

**White Paper**

# Managing Leadership in Turbulent Times—Why and How the *Global Top Companies for Leaders* Optimize Leadership Talent in Emerging Markets

**Bob Gandossy, Shelli Greenslade, and Tina Kao, Hewitt Associates**



## **About This Study**

In 2008, Hewitt invited 12 of the 20 winners of the 2007 *Global Top Companies for Leaders* to participate in a study on the talent and leadership implications of emerging markets. All of the invited organizations were leaders in their respective industries and had an extensive global footprint in developed and emerging markets. Seven of them participated in the research. In 2008 and 2009, Hewitt conducted in-depth interviews with senior HR leaders from corporate headquarters who had knowledge of broad organizational practices as well as specific strategies for emerging markets. In addition, we interviewed two to four on-the-ground leaders from each organization responsible for talent management in an emerging market/geography. Hewitt then conducted aggregate data analysis from the participating organization's responses to the 2007 *Top Companies for Leaders* questionnaire as well as from their interviews.

## **Participating Organizations**

General Electric

GlaxoSmithKline

International Business Machines

Medtronic

Nokia

Procter & Gamble

Whirlpool

## **About the Top Companies for Leaders**

Hewitt's 2007 *Top Companies for Leaders* study was conducted in partnership with *FORTUNE* and The RBL Group, and is the most comprehensive research on leadership in the market today. Since its inception in 2002, the study has examined how organizations choose and develop leaders, and identified links between leadership practices and financial results. In the 2007 study, 563 companies worldwide took part, culminating in a list of 20 *Global Top Companies for Leaders*.

## Executive Summary

The global economic recession is officially here, but its longer-term impact remains uncertain. What *is* clear is that this downturn is unmatched in its scope, speed, and severity. Not since the 1930s have mature and emerging economies experienced such a domino effect of “shocks” to financial markets and economies. For now, most experts don’t see significant recovery until late 2009. Most developed nations are already in official recession, and many emerging markets are experiencing slower growth.

Organizations around the world are scrambling to understand the impact of the crisis on their business. Focus is on stabilizing cash and debt positions and balancing immediate cost pressures with top-line growth. For many global organizations, as growth comes to a standstill in developed economies, the emerging markets offer a glimmer of hope. While these countries, including China and India, face their own challenges ahead, many companies believe they represent the best economic prospect in these turbulent times.

Recently, we conducted a study to understand how the *Global Top Companies*—those who are rated best in the world for their leadership practices—are responding to these challenges. Specifically, we sought to learn how they’re managing and optimizing their leadership and critical talent in emerging markets to achieve business success, especially in these tough times. Even before the slowdown, emerging market economies—including China, Russia, Brazil, Indonesia, India, Mexico, United Arab Emirates, Turkey, and Vietnam—were exploding onto the global economic landscape at unparalleled speed. Now, as many companies look to these new markets even more, they’re quickly confronting a significant challenge: There simply aren’t enough qualified leaders to meet the demands of the business. Furthermore, for many emerging economies, many business leaders—a number of whom are in their late 20s and early 30s—have never lived through tough economic times, let alone led businesses under such conditions.

Not surprisingly, we discovered that *Global Top Companies* are leading the way when it comes to anticipating and managing talent issues in emerging markets. They understand the innumerable opportunities and challenges that exist and the importance of having the right talent in place from day one. While other companies often focus on strategy, logistics, or the operational complexities of new markets and tackle people issues as an afterthought, *Global Top Companies* make talent a top priority from the start. At the same time, we learned that there’s no “silver bullet.” Even the Top Companies don’t have all the answers, and many of their talent strategies in these markets are still evolving.

We interviewed HR and on-the-ground leaders in these markets to learn firsthand what was working and, perhaps more importantly, what was still a challenge. First, we found that the Top Companies nail the fundamentals. They understand that it’s disciplined execution, above everything else, that truly separates successful companies from the rest in emerging markets. Second, the Top Companies prioritize four strategies for optimizing talent in emerging markets which sets them apart:

- Embed global thinking in every leader.
- Build global-ready local talent pools.
- Accelerate experience-based development.
- Deliver an employee experience that doesn’t change with time zones.

Sounds disarmingly simple, but Top Companies bring unmatched innovation, speed, transparency, and rigor to what they do for each of these strategies to create a sustainable edge over others.

## Emerging Markets—Unprecedented Growth, New Challenges, Greater Expectations

Operating in 170 countries with approximately 380,000 employees worldwide, more than 63 percent of International Business Machines' (IBM's) revenue comes from outside the United States.

Emerging markets represented 18 percent of IBM's overall geographic revenue in the second quarter of 2008. Moreover, the Brazil, Russia, India, and China subset grew 31 percent in the second quarter of 2008, led by strong growth in India.<sup>1</sup> Nokia, too, has placed major bets on emerging markets. With sales in more than 150 countries and its top two markets in China and India, over one-third of the Finnish company's business comes from the Asia-Pacific region.<sup>2</sup> Procter & Gamble (P&G), the world's largest consumer products goods company, is also the largest consumer goods company in China with more than \$3 billion in annual sales. By the end of the decade, developing economies are expected to account for approximately 30 percent of P&G's sales, up from 20 percent in 2000.<sup>3</sup>

For companies like IBM, Nokia, and P&G, the emerging markets represent big business. Over the past decade, these companies and their counterparts have expanded their presence to far-flung locations around the world—from Bangalore to Tianjin to São Paulo to Abu Dhabi to Lodz—to grow their business. In 2007 alone, more than \$1 trillion was invested in emerging market economies. That year, emerging market economies represented 30 percent of the world GDP and half of global 2007 GDP growth.<sup>4</sup> During this time, there has been a palpable sense among many leaders that the balance of power is shifting from headquarters to local, from developed economies to emerging markets, from West to East.

The current economic crisis will no doubt impact the pace of this growth. It is now clear that emerging economies cannot “decouple” from the global downturn. Plummeting currencies, export trade, and tight international credit markets are affecting much of the

developing world. The jury is still out in terms of the long-term effects for emerging markets, but recent actions by the International Monetary Fund (IMF) and individual governments suggest that the situation will be more severe than originally anticipated.

Still, for many global organizations, the expectations for emerging markets are not subsiding. In fact, they may intensify as growth in the developed world comes to a standstill and companies desperately seek additional revenues, cost savings, and expanded portfolios. According to the IMF, while GDP growth in emerging markets is projected to slow appreciably, it's still likely to reach 5 percent in 2009.<sup>5</sup> For emerging markets in Asia, that number is slightly higher with projections of 7 percent in 2009 (versus more than 9 percent in 2006 and 2007). Believe it or not, these projections are far rosier compared to predictions for more established markets.

That's not to say that emerging markets are sure bets for companies in the near term. Well before the economic crisis, weak infrastructure, tenuous social networks and governing organizations, language and cultural complexities, and complex laws provided an incredibly challenging, ever-changing environment. With the global recession, the risks are even greater. Yet, despite all this, the opportunities these economies provide, at a time when many mature markets are experiencing stagnant growth, are too compelling to ignore.

