus for many of the world’s businesses. Thus, it is not surprising that there is a war for talent in the region. To fulfill their strategies and growth plans, companies need ever more local leaders and managers on the ground in addition to needing native Asians in global roles. Statistics show that hiring levels in the Asia-Pacific region are twice as high as in the West, with this competition driving salaries above levels known in traditionally expensive labor markets, such as London or New York.¹

As demand has risen, the supply of available talent has remained low. Demographic shifts, especially as a result of the one-child policy, result in there not being enough young Chinese managers; while there are more young Indians, few have the education and experience needed to work with international companies. In most other Asian markets, a combination of demographics, education, and hyper-investment means that companies across the continent are struggling to fill their management ranks. With the newer generations’ demands for a different employee value proposition added to the mix, it becomes clear why accelerating leadership development for high potentials is critical in Asia if organizations are to grow as they intend.

Growth Needs Local Leaders

Multinational corporations (MNCs) need strong, effective leaders to achieve anticipated growth. A 2012 report from The Conference Board on CEO challenges globally shows that human capital was the second-ranked critical challenge (behind innovation) for CEOs across Asia, and it ranked first in both China and India, where shortages of highly skilled talent and inflated wages complicate the operating environment and frustrate growth plans.² In the most recent 2013 survey results, human capital rose to be the top challenge for CEOs across the globe.³

Its importance to CEOs:

…emphasizes the view that, to continue the extraordinary growth trajectory in Asia, solving human capital issues (attracting, engaging, and retaining highly competent, innovative talent, as well as developing effective leaders to drive the business) is key to their success…. [G]iven the war for talent, the relatively shallow talent pool, the desire to expand beyond regional boundaries, and the realization that existing labor markets in Asia will not sustain the current (much less future) demands for talent, the CEOs’ number-one strategy to meet the Human Capital challenge is growing talent internally—a sound strategy in an expensive, wage-inflated talent market.⁴

These findings are corroborated by this research project (Chart 1), which found that the greatest challenges over the next 12 months to managing talent in Asia are:

1 Retaining top talent
2 Accelerating development of top talent
3 Engaging top talent

The top three human capital strategies—grow talent internally, provide employee training and development, and raise employee engagement—are the focus of the current CEO Challenge report.⁵

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The need to retain and develop top talent is supported by additional data, which shows that only 14 percent of Chinese employees are viewed by their managers as potential leaders in the organization.6 It’s not only Western MNCs that have a talent gap in Asia—local companies also struggle to fill their leadership positions, with some resorting to hiring expatriates as a short-term solution. However, “[o]nly by taking a long-term approach of cultivating local leaders can organizations unleash the potential of their work-forces in emerging markets, accelerate growth, and steal a march on their competitors.”7

There is an added risk in the challenge of growing local leaders: Most young managers in Asia have only known times of growth and are not prepared for recessionary markets. Managers in their thirties in China and India have only experienced economic “sunshine” during which job-hopping to raise one’s salary and title was commonplace and cost-cutting or headcount freezes imposed from Western headquarters seemed ludicrous.

The research carried out for this report indicates that the talent gap is far from closed.

Defining High Potentials

The members of the research working group chose to adapt the definition of high potential talent used by the Center for Creative Leadership (CCL), adding the qualities of learning agility and mobility:

A learning-agile, mobile employee who is assessed as having the ability, organizational commitment, and motivation to rise to and succeed in more senior positions within the organization.8

While companies in Asia need to develop seasoned managers, there continues to be a focus on younger high potential talent and an emphasized need for accelerated leadership development programs.

Fewer than 7 percent of respondents believe their company’s leaders are “very prepared” to address business challenges over the next one to two years (Chart 3). Although nearly half of respondents believe their leaders are “adequately prepared,” a significant 42 percent believe their leaders are only “marginally prepared.”

Few respondents have been “very successful” in identifying and accelerating leadership talent (Chart 4). In contrast, almost three-fourths of respondents report being “somewhat successful” at this endeavor; 15 percent have been unsuccessful.

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6 Accelerating Leader Development: Customize the Approach, Not Just the Language, Asia HR Executive Board™, Corporate Executive Board, 2008.
Hard to Find, Harder to Keep

It is difficult to recruit, given the small pools of candidates with suitable profiles; there are low levels of engagement once you get them in, and, even then, turnover rates are twice the levels commonly found in the West (Chart 5). Especially disturbing is the 9.1 percent turnover rate we found among the segment of the workforce defined by respondents as “high performers,” which means organizations are losing experience and knowledge from within the critical manager and professional levels, often to direct competitors, according to a recent report.9

Accelerated leadership development programs, if carried out transparently, can help retain top talent if they are shown a likely career path and see the expected investment actually taking place. Given the high level of resignations, organizations must be prepared to fulfill their high potentials’ expectations of promotion; this means headquarters must be involved and prepared to take a risk on talent. A yearlong accelerated development program for the 25 top local talent of a Western MNC in China lost three participants in six months following the program. When asked why, each employee said the company had continued filling senior country positions with expatriate Asians rather than promoting from within the country.

Increasingly, MNCs and local private organizations in Asia are learning to welcome back high performers and high potentials who left for other jobs. They keep in touch through alumni groups on social media, sending them updates on developments in the company or invitations to company events. These methods can be effective, and the talent who return do so with broader experience and maturity.

During the next 12 months, companies expect to promote more leaders from their internal pool than to hire from the outside (Chart 6). This may result from the aggressive hiring and recruiting conditions in the Asia markets, where employers have a difficult time finding the right skill sets and retaining employees.

While promoting internally is an excellent strategy for building future leaders, given the turnover figures in Asia, it is entirely possible that rapid promotion is used more as a retention strategy, rather than an indication of role-readiness.

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9 Delivering Results, PricewaterhouseCoopers, 2012.
**Shifting employee demands**

With much of generation Y now around 30 years old, their different expectations of the workplace are directly informing the way corporations consider incentive systems, organizational culture, and development programs. While this generation will move for more money, it actually prioritizes career progression, opportunities for personal development (including work-life balance), and a good atmosphere in the workplace. Thus, compensation strategies must be structured to meet these employee needs. This may include benefits for extended family members, which is particularly important in China, where the impact of the one-child policy leaves each person responsible for supporting both sets of extended families. In India, benefits around working arrangements, including working from home or having flexible hours, are important.  

Many organizations have systems that do not match these priorities, so they struggle to develop new employee value propositions and to help older leaders develop a more collaborative and coaching style with young talent.

**Acceleration is needed for growth targets**

The business case for developing local talent is clear. However companies are still faced with the challenge of how to find and develop talent in Asia who will then stay in the company and take on senior roles. Demographics are changing the composition of the workforce, and employees have changing expectations, which demand more holistic and differentiated employee value propositions. Both organizations and employees demand more transparency about career paths. In this context, being able to accelerate the development of local leaders is clearly a significant factor in companies achieving their growth targets across Asia and globally.

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**Why Accelerate Leadership Development?**

There are many reasons that speak to the importance of accelerating leadership development for high potentials in Asia. These include the following:

1. Developing internal talent makes organizations capable of filling senior management positions that are still mostly filled with expats at many MNCs in Asia. While the cost argument still arises, the main argument for replacing expats is continuity of leadership, greater local knowledge, and better local stakeholder relationships. Developing high potentials to manage complex operations with sophisticated management skills in an accelerated timeline is crucial to achieving strategic goals.

2. Accelerating development sends a clear signal that firms are providing internal talent with a strong, differentiated employee value proposition beyond financial incentives, leading to the talent base that firms need to achieve ambitious growth plans.

3. In comparison to externally hired talent, internally developed high potentials are better positioned to maintain an organization’s culture and keep critical knowledge, experience, and relationships within the firm. Our survey reinforces the preference for internal hiring, with respondents predicting that, during the next 12 months, they will fill 58 percent of their talent needs internally and only 39 percent by external hires (see Chart 6, p. 9).

4. Accelerating women helps to retain women: Experts point out that “the single most important factor in retaining Asian women is having more women in senior positions, providing a career path for advancement, and committing to developing local talent.” While some countries in Asia, including China, have long engaged women in the workforce, others, such as Japan and Korea, have not historically considered women candidates for high positions; in these countries, foreign companies can foster great loyalty by providing women equal access to high potential programs and promotions. Western MNCs Pepsi and Siemens have improved their diversity at home by bringing senior female leaders from Asia to global roles. Additionally, companies that hire and retain female talent in Asia can gain a competitive edge, as research shows having a high number of female senior executives positively correlates with stronger financial performance.

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Women and the Talent Shortage in Asia

The global talent shortage represents one of today’s greatest human capital challenges. It is particularly acute in Asia, where Western multinationals and local companies compete to attract and retain top talent. Meanwhile, in India, China, and other emerging Asian markets, women are largely concentrated in low-skilled or low-wage jobs. Leveraging women in the workforce is essential to resolve this talent shortage and promote both social and economic development in these countries.

Though most developing countries have large populations of young workers, many do not have the necessary skills for modern companies. For example, while India graduates 450,000 engineers annually, executives at Western multinationals consider only 25 percent to be employable, a sentiment echoed by NASSCOM, a global Indian technology advocacy organization. For humanities majors, the number is just 10 percent. Executives blame poor post-secondary education and a lack of accreditation laws. In China, Western executives cite a lack of necessary soft skills, including creativity, communication, teamwork, and innovation.

Meanwhile, many women do not participate in the workforce or are concentrated in low-skilled labor. For example, the labor force participation rate for Indian women is only 29 percent, compared to 51 percent for women globally, and most work in agriculture. A major barrier is education: the literacy rate for Indian women is only 51 percent, compared to 75 percent for men. In contrast, most Chinese women are in the workforce, yet they, too, tend to be concentrated in low-wage jobs in agriculture, manufacturing, or services.

Promoting female employment in developing countries is a valuable investment, with lasting benefits for both private companies and national governments aiming to build sustainable economies. Companies benefit from a larger talent pool to alleviate shortages of skilled talent, and evidence shows that companies benefit financially from hiring women.

The ability to solve organizational problems in an increasingly complex world depends on diverse perspectives and leadership styles. Innovation, too, requires a diverse set of perspectives and backgrounds. For the economy as a whole, a more educated and high-quality labor force triggers a cycle of greater productivity, a more competitive economy, innovation, income growth, and higher living standards.

Specific policies on behalf of governments and private companies can help bridge the gap to achieve full human capital potential for women. Within organizations, human resources can support the attraction, development, and retention of women. Many companies have had success in corporate social responsibility (CSR) programs that benefit local women, including micro-lending and business advice, or community programs encouraging leadership for girls. One of the most fundamental prerequisites is improved education and skills training. Over the long term, this critical source of talent, women, can contribute to a much-needed, strong, and growing talent pool.

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a “Skills Shortage, Governance Present Hurdles to India’s Growth,” Economic Times, November 19, 2010; and Harsimran Julka and Pankaj Mishra, “Only 25% IT graduates readily employable: NASSCOM,” Economic Times, April 7, 2011.


g Key Indicators of the Labour Market (KILM) database.


Rushing toward Globalization

Globalization was initially driven by Western economies, but the pendulum has swung and it is now increasingly driven by Asia. That means Asia is an important part of setting the agenda and defining the leadership characteristics needed for the globalized economy. Asian economic development is, thus, also driving a change in leadership development program content and structure to reflect new global realities and increasing the speed at which development is implemented. In addition, firms in Asia are increasingly hiring and developing raw talent themselves rather than hiring role-ready staff.11 In short, Asia, which, until recently, had only Western leadership models available from the global discourse, is beginning to shape global leadership competency models with Asian behaviors and attitudes along with Asia-specific attributes for development.

Managing the shift toward Asia while leading a global organization means living with the tension between various local needs and global standardization. Mars, Inc., has created an Asia Leadership Forum to enable networking among the national management teams, while leveraging their diversity to rethink approaches to each market.12

A study of international senior executives revealed the global context is changing so fast, becoming so complex, and raising such new risks and opportunities that senior leaders need new skills around dealing with context, complexity, and connectedness; however, only 7 percent say their organization is developing these skills effectively.13 Other studies support these findings and add that leaders need to develop these skills rapidly.14

Not only is it a matter of what works in the West may not work here, but also that what works in one part of Asia may not work in another.

Establishing a Leadership Model in Asia

Leaders in Asia today work in extreme complexity. Asia is, after all, an enormous continent with multitudes of cultures and civilizations. Unfortunately, it is common practice among many MNCs to group Asian countries together conceptually. Even within countries or between countries sharing a common culture and heritage, regions are vastly different—think North and South Korea, the reunited Vietnam, or the islands of Indonesia and the vast regional differences within India and China.

These varying social, economic, cultural, and organizational contexts must be kept in mind as one applies established frameworks or programs in specific locations. It means that even regional leaders in Asia deal with developed and undeveloped markets, with a variety of languages and political systems, and with systems in which relationships and interactions matter greatly, including with governments and the many large family-owned businesses, and it is essential to be able to navigate the interwoven power structures. Not only is it a matter of what works in the West may not work here, but also that what works in one part of Asia may not work in another.

Characteristics of the Talent Landscape in Asia

- An extreme war for talent results in high employee turnover, demands from employees for rapid career progression and promotion, and low loyalty.
- Asian cultures tend to be network-based, so high potentials know what their peers in other companies are earning and what titles they received, and they want to stay on par.
- Some multinational organizations build in extra layers in Asia to allow for faster promotion and also use smaller spans of control as steps to develop leadership.
- Work-life balance is increasingly important to generation Y in Asia; they can be very sensitive and want leaders who coach them.
- Western-based organizational leaders often need help understanding the need to take a calculated risk on talent in Asia; this means giving talent with less experience a larger role and supporting them through stretch assignments.

