The Pennsylvania State University

The Graduate School

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LEADERSHIP DEVELOPMENT IN CHINA:

HOW THE COMPANIES DEVELOP THEIR LEADERS AND

WHAT CRITICAL FACTORS CONTRIBUTE TO ENHANCING THE

EFFECTIVENESS OF LEADERSHIP DEVELOPMENT PRACTICES

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ABSTRACT

The purpose of this study was to investigate how companies in China develop their leaders, and to identify the key factors that contribute to enhancing the effectiveness of leadership development practices in China. In terms of theoretical domain, this study tied actual data to a conceptual framework - the "Leadership with Impact" model, and therefore provided concrete empirical evidence for this model. In the substantive domain, the findings of this study presented an overview of current leadership development practices in China. When compared with the best practices found throughout the world, it points to future directions for leadership development in China.

This study adopted a multiple-case study design. Four companies—ABB, BenQ, Lenovo and Motorola—were studied in China. The data collected included interviews, which served as primary data, and documents, as secondary data. The interview data were collected from the CEO (whenever possible), HR professionals, training professionals, line managers and high potentials using pre-developed interview guides. A total of 40 people participated in the interviews.

Based upon study data, the researcher concluded that, first, the four companies in China developed their leaders in more or less the same way as their counterparts in the United States, but in a less structured and formalized fashion. The needs assessment phase and measuring the effectiveness of leadership development were the two components apparently left far behind. The researcher contended that this was

due in part to the fact that few human resources development professionals in China have formal education background in the HRD field. Second, the Leadership Development with Impact model works well in the Chinese context. In addition to the five major factors identified in this model, additional factors were revealed in this study as key factors contributing to enhancing the effectiveness of leadership development practices, including top management support, corporate culture, communication, execution, etc.

The findings of this study have a number of important implications for both researchers and practitioners in the leadership development field. As the companies under study each demonstrate their excellence in different aspects of the leadership development process, together their experiences reveal excellence in leadership development that will no doubt provide benchmarking examples for other companies in China.

TABLE OF CONTENTS

List of Tables

List of Figures

Chapter 1 Introduction

Clearly, leadership is considered more important in industry than ever before. According to findings from the Human Resources Institute's 2003–2004 Major Issues survey, among North American companies, leadership was viewed as the single most important issue in terms of its impact on workforce management. Among European companies, it ranked third. Not surprisingly, leadership is expected to remain as a top issue in the future (Human Resources Institute, 2004a). A survey conducted by Right Management Consultants for the 2004 World Business Forum (Marcus, 2004) revealed that 65% of surveyed firms placed leadership development as one of the top five focal points for corporate strategy.

According to the American Management Association (American Management Association [AMA], 2005), the reasons for leadership's growth in importance are the fast pace of change, increased global competition, and a growing focus on customers. Leadership, which has always been a challenging task, has become even more stressful and difficult in recent years. Today's leaders are not only expected to deliver business results, but also to develop other leaders at the same time. In order to sharpen their competitive edge, organizations have become more and more results-oriented. Not surprisingly, companies' leadership development programs have been pressed to make a difference in enhanced leadership capacity and organizational performance.

The AMA (2005) suggests that as the economy continues to globalize, and as the workforce moves across national boundaries, cultural diversity has become a substantial challenge that warrants more research on leadership in a global and cross-cultural environment. Compared managerial learning studies in the United States and Europe,

Tsang (2001) pointed out that, "research on Chinese managerial learning is still in its infancy despite the obvious importance of the topic" (p. 30). However, China is growing so rapidly that companies in China are badly in need of many well-grounded business leaders. But leaders don't spring into the world fully formed. They need to be developed and trained. Under such circumstances, companies in China are interested in understanding how other companies in China develop their leaders and how they may develop their leadership capacity more effectively.

The Problem

The purpose of this study was to investigate how companies in China develop their leaders, and explore the critical factors that contribute to enhancing the effectiveness of leadership development practices in China. Specifically, the research questions included the following,

1. How do the companies in China develop their leaders?

1.1 What are the general talent strategies in the companies?

1.2 What roles should HR play in the companies?

1.3 What common ways do the companies use to develop their current and future leaders? Which ways are perceived as more effective?

1.4 How are the leadership development programs designed?

1.5 What major problems and challenges do the companies face in leadership development?

2. What key factors contribute to enhancing the effectiveness of leadership development practices in China?

2.1 How do the companies usually evaluate the effectiveness of leadership
    development programs?

2.2 What key factors contribute to enhancing the effectiveness of leadership
    development practices in China?

Significance of the Study

In the substantive domain, this study was among the first attempts to investigate how companies in China develop their leaders and what factors contribute to making their leadership development practices more effective. As such, its findings provide an overview of current leadership development practices in China. When compared with the best practices found throughout the world, it points to future directions for leadership development in China. In addition, as the companies under study each demonstrate their excellence in different aspects of the leadership development process, together their experiences reveal excellence in leadership development that will no doubt provide benchmarking examples for other companies in China.

In terms of theoretical domain, this study ties actual data to a conceptual framework and therefore provides concrete empirical evidence for the "Leadership with Impact" model (Vicere, 2001), which was developed by combining observations from previous literature and empirical experience. As Glaser and Strauss (1967) argued, the intimate connection with empirical reality is crucial in the development of a testable, relevant and valid theoretical framework.

Delimitations and Limitations

Since the intention of this study was to investigate how companies in China develop their leaders, and to explore the key factors that contribute to enhancing the effectiveness of leadership development practices, the Chinese companies that represent different types of business and that demonstrate strengths in leadership development were the target population for this research. Moreover, the main focus was the leadership development practices offered inside those organizations, including company-specific programs, on-the-job coaching, job rotations and mentoring, etc.

With regard to study limitations, first, as determined through the case study approach and limited resources, only one case was selected for each type of business in China. Therefore, the study's generalizability may be limited because the current design does not allow findings to be replicated within categories (Eisenhardt, 1989, p. 537). Second, it was better to involve multiple investigators in the study because different members often have complementary insights that add to the richness of data. More importantly, the convergence of observations from multiple investigators enhances confidence in the findings (Eisenhardt, 1989, p. 538). Third, since the study was designed to collect data around the pre-defined conceptual model developed prior to the study, this design may bias and limit findings (Eisenhardt, 1989, p. 536).

Assumptions

Since the data were collected using the case study approach and the primary evidence mainly came from interviews, the researcher assumed that the interviewees had been involved extensively in the leadership development programs in the selected

organizations, and they would give honest responses to interview questions that reflect their true perceptions of the reality.

Definition of Key Terms

<u>*Leadership*</u>

Many definitions of *leadership* have been offered by various researchers over the years. *Leadership* has been described as "directing the activities of a group toward a shared goal" (Hemphill & Coons, 1957, p. 7), or "the process of influencing the activities of an organized group toward goal achievement" (Rauch & Behling, 1984, p. 46). In this research, the definition of *leadership* followed Rothwell and Kazanas (1999), "leadership is not linked to position, but is linked to the ability to influence others" (p. 5).

<u>*Leadership development programs*</u>

Rothwell and Kazanas (1999) defined a *leadership development program* as a systematic effort to train, educate, and develop individuals to influence other people in positive ways. It is conducted on-the-job, or off-the-job to meet individual, group, and organizational learning needs and to improve individual, group and organizational performance (p. 6).

<u>*Organization performance*</u>

In this study, it refers to the ability and degree of success or failure of an entity in delivering product or services to its customers and ensuring good returns to its stakeholders (Ahmad, 1998, p. 20).

Action learning

Action learning involves learning by doing, but it is not a simulation. It is 'training' that takes the form of an actual business problem for teams of learners to solve together (Marsick, Cederholm, Turner & Pearson, 1992, pp. 63–66).

Double-loop learning

According to Argyris and Schon, double-loop learning occurs when error is detected and corrected in ways that involve the modification of an organization's underlying norms, policies, and objectives (Argyris & Schon, 1978).

Organizational culture

Schein (1992, p. 12) defined organizational culture as a "pattern of basic assumptions that the group learned as it solved its problems of external adaptation and internal integration."

Benchmarking

A good working definition of *benchmarking* is the process of identifying, learning, and adapting outstanding practices and processes from any organization, anywhere in the world, to help an organization improve its performance (Fulmer & Goldsmith, 2001, p. 319). Fulmer and Goldsmith pointed out that the underlying rationale for the benchmarking process is that learning from the best examples of best practice cases is the most effective means of understanding the principles and specifics of effective practices.

Succession Plan

According to Rothwell (2000b), a succession plan is defined as attempts to ensure the continuity of leadership by cultivating talent from within the organization through planned development activities.

Conceptual Framework

The conceptual framework that guided this study is called "Leadership Development with Impact" (Vicere, 2001); see Figure 1-1. It was selected because this model is regarded as the one that best summarizes the components that influence the impact of leadership development programs.
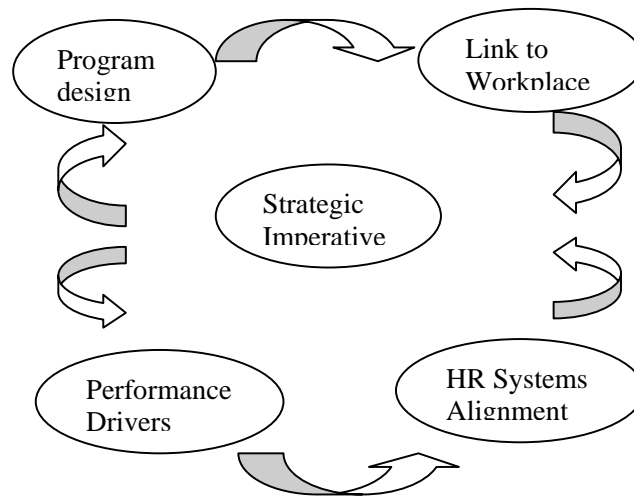
Figure 1-1 Leadership Development with Impact

Chapter 2 Literature Review

This chapter presents the major research findings in leadership and leadership development. It consists of five sections. Section 1 describes the major leadership theories. Section 2 introduces research into the best practices of leadership development. Section 3 summarizes the literature regarding measuring the effectiveness of leadership development practices and the key factors that contribute to enhancing the effectiveness of leadership development practices. Section 4 presents findings of research about leadership development in China, and the last section concludes with the implications for future research. In short, this chapter is not only intended to provide an overview picture of what is known on the topic, but also to help develop sharper and more insightful questions in the study (Yin, 1994, p. 9).

Section 1: Leadership Theories

This section describes the major leadership theories. As a subject that has been studied for hundreds of years, historically leadership has been viewed as "something about a leader as a person that provides the unique qualifications for that person's ascendancy or success" (AMA, 2005, p.2). The researchers examined the traits and personalities that distinguish effective leaders from ineffective leaders. Maxwell (1999) suggested charisma, courage, problem solving, openness to learning and vision as key attributes of leadership. Other recent work in this stream includes Goleman (1994), Myers, Kirby and Briggs (1998), and Brinkmeyer and Rybicki (1998).

Later leadership research went beyond an examination of the individual leader to groups or culture the leader influences. One aspect of this stream studied the relationships between leader and followers. For example, Northouse (2004) indicated that transformational leaders are highly respected by the followers, and therefore receive a lot more trust from the followers. And the situational leadership by Hersy and Blanchard (1977) examined whether there is a proper match between leaders and followers.

A major change in leadership research occurred when attention directed toward leadership skills and competencies. Herzberg, Mausner and Snyderman (1959) re-examined leadership roles and competencies, and Prahalad and Hamel (1994) revealed the link between leadership competency and organizational strategy, and coined the term "core competency". Since 1980s, many organizations have developed competency models (Buckingham & Coffman, 1999).

Section 2: The Best Practices in Leadership Development

This section focuses on research about how companies develop their current and future leaders, presenting future trends and best practices in leadership development. It consists of two subsections: (a) future trends in leadership development, and (b) best practices in leadership development.

Future Trends in Leadership Development

Dr. Albert Vicere at the Pennsylvania State University is one of the pioneers in investigating and tracking trends in leadership development. His 1982 study was among the first studies to chart leadership development trends. One of his recent studies in this

series was conducted in 1997. In this study, a survey questionnaire was sent to a total of

400 companies, including a sample of Fortune 1000 companies, the membership

organizations of the Human Resources Institute, and a sample of members from LOMA,

a professional organization of life insurance companies. Forty-four companies returned

completed surveys, for an 11% response rate (Vicere, 1997, p. 2). Study results identified

several new trends. First, technology and distance delivery are perceived to play a more

critical role in future leadership development. Second, the primary focus of leadership

development has shifted significantly from traditional executive programs toward

experience-based methodologies involving job rotation, task force and project

assignments, action learning, coaching and mentoring. Third, performance feedback has

received increased importance in the development process. Finally, flexibility and

adaptability have been found to be the most important leadership competencies for the

future (Vicere, 1997, p. 2).

Robert Fulmer also contributed significantly to the exploration of trends in

leadership development practices. He first interviewed hundreds of executives,

consultants and university leaders throughout the world. Then a survey sponsored by the

International University Consortium for Executive Education (UNICON) was distributed

in mid-1994 to collect data from 20 business schools and 17 consulting firms specializing

in leadership development. Again, in September 1994, the Institute for the Study of

Organizational Effectiveness at the Pennsylvania State University sponsored another

survey of 20 major corporations worldwide. The findings from these two studies were

summarized in Fulmer and Vicere (1995). More specifically, three trends in leadership

development programs were identified: (a) more customized, strategic programs, (b)

shorter, more focused, large-scale, cascaded programs and (c) more action-learning projects with measurable results (pp. 20–26).

Jay Conger and Katherine Xin (2000) reported other research on the same topic. Based on results from focus group interviews with membership organizations of the International Consortium for Executive Development Research (ICEDR), they developed a survey instrument that consisted of 73 Likert-type scale questions and 10 open-ended questions. The questionnaire was sent to the senior managers in charge of corporate executive education and development in 47 ICEDR member companies; a 53% response rate was achieved. The findings profile focused on the following six areas:

- Learning needs: A shift from functional knowledge to strategic leadership and organizational change.

- Learning content: A shift toward ever-greater customization.

- Pedagogy: A shift toward action-learning and feedback.

- Participants: A shift to learning in executive cohorts.

- Integrating mechanisms: A shift toward the cascading of learning experiences.

- Instructors: Growing use of the executive teachers.

Compared with Fulmer and Vicere (1995), it was seen that findings from the two studies were pretty consistent.

Best Practices in Leadership Development

In early 1998, the American Productivity and Quality Center (APQC) and American Society for Training and Development (ASTD) sponsored a consortium benchmarking study to investigate the best practices in leadership development. This

study consisted of two phases. Phase I involved selecting the best practice partner organizations. First, a list of best practice candidate organizations was put together through primary and secondary research. Second, a qualitative screening survey was developed to screen the candidate organizations, and ten finalists were selected for consideration as best practice partners. Third, based on the data collected by the study team, sponsors selected six best practice organizations, including Arthur Andersen, General Electric, Hewlett-Packard, Johnson & Johnson, Royal Dutch Shell and The World Bank. Phase II involved learning from the best. The sponsor group and the study team developed a detailed questionnaire and a site-visit discussion guide for use as the data collection tools.

The results of this study were summarized in Fulmer and Goldsmith (2001). In their book, Fulmer and Goldsmith described the six best practice partners in this study as diverse exemplars of excellence in leadership development, and the leadership development processes at the six best practice companies were presented in great detail. The authors indicated that while all exhibited commitment to developing leaders, there was tremendous diversity in their approaches, emphases, and cultures. They argued that although all excellent programs differ, together they provide a patchwork of excellence in leadership development. Some of the major findings included the following,

- The best practice organizations viewed the leadership development process as a way to increase their competitive advantages;

- Best practice organizations carefully build their leadership development teams by emphasizing the importance of both human resources development and business experience. Each of them has key leaders with extensive line experience;

- The best practice organizations realized that to enable change, the leadership development process must fit the culture of its organization. A first step in designing the leadership development process was to ensure this linkage by soliciting the direct input of customers. All best practice organizations reported conducting formal business-unit needs assessments;

- A majority of the best practice organizations identified leadership competencies or at least, tried to define characteristics and qualities for successful leaders. They also ensured that their competencies were kept up-to-date through both external and internal research;

- Best practice organizations grow leaders as opposed to buying them. They emphasized that their top leadership came from within the company;

- Best practice organizations focused on getting the right people into the right programs. They looked to the goals of their leadership development process to determine who would be selected as participants;

- Best practice organizations emphasized action learning, the use of real time business issues for learning and development;

- Best practice organizations felt that they could not fully achieve the benefits of networking via technology and their favored method of delivery was face-to-face;

- Best practice companies linked their leadership development process with succession planning efforts;

- For the best practice partners, the top-level support was a consistent key to developing leaders and sustaining the process; and

- Although the assessment efforts varied from company to company, all best practice organizations assessed the impact of their leadership development processes.

Hewitt Associates initiated the Top Companies for Leaders research in 2001, in an attempt to identify the combination of factors that allow financially successful organizations to consistently produce great leaders. This study examined the variables that influence a leader's growth in an organization, including developmental experience, senior leader interaction, compensation, organizational culture, and succession planning processes. Hewitt Associates (2005) uncovered a link between financial success and great leadership practices, and identified several building blocks that top companies use to build a sustainable pipeline of leadership talents, called "The Three Fundamental Leadership Truths". This process included the following:

- The CEOs and Board of Directors provide leadership and inspiration;

- High potential talents are formally identified and receive clearly differentiate compensation, development and exposure to senior leadership team; and

- The right programs are done right.

In early 2005, Hewitt Associates surveyed human resources executives from 373 public and private companies in the United States. First, all participating companies completed a 41-item questionnaire that broadly examined factors that influence leader quality and depth in organizations, and a three-step screening process was used to narrow down the list of possible companies to 75 finalists. Second, the 75 companies were asked to complete an interview with Hewitt to gain greater clarity and details regarding specific

practices. Third, all interviewed companies were then screened for financial performance, using a three-year compound annual growth rate in net income metric. Next, an independent Judge Panel, composed of renowned authors, professors, and executive coaches, participated in a full-day meeting and selected the 2005 Top 20 US Companies for Leaders. This research found that in addition to the Three Fundamental Leadership Truths identified in previous research, two additional differentiating factors emerged among the 2005 Top 20 Companies. The first was practical accountability, which meant that the Top 20 Companies held their leaders accountable for the success of leadership programs, the development of their employees and the development of their own leadership capabilities. Second was consistent execution—the Top 20 Companies not only designed great leadership practices, but consistently executed them well. The research concluded that there was a clear relationship between a company's financial performance and its approach to building leaders. Better-performing companies (a) hold senior leaders accountable, (b) use metrics to assess the effectiveness of leadership programs, (c) link performance management to succession planning, and (d) have CEOs and Board of Directors who are actively involved in developing leadership talent.

The AMA published a report called "2005 Leading into the Future Survey" on its website (www.amanet.org/research/index.htm). The survey was conducted by the Human Resource Institute (HRI). This global study of leadership explored the roles leaders play in organizations, how best-in-class organizations develop leaders and how leadership may well change over the next decades. In this research, the Leadership Development Survey 2005 was distributed by email to target populations, consisted of HRI email list of primarily senior level human resources professionals and the AMA international email

list of individual contributors, supervisors, managers and executives across a wide range of functions. In total, 1,573 questionnaires were completed. In addition, 40 interviews were conducted with companies considered best-in-class in leadership development. The report pointed out that in state-of-the-art practices in leadership development, companies were relentlessly driving a high-performing culture through the talent development process. Throughout the development process, top executive support was visible and accountable. There are six basic components in the state-of-the-art leadership development program, including (a) leadership competencies, (b) succession plan and talent pool planning, (c) development, (d) content and program design, (e) measuring and tracking talent development, and (f) rewarding and recognizing high potentials.

Section 3: The Effectiveness of Leadership Development

This section presents research on how to measure the effectiveness of leadership development practices and the key factors that contribute to enhancing the effectiveness of leadership development practices. It consists of two subsections: (a) measuring the effectiveness of leadership development practices, and (b) the key factors that contribute to enhancing the effectiveness of leadership development practices.

Measuring the Effectiveness of Leadership Development Practices

Leadership development practices have been historically regarded as an effective tool for promoting organizational performance. Taylor and Lippitt (1975) defined *management development* as "a planned and deliberate effort by the organization to improve the present and future job performance of the individual and to ensure that

organizational goals are fulfilled" (p.). Schuler and Walker (1990) supported this view and commented that, "a central priority of management development, is the improvement of organizational competitiveness, productivity, and ultimately efficiency and effectiveness" (p.). Hence, the representative stream in measuring the effectiveness of leadership development programs often attempts to link leadership development with improved individual and organizational performance.

Fulmer (1989) summarized two studies in this regard. One was conducted jointly by Allied-Signal, Inc. and Columbia University. This study revealed a strong correlation between those companies that have the best reputation and those that have a strong commitment to leadership development. Another study by the University of Michigan and Hay Associates presented supporting evidence and suggested that the most profitable companies showed the greatest commitment to leadership development. Vicere and Freeman (1990) also indicated that the firms that typically are viewed as being among the best managed often reported budgets in leadership development two or three times higher than the average. The above three studies all suggest that a stronger commitment to leadership development may lead to better organizational performance.

Wyszynski (1998) conducted a study to determine the impact of a leadership development program on organizational performance. His research questions included the following: (a) to what extent do leadership development programs improve managerial performance; and which set of criteria are most useful in determining a training program's effectiveness? (b) What effect does a leadership development program have on individual performance and how is that related to the overall quality of management relations? He approached his research questions first by constructing the Evaluation

Planning Systems Models (EPS Model), which includes organizational goals, program goals, the goals of evaluation, as well as individual performance and organizational performance as part of the evaluation system. The aim was to evaluate the impact of leadership development programs from a systematic perspective.

In order to determine the impact of training on individuals, the researcher used a quasi-experimental design that involved asking participants to fill out a survey both before and after the training. To determine the impact of training on the organization, the subordinates' ratings of manager performance after the training was obtained. To be more specific, the individual performance was operationalized on seven performance dimensions, namely, communication, control, leading, planning, problem solving, managing relationships and the ability to manage oneself. Organizational performance was operationalized on two dimensions: quality of management relations as perceived by subordinates and frequency of the grievance filing rate.

The total population was around 800 people; approximately 250 of them were randomly selected using a stratified sampling approach. Eighty-two (33%) completed a questionnaire both before and after the training program. Logistic regression analysis indicated that the program was effective in improving the ability to manage relationships, recognizing employees for a job well done, and communicating performance expectations. These were predictive of a decrease in the grievance filing rate.

Although the originally stated purpose of the research was well-intended and the research design was acceptable, the findings did not seem to be as valuable as they should be, probably because the operationalization of the variables was somewhat questionable.

Ahmad (1998) reported findings from other research on the impact of leadership development on individual performance and organizational performance. The purpose of his study was to determine whether the two Tenaga Nasional Berhad (TNB) programs had any impact on the performance of individuals and whether their performance in turn had made any impact on the company's performance. He claimed that his study was also designed to investigate factors, either internal or external to the program, that were perceived to be important in positively affecting the performance of the individual and the organization.

The study was carried out using the ex post facto approach. Data were collected through a survey instrument developed by the researcher. The study population was composed of 1,204 executives in TNB; 253 subjects were selected as a sample for the research and 39% of them returned completed usable surveys. Using two-way ANOVA, the researcher tested a total of 18 hypotheses. Only six of them were found to be statistically significant. He thus concluded that those with a higher ranking, better performance evaluation, and better understanding of the mission and vision better had a greater possibility of exhibiting better individual performance after training. Executives evaluated as excellent employees perceived themselves to be making significantly higher contributions to the organizational performance.

Study limitations included the following, First, the researcher did not report any data on the reliability of his survey instrument. Second, the research findings did not really show the link among the leadership development program, individual performance and organizational performance. We may argue that the better performance of those individuals is not necessarily attributable to the leadership development program.

Based on observations from previous literature, Holton (1996) also proposed primary factors that influence the effect of training on individual performance and organizational performance. With regard to individual level, he argued that motivation to transfer, transfer environment, and transfer design are the three key factors. With regard to organization level, linking to organizational goals, expected utility or payoff and external factors should be considered.