## A Global Talent Crunch

The size of the population in emerging markets is daunting. The workforce is four times larger than that of the Western world and is expected to grow 500 percent by 2020.<sup>6</sup> But the right talent is still a scarce resource. According to an EIU Brief, the “lack of available local talent” in emerging markets is viewed as the leading barrier to business growth among executives.<sup>7</sup> In a recent Hewitt Best Employers in Asia® study, 80 percent of companies in China reported severe talent shortages, particularly for

<sup>1</sup> www.IBM.Com, IBM Growth in Emerging Markets Fuels Lotus Momentum, July 31, 2008.

<sup>2</sup> www.nokia.com

<sup>3</sup> Nagrath, M. (2008) Top Companies Emerging Markets Interview

<sup>4</sup> [http://www.economist.com/finance/displaystory.cfm?story\\_id=10136509](http://www.economist.com/finance/displaystory.cfm?story_id=10136509)

<sup>5</sup> World Economic Outlook Update, International Monetary Fund, November 6, 2008

<sup>6</sup> <http://www.investopedia.com/articles/03/073003.asp>

<sup>7</sup> Multi-Polar World Part 2: Rise of the Emerging-Market Multinational, Accenture, 2008

## What Constitutes an Emerging Market?

In our study, participants used many terms and references for describing emerging markets. Coined by Antoine W. van Agtmael in 1981, “an emerging market economy (EME) is defined as an economy with low-to-middle per capita income.”<sup>8</sup> The most notable emerging markets are the so-called BRIMC nations of Brazil, Russia, India, Mexico, and China. But today, many other regions or countries are represented, including parts of South and Southeast Asia, Africa, Latin America, the Middle East, and Eastern Europe. Since 1950, 13 economies have grown at an average rate of 7 percent for 25 years or longer. At this rate, an economy doubles in size every ten years. The 13 economies with sustained high growth are: Botswana, Brazil, China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Malta, Oman, Singapore, Taiwan, and Thailand. Other rapidly growing economies include those of India, Vietnam, and Turkey.

It’s important to note that beyond a few common traits related to economic growth, each emerging market economy is distinct in many other ways. Some countries, such as Indonesia and Turkey, are defined by their large youth populations. Others, such as Eastern European nations, face aging populations and migration issues. Still others, including China and India, represent large populations but a much smaller skilled workforce. And even the term “emerging market” is interpreted differently by our study participants. For some, other phrases—including developing markets, rapidly developing economies, growth markets, etc.—are more appropriate. Throughout this report, we use these various labels interchangeably to include as broad a definition as possible.

manager and leader roles. While each market has its distinct labor issues, they all face a common talent challenge. Simply put, there just isn’t enough qualified talent to fill the talent and leadership pipelines needed to sustain the growth in these developing markets. Competition for top talent is fierce—even in down economies—and basic supply and demand tells us the situation will only get tougher.

Top Companies are certainly not immune to this challenge. Consider the following:

- In the India market, IBM hires a new employee every five minutes.
- For P&G, the average age of emerging market leaders is late 20s to mid 30s.
- In 2004, Nokia had 250 employees in India. Today, that number is nearly 15,000, an increase of nearly 6,000 percent in approximately four years.
- General Electric (GE) attrition rate in China runs around only 11–12 percent—yet the talent pipeline remains one of their biggest challenges.<sup>9</sup>

Retention of top talent is always a concern. The intense competition in emerging markets provides a fertile ground for poaching. Top Companies are hit particularly hard because the market knows they have great talent—with experience, training, and skills that are highly valued. Most leading companies have moved beyond a pure monetary strategy to retain top talent. They focus on growth, development, and global experience, creating “stickiness” in the employment relationship.

## Nailing the Fundamentals— Execution Is Key to Success

None of the Top Companies in our study claim to have solved the global talent challenge. A number describe their strategies and practices in growth markets as “evolving” or “works in progress” at best. Still, it’s clear they’re doing something right. What Top Companies do that sets them apart from the rest is to nail the fundamentals—that is, to execute flawlessly with consistency, speed, and focus. They know from experience that in emerging markets, disciplined execution is the key to success

<sup>8</sup> Business Resilience: Ensuring Continuity in a Volatile Environment, Economist Intelligence Unit, January 2007

<sup>9</sup> <http://www.ge.com/ar2007/gov.jsp>

in such complex environments. Without these process fundamentals in place, the effectiveness of any talent strategy or tactic is severely diminished.

In emerging markets, we found that disciplined execution requires the following:

**1) Speed.** As one Top Company leader puts it, “In emerging markets, there is no luxury of time.” When business is growing by double-digits each year and the competition for talent is fierce, speed is critical for success in these emerging markets. Top Companies are learning how to accelerate the attraction and development of talent. Today’s emerging market leaders—often talented individuals still in their 20s and 30s—expect rapid development, frequent promotions, and fast feedback. The challenge in these markets is to embrace the speed required to develop and engage talent, and at the same time maintain the quality of development, and the integrity of the promotion process—promotion when ready.

**2) Flexibility and scalability.** In emerging markets, there’s a belief that “one size fits none.” Organizations must find a balance between corporate and local objectives and culture, and allow for customization on-the-ground. For example, Top Companies want global consistency in how they manage their leadership talent. But when it comes to emerging markets, many stress the need to tip the balance toward local norms and business realities. Take P&G. They customize their leadership curricula for more junior leaders in emerging markets so that those earmarked for leading positions receive the training much earlier in their careers.

**3) Transparency.** In emerging markets, the need for transparency in managing and developing talent is greater than ever. Today’s emerging market leaders are savvy about their own worth in the global marketplace. Aided by Internet communications and social technologies, top talent expects openness, clarity on the employment experience, aggressive development plans, and consistent follow-through. Top Companies are responding by providing clear career roadmaps and frank discussions on what top talent can expect working for them.

## Summary of Leading Practices

Strategies	Leading Practices
Embed global thinking in every leader	<ul style="list-style-type: none"> <li>■ Leaders need a passport</li> <li>■ Global leaders have a mandate to build other global leaders</li> <li>■ Global talent is a driver—not a by-product—of global strategy</li> </ul>
Build global-ready local talent pools	<ul style="list-style-type: none"> <li>■ Articulate what global-ready leaders look like</li> <li>■ Targeted use of glopats</li> <li>■ Farming, not hunting, external hires</li> </ul>
Accelerate experience-based development	<ul style="list-style-type: none"> <li>■ A portfolio approach biased toward on-the-job learning</li> <li>■ Rise of regional development hubs</li> <li>■ Leveraging the power of networks and relationships</li> </ul>
Deliver an employee experience that does not change with time zones	<ul style="list-style-type: none"> <li>■ Employment brand anchored in values</li> <li>■ Unparalleled investment in careers at all stages</li> <li>■ Seamless support infrastructure</li> </ul>

**4) Rigor and intention.** Top Companies take their emerging market talent strategies seriously and operate with a sense of deliberate rigor in what is done and how it is done. They know that their organizations must be agile to succeed in these markets—that they must challenge previous assumptions around talent and leadership to ensure that they’re executing the right practices, the right way, at the right time. We saw sophisticated mobility analysis of labor and educational trends, GDP growth, and competitive positioning down to the city level as companies search for the next Bangalore. We also saw HR professionals challenging business strategy if critical talent indicators, such as leadership capability or labor costs, were overlooked or underestimated.

