INTERNATIONAL SEMINAR ON HUMAN RESOURCES

RETHINKING HR & TALENT

Distinguished Speaker

Prof. DAVE ULRICH

HCMC, Vietnam, September 29, 2011

Organizer
PACE
Institute of Leadership & Management

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FINANCIAL TIMES
Outline

Global trends in human capital—The new competitive realities
- How your organization can formulate an effective strategy in driving change and achieving success
- Organization is not about structure but the required human capital
- Developing human capital on the national and organizational levels, including talent, culture, and leadership
- National HR strategy—short-term and long-term perspectives

The latest thinking in talent
- Four levels of talent and implications for each level
- How do we apply a formula for talent—Three factors that create better talent

The latest thinking in culture and organization capability
- How do we define organization as a set of capabilities?
- How do leaders conduct capability analysis in order to improve their culture?
- What are the key organization capabilities required for future success?

The latest thinking on leadership
- How do leaders differ from leadership?
- Leadership code and how to ensure leaders know how to perform the essentials
- How to build the leadership differentiators and make leaders align their abilities to customer expectations
## New business realities:
### Country or industry trends

<table>
<thead>
<tr>
<th>Category</th>
<th>STEPED</th>
<th>Questions to ask</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social</strong></td>
<td>What are health patterns (physical, emotional)?&lt;br&gt;What are family patterns (married, not married, divorced, # of children)?&lt;br&gt;What are religious trends (heritage, activity)?&lt;br&gt;What is urban/rural mix and movement?&lt;br&gt;What are consumer expectations and trends?</td>
<td>What is life style (workday, weekends, hobbies)?&lt;br&gt;What is transportation?&lt;br&gt;What are the social problems (e.g., drugs, crime)?&lt;br&gt;Who are the hero’s or famous people from this area (past and present)?</td>
</tr>
<tr>
<td><strong>Technical</strong></td>
<td>What are their communication mechanisms (media, television) and how independent are they?&lt;br&gt;What is level of technological maturity within the geography (internet use, computer access)?&lt;br&gt;What is their use of social media and other technology (e.g., cloud computing)?</td>
<td></td>
</tr>
<tr>
<td><strong>Economic</strong></td>
<td>What is the Gross Domestic Product? Relative to others, how it is doing?&lt;br&gt;What economic cycle are they in (recession, growth)?&lt;br&gt;What is unemployment?</td>
<td>What are leading industries? Companies?&lt;br&gt;What is economic gap of haves vs. have nots (size of middle class)?</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td>What is their political history?&lt;br&gt;How much political stability is there?&lt;br&gt;How much regulation vs. private enterprise exists? (what is the role of government in industry?)&lt;br&gt;How open (vs. repressive) is their government?</td>
<td>What is their political heritage (democracy, socialism, parliament, king or family rule)?&lt;br&gt;What are the political “hot topics” that exist?&lt;br&gt;What is the relationship of the military and government?&lt;br&gt;How much corruption is there in decision making?</td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td>What are the environmental issues that people are worried about?&lt;br&gt;How are they working to build social responsibility?</td>
<td>What is the education level? (public vs. private)&lt;br&gt;What is the income level? (income disparity)</td>
</tr>
<tr>
<td><strong>Demographic</strong></td>
<td>What is the average age?&lt;br&gt;What is the birthrate?</td>
<td></td>
</tr>
</tbody>
</table>
New business realities: Emerging markets

The next 11 emerging countries (after BRIC)

- Turkey
- Viet Nam
- Philippines
- Indonesia
- Nigeria
- Iran
- South Korea
- Pakistan
- Bangladesh
- Mexico
- Egypt
## New business realities: Vietnam application

<table>
<thead>
<tr>
<th>Category STEPED</th>
<th>TRENDS</th>
<th>IMPLICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
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<td>Technical</td>
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<td>Economic</td>
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<td>Political</td>
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<tr>
<td>Environmental</td>
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<tr>
<td>Demographic</td>
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</tbody>
</table>
Competitiveness is not strategy

Competitive Advantage

• Uniqueness: something we do that our competitor can not easily copy

• Value: something we do that our customers value (pay for)
Competitiveness is not strategy: sources of competitiveness

- Financial (cost/capital)
- Strategic (products/services)
- Technology (systems/processes)
- Organization people and talent
## Economic contributions: Vietnam implications