One of the recent studies in this area was done by Goldsmith and Morgan in 2004. In this study, they attempted to explore the types of developmental activities that have the greatest impact on increasing leadership effectiveness, and how leaders can achieve positive long-term changes in behaviors. To meet this end, they reviewed the leadership development programs in eight major corporations, all drawn from their roster of clients. Each of the eight companies was in a different sector. They found out that in evaluating the effectiveness of their leadership development programs, rather than just evaluating participant happiness at the end of each program, each of the eight companies measured the participants' perceived increased in leadership effectiveness over time. The increased effectiveness was not determined by the participants in the development effort, but assessed by pre-selected co-workers and stakeholders. One of their key findings suggested that participants' ongoing interaction and follow-up with colleagues were central to the achievement of positive long-term change. The leaders who discussed their own improvement priorities with their co-workers, and then regularly followed up, showed striking improvement in perceived change in leadership effectiveness. Moreover, the follow-up factor correlated with improved leadership effectiveness among both U.S. and non-U.S. executives (Goldsmith & Morgan, 2004).

Fulmer and Goldsmith (2001) reported that the best practice companies were more aggressive about measuring and evaluating the effectiveness of their programs. They indicated that the type and intensity of the assessment effort depended on the objectives of the leadership development process and the culture of the firm. For instance, Arthur Andersen emphasizes quantification and evaluates the effectiveness of its Partner Development Program in terms of increases in the number of satisfied clients and higher per-hour supervised net fees. In comparison, Johnson & Johnson conducted follow-up research after an Executive Conference to determine whether or not subordinates and peers saw improvements among program participants.

The AMA (2005) regards measuring the effectiveness of leadership development as one of the elements having the greatest influence on the ability of companies to develop and retain leaders. According to findings from the Leadership Development Survey 2005, widely used measures of leadership effectiveness included: (a) business results, (b) participant reaction, (c) promotability, (d) competency rating, and (e) manager assessment. It stated that a highly integrated talent management system should include such metrics as:

- Number of managers promoted
- Success of managerial moves three years later
- Time taken to fill open positions
- Number of external hires for management positions
- Number of developmental moves
- Performance distribution

Other metrics that may also be tracked include frequencies of leadership meetings about talent, employee morale and satisfaction, attrition and headcount analysis, recruiting cost and diversity representation in the talent pool.

Key Factors Contribute to Enhancing the Effectiveness of Leadership Development Practices

A conceptual framework known as "Leadership Development with Impact" was developed by Dr. Vicere (Vicere, 2001); see Figure 1-1. The figure summarizes the components that influence the effectiveness of leadership development programs.

This framework shows that in order to achieve better results, leadership programs should be linked to the workplace, and both components should be aligned with the strategic imperatives of the organization. Dr. Vicere argued that following this model is still not enough, because it is only part of the double loop learning process. He further explained that even if the programs are designed perfectly and linked to strategic imperatives and organizational needs, overall improvement in organizational performance can still not be guaranteed in cases in which the performance of individual participants are not measured against what they have learned and when they are not rewarded properly for improved performance.

Alldredge, Johnson, Stoltzfus, and Vicere (2004) described how 3M developed its Accelerated Leadership Development Program (ALDP), using the Leadership Development with Impact model. The ALDP program has been so successful that in 2005, 3M was ranked first among the Top 20 US Companies for leaders (Hewitt, 2005).

Fulmer and Goldsmith (2001) reported that one of the most important characteristics of all six best practice companies is the extreme care taken to ensure that their leadership development processes are tailored to their own strategic initiatives and specific cultures. The six best practice organizations each closely link their leadership development programs to the culture of their organization. They indicated that, "if the leadership development process is to be an effective part of the change process, it must be aligned with all of the strategic objectives of the organization" (p. 8). Hewitt Associates (2005) supported this view and suggested that the Top 20 Companies' approaches to building leaders are firmly rooted in business strategy. They differentiate themselves by effectively utilizing their practices to develop leaders in support of their strategy. In addition, Hewitt's study also regarded organizational culture as one of the variables that influence a leader's growth in an organization.

Moreover, top management support and sponsorship are identified as important factors in influencing the effectiveness of leadership development practices. Fulmer and Goldsmith (2001) suggested that top-level support was consistently key to developing leaders and sustaining the process in best practice organizations. Alldredge et al. (2004) argued that it is critical to have a CEO with a clear vision, who demands the accelerated development of leaders and is willing to champion efforts to this end. Such a leader can have a huge impact on a large organization in a short time. In addition, Hewitt Associates (2005) and AMA (2005) both revealed that top management support is one of the critical factors having an impact on the effectiveness of leadership development practices.

Section 4 Leadership Development in China

Tsang (2001) pointed out that, "research on Chinese managerial learning is still in its infancy despite the obvious importance of the topic" (p. 30). He examined managerial learning in foreign-invested enterprises in China. Through an empirical study of 18 such companies, he proposed a more comprehensive understanding of a host country managerial learning model.

Hickey and Kazakhstan (2004) conducted a study in China that explored perception of consulting company value and quality as perceived by HRM and Training and Development managers in several multinational companies in China. Their instrument was based on the well-accepted four levels of the Kirkpatrick training evaluation model. The authors indicated that while Chinese management does acknowledge the strong knowledge pool offered by consulting companies, they found that the high ethnocentric delivery of skills content is an impediment to learning. Moreover, the Chinese managers were unhappy with the high costs and overuse of part-time consultants, and outdated training and consulting methods.

Summaries

As companies struggle to maintain competitiveness in a rapidly changing global environment, greater attention is being paid to leadership development as a tool for promoting organizational performance. *Training* Magazine's 2005 survey of senior training professionals identified management and leadership development as the top training priorities in 2005 (Hall, 2005). As such, it is important to identify the critical factors that contribute to enhancing the effectiveness of leadership development practices.

Once they are identified, actions may be taken to maximize the effectiveness and impact of leadership development practices.

Based upon the above literature review, it can be seen that most research on leadership development is done in the United States, while research on leadership development practices in China remains a virgin field. Second, it may be conclude that in addition to the five major components in the Leadership with Impact model, top management support and corporate culture are also regarded by both researchers and practitioners in this field as key factors contributing to the effectiveness of leadership development practices.

Chapter 3 Methodology

The Problem

The purpose of this study was to investigate how the companies in China develop their leaders, and explore the key factors that contribute to enhancing the effectiveness of leadership development practices in China. The researcher developed the following research questions.

1. How do the companies in China develop their leaders?

1.1 What are the general talent strategies in the companies?

1.2 What roles should HR play in the companies?

1.3 What common ways are being used by the companies to develop their current and future leaders? Which ways are perceived as more effective?

1.4 How are the leadership development programs designed?

1.5 What are the major problems and challenges the companies face in leadership development?

2. What key factors contribute to enhancing the effectiveness of leadership development practices in China?

2.1 How do the companies usually evaluate the effectiveness of leadership development programs?

2.2 What key factors contribute to enhancing the effectiveness of leadership development practices in China?

As such, findings from this study help us to understand common leadership development practices in China, and identify the critical elements that can make leadership development more effective. Second, as it depicted current leadership development practices, this study revealed the differences between current leadership development in China and best practices in the world, pointing to future directions. Third, the four cases each highlighted unique leadership development practices that distinguish companies from one another, so that their ways of developing leaders serve as good reference examples for other companies nationwide.

Study Design

"In the most elementary sense, the design is the logical sequence that connects the empirical data to a study's initial research questions and, ultimately to its conclusions" (Yin, 1994, p. 19). Nachmias and Nachmias (1992) defined a research design as "a plan that guides the investigator in the process of collecting, analyzing, and interpreting observations" (p. 77).

The main method in this study was the conduct of multiple-case studies. The researcher believed that a multiple-case study design was more appropriate for this study and its research questions, because as Yin (1994) suggested, when deciding which research method to use, three conditions should be considered: (a) the type of research questions posed, (b) the extent of control an investigator has over actual behavioral events, and (c) the degree of focus on contemporary as opposed to historical events. Yin went on to point out that the situation in which the case study method has a distinct advantage is "when a 'how' and 'why' question is being asked about a contemporary set

of events over which the investigator has little or no control" (p. 9). The current study satisfied the three criteria well because the research questions are apparently "how" types of questions and leadership development is a contemporary issue over which the researcher has virtually no control.

The case study has been defined as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (Yin, 1994, p. 13). Yin claimed that the case study method is most likely to be appropriate when the researcher believes that the contextual conditions might be highly pertinent to the phenomenon under study.

Another advantage of the case study over other alternative research methodologies is that it "copes with the technically distinctive situation in which there will be many more variables of interest than data points", and thus helps to "explain the causal links in real-life interventions that are too complex for the survey or experimental strategies" (Yin, 1994, pp. 13–15). As such, this study lent itself well to the case study research approach. Tsang (2001) argued that the fuzzy nature of managerial learning suggests that case studies are an appropriate research method; over half of the empirical studies on this topic do employ a case study approach (p. 31).

Multiple-case study design is preferred to single-case design in this study because as Herriott and Firestone (1983) indicated, the converging evidence from multiple cases is far more compelling. As a result, the overall study is regarded as being more robust. Figure 3-1 illustrates the study design in a flow chart format (adapted from Yin, 1994, p. 49).

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                    ┌─────────────────────┐
                    │  Research Questions  │
                    └─────────────────────┘
                               │
                               ▼
                    ┌─────────────────────┐
                    │ Conceptual Framework │
                    └─────────────────────┘
                               │
              ┌────────────────┴────────────────┐
              ▼                                  ▼
      ┌──────────────┐              ┌──────────────────────────┐
      │ Select Cases │              │ Design Case Study Protocol│
      └──────────────┘              └──────────────────────────┘
              │                                  │
              └────────────────┬─────────────────┘
                               ▼
    ┌──────────┬───────────┬───────────┬──────────┐
    ▼          ▼           ▼           ▼
┌─────────┐┌─────────┐┌─────────┐┌─────────┐
│Conduct  ││Conduct  ││Conduct  ││Conduct  │
│Case #1  ││Case #2  ││Case #3  ││Case #4  │
└─────────┘└─────────┘└─────────┘└─────────┘
    │          │           │           │
    ▼          ▼           ▼           ▼
┌─────────┐┌─────────┐┌─────────┐┌─────────┐
│Write    ││Write    ││Write    ││Write    │
│individual││individual││individual││individual│
│case study││case study││case study││case study│
│report   ││report   ││report   ││report   │
└─────────┘└─────────┘└─────────┘└─────────┘
    │          │           │           │
    └──────────┴─────┬─────┴───────────┘
                     ▼
            ┌─────────────────┐
            │ Draw cross-case │
            │   conclusions   │
            └─────────────────┘
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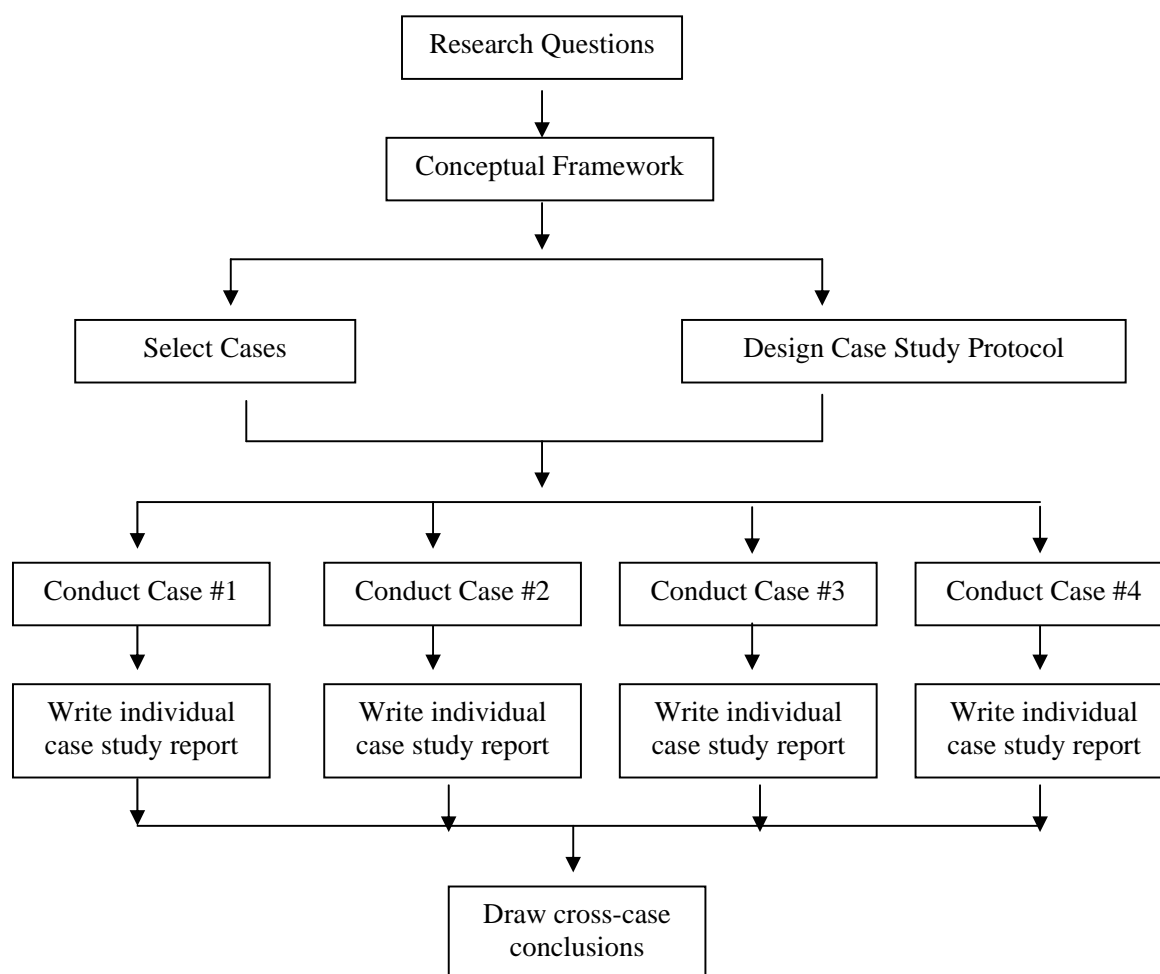
Figure 3-1. Study Schematic for the Multi-Site Case Study

Conceptual Framework

       The purpose of a conceptual framework is to direct the attention of the researcher. In other words, it guides the researcher in where to look for relevant evidence. Without such a framework, an investigator might be tempted to collect "everything", which is impossible to do.

       This study was guided by the conceptual model of "Leadership Development with Impact" (Vicere, 2001; see also Alldredge, Johnson, Stoltzfus, &Vicere, 2004). For

a visual interpretation of the model, see Figure 1-1. As per this model, five key factors contribute to enhancing the effectiveness of leadership development practices: strategic imperatives, program design, link to workplace, performance drivers and HR alignment. It suggests that the more the five factors are interlinked with each other, the more effective will be the leadership development practices.

Unit of Analysis

The unit of analysis determines at what level and the type of data to be collected and how the data should be analyzed and interpreted. In case study research, "the unit of analysis is related to the fundamental problem of defining what the 'case' is" (Yin, 1994, p. 21). Yin suggested that in order to define the unit of analysis and therefore the case, we should consider how the initial research questions have been articulated and whether the findings of the current study can be compared with those from previous research. As such, "each case study and unit of analysis either should be similar to those previously studied by others or should deviate in clear, operationally defined ways" (Yin, 1994, p. 25). Therefore, the previous literature can also serve as a guide for defining the case and unit of analysis.

The unit of analysis for this study was at the organization level. Organizations have been defined as having collective properties that often differentiate them from the attributes of their individual members (Lazarsfield & Menzel, 1969, p. 505). Although the data collection source may be at the individual level (e.g., interviews with individuals from the organizations), the unit of analysis for this study was at the organizational level and the conclusions were developed for the organization level, too.

Case Selection

Yin (1994) suggested that each case should be carefully selected to serve a specific purpose within the overall scope of inquiry, so that it either predicts similar results or produces contrasting results but for predictable reasons (p. 45). Another question to be answered in a multiple-case study design is the number of cases deemed necessary or sufficient for the study. Yin (1994) argued that because multiple-case design should follow replication logic, not sampling logic, the typical criteria regarding sample size are irrelevant. Instead, we should think of them as a reflection of the number of case replications that we would like to have in the study (p. 50). He pointed out that the selection of the number of replications depends upon our certainty about the multiple-case results. For the number of theoretical replications, the important consideration relates to the sense of complexity in the realm of external validity (transferability). When external conditions are not thought to produce much variation in the phenomenon being studied, a smaller number of theoretical replications is needed.

Eisenhardt (1989) supported Yin's view, saying that, "such research relies on theoretical sampling. The cases may be chosen to replicate previous cases or extend emergent theory, or they may be chosen to fill theoretical categories and provide examples of polar types" (p. 537). She pointed out that while the cases may be chosen randomly, random selection is neither necessary nor even preferable.

Since this study's focus was on leadership development by companies in China, and an exploration of the key factors that contribute to enhancing the effectiveness of leadership development practices, the Chinese companies that represent different types of

businesses and that have demonstrated strengths in leadership development were selected.

Furthermore, in order to control extraneous variation, which helps to define the limits for generalizing the findings (Eisenhardt, 1989), it is better to select companies that have some common characteristics. Following this logic, ABB, BenQ, Lenovo and Motorola were chosen as the target companies for this study. These four companies were selected because they represent distinct types of business in China. First, BenQ, Lenovo and Motorola are all IT companies, covering manufacturing, R&D, sales & marketing. Second, Motorola and ABB both are multinational firms, but Motorola represents centralized organizations with typical American cultures, while ABB is a manufacturing company with heavily decentralized European influences. Both BenQ and Lenovo are Chinese companies, but BenQ is a Taiwan-based firm and Lenovo originated in Mainland, China. The four companies have many things in common: (a) they are all technology-driven companies; (b) they face the same macro environment in China, which means they have the same challenges; and (c) all have invested heavily in leadership development.

The researcher is aware that multiple cases within each category would allow findings to be replicated within the category. Given the limited number of cases that could be included in dissertation research, only one case from each type of business was selected for this study.

Case Study Protocol

Yin (1994) highly recommended that a case study protocol be developed before the study. He argued that, "having a case study protocol is desirable under all circumstances, but it is essential for multiple-case design" (p. 63). He explained that, "a case study protocol is more than an instrument. The protocol contains the instrument but also contains the procedures and general rules that should be followed in using the instrument" (p. 63). He clearly emphasized that the protocol is a major tactic in increasing the reliability of case study research, and therefore is crucial to conducting high-quality case studies.

Following Yin (1994), the researcher developed a case study protocol that consisted of the following sections; (a) purpose of the study, (b) field procedures, (c) interview guides for target groups, and (d) a guideline for individual case study report. See Appendix 1.

Data Collection Methods

Case studies typically combine multiple data collection methods (mixed methods), such as archives, interviews, and observations; the evidence may be qualitative, quantitative or both (Collins, Onwuegbuzie, & Sutton, 2006; Eisenhardt, 1989; Yin, 1994). Not all sources are relevant for all case studies. The main sources of evidence in this study were from interviews and archives. First, interviews were conducted with the relevant people in the selected organizations. Second, related archival data were collected, such as organization charts, books and newspaper clippings, etc.

Instrument Design

As the research questions formed the structure of the inquiry, they were posed to the investigator, not to the respondents. They served as reminders of the information that needed to be collected, thus keeping the investigator focused as the data collection proceeded (Yin, 1994, p. 69).As such, the research questions were not intended to be literal questions asked of the interviewees. In order to build a pathway between the questions of interest and the likely sources of evidence (Yin, 1994), the interview guides were prepared for each relevant target group, including the CEO, HR managers, HRD managers, line managers and high potentials (see Appendix B1-5). Table 3-1 illustrates the link among the research questions, conceptual model components and the interview questions.

Table 3-1 The Link among the Research Questions, Conceptual Model Components and the Interview Questions

Research Questions	Conceptual Model	Interview Questions				
		CEO	HRM	HRD	Line Managers	High Potentials
1 How do the top businesses in China develop their leaders?						
1.1 What are the general talent strategies for developing the current and future leaders in the companies?		Q2	Q1	Q1		
1.2 What roles HR should play in leadership development in the companies?		Q3	Q2	Q2		
1.3 What are the common ways the companies use to develop their current and future leaders? Which ways are more effective?	Leadership Dev.	Q5,6	Q4,5,11	Q4,5,14	Q1,2,3	Q1,2,3
1.4 How are the leadership development programs designed?	Program Design		Q6	Q6,7	Q5	
1.5 What are the major problems and challenges the companies face in leadership development?		Q9	Q10	Q13	Q8	Q8
2 What key factors contribute to enhancing the effectiveness of leadership development interventions in China?						
2.1 How do the companies usually evaluate the effectiveness of leadership development programs?	LDP Effectiveness	Q7	Q7,8	Q8,10	Q6	Q6
2.2 What key factors enhance or hinder the effectiveness of the leadership development interventions in China?	Strategic Imperatives	Q1,4	Q3	Q3	Q4	Q7
	Corporate Culture	Q4	Q3	Q3	Q4	Q7
	Top Management Support	Q8	Q9	Q11		
	Link to Workplace		Q7	Q8	Q6	Q4
	Performance Drivers			Q9	Q7	Q5
	HR System Alignment			Q12	Q9	Q9

Pilot Test

A pilot test study is recommended as a preliminary test of the instrumentation and data collection techniques (Borg & Gall, 1989). Yin (1994) echoed this idea, and wrote that the pilot case study helps investigators to refine the data collection plans with respect to both the content of the data and the procedures to be followed. He pointed out that a pilot test is not a pretest, in which the intended data collection plan should be used as faithfully as possible as a final test run. The pilot test is used more formatively to assist

the researcher in developing relevant lines of questions. In general, convenience, access and geographic proximity may be the main criteria for selecting the pilot case. One difference between the pilot report and the actual case study report is that the pilot report should be explicit about the lessons learned for both the research design and field procedures. In this study, the ABB case served as the pilot case.

The Qualifications of the Researcher

Patton (1997) pointed out that one of the elements upon which the credibility of qualitative research depends is the credibility of the researcher, including training, experience, previous work, etc. Yin (1994) supported this view, saying that, "you should bring your own prior, expert knowledge to your case study. The strong preference here is for you to have analyzed similar issues in the past and to be aware of current thinking and debates about the case study topic" (p. 124).

The researcher once served as the manager for Executive Development Programs at a top university in China. She is currently a Ph.D. candidate in one of the top Human Resources Development programs in the U.S. Thanks to the rich practical experience and theoretical training in this field, she has developed an in-depth understanding of the subject matter under study.

Data Analysis

The analysis of case study evidence is one of the least developed and most difficult aspects of doing case studies (Eisenhardt, 1989; Yin, 1994). Eisenhardt (1989) pointed out that, "published studies generally describe research sites and data collection methods, but give little space to discussion of analysis" (p. 539). In order to enhance the

validity and reliability of the research, the steps described below were followed in the data analysis process.

Preparing Data for Analysis

There were five major steps in preparing the data for analysis. First, the tape-recorded interview data were transcribed, and the field notes typed. Second, data were cleaned, removing all interviewee identities and confidential information and making the data ready for coding. Third, a coding scheme was developed as per the conceptual model, with each code clearly defined. Then, open coding was performed to code all data chunks into a number of categories based on the coding scheme. Three coders, including the researcher, coded the data independently, and an inter-rater agreement index (Miles & Huberman, 1994) was calculated. Fourth, a case study database was developed. Fifth, the appropriate data displays (Miles & Huberman, 1994) were created before drawing final conclusions.

Within-Case Analysis

Within-case analysis typically involves detailed case study write-ups for each case. These write-ups are often simply pure descriptions, but they are central to the generalization of insights (Gersick, 1988; Pettigrew, 1988). Eisenhardt (1989) argued that the within-case analysis is important, because case study research often generates a staggering volume of data. The write-up for each individual case helps the researchers to cope early with an enormous volume of data. "However there is no standard format for such analysis... This process allows the unique patterns of each case to emerge before

investigators push to generalize patterns across cases. In addition, it gives investigators a rich familiarity with each case which, in turn accelerates cross-case comparison" (Eisenhardt, 1989, p. 540).

In this study, the pattern-matching approach was used to identify within-group similarities coupled with inter-group differences in each individual case. Yin (1994) argued that, "for case study analysis, one of the most desirable strategies is to use a pattern-matching logic" (p. 106). In order to add validity (credibility) to the analysis, after the individual case study report was developed, the researcher had the key informants review it (Miles & Huberman, 1994; Yin 1994) to confirm that the data presented did reflect the real situation in the company (member checking). In addition, as the raw interview data were collected in Chinese, this step also served as a doublecheck on the translation of the interview data.