Top Companies are moving aggressively in the right direction. Our research points to four leading strategies for optimizing talent in emerging markets: embed global thinking in every leader, build global-ready local talent pools, accelerate experience-based development, and deliver an employee experience that does not change with time zones. Tied to each strategy, we highlight a number of leading practices.

### Embed Global Thinking in Every Leader

Having operations in numerous locations around the world may create a multinational presence, but Top Companies do much more. For them, being a global organization and having supporting talent around the world is an indisputable imperative for success (and survival) in today’s competitive market. To do this, Top Companies ensure that being global goes beyond operations—that it reflects an instilled mindset that permeates how leaders think and behave. As GE CEO Jeff Immelt says, “In order to be global, we have to change the mindset of the company. It’s about playing big and small at the same time. Big is leveraging scale to be in many markets globally. Small is about localization rather than globalization—having the right local people, with the ability and empowerment to make the right local decisions.” At Top Companies, going global and building a global talent base go hand in hand. The focus on global talent is ingrained in

everything these organizations do from a talent perspective—from sourcing new talent to managing knowledge sharing to developing future leaders.

For Nokia, and its business vision of “connecting people” around the world, the importance of global talent is without dispute. According to Jose Conejos, VP of HR for Development and Resourcing, Nokia is “a truly global company focused on one product line.” Close to 50 percent of its employees are based outside of Europe, where the company is headquartered, and that percentage is expected to increase rapidly. From the start, Nokia seeks to imbed a global mindset among its employees. Recently, the company embarked on an ambitious effort to redefine its company values. To reinforce the importance of global talent working together, Nokia leadership led a series of employee workshops across the globe, culminating in a 72-hour online discussion involving tens of thousands of employees. From this exercise, Nokia identified its new values for the future: “engaging you, achieving together, passion for innovation, very human.” An exhausting process for sure, but one that leaders felt was warranted to build a stronger global community.

Strategies	Leading Practices
Embed global thinking in every leader	<ul style="list-style-type: none"> <li>■ Leaders need a passport</li> <li>■ Leaders have a mandate to build other global leaders</li> <li>■ Global talent is a driver—not a by-product—of global strategy</li> </ul>

**Leaders need a passport.** Whether it’s an explicit policy or an unwritten rule, leading companies make it clear to employees that having significant global experience is a prerequisite for leadership positions. No longer is top talent allowed to stay within the confines of headquarters or their local country—leaders need their passports stamped to advance. At Nokia, employees can’t move into general manager positions until they’ve demonstrated significant international experience.<sup>10</sup> Similarly, P&G

employees typically have significant international experience as part of their career development. Twenty-two of the top leaders were born outside the United States. At P&G headquarters in Cincinnati, Ohio, 33 of the company's top 40 global leaders have significant international experience. One such example is CEO A.G. Lafley. He ran P&G's Asia operations in the mid-1990s out of Kobe, Japan.<sup>11</sup>

Whirlpool gives immense focus to its global high-potential pool, and invests heavily in developing their managerial and leadership skills through cross-functional and cross-geography opportunities. A product manager in Brazil may locate to the U.S. to build experience at headquarters, move to Europe to lead a market, and then head back to Brazil. Clearly, the expectation is that all future leaders of the company develop international experience.<sup>12</sup> And that's true for the functions as well. We met a German HR leader at IBM who has been with the company for ten years and has worked in London, Paris, and Madrid, and is now at IBM's headquarters in Armonk, New York. Another executive we spoke to started in Europe, did a stint in the U.S., then India, and is now in China.

**Global leaders have a mandate to build other global leaders.** Leaders at Top Companies lead the way in establishing a pipeline of future leaders. They're actively involved in developing leaders around the world. They coach, mentor, and "teach" leadership. Simply put, they build leaders.

At GE, the philosophy is that "leaders are only as good as their leaders." GE executives spend more than 30 percent of their time on talent issues. CEO Jeff Immelt personally examines the top 600 employee performance reviews every year. And over the last few years, as part of its business strategy, the company has invested heavily in "globalizing" its approach to leadership development—while still maintaining its strong enterprise strategy, processes, and programs—to spot-

### **Spotlight on the Emerging Market Leader: How did the organization prepare you for this role?**

*"It was a long investment. I grew up in China and was hired 14 years ago by GE in China. I was selected to attend GE's Human Resource Leadership Program (HRLP) held in Crotonville and was one of a very few global students in the program at that time. I felt fortunate to find opportunities in the U.S. after graduation of HRLP, as there were not a lot of opportunities in China then. After eight months of rotations through HRLP, I was offered another rotational opportunity in the U.S. I was in that role for six months and was offered the full-time position which I was in for two years. From there, I took two other leadership roles in the U.S. in different businesses, so I ended up in the U.S. for six years. GE gave me exposure to top leadership (vice chair) and made me feel very valuable in the job.*

*"I started at a junior level, and these assignments in North America built up my solid HR experiences. I learned a lot of law, the U.S. way of working. I learned HR techniques, how to deal with people, coach managers. I learned how to do this in a tough situation. I learned so much on the job—the nuts and bolts—the cultural aspects of Americans and GE, which are very important. I assimilated myself to the environment.*

*"When I started at Whirlpool, they gave me many opportunities to develop my confidence and skills. Lots of coaching from U.S. folks from the perspective of what I needed to work on, skills, cultural/international business. Whirlpool sent me over here (Europe) to meet more people and operational leaders. They sent my wife as well, to make sure she was comfortable. They gave us cultural training and language training (both my wife and I still do this, and can continue as long as we want). We met with people who'd been on assignment over here and their spouses to get the unfiltered story. I had training on "Preparing for the international assignment." When I got here (Italy), I had a lot of talks about the business—what are the real issues, concerns, etc. The people who work for me get equal credit for teaching me the business here. I had a very strong team that really helped me."*

<sup>10</sup> Nagrath, M. (2008) and Conejos, J. (2008) Top Companies Emerging Markets Interview

<sup>11</sup> Kao, T. and Verma, N. (2007) Best-in-Class Global Talent Management, Hewitt Associates

<sup>12</sup> Todman, M. (2008) Top Companies Emerging Markets Interview

light and accelerate its development of talent around the globe. This includes, among other things, a greater focus on global capability and inclusiveness for leaders, and the creation of global leadership initiatives such as its China Learning Center and regional talent forums.

