

# Best Companies for Leadership 2014

## Executive summary

*In the nine years we've been conducting the Best Companies for Leadership survey, we've seen how the premiere organizations around the world identify and develop their top talent into great leaders. Naturally, since 2005, there have been changes in how the best companies practice their leadership development: following the global recession, all organizations are now operating in an increasingly volatile environment.*

So when we set out to plan our 2014 survey, we asked ourselves: What makes a great leader, in an ever-more globalized, unpredictable world? What skills do the world's best companies need, now and in the future? And finally, what are the best companies doing to accelerate their leaders' development, so they can compete and succeed in this challenging new environment?

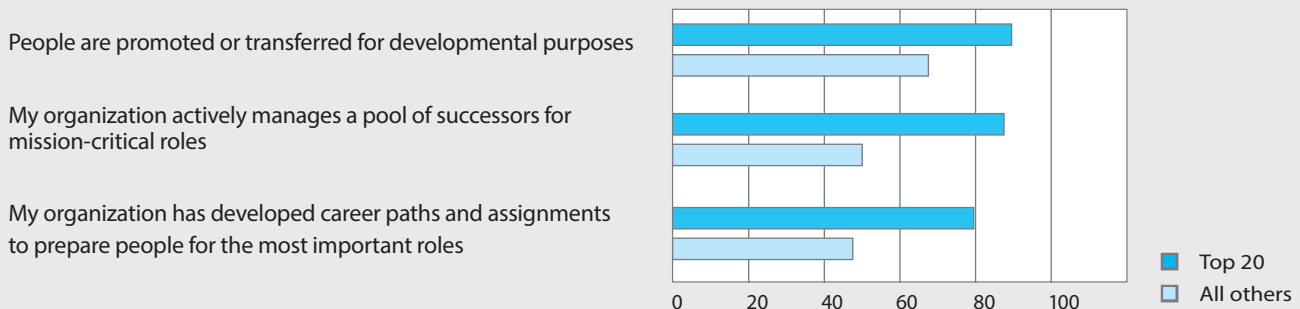
Over 17,000 people from more than 2,100 organizations worldwide responded to our survey, and they confirmed there'll be a definite shift in what the best companies need from their leaders in the next 10-15 years. The best in class say they'll need leaders with much stronger customer focus, global expertise, a huge capacity to manage complexity, the ability to drive innovation, and a truly collaborative approach – while remaining agile and poised to maximize opportunities. Currently, the emphasis is more on day-to-day performance – executing strategy, making decisions, and teamwork.

### Succeeding through a structured approach: how the Best Companies for Leadership proactively create a pipeline of future talent.

What we also found was that the Best Companies for Leadership take a more proactive, structured approach to developing their people. They have come to recognize that organizations have as much responsibility for growing future leaders as employees do in managing their own careers. From an era of expecting leaders to take responsibility for their own learning, the best companies now recognize they must be far more proactive and long-term in their approach to building the skills their leaders will need in a more global, interconnected environment. They start by taking a more disciplined, laser-like approach to identifying the critical roles they require now and in the future, and then map the essential career development experiences their leaders need to get them there. So we can see, not only do the best companies think they'll need different skills and capabilities from their leaders in the future: they're actually mapping out career paths, practical experiences and learning opportunities for their people, to grow them into the leaders they need.

“The Best Companies for Leadership take a more proactive, structured approach to developing their people.”

### The Best Companies take a structured approach to developing their people



What's more, the best in class intentionally try to develop a diverse pool of potential leaders. Half of the Top 20 offer special leadership development programs for women, compared to only 13 percent of all other companies, and 40 percent of the Top 20 have programs aimed at diverse groups of employees, compared to only 11 percent of all others. Top companies also tend to make leadership development programs available at all experience levels (83 percent compared to 57 percent).