Cross-Case Analysis

As per Eisenhardt (1989), in doing cross-case analysis, the researcher first compared certain dimensions across cases, looking for similarities and differences. Second, she compared evidence from different sources. "This tactic exploits the unique insights possible from different types of data collection. When a pattern from one data source is corroborated by the evidence from another, the finding is stronger and better grounded" (Eisenhardt, 1989, p. 541). Overall, the idea behind the cross-case analysis is to force investigators to use structured and diverse lenses on the data, thereby contributing to information legitimization.

Verifying the Quality of the Study

<u>*Triangulation*</u>

In order to ensure the quality of the study, the researcher built three-way triangulation into the research design. First, the interview data were triangulated (data source triangulation) with the documentary data. Yin (1994) argued that, "a major strength of case study data collection is the opportunity to use many different sources of evidence"(p. 91). He further pointed out that the most important advantage presented by using multiple sources of evidence is triangulation by the development of converging lines of inquiry. Second, Patton (1997) suggested that collecting data from different sources is another method of triangulation. Therefore, the interview data were collected from the CEO, HR professionals, line managers and high potentials. Triangulation occurred through the comparison and contrast of opinions expressed by individuals with different functions and at different job levels in a company (triangulation across informants). Third, the cross-case study design allows the researcher to triangulate the data from the four different cases, and identify repeated themes across them (Miles & Huberman, 1994). Using triangulation, the validity of the research may be increased because the multiple sources of evidence essentially provide multiple measures of the same phenomenon (Yin, 1994).

In addition to data triangulation, four criteria or standards are commonly used to judge the quality of any empirical research: construct validity, internal validity, external validity and reliability. Since case studies are one form of such empirical research, the four standards are also relevant to case study research (Yin, 1994).

Construct Validity

As defined by Kidder and Judd (1986), construct validity is intended to establish correct operational measures for the concepts under study. Yin (1994) pointed out that: "For doing case studies, three tactics are available to increase construct validity. The first is the use of multiple sources of evidence, in a manner encouraging convergent lines of inquiry, and this tactic is relevant during data collection. A second tactic is to establish a chain of evidence, also relevant during data collection, and the third tactic is to have the draft case study report reviewed by key informants" (p. 34).

The evidence for case studies may come from six sources: documents, archival records, interviews, direct observation, participant observation and physical artifacts (Yin, 1994). Yin argued that each source of evidence has its advantages and disadvantages. For example, although interviews are considered the most popular source of evidence in the case study, they are subject to the common problems of bias, poor recall, and poor or inaccurate articulation. On the other hand, when using archival records and company documents such as meeting minutes, we should understand that they were written for some specific purpose and some specific audience other than those on which the case study is being done. Therefore, as the various sources are highly complementary, a good case study will utilize as many sources as possible (Yin, 1994). Any findings or conclusions in a case study are likely to be much more convincing and accurate if based on several different sources of information. "With triangulations, the potential problems of construct validity also can be addressed, because the multiple sources of evidence essentially provide multiple measures of the same phenomenon" (Yin, 1994, p. 92).

Establishing a chain of evidence (audit trail) is another effective way to address the construct validity issue. Basically, we should set up explicit links among the questions asked, the data collected, and the conclusions drawn (Yin, 1994). Having key informants review the draft case study report also contributes to enhancing construct validity. Yin (1994) argued that, "the informants and participants may still disagree with an investigator's conclusions and interpretations, but these reviewers should not disagree over the actual facts of the case" (p. 145). The corrections made through this procedure enhance the accuracy of the case study, and improve the construct validity of the study.

Internal Validity

As defined by Kidder and Judd (1986), the intention of internal validity is to establish a causal relationship whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships.

Yin (1994) pointed out that, "the concern over internal validity, for case study research, may be extended to the broader problem of making inference" (p. 35). In order to address this issue, the following tactics were adopted in this study. First, Yin (1994) suggested that pattern-matching is one of the possible ways to address internal validity. If the patterns coincide, the results may help enhance a case study's internal validity. Second, data source triangulation produces converging results, thus enhancing the internal validity of the research (Cakir, 2004; Dooley, 2002; Miles & Huberman, 1994; Yin, 1994). Third, themes that replicate across cases also suggest strong internal validity (Miles & Huberman, 1994). Yin (1994) and Dooley (2002) recommended establishing a credible

line of evidence to follow the conclusions. Last, but not least, according to Eisenhardt (1989), comparison with previous literature also improves internal validity.

External Validity/Generalizability

As defined by Kidder and Judd (1986), external validity (transferability) intends to establish the domain to which a study's findings can be generalized. Yin (1994) said that external validity deals with the problem of knowing whether a study's findings are generalizable beyond the immediate case study. It has been a major barrier in the performance of case studies.

According to Yin (1994), inferences may be made at two levels. One is called "statistical generalization", in which an inference is made about a population on the basis of empirical data collected about a sample. This is the most common way of generalizing when doing surveys, and an integral part of generalizing from an experiment. Another level of external validity is "analytical generalization", in which a previously developed theory is used as a template in comparing the empirical results of the case study.   If two or more cases are shown to support the same theory, replication may be claimed. Yin continued that, "A fatal flaw in doing case studies is to conceive of statistical generalization as the method of generalizing the results of the case. This is because cases are not sampling unit and should not be chosen for this reason…. Multiple cases, in this sense, should be considered like multiple experiments. Under these circumstances, the method of generalization is 'analytic generalization'" (Yin, 1994, p. 31).

In this study, the researcher addressed this issue by using replication logic in a multiple-case study (Miles & Huberman, 1994; Yin, 1994), and through comparisons with previous literature (Dooley, 2002; Eisenhardt, 1989; Miles & Huberman, 1994).

Reliability

As defined by Kidder and Judd (1986), reliability (consistency) demonstrates that the operations of a study, such as data collection procedures, can be repeated with the same results. The goal of reliability is to minimize the errors and biases in a study and allow other researchers to replicate the case study. To meet this end, the researcher adopted the following strategies in this study.

Dooley (2002) and Cakir (2004) suggested that the use of well-documented and -described data collection methods and instruments are an effective way to increase study reliability. Therefore, the researcher documented all procedures followed in the case study process. In this regard, Yin (1994) also recommended that the use of a case study protocol helps to address the problem.

In addition to a case study protocol, Yin (1994) argued that a case study database markedly increases the reliability of the entire case study. The creation of a case study database involves organizing and documenting the data collected in case studies. Yin (1994) suggested that, "every case study project should strive to develop a formal, presentable database, so that in principle, other investigators can review the evidence directly and not be limited to the written reports" (p. 95).

In addition, themes from different data sources converge (Cakir, 2004; Miles & Huberman, 1994) and the common themes that emerge from cross-case study design (Cakir, 2004) also address reliability issues.

Flexibility of Study Design

Due to the intrinsic characteristics of the case study approach, the research questions and data collection method could be tentative. Sometimes the research questions shift after the data collection has begun; at the extreme, some researchers even convert theory-testing research into theory-building research by taking advantage of serendipitous findings (Eisenhardt, 1989).

Another possible adjustment may be made to the data collection protocols, such as the addition of questions to an interview protocol. These adjustments allow the researcher to probe emergent themes or to take advantage of special opportunities that may be present in a given situation. In other situations, adjustments may include the addition of data sources in selected cases (Eisenhardt, 1989).

However, it should be noted that a study's design could be altered and revised in the initial stages of the study, but only under stringent circumstances. The point is that the flexibility of the case study design is in selecting cases different from those initially identified with appropriate documentation of this shift, but not in changing the purpose or objectives of the study to suit the cases that were found.

Human Subjects Review

In order to protect the human subjects involved in this study, the individual identities of the informants were held in the strictest confidence. Access to the original data was limited to the researcher and committee members only.

Chapter 4 Data Analysis

This chapter consists of five sections. Section 1 to Section 4 is within-case analysis for each of the four cases, in the order of ABB, BenQ, Lenovo and Motorola. Section 4 presents cross-case analysis by identifying the common themes across the four cases. Each within-case analysis is composed of two subsections, one is case overview, and the other is within-case analysis. The within-case analysis subsection is organized by research questions.

ABB High Voltage Switchgear Co., Ltd., Beijing

Case Overview

Background

Founded in 1883, ABB is a global leader in power and automation technologies. As a Fortune 500 company, the ABB Group operates in around 100 countries and employs about 104,000 people worldwide. ABB China has 27 joint ventures, and around 8000 employees. China is ABB's second largest market; its revenue in China for 2005 was $2.4 billion, up 20 percent from 2004 (www.abb.com.cn). According to the Chairman of the ABB Group, ABB has achieved double-digit growth rate in China, expects 20% growth every year until at least 2008, and plans to hire an additional 5000 "talents" from the local markets up to 2008.

ABB joint ventures in China mainly focus on production and sales support. ABB China has a nationwide sales network that sells products from all of its joint ventures. ABB China and the joint ventures are managed in a matrix structure.

The ABB High Voltage Switchgear Co., Ltd., Beijing, is a joint venture of the ABB Group and a local company, with 40% of the stock owned by the Chinese partner. This company was established in 1996, and has about 345 employees on its pay-roll. Its main products are high- and medium-voltage power transmission equipment. With an average 30% growth rate every year, this company has been regarded as a superstar among ABB joint ventures in China. In 2004, it achieved US$ 180 million, the most profitable one among all of ABB's joint ventures in China.

HR Structure

In its early years, the Human Resources function at ABB China was very decentralized. So long as the joint ventures follow the general principles of the ABB Group, they have much flexibility in managing their workforce. Nowadays, with the current Vice President of HR at the ABB Group entering the executive committee, the highest decision-making organ of the Group, the message is clear that the ABB Group pays close attention to human resources. From the year 2000, the ABB Group has issued stringent guidelines about human resources management, with most HR policies centralized under a uniform structure.

There are five full-time employees in the human resources department in the company. The HR manager reports directly to the CEO. The HR function is organized

into two teams: one works on recruitment and employee development, while the other focuses on compensation and benefits.

<u>*Leadership Development Practices*</u>

    Brief History

According to its Training Manager, the company did not have a well-developed training plan when it was established. All of the available internal training programs stem from direct communication with the line managers. As the company grows, different business issues come up along the way, and relevant training programs are developed accordingly to address those business issues. When the training programs have accumulated widely enough, the training professionals start to go more in depth in talent development. So far, the current training catalogue consists of five major categories and 10 sub-categories, providing training programs for each function in the company.

    Talent Development

The management team strongly believes that talent development will contribute to enhancing productivity, which in turn will lead to accelerated growth in the company. Therefore, the company highly encourages its people to improve themselves. So long as the employees are willing to advance in their field and the cost seems reasonable, the company will support them, no matter whether they are identified as high potentials or not.

Leadership Development Programs

The company offers a specific leadership development program for managers at different levels. The department managers have gone through the WMIB program, a certificate program offered by ABB China Headquarters together with the Western Management Institute of Beijing. Its major courses include Personal Effectiveness, Business Environment, Accounting and Finance for Management, Operations Management, Human Resource Management and Marketing Management.

The section managers are currently working on a program called the C-Master Program, with C standing for the word "case". This is an eight-module mini MBA program, specifically designed to target middle-level managers in the company. One of its unique features is that all cases are carefully selected and developed based on real business scenarios in the company.

The People Development Training Program (PDT) is a developmental program available for the supervisors and high-potential employees at the next level below. This program is intended to provide the high-potential employees with basic management concepts. It courses include Personal Effectiveness & Self-motivation, Team Roles and Team Works, and Company Operation Overview.

Within-Case Analysis

<u>Selection and Background of the Interview Subjects</u>

HR Professionals

The HR manager, along with the team leader for recruitment and employee development, participated in the interview. Both have been working with this company since it was established and have always been involved in the HR function.

High Potentials and Line Managers

The company is primarily a manufacturing facility. It has two production divisions: high-voltage and medium-voltage. The department managers in charge of each of the two divisions participated in the study as line managers. The three high potentials come from the section level—two of the three are direct reports to the two department managers. All three high potentials have been nominated as superstars among their peers.

Table 4-1 Background of the interview subjects - ABB

Subject Code	Gender	Job Level	Business Unit	Direct Boss	C-Master	WMIB
LM-1	M	Dept. Manager	High Voltage	Y		
LM-2	M	Dept. Manager	Medium Voltage	Y		Y
HIPO-1	M	Section Manager	High Voltage		Y	
HIPO-2	F	Section Manager	Medium Voltage		Y	
HIPO-3	M	Section Manager	Production		Y	

<u>Research Question 1 - How do the top businesses in China develop their leaders?</u>

1.1 What are the general talent strategies for developing the current and future leaders in the companies?

The CEO pointed out that the general talent strategy strongly emphasizes the development of managerial and technical talents. According to its HR manager, presently ABB has a very stringent policy about recruitment, i.e., each new employee, including production workers, need to be approved by ABB China Headquarters. In general, the company does not have much problem with talent retention, as its high growth rate has offered tremendous opportunities for its people to grow.

The company prefers to grow leaders from inside, because by doing so it has a better understanding of the strengths and weaknesses of the individual. As a manufacturing facility, the company highly values engineers and technicians. Many people who are promoted to leadership positions have strong technical backgrounds.

Representative Quotes as below

CEO: *Our strategic imperatives center around continuous development, emphasizing the development of local talents and local sourcing. The company develops very fast, and therefore offers our employees tremendous opportunities to grow themselves.* Even if we grow at the same pace with the market, the annual growth rate will be about 10-15%. *A high growth rate leads to high morale among the employees in the company.*

HRM-1 *We don't really worry too much about retention issues. Attracting talent is of more concern, because our package is not very attractive.* We have to rely more on our passion to influence people, talking more about the pleasant corporate culture and what the company will offer to help people develop. We have done pretty well in this regard, as we see many people take a pay cut to come in.

So far we are very successful in retaining our talents because the company keeps growing at a fast pace, which has offered much opportunities for our people to grow. Second, the management team shows great care to the employees, making our people enjoy working with us. *The voluntary turnover is about 3-4%, and the critical turnover rate is much lower.*

We prefer to promote from inside. By recruiting from outside, our judgment about people relies more on-the-job interview and the results from the assessment tools. We are not sure whether the personality of the potential candidate fits well with our corporate culture, and whether the candidate is presenting his or her true self in the interview. In

contrast, *if we develop people on our own, we can track the growth path of each individual, showing us his or her strengths or weaknesses.* .

HRD-1 *In the past, we seldom recruited recent college graduates. Due to the difficulty in recruiting talent in recent years, we have started recruiting fresh graduates now.* As with most positions, such as sales, technicians, and onsite service, all require strong engineering backgrounds, and it is rather difficult for us to recruit such talent, so *we emphasize engineering talents. Compared with other departments, the technical department enjoys more preferential treatment in HR policies.*

1.2 What roles should HR play in the companies?

The CEO of the company said that in the long run HR should focus on strategic thinking and talent development, and he personally values the medium- and long-term impact of human resources management on business results, especially the development of strong managerial and technical teams. The HR professionals believed that the line managers and the employees are the two major internal HR clients in the company. They suggested that HR should take a leading role in developing people and building a high-performing workplace for the company.

Representative Quotes
HRM-1 *The role that HR plays in this company has changed a lot*. At the time when HR was not highly regarded at ABB Group, we were not either. From the perspective of our first CEO, "if I don't call on you, this means you are doing all right". Apparently he did not expect HR to play any important role in the company. Once I proposed to him that HR should know more about the front line business and that we wanted to participate in the regular business meetings. His first reaction was, "what do you do to know more about the line business?" By way of a strong comparison, our second CEO was a German who emphasized people development. He always urged the line managers to put people development issues at the top of their calendar. "Without a strong talent pool, we can't expect any long term growth". At that time, although he still didn't want HR to be too involved in the business process, the value of HR was raised up a lot. *The third CEO, also our current one, expects HR to take a leading role in corporate culture and people development, acting as a change agent in the company.* He wants me to sit in the business meetings, and even participate in training programs targeted at the business department, which was absolutely impossible in earlier years. This probably reflects the general trend of the ABB Group, I think.

In daily operations, the line managers and the employees are regarded as two major internal HR client groups inside the company. *As line managers, our role is to provide managerial tools and necessary support in people issues.* Of course this is based upon a thorough understanding of the line business—not to make any trouble for them. *As employees, our role is to make policies, build a high performance workplace, and encourage our employees to unleash their full potential. In my opinion, HR should play a significant part in building and developing the corporate culture.* In this regard, we should first understand the corporate culture at the ABB Group, and then try to combine it with local culture and the uniqueness of our business, define it clearly, and communicate it to the employees.

HRD-1 *I see my role as a consultant.* When I communicate with the managers, I first try to understand what problems they have, and then discuss where I can help in my role. *I believe HR should help the company to develop a high-performing work environment. None of the other functions in the company could serve this role as well as HR does.*

1.3 What are the common ways the companies use to develop their current and future leaders? Which ways are more effective?

Leadership Competencies Model

No formal leadership competency model is available in this company. The CEO

said that he wants to see the leaders in the company demonstrate good communication

skills, untiring drive for results, and the willingness to take responsibility and creativity.

CEO: *We don't have a leadership competency model so far.* I do want to see our management team demonstrate communication and innovation, willingness to take responsibility, and a strong drive to make things happen. *I believe a good personality is a lot more important than education for a leader to be successful in the future.*

HRM-1 An excellent leader makes a big difference to business performance. *It is his or her strong belief and untiring drive for results that make the impossible possible.*

Identifying Future Leaders

According to its HR manager, this company has a unique way to identify its

future leaders. They first identify important business issues inside the company, and

define them clearly. Then they form project teams and ask the project teams to analyze

the problems, find solutions, and present their solutions in front of the management team.

In addition, HR has started to use 360 degree assessment in identifying the high-potential

leaders for the future.

HRM-1 *During this process, we can see clearly who has high potential on which aspects. We have done this since the year 2000, and found it very effective.*

Developing Leaders

Training, on-the-job coaching, and job rotations are the ways used by the

company to develop its leaders at all levels. As described by its HR manager, before

someone is promoted from within, HR first assesses his or her potential as well as the

individual's strengths and weaknesses. Then the identified high-potential employees are

sent to training programs that are targeted to meet their specific training needs. Next, HR

creates opportunities for the high-potential people to try other positions, and the direct

boss observes their performance closely, and gives feedback.

HRM-1 *We develop our people mostly through on-the-job assignments, yet ABB has also invested heavily in training. Training, on-the-job coaching, as well as proper job rotations are the ways we frequently use to develop our people.*

With regard to leadership development programs, the company prefers group

learning to other approaches. Its top management team has gone through the WMIB

program offered by ABB China; the current C-Master Program is targeted at middle-level

managers, and the PDT is prepared for supervisors and the high-potential employees at

the next level.

On-the-job coaching is identified as the most effective approach in leadership

development. The informants greatly emphasized the influence of direct boss on people

development. In addition, role modeling is also regarded as very important in developing

leaders.

CEO: We have management development programs, such as the C-Master program. We push more responsibilities onto high-potential people. However, *I believe the feedback from the direct boss is most effective and to the point.*

HRM-1 *With regard to leadership development programs, we believe group training, such as our C-Master program, is the most effective way.* We noticed that when we put people at the same level together for training, they share not only what they learn from the training program, but also their personal working experiences. Brainstorming as a team stimulates their thinking deeply. We believe this is the most effective way for them to grow.

HRD-1 *In my opinion, on-the-job training is very effective in improving job-related skills.* However, it should be noted that we have to be very careful in selecting the right positions. Otherwise it won't serve the intended purpose…*The company highly encourages group training programs targeted at different job levels. The unique feature of this approach is that all managers at the same job level will participate in the same program, where they study and live together. This approach has proved to be very effective. The C-Master Program is an excellent example in this regard.*

LM-1 *I see my role as general management development. My method for developing people is to push the responsibility to them, continuously forcing them to come up with new ideas and make their own decisions. On-the-job training is definitely the most effective way.* There is enough growth in activities, and they are fully occupied, making decisions and doing things…As far as my personal development, I guess it is experience and being promoted to different responsibilities and being exposed to different things. *In addition, having a good role model is probably the most important thing.* If you work for a good manager, you can learn from him, pick up quickly and take on the good attributes or styles. So role modeling is important.

LM-2 *I usually develop my subordinates by giving specific feedback during the performance evaluation process, selecting appropriate training courses from the training catalogue, and providing daily on-the-job coaching.*

HIPO-1 In my early years, I had a very hard time after being appointed as the section manager. I struggled a lot, and my performance was still bad. The company did not give up on me; the CEO transferred me to another position. Finally, I survived and started to produce results. *The leadership development program that impressed me most is the outdoor experiential training program.* At that time, I was very frustrated and depressed, and this program successfully encouraged me to challenge myself. It changed me a lot.

HIPO-2:*The company did offer me some training after I was promoted to a section manager. Yet I don't think the training programs have influenced me as much as the personal working style of our current CEO. His strong support and on-the-job coaching helped me most.* Moreover, I really like the C-Master program and learned a lot

from it. I found it very effective and have introduced this approach in training my subordinates.

HIPO-3 ***My first boss at ABB is still a role model for me in leadership.*** He is very kind and supportive, and it seems to me he almost knows everything. What impressed me most is that he always answers our questions on time. I am never worried about problems because I can always get his support. Now I follow his ways in leading my team, and require myself to always answer questions from my subordinates. ***The really good thing is that, on the one hand, the boss gives us challenging job assignments, while on the other hand, he also provides specific guidance along the way. I have also received all kinds of training since I joined ABB, but the one that really touched me is the outdoor experiential training.*** At that time, I was in deep trouble with my direct boss, and felt very depressed. This training course helped me to adjust my state of mind, and encouraged me to think more positively even if at a difficult time.

1.4 How are the leadership development programs designed and developed?

<u>Program Design</u>

The C-Master Program is a modified leadership development program targeted at middle-level managers in the company. It has eight modules in total, and each module is a MBA-level course, such as operation management, marketing, etc. All section managers in the company are required to participate in this program.

As per the program design, each module is four months long. The first two days cover classroom teaching and case study. Then the participants study on their own in the next four months. They are divided into groups, with each group working on the case independently. During this self-study period, the instructor comes in for a half day to answer the questions, and each group is required to meet at least twice to discuss the case. The last day is for review and presentations. On that day, the section managers present their case analysis as well as their proposal for solutions, and the whole top management team is invited to evaluate the presentations together with the instructor.

<u>Needs Assessment</u>

The HR professionals reported that they use two approaches to identify the

training needs: the top-down and the bottom-up approach. They first communicate with

the CEO, attempting to understand his major concerns. Then they interview the line

managers one by one to collect the specific training needs of their team and each

individual in the team. In addition, the HR professionals also take the issues identified in

the performance review process, the feedback from internal clients, as well as their own

observations and reflections into consideration.

HRM-1 We take two basic approaches in developing our annual plan for training. ***One is a top-down approach, which means that we try to understand what the CEO's major concerns are, and what will be strongly emphasized in the coming year***. ***The other is the bottom-up approach. We interview the line managers, collecting their specific training needs, not only that for the team as whole, but also for each individual in the team.*** In case the boss is not clear about what is actually needed, HR will take the lead in identifying issues from our observations and reflections, and then communicate and clarify them with line managers.

HRD-1 ***All the current internal training programs come from direct communication with the managers at different levels. In addition, we also take the issues identified in the performance appraisal and the feedback from the internal clients into consideration. We do this every year, and it is widely accepted by line managers.***

1.5 What are the major problems and challenges the companies face in leadership
    development?

Two major issues have been identified as major challenges in leadership

development. First, it seems the succession plan is not working well in the company, and

second, the company is short of hands working on employee development, which will

limit talent development in the future.

CEO: We are challenged with two major issues in leadership development. ***First, we are short of talent who are ready to fill in leadership positions****. **Our experiences suggest that a team leader is crucial to our success, yet it is very difficult for us to find an appropriate replacement if we lose a good one.*** Second, the ***succession plan is not***

working well. We are not sure whether we should communicate clearly with the high-potential employees identified in the succession plan.

LM-2 HR has a very good understanding of the talent pools, and their suggestions on people-related issues are valuable. ***It would better if they could clearly reveal the high potentials in the succession plan so that I could be more targeted in coaching my subordinates.***

HRD-1 The company has developed very rapidly. ***When I entered the company 9 years ago, we only had about 20 employees; now we have about 400 people/ I am still the only one who works on employee development. This is far from enough.*** Last year I spent much time on each detail of the C-Master Program, causing other employees feel ignored.