At P&G, leaders lead and play a vital role in building talent capability in these emerging markets. Leaders are expected to not only do their job, but also build the talent pipeline. As expressed by Moheet Nagrath, Global HR Officer, “These leaders have to groom our top talent and build the organization capabilities that will sustain us for generations to come. It’s the best legacy a leader can leave for the business.” At IBM, incumbents for every leadership role in emerging markets must identify two or three ready-now successors and two or three successors ready in 24 months.<sup>13</sup> This is especially important in fast-paced growth markets where the “churn” of leaders is more rapid. At IBM, failing to plan and develop talent can not only stall one’s career, but also slow business growth.

**Global talent is a driver—not a by-product—of global strategy.** As companies target emerging markets around the world, it’s no longer just a matter of analyzing market opportunity and political and social stability. Human capital needs are now at the forefront of strategy from day one. It sounds disarmingly simple, but when it comes to entering new markets, most companies still adhere to ad hoc, shoot-from-the-hip approaches, often driven at the business unit level. Many fail to do the groundwork and assess whether they have enough of the right mix of people ready to launch the business. Talent is often an afterthought. Top Companies do this differently. According to our research, 85 percent of Top Companies explicitly link development of critical talent with the organization’s business strategy (versus 37 percent of other companies).<sup>14</sup> And when it comes to entering new markets, they’re more deliberate, more tactical, and more consistent in how they identify, prepare and enter, and grow an emerging market. At IBM, human capital analysis occurs at every step

of the process—before, during, and after any effort. A global team of HR and other functional experts is constantly scouring the world for the next talent hub to fuel IBM’s expansion. Using a combination of advanced workforce analytics, scenario planning, labor demographics data, and on-the-ground reconnaissance, this team helps IBM businesses decide where to move the business from a human capital perspective in the next three, five, and ten years out. The issue of talent is so important to the organization that the final go/no-go decision is made jointly by the SVP Strategy, SVP HR, and the local Market Lead. The company also tracks business performance by country, projected growth, and the key talent capabilities required to support such growth. Where there are gaps—and there often are in these competitive, labor-scarce locations—contingency plans are immediately drafted.

GE provides another example of HR taking the offensive in establishing the global talent imperative. As part of the “due diligence” process for entering new markets, an HR team travels to perform assessments of target markets. The group looks at everything related to human capital, from leadership depth to labor costs to culture-specific business customs. According to Jeff Bucklew, Manager of Executive Development, these “deep dives” showcase HR’s ability to help globalize the company. By giving HR a firsthand look at the talent issues on the ground, the team quickly builds its own knowledge base on global talent issues to best support the business.

### **Build Global-Ready Local Talent Pools**

Top Companies are challenging traditional approaches to managing global talent and looking beyond the “headquarters” versus “local” divide to determine staffing solutions. While these companies have the same end game in mind—to have global-ready but local talent lead local markets—they pursue a range of innovative staffing strategies to achieve this goal. More and more, leading companies are recognizing the talent pool is a global one and that the ability to source, staff, and move talent seamlessly across the globe is a necessary and differentiating strategy. At the same

<sup>13</sup> Sorenson, L. (2008) Top Companies Emerging Markets Interview

<sup>14</sup> 2007 Top Companies for Leaders study

time, they establish and nurture local talent pools—mainly from within, but also drawing from outside the organization—to build a pipeline for the future. Ultimately, it’s about what’s best for the business and putting the best talent in place to grow a new market—regardless of the leader’s country of origin or residence.

At GE, the talent pool is global. Today, the majority of its employees work outside of the U.S. (more than 53 percent). While fewer than 8 percent of GE executive leaders are in emerging markets, the company is on the offensive in growing global leaders. Over the last six to seven years, GE has doubled the number of non-U.S. executives from 15 percent of its total executive population to more than 30 percent. Its use of expatriates to fuel global growth and develop global leadership capability has not declined over the years, and today two-thirds of GE’s expatriates are from outside of the U.S. This is especially pronounced in Europe, where geographic proximity and cultural similarity make a natural “regional talent hub” where talent can be quickly shared and moved across borders.

At P&G, there’s an explicit strategy to develop local talent to lead new markets. The advantages of cultural familiarity, consumer understanding, language, and personnel cost are too great to ignore. According to Moheet Nagrath, Global HR Officer, “We set goals for the development of local talent and track our progress like any other key business initiative.” To achieve that, in China, for example, the company starts with its local Chinese talent base and then identifies Chinese nationals who are based outside of China. Finally, it looks within the region for talent—Chinese or not—who might fit the role.

Nokia is also concerned about securing top talent for two growth markets—India and China. Its “Top 100” program focuses on hiring 100 university grads from top-tier schools in India and China and rotating them through a series of assignments across geographies, functions, and business units. It is expected that after

two to three years of assignments, the Top 100 will return to their home countries.

### Strategies

### Leading Practices

Build global-ready local talent pools

- Articulate what global-ready leaders look like
- Targeted use of glopats
- Farming, not hunting, external hires

### Articulate what global-ready leaders look like.

Top Companies understand the unique challenges of leading in an emerging market. There are language and culture barriers. There’s a need to move quickly and to do things right, to be consistent with the values of the enterprise, and maintain high ethical standards. Leaders in these markets also often represent the broader business of the organization—not just a single business. Finding and developing such leadership talent is a tall order.

Top Companies understand the importance of articulating what global-ready leadership requires. This is critical in both setting and executing talent strategies in emerging markets. Organizations must ensure that they’re targeting the right people, for the right experiences, at the right time. Top Companies also articulate what global-ready careers look like—in some cases, this means “high connection” roles with global scope, but not always high mobility. In other cases, leading organizations find it imperative to provide clarity and transparency from the beginning so that organizations can best prepare and build talent, and individuals are clear on what’s expected of them.

Nokia’s new leadership framework places a heavy emphasis on global experience and understanding emerging market issues. The company uses this framework along with specific market needs to identify potential leaders. For each market, the company builds a slate of three internal and three external candidates and assesses them against specific market criteria.<sup>15</sup> At IBM, selection for emerging market leaders includes cultural diversity and the ability to build strong business relationships. Having developed leader profiles for

<sup>15</sup> Conejos, J. (2008) Top Companies Emerging Markets Interview

each market or country and for the top positions, IBM's Chairman and 14 SVPs make the final call on leader roles after a series of rigorous discussions.<sup>16</sup>

In the Asia-Pacific region, GlaxoSmithKline (GSK) looks for “East-West” leaders who can straddle both parts of the world. According to Jean-Christophe Barland, VP Commercial Development, APAC, this is one of their top criteria for selection and a major challenge in sourcing talent. Whirlpool also considers an individual's life stage. For example, early in one's career, when social environment and cultural options are important, Whirlpool's offices in Paris or New Delhi or São Paulo are more natural fits than its Southwest Michigan headquarters. Assignments to its Benton Harbor offices are more meaningful after leaders have some global experiences and may be more appropriate for executives at a later stage in their career or for those leaders who are raising a family.