<table>
<thead>
<tr>
<th>Level of economic maturation</th>
<th>Key challenge</th>
<th>“export”</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Knowledge</td>
<td>Identify and leverage core knowledge</td>
<td>Ideas, e.g., leadership or knowledge</td>
</tr>
<tr>
<td>4 Service</td>
<td>Become a service center (e.g., finance, health care, tourism)</td>
<td>Service hub for an industry</td>
</tr>
<tr>
<td>3 Manufacturing</td>
<td>Create ability to assemble or manufacture</td>
<td>manufacturing or assembly capabilities</td>
</tr>
<tr>
<td>2 Natural resource</td>
<td>Extract natural resources from the ground</td>
<td>Natural resources</td>
</tr>
<tr>
<td>1 Agrarian</td>
<td>Grow food to feed the people</td>
<td>agriculture products</td>
</tr>
</tbody>
</table>
# West vs. East approaches

<table>
<thead>
<tr>
<th></th>
<th>Western</th>
<th>Eastern</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time horizon</strong></td>
<td>Short term; how</td>
<td>Long term; future</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Leading to allocation of resources today</td>
<td>Leading to positioning the firm for the future</td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td>Management by objectives</td>
<td>Management by shared mindset</td>
</tr>
<tr>
<td><strong>philosophy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Decision</strong></td>
<td>Fast to decide longer to sell and implement</td>
<td>Slow to decide quick to implement</td>
</tr>
<tr>
<td><strong>making</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accountability</strong></td>
<td>Personalized and focused on “I”</td>
<td>Shared and focused on “we”</td>
</tr>
<tr>
<td><strong>Work</strong></td>
<td>Linear and focused on the task at hand</td>
<td>Cyclical and focused on the context in which work is done</td>
</tr>
<tr>
<td><strong>Career</strong></td>
<td>Generalist</td>
<td>Specialist</td>
</tr>
<tr>
<td><strong>orientation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rewards</strong></td>
<td>High pay gap between senior executives and lower employees; Pay often based on performance</td>
<td>Lower pay gap between senior executives and lower employees; Pay often based on tenure and position</td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>Hands on, walking ahead of people</td>
<td>Hands off, walking behind people</td>
</tr>
<tr>
<td><strong>philosophy</strong></td>
<td>&quot;Leadership is done from in front. Never ask others to do what you, if challenged, would not be willing to do yourself.&quot; – Xenophon</td>
<td>&quot;&quot;In order to guide people, the leader must put himself behind them. Thus when he is ahead they feel no hurt.&quot; – Lao Tzu</td>
</tr>
<tr>
<td><strong>Philosophical</strong></td>
<td>Christianity</td>
<td>Buddhism, Confucianism, Hinduism, Integral Yoga, Islam, Taoism, Zen</td>
</tr>
<tr>
<td><strong>schools</strong></td>
<td></td>
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</tr>
</tbody>
</table>
## Western vs. Eastern traditions

<table>
<thead>
<tr>
<th>Leadership beliefs</th>
<th>Western traditions</th>
<th>Eastern traditions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Seek to achieve ideal end states (eîdos and télos)</td>
<td>Seek to balance countervailing forces (yin and yang)</td>
</tr>
<tr>
<td>Leadership goals</td>
<td>Establish and pursue aspirational goals; manage the results</td>
<td>Create conditions conducive to success; manage the process</td>
</tr>
<tr>
<td>Leadership logic</td>
<td>Logic of application; articulate objectives and determine reasonable means to desired ends</td>
<td>Logic of exploitation; place oneself in a position to exploit opportunities as they emerge</td>
</tr>
<tr>
<td>Leadership bias</td>
<td>Bias for action; capture the initiative</td>
<td>Bias for patience; let events come to you</td>
</tr>
</tbody>
</table>
Competitiveness = strategy * organization
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Overview: future of organization

- Individual ability: high
- Talent Workforce People
- Organization capability
- Leaders Leadership
- Culture Workplace Process

Talent Workforce People → Leaders Leadership

Culture Workplace Process
What do we mean by “talent”?