Research Question 2 - What key factors contribute to enhancing the effectiveness of leadership development interventions in China?

2.1 How do the companies usually evaluate the effectiveness of leadership development programs?

The CEO emphasized that he personally values the medium- and long-term impact of talent development. The company collects such training statistics as the number of programs delivered and the number of training days per person on average, yet no specific matrices are in place to evaluate the effectiveness of training programs. However, the company has become more aware of the impact of training programs on daily operations, and requires that three months after the training, the direct boss should review the progress that program participants have made as a result of training.

CEO-1 ***Personally I value more about the medium- and long-term impacts of human resources management on business results, especially the development of strong managerial and technical teams.***

HRD-1 I believe the goal of training is to make both the employees and the employer satisfied, and the employees could grow together with the company. ***Our CEO does not give us any hard objectives to meet.*** We do collect such data as how many training programs have been offered and how many training days were engaged in per person on average. ***We don't have specific matrices to evaluate the effectiveness of each training program, probably because too many issues are involved.***

HIPO-2 *The company has become more aware of the impact of training. We are supposed to review the progress of the participants three months after the training.* After all, colleagues have to take over the workload of the training participants during their training hours.

<u>Suggested Measures to Ascertain the Effectiveness of Leadership Development Practices</u>

According to its training manager, critical turnover rate has been identified as one of the measures suggested as good indicators of the effectiveness of leadership development practices.

HRD-1 *I think critical turnover rate is an important indicator. Internal fill-in rate is another one, but we have to track whether those promoted from within have successfully delivered expected business results.* I often see people promoted to a certain position who fail to deliver expected results.

All interview subjects commented on the current C-Master program. They described it as interactive and practical, and agreed that its impact on business performance is clearly evident. Representative quotes may be found below.

HRD-1 *So far the C-Master program has been regarded as the best leadership development program in the company.* Although only four modules have been completed, it has received high praise from both section managers and the department managers. *We can see a significant change at the section manager level. They have much better communication among themselves, all speaking with the same language and working like a real team. Some section managers have begun to introduce this training approach in developing their subordinates.*

LM-1 I have a low opinion of sending people to a two-day outside training program. Once they return to work, they are immediately faced with day-to-day problems. I wouldn't say it is unhelpful, but its influence is limited. This is why some of the internal training courses force people to make action plans, and then follow them through. *The C-MASTER program is excellent because it is totally interactive. The participants are forced to have more involvement.*

LM-2 *The C-Master is a particularly good program, very well-designed. It helps the section managers to understand how the company operates as a whole. Its impact on the section managers is clearly evident.*

HIPO-2 *The C-Master program is very effective because we have many interactions and discussions, which significantly improve communication and understanding*

among section managers. In this program, you are encouraged to communicate and exchange views about different issues with your peers. That is very helpful.

HIPO-3 *I am really satisfied with our training function.* In the past, we only had general training programs; nowadays *the training curricula are very systematic and well-structured. We can easily identify the programs that relate to our individual needs. Our training team is very professional, and the training programs are more targeted.*

Impact of Training on Performance

HRD-1 *I do see the impact of training on business performance.* A good example is the KanBan program. I found that the Kanban program that is available on the market might be valuable, and therefore introduced it to the company. After the training program, the line managers launched it in the workshop, and one year later they found it so helpful that they want to have KanBan II. As per their request, I invited the instructor to come in again to offer KanBan II, and help improve our current KanBan system.

2.2 What key factors enhance or hinder the effectiveness of the leadership development interventions in China?

Corporate Culture

Responsibility, respect and determination are the three guiding business principles at the ABB Group. The informants in the company pointed out that nowadays it is rather difficult to clearly describe the corporate culture, as the ABB culture is changing and heavily influenced by the personal style of the CEO. In spite of having quite different views on the corporate culture, they agreed that the company has demonstrated great care for its people, and encouraged them to unleash their full potential.

CEO: *It is kind of difficult to accurately describe ABB culture. I would say it is something like results-oriented and quick response.* We are willing to provide our employees with a wider stage to play on. *Personally I don't really appreciate the family atmosphere thing, because it does not enhance work efficiency.*

HRM-1 Due to the changes in recent years, *I shall say that the corporate culture at ABB is not clear anymore. My personal understanding of ABB culture is something like family-oriented and simple. The company is willing to give plenty of space to its employees to develop themselves, very tolerant, allowing people to make mistakes and*

learn from their mistakes. As far as I know, not every company at ABB China does well in this regard. ***ABB culture is changing, since it is heavily influenced by the personal style of the big boss and his management team. In general, the ABB way is more decentralized, quiet and low profile.***

HRD-1 ***I see the ABB culture as strongly emphasizing harmony and democracy. The company encourages us to unleash our potential, wants us to respond quickly to changes, and allows us to make mistakes.*** We don't see much punishment when people do something wrong.

LM-1 ***I shall say that the corporate culture of this company does follow that in the ABB Group, because this company has been managed by people who have long been experienced with ABB until last year when the new Chinese CEO was appointed.*** I see a difference between ABB culture coming from Sweden and that from Switzerland. ***This company has more influence from the Swedish side,*** because its technology is from Sweden. ***I believe the Swedish side is more team-oriented, less strict, while the Swiss side is more authoritative.***

LM-2 ***ABB culture emphasizes teamwork and coordination. The employees are encouraged to communicate freely inside the company.*** The job responsibility of each person is widely defined, and we are supposed to make many decisions on our own. The CEO is very open-minded, and we can often exchange our views. ***The first two CEOs rarely interfered with my work, which gave me space to grow.***

HIPO-1 My observation is that ***the corporate culture of this company changes with the personal style of each CEO. A different boss emphasizes different things.*** For example, our first CEO was from Norway. His style was very open and understanding, and the atmosphere at that time was fairly relaxed and tolerant. Between 2001 and 2004, the German CEO took the position, and his style was completely different, heavily emphasizing process, standards and details. Our new Chinese CEO is somehow in between the two—integrated, ***yet clearly more result-oriented, performance-driven, and very much down to earth.***

HIPO-2 ***Personally I don't think this company has a clear culture in the real sense. My observation is that its corporate culture actually reflects the personal style of the CEO.*** The current CEO was my direct boss before being promoted to his current position. I care more for his personal influence and enjoy working with him a lot. ***We had a family atmosphere in early years, but it has changed along with the change in CEO.*** I once joked with my colleagues that, "you know what, even from the wallpaper inside the office, we can clearly tell that our CEO has been changed."

HIPO-3 ***The corporate culture at this company is kind of family-oriented.*** On the one hand, the management team challenges people with a high workload and pressure, but on the other hand, ***it also shows great care for its people.***

Top Management Support

The CEO said he personally spends about 10-20% of his time on HR-related issues,

and the HR professionals agreed that the CEO has demonstrated strong support for

leadership development.

HRM-1 *ABB had invested so heavily in training that we never have a training budget. So long as it is necessary, the big boss always supports training interventions. Our second CEO said that training is the only thing that we will invest in regardless of its costs.*

HRD-1 *The top management has demonstrated strong support for training, especially in leadership development. We are rarely challenged by the big boss on the training costs, so long as they seem reasonable….When I started to design and develop the C-Master program, our CEO (the German) required all department managers to be personally committed to supporting this program not only by being involved in needs assessment and case selection, but also by allocating enough time for the section managers to do their coursework. No wonder the C-Master program is so successful.*

Link to Workplace

The C-Master program is widely regarded as closely linked to the workplace by

line managers and high potentials because the cases discussed in class are all carefully

selected from real-world issues in the company. Representative quotes are provided

below.

HRD-1 *In the C-Master Program, the instructor is invited to develop company-specific cases before each module. He meets with all relevant people to identify major issues related to the course*. For example, for the operation management module, I arranged for the instructor to talk with our CEO, selected line managers and program participants. *This step helps the instructor understand more about the current situation in operations, and enable him or her to develop real-world cases. As a result, two cases are identified as most critical in this regard.* The instructor writes up the cases and readies them for class discussion. *The department managers also are involved in pre-class research and selection of the cases. I believe this is one of the critical factors that have made this program so successful.*

LM-1: *The current C-MASTER is the major training program for the managers. I think it's excellent because it is directly related to day-to-day business.*

HIPO-2 *In our C-Master program, the cases are all company-specific. In order to meet the course requirements, the participants have to review the lessons learned time and time again with reference to day-to-day work. Doing so makes the theory and practices combine well together.*

<u>Strategic Imperatives</u>

The interviews indicated that the strategic imperatives are vague in this company. Except for the CEO and one line manager, none of the other informants could specify clearly the corporate strategies. Yet the HR professionals said that they have done their best to make the training programs support the strategic goals of the company, whereever possible.

HRM-1 *The current corporate strategy is not very clear to us––at least we don't have something in written form. Probably our CEO has something in his mind, yet we have not communicated with our employees what our corporate strategies are…*When I entered ABB about 9 years ago, ABB had a well-defined mission and value, something that I can proudly tell my new colleagues. *Due to the changes in the past years, now we don't call it a mission anymore. Instead we have three business principles, namely respect, determination, and responsibility. These three business principles are fairly vague to us because the ABB Group never tells us what they really mean, and in what ways we are expected to implement the three principles.*

HRD-1 *Although the company has not made it explicitly clear, by sitting in business meetings, I can tell that, first and foremost, our strategic imperative is to ensure continuous growth in revenue,* which means we have to make money.

HIPO-2 *The corporate strategy is something far away from me. I couldn't tell you what the corporate strategy was, off the top of my head.* In comparison, the performance matrices are more concrete to me.

HRM-1 *Due to the limited resources, we have to be highly selective in what we want to focus on in talent development. Before we make our decisions, we first consider how we could contribute to enhancing the organizational core competencies, and then we identify the gaps between what the company strategic goals demand and what our current talent pool is able to support.* For example, when we know that the CEO expects a significant increase in sales volume next year, we see whether we have enough qualified sales people to meet this goal, and if not, how we could make up the difference as quickly as possible.

HRD-1 *From our perspective, we tried our best to link the training programs with the strategic imperatives of the company. The current training curricula are aligned tightly with the company's goals and objectives.*

Performance Drivers

This company uses the same performance review system as other companies under ABB China, and it is clearly specified in the performance review form that people should be evaluated according to their effort and the resources devoted to attracting, training and developing others. Strong evidence indicates that talent development is highly regarded in the company.

The line managers and high potentials pointed out that the individual development plans created during the performance review process have not been closely followed up. According to corporate culture, the company is not inclined to clearly reward or punish people.

LM-1 *We are using the ABB performance review system, which is a very good system, if done properly. We do this once a year, but the results are often left untouched in the drawer for the rest of the year.*

HIPO-2 *Heavily influenced by the Swedish style, the company is not inclined to clearly reward or punish people.* Taking the nomination of the Exemplar Employees as an example, many people perceive it as something treated under the table.

HR Alignment

In general, the line managers and the high potentials commented highly on the HR function. They believe that HR is very good at choosing and developing managers. One issue that might need to be improved is that career paths are not clear enough in the company.

HRD-1 *Many people are not clear about their career path in the company*. They might have some remote idea that they can develop themselves either for managerial positions

or as senior technical experts. But not everyone knows about it. ***In my opinion, we should make it more transparent to our employees.***

LM-1 As far as HR, I think they are very good at choosing and developing managers.

<u>Communication, Execution & Follow-up</u>

It is evident that the C-Master program is well executed and carefully followed up. Most importantly, every effort is made to ensure smooth communication among all related parties along each step of the way. The only missing piece seems to be the communication between the training professionals and the CEO. The training manager said that as she has little chance to communicate with the CEO, her information about the corporate strategy is only second-hand.

HRD-1 ***As the coordinator of the C-Master program, I made every effort to ensure smooth communication among all related parties from the beginning to the end. We included a communication component in each step before, during and after the program. After each module was completed, I arranged a review session, asking the participants to summarize the lessons learned. I shall say that the program has been executed exactly as planned at each step, leading to the success of this program.***

<u>Others</u>

Other factors identified by the informants as critical to enhancing the effectiveness of training include timing issues, inner drive of the people, and a strong learning environment. They suggested that if the right training program is offered at the right time, and the people are more encouraged and motivated to learn, the effectiveness of training will be improved significantly.

HIPO-1 ***I think the timing issue is very important in training. When the timing is wrong, or the program contents don't match the individual needs, training will not do any good at all.*** I believe that ***only when people have an inner motivation to improve, that training will be more effective***.

HRD-1 A strong learning atmosphere has come into the company. People are encouraged to learn new things. ***All employees, from the top to the bottom, are very supportive toward training. They believe training is of high value to their development and daily work. They are willing to communicate with us, and expect training to bring them something helpful to their daily work.*** Whenever they are in trouble, they want to know what training could do to help in solving the problem.

HIPO-2 I am always concerned with how to make the training more effective. ***My observation is that if people review their learned lessons regularly, they have a better chance to apply them in the workplace.*** Before sending my subordinates for training, I always make it clear that after the program they are supposed to give a presentation on critical lessons learned and how they plan to apply those lessons in the workplace. This approach works well so far.

LM-1 The leadership development program that helped me most was offered by the Gurstav Kaezer Training Company. ***It impressed me because it is interactive and very practical. You are forced to use the principles they are teaching you, so that it can be made part of your everyday management style. We are forced by the design of the program to give a presentation, showing what we have done with what we learned in the last month. So you have pressure from your peers.***

BenQ (IT) Co. Ltd.

Case Overview

<u>*Background*</u>

Founded in 1984, originally known as Acer Peripherals, BenQ announced its

independence from Acer in December 2001. The BenQ Group is currently comprised of

ten companies that operate independently. Its product lines cover components,

communication, consumer electronics and computers. It is now one of the world's top

producers of digital displays, mobile phones, scanners and keyboards, and a technology

leader in digital projectors, storage devices, wireless technologies, and electronic

components. It has 4 regional operations and 75 sales & branch offices worldwide. In

2004, the revenues for the BenQ Group exceeded US$10.8 billion. It has been regarded

as one of the world's top performing IT companies, and has been featured in *Business*

Week's Infotech100. In June 2005, BenQ announces its acquisition of Siemens Mobile

Devices.

BenQ (IT) Co. Ltd. is based in Suzhou and has a total of 10,000 employees in

R&D, marketing and manufacturing facilities. Its sales volume reached US$ 4.9 billion in

2004. The part of the company involved in this study is its marketing operation, which

has a total of 800 employees.

<u>*HR Structure*</u>

The Human Resources department has around 40 staff in four functional teams.

According to its HR Manager, the HRM function focuses mainly on establishing a

high-performance workplace. The HRD function is based on building the organization's

overall capability. The corporate culture team is responsible for internal communication,

corporate image, and employee branding. The employee relations team deals with administrative issues.

<u>*Leadership Development Practices*</u>

Brief History

The company's rapid development in recent years has led it to promote its employees to leadership positions for which they are not yet ready. The company believes that once they are promoted, they will be under pressure to improve themselves. At that time, the CEO personally serves as their coach and mentor. He conducts group coaching interviews once a month. Another approach used by the company is to put the employees with high potential into different job positions to enrich their business experience.

Talent Development

Nowadays BenQ uses comprehensive training programs for its employees at different levels. As most of its new employees are recent college graduates, the New Employee Orientation Program is designed to introduce them to corporate values and cultures, and how to succeed in such as a strong culture. After completing the program, each newly recruited or newly transferred employee is assigned a coach to help them get acquainted with the job. Meanwhile, the line managers are required to do coaching interviews with the new employees once each month to answer their questions and address their concerns.

In addition to everyday on-the-job coaching, BenQ employees who have been working with the company for 1-2 years go through a teamwork event called "Aiming at

the Top Camp" to boost their morale, and attend a series of training programs to equip them with the practical knowledge and skills needed for their daily work. In addition, the company highly emphasizes everyday on-the-job coaching.

Leadership Development Programs

The company provides leadership development programs for managers at different levels. The Management Training Program (MTP) is targeted at team leaders. Originating from Japan, it is a four-day management development program intended to introduce basic concepts in management, emphasizing task and people management.

The Action, Strategic and Visionary Leadership Programs are designed to develop the leadership competencies required at junior, middle and top management levels. All companies in the BenQ Group use the same leadership development programs worldwide. The Action Leadership Program is targeted at functional leaders who lead several teams at the same time. In addition to the basic knowledge and skills that frontline managers are supposed to have (e.g., HR policies, finance), it focuses on building high-performance teams, how to motivate people, evaluate their performance, etc.

The Strategic Leadership Program is targeted at department managers. It focuses more on the strategic level, telling people how they could convert goals and objectives into a vision, and how to motivate people strategically. The Visionary Leadership Program targets the director and general manager levels. It is only available at the headquarters in Taiwan.

Within-Case Analysis

Selection and Background of Interview Subjects

    HR Professionals

The HR managers and four functional leaders participated in the interview. Except for the HR manager, most entered the company as recent college graduates and have no professional training in human resources management. Some have 1-2 years' experience in marketing or administrative positions.

Table 4-2: Selection and background of HR professionals at BenQ

Subject Code	Gender	Job Level	Function	Years in HR
HRM-1	M	Manager	HRM	5
HRD-1	F	Manager	Training	4
HRM-2	F	Team Leader	Staffing	2
HRM-3	F	Team Leader	Recruiting	3
HRM-4	F	Team Leader	Corporate Culture	1

    High Potential and Line Managers

The line managers and high potential employees who participated in the interview were selected by the HR manager. As shown in the next table, the line managers are the direct bosses for two high potential employees. They come from different business units, and different job levels, and have diverse experiences with the leadership development programs in the company.

Table 4-3 Background of line managers and high potentials at BenQ

Subject Code	Gender	Job Level	Business Unit	Direct Report	MTP	Action Bento	Strategic Bento	Visionary Bento
LM-1	M	Director	Consumer Electronics	Y			Y	
LM-2	M	Director	Customer Service	Y			Y	
HIPO-1	F	Product Manager	Consumer Electronics	Y		Y	Y	
HIPO-2	F	Team Leader	Customer Service	Y	Y			

Research Question 1: How do the top businesses in China develop their leaders?

1.1 What are the general talent strategies for developing the current and future leaders in the companies?

According to its CEO, BenQ expects a 60-70% increase in revenue in the next 3-5 years. In order to support such rapid growth, HR is challenged with developing talents as quickly as possible.

In view of the current labor market in China, BenQ prefers to develop its own talent. The company believes that talent development really starts with recruitment and selection. It recruits about 100-200 recent college graduates each year. Their philosophy is to select and recruit the most intelligent, hard-working high potentials from top universities, and then train them on the job. They strongly believe that so long as they have great people, it will not take long for revenue to increase.

The employees are very young—mostly recent college graduates aged 26–27. In order to develop its people as quickly as possible, BenQ put them through a fast-track talent development process. Right after the New Employee Orientation Program, they are assigned to frontline sales shops for three months, where they are challenged with a series

of demanding tasks, and their performance is closely observed. Three months later, they are required to go through the New Employee Defense. Through this rigorous approach, the company is able to carefully screen all of its new employees and identify high potentials at the very early stage. Furthermore, BenQ highly encourages people to learn through peer competition. They have developed key performance indicators that are used to compare all employees at the same level across the whole company. According to its HR Manager, people are not promoted to the next level unless they are A+ players, which means their performance is among the top 20% at their level across the company.

In order to retain its best talents in such a competitive market, BenQ has leaned its pay structure heavily toward top performers, making sure the salary for A+ players is among top 25% for market rate. In addition, they work hard to build a pleasant and enjoyable working environment. As a result, its critical turnover rate is very low—about 1% for the A+ players and 2% for the A players in 2004.

CEO: *We take Suzhou as our headquarters, and we are committed to investing in people development, so that we could prepare enough talents for the future.* We expect our company to grow rapidly in the next 3-5 years, and will offer all kinds of opportunities to our people. *I always tell our employees that working at BenQ should be regarded like taking a MBA or EMBA degree program, it is really more than just a job to make a living.*

We recruit top talents from universities, develop them at Suzhou, and send them out to different places all over China. *Thanks to the efforts of our HR people, our talent pool today is fairly stable. So far, fewer high potentials leave the company.* Suzhou is a good place for us to develop our talents. Had we located at Beijing or Shanghai, we would easily lose our talent to other competitors, because so many job opportunities are available there.

We see HR as a long-term investment, not expenses. We will not give up easily on anybody. We don't simply let people go, even if they have been ranked at the bottom. We are willing to give time and opportunity to enable our people to learn. If a person is not good at a position, we will let him or her try another one instead. What we can't accept are only those who are not in line with our values.

HRM-1:*Talent development must be in line with the strategic goals of the company.* For example, if the strategic goal of the company is to achieve a revenue of US$10 billion, then I should consider how to prepare enough talents to support this goal. ***Our philosophy is to select and recruit the most intelligent, hard-working high potentials from top universities, and then train them on the job. We strongly believe that so long as we have great people, it won't take long before the revenue goes up… Our pay structure heavily leans toward top performers in the company. In 2004, the overall turnover rate is 35%, but only about 1% of A+ players and 2% of A players chose to leave the company.***

LM-1 ***The company prefers to develop all leaders on its own. In our current talent strategy, we recruit about 200 recent college graduates every year, slowly weed out those unqualified, and a talent pool would be developed in 3-5 years.*** However, the IT industry is highly competitive; we don't really have 3-5 years to develop people from scratch, nor do we have enough resources to develop people in this way. It will be very tiring and costly to do so. ***My point is that we should have some senior people to complement with recent college graduates. Personally, I think current talent planning is too optimistic.***

LM-2 In my opinion, talent development covers five major issues, including selection, fostering, nurturing, usage and retention. ***Talent development really starts with recruitment and selection. The right talent should have two basic qualities, i.e. intelligence and trustworthiness…. My only concern is that we may have gone too far in talent development. After all, a company is quite different from an educational institution. I believe many companies fail to see the differences between the two.***

HRD-1 We don't calculate the number of training hours each year, because we think classroom training is only part of our talent development initiatives. Except for training programs, reading seminars and the daily business meetings in which coaching is conducted should all count as talent development initiatives.

HRM-2 We value our top performers highly. Even after they leave the company, we keep in touch with them, and they are welcome to come back anytime they want.

HRM-3 In comparison with other companies, BenQ does not have any bias in recruiting and selecting people. ***We don't care so much about the education background––we are more willing to listen to personal preferences, and will give you a chance as long as we think you are qualified for that position.***

1.2 What roles should HR play in the companies?

According to its CEO, the company sees HR as the engine of the company. HR is

supposed to help in recruiting and selecting, developing and retaining the best talent for

the company. In line with this idea, the HR managers pointed out that HR should center

its major activities around talent development issues. In his opinion, the four major roles

HR should play in the company include developing talents, building a high-performance

workplace, promoting corporate culture and employee branding, and making the

company a pleasant and enjoyable workplace.

CEO: *We believe HR is the engine of the company*, *because they are regarded as experts in talent management issues. The roles that HR should play include talent recruitment & selection, development, and retention. We think anything related to talent development is at the core of the company.*

HRM-1 In my opinion, today HR has shifted its focus from human resources management to human resources development. We are supposed to develop talents that specifically meet the business needs and strategic imperatives. *As the company has changed to a brand company, our goal is not to keep the cost down, but to push the value up. Therefore, I see HR as having four major roles, namely, developing talents, building high performance workplace, promoting corporate culture and employee branding, and making the company a pleasant and enjoyable workplace.*

HIPO-1 *The current HR function is so professional that we finally came to realize that the role of HR is not limited to such administrative tasks as writing the salary checks.* HR is now working on the talent pool structure, attempting to upgrade the overall talent quality in the company.

LM-1 The boss may have his own idea about how to develop people. *As HR professionals are well-trained in people-related issues, the boss will value their opinion more than ours. Therefore, I would like HR to take a more neutral stand in this regard, providing professional advice to help people think more objectively.*

1.3 What are the common ways the companies use to develop their current and future leaders? Which ways are more effective?

Leadership Competency Model

The company has clearly specified the leadership competencies required for

managers at each level. The supervisors should have initiative, insight and inspiration,

because they are expected to lead the team, fighting at the frontline. The middle-level

managers should be strong in communication and resource allocation, because they serve

an important role in connecting the top management team with the frontline business. The

top leaders should be more visionary because they are supposed to lead the company in

the right direction. In addition, the CEO emphasized that the leadership qualities the

company is looking for are in line with the corporate culture. He wants his leaders to

practice the things they do, to always pursue excellence and have social responsibility.