14 Roselinde Torres, “How to Cultivate the Next Generation of Leaders,” Podcast, Boston Consulting Group, September 2011 (www.bcgperspectives.com/content/podcasts/leadership_roselinde_torres_how_to_cultivate_next_generation_leaders/).
Added to the structural and environmental complexity in Asia is the sheer speed of change. Asia has experienced the global exponential change in technology but started from a less developed position than its Western counterparts. As a result, much of Asia has undergone rapid leapfrogging, going from being among the least technologically endowed regions to having the highest percentages of internet users, online gamers, and mobile phone users. At the end of 1996, there were only 200,000 internet users in China; by June 2012, that number had risen to 538 million, and researchers predict that the number of China’s internet users will rise to 800 million by 2015, with 25 percent of new users residing in rural areas.\(^{15}\) India, China, and other emerging Asian markets are the strongest sources of economic growth in the near and long terms and are areas where talent availability and development have not kept up with business needs.\(^{16}\)

There is both a quantity and a quality gap in leadership because globally there are few leaders who are expert at navigating this level of complexity and diversity, as well as being able to think strategically and seize business opportunities.

### Challenges and Solutions for Accelerated Leadership Development in Asia

- **Chinese generations X and Y managers want to climb the ladder, learn, and be stretched, recognized, and rewarded.** This demands highly adaptable systems, for instance, creating not just annual but biannual or quarterly performance and bonus reviews, closely and publicly linking development to succession planning, openness about horizontal moves, and the like. Stock options or schemes for participation in company results also help satisfy these values. Many local companies use all these methods and apply them quite strictly.\(^{a}\)

- **Particularly in Asia, firms are increasingly recruiting raw potential and developing employees themselves rather than expecting to hire role-ready staff.** Half of respondents are devoting more time and money to employee development than they were just two years ago.\(b\)

- **Indian software and outsourcing firms have long put new hires through a minimum of three months of intensive training to impart particular working skills.** Most do the same for management. This practice is being copied in China, with Infosys a forerunner and firms such as Huawei following closely. In the public sector, nongovernmental organizations, such as the Indian organization Pradan, hire MBAs, but give them two years of intense training to be effective working in rural areas.

- **Lenovo provides accelerated development, and each high potential has a career development “road map.”** High potentials reflect on their career aspirations, the experiences and education that have led to their current roles in the organization, and the development they need to reach their goals. The career maps are linked to career slots across the globe, and accountability for the entire process rests squarely with line leadership, not with HR.\(^{c}\)

- **Neusoft (China) offers career paths, including learning, expansion into other geographies, and stock options so employees own 25 percent of the company.** The top 500 employees are specially assessed and developed within a whole system.\(^{d}\)

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\(^{16}\) The Conference Board Global Economic Outlook 2013.
Out of a list of 17 leadership characteristics, our survey respondents said the three most important in Asia today will still be the most important five years into the future:

1. Global thinking and mindset
2. Leading change
3. Retaining and developing talent

However, there are significant differences between the importance of other characteristics today compared to five years in the future. For example, focus on sustainability, entrepreneurial mindset, and even the already-critical global thinking and mindset all increase in importance during the next five years (Table 1).

Table 1

“Leading change” and “global mindset” are the most important leadership characteristics in Asia

<table>
<thead>
<tr>
<th>Most important characteristics now</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leading change</td>
</tr>
<tr>
<td>2. Global thinking/mindset</td>
</tr>
<tr>
<td>3. Retaining and developing talent</td>
</tr>
<tr>
<td>4. Integrity</td>
</tr>
<tr>
<td>5. Influence</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Most important characteristics over the next five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Global thinking/mindset</td>
</tr>
<tr>
<td>2. Leading change</td>
</tr>
<tr>
<td>3. Retaining and developing talent</td>
</tr>
<tr>
<td>4. Entrepreneurial mindset</td>
</tr>
<tr>
<td>5. Focus on sustainability</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics currently being developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leading change</td>
</tr>
<tr>
<td>2. Global thinking/mindset</td>
</tr>
<tr>
<td>3. Collaboration</td>
</tr>
<tr>
<td>4. Retaining and developing talent</td>
</tr>
<tr>
<td>5. Influence</td>
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</tbody>
</table>

Given the fast-changing world of the twenty-first century and the rapid changes many industries experience, it is not uncommon for organizations to realize that they are still hiring, developing, and promoting for competencies that are no longer crucial to their success. This has led to a focus on understanding an organization’s future and determining which competencies will be needed in five years’ time. Since tomorrow’s leaders may well be today’s new hires, it makes excellent sense to begin selecting and developing for the competencies that will be needed in the coming years. There are many studies of what future leaders will need to bring to the table.

As more was needed in context for Asia specifically, our research working group members and those they interviewed agreed that leaders in Asia will need to be masters of:

- People engagement
- Navigating, managing, and making decisions in a complex, diverse, ambiguous environment
- Relationship building and collaboration
- Adaptive and agile leadership with the ability to move fast and adapt global strategies to local situations
- Authentic leadership with strong intuition and cultural sensitivity

Both lists of characteristics from survey results and follow-up interviews demonstrate that there is already a disconnect between the characteristics deemed important in Asia and those currently being developed in organizational leadership programs in the region.

But to assess what development is really needed, we must address the issue of leadership competency frameworks.

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Developing a Leadership Competency Model for Asia

Since the 1970s, many organizations have been defining the skills and behaviors they believe will enable their leaders to deliver on business goals. In fact, 74 percent of the 478 respondents to the 2012 Fortune Top Companies for Leaders study have a defined competency model based on their views of what a leader should be able to do, know, and be.¹⁸

Many of these leadership competency frameworks, as they are usually called, include a range of capabilities, including values and leadership, as well as managerial and functional skills. While it makes good sense to identify the competencies that will drive a certain way of working, these have sometimes turned into long lists of desired attributes that were either too generic or too detailed to be the base for a differentiated and focused leadership culture. Therefore, some models focus on establishing overarching leadership competencies for an organization and then detail additional competencies required for specific positions and/or levels, which can then form the basis of assessments used for selection and promotion decisions. Applying a future scope to the competency model is challenging, thus raising the creation of a competency model to a strategic task for the organization.

In the majority of the organizations we studied, leadership models are anchored in company values. The leadership competency model also focuses on leadership qualities that are important for managing the organization of the future and, accordingly, organizations report that they continuously refine their leadership competency models to stay current with changes in the external environment.

While most discussions of competency models refer to updates when the environment or business changes, adapting competency models to different regions has not been given much attention.

Some of the most common competencies in these models are:

- Forward looking
- Managing diversity
- Strategic thinking
- Strong decision-making skills
- Ability to innovate
- People development capability
- Relationship building
- Learning agility
- Customer focus

These leadership competency models guide recruitment strategies as well as development and training plans.

While most discussions of competency models refer to updates when the environment or business changes, adapting competency models to different regions has not been given much attention. It became clear from interviews and discussions that models and programs conceived at, and by, headquarters are often rolled out across the globe without regional adaptation. “Customization” of development programs means language translation rather than a meaningful adaptation of learning strategies.19

Progressive companies recognize that effective leadership development focuses on skills that employees in Asia lack, uses strengths that they have, addresses cultural learning barriers, and infuses training with opportunities to practice leadership.

While the most commonly used leadership frameworks studied are more global than Asia-specific, HR executives based in Asia suggest that components of the frameworks are culturally agnostic and participants will leverage the components and use them in accordance with the local environment. For example, modifying and implementing 360-degree feedback according to cultural mores may include stating questions differently so subordinates can give feedback on their superiors in less direct and, hence, more comfortable ways.

On the other hand, the tendency to roll out global programs without customization often results in lost opportunities. “Leaders who learn to combine the East and West as they shape the future, make change happen, develop talent, nurture future human capital, and take care of themselves to become truly global leaders.”20

There are increasing numbers of Asian companies that start with their own leadership models and adapt them as they globalize. Hitachi, for example, builds on the three principles of the Hitachi Spirit in developing their leadership model: *Wa* (harmony, trust, and respect), *Makoto* (sincerity, fairness, honesty, integrity), and *Kaitakushaseishin* (pioneering spirit and challenge). Hitachi president Kazuo Furukawa said in a 2012 interview:

> I also firmly believe that sharing the Hitachi Spirit with managers around the world is important in developing Hitachi’s future executives. We are currently conducting a global training program called “Ready to Inspire.” This program invites around 1,000 managers each year in groups of 20 to learn about the Hitachi Spirit and discuss how to implement it in daily routines. I also visit various offices and operation sites, both overseas and in Japan, to share the Hitachi Spirit through direct communication with employees.21

The Japanese model is being rolled out globally, and we see an increasing number of Asian companies following, which brings an adjustment in global leadership models.

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19 Accelerating Leader Development: Customize the Approach, Not Just the Language, Corporate Executive Board, 2008.


Dave Ulrich, thought leader on HR in Asia has developed a four-quadrant leadership competency model he calls “The Leadership Code.” This model balances the more commonly used capabilities around being a good strategist and a good executor with two competencies that are less frequently included: being a talent manager and being a human capital developer (Figure 1). Ulrich argues that these two are essential to ensure an organization has the human capital and capabilities needed to deliver on strategy in the future.\(^{22}\)

The original model of the Leadership Code illustrates that leaders must work both in today and for tomorrow. The competencies associated with being an executor and a talent manager are operational, ongoing tasks necessary to making things happen and engaging employees. The competencies associated with being a strategist and a human capital developer, on the other hand, are forward-looking tasks to ensure future organizational performance in the right direction, with the right people. Read from left to right, the model demonstrates that the roles of human capital developer and talent manager focus on developing individual capabilities, while the roles of strategist and executor focus attention on building organizational capability. The fifth and central focus is on personal proficiency, underlining that a leader must invest in his or her own development, building learning agility and continuously demonstrating integrity.\(^{23}\)

This description fit particularly well with our interview results, when asking about what competencies leaders in Asia should be mastering. The working group members chose The Leadership Code as the most applicable competency model, and they explored how to make it even more relevant to businesses in Asia, adding texture to the definitions of the roles of Human Capital Developer, Strategist, and Personal Proficiency:

**Human Capital Developer**
- Current: delegating for results; retaining talent; valuing diversity; embracing an adaptive leadership; influencing and motivating others.
- Future: Retaining and developing talent; building organizational talent.

**Strategist**
- Current: Leading high-performance teams; leading change; aligning the organization; setting expectations; building partnerships.
- Future: Encouraging entrepreneurship; seeking to establish the direction; identifying vision and values.

**Personal Proficiency**
- Current: Navigating ambiguity; developing self-awareness; enhancing learning capacity; collaborating and networking.
- Future: having an inquisitive and inclusive mindset; cultural empathy; entrepreneurial mindset; integrity.

The mix of competencies described supports the view that in the VUCA environment in which most businesses operate today, multiple skill sets are required for leaders to be successful. It is therefore critical that organizations think carefully about how to help leaders develop these skill sets, how to help them learn to manage conflicting priorities and skills, and how to determine in which leaders to invest.


\(^{23}\) Ibid.
What Competencies Get Developed?

It is important to identify between attributes that can be taught and those that cannot when deciding on future roles for the high potential candidate. Table 2 lists the components of leadership potential, links these to specific competencies, and details whether or not they can be developed. For example, the research indicates that cognitive skills and personality traits are usually set in childhood. Hence, when considering a high potential candidate, it is important to assess if that person’s thinking and personality style are appropriate for the targeted next-level role and if they fit with the dominant organizational culture. By contrast, leadership skills or learning capability can be developed over time to better prepare the high potential leader for success in higher-level, or expanded, business leadership roles.

The approach used to accelerate leader development in the West, which includes education, exposure, and experience, addresses Asian requirements but requires adaptation. While there is an ongoing debate on the exact ratios of education, exposure, and experience for leaders in Asia, there is agreement among practitioners and academics that accelerated development should primarily focus on exposure and job-related experience activities to more quickly close skills gaps and make high potential candidates role-ready for their jobs. This section describes a best practice and tactics for applying it in Asia and additionally addresses the need for a fourth element: Effectiveness, which refers to the need to measure and report on the individual and organizational impact of an accelerated leadership development program.

<table>
<thead>
<tr>
<th>Potential</th>
<th>Specific competencies</th>
<th>Grow vs. role fit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive skills</td>
<td>Conceptual/strategic</td>
<td>Fit – stable over time, hard to develop</td>
</tr>
<tr>
<td></td>
<td>Deal with complexity, ambiguity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intellectual horsepower</td>
<td></td>
</tr>
<tr>
<td>Personality traits</td>
<td>Sociability</td>
<td>Fit – stable over time, hard to develop</td>
</tr>
<tr>
<td></td>
<td>Dominance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emotional stability</td>
<td></td>
</tr>
<tr>
<td>Learning capabilities</td>
<td>Adaptability/flexibility</td>
<td>Grow – helps or hinders growth and development in other areas</td>
</tr>
<tr>
<td></td>
<td>Interest in learning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open to feedback/self-aware</td>
<td></td>
</tr>
<tr>
<td>Leadership skills</td>
<td>Manage/empower</td>
<td>Grow – early indicator of later career skills; expected to improve over time</td>
</tr>
<tr>
<td></td>
<td>Develop others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Influence/inspire/drive change</td>
<td></td>
</tr>
<tr>
<td>Motivational factors</td>
<td>Drive, energy, tenacity</td>
<td>Fit – helps or hinders growth and development in other areas</td>
</tr>
<tr>
<td></td>
<td>Aspiration, ambition, achievement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Results orientation, risk taking</td>
<td></td>
</tr>
<tr>
<td>Other components</td>
<td>Technical/business know-how</td>
<td>Grow or fit– early indicator of later career skills; expected to improve over time</td>
</tr>
<tr>
<td></td>
<td>Culture fit – career relevant values</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Qualifiers – mobility, age</td>
<td></td>
</tr>
</tbody>
</table>

This structure is broadly aligned with the often-quoted 70:20:10 rule, suggesting that development is based:

- 70 percent on challenging experiences,
- 20 percent on relationships, and
- 10 percent on formal programs.