**Targeted use of glopats.** The Top Companies take alternative approaches to the traditional expatriate model by supporting and rewarding multi-location experience of their critical talent and leadership. More and more leading organizations are using “glopats,” leaders with demonstrated experience in building new business around the globe on short-to medium-term assignments. Glopats bring distinct value to the staffing challenges in emerging markets. They have in-demand skills, they're usually cheaper (compared with longer-term expatriates), and they have extensive experience and comfort with growth markets. Leading companies have explicit exit strategies for these glopats in terms of what they need to accomplish and the time frame for their accomplishments. In most cases, glopats are charged with identifying and training a successor before completing their assignments.

At GSK, there's a strong focus on glopats. And while there isn't an official mandate at GSK to have international experience in order to be a leader, it's an unwritten rule. Leaders understand they may not grow or advance if they stay in a single market or region. Often

### Profile of a Leader in Emerging Markets.

All Top Companies define specific attributes, competencies and business experiences required of their leaders, however, they're refining the profile of a leader in an emerging market—believing there are unique skills and attributes needed there.

As we talked to Top Companies, we heard a lot about the common and desired attributes of emerging market leaders:

- Young in age, grew up in bi cultural world (e.g., Indian-born, U.S.-raised), values-driven, technology-savvy, global outlook, multi-lingual
- Comfortable with chaos and uncertainty
- Can operate with speed and agility
- Able to drive growth
- Natural global networker and relationship builder
- Embraces diversity, sensitive to differences
- Demonstrates cross-functional expertise
- Able to teach, lead, and model the right behaviors
- Highly ethical
- Open to global experiences but also committed to home country

this involves supporting a region while based locally. In some instances however, leaders will operate in a 50-50 split, working within the emerging market country 50 percent of the time and within their regionally based home country the other 50 percent. Others may fulfill their responsibilities providing 100 percent support for the region while remaining within their home country throughout the assignment.

Whirlpool is increasingly using short-term assignments (six months or less) to meet specific needs with markets while at the same time providing development opportunities for high potentials.<sup>19</sup> At P&G, they have “World VPs” who choose to stay in the global markets throughout their career rather than move to the Cincinnati headquarters. Although getting to the most senior positions at P&G requires a move to headquarters, the World VP designation is designed specifically to accommodate those senior leaders who prefer to

<sup>16</sup> Hoff, T. (2008) Top Companies Emerging Markets Interview

<sup>17</sup> Barland, J.C. (2008) Top Companies Emerging Markets Interview

<sup>18</sup> Todman, M. (2008) Top Companies Emerging Markets Interview

stay in the markets outside of the United States.<sup>20</sup> P&G also has general managers who move from market to market to help build a new business. The company relies on these experienced managers to accelerate the growth of new markets and to begin building a robust on-the-ground cadre of leaders.

**Farming, not hunting, external hires.** Nokia's Jose Conejos uses the farming versus hunting analogy, referring to Nokia's focus on building deep, long-term relationships with quality schools and organizations to feed their talent pool. As Conejos puts it, "Crops over the long-term grow exponentially."<sup>21</sup> Nokia is not alone. Many Top Companies focus on deep strategic, relationships with universities and local staffing agencies that will better guarantee they find quality talent. They strive to maintain strong connections and nurture alumni networks with returnees (who have lived and worked outside the headquarters country) and binationals (who have spent time in two countries). With their established cultural and language backgrounds, these individuals provide a pool of "near-ready" talent. For example, in the China market, if local talent is not adequate, a company might first look for Chinese returnees from China, followed by talent from Singapore or Taiwan where language and culture are compatible, and finally to foreign talent currently residing in the area.

In many regions of the world, the demand for talent and critical skill is so acute, educational institutions cannot keep up. Companies like IBM and GE invest hundreds of millions of dollars to develop the skills they need. And increasingly they're forming partnerships with universities throughout the world to ensure a steady supply of needed talent. IBM, for instance, collaborated with more than 75 universities in 24 countries to create a new academic discipline—Service Science, Management, and Engineering (SSME) which incorporates business strategy, engineering, and computer and social sciences. GE has also made strategic acquisitions in emerging markets with the focus of acquiring ready

leadership talent.<sup>22</sup> Medtronic's India operation targets a few top-tier universities to establish strong pipeline relationships.

At Medtronic, recruiter relationships in Russia are critical and serve as the primary source of referrals for that market. The company's strategy in Asia involves recruiting Asian-born graduates from the top MBA schools in the U.S. In this instance, the focus is on the aggressive development of American graduates with Asian capability and an interest in working in Asian markets. In Japan, part of Medtronic's Targeted School Program involves hosting job fairs for Japanese students educated in the U.S. with strong communication skills, adaptability, and flexibility. Each year, they hire approximately 15 graduates to work in their Japanese market (from a pool of approximately 5,000–6,000 students).

Furthermore, Top Companies are connecting with potential employees in a variety of new venues, including through corporate social responsibility initiatives. One example is Students in Free Enterprise, a global nonprofit that advocates socially responsible business leadership. Every year, the organization hosts its "World Cup" competition where groups of students from around the world showcase their community outreach projects and a panel of judges (often CEOs of major companies) determines the winner. Beyond the event itself and its promotion of corporate social responsibility, it also provides a forum for leading companies like GE to build relationships with young talent from around the world.

### **Accelerate Experience-Based Development**

To meet the demands of emerging markets, Top Companies are accelerating talent and leadership development, making it faster, broader, and more targeted. It's faster because the speed of the market demands it. It's broader because many new leaders need a wide variety of training and development—and emerging markets introduce many new complexities. And it's more targeted, as each emerging market presents unique cultural, political, and business norms.

<sup>19</sup> Paxton, R. (2008) Top Companies Emerging Markets Interview

<sup>20</sup> Nagrath, M. (2008) Top Companies Emerging Markets Interview

<sup>21</sup> Conejos, J. (2008) Top Companies Emerging Markets Interview

<sup>22</sup> Lafitzegger, K. (2008) Top Companies Emerging Markets Interview

At the same time, Top Companies still adhere to a corporate-driven approach to developing talent by leveraging enterprise-wide tools, structures, and processes—while executing with a local flavor. This balance is important to maintain. Enterprise-wide practices ensure global consistency in the development of leaders, yet refinement reflects specific market needs and challenges. Ultimately, among Top Companies, the portfolio of development approaches is quite varied—often driven by specific business needs and organizational parameters—but all emphasize the importance of investing in leadership development for growth markets and having the will and commitment to make it happen.