CEO: ***The leadership qualities we are looking for are strictly based upon our corporate culture.*** We want our leaders to be practical in the things they do, untiringly pursue excellence, and demonstrate social responsibility. By this, we mean that they should always stand with their feet firmly on the ground, doing things step by step. They should have a strong desire to learn and improve continuously. They have to know how to cope with change or even lead the change. At the same time, they should show great care for contributing to society, since making money is not the only thing we are after.

HRM-1 In 1998, we developed our own leadership competency model, but I don't think it has been well implemented, because it is not closely linked to the policies and training programs. ***In fact, I don't think it necessary to have such a leadership competency model in clear written form. We just have to know what leadership qualities we are looking for and go after them. This is more practical.***

Identifying Leaders

As primarily a marketing company, BenQ prefers to use such practical

performance indicators as sales growth rate, profitability and management cost to identify

high potential people and future leaders. What is unique in BenQ is peer competition,

which basically means that everybody at the same level are compared across the

company. According to its HR managers, nobody will be promoted unless he or she is an

A+ player, i.e., in the top 20% as performers at their level across the company. For

example, if you are a sales representative, you won't get promoted until you are in the top

20% of all sales representatives in the whole company. Using such as a mechanism, it is

pretty easy to identify who should be promoted to the leadership positions at the next

level up. As a matter of fact, all of the current leaders have demonstrated outstanding performance at each level along the way.

<u>Developing Leaders</u>

At BenQ, it is strongly believed that the best way to train people is to have them do the work and coach them on the job. Its training budget heavily leans toward the A+ employees at each level. The A+ employees are assigned a mentor, and provided with challenging assignments and the opportunity for promotion to the next level. The leaders are all winners in peer competitions at each level.

Moreover, all leaders in the company are expected to identify and develop their successors as quickly as possible. Otherwise they will not be promoted or offered other rotational job assignments. As BenQ compares all of its employees at the same level across the company, the area managers whose team has no A+ players are put under pressure to develop their people. Under these circumstances, people develop more quickly.

CEO: Our President is an excellent role model for all of us. His working attitude directly influences his employees.

HRM-1: ***What is unique in BenQ is peer competition.*** We have key performance indicators, and all employees at the same level are compared across the whole company. ***You will not be promoted to the next level if you are not an A+ player (top 20% at your level across the company).*** Our pay system and training budget heavily lean toward A players. ***We assign a mentor for each A+ player in the company. We strongly believe that the best way to train people is to have him do the work, and coach him on the job.*** As we compare all the employees at the same level across the company, ***those areas in which managers do not have A+ employees will be put under high pressure to develop their team members.***

HRD-1: ***The company heavily uses a coaching approach.*** We have a monthly meeting at which all major team leaders and managers are required to participate, including regional managers and product managers. As ***the company develops very quickly, we have to***

promote our employees to managerial positions, even when we know they are not ready yet. This is very common. One of our regional managers graduated no more than two years ago before being promoted to his current position. *Once they are promoted, they will have enough pressure and motivation to survive and grow. The CEO serves as their coach and mentor personally.* Besides this, *we offer a variety of job rotation opportunities to identify high potential people. On average, they change to another job once every year. After going through different positions, they have grown up very fast….All the managers and leaders in the company are expected to identify their successors, and develop their successors as quickly as possible.* Otherwise they won't be promoted or offered other rotational job assignments.

HRM-2: *We have a very effective coaching system. Each new employee or newly transferred employee is assigned a coach,* who answers questions. *I believe our employees grow faster because we are put under high pressure. The company gives us opportunities to grow and is willing to pay for us to learn from our mistakes.*

HIPO-1: *The CEO gave us a coaching interview once every month.* He would call in most of the newcomers, who joined the company less than 3 months ago, listen to our concerns and problems, and give feedback and guidance for as long as two hours. Other than this, *the CEO always encourages us to compete with our peers, especially those who came in the same year. The company allows me to work on my own. The job is challenging and the pressure is high. We have to work day and night to grow as rapidly as possible.* At each meeting, the CEO always provides examples to use in comparisons across peers. For example, he would say that the fighting spirit in the cell phone team is strong, and the reason for this is successful team building, and what they did to build such a team, and so on. *We really get a lot of pressure from peer comparisons. I believe coaching and peer competition are the most effective ways for us to grow. In comparison, training programs contribute to about 20% or less on my development. At BenQ, we highly emphasize learning by competition. The top three performers are asked to share the reasons for their success, and the bottom three tell why they failed and how they plan to improve. Through such direct confrontation and comparison, all of us are under pressure to develop ourselves.* A well-known saying in our company is that, *'No place is more hard, or more easy, it is the person who makes such a difference.'* This means that we believe that if we can't succeed, we should not attribute the failure to either the market conditions or the competitors—it must be our problem.

HIPO-2: *The company sets role models for us to follow. At our monthly or annual meeting, the CEO will recognize those who do well in team leadership, emphasize its importance, and pressure those who do this poorly. We are all compared across peers. I truly feel the pressure, and am motivated to improve myself.*

LM-1: I joined BenQ in Taiwan seven years ago and have been transferred to Suzhou for about two years. *I shall say the company encourages us to learn by doing the job. During my seven years in BenQ, I am assigned with a different job almost every year, though most of the time within the same business division. For such a fast-growing*

company like BenQ, we feel job rotation is a very practical and effective way to grow leaders, because it gives them richer experiences.

LM-2: *I found I learned most from everyday operations. Case by case, I accumulated my lessons and experiences––this way is more practical. With regard to people development, my philosophy has changed a lot. Nowadays I prefer to do coaching case by case.* For example, I will tell my subordinates how they should analyze the case, what important lessons should be learned from each case, etc. *I think daily on-the-job coaching is very important. I believe talent development should focus on two ends: one is new staff orientation, and the other is top management team development.*

1.4 How are the leadership development programs designed, carried out?

<u>Program Design</u>

Except for the MTP program, the other three programs are all designed and developed at Taiwan Headquarters. The Action Leadership Program is a 12-day program, targeted at frontline managers. As they are supposed to lead the team fighting on the frontline, the Action Leadership Programs is designed to equip them with basic knowledge and skills necessary for building a high-performance team, such as communication, team building, and coaching etc.

The Strategic Leadership Program is 5-day program, targeted to department managers. As they are supposed to serve as the bridge between the top management team and the frontline, they play a key role in strategic planning and implementation. The Strategic Leadership Program helps to address those issues by offering such major courses as decision-making, strategic planning and change management.

The Visionary Leadership Program is targeted at the director and general manager levels. It has five major modules covering such topics as strategic thinking, talent development, etc.

HRM-1 *We designed the leadership development program ourselves, but we prefer to invite instructors from outside to deliver the programs.* We've come to realize that if we put managers at the same level together to go through the same training program, it will be better to have an instructor from outside to facilitate the discussions.

LM-1 *We often put people from different functions in the same program.* On the one hand, it provides a good opportunity for people from different functions to meet with each other, and exchange their views. On the other hand, *this way makes it difficult for the instructors to discuss any certain topic in more depth. As a result, nobody will really benefit much from the program.*

Needs Assessment

According to the Training Manager, they don't follow the regular training needs assessment process—all of their information comes from frontline business meetings as well as informal daily communication with their peers in the company. The high potentials and line managers reported that HR does communicate with them in the program design and development phase, and their only concern seems to be that HR does not truly understand as much about the training needs in each department as it believes.

HRD-1 *Training needs assessment is more or less based upon our understanding of the problem issues in the company. In addition, we also collect information on training needs from interviews with the internal clients. We did not follow the regular training needs assessment process; most of our information comes from frontline business meetings and informal daily communications.* Before each program, we will interview the program candidates and then communicate with the course instructor about their specific training needs and the focus of the course. When we develop our annual training plan at the end of each year, we also interview with supervisors and line managers, in an attempt to understand their training needs for the next year.

LM-1 *I shall say that HR does communicate with us in program design and development, though not really enough. They basically use two ways to collect information on training needs.* One is to send group emails, asking us to put forward our specific training needs. The other is to interview those who may participate in the program. HR takes the lead in this process, and we just respond as necessary.

LM-2: *The overall HR team is too young––they do things because "I want to", not because of what the internal clients really need. In many cases, the training programs are not developed to address specific business issues. The overall tone is that, 'we have such a training program, do you want it?'… I don't think our HR is professional enough. Otherwise they should have accurately understood our training needs once we talk with them.* However, I see HR has improved a lot, especially in program design and development in recent years.

HIPO-1 At BenQ, the company has all kinds of training programs available for us, sometimes more than we can handle. ***Once a training program is available, HR urges us to put forward our training needs. Usually they email the Training Needs Survey to us and push us to provide feedback as soon as possible.*** Before the program begins, they will always make sure the program is truly something we need. I feel our training function has become a lot more professional today.

HIPO-2 My observation is that HR collects information on training needs through some informal channels. ***I don't think HR truly understands the business in every department.*** What is good is that once we make our training needs clear to them and ask for their help, they always help us to address our concerns.

<u>Participant Selection</u>

Usually HR nominates a list of candidates for leadership development programs.

Then HR will consult with the line managers and listen to their opinions. Finally, the list

is subject to approval by the CEO.

HRD-1 ***As we are quite familiar with our top performers, and the prerequisites for each leadership development program are clearly defined, we go ahead to nominate a list of program candidates, and then consult with line managers.*** I believe this is a more efficient approach….When nominating the candidates, we consider several issues at the same time. Except for the job level requirement for each program, the recent performance of the candidates, word-of-mouth from colleagues, and the succession plan are also considered.

LM-1 Moreover, I noticed that though we have all kinds of training programs, in fact the ones who attend the class are those who have more free time. ***Those who are the ones the company is eager to develop, can't attend because they are too busy with daily operations, but this is only because the company places a heavy workload on them and gives them more responsibilities.***

LM-2 ***Usually HR takes the lead in working out a list of program candidates, and they come to discuss with us.*** We make our selection based on who should participate in the training program.

1.5 What are the major problems and challenges the companies face in leadership development?

According to the CEO and line managers, the major challenges they are facing in

leadership development include several issues. First, it is difficult to balance the

short-term business goals and long-term people development objectives. Second, the

employees are too young, and it would take quite some time before they would be ready

to compete with a global giant like Sony.

CEO: ***The most critical challenge I am facing at the moment also relates to talent development….*** We expect a 60-70% growth rate every year over the next 3-5 years, and the question is whether we will have sufficient talent to meet the business development needs. ***It is very challenging for us to balance the short-term growth opportunities and business goals, with long-term people development.*** From above, I was pressured to deliver financial results, but I don't want to pass this pressure over to my people…. ***Currently, the key performance indicators are only available for the business functions. I want everybody in the company is to be clear about his or her key performance indicators, including people in support functions.*** Furthermore, we have frequent job rotations across different product lines and geographic areas, but not between the business functions and the support functions. ***I hope people in the support functions could gain some experiences at the frontline in the future.***

LM-1 ***The employees here at Suzhou are too young––on average, aged 26 (in Taiwan, the average age is 32). I have to be really patient if I want to communicate with them well. The IT industry is very competitive; how could we fight against a global giant like Sony with these little kids. I wonder whether the company could wait until they are mature enough…I tried to attract some senior people to the company, but all of them are gone so far.*** I am just thinking that if the senior people can't survive in the company—something must be wrong.

LM-2: ***I spend an average of 50% of my time to coach my subordinates, which made me really tired because they are too young.***

Research Question 2 - What key factors contribute to enhancing the effectiveness of leadership development interventions in China?

2.1 How do the companies usually evaluate the effectiveness of leadership development programs?

<u>The Role of Training</u>

As perceived by the CEO and the Training Manager, the purpose of the training

function is to promote a strong learning environment in the company so that all

employees are encouraged to learn and improve themselves continuously.

CEO: *The training function is intended to deliver the right message to our employees, encouraging people to learn and improve continuously. I will say that HR is very successful if they could retain most of our top performers in the company.*

HRD-1: In my opinion, the role of the training function is to promote a strong learning atmosphere in the company through all kinds of training programs.

Evaluating the Effect of Training

As the MTP program is a certification program, all program participants are required to submit a written report and give a presentation in front of a top management team on how they have applied what they have learned into the workplace three months after the program. If their presentation is not approved or their direct boss does not see any progress three months after program completion, the program participants do not get their certification, which means they are not eligible for the program available at the next level up.

The company does not track the effect of the Action and Strategic Leadership Programs. According to its Training Manager, it has been difficult to evaluate the effect of the training programs, with measuring behavior change after the program the hardest part.

HRD-1 **We have had much difficulty in evaluating the effect of training programs.** We do know about a couple of theoretical models in training evaluation, but we just don't know how we could put them into practice. **We can easily have the program participants fill out the training evaluation forms, but find it extremely difficult to measure behavior change after the program.** What we can do is just regularly send them related articles on management issues, and push them to apply what they have learned into the workplace. **Ensuring the effectiveness of training programs is a major concern for us. We have no idea what we could do in this regard.**

HIPO-1 After each training program, we are asked to evaluate the instructor, program relevance to the workplace, etc. **We don't have any hard performance indicators to use in measuring the effect of training.** You are just expected to have acquired the knowledge and skills provided in the training. **The real pressure comes from the performance review system, because after the training program, your ratings on the**

trained skills and competencies are supposed to go higher. Another direct and quantifiable indicator is that before being promoted, we are required to teach for a certain number of classroom hours on what we have learned from the training programs.

HIPO-2 *Before the training program, it is made very clear to us that there will be follow up on how we have applied what we learned three months after the program.* The training function also collects our comments and suggestions about the program, as well as what lessons we have learned from the program. *My observation is that the effects of external training programs are not evaluated as strictly as those of the internal programs. I believe we should improve in this regard.*

<u>Suggested Measures</u>

In general, the informants suggested that they don't expect any immediate effect from training because they believe that training itself does not contribute too much to talent development, and relies on many other issues to be more effective. Therefore, we should take a more long-term and holistic perspective in evaluating the effect of training.

HRM-1 As primarily a marketing company, we can tell whether the training program is effective or not by observing whether the participants have improved on their sales performance. *I don't really care for training ROI, because I believe the contribution of training to talent development is pretty limited.* In order to judge our progress on talent development, I would rather see whether the number of high potential employees who are ready for leadership positions has been increased.

LM-1 We can tell whether a training program is effective by observing the behaviors of the program participants in daily operations. You can see whether there is much difference in his or her behavior and mindset, and whether his or her work efficiency has improved. *My observation is that even if he or she has made some changes in these regards, the changes may not be permanent. I won't say the training is effective, or ineffective, because training is no more than a tool, relying on many other issues to make it more effective. As a matter of fact, training is only a circle in a chain––it takes close coordination across many functions to improve the effect of training. Therefore, we should take a more long-term perspective to evaluate the effect of training.*

LM-2 If you do a post-program survey, everybody will say that the program is very good and they have learned a lot. *But what do we mean by 'learned a lot'? You have to show the evidence by applying what you've learned into the workplace. Our problem is that nobody follows up on the effect of training.*

I used to arrange many training programs for my subordinates, but I realized that many of them are not practical at all. It is kind of waste of time. ***This made me consider whether training is of any value to the company at all. Or we can ask the question, what kind of training is more effective? I can't find the right answer myself.***

HRD-1 We don't have specific indicators to measure the effect of a training program. ***In my opinion, we probably should consider employee morale as one of the indicators, though it is rather difficult to measure.***

HIPO-1 Since programs like the Strategic Leadership Program provide specific knowledge and skills for being a leader, probably we can relate its content to performance indicators for the managers…I think training has contributed less than 20% to my development.

<u>Lessons Learned from Programs</u>

HIPO-1 I think the leadership development programs have helped us in thinking more systematically, and we are also encouraged to think deeply and differently.

HIPO-2 I think the MTP Program is very helpful. The classroom discussion has deeply stimulated my thinking. I realized that I could improve my daily work in many ways.

2.2 What key factors enhance or hinder the effectiveness of the leadership development interventions in China?

<u>Corporate Culture</u>

BenQ is short for "bringing enjoyment and quality to life", which clearly reflects on its corporate vision and value. At BenQ, the three cornerstones for the corporate culture include integrity and being practical in the things we do, pursuit of excellence, and social responsibility. In order to make the corporate culture more concrete and meaningful, the company communicates in many ways with its employees, explaining specifically what these three principles mean, and what behaviors are in line with these principles in everyday operations.

The CEO emphasized that the company wants its corporate culture to be reflected in everyday operations. All of the company's leaders are not only expected to

buy in and follow the BenQ Way, but also to teach their subordinates to do the same. The

informants agreed that the strong corporate culture has heavily influenced the way that

the company develops its leaders.

CEO: *We want our corporate culture to be reflected in everyday operations and everything we do.* The most important thing is to walk the talk continuously. We want our management team to serve as role models for the corporate culture. *They are expected not only to totally buy in and follow the corporate culture themselves, but also to coach their subordinates to do the same. Our President has set an excellent example for us in this regard.*

HRM-1 *BenQ is a company with a strong corporate culture. If we say somebody is not honest, it actually means he should leave the company.* This is also the reason why people recruited from outside have a much higher failure rate than those promoted from inside. *Our corporate culture has influenced heavily the way we develop our leaders.* You can see we tend to use the practical ways to train our people at different levels. We have them do the job, and evaluate the results. In addition, we go for a high standard in selecting our future leaders. We expect them not only to deliver outstanding business performance, but also to strictly stick to our values. All these standards come directly from our value system and corporate culture. Therefore, I think BenQ is highly consistent in what we say and what we do.

HRM-2: Our CEO told us, "*Ambition determines on the territory*"; this is what we all believe.

HRM-4: We have a very strong corporate culture. *All of our leaders grow up from this soil and show a   imprint of the BenQ way, which heavily influences the way they lead their teams and develop their subordinates.*

HIPO-1: On my first day at BenQ, I was prepared to leave at 5:00pm, but to my surprise, I found everybody was still working, and nobody was ready to leave at all. *Whereever I go, dining room or the dorm, I hear colleagues talking about things like how BenQ beats Philips in the CD-Rom business, etc.*

LM-2: *The corporate culture at BenQ is so strong that it makes it difficult for those who are recruited from outside, especially senior people. A strong corporate culture can have either a positive or a negative effect on talent development.* If you are a global giant like GE, you don't really have to worry because you have such a big talent pool inside the company. However, if you are a start-up company at the infant stage, a strong culture might be very troublesome.

Top Management Support

The CEO of the company highly values the contribution made by HR and has

demonstrated strong support for talent development. He personally spends more than

50% of his time working on HR-related issues. He participates in job interviews, and

serves as coach and mentor to guide the development of the leaders in the company.

CEO: *Personally I spend more than 50% of my time working on HR-related issues. I participate in job interviews, lead coaching interviews, and sit in their daily business meetings. I show my presence in their business meetings, not so much to push sales as to coach them on their working attitude and their way of thinking in problem-solving. I believe people are more important than the issues.*

HRM-1 I always believe that if the big boss has a strong sense of HR and if the HR is professional enough, the business performance cannot be too bad. *Our top management team, from the President to our CEO, highly values the contribution of HR.* Our CEO and I communicate a lot. *Every quarter, we sit together to evaluate the talent pool in the company, identifying the strengths and weaknesses of our high potential talents. Our compensation and benefits package is also based upon this.*

HRD-1 *I see our CEO has demonstrated strong support in talent development.* We communicate frequently on people development issues. When I need his help, I can speak directly with him, and he is always willing to support whereever he could.

HIPO-1 *The CEO gave us a coaching interview once every month. He would call most of the newcomers, who had been in the company for less than 3 months, to a conference room, listen to our concerns and problems, and give feedback and guidance for at least two hours.*

Link to the Workplace

As most of the current leadership development programs come from the

Headquarters at Taiwan, they are not perceived as highly relevant to the workplace at

BenQ China. In view of this fact, HR is making an effort to make up the gap between the

theory and practices.

HRD-1 *Most of our leadership development programs come from the Headquarters at Taiwan. Seeing from my perspective, I am not very satisfied with them, because I don't think the program contents are targeted specifically enough.* In contrast, in our new

employee orientation programs, all the topics are highly relevant to the real situation at BenQ, emphasizing how people could survive and develop themselves under BenQ's unique corporate culture.

LM-1 *I find many programs are too theoretical, and wonder whether they will have an impact on daily work. I know HR is attempting to make up the gap between theory and practices.* For example, they intend to invite the senior managers in the company to share the real world cases with the participants. However, the problem is that, in general, the senior people in the company are too busy to attend to this issue….*Sometimes when I wanted to apply what I had learned from a training program, I found a big gap between theory and everyday operation,* and realized that it would take lots of time and effort to implement as per what the theory says. As I am so busy every day, I have to forget it.

LM-2 *I went to the Strategic Bento program, but dropped it in the second module, because I don't think it is of any help. Its program content and the instructors are not bad, but we care more for whether it meets our business needs in daily operations. One of the major issues is that the current training programs are not linked to the workplace closely enough.* In my personal opinion, if I can't see that training is doing any good, I would rather let people do their work, and I coach them on the job.

Performance Drivers

The performance evaluation system consists of two major components: goal fulfillment, evaluated by key performance indicators (KPI); and the management competency evaluation, using 360 degree assessment. What is unique in BenQ is the peer evaluation. All the employees above the manager level will be evaluated by their peers in the support functions. Moreover, its performance system is tightly linked to talent development as well as the compensation and benefits package. Its CEO further emphasized that talent development should be regarded as one of the important performance indicators for leaders.

CEO: Sales target fulfillment and profitability are the two key performance indicators. *I prefer to use comparative performance indicators… We first make our KPI very clear to everybody, and then use the same indicators to compare people on the same job level across the company*. We do this every month and recognize those at the top, and point out those at the bottom. As a result, the ones who are ranked at the bottom have great pressure to improve themselves. As the KPI is transparent and fair, people are more

inclined to attribute the problems to themselves. ***In this way, the talent development mechanism is truly linked to performance.***

I want everybody in the company to be clear about his or her key performance indicators. We have done pretty well in the business function, but not so well in the support functions. I hope we could have some indicators that we could use to specifically evaluate the leaders on their contribution to talent development. For example, how many high potential employees and superstars have they generated in their department, how many A+ performers they have developed, so forth. ***In my opinion, talent development should be regarded as one of the important performance indicators for leaders.***

HRM-1 The sales target fulfillment is the major indicator for performance evaluation. ***What is unique is the peer evaluation. All the employees above the manager level will be evaluated by their peers in the supporting functions.*** For example, the finance manager might evaluate the performance of the HR manager. Since we all work closely together in daily operations, we have a pretty good understanding of each other's work performance.

HRM-2 ***Our performance system is tightly linked to training as well as the compensation and benefits package.*** As per our policy, the company only offers training to those whose performance is A, or A+. The top performers not only win a high bonus and all kinds of rewards, but also get recognitions in the company.

HRM-3 The major problems with the current performance management system include several issues. ***First, some of the key performance indicators are not objective enough, leaving some performance ratings in dispute.*** This is a big problem. Second, we have some problems in selecting the right people to do peer evaluations. Third, although we do performance evaluations once every half year, we find it difficult to manage the employee's performance during the intervals. We hope we don't just evaluate the final results, but can help them achieve a better result.

HIPO-1 ***Before going through the Action Leadership Program, I was only evaluated on how well I had completed the tasks. After the program, new performance indicators are added to evaluate how well I have managed my team…*** We use 360 degree assessment; the performance indicators do remind me of what I am expected to do in my daily work. ***I think our performance evaluation system is fair because the same indicators apply to everybody at the same job level.***

Strategic Imperatives

The strategic imperatives of the company have been made pretty clear. However,

the CEO pointed out that the strategic imperatives are subject to change due to the

ever-changing external environment in China. Along with the changes in strategic

imperatives, HR functions have to be adjusted accordingly because new strategy

imperatives require a quite different set of organizational capabilities.

CEO: *As the external environment in China is more turbulent, we have to review and adjust our strategies more frequently in China than in other parts of the world.* We review our corporate strategy about once every year.

HRM-1 *As the company has changed from a manufacturing facility to a brand company, we have adjusted our HR focus accordingly, because our strategy imperatives today require a quite different set of organization capabilities.* At the time when our top management team started working on this change, we began to inject fresh culture elements and have launched a series of events to support the new strategic imperatives. For example, in order to promote innovation capabilities, we introduced a handsome patent award and added new performance matrices that measure innovation.

HR Alignment

The informants commented highly on the HR function, saying that HR has

improved a lot and become more professional in the last two years. According to the HR

manager, the four HR functions have been closely aligned in support of the change in

strategic imperatives.