Unfortunately, the most effective types of challenging experiences are difficult to define for each individual, so organizations often lose the most impactful opportunity. Since 2005, the Center for Creative Leadership (CCL) has surveyed leaders in Asia to discover how they become leaders and concluded that, globally, the most impactful experiences are linked to involvement with:

- bosses and superiors;
- turnarounds;
- increases in scope;
- horizontal moves; and
- new initiatives.

In addition, CCL found certain country overlays: China added learning from personal experiences and mistakes; India added personal experiences and crossing cultures; Singapore added stakeholder engagement and crisis; and, by contrast, the United States added mistakes and ethical dilemmas. While companies cannot orchestrate personal experiences, they can take all these into account when designing development and assessing for role fit.

![Figure 2](image)

Balancing components of accelerated leadership development

- **Program impact:**
  Measure and report on individual and organizational impact:
  - Pre-development measure to obtain baseline for later evaluations
  - Training effectiveness and relevance to job objectives
  - Post-development measures on job-related behaviors to evaluate job impact
  - Post-development measures to report on organizational impact
  - Career velocity of high potential leaders in organization


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25 Meena Surie Wilson et al., Grooming Top Leaders: Cultural Perspectives from China, India, Singapore and the United States, white paper, Center for Creative Learning, September 2011, p. 2.
Who Gets Developed?

The levels that receive the primary emphasis for leadership development programs include senior managers, high potential employees, and midlevel managers. While executives and frontline supervisors are also targeted, they are not the main focus in most organizations (Chart 7).

Based on the survey results, approximately 30 percent of respondents’ companies involve more than 100 employees in their leadership programs each year. At the other end of the scale, approximately 40 percent focus on fewer than 30 individuals annually.

Identifying and assessing high potentials

In most of the profiled companies, there is a planned, structured, and formalized process to select and develop high potentials. Most have in place a clearly articulated set of selection criteria, usually based on their leadership competency model. When a list of high potentials has been identified, a formalized calibration process then follows.

In most of the companies, a committee meets to calibrate the pool of high potentials; some companies have an even more rigorous process whereby calibration takes place at the functional level, country level, regional level, and, depending on the type of program, at a global level.

Once identified, there is a clear roadmap of available developmental offerings or experiences that a high potential can expect to go through.

Finally, a formalized, structured process is not complete without a tracking mechanism to ensure that high potentials’ development is on time and on track.

The success of any leadership development depends on having an ecosystem in which managers, leaders, and high potentials are aware of the objectives and their specific roles and responsibilities. A strong communication plan therefore is a key enabler to the entire process of identifying, developing, and tracking high potentials. Within Asia, where mianzi or “face” and “hierarchy” are unavoidable factors, a strong and nuanced communication plan will be critical.

High potentials are primarily chosen based on the consistency of their performance over a period of time. Hitachi Data Systems, for instance, judges its leaders based on their impact on business or revenue generation, their capabilities, and people leadership. This may be directly connected with the company’s performance management system and the accomplishment of assigned projects in addition to their current work.

Aside from performance, the ability to adapt to different cultures and geographies is essential, since many large Asian companies are now going international. High potentials are expected to manage teams and groups composed of different nationalities, and they may be moved from one country to another.

Another important aspect that senior executives look for in a candidate is people development. High potentials should be able to handle, develop, and motivate their team and other colleagues to achieve the company goals. Most important, the candidate should share the company’s values and culture. The development programs given to high potentials are directly linked to the company’s leadership model, values, and culture; thus, the high potential must live out these values and be an example to colleagues and clients.

Despite the great need for leaders, few respondents have been “very successful” in identifying and accelerating leadership talent (Chart 4, p. 8).

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**Chart 7**

High potentials and managers receive primary emphasis for leadership development efforts

Respondents were directed to “select top 2 choices.”

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-potential/high-performing</td>
<td>54%</td>
</tr>
<tr>
<td>individual contributors</td>
<td></td>
</tr>
<tr>
<td>Senior managers</td>
<td>54%</td>
</tr>
<tr>
<td>Mid-level managers</td>
<td>50%</td>
</tr>
<tr>
<td>Executive-level leaders</td>
<td>27%</td>
</tr>
<tr>
<td>First-line supervisors</td>
<td>21%</td>
</tr>
</tbody>
</table>

N=210

Assessment of High Potentials by Internal or External Parties

Most of the responding companies use both internal assessments and assessments by external providers. High potential identification is through internal assessment and nomination by immediate managers or department heads. Usually, senior leaders from various departments will also conduct an interview. It is common to form a talent council or committee to select the high potentials. In some companies, 360-degree feedback—sometimes adapted for use in Asia—is used at the early identification of high potentials and during the development program. On external assessments, companies primarily partner with assessment consultant firms and use tools and methods from organizations such as PDI Ninth House (a Korn/Ferry company), Development Dimensions International (DDI), Right Management, and Hogan Assessments to identify and develop high potentials.

Assessment centers that typically focus on having groups undertake set tasks while being evaluated by both internal and external observers can be powerful tools, as they may represent the first time high potentials in Asia receive clear and constructive feedback. “Chinese high potentials frequently overestimate their abilities, and feedback from an unbiased, third-party expert helps each person to fully understand his or her skills as they relate to the organization’s leadership needs and challenges.”

Overall, it appears that companies arrive differently at their list of high potentials, but across companies these individuals share core characteristics, according to a 2010 study:

1. a drive to excel;
2. a catalytic learning ability;
3. an enterprising spirit; and
4. dynamic sensors that detect opportunities and obstacles.

The careful use of assessments is matched by the need for careful transparency. While many less-hierarchical European cultures breed corporate cultures that dislike publicly identifying high potentials, it is common practice in Asia. The majority, 70 percent, of organizations surveyed for this report indicate that their company’s accelerated leadership policies and processes are “somewhat” or “very” transparent, and only 12 percent believe their programs are not transparent at all (Chart 8). Another survey of high potentials indicates that even globally, they find formal identification as a high potential very important. However, it does raise expectations for support; when they have a clear career path, they are more engaged and they help develop others.

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28 Campbell and Smith, High-Potential Talent, 2010.
Application

Two examples of high potential systems illustrate the Asian aspects of accelerated leadership programs, the importance of embedding programs in the larger system and culture, and the involvement of senior executives.

**Hitachi Data Systems (HDS)** has more than 5,700 employees and is one of the three top data storage vendors in the world. It is a wholly owned subsidiary of Hitachi Ltd. Keeping ahead of the competition in this fast-paced industry requires strong leadership, and HDS has established a firm foundation by creating the Leadership Commitment.

The Leadership Commitment is a list of core leadership competencies required of all HDS leaders. This model was built by members of the C-suite, so there is a high level of commitment among the senior executives. This is a new model that was introduced in 2011 to form the basis for the HDS leadership development approach.

Leadership development focuses not only on building leadership skills, but also the Hitachi Spirit which has three elements:

1. **Wa**: Harmony; Trust; Respect
2. **Makoto**: Sincerity; Fairness; Honesty; Integrity
3. **Kaitakusha-Seishin**: Pioneering Spirit; Challenge

High potentials are first assessed and ranked by their immediate managers using the core leadership competencies and leadership commitment criteria. Then, a series of calibration discussions are undertaken, first by function and then by geography. The senior management team decides the final list. Qualities that define a high potential at HDS include the impact on business (e.g., revenue generation), capabilities, and people leadership.

Once identified as a high potential, participants are invited to the annual global leadership meeting to network and meet top leaders. High potentials also take part in the executive development program, which includes the executive education program with Dartmouth College’s Tuck School of Business (based in Hanover, New Hampshire), as well as interpersonal skill development using external training vendors.

Throughout the program, top executives visiting the Asia region chair roundtable discussions with high potentials to exchange information and experiences. High potentials also gain experience through a series of job rotations, participation in peer-coaching sessions, and mentoring by senior leaders using tools provided on the HDS talent management website.

The HDS high potential program is delivering results, based on its behavioral, productivity, and retention metrics. A key benefit of the program is its focus on exposure and information sharing, which enhances communication and collaboration. The next step at HDS is to design a program for emerging leaders below the director level.

HDS has been named to “Best Places to Work” lists globally. FORTUNE Magazine lists the company at 86 in its 100 Best Companies to Work For in 2012 and eighth in its list of Top-Paying Companies. Chief Executive magazine ranked HDS at 16 in its 40 Best Companies for Leaders list in 2012.

(Case Studies continued on page 23)
Application

The Aditya Birla Management Corporation is part of the Aditya Birla Group (ABG), a US$40 billion global conglomerate with 136,000 employees belonging to 42 different nationalities. It is considered one of India’s first multinational corporations, with nearly 70 manufacturing units, operations, and subsidiaries in 26 countries. The Indian conglomerate produces fabrics, industrial gases, aluminum and copper, cement, palm oil, apparel, carbon black, chemicals, fertilizers, iron, and insulators.

ABG has a firm belief that everyone has talent and that the future leaders should come from within (the company follows an 80:20 ratio of “grow vs. buy” leadership talent). The type of leaders needed depends upon the circumstances. ABG has designed a two-track development model—one for general managers and another for technical experts. Having a pool of “ready now” senior leaders and experts is a strategic imperative of the organization.

ABG’s development programs are based on the philosophy that “leadership in the absence of values is nothing,” so everyone is expected to perform in accordance with the ABG values of Integrity, Commitment, Passion, Seamlessness, and Speed. A leadership competency model has also been developed to address specific business needs and leadership challenges. These competencies were designed in partnership with an external talent management consulting firm that partnered with ABG to create and validate the model.

Accelerated high potential development is a top priority for ABG, which identifies top potential and develops it for key roles in new ventures or in global positions. While high potentials are selected for a special career trajectory, the selected employees are not directly informed of their special status to avoid disrupting the performance of valuable employees who have not been selected.

Selection of high potentials is done using the widespread nine-box matrix that plots both performance and potential. The first list of high potential candidates is nominated by business leaders. Candidates on this short list take part in a rigorous assessment center designed around a set of specific competencies. By the end of the process, about 20 people are selected for an 18-month accelerated development program.

The accelerated program is designed for business leaders with P&L responsibilities. The program is divided into three phases:

1. Personal leadership: focus on self-awareness, personal growth, 360-degree feedback, and coaching over six months
2. How to run a business
3. How to grow a business

Throughout the 18 months, participants engage in action-learning projects, are coached by external coaches, and mentored by senior leaders.

Success of the high potential program and the overall leadership development program is measured in many ways. Successful placements and the number of “ready-now” candidates for critical roles are keys to success. But along with these are goals for hiring top graduate talent into the organization and identifying middle managers with potential to develop into more senior roles. This emphasis on leadership development throughout the career lifecycle is based on the belief that “leaders build leaders.” Leaders are expected to help others in the organization develop to their full potential.

In 2011, ABG was ranked fourth in the “Global Top Companies for Leaders” survey conducted by Aon Hewitt, The RBL Group, and FORTUNE. More specifically, it was ranked first in Asia-Pacific.
Experience over Theory

The financial crisis of 2008–09 was a watershed in increasing emphasis on measuring the impact of leadership and development programs overall. Frugality has led to an increase in virtual and blended learning programs to save costs of training and travel, but it has also led to more deliberate use of face-to-face learning and action learning.29

When companies align learning with business results and make the learning process experiential, they gain a competitive advantage; development programs that integrate technology and social media prepare leaders for the changing marketplace.30 Experiential learning takes many forms—from immersions and exposure to new industries, markets and mindsets to on-the-job development. This chapter focuses on the learning methodologies and practices applied in Asia and offers a model of a high-impact acceleration program. Ongoing experiential development in the form of job rotations, stretch assignments, and coaching and mentoring by senior leaders are also being widely used and will be discussed in the following chapter.

Investment in Leadership Development

It is telling that only 8 percent of our survey respondents are decreasing levels of spending on leadership development, while 42 percent are maintaining current levels of investment. Despite the difficult current economic conditions globally, the good news is that 46 percent are actually increasing their investment in leadership development, while four percent are uncertain.

Resources are allocated to the leadership development approaches that leaders see as having high organizational impact (Chart 9). These focus on applied learning activities, such as action-learning projects, simulations, rotational programs, and coaching or mentoring. Companies that emphasize their development programs see people not only as assets, but also as investments.

It should be noted that the programs receiving investment are not ranked in exactly the same order as are those programs with the greatest impact (Chart 10). There is a major gap, where varying costs may explain the difference. In particular, international assignments are ranked second in impact, yet few companies are allocating resources to them.

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Top 10 Leadership Development Methods in Asia

1. Classroom learning Considered quite effective in Asia, where participants have more respect for faculty and are able to focus longer than most Westerners, there is still the need to ensure there is sufficient global perspective, enough Asian context to the discussion, and that case studies reflect the experience of leaders in Asia.