C-suite executives:
Succession, customization, teamwork

Leadership cadre: \( \sqrt{x} \) leadership academy

High potentials:
10-15% of people
10-15% of time
Personal development plan

All Employees
C*C*C
CEO Succession

Questions boards, leaders, and CHRO’s should ask about CEO succession

1. Do you invest adequate time to CEO succession?
2. Do you have a definition of what the future requirements are for new CEO?
3. Do you have regular assessment of CEO today and candidates for tomorrow?
4. Do you invest in developing your CEO today and candidates for future?
5. Do you encourage a regular talent management process?
6. Do you manage the CEO transition?
Leadership Academy

Questions to prepare the leadership academy:

1. Do we have a business case for leadership?
2. Do we have a clear point of view of what makes an effective leader?
3. Do we regularly assess individual leaders and overall leadership?
4. Do we have a formal and disciplined process for leadership development?
   - Shared course experience
   - Customized development experiences
   - Unique external experiences
5. Do we invite the right people to attend as individuals and/or teams?
6. Do we focus leadership on sustainability?
7. Do we measure the quality of leadership investments and outcomes?
High potentials

Questions to help move high potentials forward

1. Do we have a rigorous way to determine who is high potential?
   - Ambition
   - Ability
   - Agility
   - Achievement

2. Do we have the right percent of people who are high potential?

3. Do we have a customized development experience for high potentials?
   - Training
   - Job experiences
   - Coaching/mentoring
   - Life experiences
Overview: Talent formula

Talent = COMPETENCE × COMMITMENT × CONTRIBUTION
Overview: Talent formula

Talent = Productivity

COMPETENCE
- Right person, right place, right time, right skills
  - Set standard
  - Assess
  - Invest
  - Integrate

COMMITMENT
- Enact an employee value proposition
  - What do I get?
  - What do I give?

CONTRIBUTION
- Why meaning matters
- What is an abundant organization
- How can meaning be created (7 levers)
Talent Manager: Competence

**Challenges**
- Generic
- Past
- HR
- Corporate balance
- Focus on design
- Locked in time
- Complex

**Responses**
- Strategic
- Future
- Line
- Business unit
- Focus on application
- Flexible over time
- Simplify
## Talent Manager: Competence Definition

<table>
<thead>
<tr>
<th>Type of competence</th>
<th>Today</th>
<th>Challenges: Strategy</th>
<th>Customer</th>
<th>Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>1. What are we good at technically?</td>
<td>3. What are our challenges ahead?</td>
<td>What is our strategy to respond?</td>
<td>4. Given our challenges and strategy, what must we improve technically?</td>
</tr>
<tr>
<td>Social</td>
<td>2. What are we good socially?</td>
<td>Who are key customers and what do they want?</td>
<td></td>
<td>5. Given our challenges and strategy, what must we improve socially?</td>
</tr>
</tbody>
</table>
Talent Manager: Competence Assessment

Measure effective talent (2 * 2):
- Behavior
- Outcomes
- Psychological Tests
- Behavioral Event Interviews
- Coaching
- 360’s, 720’s
- Stay Interviews
Assessing Key People: Performance x Potential

- Promotable
- Promotable with Development
- Mastery
- Limited Potential
- Immediate Change

Typical Outcome:
- Promotable: 0–5%
- Promotable with Development: 15–20%
- Mastery: 45–55%
- Limited Potential: 15–20%
- Immediate Change: 0–5%

Future Potential (demonstration of competencies required at next level)

Past Performance (including achievements, objectives, and demonstrations of competencies in current role)
Talent Manager: Competence Investment

**Strategy** | **Definition**
--- | ---
Buy | Acquire new talent by recruiting individuals from outside or from other departments or divisions within the organization.
Build | Develop talent through training, education, formal job training, job rotation, special assignments, and action learning.
Boost | Move the right people through the organization and into higher positions.
Borrow | Partner with consultants, vendors, customers, and suppliers outside the organization in arrangements that transfer skill and knowledge.
Bounce | Remove low-performing or under-performing individuals.
Bind | Retain employees with high growth potential and valued talent.
Overview: Talent formula

Talent = Productivity

COMPETENCE: Right person, right place, right time, right skills
- Set standard
- Assess
- Invest
- Integrate

COMMITMENT: Enact an employee value proposition
- What do I get?
- What do I give?