HRM-1 *As the company has changed from a manufacturing facility to a brand company, we have adjusted all four functions in HR in order to support the change in strategic imperatives.*

HRM-2 *We try to base all of our HR policies and processes on company strategies. In doing the long-term talent planning, we see what the company's strategic imperatives are for the next 3-5 years, and consider how we could align all HR functions, such as staffing and talent development, to support company goals and objectives.*

Communication

The company communicates with its employees through many different

channels, such as the company website, Intranet, e-newspaper, bi-monthly magazines, etc.

Most informants reported that they enjoy smooth communications among different

functions in the company, and HR can get timely feedback from its internal clients.

HRM-1 Our internal media are very powerful, including Intranet, e-newspaper, bi-monthly magazine, etc. *We try to make the company's strategies, values and strengths very clear to everybody. Gradually our employees buy in our arguments and become more loyal to the company.*

LM-2 *We have very smooth communications among different functions at BenQ. HR is able to get timely feedback from us.* So I am sure they know how we think about all these things.

HIPO-1 *I think we have enough communication with the HR department.* The problem is that as far as I could see, the learning function spends too much time on the program administration side. *If they could be equipped with more business knowledge and relevant experience, they would greatly improve their communication with us in understanding our specific training needs.*

HIPO-2 Personally I don't think our communication with HR is as much as it should be, including official and unofficial communications.

The HR professionals believe they have quite a good understanding of the line business, and are familiar with all the top performers in the company. The line managers as well as the high potentials suggested that HR needs to know more about business knowledge, so that they can improve their communication with the internal clients in understanding training needs. The line managers further pointed out that HR should communicate more with the program participants, providing specific guidance in how to understand the program contents better.

HRM-2 *I believe we have quite good understanding of the line business. We participate in their monthly business meetings, which enables us to get first-hand information on the business issues and problems.* We are not waiting to be informed, but try to involve ourselves actively in the process, and take actions accordingly.

HRD-1*We are familiar with the names and performance of all the top performers in the company, because we sit in the monthly business meetings and are involved in the monthly review and performance evaluation.*

LM-1 To serve their purpose well, most case studies tend to exaggerate the strengths and weaknesses of the target company. *If the program participants don't have a right understanding, they might think BenQ is not as good as other companies, and therefore want to look for jobs in other companies.*

LM-2 *It would be better if HR could give the program participants some guidance in how to understand the program contents better. As most of the HR people are so young, we as the line managers have to play this role, instead of HR.*

Learning Culture

BenQ is truly a learning organization in its real sense. Its President and CEO serve as role models themselves, encouraging people to improve in the pursuit of personal excellence.

CEO: Our President sets a good example for us. In for the pursuit of personal excellence, even on business trips, he manages to do read after 9:00pm everyday, covering topics in literature, geography, philosophy and the arts. He also shares his books and lessons with us.

LM-1: *Compared with Taiwan, the employees at BenQ China are really eager to learn. All kinds of training programs are welcome in the company.*

HIPO-1 *BenQ is truly a learning organization in its real sense. What impressed us most is that our CEO keeps assigning books and relevant articles for us to read, sometimes more than we can handle.*

Others

The employees' inner motivation has been identified as playing a critical role in enhancing the effectiveness of training programs. As its HR manager pointed out, only when the employees have a strong learning capability and are highly motivated to learn, can training contribute to enhancing their working capabilities. One line manager and one high potential echoed this idea based upon their own observations.

HRM-1 *In my opinion, the effect of training depends largely on the inner motivation of each individual. Only when he or she has a strong learning capability and is highly motivated to learn, can training contribute to enhancing his or her working capabilities. So the key here is motivation.* In fact, so long as they are motivated enough, they will search for outside resources that they may use to improve themselves, even if you don't give them any training at all. *Therefore, we should work on creating a good environment, providing the right opportunities for him to practice on the job, and giving him timely rewards after he has managed to deliver expected business results. Otherwise, the impact of training would be limited.*

LM-2 My observation is that the training effect is more evident if the employees are eager to go for the training programs. *We should shift our mindset from "we want to offer them training" to "they themselves want to be trained". To meet this end, we have to link training to their salary and promotion, something that is concrete and meaningful to them. Only by doing so can we make them more motivated to go for training programs and be willing to apply what they have learned into the workplace. This is the engine!*

HIPO-2 *I have come to realize that training would be more effective if people are truly motivated to learn. Here, the direct boss plays an important role. He or she should encourage people to apply what they have learned into the workplace, and the improved performance should get timely recognition.*

The roles that the direct boss should play in transferring training lessons have been recognized, too. The informants argued that if the direct boss could encourage people to apply what they have learned into the workplace, and reward the improved performance in a timely fashion, people would be more motivated to do so. Moreover, if the boss is familiar with program content, it is easier for them to coach people in how to apply the lessons learned into the workplace.

LM-1 I will share my opinion and observations with my subordinates through daily business meetings, attempting to help them combine the theoretical components they learned from training programs with daily operations. This is very practical.

LM-2 *I think that in those cases where line managers know the program content, it would be easier for them to guide the subordinates in how to apply what they have learned to the workplace.* For example, as I am very familiar with the MTP program, I know that it has taught people how to brainstorm. So whenever we have some problem issues, I ask those who have gone through this program to arrange for brainstorming sessions, according to the methods they learned from MTP.

Although job rotation has been identified as a practical and effective way to develop leaders, the informants pointed out that too-frequent job rotations might have a negative impact on business performance.

LM-1 In Taiwan, all the job rotations are based upon business needs. In strong contrast, in Suzhou, the employees make their own decisions. Whenever they believe they have

learned enough from a certain position, they want to try out another job. The training cost in this regard can be extremely high for the company. The CEO shows great care to the employees, and always tries his best to accommodate individual needs. *As a result, many people don't have in-depth knowledge on any job, although they have worked at many different positions.* I think it is important for HR to send this message through training.... *Job rotation is very practical in training leaders, but sometimes also very costly. A mistake I made many years ago cost the company millions of dollars.*

LM-2 We used job rotations more frequently five years ago, but now we have reduced them significantly because *we realized that people won't learn much if they change to different jobs too frequently. As we Chinese say, 'rolling stone gathers no moss'.*

HIPO-2: *Many people go through training programs, but frequently are transferred to other business units soon after they complete the training. In these cases, we can't see the effect of training at all.*

Last, but not least, the informants also suggested that in order to enhance the

effectiveness of training, the post-training effect should be evaluated and properly

followed up on.

LM-2 The company has a training policy that specifies the number of training hours that each employee should accumulate every year. But in fact, I don't think this has been executed in the strict sense. *One more important issue is that nobody follows up on the effect of training. I think the effect of training will be greatly enhanced if we can clearly evaluate the post-training effect.*

HIPO-2 *I see that the impact of training on people is much more evident immediately after the training program. As time goes by, the impact of training phases out gradually. So I believe regular review of the lessons learned is very important in transferring them into the workplace.* Those who care to review the lessons learned regularly will improve more than those who don't.

Lenovo China

Case Overview

Background

Founded in 1984, Lenovo China is currently a listed company on the Hong Kong

Stock Exchange. In 1994, Lenovo made a strategic decision to only focus on personal

computers. Since then it has entered into its fast growing stage, and has been so

successful that, until 2004, it was regarded as the market leader in personal computers for

eight consecutive years with over 25% market share in China. After its acquisition of

IBM's Personal Computing Division in 2005, today Lenovo's executive headquarters are

located in Purchase, New York, USA, with principal operations in Beijing, Shenzhen,

China and Raleigh, North Carolina, USA, and a global sales network. The company

employs more than 19,000 people worldwide. The new Lenovo envisions itself as a

leader in the global PC market, with approximately $13 billion in annual revenue.

HR Structure

At Lenovo, the HR department has about 60 employees, organized in a matrix

structure. At the corporate level, the human resources department consists of HR

Strategic Planning, Staffing, the Center for Learning & Corporate Culture, Compensation

& Benefits, and HR Information Systems. At the business unit level, an HR team is

available at each sector and in each region, serving as business partners.

Leadership Development Practices

<u>Brief History</u>

In its early years, the company grew so fast that it had to promote people into leadership positions and develop them on the job. At that time, so long as the boss thought a person could be good for a position, he would put that person on the job with no training or coaching—that person had nothing but a goal to accomplish. In 1998, the company introduced its formal management development program. Until 2004, it had only one internal leadership development program called Management at Lenovo (MAL). All managers participated in the same program, no matter whether a newly-promoted manager or an experienced high-ranking business leader.

<u>Talent Development</u>

The company has a well-established coaching system. After the New Employee Orientation Program, a coach will be assigned to work with each new employee during the three-month probation period. The coach is supposed to help the new employees become familiar with the work process, address their concerns, and sign off on a performance evaluation form at the end of the probationary period.

<u>Leadership Development Programs</u>

Under the Center for Learning and Corporate Culture, three people work on management training programs. Since 2004, the company has introduced two new leadership development programs: the New Manager Program and the New Director Program. Both are targeted at people newly promoted to either manager or director position, respectively. In 2005, two more leadership development programs are

provided—one is targeted at high potential employees, and the other is targeted at high potential managers.

Within-Case Analysis

Selection and Background of Interview Subjects

<u>HR Professionals</u>

Two major functions inside HR involve talent development: HR Strategic Planning and the Center for Learning and Corporate Culture. The senior manager of HR Strategic Planning and two people from the management training team at the Center for Learning and Corporate Culture participated in the interview.

<u>High Potentials and Line Managers</u>

Two line managers were invited to participate in the interview. One was the Vice President of Sales, China, and the other was the director for Corporate Development. Both have worked with Lenovo since college graduation and witnessed the dramatic growth of the company.

Two high potentials participated in the interview, both identified by the HR Strategic Planning Manager. The first one was a sales director who had won distinguished awards such as Top Sales, Special Achievement Rewards from the CEO, etc. and was regarded as one of the role models in the sales function. The second was a newly promoted manager in the corporate development sector. One point worth mentioning is that the Corporate Development function is unique in China. Functioning as the link between the CEO and other departments, the Corporate Development function

always sits at the core of a company, and the CEO heavily relies on it to implement all

his strategies (see Table 4-4).

Table 4-4 Background of the line managers and high potentials at Lenovo

Subject Code	Gender	Job Level	Business Sector	Direct Boss	Leadership Programs		
					New Manager	New Director	EMBA
LM-1	M	Vice President	Sales, China	Y			Y
LM-2	M	Director	Corporate Development	Y	Y		
HIPO-1	M	Director	Sales China		Y		
HIPO-2	M	Manager	Corporate Development				

Research Question 1-How do the top businesses in China develop their leaders?

a. What are the general talent strategies for developing the current and future leaders in the companies?

The former CEO often emphasized that people are the most important resources,

and encourages the managers to merge their personal goals with the long-term business

development of the company. This idea sits at the core of the talent strategy at Lenovo. It

trusts the employees to do their best to contribute to the development of the company,

and is committed to offering its people a stage without a ceiling.

The company prefers to grow leaders on its own. In the high growth phase, a

recruitment policy was made that 60% of new employees should be fresh college

graduates from top universities. As a result, today 30-40% of its employees hold master

degrees.

In terms of talent development, the company's philosophy is very simple:

"identifying the best ones from horse racing competition". This means everything is

performance-based, and nobody at Lenovo is promoted unless he or she truly

outperforms other people.

The company tends to develop people on the job. It requires each leader to

oversee two levels below him or her. This means a vice president is responsible for the

development of his general managers and the directors. With regard to promotion, the

company doesn't have any preference about promoting from inside or recruiting from

outside—it all depends on job requirements.

In order to maintain the rapid growth of the company, the CEO required each unit

with 10 employees and above to put its people into three categories: 20% excellent, 70%

qualified, and 10% improvement needed. Every year the 5% at the bottom had to leave

the company. The ranking was directly linked to an annual bonus package. If you were

put into the 10% category, you lost one quarter to one half a year bonus, which is a

significant portion for each employee.

HRM-1 *In terms of talent strategy, the company's philosophy is very simple, "identifying the best ones from horse racing competition"*. This means nobody at Lenovo will be promoted unless you truly outperform your peers. *Everything is performance-based.* You won't get promoted unless you have demonstrated superior performance record. Moreover, *the company is committed to offer its employees a stage without any ceiling.*

The CEO strongly believes that, in order to keep the rapid growth of the company, a certain amount of talent follow is absolutely a must. From 1999, he insisted each unit with 10 employees and above should put its people into three categories, specially 20% excellent, 70% qualified, and 10% improvement needed. Every year the 5% at the bottom has to leave the company. The ranking is directly linked to annual bonus package. In case you were put under the 10% category, you would lose one quarter, even half a year bonus, which is a significant portion of each employee.

In the early years, company required its managers merge their personal goals with long term business development of the company. This idea sits at the core of talent strategy at Lenovo. Its former CEO always emphasized that, people are the most important resources in the company. The company trusts that its employees will do

their best to contribute to the development of the company. The company respects professionals and experts, *we don't have any preference as to promote from inside or recruit from outside, all depend on job requirements.*

LM-1 *In my opinion, recruitment and selection are of vital importance in talent development. Only when you have selected the right people, can you train them to be the best…The company prefers to develop people on its own. In the high growth phase, it made a recruitment policy that 60% of new employees should be fresh college graduates. We select undergraduate and graduate students from top universities in China.* Nowadays, 30-40% of our employees hold master degrees.

LM-2 *From the second year at Lenovo, I started to serve as a coach to fresh college graduates, most of them hold master degrees.* The company has a comprehensive coaching system, we are required to meet with our coachee by the end of the first week, first month and three month.

b.   What roles should HR play in the companies?

According to the HR Strategic Planning Manager, the role of HR is to act as the

strategic partner of the company. Although still having administrative responsibilities,

HR has demonstrated much greater value in strategy and people development, including

selection and evaluation, especially for critical positions and high potential employees.

HRM-1 *HR function has been defined as the strategic partner in the company, which means that HR is an integral part of the corporate strategy. The roles of HR have been changing all the time.* In early years, HR played no more than an administrative role. We simply followed the instructions from the big boss. Before 2003, we acted as internal consultants, somehow between administration and management. At that time, we tried to involve more in business, but the line managers complained we did nothing but making troubles. However after 2003, HR has started to exert more important roles in the company. The best example is that, we took a leading role in the company downsizing, and has become a strategic partner in its real sense. Nowadays, the business managers are willing to work with us, truly value our advice on people issues. Although still have administrative responsibilities, HR has demonstrated much higher value in strategy and people development, including selection and evaluation, especially for critical positions and high potential employees.

LM-1: *The role of HR in people development is very limited, because they are away from the everyday business operation.* I believe if the general managers in each department could be trained well in people selection, and encouraged as well as rewarded to develop their people, the overall results can be much better.

HIPO-2 *The goal of HR should be put the right person on the right position.*

c. What are the common ways the companies use to develop their current and future leaders? Which ways are more effective?

Leadership Ranking

The company is composed of seven business sectors: Corporate Development, Supporting, Marketing, Sales, Manufacturing, R&D, and Customer Service. Under each sector, it has a number of departments. For example, HR is a department under the supporting sector. The leaders at the sector level are called "vice president", and those at the department level, "general manager or executive director". At one level below are the director and senior managers.

Leadership Competency Model

Lenovo developed its first leadership competency model in 1999. The latest version was updated in 2004. The leadership competency model consists of four dimensions: personal excellence, effective execution, strategic thinking and customer focus. The current leadership competency model represents a continuous refinement of the previous versions. Based on the leadership competency model, a 360-degree assessment was developed to evaluate the performance of each manager in the company.

In order to make the Leadership Competency Model able to distinguish performance between managers ranked at the top and the bottom, a regression analysis is performed each year to relate leadership competencies with performance ratings. Those competencies that do not contribute much to the performance ratings are eliminated later on. As the HR Strategic Planning Manager put it, "we want to make sure that, those who rank high on the competency model, will demonstrated the best performance in the company".

HRM-1 *Moreover, we want the model to incorporate the potential weakness of our managers in the future. To meet this end, we adjust our model based on the CEO's understanding and the interviews of leaders at different levels. Our competency model is updated once every year.* The competency model is applied in two aspects. First, it is used to develop our leaders. Second, it is used in performance evaluation of the managers at different levels.

Identifying Leaders

The company's philosophy in identifying leaders is called "horse-racing", which means that everybody is put into peer competitions—only those who truly outperform peers are promoted. The company uses 360-degree assessment to evaluate the performance of each manager. Based upon performance and potential, it puts all of its managers at the same level into a 9-box matrix. Those classified as 9 at their level, which means they have demonstrated high performance and high potential, are very likely to be promoted in the near future. Those classified as 8 high performance/ medium potential, and 6 medium performance/high potential, are identified as high potentials.

HRM-1 The company has its succession plan. Although not explicitly announced, everybody knows clearly who will be the right successor for his or her position.

LM-1 The results of the 360 degree assessment of managers have accumulated much information on the management capabilities and performance for many years. If I want to promote someone, I always refer to his or her 360 degree assessment in the last three years…*Nowadays, Lenovo has paid more close attention at selection issues. I believe I am among those take this very seriously. I have spent a significant amount of time in people selection issues, especially for the managerial positions at each level.*

LM-2 *Based upon the performance and potential, the company puts all of its employees at the same level into a 9-box matrix.* For example, we have one 9-box matrix for the director level, and one for the general manager level. Those who are classified as 9, which is high performance and high potential, will be promoted, 8 high performance/medium potential, and 6, medium performance/high potential, will be identified as high potentials.

Developing Leaders

Every top leader at Lenovo has a clear track record of superior performance. In developing its future leaders, the company usually puts the high potentials on the job,

making them learn by practice. Job rotation is another approach followed mostly by the different departments within the same business sectors. The company expects its line managers to be responsible for the development of their subordinates two levels below. In addition to internal leadership development programs, it also sends its top 100 people to outside EMBA and MBA programs.

HRM-1 *Every top leader at Lenovo has a clear track record of superior performance. The managers at Lenovo are supposed to be responsible for the development of their subordinates two levels below. On the job training is most often used at Lenovo. By this we mean to put people on the job and have them learn by practice. Job rotation is another way, mostly among different departments within the same business sector. These are the most effective approaches.* Mentoring and coaching are provided by the direct boss and one level above. In addition to internal leadership development programs, we also send people to EMBA and MBA programs.

Because the company offered me such a wide stage to play on, my performance in the first two years was truly outstanding. I have had enough chance to show my capabilities and learned a lot. I don't feel I have gained much from training, although I did go through many training programs, and often act as an internal trainer to train other people. *Our experience suggests that, the best way to develop people is on the job training, which means just let people do the work. In addition, the coaching by the direct boss is very important too.*

HRD-1 *We also pay for our top 100 employees to go through EMBA and Executive Development Programs outside.* We do pretty well in talent development by way of job rotations too.

LM-1 When I entered Lenovo in 1994, it was a small company with less than 100 people. *The company grew so fast that it simply put you on the managerial position, no training, no development, no coaching. The CEO just gave you one assignment after another. The only thing that might be considered as training was that, every quarter or half a year, we had a chance to share experience among the area managers.* At that time, promoting people to leadership positions totally depends on personal judgment. Only until after 1998, had we offered some formal training and development programs to managers. Since 2002, the CEO has paid more close attention in leadership development. We were sent to outside EMBA programs.

Frankly speaking, the leadership development programs offered by the company didn't impress me much. What helped most are two books that I read myself. One is "The 7 Habits of Highly Effective People", the other is "First break all the rules: What the world's greatest managers do differently". *The books made me believe that best people are selected, not trained. Only when you have selected the right people, can you train them to be the best.*

Lenovo requires each line manager be responsible for the development of his or her subordinates two levels below. For example, if I need to replace a position one level below me, I should consult with my boss and make the decision together.

I strongly believe, in order to do my job well, I should spend most of time in talent development, because my success depends highly on whether I can put the right people on the right positions. I don't have to worry about the sales figures at all, so long as I have the right general managers working on each sales region and the right people below them to provide support. This is my basic philosophy of management. At the time when I had about 100 subordinates, I always did job interviews myself for each position. Now that I have more than 1000 subordinates, I can not do this anymore.

LM-2 ***What is unique in Lenovo is that, first the company has developed rapidly, and it has offered tremendous growing opportunities for its employees. Second, it frequently undergo restructure and reorganization, people have plenty of chance to try different things.*** As a result, we have produced many people who can do a number of different things, but an expert in none.

The way I have developed myself is very much alike most of other people at Lenovo. I entered the company right after getting my master degree, and have been assigned with a new job almost every year, mostly because of company reorganization. Those who came in with me at more or less the same time are among the fastest growing group in the company. Thanks to the rapid expansion of the company, we have been promoted really fast, some were individual contributor the first year, manager the second, and became general manager the third year. ***People are developed mostly on the job.***

When I do coaching for fresh college graduates, I will spend time to coach them, closely observe their performance, and discuss with them about their strengths and weakness, as well as their career goals. One year later, I will help them find the right positions in the company. I usually keep long-term relationship with each of my coachees to track their progress. When they want to move to a new position, they often come to me for my advice and suggestions.

I put my subordinates into three categories. First are the Superstars, I will push all the responsibility and pressure onto them, and give them challenging assignments. Second are the high potential people, those who are positive and hard working. The third are average employees. I spend 50% of my time for the Superstars, 30% for the high potentials, and 20% for the average employees. ***When I change to a new department, I will first identify my successor.*** My philosophy in team building is to build a three-horse carriage, which means that I will have my successor to help me in daily operation, and additional two people to support us, the rest will follow.

HIPO-1 ***In view of the high cost, the company's philosophy is quite clear, it will not invest in you unless truly outperform your peers. So everybody is put into horse racing competition. The company will carefully pick the best of all to breed later on. The higher in rank, the more training you receive.*** Except the New Employee Orientation

Program, few training programs are targeted at average employees. ***The training budget heavily leans toward the management levels.***

My boss always gives very specific guidance. Even when I made a big mistake, he will help me fix the problem and learn my lessons. Lenovo has offered me many training programs. ***I learned a lot from our New Manager Program. It is simply the best training program I have ever participated.***

HIPO-2: I have not yet participated in the New Manager Program. Most of the time, I have to rely on myself to learn things. The support from the direct boss is also very important. ***At Lenovo, training is no more than just have you do the job. What I want from the company is NOT training, but development, which means give me wider stage and bigger challenges.***

    d. Program Design and Development

In addition to outside MBA and EMBA programs, four major in-house leadership development programs are available in the company. The New Manager Program is a two-day management development program. In 2004, it consisted of three courses: Managerial Skills for New Managers, which intends to equip the new managers with basic knowledge and skills in management; Performance Ladders for Effective Managers, which helps the program participants understand the Gallup Q12 Survey, because this is the essential performance evaluation tool for the managers at Lenovo; and a seminar, in which all program participants share their major concerns in the workplace and discuss possible solutions. Since 2005, two additional components have been added to this program: Job Interview Skills for Line Managers and Career Advancement Path at Lenovo.

In 2004, the New Director Program was composed of two courses: Finance and Team Building. As the feedback from program participants was very low, this program has been reinvented completely. Since 2005, it has been changed into a two-day program, titled "Execution: Transforming Goals into Actions".

In 2005, two new programs came into being: the High Potential Employees Program, and the High Potential Managers Program. The High Potential Employees Program is a two-day in-house training program. It discusses the seven habits of highly effective people, and helps the high potential employees understand what it is like to be a manager. The High Potential Managers Program is a two-day program consisting of two courses: Communication Skills toward a Win-Win Solution, and Effective Execution.

HRD-2: *The New Manager Program has received high comments from the participants. However the feedback to the New Directors Program is not very positive. The program participants described it as irrelevant to their work.* So we totally reinvented this program in 2005 and have changed it into a two-day program, titled "Execution: transforming goals into actions". *We made change as such, because the top management team often complained that the execution is not strong enough.*

All training programs below the New Manager Program are in house training programs, while others are designed and delivered by external providers, because we are not able to develop top level management development programs.

HRD-1 More than 50% of all our training programs are delivered by internal instructors. *We prefer to design and develop training programs by ourselves. We basically use two approaches.* One is to send our own instructors to outside training programs, and after they come back, we will tailor the outside training programs to meet our purpose. Second, we identify the business issues, and develop training programs by reading books and collect relevant materials. The only problem is with on-line learning programs. *Our employees have a very low opinion toward on-line programs.*

HRD-2 *Our people have a low opinion on on-line learning programs. They believe training is something that only good in the classroom settings.*

LM-2 *In my opinion, the training programs should be linked with everyday business operations as well as the developmental stage of the employees.* The target group of each program should be made very clear. We need to improve in both quality and quantity of the training programs.