2. Coaching Identifying the right coach for each leader is crucial, which for corporations operating in Asia often means thinking about whether a coach from Asia or the West would be a better fit for what the coachee wants to learn. The choice may also reflect sensitivity to gender.

3. Action learning Team composition and project selection are particularly important in organizations with high turnover, sensitivity to hierarchy, and difficulty relating across silos. These should be considered in view of desired learning outcomes.

4. 360-degree feedback Acceptance of being evaluated by subordinates or evaluating your superior differs greatly by culture and must be considered.

This should also be reflected in communications about the review, policies, and administrative procedures.

5. Experiential learning The desired outcomes of experiential learning should be clear and the experiences targeted, so they are significant and appropriate for the leadership level of the group.

6. Mentoring Seen more as an exchange in which executives mentor others, executives can safely learn about new trends, attitudes, and approaches from their younger mentees while acting as mentor. In mentoring, as in coaching, there may be a need for gender sensitivity.

7. Stretch assignments Structured the same way globally. There is less tolerance for failure in many Asian cultures, so it is advisable to provide high potentials in Asia with strong support to avoid losing someone over a failure. Having a coach or mentor not only helps the high potential gain perspective on the new situation and provides a sounding board, but, more importantly, can also help the high potential learn that small failures are the best teaching experiences. Moreover, this arrangement can help high potentials avoid large failures, which could shake self-confidence and derail a career.

8. Simulations Potentially a powerful form of experiential learning, simulations need to ensure sufficient Asian content and context to be applicable.

9. Job rotations It is important to build a logical progression of rotations toward the target job to raise retention and communicate clearly to high potentials that gaining an enterprise-wide view through numerous different job experiences will give them skills that many leaders who progress up through a silo lack. A critical experience for leaders is profit and loss responsibility, so those rotations should be long enough for high potentials to experience the impact of their decisions.

10. Assessment centers Now common in Asia, there is still a need to ensure the tasks performed at assessment centers reflect the Asian content and also that the choice and preparation of assessors is done in keeping with the regional context.

Common to both responses is the emphasis on experience-based learning initiatives. Respondents find that action learning, including simulations and business challenges, is most effective in shaping future leaders. Next, in effectiveness, come international assignments and rotational programs, followed by coaching and mentoring. Social learning is considered least effective.

ASTD and Booz Allen researched the state of leadership development in 350 global and U.S. companies. One of their survey findings identifies the methods being used in leadership programs (Chart 11).31

Based on our research, as well as their own years of experience, members of the working group agreed that the ASTD–Booz Allen Hamilton list largely reflects the methods they use. However, their discussions centered on how these methods must be adapted to be effective in the Asian context.

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Going beyond the pedagogical methods, a number of specific components that are multilayered and interlinked seem to make the difference between success and failure of development programs, according to the working group members. These are related to relationship building or to immediate returns. The aspects related to building relationships include a preference for face-to-face learning over virtual or e-learning, an emphasis on activities that enhance collaboration and networks, an emphasis on chances to broaden one’s networking exposure within the organization, as well as with customers and government representatives. Having access to participants or alumni from multiple hierarchical layers is seen as a plus.

The components related directly to business outcome include having leader-led learning, especially having a senior leader as team facilitator or classroom faculty. There is a desire to do hands-on learning and applying new concepts as quickly as possible, which link to fast learning. One approach is to use novelty as a form of stress test, observing and assessing how a high potential deals with new ideas or a new assignment.

Taken alone, any component could be found in global programs, but, when applied together, they constitute a demanding fast-track program with an Asian flavor.

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**Profile of Successful Programs in Asia**

**Holistic** Accelerated development programs are embedded within a whole system, including performance management, compensation incentives, succession planning, and job rotations.

**Transparent** Individuals are aware that they are viewed as high potentials and what that means for them.

**Leader-led** Senior leaders are involved in the program; they include faculty, speakers, mentors, evaluators, and more, and they are clear about their role in leadership development initiatives.

**Customized** There is some degree of customization to the country or region.

**Measured** Metrics/ROI are in place to measure program effectiveness.

**70:20:10 rule** (70% challenging experiences, 20% relationships, and 10% formal programs.) Programs link into on-the-job learning support, as well as building relationships (e.g., mentoring).

**Challenging** High potentials are put into assignments for which they may not have all the qualifications; leaders at headquarters are stretched by having to take calculated risks on talent to build a leadership cadre in Asia. Both sides need a support infrastructure.

**Future-focused** Programs are designed to deliver the leaders of tomorrow, not just today; they focus on developing competencies for a global mindset, leading change, retaining and developing talent, an entrepreneurial mindset, and a focus on sustainability. (See Table 1, p. 14.)

**Experiential** Challenging assignments, such as action-learning and stretch assignments or projects, are seen as having the most lasting impact on leadership development.

**Global** Developing a global mindset is important for high potentials in Asia; experience leading (or as part of) international project teams, as well as short- or long-term international assignments, is important to development.

**Broad-based** Many leaders in Asia have been accelerated up the silo, so there is a need for more senior high potentials to develop an enterprise-wide view; this can demand mentoring through horizontal moves and underscores the need to understand differing generational values within Asia.

**Diverse** Gender diversity varies across Asia, but in many parts of North and South Asia developing female leadership talent results in high loyalty from staff who have fewer chances for promotion in local companies.

**Honest and tough** Many high potentials in Asia have not experienced constructive performance feedback. This may be due to the need to retain staff and concerns about losing face. However, young leaders generally appreciate honesty if it comes with coaching.

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Successful Accelerated Development Program Processes in Asia

Companies recognize it is critical to tailor and customize programs to meet unique regional needs. Just over half of our survey respondents indicated that their company’s programs are somewhat customized for certain portions of the program; very few (4 percent) are not customized at all. In contrast, 30 percent are highly customized for significant portions of the programs (Chart 12).

Use of partners and institutions

The organizations interviewed use a range of partners for implementing leadership development and apply a variety of approaches, including blended and multifaceted programs. One key component in the total suite of offerings is executive development programs delivered by institutions such as INSEAD in France, IMD (International Institute for Management Development) in Switzerland, Tuck School of Business at Dartmouth, Harvard Business School, and other highly ranked business schools. Programs offered by renowned institutions are generally offered to C-suite executives, partly because of the opportunity to build an attractive network. The broader high potential populations (junior to middle management levels) often attend structured classroom programs offered by providers, such as the Center for Creative Leadership (CCL), or more local business education institutions, such as China Europe International Business School (CEIBS) or Indian School of Business (ISB) in Asia.

Action learning

High potentials in Asia can be generalized as young and more demanding of speedy career progression through promotions and business successes than their peers in the West. They have grown up in an environment of economic growth, experienced few slowdowns, and are surrounded by opportunities that need to be grasped quickly. Their peers jump job levels and salary bands by switching employers, and many overestimate their ability to take senior positions but have not developed an enterprise-wide view. They are interested primarily in projects that are real, closely linked to business strategy, and can help them learn how senior executives think.

At the same time, many desire coaching in professional matters and for personal development, but rarely find this from their managers. Overly quick promotions feed ambition without building a secure foundation of experience; thus, high potentials in Asia respond especially well to support from strong executive sponsors and action-learning facilitators who guide them by questioning their assumptions and helping them reflect on their working methods and their team processes.

Most Asian societies highly value relationships and personal networks, so it is important to set the stage for the project team to build personal relationships quickly. The chance to work with executives is an important part of the package.

The overall framework and guidelines for action learning will be the same in Asia as globally. However, successful implementation of action learning requires particular attention to certain factors. The action learning project should be framed explicitly as both an opportunity to meet a real existing business challenge and also to develop personal leadership skills. While this frame also applies globally, many younger managers in Asia will quickly view the project as more than just an exercise if you make the expected learning explicit:

- To boost personal leadership development, with an emphasis on integrity, adaptability, and self-development.
- To hone business strategy and acumen, with an emphasis on environmental scanning and the ability to combine functional knowledge.
- To build team skills, with an emphasis on working across boundaries and tackling challenges in an ambiguous setting.


Action-learning teams need a face-to-face kick-off session to get to know each other and establish a team network. This personal start is especially important in relationship-based cultures in Asia. After the initial meeting, teams can continue working on a virtual basis, if needed.

Using methodologies, such as learning sets with assigned roles, teaching critical questioning techniques, or using techniques such as the “six thinking hats,” which assigns particular perspectives and roles to each member of a discussion, can push project teams into new ways of thinking and analyzing that broadens their approach.³⁴

Projects also need to have a high-level sponsor and be supported by a responsible executive who takes the time to answer and ask questions, check on progress, and coach the group from the factual point of view. This is important for members to broaden their view of the enterprise, to learn how executives think, and also to give them exposure beyond their own units.

Having headquarters-based executives sponsor action-learning teams in Asia has the additional advantage that the executives get to know the talent in Asia and their capabilities. Novartis has found that the networking and exposure that occurs during the program between high potentials and senior executives is valued by both sides. Executives appreciated that the pressure to prepare the program also pushed them to think through their talent strategy well ahead of time and made understanding the high potentials immediately relevant.³⁵


Perspectives from a High Potential: Citibank

Mick Wang works in Beijing as a relationship manager with Citibank in the Corporate Banking department. This is his eighth role since joining the company seven years ago as a management associate in Risk/Marketing. Originally from Shanghai, he worked in the city before relocating for stints in Hong Kong, Hanoi, and Singapore.

Mick’s career has mirrored the sharp growth of Asia’s economies. He has progressed quickly through different roles, with the longest assignment being one year and four months and the shortest lasting six months. Some assignments were job rotations, as part of the high potential program (Fast-TraX) in which he participated.

Mick joined Citi’s Management Associate Program in Shanghai in 2005. The program is one of several targeted at junior entry-level employees. He was one of about 25 participants that took part in the two-year program. During that time, he participated in classroom training, including six weeks in Manila in a program called MAGIC (Management Associates Graduate Integrated Curriculum). This training provided foundational knowledge of the financial industry and banking operations, including financial accounting, commercial banking and treasury, among others. Given this was an accelerated learning program, the learning curve was steep. Afterward, he spent 12 to 18 months in job rotations around Citibank, which provided Mick with exposure to the different business units.

His enthusiasm and performance did not go unnoticed and Mick was shortly nominated for the Fast-TraX Program—a mobility and talent development program for midlevel high potential employees with accelerated career path and exposure to cross-franchise businesses within Asia. This was a great achievement because only a small number of Citi employees are accepted into the program. Once nominated, Mick took part in a series of tough interviews to assess his potential. He was also able to ask the business heads questions to better understand the program and what would be required of him. The results of these interviews and his performance history with the bank were distributed across the senior leaders and executives, who are highly involved in the final selection process.

The program offers virtual and classroom training, targeted coaching, and exposure to senior management. It also included overseas job rotations, which, for Mick, meant leaving Shanghai and spending time in Singapore and Vietnam. Joining the program gave him more career options, based on recommendations he received from business heads, the program manager, and the human resources team. In addition to the “buddy” and mentors assigned during the program, there were informal opportunities for him to build relationships with senior management.

Through this program, Mick gained a broader, holistic knowledge of the banking industry, exposure to different business units, franchises, and countries in the Citi network, and peer and senior contacts. He also worked on important projects, which helped him to build his skills and confidence as a potential future leader.

The most important lesson Mick learned was that he did not have to leave the bank to get a flavor of different jobs. He also learned the importance of managing his own career and he thoroughly enjoyed the different networking opportunities organized by the program manager and HR team. Mick did wish for more time to work with his project team or to stay in a job longer before being rotated, but with so much to learn, he understood the reasons for the constant change. The experience has been invaluable to helping him develop a broader perspective of the business, gain exposure to senior business leaders, build his personal network, and to realize his leadership potential.
A Framework for Accelerating Development: Right Management

While a number of the high potential development best practices used in the West apply, there are key differences to account for in Asia. First, high potential leaders in Asia’s high-growth economies experience a faster career velocity than their Western counterparts. That is, the timeframe to prepare a leader in Asia for his or her next role is not the traditional three to five years, but one to two years or less. Additionally, talented managers in Asia tend to move through lateral or upward role changes quickly, with some role assignments as short as one year. This compression of time and intensity for leadership development requires robust, integrated program designs, along with specific types of critical job-based growth experiences.

The figure below illustrates an integrated model for accelerating development of high potential leaders by adapting global best practices to the Asian context. The objective of this three-phase approach is to significantly reduce the overall development time needed for a high potential candidate to be role-ready for a next-level job from the traditional three- to five-year development timeframe to a one- to two-year process. Each of the three phases builds on the previous one, and all three phases are required to truly accelerate development.

Phase 1 sets the understanding and commitment for the individual candidate, his or her manager, and the organization. This includes key activities to ensure the program is off to a strong start and the impacted parties are informed and engaged to ensure the success of the program.

According to Right Management, team action-learning projects are the most efficient and effective way to provide high potential participants in Asia with direct exposure to and experience working with company executives. By working through a strategic business issue, the participant gains more in-depth insight into the company’s strategy, customers, and operating model and into the way company executives think about these.

Phase 2 involves interdisciplinary training and exposure to the activities required for leading strategy, people, and execution. Additionally, it provides participants with market or industry experience to strengthen their understanding of how their firm operates in a global context. Leaders in Asia particularly need to work on growing a global mindset so they can manage the increased complexity of leading a multi-country or global business. Particularly in fast-growing Asia, organizations may not have the time to run different training programs for business acumen skills. Hence, the interdisciplinary training provides skills development in leading both the business and the people.