CONTRIBUTION: Why meaning matters
- What is an abundant organization
- How can meaning be created (7 levers)
Strategies for building employee commitment

An employee value proposition

Give
(Dedication)
Competence *
Commitment
(ability * dedication)

= Get
(Reception)
VOI²C²E
Vision
Opportunity
Incentive
Impact
Community
Communication
Entrepreneurship
An Employee Value Proposition

VALUE THE EMPLOYEE GIVES TO THE FIRM

WHAT THE EMPLOYEE GETS BACK FROM THE FIRM

VISION OPPORTUNITY INCENTIVE IMPACT COMMUNITY COMMUNICATION ENTREPRENEURSHIP

Equity
Stages of employee connection to the organization

- Competence: Ability to do the work.
- Commitment: Willing to do the work.
- Contribution: Finding meaning in doing the work.

Productivity = Competence × Commitment × Contribution
Evolution of employee connection to the firm

Martin Seligman’s happiness factors

- Pleasure: sensual enjoyment
- Engagement: lost in the flow of an activity
- Meaning: connected to deep values

Evolution of employee connection

- Satisfaction: like your job, work, or setting
- Engagement: gives discretionary energy to work
- Meaning: find purpose and abundance in work
What gives you a sense of meaning?
Why meaning matters? Where we can find meaning?

- Home/Family
- Friends/Relationships
- Work/Professional setting
- Social groups/Clubs - church
- Hobbies/Past times
In search of meaning...
Study these pictures carefully
What do you see?
This is India – the place the world calls with technical computer problems

• Do we focus on what is missing or what is available?

• Do pay more attention to reducing weaknesses or to building strengths?

• Do we dwell on deficits or on possibilities?
What it means to have an abundant organization

He who has a WHY to live can bear with almost any HOW.
Nietzsche, Quoted by Viktor Frankl, *Man’s Search for Meaning*

He who has a why to work can also bear with almost any how
What it means to have an abundant organization

Abundant Organizations:

1. **Meaning** for individuals – leaders and employees at all levels of the organizations experience their work as an expression of their deepest values

2. **Value** for stakeholders – customers and communities see interactions with the organization as adding value to their lives

3. **Hope** for humanity at large – the organization contributes to the collective values of humanity
Overview of Disciplines framing the Abundant Organization

Abundant Organization

- Positive Psychology
- Social Responsibility
- High Performing Teams
- Employee Engagement
- Positive Work Environment
- Resilience and Learning
- Civility
Key questions for abundant thinking

1. **Identity:** What am I known for?
2. **Purpose and Direction:** Where am I going?
3. **Relationships and Teamwork:** Whom do I travel with?
4. **Positive Work Environment:** How do I build a positive work environment?
5. **Engagement/Challenge:** What challenges interest me?
6. **Resilience and Learning:** How do I learn from setbacks?
7. **Civility and Delight:** What delights me?
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Future of Organization

Individual ability: high

Talent Workforce People

Leaders Leadership

Culture Workplace Process

Organization capability
What organization capabilities might exist?
How do we create a new way of working

Top/down intellectual agenda

Leadership
Brand

Side to side
Process agenda

Bottom/up: behavioral agenda
Hints for Intellectual Agenda

• Have a clear and simple message (strategy as story)
• Build a communication plan:
  - What we share
  - Who we share it with
  - When we share it
  - How we share it
• Be consistent with the message
  - Why we are doing it
  - What it is
  - How it will affect you
Behavioral Agenda

Hints for Behavioral Agenda

• Make it real to employees; “teach correct principles, let them govern themselves”
• Ask employees to “own” the ideas
• Make employee behaviors specific (more of/less of)
• Have leaders do “work out” to remove unnecessary work
Process Agenda

Hints for Process Agenda

• Adapt systems to align with strategy story
  - Staffing: who we hire and promote
  - Training: how we train people
  - Performance management: how we reward
  - Decision making
  - Information technology

• Make sure processes align with strategy and customer
Leadership Agenda

Hints for Leadership Agenda

• Focus on leadership not just leaders
• Make sure that leadership behaviors align with strategic story
• Have leaders behave as if they are committed, in public and in private
• Hold leaders accountable for the delivery of the new strategy
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Latest thinking on leadership

Four questions:

• Why does leadership matter?

• What are emerging trends in leadership?

• What is leadership brand?

• How do I build my personal leadership brand?
Why leadership matters

If we have better leadership, what will happen?
Leadership creates value
What value does leadership provide?