HIPO-2 *I am badly in need of knowledge and skills in team building, yet the Lenovo University does not have much to offer in this regard. There are some on-line leadership development programs you can learn by yourself. But they are no more than easy downloads from the internet, not relevant to my work at all.*

Needs Assessment

In general, HR takes the lead in designing and training programs, and the line managers respond by sending their subordinates to participate in the programs. With regard to program design, three factors are taken into consideration. First, based upon the leadership competency model, the competencies that can be improved through training are identified. Second, in view of current business issues, the support training that can be provided to address those issues is identified. Last, the areas in which the program participants and their direct boss wish to learn and improve are defined.

HRD-2 *With regard to program design, three factors are taken into consideration. First, based upon the leadership competency model, what competencies can be improved through training. Second, in view of the current business issues, what support training could provide to address those issues. Last, what the program participants and their direct boss want to learn and improve.*

When we design the New Manager Program, we first take out all contents from MAL that targeted specifically at new managers. We add a component introducing Gallup Q12 Survey, because this is an essential management tool that evaluates the performance of all managers at Lenovo. *As for the specific content, we interviewed selected line managers, directors and our President, asking them, from their perspective, what knowledge and skills are essential for newly-promoted managers, and what are the problems the new managers could encounter in daily operation.* One year after the program, we collected the feedback from the program participants, exploring what they wish they could have in the program. Our major findings resulted in adding two new components the program. *So far the program is highly commented. Our new managers even said that, you know what, I wish our boss could have gone through this program too.*

LM-2 *In general, HR takes the lead to design and develop the training programs, and line managers respond. In addition, we have a one-on-one discussion with our employees every quarter, during which some training needs also come up.*

Participant Selection

For the New Manager Program and the New Director Program, the participants are identified by appointment announcements—those who promoted for the first time to positions are required to participate in the relevant programs. For the High Potential

Employees Program and the High Potential Managers Program, the line managers

nominate candidates based on the 9-box matrix performance evaluation, and the list of

candidates is submitted to HR for review and approval.

1.5 What are the major problems and challenges the companies face in leadership
   development?

Several issues relating to leadership development were identified as major

company challenges. First, as the company does not expect to expand as rapidly as before,

and since its top management team is still pretty young (on average no more than 2-3

years older than their subordinates), people are frustrated because no matter how hard

they work, they have little chance of promotion to higher positions. Therefore, the

company is challenged to motivate its people under such circumstances.

Second, talent development can't meet the requirement of business development.

Although most of the employees are carefully selected from top universities in China,

about 30-40% hold masters degrees. The line managers still find it difficult to locate

qualified candidates to fill openings in managerial positions.

Third, the informants pointed out that the company has put most of its limited

training resources into general managers and directors, leaving the top management team

more or less ignored. Almost nothing is targeted at people at the bottom. The training

function has pushed this responsibility onto the line managers. However, the line

managers are busy fighting to meet the sales quota, and have virtually no time left for

people development.

Fourth, the HR professionals commented that the biggest issue is how to make

the training programs more relevant to the workplace. The company is badly in need of

well-trained professionals in training and instructional design. Lenovo, as a global

company, faces the challenge of how to run the training function worldwide.

LM-1 The company has clearly passed its rapid growth phase. *As the company has decided to focus in PC industry, which is pretty mature, it does not expect to expand as rapidly as before.* Furthermore, *the top management team is fairly young, in average no more than 2 or 3 years older than their subordinates. They still have many years to go before retirement.* People below them feel very frustrated, because no matter how hard they work, they have little chance to get promoted to higher positions. *Our current talent pool is fairly stable. The turnover rate is very low, because our employees have strong attachment to the company, and because they could not find a better place to go.* However, even if they stay with the company, they are not as motivated as before.

Another issue that is of my concern is that, talent development can't meet the requirement of business development. Although most of our employees were carefully selected from top universities in China, about 30-40% of them hold master degrees, I often have a hard time to find the right candidates, when I need to promote from inside. In case we can't prepare such well-educated people to management positions after 4-5 years, something must be wrong.

LM-2 *As far as I know, the higher in rank, the lower the turnover rate. We seldom have any voluntary turnover at the director level. There has been little change on the general manager and vice president level for a long time. As time goes by, these people have become more conservative, and close-minded, leaving no much space for people below them to grow.* It seems to me, the larger the company, the smaller the stage we have to play on.

We put our limited training resources all on the people above the manager's level, especially the general managers and the directors. The top management team is more or less ignored, and almost nothing targeted at people in the bottom line. The training function has pushed this responsibility onto the line managers, saying that they are only responsible for all-purpose training programs, such as communication, negotiation, presentation and so forth. *However the line managers are fighting to meet the sales quota, and have virtually no time left for people development. As a result, nobody cares for it in the company.*

I don't think we do well in talent development. So far it has not become a bottleneck for business development, but it for sure doesn't form one of our core competencies. *Personally I believe human resources development and management should be one of the core competencies in a company.* Unfortunately very few Chinese companies pay much attention in this issue.

HIPO-2 *Currently the big boss cares more about short-term performance*. In order to ensure efficiency, the company heavily emphasizes on execution. *However the problem*

at Lenovo is not execution, but whether the big boss has made up his mind. So long as he is clear what to do, execution is not a problem at all.

HRM-1 *So far we don't have a well-defined succession plan. I believe, if we can't solve this problem, it probably will have negative impact on the development of Lenovo sooner or later.*

HRD-1 *First, we are badly in need of well-trained training professionals and instructional designers. Second, the biggest issue we have is how to make our training programs more relevant to daily operation.* We don't want to invite college professors from such top Universities as Peking University or Tsinghua University. They just don't understand what's going on in business operations. The programs they offer are not practical at all. *Third, Lenovo has become a global company, and we are not clear how we could manage a training function worldwide.*

Research Question 2- What key factors contribute to enhancing the effectiveness of leadership development interventions in China?

2.1 How do the companies usually evaluate the effectiveness of leadership development programs?

The Role of Training

The informants collectively argued that they think the impact of training on talent development is very limited. They say that training can provide no more than tools and methods. The training professionals pointed out that the line managers have a wrong conception about training. If anything goes wrong, they send people for training to fix the problem. From the perspective of the training professionals, they see training as a way to manage people; the goal of training is to help the company meet its goals and objectives, not to satisfy individual employees.

HRM-1 *I see training as a facilitating tool, because I believe whether one performs well on the job has nothing to do with training. People only learn by performing on the job. Training can provide you with no more than tools and method. What differentiates a Superstar and an average performer is not training, but the individual talents.*

HRD-2 First, *many of our people see training as a benefit offered by the company for free, something they can take or leave at their will.* They often don't take training seriously. *For us training professionals, we think more from the company's perspective,*

after all the company is the one who pays the training bills. Second, the line managers have a wrong conception about training. In case anything goes wrong, they will send people for training to fix the problem.

In my opinion, training is no more than a small segment in leadership development. It does not really play a critical role in this regard. For example, identifying leaders is a much more important issue than training. However, at Lenovo, training actually acts as a strong driving force in leadership development. When ever the managers discuss about issues in talent development, training is something that comes first to their mind.

I see training as a way to manage people. The goal of training is to facilitate the company to reach its goals and objectives… Training is not something that satisfies the employees' individual need. After all we think learning is the individual employee's own business.

HIPO-1 In the past, I don't care for participating in the training programs, because I think they are too theoretical, not practical at all. Now I have changed my view, *I see training as a valuable benefit that the company provides to us. I often tell my subordinates that, we should not expect training to solve all of our problems at once. So long as training program could help you address one issue, it is worth of your time.*

LM-1 The most frequently used approach for talent development at Lenovo is training. However, *in my opinion, the impact of training on talent development is very limited.*

<u>Evaluating Training Effectiveness</u>

The company mainly evaluates the effect of training programs through participant feedback. Other than this, it rarely checks to ascertain whether program participants have applied what they learn into the workplace. The training professionals argued that they seldom do any evaluation above the second level on the Kirkpatrick Training Evaluation Model, because they are not sure whether it is worthwhile to expend so much effort in this regard.

HRM-1 *Our evaluation on the performance of talent development function is more project-based,* for example how well they have completed 360 degree assessment and other assigned talent development projects, etc.

HRD-1 *We usually evaluate the effect of training by participants feedback. Most of the time, we get above 4 on a 5 point scale. We seldom do any evaluation above the second level on the Kirkpatrick Training Evaluation Model.* First our company is very practical. As training evaluation is too time-consuming, we simply don't have enough manpower to

attend to this issue. Second, it is hard to clearly evaluate the effect of such training programs as management skills. Third, *we are not sure whether it is worthwhile to do training evaluation, because we don't see it make much sense to do so.*

As far as we know, compared with other companies in China, Lenovo is pretty strong in its training function, because firstly we are able to design and develop our own training programs. Secondly, we have a complete set of training programs, targeted at different groups. Third, we have developed a team of internal instructors to deliver the training courses.

HRD-2 *Training evaluation remains at very low level, we simply collect feedback from the program participants. We did try to measure behavioral change, but quite few.* As we are short of hands in training function, we can't do much on the follow up issues. We think training evaluation as a difficult task. *On one hand, we don't really have the expertise to do training evaluation well, and on the other hand, we are not sure it is worthwhile to spend too much effort in this regard.* Just as a country won't measure the impact of education on its economic development, a company won't evaluate the impact of training on their business performance. *We prefer to build something in the program design so that behavioral change will be facilitated. As to whether the programs do serve the intended purpose after the program, it is more or less out of our control.*

We don't have something clear to measure the performance of the training function. Most people agree to use the program participants' feedback on the program as the indicator. Actually training experts believe that, participants' feedback is not a valid indicator for effectiveness of training programs.

HIPO-1 *We are asked to fill out training evaluation form after each program. However, the company has no specific ways to measure whether we have applied what we learned into workplace.* The boss only cares about how you do your work, not what training has taught you…*My observation is that, even if people say they like the training programs, it is hard to see them make much change after the program.* As a result, many people don't want to go for training programs, and the company has also become reluctant to offer training programs.

LM-2 After the program, I will meet with my subordinates to hear the lessons they learned, and if possible, I will ask them to share the program content and their lessons learned with other colleagues. As for whether he applies what he has learned into workplace, I seldom follow on this issue. *My observation is that, the company rarely checks on whether training has made any impact on business performance.*

Suggested Measures

The possible indicators of the effectiveness of leadership development practices suggested by the informants include: the extent of training's contribution to daily work,

and whether 2-3 qualified candidates can be identified for a management position in a short time.

HRD-2 *In my opinion, we have no way to find a quantifiable measure for the effectiveness of training programs. If we have to get one, I shall say, a fair indicator is how many people would say it is training that makes them stay with the company, and how much training has contributed to their daily work.*

LM-1: *I don't think we do well in talent development, because I often have a hard time to find the right candidates, when I need to promote from inside, although most of our employees were carefully selected from top universities in China, about 30-40% of them hold master degrees.* In case we can't prepare such well-educated people to management positions after 4-5 years, something must be wrong.

A reasonable indicator for the effectiveness of leadership development practices is whether HR could identify 2-3 qualified candidates for a management position in a short time. More often than not, we are badly in need of qualified people to fill in a position, but can't find any for a long time. But in view of the education background of our talent pool, we should have right candidates available.

LM-2 I see the relevance to workplace as a good indicator for measuring the effect of training programs.

Lessons Learned

HIPO-1 One of the important lessons I learned from the New Manager Program is that, as a manager, you are supposed not to make yourself successful, but your team successful.

LM-1 The EMBA program at Tsinghua was not bad. The instructors provided us with a clear understanding of the classic theoretical models in management. We had plenty of cases, in-class discussions and debates that stimulate our thinking.

2.2 What key factors enhance or hinder the effectiveness of the leadership development interventions in China?

Corporate Culture

The corporate culture at Lenovo can be summarized as customer service, accuracy and truth-seeking, trustworthiness and integrity, change and innovative and entrepreneurial spirits. The informants agreed that the company is like a big family that strongly emphasizes walk the talk, team work and strong execution.

HRM-1: First, *Lenovo treats its employees very fairly, from the very top to the bottom, we value honest and integrity.* So long as the employees work hard and produce anticipated results, the company will offer handsome rewards in return. Second, *we allow our people to make mistakes, but expect them to learn their lessons. The company emphasizes highly on summarizing the lessons learned.* We have a comprehensive summary for almost every project we undertook. Third, *the company values strong learning capabilities. You are always supposed to do a better job than before.* At the time of performance evaluation, the first question the boss will ask is that, where you have improved.

We have a strong family atmosphere inside the company. We rely on each other and fight like a team. The teamwork in Lenovo is awesome, 'each individual may not be a hero, but when we fight as a team, we are like a pack of wolfs'. Lenovo has a long tradition of teamwork. We are willing to work for a common goal, even at the expense of personal benefits.

LM-1 Heavily influenced by the personal characteristics of our CEO, Lenovo demonstrates an elaborated management style, emphasizing on details. We advocate higher moral standard from the early days, and *the company is like a big family.*

LM-2 I really have buy-in of our corporate culture. *The top management team serves as role models in this regards. We strongly emphasize on walk the talk, and goal-oriented. Those who succeed at Lenovo all follow these principles well.*

HIPO-1:*The company emphasized heavily on integrity and family atmosphere.* Integrity means that we should always walk the talk. Family atmosphere suggests that the company value brotherhood and teamwork, especially among frontline sales people. *I truly feel our team like a big family,* everybody working very hard towards our common goal. *Yet our culture is changing. Now the company talks more about individual performance than teamwork, and the family atmosphere seems also somehow weakened. Presently the company highly emphasizes on strong execution.*

HIPO-2: I really think Lenovo is an outstanding company in many senses. It is so well-managed that you don't feel much internal politics and fights between different functions. *It is highly centralized, with a culture kind of hard, which results in high efficiency and strong execution, but low in innovation spirit.* Presently, our CEO cares more for the short-term performance. *In order to ensure working efficiency, the company highly emphasizes on execution. However, the problem at Lenovo is not poor execution, but whether the big boss has clearly made up his mind.* Everybody awaits the big boss to make decisions, but he has no more than one head, therefore has to focus on short-term goals, then everybody else follows him in the same direction…
I don't feel Lenovo really cares about the career development of the employees, and it could probably be attributed to its highly centralized corporate culture.

Strategic Imperatives

HRM-1 *We want the (leadership competency)model to incorporate the potential weakness of our managers in the future. To meet this end, we adjust our model based on the CEO's understanding and the interviews of leaders at different levels.*

HRD-2 Compared with other Chinese companies, Lenovo started very early in providing training programs for its employees. *But in view of the rapid development of the company, training is clearly left far behind. The goal of training is to facilitate the company to reach its goals and objectives*

Link to Workplace

The informants indicated that the current training programs are too general, and

not closely related to workplace. They are looking for more fine-tuned leadership

programs that are highly relevant to everyday business operations.

LM-2 *Most of the training programs that the company offers are all knowledge- based, such as concepts, methods and analytical tools, etc. They are very general, not closely related to every workplace. We have few training programs that targeted to address specific business issues.*

HIPO-1 I hope we have more fine-tuned leadership programs that are highly relevant to daily operations.

HIPO-2 *My observation is that, we don't have enough training programs that are helpful in addressing everyday business issues. What we learned are just general principles and methods, not practical at all.*

Performance Drivers

According to the Strategic HR manager, the company requires each unit with

more than 10 employees to put its people into three categories as per their performance:

20% excellent, 70% qualified and 10% improvement needed. Every year the 5% at the

bottom leave the company. The ranking is directly linked to the annual bonus package. In

addition, although not included in the performance review, the company evaluates its

managers on their performance in team building based on the Gallup Q12 Survey.

The line managers pointed out that talent development is not considered one of the important factors in the promotion and performance evaluation of managers. Both recommended that the contribution to talent development be regarded as a key performance indicator of managers, and the ratings on the contribution to talent development should be linked to future promotions.

HRM-1 At Lenovo, each unit with 10 employees and above should put its people into three categories as per their performance, specifically 20% excellent, 70% qualified, and 10% improvement needed. Every year the 5% at the bottom has to leave the company. *The ranking is directly linked to annual bonus package. In case you were put under the 10% category, you would lose one quarter, even half a year bonus, which is a significant portion of each employee…Although not included in the performance review, the company does evaluate its managers on their performance in team building based on the Gallup Q12 Survey…The 360 degree assessment developed based on the Leadership Competency Model is a major tool we use to evaluate the performance of our managers. Whether one will be promoted in the future depends highly on the result of the 360 degree assessment.*

LM-1 *I highly recommend we take the contribution to talent development as one of the key performance indicators for the managers. The current system is more short-term performance-based. In addition to the sales quota, we should evaluate our managers on how well they do in developing talents. Moreover, we should link the ratings on the contribution to talent development with future promotion.* In my opinion, a high rating on the contribution to talent development indicates strong leadership competencies. *At the moment, the company is more short-term goal oriented, not paying enough attention to long term objectives.*

LM-2 *So far talent development is not considered as one of the important factors in our promotion and performance appraisal of the general managers. Personally I believe, at least 30-40% of the promotion decisions on general manager level should be based on their capability in developing people for the company.* Unfortunately this is not the case for the time being.

HR Alignment

The line managers, as well as some HR professionals, complained that the different functions within HR are not well coordinated among themselves. As a result, the policies from different functions often conflict each other. At Lenovo, training is not

linked to promotion decisions. One might be promoted to a certain position, even if he or

she has not gone through the relevant leadership programs.

HRM-1 *Lenovo distinguishes itself in HR information management.* All of our data are computerized, we only need to design the questionnaire, and everything else will be done by the computer. It automatically generates reports, and delivers the reports to designated people, which greatly saves manpower.

LM-1 Our HR people have demonstrated professional expertise in their specific field. *The only problem is that different functions inside HR are like silos, they don't coordinate among themselves, and as a result, the policies from different functions conflict each other.*

LM-2 *The functions within HR are too separated. Seeing from their individual function, the policies they made do make sense, but if you put all of their policies together, sometimes you find them not in line with the best benefits of the company.* I hope HR could be more coordinated across its different functions… *At Lenovo, training is not necessarily linked to career advancement. One might be promoted to a certain position, even if he or she has not gone through relevant leadership programs.*

If you interview selected people in the company, 60% of them may say that, they don't see any impact of HR on their daily work at all.

HRD-2 In my opinion, the training function is not well-aligned with other functions in HR.

HIPO-2 I don't think the company really cares for the career development from the individual employee's perspective.

Top Management Support

According to the informants, the CEO highly emphasizes team-building,

strategy-making and team-leading. He is a role model in this regard himself and requires

his team to do the same. The company put the responsibility of leadership development

on business leaders. It requires each leader to oversee the developmental issues of his or

her subordinates two levels below. However, the training professionals pointed out that,

as a matter of fact, training is always regarded as a secondary issue in comparison with

stock prices. Whenever a scheduled training program is in conflict with a business

meeting, most managers say business first, training second.

HRM-1 The company requires each leader oversees two levels below him or her. That means a vice president should be responsible for the development of his general managers and the directors.

HRD-1 *Generally speaking, the top management is very supportive toward talent development. However, in comparison with stock price, training is always a secondary issue.* After all, the company has to make money.

HRD-2 *Frankly speaking, I don't think our top management team strongly supports training.* When ever a scheduled training program is in conflict with a business meeting, most of the managers will say business first, training second. Our training budget last year was so tight that many employees did not receive any training the whole year. *Although I can't tell the specific figure, our training budget relative to the sales revenue is a lot lower than that in most of other IT companies. Training is always among the first items that might be cut off in the annual budget planning.*

LM-2 *In view of the mainstream inside the company, our CEO continuously advocates team-building, strategy-making and team-leading. He is a role model in this regard himself and requires his team to do the same.* But you can see much difference when it comes down to the second level, i.e. the vice president level. I shall say about 40% follows the CEO's model, while the other 60% varies partly. As to the director/GM level, it depends solely on their savvy and personal character. Some have done this well, the others not.

Communication

Compared with previous years, the company has become more aware of the

importance of internal communications. Before the program, the training function usually

distributes the program contents to the direct boss of the program participants, urging the

boss to communicate with the program participants about his or her expectations. After

the program, the direct boss is reminded to ask the participants to share lessons learned

with other colleagues. Since last year, a roundtable meeting is held each year, in which

line managers and HR people discuss talent development issues in each business department.

HRD-1 ***Before the program, we will send the program contents to the direct boss of our participants, urging the boss to communicate with the participants on his or her expectations. After the program, we often remind the direct boss to ask the participants to share their lessons learned with other colleagues.***

LM-1 ***I think we need to communicate more with HR, since we often disagree with each other.*** On one hand, the business departments may say HR does not understand business issues, and the policies HR makes may not be workable in everyday operation. On the other hand, HR may think the business departments fail to see the internal equity issues…***Since last year, we have had a round table meeting on talent development every year, in which the management team will meet with HR to analyze the current talent pool***, identify the high potentials, list their strengths and weaknesses, and work out an action plan for future development. Although its effect is not as good as I expected, at least the training programs have been provided as per action plans.

LM-2 Before the program, I would ask my subordinates whether they are interested in the training program, and after the program, we will meet again to talk about what lessons they have learned from the training.

HIPO-1 ***Before the program, my boss had not talked with me specifically about his expectations, but after the program we got a chance to discuss about the important lessons I learned from training.***

HIPO-2 The Strategic Communication is a newly-established function. By having this function in place, Lenovo has sent a clear message that the company has become more aware of the importance in internal communication.

Others

The line managers pointed out that since the General Managers at the department level have all authority for people, money and other resources, they play a critical role in talent development at Lenovo. Had they been trained better in people selection, and encouraged and rewarded to develop their people, the overall effect of talent development would have been much better.

LM-1: The role of HR in people development is very limited, because they are away from the everyday business operation. *At Lenovo, the general managers at department level are the most powerful group of people, because they have all authority in people, money and other resources. However the company fails to evaluate on their competencies in team-building and people development. The current promotion decisions are more performance-based.*

I believe that, if the general managers could be trained well in people selection, and encouraged as well as rewarded to develop their people, the overall effect of talent development would be much better. As a matter of fact, nobody else could serve this role as well as they can.

LM-2 As the General Managers at department level are the ones who oversee people, money and all other resources in one hand. *I strongly believe that, the effect of talent development depends heavily on whether the General Managers are aware of the importance of people development and how much time they are willing to invest in this issue… The general managers play a critical role there.* If they don't care for talent development, then people below them won't care either. My observation is that, the frontline managers and middle level managers don't have a strong sense in people development. They are promoted to their current positions, only because they have demonstrated superior performance. It is more or less a recognition thing. *The general managers are busy fighting on the frontlines, leaving no much time to develop people at all. Therefore nobody really cares for people development in the whole company.*

HIPO-1 *Most of the time, I require myself learn all the program content by heart. I took detailed notes on all important lessons learned.* I even managed to deliver the same program to our distributors, and get highly commented. *During the program, I always ask myself how I could apply what I learned into daily work.*

Motorola (China) Electronics, Ltd.

Case Overview

Background

Originally founded as the Galvin Manufacturing Corporation in 1928, Motorola is a *Fortune* 100 global communications leader that provides seamless mobility products and solutions across broadband, embedded systems and wireless networks. Motorola had sales of US $36.8 billion in 2005. Today, Motorola is comprised of four businesses: Connected Home Solutions, Government & Enterprise Mobility Solutions, and Mobile Devices and Networks.

In 1987, Motorola opened its representative office in Beijing; four years later, Motorola (China) Electronics Ltd. was established in Tianjin. Today, Motorola China has one holding company, four wholly-owned companies, six joint ventures and 22 branch offices across China. At the end of 2004, the number of employees exceeded 9,000, and the total cumulative investment in China reached US$3.5 billion, making it one of the largest foreign investors in China. Its total sales revenue in 2004 has reached US$7.73 billion (www.motorola.com.cn).

Highly regarded in China, Motorola has won such rewards as "A Most Influential Global Company in China" in 2004, "Best Foreign Investor of the Year in China "(CCTV Annual Economic Leaders, 2003), and "Best Employer in China" in 2003, 2004 and 2005(www. ChinaHR.com).

HR Structure

The HR function in Motorola (China) consists of three parts. The corporate core platform acts as solution providers, including learning, OD and strategy, leadership development, compensation, and so on. The business account managers are HR representatives in the business units. The site HR managers interface with government and local employees.