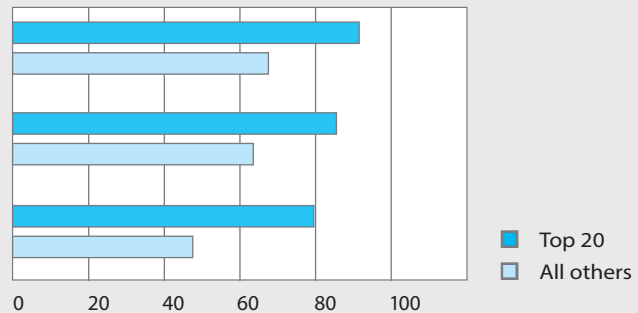
We also saw that the best companies nurture their high potentials, which helps them manage succession planning and ensures they have the talent they need in the future. Furthermore, they don't just use this structured approach for leaders and high potentials: 80 percent of the best companies say that employees have a good idea of the possible career paths available to them. This creates an environment where employees see opportunities to learn and grow on the job, encouraging a climate for learning throughout the organization.

### The Best Companies actively manage top talent pipelines

My organization identifies certain individuals as high potentials for future leadership roles

Big or important roles are usually filled by promoting from within the organization

Employees have a good idea of the possible career paths available to them



### The Best Companies for Leadership value high touch practices.

While the best companies proactively put structures in place to identify, develop and grow their future leaders, they still value the practices that have the most human interaction. They get their people to change behaviors on the job, as well as in the classroom, and use the personal touch in encouraging them to grow and learn from relationships. Classroom-based learning is

still a trusted development method, with nearly three-quarters of the Top 20 saying they rely on it. But we also saw mentoring gain prominence, with over two-thirds citing it as a key development tool. Rotational job assignments are a favored practice too, with 60 percent of the best companies saying they depend on them. So we can see the best in class are recognizing the power of community, relationships with others, and practical experience when building their leaders.

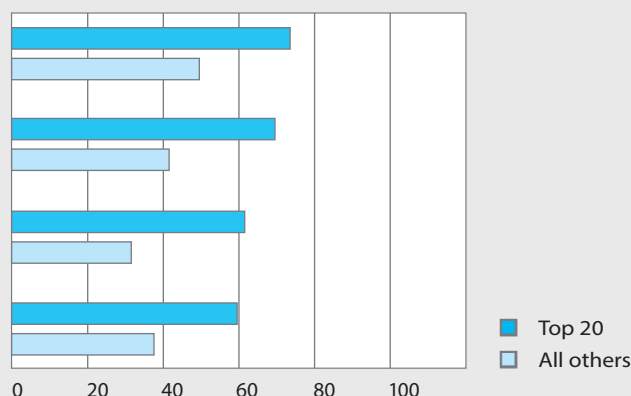
## How the Best Companies are developing people

Classroom-based leadership training programs (eg., programs with lectures, simulations, role plays)

Mentoring by another senior manager/executive

Coaching by a trained internal coach

Rotational job assignments/deliberate management of the career path



### In summary: what the Best Companies for Leadership are doing differently.

In summary, the Best Companies for Leadership are intentionally developing their leaders by getting crystal clear on the future capabilities they will need to succeed. And they deliberately

ensure current and aspiring leaders get the right critical experiences they need to build those capabilities. If you would like to find out more about how the Best Companies for Leadership proactively create pipelines of future talent, please contact your local office through [www.haygroup.com](http://www.haygroup.com).

#### 2014 global Top 20 Best Companies for Leadership

1 Procter & Gamble	11 PepsiCo
2 General Electric	12 Toyota
3 Coca-Cola	13 Accenture
4 IBM	14 Siemens
5 Unilever	15 Telefónica
6 Intel	16 BASF
7 McDonald's	17 Johnson & Johnson
8 Samsung	18 Citigroup
9 3M	19 IKEA
10 Hewlett-Packard	20 Pfizer

## About Hay Group

Hay Group is a global management consulting firm that works with leaders to transform strategy into reality. We develop talent, organize people to be more effective and motivate them to perform at their best. Our focus is on making change happen and helping people and organizations realize their potential.