GE is one Top Company focused on accelerating its development of emerging market talent—through on-the-job experience and more locally adapted development approaches. For example, China is one of GE’s largest markets, with 5.4 BN revenues in 2006, an annual growth rate at around 15 percent, and employing more than 12,000 employees. The urgent need for able and ready leadership talent to drive the markets, coupled with China’s distinct needs, led GE toward more regional, more customized approaches to talent development. According to Heather Wang, HR Director GE Asia-Pacific and China, “The talent in China has particular needs, and we need to tailor our development programs to that.”<sup>23</sup> The China Acceleration program, a comprehensive series of development programs for leaders, was developed in China (not by headquarters) and is now being deployed across the region. Also, GE China Learning Center in Shanghai operates as the country’s own “Crotonville” complete with state-of-the-art technology; networking facilities for employees, customers, and suppliers; and 24-hour online learning.

**A portfolio approach biased toward on-the-job learning.** Top Companies understand that there’s no substitute for experience. We already know from Hewitt’s 2007 *Top Companies for Leaders* data that Top Companies pursue a mix of learning techniques to accelerate leadership development. This includes on-the-job learning and internal leadership training, as well as coaching and mentoring, action-learning projects and/or cross-business/cross-geography rotations, and exposure to senior leaders. For emerging markets, this “portfolio” approach is applied, but the need for speed and breadth of content intensifies the task exponentially.

For IBM, leadership development in growth markets faces three main challenges: lack of time, lack of experienced peers, and lack of basic managerial skills. The company’s development programs address these issues head-on by providing fast-track development with a strong emphasis on leadership and peer networks and foundational training in areas such as business etiquette and cultural sensitivity. The primary method for this development is on-the-job training—partly because in IBM’s experience, that’s what has proved to be most successful, and partly because there’s no other choice given the pace of business in emerging markets. The company also recently launched a series of short virtual development modules targeted for the on-the-go leader. These five-minute animations cover a specific leadership topic and are forwarded to individuals via e-mail.

Moving talent to growth markets is not only good for business; it’s good for developing leaders. P&G sends local talent on international assignments to learn how business is conducted in another country. “International experience is key to preparing and developing our leaders,” states Moheet Nagrath, Global HR Officer for P&G. A manager being groomed for the top finance position in a developing market like Russia, for example, might be deployed to a more developed market such as the U.K. for a few years to work in a more structured market.<sup>25</sup> In addition to the career growth potential of a global assignment, these

Strategies	Leading Practices
Accelerate experience-based development	<ul style="list-style-type: none"> <li>■ A portfolio approach biased toward on-the-job training</li> <li>■ Rise of regional development hubs</li> <li>■ Leveraging the power of networks and relationships</li> </ul>

<sup>23</sup> Wang, H. (2008) Top Companies Emerging Markets Interview  
<sup>24</sup> Nagrath, M. (2008) Top Companies Emerging Markets Interview  
<sup>25</sup> Koo, T. and Verma, N. (2007) Best-in-Class Global Talent Management, Hewitt Associates

leaders benefit from a variety of intense developmental experiences. Before their arrival, they're immersed in business projects or task forces in the region, cultural and language classes, and sessions with internal coaches.

**Rise of regional development hubs.** Leading companies take a consistent enterprise-wide approach to sourcing, developing, and rewarding top talent. In fact, most companies, including IBM and GE, consider their top executive talent to be an enterprise asset not belonging solely to a specific product or profit/loss line. Yet, when it comes to developing leaders for growth markets, the need for speed and flexibility to meet local business requirements become a practical necessity. As the divide between headquarters and local offices blurs, we're seeing the rise of more regional and local hubs for talent development and execution. In many cases, geographic proximity and cultural compatibility make a regional or local approach a logical as well as cost-effective alternative. While still maintaining an enterprise "backbone" to development, Top Companies are leveraging these regional hubs more and more.

GE's Global Talent Forums were originally set up to spotlight non-U.S.-based talent. Organized by region, they're a deliberate effort to accelerate the development of top performers at a regional level. These forums take place during the regional leadership meetings, and top talent is assessed on the spot by executive leaders. In 50 percent of the cases, promotions are granted immediately. Recently, GE China set up a recruiting Center of Excellence (COE) to support the Greater China region. In the past, HR generalists were in charge of the day-to-day recruiting and sourcing of talent. Now the COE drives the process, allowing generalists to spend more time on talent development and coaching, and the region to have a broader view of available talent. In Latin America, the GE HR team recently developed a region-specific development program for application engineers to address a weak pipeline.<sup>28</sup>

**Spotlight on the Emerging Market Leader:  
What is the organization doing to support and  
further develop you?**

*"Whirlpool has a leadership coach who comes over every two months and coaches me. When I got here (Italy), they set me up with a mentor (the leader of the division here). I still meet with him. He's taught me how to achieve the right work/life balance. What has helped is that my mentor is at the same point in life as me. This has really made a difference (previous mentors were 10–15 years my senior and at a different life stage. This wasn't as effective—they were not walking the talk)."*

*"I have a lot of one-on-one coaching. P&G offers a lot of corporate training and on-boarding to strengthen leaders at all levels, especially top talent. I just had one week of "General Manager to President" transition training. It is very strategic. And it's good exposure to more senior leaders."*

*"I still get a lot of on-the-job development. GSK invests in leadership development feedback (through simulation exercises). My mentor (a senior-level employee) is quite helpful. I have a lot of involvement with senior leadership outside of APAC (in the international division). There is also a peer network that meets three times per year to share ideas on their various markets."*

P&G leverages regional "hubs"—clusters of countries that drive the rapid development for leaders, including out-of-country experiences. According to Moheet Nagrath, Global HR Officer, these hubs (e.g., the hub of Russia, Ukraine, and Belarus) help "our leaders get experience earlier in their careers and provide opportunities for them to learn and work in other consumer markets." At Medtronic, regional leadership is involved in all major hiring decisions at the country level. According to Steve Swinson, Regional VP and VP Surgical Technologies, Western Europe,

<sup>26</sup> Schoeff, Mark "P&G Places a Premium on International Experience, Workforce.com, April 2006.

<sup>27</sup> Wang, H. (2008) Top Companies Emerging Markets Interview

<sup>28</sup> Griner, C. (2008) Top Companies Emerging Markets Interview

<sup>29</sup> Nagrath, M. (2008) Top Companies Emerging Markets Interview

<sup>30</sup> Peters, J. (2008) Top Companies Emerging Markets Interview

this is done to give regional leadership visibility of the talent in the area, and to give these hires exposure to the broader opportunities available at Medtronic.

**Leveraging the power of networks and relationships.** Leading companies understand that the value of leader networks and relationships can never be underestimated. Many leaders highlight professional relationships and mentors as a primary driver of their own learning and retention with an organization. In growth markets where the learning curve is steep and resources are scarce, the power of networks and relationships is all the more important, helping to develop capability, build engagement, and ultimately drive business.

