GROOMING EXECUTIVE TALENT FOR FUTURE LEADERSHIP

SITUATION
TransportCo, a leading transport equipment manufacturing and services company based in China, had amassed more than 100 wholly owned companies and holding subsidiaries internationally over its 30 years of operation. As a result of successful business development, the organization had established nine business units (BUs), including road transportation, track vehicles, containers, logistical equipment, airport facilities, energy production, offshore engineering, real estate and financial services.

In 2009, TransportCo made ambitious plans to double its revenue within three years. It found itself in the same position as many other fast-growing Chinese companies as the pace of organizational expansion was outstripping the rate of local talent development. The senior management team knew their growth aspirations could only be achieved by implementing some major organizational changes.

CHALLENGE
With the Chinese economy the fastest-growing major economy in the world, the obvious advantage of operating in such an environment is that companies have many opportunities to expand and diversify at an accelerated rate. However, in comparison with organizations in other developed economies, Chinese companies face a considerable talent crunch. The local labor market is deficient in experienced leaders and hiring from outside China is often problematic, with the executives sometimes having trouble integrating into a unique company culture.

TransportCo recognized that its current talent management systems and processes would not be successful in preparing the company for the challenges ahead. The executive training solutions in place had not produced the desired results and there was no clear succession plan. TransportCo needed to fast-track staff development to help execute its ambitious business plan.

Given the situation, TransportCo engaged Mercer to develop an integrated, comprehensive executive talent management strategy in order to build a strong leadership pipeline in an accelerated timeframe. Mercer partnered with TransportCo on five projects representing the different stages of a three-year executive talent development plan.

ACTION
Project 1
For the first project, Mercer worked with TransportCo’s top management team to define a set of selection criteria for assessing successful business leaders, taking into account their future business strategy and corporate culture. The criteria covered areas such as experience, ambition and leadership competency, and was used to identify and evaluate selected executives initially and over the course of their careers at TransportCo. The process was also intended to be used for external executive recruitment purposes, if necessary.

“The executive training solutions in place had not produced the desired results and there was no clear succession plan so the TransportCo needed to fast-track staff development to help execute its ambitious business plan.”
Project 2
The second project involved the establishment of a talent review committee – consisting of key senior executives – which would nominate, assess and be responsible for the overall development of high potential (Hi-Po) leaders across each business unit. Mercer then worked with the committee to review the current cadre of potential BU-level executives and build an initial talent pool to attend an Assessment Center. Mercer designed assessment tools and processes for the center based on the criteria established during the first project. The tools, which included structured behavioral interviews, role play, psychometric testing and group evaluation, were used to both assess the candidates’ existing leadership qualities and identify areas for further development.

Based on the insights gathered in the Assessment Center, Mercer analyzed the individual results and presented its recommendations to the management team at TransportCo in the form of a comprehensive leadership development roadmap. This roadmap included the drafting of individual development plans, opportunities for leader self-reflection, peer review, executive coaching and action learning workshops.

Project 3
From a large group of leaders within the talent pool, only six executives were then chosen to take part in the third element of leadership journey – Leadership Development Program A (LDPA). Developed by Mercer, the LDPA was specifically shaped around the assessment feedback, individual development plans, self-reflection, peer review, executive coaching and action learning workshops. The LDPA program was much more comprehensive than a traditional classroom experience.

Using leadership development sessions, team alignment workshops and organization development (OD) diagnosis for each BU, Mercer assisted with the individual and team development of the six executives to facilitate a plan of action for business growth and improvement. Mercer then designed tailored leadership development programs for each executive and conducted evaluations on a team and individual basis.

Project 4
The fourth project focused on the leadership pipeline of functional leaders and enterprise general managers. Mercer designed an internal selection process for this group and 106 candidates were chosen to take part in the uniquely designed Leadership Development Program B/C (LDPB/C). A second-year course was also designed to extend the development experience within the LDPA for the top six executives.

The final step in the executive talent development journey extended the Leadership Development Programs A and B/C into their third and second years, respectively, and included performance assessment of each participant against the leadership selection criteria. Finally, the development activities for each LDP were consolidated into a leadership development playbook, describing the processes and tools. A talent-review process was established to maintain the quality and consistency of senior management evaluation and development.

OUTCOME
The overall experience successfully accelerated the company’s agenda for executive talent development. Numerous results were achieved:

Infrastructure and ownership
TransportCo now had the infrastructure it needed to improve the effectiveness of leadership talent identification, both internally and externally. Furthermore, the talent review committee was embedded into the DNA of the organization and was given responsibility for identifying, assessing and developing potential talent at senior levels to help execute the leadership strategy.

Leadership insights
The assessment report for Hi-Po executives provided a direct reference for individual development, while the group assessment insights provided an analysis of current leadership capabilities and a future reference for the design and delivery of group leadership development.

The development of key executives was now aligned with TransportCo’s three-year growth strategy. The team alignment workshops at the BU level provided the senior executives with a platform to discuss, communicate and align the new business strategy to actionable goals, as well as address organization development priorities such as strategy implementation, cultural transformation and team building.

TransportCo also formalized regular executive learning workshops, which provide the up-and-coming executives the opportunity to share and discuss experiences with the CEO and other top executives.

Leadership benefits
From an employee perspective, the desire to be selected to participate in the LDP programs created positive internal competition for top roles.

The six key executives identified as the future of TransportCo were poised to take the helm of not only the individual business units but more importantly to drive expansion and capitalize on the revenue growth potential.

Mercer continues to work closely with TransportCo to help execute their executive talent management agenda.
For more information about how Mercer can help develop people who can effectively lead and manage in today's dynamic business environment, please visit [www.mercer.com/leadership-solutions](http://www.mercer.com/leadership-solutions) or contact our experts:

**REGIONAL**
Kate Bravery  
+852 3476 3818  
kate.bravery@mercer.com

ASEAN  
Roland Ruiz  
+65 6398 2609  
roland.ruiz@mercer.com

ASEAN  
David Pang  
+65 6398 2458  
david.pang@mercer.com

**CHINA**
Mel Sun  
+86 21 6103 5581  
mel.sun@mercer.com

CHINA  
Margaret Wei  
+86 10 6533 4246  
margaret.wei@mercer.com

**INDIA**
Anurag Aman  
+91 124 417 5610  
anurag.aman@mercer.com

**HONG KONG**
Travis V. Barton  
+852 3476 3813  
travis.barton@mercer.com

**JAPAN**
Tetsuya Furusawa  
+81 3 5354 1780  
tetsuya.furusawa@mercer.com

**SOUTH KOREA**
Jiyoung Chung  
+82 2 3404 8324  
jiyoung.chung@mercer.com

**AUSTRALIA**
Raphaele Nicaud  
+61 7 3234 4941  
raphaele.nicaud@mercer.com