Phase 3 deepens the involvement of senior leaders and includes careful mapping and planning of growth experiences. In this phase, the action-learning projects are concluded and high potentials move into developmental roles. This phase is focused on specific job-related growth experiences, or stretch assignments, that allow the leader to practice and learn the skills required in the next-level role in the organization. These critical development experiences reflect the types of common challenges business leaders face in emerging or high-growth markets.

Moving high potentials through all three phases demands that the process is well designed and that someone is responsible for ensuring things happen at the right time and is in touch with the high potentials throughout. This may sound simple, but it is no easy matter to identify real business-driven issues for the action-learning projects, for instance, and ensuring the right level of sponsorship among the organization’s senior leadership can be extremely difficult.

Accelerated high potential development framework

Source: Adapted with permission from Right Management HIPO Action Learning Methodology, 2012.
Application

The following case studies illustrate the need to integrate high potential development with existing organizational structures and the use of the top 10 leadership development methods in Asia (see p. 25).

Tata Consultancy Services (TCS) is the largest IT services firm in Asia. As a large consulting group made up of 25 different business groups, it needed a more organized process for leadership development, so a high potential program was created to accelerate the development of global leaders. A key program goal is the accelerated development and appointment of high potentials to focal jobs in the organization. There is no regional differentiation with regard to high potential development, and high potentials in Asia are developed in the same way as those from other regions. This focus on accelerated “readiness” highlights the importance of the succession planning process at TCS.

There are three primary levels of leaders and each requires its own succession plan and pool of talent. Current performance and future potential are key elements in evaluating high potential talent, according to TCS’s leadership competency model, which has 16 attributes and an emphasis on diversity (cultural, generational, and gender). High potentials are selected first on current performance, then for potential using the leadership competencies.

Each level of leadership has its own development program. The top level is developed through executive education, using Ivy League universities in the United States. The mid-level participates in customized programs provided in-house by the Tata Group Management Center and external programs at academic institutions. At the initial level, fundamental leadership competency programs are provided through a combination of internal and external workshops and virtual e-learning. Programs include leadership style and variations on 360-degree assessments to enhance self-awareness of strengths and potential liabilities. High potentials are also assigned a mentor and participate in a series of job rotations, based on need and availability, ensuring the program is a blend of academic and experiential learning. Each business group leader is responsible for the development of his or her teams, and the CEO personally tracks all talent information.

The high potential program is a success—90 percent of TCS’s leaders are homegrown and its retention record is one of the highest in the industry. A key success factor is the alignment of HR and business leaders. TCS hopes to strengthen the global reach of the program and to build a more diverse pool of high potential leadership talent in the future.

TCS is ranked fifth on “India’s 50 Most Admired Companies” list by Hay Group and Fortune magazine.

(Case Studies continued on page 32)
Application

Bharti Airtel is an integrated telecommunications company with headquarters in New Delhi and operations in 20 countries across Asia and Africa. The company ranks among the top five mobile service providers globally in number of subscribers. As a fast-growing company operating in a dynamic industry and across emerging markets, accelerating the development of future leaders is a priority. Airtel has embraced a talent strategy that identifies top talent early to create “acceleration pools” of talent.

The acceleration pool concept is part of Airtel’s talent management strategy. Airtel uses a leadership pipeline that includes four main transition levels—talent are assessed and developed for three of the four. These are “big transition” steps, where a high potential can demonstrate his or her leadership competencies and personal values. Those who demonstrate potential are then added to an acceleration pool.

Airtel uses a framework, including performance, leadership abilities, aspiration, and engagement, to define high potentials in each acceleration pool. Managers nominate candidates for the acceleration pool, and the candidates then are calibrated by a talent council, based on a review of the past two years of performance and a standardized assessment conducted by an external consulting firm. About 14 percent of employees enter the accelerated talent pool.

The framework reflects Airtel’s five leadership competencies: Displaying Entrepreneurial Spirit, Achieving Business Success, Delighting Customers, Empowering and Developing Others, and Winning with Others, as well as with the company values of being Alive, Inclusive, and Respectful.

Airtel has two high potential programs, targeting different levels in the organization. The Business Leader Acceleration Program (BLeAP) is for high potential middle-management leaders and prepares them for COO or similar critical national functional roles. Employees are developed using blended learning and action-learning projects, and through executive education courses offered by business schools. Coaching and mentoring are also an important part of the program.

To accelerate the development of initial-level business leaders, there is the Emerging Leader Acceleration Program (ELeAP), which focuses on developing fundamental skills, such as leading others, conflict resolution, and effective collaboration through a mix of workshops and action-learning activities.

Support from senior leaders is a key success factor. Senior leaders get involved with employees at all levels, participate by speaking or presenting at workshops, and partner with HR to provide program governance, management, and evaluation.

Other factors contributing to the success of the high potential programs include:

- A clear definition of high potential for the focal jobs and levels in the organization
- The use of assessments like adapted 360-degree surveys to improve quality of feedback
- KPIs that include accelerated talent development, which fosters commitment and accountability of business leaders

The high potential programs also work well from an employee perspective because they include:

- Job rotations—offering opportunities to learn and adapt to new challenges
- Effective support systems—new manager assimilation, 90-day performance reviews after assignment, and leadership training by external vendors
- Opportunity—participants are often promoted to critical high-visibility roles that Airtel creates for employees only (external job candidates are not eligible)

What is next for Airtel’s high potential programs? Continuous improvement through automating some processes, expanding the programs from India into countries in Africa and elsewhere, and, examining the programs’ business impact and ROI.

In 2011, Bharti Airtel ranked fourth in the “Global Top Companies for Leaders” survey conducted by Aon Hewitt, The RBL Group, and Fortune magazine.
Speed and Acceleration

The sheer speed at which leadership development is expected to happen in Asia is unprecedented. Jumping levels in the West is often timed at three to five years; in Asia, organizations often expect the same outcome in less than one year. This compression means that high potentials in Asia are under extreme pressure, but so are companies, and senior leadership involvement is crucial.

Companies in China have moved away from the fast-tracking of individual “stars” who rise speedily through functional or business silos and toward building leaders with experience in cross-functional responsibilities and roles. Developing mature leaders with a truly enterprise-wide view must be an ultimate goal, but that takes more time than most companies have in the current situation.

Within accelerated development programs, the most commonly used on-the-job development experiences are job rotation, job expansion, stretch assignments, and global rotations, supported by coaching and mentoring.

Many successful Chinese companies have adapted global HR systems to fit their environment and need for speed through implementing regular talent reviews, rapid career advancement, and development programs, emphasizing social meaning, and providing a traditional familial atmosphere. Chinese generations X and Y managers want to climb the ladder, learn, be stretched, recognized, and rewarded. This demands highly adaptable systems—such as creating not just annual but bi-annual or quarterly performance and bonus reviews, closely and publicly linking development to succession planning, and openness about horizontal moves.

Other advice for winning the talent war includes:

- Devise a flexible compensation system and review salaries twice annually.
- Build a core of local talent in top positions to demonstrate there is no glass ceiling.
- Prioritize strategies for development of management talent.
- Offer interesting training opportunities.
- Link development to succession plans.

The 70:20:10 model (or the Experience, Exposure, and Education approach to development) is in wide use by organizations in Asia, with an emphasis on rotational assignments to expose high potentials more broadly. There is a practical side to these development steps, too—since the work has to be done anyway—and letting talent take them on and learn and grow from the experiences provides a double benefit. It is necessary to ensure that such assignments deliver what the business needs; at the same time, it is important to understand the context and content of these assignments and how they best fit within a high potential’s career framework. Talent developers also need to understand the consequences that mobility across jobs have on high potentials’ performance and on the overall business performance. It is up to HR practitioners to track these and flag issues or seek solutions as the need arises.

Job Rotations and Stretch Assignments

Within accelerated development programs, the most commonly used on-the-job development experiences are job rotation, job expansion, stretch assignments, and global rotations, supported by coaching and mentoring.

Most of the organizations in our survey indicated that their high potentials are rotated to different departments within the organization at regular intervals to expose them to different jobs. This is usually a carefully planned approach to build and expand high potentials’ skills and competencies and to optimize the right job fit for them. Sometimes a high potential stays for six months or less in a rotation.
Multinational corporations with several businesses or overseas units often rotate high potentials to the different business units or to overseas units to expand their cross-cultural abilities and have a wider range of experience. For the top five percent of high potentials, organizations will deliberately rotate them to assume P&L responsibilities and take on greater challenges to prepare them for C-suite positions. Both organizations and high potentials benefit from these rotations.

Cross-functional rotations

Krish Shankar of Bharti Airtel says: “It’s critical to move people across functions; people who have done this tend to be better leaders.” Some Asian companies are not large enough to implement rotation programs but can use their common ownership by a larger group or government to develop rotational programs between companies (e.g., in Malaysian government-linked companies).

The type and sequence of job rotations needs careful consideration, including mapping the expected learning from each rotation against the high potential’s long-term career plan. The mentor or coach then helps the high potential understand how one experience builds on another, whether it is a horizontal or vertical move. Sara Roberts of Citigroup is clear that “getting really good quality rotations that really stretch our top talent yields the best development for individuals in the program and helps us to accelerate them. If we compare what they do in two years to their peers, we are able to see that they are taking bigger steps, in more senior positions. They have a broader experience base than the comparative group of peers who have not been in one of these high potential programs.”

Hitachi president Kazuo Furukawa considers it vital that leaders “experience positions outside their specialist field. That is why, as part of corporate policy, leaders are involved in job rotations that take them to affiliated companies overseas, where they can acquire the necessary knowledge and ways of thinking for managers at higher levels. We actively offer these opportunities to our younger staff or to those who are at an early stage in their careers. And we evaluate the effectiveness of rotation....”

Global rotations

Increasingly, leaders in Asia experience rapid development in their home countries and are becoming more reluctant to move abroad. Nonetheless, many roles demand cross-cultural experience, and a rotation to the headquarters of a Western multinational is often a crucial developmental step. Organizations are using short international assignments, as well as participation in global teams, to develop high potentials’ ability to work across borders.

With greater frequency, organizations are also defining precise global experiences for personal development and exposure to other ways of working and thinking. Roberts describes how mobilizing talent across the globe has been a key success factor for Citigroup: “We have such a good platform on which to develop people through mobility and also create company success through that mobility in the sharing of knowledge and using people’s expertise in other businesses, countries, or even other regions.” Furukawa agrees. At Hitachi, international horizontal rotations were introduced only a few years earlier, but already they seem to be raising the level of cross-cultural awareness and understanding of different markets.

Job enlargement and stretch assignments

The companies profiled in this report typically put high potentials on stretch assignments or projects (see “Application” pp. 39-40 for examples). This may include high potentials being assigned to a role or responsibility several levels higher than their current role and observed for how they respond to the challenges. Some organizations even create specialized developmental roles outside of the formal organizational structure in which the high potentials have the opportunity to either shadow an executive or are given a much wider job scope.

Even Asian governments are developing high potentials through job enlargement and stretch assignments. Since 2005, the Chinese Communist Party has recruited university students nationwide to work as village officials in remote areas. This practice functions as accelerated leadership development to the extent that a number of the best Chinese state-owned and private companies now hire these young leaders as part of their talent strategy. HR executives say that, compared to other university graduates, those who have working experience in villages are more diligent and down to earth and have a good understanding of nonurban markets.

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41 George Kohriesser, Francisco Szekely, and Christoph Nedopil, “Thinking outside the Box in Talent Development: Inter-Company Employee Exchange,” IMD, Case Studies IMD-4-0304 and IMD-4-0305, 2010.


Senior Management Involvement

A key finding from our executive interviews is that there is significant senior management involvement in successful high potential development programs, including:

- C-suite/senior leaders facilitating specific sessions;
- senior involvement in developing leadership competences;
- identification/selection of high potentials; and
- acting as a sponsor—either to the program itself or to specific individuals.

There was clear indication that senior management are engaged and committed to provide resources—whether in the form of financial, time, and/or other resources—in developing their high potentials (Chart 13).

Advice for Executives

Actively support leadership development programs Your visible support can accelerate the development of leaders and high potentials in many ways:

1 Sharing your past experiences and challenges with future leaders helps them to accelerate their "experiential" learning. Exposure also allows you to evaluate future talent for succession planning decisions.

2 As a business leader, interacting with participants increases their engagement and company loyalty.

3 Financially supporting high potential programs—especially for action-learning programs—accelerates their gaining of real-world experience by working on important projects and through job rotations to expand their breadth of experience.

Focus on global mindset Having a global mindset is becoming increasingly important for all leaders, not just top executives. Middle managers may not be setting global business strategy, but they are leading virtual teams located globally. Understanding how to influence and motivate team members working around the world positively impacts productivity and performance of the team.

Be transparent Many organizations are secretive about who is a high potential (and who is not). You don’t want to lose your scarce talent to competitors, so let your top talent know who they are and why they were selected for a high potential program. If executives discuss the selection criteria for high potential in light of the company’s strategy or aspiration and culture, then the selection is put in a specific context. Furthermore, those not selected as high potentials will know in which areas they need to develop. The result will be more engaged top talent all around.

Assess for success Due to rapid market growth and a scarcity of leadership talent, many high potentials in Asia have advanced quickly in their careers. However, a rapid career trajectory is not a guarantee of high potential in a growth market. Using assessment centers or executive assessments will help you make fully informed decisions about who has true potential. Also, given that most Asian companies prefer to promote from within, objective assessment is encouraged in recruiting and selecting early-career leaders. Being selective about who has potential at this career stage can help ensure a strong bench of talent in the future.