IBM often brings a “cohort” of growth market leaders together to consolidate training and build camaraderie among the group as they progress. Recently, the company established a dedicated IBM ambassador role to serve as a global career advisor to these emerging leaders. During the first 30 days on a new assignment, the ambassador may have multiple one-on-one discussions with new leaders to ensure a smooth transition into their role. IBM also runs a global mentorship program that involves many cross-border mentors. Most growth market leaders are encouraged to take on mentees themselves to build a culture of talent development, and as a way to accelerate their own leadership capabilities.

GKS’s “International Esprit” initiative is a global rotational program for MBA graduates. Part of the appeal, besides a stint in an international location, is the opportunity to develop and network with a group of fellow MBA hires.<sup>32</sup> For P&G, extensive use of coaching accelerates development and also builds a network of leaders around the world. Internal coaches sometimes work with different leaders in various markets to connect leaders who share similar challenges or experiences.

## **Deliver an Employee Experience That Does Not Change With Time Zones**

In these fast-paced markets, the need to retain top talent is acute. Ironically, many Top Companies are facing a tough reality. These businesses are great developers of talent and thus face the most aggressive competition for their strong people. It’s no exaggeration that the best people in these businesses are inundated with external offers. As one leader told us, “The cost of retaining the talent is three times lower than the cost of attracting, training, and onboarding the talent.” This has resulted in ratcheting up pay rates to 20 percent or more a year.

Throwing money at the situation is not a viable long-term solution for Top Companies, however. As Medtronic’s Steve Swinson describes, “Another company will always pay higher, but you won’t go far if you only base retention on salary.”<sup>34</sup> Top Companies accept that there’s no one panacea for attrition, but they all subscribe to the notion that a strong and consistent employment bond—one that has “stickiness”—is the right way to go, particularly for emerging markets where “best employer” reputations hold a lot of weight. The leading factors for creating such a bond include: having a strong values-based employment brand, offering unparalleled development and career opportunities, and providing seamless support for talent on the move.

Ultimately, Top Companies understand that the age of life long employment is obsolete. Changes in the employer-employee contract no longer assume that employees will stay with one company over the course of their careers. In fact, in some emerging markets, local talent deliberately seek to gain skills and training at a multinational company with clear long-term goals to work for a leading local firm. Still, Top Companies know that a robust and respected employment experience is critical in these markets—not just for long-term viability as a trusted employer, but also as a day-to-day driver of employee engagement.

<sup>31</sup> Zhai, T. (2008) Top Companies Emerging Markets Interview

<sup>32</sup> Leonard, S. (2008) Top Companies Emerging Markets Interview

<sup>33</sup> Gerrardin (2008) Top Companies Emerging Markets Interview

<sup>34</sup> Swinson (2008) Top Companies Emerging Markets Interview

## Strategies

Deliver an employee experience that does not change with time zones.

## Leading Practices

- Employment brand anchored by values
- Unparalleled investment in careers at all stages
- Seamless support infrastructure

**Employment brand anchored by values.** In growth markets, companies with reputable brands—recognized for their products or services as well as their reputation as an employer—have a distinct advantage in their ability to attract and engage talent. Increasingly, employees seek organizations that not only demonstrate great performance and business success, but also ones with uncompromising ethics and values, and where ambitious talent can learn the most, most quickly.

Nokia knows firsthand the challenges of recruiting, developing, and retaining talent in this environment. In 2004, the global telecommunications company had 250 employees in India. That number has now risen to nearly 15,000. That’s an astounding 6,000 percent increase in four years! Attracting that talent had a lot to do with Nokia’s brand and reputation as an employer—something the company has invested significant time and effort into developing and sustaining. The telecommunications giant understands the importance of culture in operating in emerging markets. In India, some of its simple practices include hiring local talent to staff the VP of HR role and building its employer brand to resonate with Indian culture. Nokia focuses on creating a good experience for anyone who “touches” it. One common practice involves providing the families of new hires with formal factory tours and a small reception on their first day of employment—all to create a positive experience and attract talent to Nokia.

Medtronic’s top priority for placing a leader in an emerging market is to ensure that the individual “can grow the business profitably and ethically.”

According to Swinson, the consequences of hiring someone who doesn’t fit both criteria can be devastating. The company prides itself on its focus on bettering human welfare, and cites a recent survey showing 99 percent of employees worldwide who believe in and understand the mission of the company as a testament to its strong values-based brand.<sup>35</sup> At Medtronic, even the third-party vendors go through ethics and values training to ensure alignment with the company. According to Robert Paxton, VP HR Talent Management at Whirlpool, talent in emerging markets specifically seek out Whirlpool for its global presence and iconic brands, reputation for innovation, record of social responsibility, and strong leadership.

### **Unparalleled investment in careers at all stages.**

For emerging market leaders, development opportunities, job experience and career growth are the most important drivers of their engagement (and retention). Global Top Companies take advantage of their global scale and experience, and invest heavily in providing unmatched development and career opportunities. At a minimum, leading organizations have a rich knowledge base of global and local development programs; they offer more rapid, more compelling global career opportunities, and they provide access to a network of colleagues and resources. Top talent—whether at the start of their career or a more experienced stage—know that these companies invest countless dollars and hours into their careers, and that the knowledge gained is hard to match.

GE is known worldwide for its ability to develop exceptional leaders. For many, this reputation is the number-one reason they chose GE as an employer. Around the globe, GE provides leaders and high potentials with management training and advanced leadership training within their home countries. Those selected for further advancement often receive GE’s advanced development curriculum, developed at GE’s famed John F. Welch Leadership Development Center at Crotonville. This

<sup>35</sup> Swinson, S. (2008) Top Companies Emerging Markets Interview

training may be followed up with U.S.-based or other regionally based assignments and additional training opportunities—all focused on continuing the development of leaders and preparing them for their next role. Andrea Nunes, Manager of HR Development Programs, began her GE career in Brazil as an HR Manager and is currently in a role at GE's headquarters in Connecticut. "This is a great developmental role for me it has helped me build relationships with key individuals in GE and gain a deeper understanding of the GE culture. Also, it's a global role that has allowed me to grow my global experience with countries and cultures around the world. This is great preparation for my next assignment, whether it's back in Latin America, in the U.S., or elsewhere in the world."

Transparent career opportunities take development a step further, providing a "what's next" and "what's ahead" roadmap for leaders. These expectations are important as they engage leaders in the process of their own growth and development; they also send a clear message that the organization is invested in leadership. At Whirlpool, a job project posting system provides a transparent view into part-time projects. Here, employees can proactively raise their hands and volunteer for opportunities, often uncovering capacity and interest the company wasn't even aware of. Whirlpool also recently launched a Global People System designed to bring more transparency and self-management to the career process, and to provide an easy medium for employees and managers to discuss career goals and opportunities for mobility.<sup>36</sup> IBM's "Opportunity Marketplace" serves as an internal labor market to help better match employee career interests with IBM opportunities around the world. The tool allows employees to conduct a self-assessment of their skills and career interests that feeds into IBM's global taxonomy of hot jobs and opportunities. On a real-time basis, employees receive e-mail notifications of job openings based on their own interests with advice on how to pursue the opportunity.