Employee
Today/tomorrow
Productivity: Competence * commitment * contribution

Customer
Customer share

Investor
Intangibles/confidence

Line manager
Strategy execution

Community
Reputation

Quality of leadership
<table>
<thead>
<tr>
<th>Investment Decision Criteria</th>
<th>Divide 100 points based on importance to investment choice</th>
<th>How much confidence do you have in your ability to assess (1 to 5) (standard deviation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Favorableness</td>
<td>33%</td>
<td>4.3 (.6)</td>
</tr>
<tr>
<td>Firm Performance</td>
<td>38%</td>
<td>4.5 (.6)</td>
</tr>
<tr>
<td>Quality of Leadership</td>
<td>29%</td>
<td>3.7 (.9)</td>
</tr>
<tr>
<td></td>
<td>100%</td>
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</tbody>
</table>
Latest thinking on leadership

Four questions:

• Why does leadership matter?

• What are emerging trends in leadership?

• What is leadership brand?

• How do I build my personal leadership brand?
Two Trends in Leadership

Trend 1: Leader to Leadership

Trend 2: Inside to Outside
Leader and Leadership

[Graph showing stock performance of MSFT, IBM, and AAPL from 2007 to 2011.]
Inside and Outside
Two transitions in leadership: Individual/organization and internal/external

Leadership Systems

Leadership Brand

Competent Leaders

Celebrity Leaders

Internal

External
Latest thinking on leadership

Four questions:

• Why does leadership matter?

• What are emerging trends in leadership?

• What is leadership brand?

• How do I build my personal leadership brand?
Leadership Brand Statement

- Leadership Code (Common)
- Leadership Differentiators
Leadership Code: The DNA of Effective Leaders

- **HUMAN CAPITAL DEVELOPER**: Who stays and sustains the organization?
- **TALENT MANAGER**: Who goes with us?
- **EXECUTOR**: How will we make sure we get there?
- **STRATEGIST**: Where are we going?

**PERSONAL PROFICIENCY**: Am I ready to lead?
Count as high as you can in 45 seconds, starting from 1
Count again:
Creates a framework for leadership

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>9</th>
<th>28</th>
<th>46</th>
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<td>51</td>
<td>6</td>
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<td>27</td>
<td>15</td>
<td>42</td>
<td>18</td>
<td>24</td>
</tr>
</tbody>
</table>
Leadership Code: Summary

PERSONAL PROFICIENCY
1. Practice clear thinking: rise above the details
2. Know yourself
3. Tolerate stress
4. Demonstrate learning agility
5. Tend to your own character and integrity
6. Take care of yourself
7. Have personal energy and passion

HUMAN CAPITAL DEVELOPER
1. Map the workforce
2. Create a firm and employee brand
3. Help people manage their careers
4. Find and develop next generation talent
5. Encourage networks and relationships

TALENT MANAGER
1. Communicate, communicate, communicate
2. Create aligned direction; connect the individual to the organization
3. Strengthen others; ensure people have the competencies they need
4. Provide people with the resources to cope with demands
5. Create a positive work environment by practicing spiritual disciplines at work
6. Have fun at work

STRATEGIST
1. Stay curious and develop a point of view about your own future
2. Invite your savviest outsiders inside
3. Engage the organization since no “one” knows enough
4. Create strategic traction within the organization

EXECUTOR
1. Make change happen
2. Follow a decision protocol
3. Ensure accountability
4. Build teams
5. Ensure technical proficiency
Strategist

My Priority

1. I HAVE A POINT OF VIEW ABOUT THE FUTURE
   • Stakeholders
   • Keeping promises
   • Trends

2. I THINK & ACT IN A CLIENT-CENTRIC WAY
   • Who are our clients? (Client Segmentation)
   • Why do they buy from us (Client Value Proposition)?
   • How do we build a client-focused organization (Client Focus)?

3. I CREATE STRATEGIC TRACTION
   • What capabilities will help us fulfill our promises to stakeholders (Organizational Capabilities)?
   • What does success look like (stakeholder measures)?