Take a risk Sometimes, leaders are hesitant to promote a person into a larger role or recommend as a candidate to a high potential program. This often stems from being a cautious and careful business leader—traits that may have helped build a strong business. But during times of rapid growth and a scarcity of talent, you may need to take more risks on people than you have done in the past or risk losing top talent.

Having objective assessment data can provide missing information and help you make fast and accurate decisions about talent.
Executive-level involvement and sponsorship is essential to obtaining buy-in from program participants and producing successful leadership initiatives. Indeed, research on growing public service leaders in Singapore showed that a developmental relationship with a superior is the primary driver of development. If senior executives are not always clear about their purpose or role, it’s an opportunity lost. Unless leaders understand the program’s importance, they tend not to participate. More than half (55 percent) of respondents indicate that some senior leaders get involved. This leaves a significant portion of executives that may not be engaged. On a positive note, 41 percent indicate that executives do become involved when the program’s importance is clear, as well as their role.

Shankar is clear that at Airtel: “Function heads need to take ownership of development.” This is echoed by Roberts, who explains that Citigroup’s “top leaders in Asia are directly involved in shaping outcomes and quality of content of a cross-franchise high potential program. They also support us in terms of helping advise and guide leaders who are more directly involved in the programs.... They act as coaches and they sit on our assessment panels.” Sometimes, senior leaders have to stretch, too: “What we are asking of our leaders is to take more risk on talent, take someone into their business who maybe does not come from their business.... That has helped us to move people and develop the breadth of our leaders.”

Mentors

Most, if not all, organizations in our study have some form of mentoring program. High potentials are assigned a mentor (typically a member of senior management), which gives them access to a senior-level person who provides organizational and career coaching, as well as insight into business meetings and strategic thinking. The mentoring relationship also allows management to observe high potential development, performance, and behaviors, especially the ability to learn and adapt.

It is essential to involve an organization’s senior leaders in accelerating the leadership development of high potentials. Aside from their commitment to provide the resources necessary for the program, it is extremely powerful when senior leaders commit their time by being mentors, formally or informally. When top leaders are formal mentors, they are able to guide their mentees toward reaching their goals faster or to help them in the learning process, should the candidate fail a given assignment. In addition, this formal interaction allows the leader to assess high potentials even further, knowing their strengths and competency gaps.

If senior leaders prefer to be involved informally by being available to high potentials seeking advice, it provides an opportunity to high potentials to communicate with a greater number of senior leaders and obtain the best information or advice for their development.

Finally, senior leaders are tangible role models as they live out the company’s values while they guide high potentials in their development.

Measuring Outcomes

Evaluation is the weakest link in the accelerated leadership development process; however, this is hardly restricted to Asia. Career paths are rarely developed for high potentials in Asia, and succession management is carried out primarily at the top. There seems to be a missing step here. It may be that organizations are running so fast in Asia that they cannot plan succession beyond the most senior positions (Chart 14). High turnover rates may be serving as an excuse for not doing longer-term planning, yet this can contribute to a vicious cycle, since high potentials are more likely to stay if they know (and like) their next career step.

Ultimately, most companies rely on business results to determine the impact of their accelerated leadership development programs (Chart 15). In addition, employee retention and loyalty are popular indicators, along with employee engagement. The promotion of program graduates is also an important indicator.

A well-designed and managed program should double the velocity of key role transitions or promotions for program participants. It should also reduce the time for readiness for the next role to one to two years.

Measuring and reporting impact

In Asia, the best success measure for a high potential leadership acceleration program is whether the participants progress along their career path faster than non-participants. Indeed, a well-designed and managed program should double the velocity of key role transitions or promotions for program participants. It should also reduce the time for readiness for the next role to one to two years.

Additional metrics for measuring program impact can include tracking business outcomes, effectiveness, and efficiency. Knowledge Advisors, a U.S.-based measurement advisory firm suggests that key performance indicators (KPIs) can be grouped around business outcomes or around effectiveness or efficiency metrics. Business outcomes that reflect the impact of development programs could include leader and employee retention rates, engagement scores, and the range of methods used to measure leaders’ performance. Effectiveness metrics include training program evaluations, and they follow up on items such as knowledge gain, application to job, and value. Efficiency metrics refer to more traditional statistics, such as number of courses, instructors, locations and participants, and total investment in learning.46

Given the high investment level and importance of high potential leader acceleration programs in Asia, you may consider the following procedure for monitoring program quality and the development progress of the program participants.47

- **Pre-program survey** To baseline the participant’s current skill level and gaps. To ensure the participant is ready to fully engage and commit in an acceleration program.
- **Midpoint program survey** To ensure the program is running efficiently and on track to meet the overall outcomes for both the participants and the organization.
- **End program survey** To measure the degree to which the program has closed the targeted skills gaps for the participants and delivered the intended organization impact.
- **Participant post-program survey** Administered three to six months after program completion. Measures the degree to which the participant has been able to transfer the skills developed in the program to his or her current job or applied in stretch assignments.
- **Manager post-program survey** Administered three to six months after program completion to the participant’s manager. Measures the degree to which the manager has observed the participant’s transfer of skills developed in the program to his or her current job or applied in stretch assignments.

**Chart 15**

**Business results, employee retention, and employee engagement are the top ways to measure the outcome of accelerated leadership development programs**

Respondents were directed to “select all that apply.”

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
<th>N=210</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business results</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>Employee retention and loyalty</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Employee engagement and satisfaction</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Promotion of graduates into new positions</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Corporate brand and reputation</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>


47 Ibid.
Obstacles

Under severe pressure to accelerate the development of local leaders while fighting the talent war and cutting costs, HR executives in Asia can feel pushed to take shortcuts. These often include starting a program without embedding it in the business system or gaining real executive involvement; failure to focus on the whole person, including personal development or, for instance, assisting with strategies for combining family and work; working with undefined or unobtainable developmental objectives; or lacking performance metrics.

Despite the dearth of good success measurements, the largest obstacles to implementing leadership programs are:

- increased costs;
- the need for increased resources, especially increased time and support; and
- a lack of consistent global implementation of programs.

It is surprising that HR capabilities or a lack of staff resources are not the greatest challenges.

Chart 16

Increased costs, time, and support are the primary obstacles to implementing accelerated leadership programs

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased costs</td>
<td>29%</td>
</tr>
<tr>
<td>Increased time and support</td>
<td>19%</td>
</tr>
<tr>
<td>Lack of consistent implementation of programs</td>
<td>18%</td>
</tr>
<tr>
<td>Lack of executive support</td>
<td>9%</td>
</tr>
<tr>
<td>Lack of necessary staffing resources</td>
<td>8%</td>
</tr>
<tr>
<td>Capabilities/skills of HR/talent team</td>
<td>8%</td>
</tr>
<tr>
<td>Cultural differences</td>
<td>4%</td>
</tr>
</tbody>
</table>

N=210

Note: Excludes "Other, please specify."

Application

The following descriptions of high potential development programs from one Asia-based and one Western-based multinational emphasize the importance of integrating high potential development systemically into the organization. They also illustrate the need for senior executive involvement in the process and discuss methods of tracking program success.

Citibank Asia-Pacific’s “Talent Leadership Journey” is a comprehensive development structure used to identify and nurture future leaders at the financial services giant. At its Asia-Pacific franchise, where the structure has been in place for 15 years, programs have undergone several evolutions, becoming more structured and consistent across the firm.

Citi uses a leadership pipeline approach for identifying future leaders that consists of four distinct and equally important levels: Individual Contributors, Manager of Others, Manager of Managers, and Executive Leaders. Each level has a relevant set of competencies that help to differentiate it among the others. Citi Asia-Pacific also has a single global curriculum that is tied to these competencies.

The principle of “One Citi”, introduced in 2008, provided a new global platform for talent development, with the aim of building a pool of ready-now talent that is able to deliver the firm’s business strategy. There are various types of high potential development programs in Citi Asia-Pacific that are either cross-franchise, business-specific, or country-focused.

“Talent” at Citi Asia-Pacific refers to employees who have demonstrated history of exceptional/highly effective performance and rank highly on the six core components of potential:

1. Cognitive skills
2. Personality
3. Learning agility
4. Motivation
5. Leadership skills
6. Performance

Citibank Asia-Pacific uses three talent designations, depending on the level of potential:

1. High potential
2. Promotable
3. Expert resource

The high potential development program exists across all levels of Citi Asia-Pacific. For example, the Management Associate program, which targets junior entry-level employees and grooms them to become business leaders in the banking and finance industry, offers young talent tremendous opportunities to make their mark and unleash their potential through cross-franchise job rotations.

Selection into the program involves a series of discussions that take place annually. It is a “bottom-up” approach in which potential candidates are identified through the measurement of those six core components.

To develop a cadre of future leaders with breadth-of-franchise experience, Citi Asia-Pacific launched the Fast-TraX program in 2009 with the aim to provide an accelerated leadership development for mid-level high potentials. Aspiring participants go through a rigorous selection process by a group of senior committee members. The program offers cross-franchise and cross-country rotations, virtual and classroom training, targeted coaching, and exposure to senior management.

Citi Asia-Pacific has learned many lessons during the program’s development and initiation, including:

• Create content specific for high potentials.
• Evaluate talent based on the different stages of their career—identify top talent for each stage in the career lifecycle.
• No single program does it all—there are important supplements needed along the way.
• Utilize job rotations or assignments to stretch talent toward taking bigger development steps.

Mobility is an important component, and expatriate assignments are used to bring expertise into different regions of the world. Mobility remains, however, a key challenge for the organization. Also, capturing and sharing high potentials’ experiences and success stories among employees could be improved. This includes crafting a stronger message that resonates more with Citi employees. Meanwhile, work is underway to continue to improve how success is defined and measured, and to improve how the business partners work with the learning and development professionals to refine the competency framework.


(Case Studies continued on page 40)
Application

**Singapore Airlines** (SIA) is the flag carrier for the nation-state of Singapore. Excellence in customer service has been integral to SIA’s success and brand. To maintain its position as an industry leader, SIA engages in continuous people development, and this includes leadership and high potential development.

SIA created a new leadership competency model in 2008 with the active participation of its senior management, comprising SVPs, EVPs, and the CEO. This model is the cornerstone of its leadership development and high potential development programs. The model includes skills such as leadership abilities, being forward-looking, using influence, and decision-making ability. Leaders use this model during the annual leadership assessment that is conducted as part of the annual performance management cycle.

“High potentials” at SIA refers to the top 10 to 15 percent of the performers at senior staff grades. Each year, SIA senior management evaluates, assesses, and selects high potential candidates. This process is done through discussion and does not use external vendors or tools, like psychometric tests. High potentials identified from the different divisions within SIA are often put together to work on action-learning projects that are sponsored by senior management. In addition, high potentials are put on stretch assignments as part of a job rotation program. Each high potential is rotated to key functional areas, such as marketing, planning, operations, and HR, and some high potentials are relocated to overseas positions. Those with the greatest potential may even be assigned to new positions that are two levels above their current job grade.

SIA measures program success by the number of top positions that are filled by internal candidates, and, indeed, the majority of top positions are filled by program graduates. SIA feels the process is very rigorous, highlighting the candidates’ strengths and weaknesses, but it also thinks high potential development could be accelerated by the addition of coaching.

As with any program, keeping the contents up to date is an ongoing challenge. SIA has a structured review process to ensure the relevance of the leadership competencies and seeks creative methods to help high potentials learn new skill sets that will enable them to keep finding innovative ways to maintain the airline’s reputation in the marketplace.

SIA is eighteenth on the “World’s Most-Admired Companies” ranking by Hay Group and Fortune magazine.
Implications for Future Research

No single report can hope to capture the complexity of an issue, but it can begin to frame the conversation, offer pathways for consideration, and lay the foundation for future research. This challenge is exacerbated by the rapidly changing Asian business environment. Future research would surely include attempts to address these questions regarding leadership development (and particularly the acceleration) of Asia leaders:

• As new generations enter the workforce, what generational differences will impact the shared cultural values?
• How can parity in gender-related issues be achieved?
• How can we better align global and local employee value propositions?
• What can be done to align global and local leadership models?
• How can leader retention be improved?

• How will increased globalization and technology impact the ways in which leadership development is offered, particularly to high potentials?
• While there is often a tracking mechanism to monitor progress, what would a tracking mechanism to determine individual development results look like?
• What is the business impact of successful accelerated leadership development programs?
• In what ways will Asia-centric leadership models and resultant development programs be adopted/adapted in non-Asia contexts?
• How will these acceleration approaches shift over the course of time (a longitudinal study)?
• How can we meet the need to define future ASEAN leadership capabilities?
Annotated Bibliography


This report debunks several commonly regarded myths in India about women leaders by illustrating workplace observations and experiences of female and male leaders in corporate India. Female employees compose a small fraction of the Indian workforce, but, in recent years, their numbers are rising faster than male employees due to their increased levels of education. Although Indian companies are set to hire more female workers this year, women are regularly confined to junior or middle management positions and are rarely found at the top levels of management.

Barriers to women's advancement in the workplace include lack of role models and strategic relationships/networks, inflexible workplace arrangements, and societal gender role expectations. The authors emphasize that women share similar work values and goals with men, including aspirations of leadership. Additionally, workplace flexibility is a mutually beneficial approach that works to the advantage of companies and all their employees, not just female workers. An inclusive workplace, where all talent, including female leaders, are given due respect, is necessary for Indian corporations to better integrate women.