**Seamless support infrastructure.** On the ground, leaders accept the fact that the basics one takes for granted in developed markets often aren't available in emerging markets. Given the inherent challenges of market conditions, the ability to remove "barriers" is immensely helpful and valuable to leaders. Sometimes, it can also serve as a competitive differentiator that smaller local firms can't offer. Among the types of infrastructure support cited by emerging market leaders, the ones deemed most vital were stable technology, clear governance processes, and robust mobility services.

Companies like GE, IBM, P&G, and Whirlpool have comprehensive global databases and talent systems to help manage, track, and measure global talent mobility and leadership development. In P&G's case, the core HR system is deployed globally and provides processes and tools for HR and managers to use across the world. An HR manager in Guangzhou can quickly access information on talent based in Asia, or the U.S. or Europe, including prior experience, language capabilities, career interests, and past performance.<sup>37</sup>

Clear governance and metrics provide additional rigor and support for emerging market leaders. In too many cases, organizations are bogged down by the day-to-day bureaucracies of decision-making; this issue is amplified in emerging markets where physical and cultural distance from headquarters can hamper even the most basic decisions. For GE, beginning with the CEO and cascading down to executive and front line managers, there's clarity on accountabilities for talent development, decision rights over leadership decisions, and metrics.

The fundamental logistics of talent mobility can be overwhelming—for both the organization and the individual. Leading companies are shifting their mobility strategies from an administrative approach focused mainly on tax, compensation, and legal issues to a more strategic approach that also incorporates career development and learning. For many on-the-ground

<sup>36</sup> Paxton, R. (2008) Top Companies Emerging Markets Interview

<sup>37</sup> Nagrath, M. (2008) Top Companies Emerging Markets Interview

leaders in new markets, the reassurance that their employer is “watching their back” and supporting both their international experience and their return home is invaluable. GE’s Global Mobility Services serves this purpose. The group works with all global assignees from pre-start to follow-through upon return. Leaders and their families relocating to growth markets are provided with a number of coaching sessions to cover topics ranging from cultural habits to legal and tax advice to education options for children. Mobility Services also provides them with a comprehensive reassimilation when they return.<sup>38</sup>

### **What’s Next—Place Your Bets on the Biggest Opportunities**

Building robust leadership-building capabilities requires focus, investment, and a good dose of resolve. After all, establishing a global talent mindset across the organization or building a strong leader pipeline doesn’t happen overnight. Even the best acknowledge the complexity of the challenge, especially in new markets. In this critical time, defined by growth constraints and cost pressures, organizations need to identify the “critical few” leadership strategies that will truly drive business results—today—while also planting the seeds for the future. For global companies, that means looking to your emerging market leaders.

What can you be doing to make sure these leaders are ready and able to accelerate growth—amid these challenging times? Based on our research and conversations with on-the-ground leaders, here are three recommendations on what to tackle today.

#### **Recommendation #1: Assemble a “SWAT” team to assess leadership capability in top growth markets.**

The fine print: The volatility of the current business environment requires reexamining your growth strategies and placing bets on where the greatest opportunities lie (e.g., biggest growth potential, largest customers, lowest risk, etc.). Once these top one or two growth markets are identified, a SWAT team can quickly run analysis on the strength of leadership in those businesses and identify major gaps and necessary actions. A fast-moving, dedicated team can quickly help the organization address immediate leadership needs. It also positions the organization for the long term to be smarter—in a strategic, systemic way—about business strategy and its connection to talent capability.

## **Recommendation #2: Mobilize to support on-the-ground leaders.**

The fine print: The identified top growth markets represent where the greatest opportunities lie. Accelerate your efforts to ensure that on-the-ground leaders are equipped and engaged to grow the business there. Start by clarifying the business expectations and goals. You may also need to shift resources, providing leaders with what they need now (versus what can be delayed), including a show of enterprise support (e.g., CEO outreach), more targeted learning opportunities (e.g., how to grow business in an economic downturn), and additional infrastructure support (e.g., streamline the decision-making processes). What is most vital is that these leaders feel supported, enabled, and energized to perform.

## **Recommendation #3: Build a profile of a global leader and global career.**

The fine print: Few companies have a clear picture of what a global leader and a global career mean. This not only creates a stumbling block for leadership assessment and development, but can also disengage your top talent. You don't need to create a tome, but you *do* need enough detail to illustrate what skills and capabilities are required of global leaders—at different career stages and for different markets. Coupled with a global leader profile, establish clear guidelines on how global leaders can manage their careers, including information on the range of “global” experiences available and what is required to move to the next level. When you're done, quickly use these profiles to identify and assess current and potential leaders in your top growth markets.

## **Biographies**

### **Bob Gandossy**

Bob is a Principal and Leadership Consulting Practice Leader for Hewitt Associates. He has special expertise in improving organizational effectiveness, human resource strategy, leadership, managing large-scale change, M&A, and increasing growth through innovation. He has written more than 60 articles and six books on a variety of subjects including HR strategy, M&A, performance improvement, innovation and change, and business ethics. He is the author of *Workforce Wake-Up Call: Your Workforce is Changing, Are You?*, *Leadership and Governance from the Inside Out* co-edited with Jeff Sonnenfeld, and *Leading the Way: Three Truths from the Top Companies for Leaders*. Bob holds a B.S. degree from Binghamton University and a Ph.D. degree from Yale University where he specialized in the study of organizational behavior.

### **Shelli Greenslade**

Shelli is a senior consultant in Hewitt's Talent and Organizational Practice. As part of this role, Shelli designs and conducts original research studies on critical HR issues including leadership, high potential/critical talent, succession planning, talent management, and HR strategy. She provides consulting and thought leadership in the area of leadership strategy, development, pipeline assessment, executive assessment, managing high potential/critical talent, and succession planning. Shelli leads Hewitt's Top Companies for Leaders study. Her work has appeared in a number of journals, including *Leader to Leader*, *Talent Management*, and *Human Resource Planning*. Shelli is currently a doctoral candidate in psychology and human development at the University of Chicago. She also holds masters degrees in social science research and psychology from the University of Chicago.

### **Tina Kao**

Tina is a senior consultant in the Talent and Organizational Consulting (TOC) Practice in Hewitt's New Jersey Center with more than 10 years of experience in the human capital arena. She's a trusted client advisor and thought leader on issues of talent and organizational effectiveness. Tina leads the Insights and Innovation research team at Hewitt, a global research group dedicated to cutting-edge research on HR, talent and organizational issues. Her work has appeared in a number of journals, including *Across the Board*, *WorldatWork Journal*, *Human Resource Executive*, and *Human Resource Planning*. Tina graduated with high honors from Brown University with a B.A. in history. She earned an M.B.A. from Yale University School of Management with a focus on business strategy and leadership.



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