4. I COMMUNICATE WITH STRATEGIC STORIES
   • What are the criteria for an effective strategy?
   • How do I define our strategy as a story?
Leadership Code: Strategist
<table>
<thead>
<tr>
<th>My Priority</th>
<th>I Ensure Technical Proficiency</th>
<th>I Build Teams</th>
<th>I Establish a Decision Protocol</th>
<th>I Ensure Accountability</th>
<th>I Make Change Happen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>• Interpersonal proficiency</td>
<td>• Purpose</td>
<td>• Decision clarity</td>
<td>• Set standards</td>
<td>• Leading</td>
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<td></td>
<td>• Technical competency</td>
<td>• Governance</td>
<td>• Decision accountability</td>
<td>• Align values</td>
<td>• Creating a felt need</td>
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<td>• Decision timeline</td>
<td>• Identify measures</td>
<td>• Envisioning</td>
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<td>• Decision-making</td>
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<td>• Institutionalizing</td>
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<td>• Monitoring and learning</td>
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</table>
Talent Manager

My Priority

1 [I COACH]
- Leadership mindset of coaching: command and control
- Results-based coaching
- Behavior change coaching

2 [I COMMUNICATE]
- Communication tips
- Communication plan (what, how, who, when)

3 [I DEVELOP COMPETENCIES]
- Individual development plan
- Organization development plan
- Buy
- Build
- Borrow
- Boost
- Bounce
- Bind

4 [I BUILD COMMITMENT]
- Employee value proposition
- Give: What you contribute
- Get: What you get back (VOI²C²E)

5 [I ENSURE CONTRIBUTION]
- Be a meaning maker:
  - Identity
  - Purpose and direction
  - Relationships and teamwork
  - Positive work environment
- Engagement / challenging work
- Learning and resilience
- Civility and delight
Human Capital Developer

My Priority

1. I EMPOWER EMPLOYEES
   - Sharing information
   - Assuring competence
   - Manager/mentor
   - Director/definer

2. I MANAGE CAREERS
   - Discuss four stages
   - Learner
   - Master

3. I CREATE AN EMPLOYEE BRAND
   - Define our employee brand
   - What we offer
   - What we expect

4. I MAP THE WORKFORCE
   - Craft strategy
   - Identify strategic capabilities
   - Identify strategic positions
   - Assess players (performance vs. potential)
   - Do action plans for key players

5. I SYSTEMATICALLY REVIEW TALENT
   - Create regular and annual process for reviewing talent
   - Have thoughtful dialogues on future talent
# Personal Proficiency

## My Priority

<table>
<thead>
<tr>
<th></th>
<th>I HAVE A PERSONAL LEADER BRAND</th>
<th>I REPLENISH PHYSICAL RESOURCES</th>
<th>I DEVELOP INTELLECTUAL AGILITY</th>
<th>I CREATE EMOTIONAL RESERVES</th>
<th>I BUILD SOCIAL NETWORKS</th>
<th>I HAVE AN ETHICAL FOUNDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>• Leadership point-of-view</td>
<td>• Factors you can control: nutrition, exercise, sleep</td>
<td>• Cognitive patterns</td>
<td>• Social networks / network dimensions</td>
<td>• Managing conflict</td>
<td>• Ethical decision-making</td>
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<td></td>
<td>• Personal Leader Brand</td>
<td>• Factors you can manage or anticipate: genetics, aging, disease</td>
<td>• Learning agility/resilience</td>
<td>• Managing conflict</td>
<td>• Effective apologies</td>
<td>• Values tests</td>
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<td></td>
<td>• Leadership consciousness/mindfulness</td>
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<td>• Career orientation</td>
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</table>

- **My Priority**
  - 1. I HAVE A PERSONAL LEADER BRAND
  - 2. I REPLENISH PHYSICAL RESOURCES
  - 3. I DEVELOP INTELLECTUAL AGILITY
  - 4. I CREATE EMOTIONAL RESERVES
  - 5. I BUILD SOCIAL NETWORKS
  - 6. I HAVE AN ETHICAL FOUNDATION

- **Factors you can control:** nutrition, exercise, sleep
- **Factors you can manage or anticipate:** genetics, aging, disease
- **Cognitive patterns**
- **Learning agility/resilience**
- **Career orientation**
- **Social networks / network dimensions**
- **Managing conflict**
- **Effective apologies**
- **Ethical decision-making**
- **Values tests**
Personal Proficiency
Leadership code: DNA of effective leaders

- **Human capital developer**: Who stays and sustains the organisation?
- **Talent manager**: Who goes with us?
- **Strategist**: Where are we going?
- **Executor**: How will we make sure we get there?

