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Leadership Development for Succession Plan



Research Findings

- In boom time, harder to see the differences in leadership quality.
- In recession, easy to see the differences in leadership quality.
- Hewitt Associates study found a significant relationship between leadership development and a company's business results, revealing that companies with above-average financial returns have a more comprehensive succession planning process and are committed to developing future leaders.
- Conclusion: To ensure consistently strong leadership, organizations must focus their leadership development programs on CRITICAL leadership capabilities and delivery of high quality and high-impact development activities.

HR challenges in China

- Plenty of potential talents. But not ready
- Shortage of key strong talents. Resulting in high turnover of talents amongst themselves. Wages too high.
- Key young talents demand development and faster career growth.
- Need to inject foreign talent to supplement lack of key local talents.
- At the same time, need to train local potentials (HIPOs).

Leadership Development Program Background

- Alignment of leadership development with business needs.
- Commitment to developing talent as part of company cultures/values
- Involvement of CEO/Top Executives in the identification and development of leadership talent

Leadership Competency Model



- Incorporate business skills, people management and strategic management into the leadership development model.
- Use same competency model for all employees within a Function/Division to align recruitment and performance processes, and to save time and money for line management and HR.
- But use a separate leadership competency model to get closer alignment of competency framework with leadership capability gaps and to get more targeted leadership development.

Leadership Competency Integration into other HR Systems



- Link leadership competencies to the following elements:
 - competencies based on business needs
 - competencies link into performance management
 - competencies serve as basis for hiring decisions
 - competencies serve as basis for succession planning

Effectiveness and Challenges

- Candidate Identification

- Use multiple leadership talent pools for the following reasons:
 - more comprehensive overview of employees available to fill critical target positions
 - more targeted development activities by tailoring leadership development programs to different talent pools
- Nominate candidates for leadership development program:
 - competency-based performance review.
 - line manager nomination
 - talent review meetings at various organizational levels

Effectiveness and Challenges

- Line Manager Accountability

- To ensure line manager accountability for leadership development:
 - Assessment of line manager commitment to employee's career development through employee satisfaction surveys
 - Company-wide accountability for talent identification
 - Visible CEO commitment to talent identification

Effectiveness and Challenges

- *Program Impact*

- Indicators to evaluate effectiveness of leadership development programs:
 - diversity, retention and turnover
 - extent of IDP execution
 - Satisfaction surveys
- Tactics to ensure employees apply what they have learned following leadership program:
 - Actions plans
 - Career path monitoring
 - Development discussions
 - Leadership skills mapping and testing

Structure and Content

- *program delivery*



- Two approaches to running leadership development programs:
 - Centralized leadership development with business unit input - to align leadership development globally.
 - Decentralized leadership development - to ensure that business groups develop skills unique to their line of service.
- Development tools used:
 - Face to face learning through vendor-run courses
 - cross functional experiences
 - virtual learning.

Structure and Content

- general leadership development program

- General leadership development programs are:
 - On-the-job learning experiences
 - structured training courses
 - relationship building
- Skills to develop:
 - Coaching skills
 - Mentoring skills
 - Global business processes
 - Networking
 - People and strategic management

Structure and Content

- Customized leadership development programs

- To foster the individual career requirements of emerging leaders.
- Teaching methods for customized leadership development vary widely but typically include one-to-one teaching and mentoring.

Structure and Content

- Monitoring

- Review Succession Plan on a quarterly basis
 - Obtain Line Managers input
 - Obtain Cross functional Managers input
 - Obtain Head of Function's input
- Ratings of staff
 - “A” – HiPo / Hi Perf (10%)
 - “B” – HiPo / Mid Perf (20%)
 - “C” – Mid – Po / Hi Per (20%)
 - “V” – Mid – Po / Mid Per (50%)

Leadership Development

HiPo

- Focus development needs of HiPo
- Use a basket of skills competencies to evaluate deficiencies.
- Customized training provided:
 - In-house leadership program
 - Vendor managed leadership program
 - Project Assignment/s (overseas/local)
 - Higher level jobs - Acting roles

Top Ten Leadership Competencies



- People Management
 - Clearly communicates expectations
 - Recognizes and rewards achievements
 - Inspires others
 - Puts right people in the right roles at the right time
 - Influencing -persuades and encourages others to move in a desired
- Strategic Management
 - Adapts to changing circumstances
 - Identifies and articulates long term vision for the future
- Personal Characteristics
 - Honesty and Integrity
 - Passion to succeed
 - Accepts responsibility for successes and failures

Our Experience

Talent Pool Eligible for Leadership Development



- Criteria for leadership development participation
 - Job levels (Directors, Senior Managers, Managers)
 - HiPo Professionals - follow rigorous identification process to select
 - potential leadership candidates.
- Leadership Identification process
 - Step One - Competency-based performance review
 - Step Two - Line Manager nomination
 - Step Three - Talent Review meetings at various organizational levels
 - Step Four - Functional Heads make final decision

Evaluation Methods

- Level One - measures attendees satisfaction
- Level Two - measures amount of knowledge acquired
- Level Three - measures change in job behaviors
- Level Four - 360-degree feedback appraisal
- Level Five - Manager's overall assessment.

Challenges to Leadership Development

- Being aware of candidate time and commitment
- Creating a global development strategy which is locally applicable
- Communicating new leadership development programs effectively
- Ensuring line manager accountability for leadership development
- Embedding development into organizational culture
- Linking leadership development to performance management

Leadership Development Tools Used

- Face to face learning
- Cross-functional experiences
- Vendor run courses
- Virtual learning (Talent tools)
- International Assignments
- On-the-job learning
- University-run courses
- Business simulations
- Executive Coaching
- Mentoring

General Leadership Development



Managers identify own strengths and development needs.
Managers create development plans for addressing these gaps.

Increase senior leaders' understanding of how they are perceived in the organization

- Change Management
- Coaching skills
- Influencing skills
- Communication skills
- Networking/ Relationship-building
- People Management
- Performance Management
- Strategic Management