This report examines the local talent shortage in China, where many recent graduates are unqualified to meet the business demands of multinational companies. Many graduates lack the basic skills to work in a global company, including foreign language skills, creativity, teamwork skills, and leadership ability. The talent problem is compounded by the rapidly aging workforce in China and the rising compensation packages for experienced employees with international experience, particularly expatriates. An approach to mitigate the talent shortage involves partnerships between universities and multinationals to create courses that address business skill development. Another approach improves on existing Chinese managers’ international exposure by assigning them short-term international postings.


The purpose of this study is to discuss the identification and development of leaders in Asia-Pacific. It is based on the results of a survey of 55 organizations and several case studies.

A high 79 percent of respondents are actively seeking to develop leadership in Asia, yet not as many are allocating resources to do so. During a period of budget reductions, organizations are maintaining (47 percent) or increasing (47 percent) financial resources for leadership development initiatives.

Respondents identified more than 200 competencies as critical, which emerged into three themes: strategic thinking and vision; integrity, trust, values, and excellence; and delivering results.

Experiential learning the most effective method to developing leaders, particularly in the Asia-Pacific context.

The report suggests four key areas within experiential development:

1. Participation in international teams
2. Long-term international assignments (more than 2 years)
3. Short-term international assignments (less than 6 months)
4. Action-learning assignments


This report surveys the state of leadership in 2011 and the future leadership development needs. With the ever-changing landscape of the business world, change and unpredictability are the only guarantees. Leaders need to be prepared to meet tomorrow’s challenges, but the research reveals many leaders unfortunately lack many critical and progressive skills to effectively lead into the future. The survey respondents indicate three key elements that promote and improve high-quality leadership: leadership development, talent systems and practices that build a high-quality leadership pipeline, and management culture.
To improve the quality of leadership, organizations need to reform leadership development practices and concentrate on developing critical skills for future leadership, such as driving change, fostering innovation, and identifying and developing talent. An organization’s management culture and practices also significantly influence leadership performance. Only about one-third of organizations reported having a highly effective management culture, which demonstrates many organizations have progress to make to improve from hierarchal structures to fluid and flexible structures that encourage innovative, agile leadership and can drive business results in the future.


Bressot addresses the need to accelerate leadership development in China, particularly by localizing expatriate positions. The case study of a Sino-European joint venture based in southern China demonstrates that local leaders can be developed by using expatriate leaders as examples. The author explains the “déjà vu” experience, which details a series of steps local managers follow to copy skills modeled by expatriates and to gain risk-free leadership experiences. Local managers were also taught how expatriate leadership and decision making actually work by the expatriate mentors being transparent in their use of information, networks, and analytic skills.

In the case study, high-potential employees were given concrete projects to lead. They received external coaching and internal mentoring and built peer networks. The assessment of their development was transparent and based on clearly defined competencies with behavioral definitions. The overall result showed that time and resource investment in developing local talent can produce high returns.


This report examines talent management through the perspective of high potential managers to help organizations effectively manage and leverage their high potential talent. Key findings include: high potentials’ desire to be formally identified as such; their expectation for more development, support, and investment; an increased sense of commitment and engagement when a clear career path has been identified; and active involvement in identifying and developing potential in others. These insights offer organizations the opportunity to accelerate leadership development and to realize the potential return on their talent investment.


This article describes a high potential leadership identification and development initiative at Novartis called LeaderSucession. The program includes individual assessment and feedback, group learning, and executive coaching. The essential experience takes place in two to three days, offsite, in small groups of about eight high potentials with a senior executive, an HR representative, and an outside facilitator. Participants focus on stating their own key purpose and vision statement, as well as solving a business challenge from the senior executive. They also draw on pre-offsite assessments and 360-degree feedback, and the participants receive four to six months of ongoing coaching.

As a result, the rate of external hires dropped from 79 percent to 16 percent between 2000 and 2009. The networking and exposure between high potentials and senior executives during this process is valuable to both sides, with the executives gaining from having defined their talent strategy in preparation for designing the program. Executives also profited from experiencing the strong motivation that arises from knowing one’s internal beliefs and intentions, and being able to connect those with the external needs of the organization and marketplace.


This article provides an in-depth focus on the top five companies for leaders on Chief Executive’s list and how their leadership development programs compared. The top five companies are: Proctor & Gamble, IBM, General Electric, 3M, and Southwest Airlines. While each company has its own approach to succession management and high potential leadership development, it is notable that the best companies for leaders generate significantly higher market value over time, compared to companies with weak leadership development.
This report surveys senior L&D professionals to gauge their expectations for the L&D marketplace in 2011. The financial crisis of 2008 was a driving force and created an unstable environment that called for accelerated change and a comprehensive review of L&D practices. In the aftermath, L&D professionals need to increasingly demonstrate real value to the business, especially in building critical organizational capability in individuals and groups that are directly relevant to the company’s strategy and business goals. This outlook represents a shift in the roles and responsibilities of L&D within an organization, as L&D professionals take on more strategic and big-picture approaches to developing talent, but also to advancing their companies’ ability to meet business goals.

Overall, surveyed executives feel positive about their companies’ future abilities to attract and retain skilled workers. The report links this confidence to satisfaction with recent hires, though it is notable that executives in Asia are more dissatisfied with recent hires and are more confident in future outlooks. Additionally, compared to two years ago, more companies are developing employees for a mix of new skills and knowledge areas to meet the challenges of tomorrow: context, complexity, and connectedness.

The first cluster is centered on the ability to understand the evolving business context, which includes social, political, cultural, and environmental patterns. This multidimensional understanding should be taken into consideration in strategic decision-making and risk management.

The second cluster focuses on leadership in complex and uncertain circumstances, which are likely situations in today’s context. It is necessary to develop discrete skills, such as flexibility, creative problem solving, the ability to learn from mistakes, and sensitivity to short-term/long-term factors. Leaders with these skills are more likely to effectively respond to the ambiguity that defines today’s global world.

The third cluster of knowledge and skills involves the ability to recognize the roles of individuals in the broader interconnected business world and to build relationships with external partners. Effective communication and negotiation in a leader includes engaging with internal and external stakeholders.

This article highlights a common issue companies face when it comes to executive development. Many executives admit their company does a poor job of developing their internal executives. Though many organizations try to mitigate this fundamental problem by recruiting external executives (essentially buying talent elsewhere), this tactic will become risky and expensive as the global talent shortage continues. In addition, recruiting outside executives dilutes institutional memory and a company’s cultural cohesion. The author reasons that businesses should have strong capabilities of developing senior-level talent if they want to attract executives outside their own companies.

One method of driving executive development is to give internal executives on-the-job experience. Training programs are inadequate in developing truly outstanding executives; instead, job experience should be adapted to be conducive in creating great leaders. To help senior-level executives grow quickly, the author recommends to:

1. Integrate individual and group development into organizational design;
2. Identify and focus on the best talent;
3. Share talent across an organization;
4. Choose the high potential who can learn the most from the job, but may not be the best-qualified candidate; and
5. Relocate mediocre employees out of critical jobs.


This business school case relates an instance of accelerated leadership development, in which Malay government-linked companies (GLCs) realized they needed to compete with multinationals for leaders, but could not provide equivalent exposure to a range of businesses, countries, environments, and tasks. Despite sometimes being competitors, the GLCs set up employee exchanges with multinationals to provide wider exposure for accelerated development. The hope was that this would allow participants to reach their maximum leadership capabilities by age 40, rather than near retirement, which also gave them the opportunity to work for 20 years at their full potential.

After the logistics of organizing and managing exchanges were in place, issues began to arise. There were concerns about confidentiality, poaching, line managers reluctant to release high potentials, and filling “too important” positions with exchanges. Further conflicts were centered on program participants and their varying allowance levels: some believed their assigned job was not at the appropriate level, and sometimes a lack of trust caused the program participant to not be given suitable responsibility.

Nonetheless, the individual participants profited from widening their experience during the exchange process. The home companies and Malaysian nation, as a whole, also benefited from the development of mature leaders. Program evaluation demonstrated that participants reported increased self-confidence, exposure, and trust. It remains to be seen whether or not the participants’ talents would have developed better in their original position than through the exchange, but this assessment is to be made by the home company once the participants return.


This report addresses the issue of scarce managerial talent in China and how Chinese leadership development could be improved to effectively meet the business demands of globalization. Given the relatively recent entrance of Chinese companies to the global economy, Chinese executives have less than two decades of global leadership experience and they have insufficient opportunities to cultivate the essential leadership skills to lead businesses in the global setting. The research compared Chinese managers to a sample of global leaders in various positions, and it revealed that Chinese respondents and those from other regions similarly rank important leadership traits. The general agreement proves effective leadership is perceived in same manner among the global management population. However, the study highlights a Chinese leadership skill gap is widest between middle and top management, where Chinese managers do not have the critical skills or competencies to transition to the executive level. The authors pinpoint five key leadership development needs to Chinese executives: business acumen, strategic agility, managing vision and purpose, comfort around higher management, and command skills.

This study examines the values of two generations of Chinese business managers to gain insight into employee and managerial motivation and to understand how talent management systems can be designed to leverage workers’ talents. The quantitative and qualitative results show that there are substantial value differences between different generations of Chinese executives and between executives at different hierarchical levels in the organization. Chinese generation X executives stress self-enhancement values, combined with honesty and traditionalism. However, generation Y emphasizes independence and individual responsibility for their social circles. They want personal success, and they anticipate making sacrifices for it. They can also be traditional, but are unwilling to recognize hierarchy at face value outside the family. These generational and hierarchal differences lead to tension in the workplace. However, these differences can be overcome by generational similarities: Both generations X and Y managers want to advance, learn, be acknowledged, and be rewarded. Highly adaptable systems are needed to meet these demands from different employees. Examples of practices include: creating bi-annual or quarterly performance and bonus reviews (instead of annual reviews), closely and openly connecting leadership development to succession planning, and openness about horizontal moves. Successful organizations set up regular talent reviews, fast-track career advancement, and development programs. They also highlight social significance in employees’ work and offer a traditional, familial atmosphere.


This chapter evaluates the conventional forms of leadership development in China, particularly among multinationals that have pushed to accelerate local leader development since the early 1990s. In 2005, the authors detected trends that indicated Chinese companies were no longer requiring that individual “stars” within a company be fast-tracked and allowed to quickly advance through functional or business silos. Instead, companies increasingly understand the need to develop leaders with familiarity in cross-functional roles and responsibilities. The authors also identified other related changes: Chinese organizations are changing their approach by shifting from a focus on conceptual knowledge to actionable knowledge. Additionally, there are changes in talent management as Chinese cultural strengths of group reliance and leadership are integrated into managerial development and the focus is shifted to:

- investing time to cultivate mature managers and instill an integrated perspective of the company;
- highlighting action learning and hands-on projects;
- encouraging coaching and mentoring in conjunction with formal training as a part of the succession management process; and
- outlining detailed international experiences for personal development and exposure to other approaches to working and thinking.


This article introduces the concept of “teachable fit” as a solution to many talent search woes. The concept encourages employers to look beyond traditional fit, where candidates are expected to come in with the full range of skills needed for specific positions. Instead, employers should look to recruit candidates who may not be from the same industry, but have adjacent skills and fillable skill gaps, thus making them a teachable fit for the position. Teachable fit is a functional framework that expands a company’s talent pool and urges it to thoughtfully understand its talent needs. The payoff is also significant in other ways, as employers can focus their investments in making employee training and development more effective. The research suggests that if employers identify candidates with fillable skill gaps, they should also assess the candidates’ capacity, motivation, and readiness to learn.


This report reflects the discussions, concerns, and conclusions of more than 100 executives about the challenges and role of leadership in an increasingly complex, high-speed, and ambiguous business environment. Members of The Conference Board councils on leadership development, learning, talent management, and diversity and inclusion met on three continents to discuss the new forces impacting leaders and how they can be addressed.
The participants concluded with a list of nine factors with the greatest influence on shaping leadership in 2020 and beyond:

1. Complexity
2. Speed of change
3. Diversity (fragmentation)
4. Sustainability/corporate social responsibility
5. Customer sophistication/value propositions
6. Regulation
7. Communication/transparency
8. Managing polarities/multiple time horizons
9. Changing expectations of the workforce

The report raises the issue of intercultural competency. For multinationals based outside of Asia, there can be a fundamental lack of understanding in corporate headquarters about the complexities and subtleties of individual country markets, demographics, and cultures. Only recently has there been a growth in sensitivity to specific country cultures and their nuances. The notion of an all-encompassing “Asian strategy” needs to give way to a “China strategy” or a “Singapore strategy.”


According to Mullinjer, China will become a source of global leadership talent. There is a large and well-educated youth population that increasingly desires to move abroad. Rising Chinese generation Y employees have different priorities and values than their predecessors, and organizations should engage with them accordingly. For example, generation X employees, born into perceived poverty, have been united by material goals. Accumulation of wealth was the signal of success. In contrast, young workers are increasingly intolerant of pollution and crowding in cities, corruption, and a dearth of women, as a result of gender imbalances caused by the one-child policy. Generation X employees will pursue a more meaningful value system, including environmental sustainability, through “green jobs.” As the first wave of baby boomers has begun retiring, a void in senior leadership will widen if companies are not able to engage and retain rising younger leaders.