**Personal Proficiency**
Am I ready to lead?
Leadership Code: Leadership tools

**Personal Proficiency**
- Physical stamina and energy
- Emotional identity and resilience
- Social connections
- Intellectual curiosity
- Strong moral code and values based

**Long-term Strategic**
- Bull's eye exercise
- Environmental scanning assessment
- Strategic architecture and roadmap
- Strategic story

**Near-term Operational**

**Human Capital Developer**
- Workforce planning
- Career development
- Empowerment

**Strategist**

**Talent Manager**
- Competency requirements
- Communication efforts
- Commitment and employee value proposition
- Contribution and creation of meaning

**Organization**

**Executor**
- Rewards diagnostic
- Change disciplines
- Decision making protocols
- High performing team audits
- Accountability/responsibility grids
- Learning matrix
## Leadership code: The DNA of effective leaders

<table>
<thead>
<tr>
<th>Leadership code</th>
<th>Group's Rating</th>
<th>My personal rating</th>
<th>What I could improve on?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategist</td>
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<tr>
<td>Executor</td>
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<tr>
<td>Personal Proficiency</td>
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</tbody>
</table>
Leadership code: Conclusions

• The Leadership Code Competencies account for approx. 60 to 70% of the variance in leadership effectiveness.

• What about the other 30 to 40%?

That “other 30 to 40%” is the difference between basic and branded leaders.

What makes “OUR” leaders different from “YOUR” leaders.
Leadership brand: Statement of leadership brand

What effective leaders do here

Leadership Code (Common) × Leadership Differentiators
Leadership competency differentiators are leader behaviors that ensure customer and investor expectations translate into employee actions. Ensure employees deliver the desired customer experience.
Translate this firm brand into leadership differentiators

FIRM BRAND:
What are the top 3 things we want to be known for by our target customers?

LEADERSHIP DIFFERENTIATORS:
What are the leadership behaviors that reflect each firm brand element?
<table>
<thead>
<tr>
<th>Firm Brand</th>
<th>This organisation is known for…</th>
<th>Leadership Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-mart</td>
<td>Always low prices</td>
<td>Managing costs efficiently, getting things done on time</td>
</tr>
<tr>
<td>FedEx</td>
<td>Absolutely, positively, doing whatever it takes</td>
<td>Managing logistics, meeting deadlines, solving problems quickly</td>
</tr>
<tr>
<td>Lexus</td>
<td>Pursuit of perfection</td>
<td>Managing quality processes (lean manufacturing and design, Six Sigma) for continuous improvement</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>Brands you know and trust</td>
<td>Developing consumer insights, precisely targeted marketing, product innovation</td>
</tr>
<tr>
<td>McKinsey</td>
<td>CEO’s trusted adviser</td>
<td>Leading teams that deconstruct business problems, synthesise data, and develop solutions</td>
</tr>
<tr>
<td>Boeing</td>
<td>People working together as a global enterprise for aerospace leadership</td>
<td>Solving global problems, working as teams, possessing technical excellence in aerospace</td>
</tr>
<tr>
<td>Apple</td>
<td>Innovation and design</td>
<td>Creating new products and services that break the industry norms</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>Appealing to the younger generation</td>
<td>Building the next generation of talent</td>
</tr>
<tr>
<td><strong>Your Company</strong></td>
<td>??</td>
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</tbody>
</table>
Turn firm brand into leadership differentiators

FIRM BRAND:
What are the top 3 things we (the Group) want to be known for by our target customers?

LEADERSHIP DIFFERENTIATORS:
What are the leadership behaviours that would reflect each firm brand?

- •
- •
- •
Outline

Global trends in human capital - The new competitive realities
- How your organization can formulate an effective strategy in driving change and achieving success
- Organization is not about structure but the required human capital
- Developing human capital on the national and organizational levels, including talent, culture, and leadership
- National HR strategy—short-term and long-term perspectives

The latest thinking in talent
- Four levels of talent and implications for each level
- How do we apply a formula for talent—Three factors that create better talent

The latest thinking in culture and organization capability
- How do we define organization as a set of capabilities?
- How do leaders conduct capability analysis in order to improve their culture?
- What are the key organization capabilities required for future success?

The latest thinking on leadership
- How do leaders differ from leadership?
- Leadership code and how to ensure leaders know how to perform the essentials
- How to build the leadership differentiators and make leaders align their abilities to customer expectations