



COCA-COLA

INTERVIEW SERIES CAPTURING WHAT'S WORKING IN LEADERSHIP DEVELOPMENT

COCA-COLA AT A GLANCE

- The Coca-Cola Company (NYSE: KO) is the world's largest beverage company, refreshing consumers with more than 500 sparkling and still brands. Led by Coca-Cola, the world's most valuable brand, the company's portfolio features 15 billion-dollar brands, including Diet Coke, Fanta, Sprite, Coca-Cola Zero, Vitaminwater, Powerade, Minute Maid, Simply, and Georgia and Del Valle. Globally, it has been in business for 126 years.
- Through the world's largest beverage distribution system, consumers in more than 200 countries enjoy the company's beverages at a rate of 1.7 billion servings a day. Together with bottling partners, The Coca-Cola Company ranks among the world's top 10 private employers, with more than 700,000 system employees serving up to 3,500 types of beverages to customers in more than 200 countries.

EXECUTIVE SUMMARY

As one of the most ubiquitous brands in the world, and a preeminent beverages company, Coca-Cola strives to build a culture that is innovative with its approach to developing talent. The Himalaya project, as captured in this case study, taps into uncovering how Coca-Cola develops an even stronger diversified leadership bench with promising local talent to tap the unbridled opportunities in Asia.

SETTING THE CONTEXT

The Himalaya project was an inspired initiative to address a 10-year visionary growth target of quadrupling the business by 2020. To take on the challenge of growing bench-strength capability that will drive Coca-Cola to meet its objectives, the HR team conducted a study to gain insight into where the talent gaps were. The findings showed that the crux of building next generation talent resided in gaps in current talent capability, and performance, to match the desired long-term business results. Further from research of external companies' leadership teams, it could be observed that there is a correlation between strong market performance in China and a diversified leadership team with a representative population of local leaders. The competitive edge of a higher-ratio local leadership team would enable leadership to more intimately understand, intuit and have the pulse of the market. Thus, realizing how critical it was for the Coca-Cola leadership team to internally reflect the external market diversity in terms of consumers, customers and competitors, Coca-Cola's talent objective was to address the gap in leadership capability and bench strength of local leaders.

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DESIGNING THE SOLUTION

Developing the Success Profile

To uncover how cultural differences play a key role in leadership, Coca-Cola took a holistic approach to its methodology to design and build a pioneering program. Coca-Cola partnered with an external consulting firm to conduct structured interviews with functional leaders, local high potentials, external key stakeholders and subject-matter experts, and it also leveraged historical assessment data to conduct cultural diversity analyses. Their findings showed the complexity and challenges of doing business in the marketplace for senior leaders, and that there were seven key leadership success factors for local senior leaders to “win” in China. These seven factors were distilled to five key areas, and all linked back to core competencies at the company:

1. **Influences the system**
 - Managing system complexity
 - Voicing opinions
2. **Develops and inspires others**
 - Igniting passion and enthusiasm
 - Leading diverse teams
3. **Builds vision and strategy**
 - Displaying visionary thinking
4. **Imports and exports ideas**
 - Nourishing broad network
5. **Delivers results**
 - Making quick and tough decisions

These findings were initially met with resistance, as some individuals equated these behaviors with having to become more “Western.” For example, in China, local talent perceived certain global leadership skills as contradictory to the Chinese culture. In the United States, the early bird gets the worm, whereas in China, the bird who sticks his head up first gets shot. The pervasive Chinese cultural behavior is contrary to what would be critical global leadership skills, such as taking a stand on controversial issues, or taking the initiative to speak up. Furthermore, becoming empowered leaders, expected to have the courage to make tough and bold decisions, and take ownership and accountability over decisions and businesses, also presented clear gaps and opportunities for local talent growth to make the leap to senior leadership.

However, Coca-Cola anchored these differences in the right light, steadfastly communicating and guiding others to appreciate that the focus was on developing global leadership skills for an effective global multinational corporation, such as Coca-Cola, and that these skills sets would take Coca-Cola to new heights.

Designing the Program

Armed with the data-driven insight and results on leadership gaps, Coca-Cola designed a three-pronged blended learning approach to designing a robust program to develop the company’s targeted high potentials. High potentials were identified based on their readiness to become a senior leader in three to five years and strong desire in being developed.

The first part of the Himalaya program is project based – a real business was selected within Asia Pacific, and a team of six to eight individuals was supported by an internal coach who traveled and worked virtually with other diverse team members for three to six months. The action-learning project was complemented by a training program, which involved training on three modules over three periods of two days:

1. Module 1: Cross-cultural Leadership
2. Module 2: Positive Influencing Power
3. Module 3: Visionary Thinking

In addition, to target the specific needs of each cohort of participants, the module content was also validated first to ensure that it would be mostly appropriately designed on a needs basis. Senior leaders from Coca-Cola and external respected leaders in the field were also invited to share their experiences on specific topics at the training programs. The program culminated with a presentation on learning based on the project, training, and a completed business simulation to the CEO and business owners.

To bring the learning full circle, participants are asked to translate their learning back to the workplace by taking on a stretch assignment, playing their supervisors' role at leading a conference or forum, or by conducting a business presentation. Furthermore, participants also had the opportunity to learn the skills in coaching and developing others.

MAKING AN IMPACT

Beyond accolades, the program created an immediate, measurable business impact. From the inaugural program, the Indonesia general manager found the project teams' recommendations to be invaluable and has planned to implement them into business plans starting in 2013. The program also proved to be more impactful than some past leadership programs at Coca-Cola, as knowledge and behavioral change – measured in evaluations – showed that results were more significant than the norm for these programs. The Himalaya project ultimately raised not only awareness, but the importance of grooming local leaders, which has indirectly influenced global strategies around talent development.

LESSONS LEARNED

- It is important how you identify, measure and get senior leaders engaged in your action-learning projects. You need a valid project that has not already been done.
- Communication with participants is essential, including discussing the importance of cultural differences and global skills, and shifting the perception by emphasizing that the program is about being global, not being “less Asian.”
- Preparing the business case was critical, and it was important that the leadership team (which included expatriates) understood the significance of this initiative and the role it would play. Know what the hot topics are and secure buy-in so that the program is well-supported and has engaged stakeholders.

ADVICE FOR OTHERS

- Let managers do the assessments of their staff against the successful behaviors to increase involvement and engagement.
- Engage local business unit directors to engage the managers, and present this as an opportunity for managers to develop both their people and themselves.
- Communicate early, and send notices to managers about their level of involvement, from time spent to the support they need to give to the participants.
- After the program, discuss with managers the skills that their subordinates have covered and how to transfer the skills back to the workplace.
- Ask managers to be accountable for speaking up at the talent-review process on behalf of the participant, and publicly share what the impact has been from the action-learning program.

MERCER WOULD LIKE TO THANK THE FOLLOWING FOR THIS INTERVIEW:

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