This article rethinks mobility, which is a popular tool for developing general-management breadth and retaining talent. However, when it is not executed appropriately, mobility can create unintended consequences, including disrupting operations or an erosion of accountability as people leave without experiencing the success or failure of their decisions. Mobility can also become an expensive cost, particularly when moves involve international assignments or frequent relocations. Likewise, it can become an end in itself, where strategic and operational aims are swept aside while people chase new experiences.

The authors put forth the following guidelines:

• Mobility done right entails careful decision making around who is moved, how, and when, taking into account unique organizational circumstances.
• Safeguards, such as the time-in-position rules adopted at a consumer products company, have tangible benefits.
• HR data should be used to examine the number and types of moves and assess the impact.


This report begins by outlining the necessity and benefits of identifying high potential employees. It continues with a plan to develop the high potential leader, based around the concept of a “High-Potential Experience Cycle.” This program shows the development of the high potential leader, and the organization or supervisor, through several steps, in a parallel process.

Each partner in the High-Potential Experience Cycle goes through several key steps. For example, the organization goes through the steps of forecasting talent needs, identifying and developing high potentials, managing their transitions to new roles, and addressing the governance and evaluation process. Meanwhile, the leader follows the following steps: assess and plan for the future, commit and engage as a high potential, develop and learn, transition and perform in new role, and manage work and non-work priorities.

In this informative interview with General Electric Chief Learning Officer Susan Peters, the value of both online and face-to-face learning is clearly supported. Furthermore, the GE Global Learning programs break up development areas into three buckets: leadership, specific functional skills, and business. Peters reports that tens of thousands of employees participate per year in on-demand learning programs and essential skills courses.

There are approximately 9,000 participants each year in face-to-face learning courses at GE facilities around the world. GE believes that the mission of “inspire, connect, and develop” happens with real impact when people are physically together, which is even more critical as the organization becomes global and participants are often from foreign offices.


The authors identify four key attributes for the development of top leaders:
1. Brand: The reputation for overall excellence—both ongoing success and inspirational leadership.
2. Purpose: Engaging employees with a culture, mission, or business model to which they can relate. This is especially important for millennials.
3. Opportunity: Offering growth opportunities and accelerated career progression.
4. Culture: Portraying a clear image of integrity, meritocracy, and transparency.

The article provides several examples of how companies implement these attributes. For example, the Chinese technology company, Lenovo, provides accelerated development programs, giving each high potential a career path. Career maps are linked to positions across the globe. Accountability for the process rests with line leadership, rather than HR.

The authors conclude with three lessons:
1. Beware of exporting your domestic talent strategy to emerging markets.
2. It is critical to establish a core of local talent.
3. Putting too much weight on English language skills can exclude potentially good recruits.


This study surveys the leadership skills, competencies, and development initiatives that enable and derail successful global leaders. Most important, the research reveals that business leaders and human resource professionals deeply understand the need for leadership development, but it is in practice that the similarities diverge. The researchers emphasize the need for human resource professionals to make the business case for talent strategies and high potential development. Likewise, business leaders need to clearly see that talent management and high potential development will lead to superior operational value, competitive advantage, and financial results. Human resource professionals and business leaders need to work together to invest in longer-term strategic initiatives, such as succession management and leadership development, to thrive in the future global business world.


This webcast explains that traditional ways of developing leaders may not be effective in today’s VUCA (volatile, uncertain, complex, and ambiguous) business world. Companies that adapt how they prepare their leaders gain a competitive advantage.

Effective leaders in a VUCA world replace outdated mindsets and skills with new ones. When solving problems, they take into account corporate culture, innovation, technology, organizational design, employees’ ability to adapt to change, and the role of talent. A new set of critical competencies has emerged.

The traditional linear approach to leadership development does not sufficiently prepare people to lead in turbulent, uncertain times. In a VUCA world, leadership is not directly linked to the position a person holds; instead, it is often linked with their ability to manage their team. Organizations should think about developing talent like running a relay race: make sure the right person is on the track to run the leg of the race he or she is best suited for and ensure the baton is passed smoothly.
In a study of 3,500 companies based in different regions, 58 percent of respondents stated that they were lacking leadership talent for critical roles. This suggests certain specific actions are needed to improve leadership talent:

• Expand leaders’ horizons.

• Due to the talent shortage, employees will have to assume greater responsibility earlier in their tenure, so create a clear path of career advancement.

• Accelerate skills development: While in other regions or periods companies had 15 to 20 years to cultivate a leader, the period today is much shorter at around 10 to 12 years.

• To retain leaders, do not rely on financial incentives alone. Employees are motivated by intrinsic rewards and identification with the organization.

The research shows that Top Companies (best-led companies around the world) include the foundational competencies in their competency model, when their models are compared to the Leadership Code. Additionally, Top Companies differentiate and add strategic value to their leadership competencies by incorporating customer and external stakeholder expectations. High-performing organizations are distinguished by their leadership competency models that involve customer input. Finally, Top Companies also align HR practices and talent systems to their leadership competency models. It institutionalizes the model and reinforces to internal employees and external stakeholders an organization’s commitment to create a consistent leadership brand.


This report is based on interviews with public service employees in Singapore, regarding their experiences in leadership training. It offers insights into the most effective practices and the outcomes of development training.

• Ninety-two percent of interviewees cited challenging assignments as having a lasting impact on their development. Only 11 percent of the study’s participants indicated that coursework and training was as a source of leadership learning.

• Fifty-three percent of interviewees report a relationship with a boss or superior as a significant source of leadership learning.

• The most widely cited lessons learned for leadership were managing and motivating staff (61 percent) and accountability (53 percent). These two outcomes were primarily based on the employee’s relationship with their boss.
## Survey Respondent Profile

### Primary business

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<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
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<td>Manufacturing</td>
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<tr>
<td>Financial and insurance services</td>
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<tr>
<td>Business, consulting and professional services</td>
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</tr>
<tr>
<td>Healthcare/Pharmaceutical</td>
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</tr>
<tr>
<td>Other, please specify</td>
<td>9%</td>
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<tr>
<td>Agriculture and mining</td>
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<tr>
<td>Energy, chemical, oil</td>
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</tr>
<tr>
<td>Telecommunications</td>
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</tr>
<tr>
<td>Travel/Hospitality/Entertainment</td>
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</tr>
<tr>
<td>Wholesale and retail trade</td>
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<tr>
<td>Transportation and warehousing</td>
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<tr>
<td>Utilities</td>
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<tr>
<td>Construction</td>
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<tr>
<td>Government/Public administration/Nonprofit</td>
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N=210

Note: Percentages may not add to 100 due to rounding.


### Full-time employees, 2012

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<td>1,000 to less than 10,000</td>
<td>29%</td>
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<tr>
<td>10,000 to less than 25,000</td>
<td>16%</td>
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<td>25,000 to less than 50,000</td>
<td>10%</td>
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<tr>
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<tr>
<td>100,000 or more</td>
<td>21%</td>
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</table>

N=206

Note: Percentages may not add to 100 due to rounding.


### Annual revenue, 2011

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<td>$500 million to less than $1 billion</td>
<td>10%</td>
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<tr>
<td>$1 billion to less than $5 billion</td>
<td>17%</td>
</tr>
<tr>
<td>$5 billion to less than $10 billion</td>
<td>16%</td>
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<tr>
<td>$10 billion to less than $20 billion</td>
<td>12%</td>
</tr>
<tr>
<td>$20 billion to less than $40 billion</td>
<td>9%</td>
</tr>
<tr>
<td>$40 billion or more</td>
<td>21%</td>
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</table>

N=196

Note: Percentages may not add to 100 due to rounding.


### In how many countries do you operate?

<table>
<thead>
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<th>Range</th>
<th>Percentage</th>
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</thead>
<tbody>
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<td>1 country</td>
<td>17%</td>
</tr>
<tr>
<td>2-5 countries</td>
<td>10%</td>
</tr>
<tr>
<td>6-10 countries</td>
<td>8%</td>
</tr>
<tr>
<td>11-25 countries</td>
<td>14%</td>
</tr>
<tr>
<td>26-40 countries</td>
<td>10%</td>
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<td>41-50 countries</td>
<td>7%</td>
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<tr>
<td>More than 50 countries</td>
<td>35%</td>
</tr>
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N=199

Note: Percentages may not add to 100 due to rounding.

Asia Research Working Group Member Companies
About the Authors

Rebecca L. Ray, PhD is senior vice president, human capital, at The Conference Board and the leader of the human capital practice. She taught at Oxford University and New York University (NYU) and led a consulting practice for many years, offering leadership assessment and development services to Fortune 500 companies and top-tier professional services firms. Ray was named “Chief Learning Officer of the Year” by Chief Learning Officer magazine and one of the “Top 100 People in Leadership Development” by Leadership Excellence magazine.

Ray serves on the advisory boards for NYU’s Higher Education/ Business Education program at The Steinhardt School of Education and University of Pennsylvania’s Executive Program in Work-Based Learning Leadership. She is the author of numerous articles and books, including the book Measuring Leadership Development. Ray holds a doctorate from New York University.

Ric Roi, PhD serves as head of the global centre of excellence for Right Management and leads the firm’s Asia-Pacific consulting practice. Based in Singapore, Roi has consulted with more than 80 global organizations during the past 21 years in the areas of strategic change, leadership, and human capital. He is also a regular keynote and conference speaker.

Roi holds several degrees, including a doctorate from the University of San Francisco in organization development. He has taught at several business schools—most recently, as visiting professor for Nagoya University in Japan and as a lecturer for UC Berkeley HAAS School of Business.

Nandani Lynton, PhD is director of leadership development at Maersk in Copenhagen and adjunct professor of management at the China Europe International Business School (CEIBS) in Shanghai. She previously founded and ran an organizational consulting firm in China and was vice president, Asia, of Thunderbird School of Global Management.

Based in China from 1993 to 2012, Nandani has also worked in India, the United States, Honduras, Germany, South Africa, and 39 additional countries, developing effective global leadership in organizations, including working with top management teams on counterintuitive approaches to new markets, understanding the next leadership generation, and designing leadership development interventions.

Lynton is a frequent public speaker and writer, with articles on developments in Asia for Bloomberg Businessweek, Harvard Business Review, Organization Dynamics, and industry journals, among other publications. Lynton holds a doctorate in cultural anthropology from Cornell University.

Amy Lui Abel is director of human capital research at The Conference Board. Previously, Abel was a director of leadership development with Morgan Stanley supporting high-potential senior leaders globally. She has also held roles at Accenture, Adobe Systems, and JPMorganChase.

Abel is the author of several publications, appearing in The Handbook of Workplace Learning, Human Resources Development Quarterly, and T+D (Training and Development) magazine.

Abel holds several degrees, including a doctorate from New York University in information technology, business education, and organizational learning and performance.

Gary Schmidt, PhD is the practice leader for talent management in ASEAN with Right Management. Based in Singapore, Schmidt has worked in talent management for more than 20 years as a consultant, business executive, and researcher. His experience includes leadership development, high-potential identification and development, competency and job design, talent management for sales and marketing functions, executive assessment and coaching, employee engagement, leadership assessment for selection and development, team building and development, succession planning, performance management, change management including culture change following mergers or acquisitions, and strategic workforce planning.

Schmidt holds a doctorate and master’s degree in industrial organizational psychology from Tulane University. He also earned an MBA from the executive program at New York University Stern School of Business. He is a member of the American Psychological Association, the Society of Industrial & Organisational Psychology, the Society of Consulting Psychology, the Society of Psychologists in Management, the Society of Human Resource Managers, and the Academy of Management.

Nicholas Sutcliffe is the executive director of The Conference Board Asia-Pacific. He is responsible for the strategic development and growth of operations within the region and also shares responsibility for enhancing the stature and reputation of The Conference Board as a relevant, objective, and ethical institution serving business and society. Having worked in Asia since 1994, Sutcliffe has a deep understanding of both the cultural and social issues that affect the region. He has a passionate interest in Chinese and Indian business relations and cultural drivers and has been published in newspapers as diverse as the South China Morning Post and The Hindustan Times.

Yolanda Lannquist is a research analyst in human capital at The Conference Board. Lannquist graduated Phi Beta Kappa from Barnard College, Columbia University, with a bachelor’s degree in economics and European studies. Her senior thesis was on the topic of French labor and welfare reform in the 1970s and 1980s.

Kate Yan is a research assistant at CEIBS. With Nandani Lynton, Yan works on the topics of leadership development, Chinese leadership and generation Y. Prior to working at CEIBS, Yan worked as an intern with law firms before joining Story Farm Productions, a media company, as producer on projects for the Discovery Channel, CNN and other known brands. She holds an LLB degree in international economic law from East China University of Political Science and Law.

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2. Respecting Beliefs
4. Leveraging Cultural Diversity
5. Building Trust with Stakeholders
6. Instilling Trust

It is scientific research using validated assessment instruments which provide confidence in the accuracy and relevancy of the results. Scientific Study: Right Management and Tucker International partnered to complete a groundbreaking research on leadership across cultures. It taps the perspective from individual global leaders directly in their strategic decision-making assess leading-edge issues at the intersection of business and society. Other studies of this nature typically remain in their strategic decision-making assess leading-edge issues at the intersection of business and society. It often requires making decisions in complex environments. Predicting the few vital behaviors that determine success is essential for knowing responsibilities for business performance and strategy execution across multiple cultures. Other studies of this nature typically believe are most important. But this study taps the perspective from individual global leaders directly in the power of what is humanly possible. It often requires making decisions in complex environments. Predicting the few vital behaviors that determine success is essential for knowing responsibilities for business performance and strategy execution across multiple cultures. Other studies of this nature typically believe are most important.

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