Leadership Development Practices

Brief History

The first local managers went through several steps to be trained and developed. First, they receive on-the-job training, which involves having the high potential employees follow the expatriates around. The expatriates learn directly from working with their bosses before being appointed to managerial positions. Then they are sent to the customized leadership development programs, which offer theoretical training. Next, they take an overseas assignment. Upon their return, they engage in coaching and mentoring to help them hone their leadership skills on the job.

Talent Development

With regard to the HR corporate core platform, three functions relate to talent management and development: staffing, learning and leadership development. Involved in the learning function are 7 employees in Motorola China, excluding the staff at Motorola University. The learning function assumes a role in strategic planning about talent development, including the design of an overall learning structure, the coordination of learning resources, and policy-making about the talent development initiatives, etc. In

a recent restructuring decision, Motorola University has been officially placed under the learning function.

Before the year 2000, the talent development programs at Motorola fell into three categories: training on corporate culture, training on basic knowledge and skills, and management development programs. At that time, the company required 40 hours of training for each employee per year. This target must be met by all business units. In contrast, Motorola has moved toward less emphasis on classroom training, and more on experience- and feedback-based learning. As specified by the Headquarters, current talent development should be 70% project-based experience and job rotations; 20% feedback, such as performance management, coaching and mentoring; and 10% classroom learning.

Leadership Development Programs

As described in the *Training Handbook* (p. 5), the China Leadership Supply System covers four major components:

- MMFP：Motorola Management Foundation Program, a program designed to develop all first-time managers and supervisors, providing tools, techniques, and networking to help all participants effectively navigate their new roles as managers.

- CAMP-E: China Accelerated Management Program – An 8-month program especially designed for middle-level managers in China, providing systematic learning of critical and China-specific knowledge and skills required to be a Business Planner, a Process Manager, and a People Developer, and to engage in Networking.

- CAMP-A: China Accelerated Management Program-An advanced 8-month program especially designed for senior managers who are potential business leaders and will contribute to the high growth of Motorola in China, providing knowledge, skills and

business strategy development and implementation tools aligned with the Global

Motorola business.

- BDI: Business Development Institute, a 3-day course designed to accelerate the

    development of directors who will lead the organization to profitability.

Within-Case Analysis

Selection of Interview Subjects

HR Professionals

In order to gain a better understanding of the overall HR and learning functions

at Motorola, except for the Country HR director and the Director for Learning, four

in-business HR managers participated in the interview, each representing one of the four

business units. The major roles that in-business HR managers play include leadership

development, change management, client interface and employee engagement. In order to

meet the business needs, the in-business HR managers are supposed to coordinate with a

designated resource person from each functional team on the core platform. Table 4-1

summarizes the background of the HR professionals who participated in the interview.

Table 4-5 *Background of HR Professionals at Motorola*

Subj. Code	Gender	HR Function	Business Unit	Yrs in HR Field
HRM-1	M	HR management		9
HRD-1	M	Learning		6
IBHR-1	F	In-business HR	GSG	5
IBHR-2	M	In-business HR	PCS	8
IBHR-3	F	In-business HR	Corp.	8
IBHR-4	M	In-business HR	GTSS	-

High Potentials

Six high potentials were identified by the company to participate in the study. They were all recent graduates of the CAMP-E program, representing different business units, job levels and genders; see Table 4-2.

Table 4-6 *Background of High Potentials at Motorola*

Subject Code	Gender	Job Level	Business Unit	Leadership Programs		
				MMFP	CAMP-E	EMBA
HIPO-1	F	Manager	GTSS		2005	
HIPO-2	M	Manager	PCS	Y	2004	
HIPO-3	M	Manager	GTSS		2005	
HIPO-4	F	Team Leader	Corp.		2004	
HIPO-5	M	Manager	PCS		2004	Y
HIPO-6	M	Manager	GTSS		2005	

Line Managers

Three line managers were selected by the company to participate in the interview. Table 4-7 shows that the three line managers came from different business units and job levels, and went through different leadership development programs. Moreover, to make a comparison between the direct boss and his or her subordinates, two of the three represent the direct bosses of the interviewed high potentials.

Table 4-7 *Background of Line Managers*

Subj. Code	Gender	Job Level	Business Unit	Direct Boss	Leadership Programs		
					MMFP	CAMP	EMBA
LM-1	M	Director	PCS	N			Y
LM-2	M	Manager	Corp.	Y		Y	
LM-3	M	Team Leader	PCS	Y	Y		

Research Question 1-How do the top businesses in China develop their leaders?

a. What are the general talent strategies for developing the current and future leaders in the companies?

Management localization was regarded as one of the four strategic imperatives for Motorola China over the last ten years. According to its Country HR Director, today, 90% of the managerial positions have been localized. When asked about Motorola's general talent strategy for the next ten years, he said,

> *We specify our general talent strategy for the next ten years as strongly emphasizing on multinational, multi-background, multi-skilled leadership, as well as gender diversity. Our goal is to build a global leadership team with diversified gender, culture, and leadership styles,* because such a team will provide wider experiences, frontline technology and the unique female taste that strongly support our company strategic imperatives.

In order to attract potential talents into the company, Motorola China heavily relies on its well-established employee branding, training, career development and corporate culture. It has been one of the Top 50 Best Employers in China from 2003-2005 (www.ChinaHR.com). Although not specified in any written form, Motorola prefers to groom its own leaders and promote from within. In order to retain its best talents in the competitive environment in China, Motorola emphasizes on strong leadership development programs, handsome rewards and emotional attachment. In addition, the company also finds that direct dealing is an effective approach in participating in the talent war among competitors. Direct dealing means that HR people sit down with employees, listen to their concerns, and make counter-offers, attempting to convince employees to stay with the company.

In terms of talent development, Motorola China distinguishes itself in 6sigma training and leadership development programs. The company provides training programs on corporate culture, 6sigma, and job-related knowledge and skills, using such diversified approaches as classroom training, on-line programs, coaching, counseling and dialogue. Originally, the company required that each employee have 40 hours of training each year.

About two years ago, the Headquarters shifted to a greater emphasis on experience-based

training, and less on classroom training. As specified by the Headquarters,

experience-based training should account for 70% of all training interventions, including

project-based experience and job rotation, feedback accounts for 20%, including

performance management, coaching and mentoring, and classroom learning 10%.

b. What roles should HR play in the companies?

      Table 4.5 indicates that the HR professionals in Motorola China see themselves

as a partner with business managers, providing support for people development issues. Its

Country HR Director provided his opinion about the roles that HR should play.

HRM-1 *HR should assume the roles similar like that of the father and mother in a*
family, which basically means that, on one hand, HR should be task-oriented, and on
the other hand, HR should also pay close attention to the moral among the employees.
To make it short, HR should be more than a partner. I strongly believe, real good HR
professionals should be visible to their internal clients, both emotionally and physically.
HR should be the first one that line managers think of when they have troubles in daily
operation.

c. What are the common ways the companies use to develop their current and future
    leaders? Which ways are more effective?

Leadership Competency Model

      The current Motorola leadership competency model consists of five areas:

envision, energetic, execution, edge and ethics.

Identifying Future Leaders

      At Motorola China, the future leaders are identified through a succession planning

process. First, the core competencies for critical positions in each business units are

identified based on business requirements; then three candidate successors are selected

and assessed to identify their specific competency gaps. Next, a dialogue is arranged to

understand the personal developmental goals of each candidate and an individual

development plan is worked out that describes specifically how they will be developed, including classroom training, experience-based learning and coaching, etc. The company has the high potentials among the candidate successors go through a 360-degree assessment to further evaluate their potential for promotion.

Developing Leaders

Since the year 2000, the company has emphasized experience- and feedback-based training, and placed less emphasis on classroom learning. As a result of this policy change, on-the-job training is heavily used nowadays. People are encouraged to learn on the job. High potentials are offered developmental assignments and opportunities for job rotations within the business units. In addition to leadership development programs such as MMFP and CAMP, other leadership development interventions take the form of MBA and EMBA programs, which are arranged through Motorola University. Information sharing among colleagues is regarded as another way for people to learn in the company. Representative quotes are provided below:

IBHR-1: In our business unit, we emphasize more on growing leaders from inside. We usually develop the high potential employees identified in the succession plan by sending them to the CAMP programs and giving them meaningful assignment. ***We believe leadership by practice is the best way to develop our leaders… In my own career development, job rotations help me most in building my job-related competencies.***

IBHR-3: We basically have three ways to develop our leaders. ***First approach is on the job training, job rotation and challenging assignments. Personally I believe this is definitely the most effective way.*** Second, we send high potentials to leadership development programs, including MBA and EMBA programs. Other than that, internal information sharing is also regarded as another way for people to learn.

The interview indicates that on-the-job coaching, whenever present, is regarded as the most effective way to develop line managers and high potentials as leaders. The direct boss has been identified as playing a critical role in on-the-job coaching. Two line

managers and three high potentials strongly emphasized the influence of their direct boss

on their development. It seems that the bosses' willingness to coach and the stability of

the direct boss are two critical factors influencing the effectiveness of on-the-job

coaching. If the direct boss is motivated or trained to coach his or her subordinates, and if

his or her time in their position is reasonably long enough, on-the-job coaching can be

more effective, no matter whether the coaching system is official or not. The

representative quotes are as follows:

LM-2: *My first boss played a vital role in my career development.* He sent me to participate in training programs, and *he taught me many things hand by hand. His total trust and full delegation made me feel free in doing my job. He encouraged me to try it out, although sometimes he knew I would have trouble. When I have problem, he was always there to offer help. His way really impressed me, and I am convinced this is the most effective way to develop people.*

HIPO-4: *With regard to people development, I believe first of all, the boss gives strong back end support, and a good platform for me to play on. In addition, I have the same boss for about 9 years and I think his coach is very effective. Once I nominated him for the Best Coach Award in the company.* As far as I know my colleagues are all developed this way.

HIPO-2 *We seldom see coaching after the year 2000, we can only tell whether we are doing right from whether the boss is happy or not.* I noticed that, the line managers from Singapore and USA have more clear awareness in coaching, since they used to offer specific guidance for their subordinates. *Until now I still use the way my first boss had taught me to coach my team and find it very effective. Unfortunately few people care to do coaching nowadays.*

HIPO-5: *After being promoted to managerial positions, I learned most by accumulating experience on the job. My boss keeps changing, and we have no idea what to do.* I am not very clear about my career path in the company.

The HR professionals tend to regard job rotations and challenging assignments as

more effective in leadership development, and they agreed that it is the direct boss who

makes a big difference in developing people. In view of the conflict between short-term

business goals and long-term people development, they call on the business managers to

take a more long-term perspective. However, as a matter of fact, many business managers

tend to see talent development in a more practical way, which means that they will not

consider developing their subordinates until they seriously want to put their subordinate

into a certain position.

IBHR-2 I don't think we do well enough in follow-up issues of leadership development programs. ***It depends on whether the direct boss is willing to invest his or her time in developing the subordinates. Different bosses vary much in how frequently they give coach and feedback to their subordinates.***

HIPO-1
In our business unit, we are encouraged to learn on the job. The coaching system is unofficial. We learn by observing how the boss does his work and asking him questions. ***Only until the time when the boss seriously considers putting you in charge of something, will he start to consider developing you.*** Even when I lead my team, I used to pay more attention to the task, less on developing people.

d.   How are the leadership development programs designed and developed?

Program Design

The Motorola Management Foundation Program (MMFP), the CAMP-Essential

(CAMP-E), CAMP-Advanced (CAMP-A) and Business Development Institute (BDI) are

the four major leadership development programs available at Motorola China. As

originally designed, each of the above four programs include classroom learning, job

rotation, bench- marking, self-study, coaching and mentoring, and action-learning.

Among the four programs, CAMP is regarded as a flagship leadership

development program in the company. It is a localized leadership development program,

targeted at the middle-level managers in Motorola China. The current CAMP-E and

CAMP-A are a modified version of the old CAMP program. The old version of CAMP

consists of five modules. Modules 1 and 3 focus on classroom learning. Module 2

emphasizes self-study and review; the participants are required to present how they relate

what they have learned from the program back to the workplace by the end of this module. Module 4 is overseas rotational assignments. In Module 5 the participants are assigned to teach what they have learned to other colleagues in the company. Although these are designed for middle-level managers, the CAMP-E and CAMP-A programs are targeted at different job levels. CAMP-E is targeted at the more elementary level, and CAMP-A is targeted at the advanced level.

According to *the Training Handbook for CAMP-E* (version 2.5, July 2004), the CAMP-E program is designed to "focus on China-specific management development in accordance with the Motorola global leadership model". It is composed of three modules. Module 1 is a 5-day middle-level management program, including 3 classroom courses, 1 site visit, and 2 on-line courses, highlighting the achievement of results through people and the building of high-performing teams. Module 2, called People Developer, includes 2 classroom courses, 1 outdoor experiential learning, and 2 on-line courses. Module 3, called Reflection and Application, includes 3 classroom courses, individual planning and a teaching project. In addition, each module is complemented by a series of leadership specials that discuss how emerging issues affect Motorola strategic development in Asia and in China.

Judging from *The Training Handbook for CAMP-E*, the program is clearly well-designed and structured. However, the feedback from the interview subjects reflects a big gap between program design and execution. They complained strongly that, in fact, the CAMP program has been reduced to no more than a series of classroom training courses. Representative quotes may be found below:

HRD-1 *In practice, current CAMP programs have been reduced to a bunch of classroom training courses.* Many people don't do the readings as required at all. *The program needs to be redesigned, more selective on participants and course offerings.*

LM-3 *My boss once asked me to participate in the CAMP program, but I refused, because the current CAMP program has been heavily reduced, it is not CAMP Essential, but CAMP Economy. I don't think it will be of any help to my job.* EMBA program is more preferred, yet the budget has been tightened up.

In view of the current condition, the HR professionals, line managers and high potentials all call for a redesign of the current CAMP program. First, they recommend that the current CAMP program be complemented with mentoring, coaching and job rotations. Second, they suggest combining CAMP-E and CAMP-A, so that middle managers at different levels may have a better chance to learn from each other. Third, they indicate that the course offerings should be updated regularly to meet business challenges and adapted to accommodate individual developmental needs of the course participants. However, the Director for Learning at Motorola pointed out that the company is short of well-trained professionals in program design and development.

IBHR-1: I don't think we are innovative enough in training, especially in terms of course design. *The course offerings should be updated regularly to meet the requirement of business development… CAMP is a pre-designed program, but in fact, different people have varied developmental needs, we can't simply offer the same solution to everybody.*

IBHR-3 *The current leadership development programs are more or less limited to classroom learning, without supporting building blocks such as mentoring, coaching and structured job rotations.*

LM-1 *I strongly recommend the mentoring and coaching system be institutionalized, especially for managerial positions in the company.* It will be better, if we could assign mentor from a different business unit.

LM-2 The current CAMP-E and CAMP-A program targeted at different levels of middle managers. *I don't think it is necessary to have such a strict distinction between job levels. I believe it is more beneficial for people at different job levels to learn from each other.*

Almost all of the high potentials who participated in the interview agreed that they have learned most from the in-class discussions and experience-sharing part in the program. Favorite courses include the *Paper Airplane Simulation* and *Finance*. It should be noted that people have quite different opinions about the *Six Thinking Hats* and *Change Management*, probably because they have different problems in daily operations. The on-line course received the lowest comments from these CAMP-E graduates. They described it as boring and ineffective.

HIPO-1 ***The HR Practice takes the form of on-line course. We are supposed to learn on our own. I don't think this course serves its purpose well, because we had many questions while we do the reading, but nobody is available to answer our questions.***

HIPO-2 ***The on-line courses are not practical because, first it is difficult for us to do the readings on line during work hours, second we are not used to learn in front of the computers, and third, the course content is kind of boring.***

HIPO-5 ***I don't think the on-line courses are effective, many of us don't do the reading as required.*** I would recommend take more animated and interactive approach in on-line course, so that people are made more interested in reading the materials.

Needs Assessment

CAMP-E is a competency-based training. In accordance with the Motorola global leadership model, CAMP-E was developed based on the four major roles that middle managers are supposed to play in the company. According to *The Training Handbook for CAMP-E*:

> ***The goal of the CAMP-E training intervention is to develop local talents in the middle management pool of China in the key leadership competencies compatible with those of future Motorola leaders worldwide...*** Based on the needs assessment, the program targets key knowledge and skills required for mid-level managers in four major roles: the business planner, the process manager, the people developer, and the glue (networking).
> With regard to needs assessment, the issues that surfaced in the interviews

included the fact that the training needs assessment has not been updated regularly

enough and that line managers are left outside the program design and development

process. One line manager complained that, "HR only thinks in terms of what they can

offer, not what we actually need in everyday operation."

IBHR-1 As a matter of fact, the current learning function focuses more on the program administration side. We should be more innovative in the course offerings. *I strongly recommend that a training R&D team be established in training function and the training needs assessment be updated every two years.*

LM-3: *The current program design and development phase leaves the line managers outside the loop. HR only thinks in terms of what they can offer, not what we actually need in everyday operations.*

Participants Selection

In selecting participants for the CAMP-E program, the line managers first

nominate candidates. Then the candidates go through a panel review process before a

final decision is made.

IBHR-1 *The line managers have the right to nominate and make decisions in who should go to CAMP-E. What we do is no more than a brief review on the qualifications of the candidates.*

LM-2 *In general, I will nominate candidates, and there is panel review before the final decision is made.*

e. What are the major problems and challenges the companies face in leadership development?

The development and implementation of a succession plan has been identified by

HR professionals as a major challenge that calls for close attention. The HR professionals

pointed out that a succession plan does not serve its purpose well for a number of reasons.

First, the market environment is changing too fast, making it difficult to implement a

pre-designed succession plan, especially for those business units that face a highly

volatile business market. Second, a succession plan is not properly followed up, and its

effect varies a lot from business to business. Third, the employees identified in the

succession plan have high expectations, but in fact, no more than a fraction will actually

be promoted later on, which frustrates and depresses them. Moreover, in the small

business units, only a couple of critical positions are covered by the succession plan,

which is far from enough.

HRM-1 *I see two major issues, both related to succession plan. We used to communicate directly with the employees identified in our succession plan, and we are challenged with the problem of how to manage their expectations. Second, we are supposed to develop our high potential employees on the competencies that meet the requirement of market demands, but how we should react, in case the business market is subject to too much change.* As a matter of fact, the change in business market leads to change in the required competencies, which in turn resulted in change in succession plan.

IBHR-1 *Succession plan is not properly followed up. Its effect varied from business to business, solely depending on the line managers.* We don't have a clear matrix to track how well it is implemented at different business units.

IBHR-2 *Whether people are developed as per succession plan more or less depends on the driving force of his or her direct boss.* Some are willing to give feedback and coach, some aren't.

IBHR-3 Succession plan is available only on the country level. *Because our business unit is too small, we have only 1-2 critical positions covered in the succession plan. This is far from enough.*

IBHR-4: *The succession plan is not effective because, first no more than a fraction of those who have been identified as successors will actually be promoted later on. This is frustrating. Second, the market environment changes too fast, making it difficult for us to follow the pre-designed succession plan, especially for the business units that are challenged with a highly volatile market.*

HIPO-1 It is required that business managers should identify a talent backup pool, and the ones who have been identified should receive relevant training. *But it depends on the individual business mangers on how well this is implemented. Different bosses take a different view in this regard.*

The business develops very quickly, but people development cannot keep up at

the same pace as business development, resulting in a sharp talent shortage. More often

than not, the short-term business goals are in conflict with long-term people development

objectives, and the business managers tend to be more performance-oriented, paying little attention to people development issues.

IBHR-1: ***The business develops very rapidly, and we can't keep up with the same pace in people development. For example, we are badly in need of qualified operation managers, but we can't find any from inside. We tried to search potential candidates from outside, but so far we have not successfully recruited anyone.*** It is difficult to find the right talents we need from the market.

IBHR-3: Our business unit is so small that we can't offer enough job rotation opportunities to our staff… It takes time to develop people. ***More often than not, the short term business goals are in conflict with long term people development objectives. The business managers should have a long term perspective in making their decisions.***

HR professionals also commented that because the business units are separated like silos, the talent flow across different business units in the company is very limited. Although job rotation is widely regarded as an effective way to develop leaders, they find it difficult to identify such opportunities within each individual business unit, especially when the business unit is small.

IBHR-2 ***Talents should be encouraged to flow among different business units, providing people with better opportunities for job rotations.***

In contrast, the line managers listed a very different set of issues as major challenges in leadership development. They pointed out that in recent years the company frequently changes its organization structure and top management team; as a result, people hesitate to take action. Second, as the company becomes more performance-driven, the training budget is cut significantly. Third, because the company fails to offer career advancement opportunities for those who go through the leadership development programs, many have left the company, resulting in a big talent loss. Representative quotes follow:

LM-1: ***Motorola China frequently changes its organization structure. We undergo a restructure almost once every 2-3 years. It takes time for people to get adjusted to new structure and new boss.*** I can feel sometime people are inactive just because they anticipate changes probably will happen soon… ***I don't think our leadership development interventions are as good as before. Probably because the company cares more and more about financial results, the training budget has been tightened up.*** In the past the company explicitly requires each employee participant in training, but now our request for training may be turned down, even if it is necessary for the job.

LM-2: Some employees have a wrong conception of the CAMP program. ***They expect to be promoted to a certain job level, once they have gone through it. We have to find a way to manage people's expectation.*** Furthermore, I have had trouble in promoting some subordinates simply because, the job level for the same position in China is lower than that in Singapore. I believe we should have a global job structure, since the glass ceiling might result in talented people leaving the company, which is a big pity.

LM-3 ***Motorola keeps changing in the last 10 years. We have changed three CEOs in recent years. The company is clearly more performance-driven. The classroom trainings have been cut off,*** and training programs on corporate culture and basic skills are all gone away. What left are just on-line programs, which are not effective at all. ***More importantly, the employees, who have gone through the leadership development programs, especially those EMBA and CAMP graduates,*** see their market value enhanced significantly. Because the company fails to offer them better opportunities to advance in their career, many of them ***choose to leave the company. Today the fact is, on one hand, the company has lost its heavily-invested talents, on the other hand, those who come in to replace have no chance to get trained and developed.***

Research Question 2 - What key factors contribute to enhancing the effectiveness of leadership development interventions in China?

2.1 How do the companies usually evaluate the effectiveness of leadership development practices?

The company used to place greater emphasis on the number of training hours, and less on the effectiveness of training. People tend to regard training as a retention tool, not based on business needs. However, in recent years the company has shifted to encourage more experience-based learning and less classroom learning. This approach is clearly more results-oriented. According to the Country HR Director, each leadership

development program has a built-in action learning component. After engaging in the

training program, each participant is evaluated on his or her task-oriented and behavioral

performance, as well as potential for promotion by HR, the direct boss and the boss one

level above. The in-business HR managers reported that there is no well-structured way

to systematically track the effectiveness of training.

IBHR-1 *We don't have a well-structured way to systematically track the effectiveness of training in our company, and so far what we do is limited to first level evaluation on Kirkpatrick's 4-level training evaluation model.*

IBHR-4 *Perhaps the black-belt and green belt programs are the only training programs that are evaluated at the fourth level of Kirkpatrick' training evaluation model. We don't do well enough in this regard probably because of the huge headcount reduction in recent years.*

Suggested Measures for the Effectiveness of Leadership Development Practices

When asked about the appropriate matrices for measuring the effectiveness of

leadership development practices, three of the four in-business HR managers commented

on the difficulty of finding such matrices because training serves multiple purposes, most

of which are too soft to be measured quantitatively. However, they indicated that some

tentative measures could be used to assess the effectiveness of leadership development

practices. See Table 4.8 below.

IBHR-2 *Personally I think it is rather difficult to evaluate the effectiveness of training,* because training serves multiple purposes at the same time, such as career advancement, meeting the business needs, and talent retention, etc.

IBHR-3 *I don't think it is practical to track the effectiveness of training, because too many soft issues involved in this regard. In case we do need clear matrices, then they must be business-driven and quantifiable.*

According to the Country HR Director, he evaluated the contribution of the

leadership development function by whether the right people are available for the right

positions at the right time. He argued that the company wants leaders who have a good confidence level and who can deliver business results. He continued that, "although many people who went through leadership development programs have left the company, I don't think it as an indicator for failure in talent development. We should continue to track their career advancement."

The line managers indicated that they don't really expect any immediate impact of training on work performance. They understand the effect of training is usually not immediately evident. The fact that many people who left Motorola have won senior leadership positions with competitors is in itself strong evidence of the success of the leadership development practices at Motorola.

LM-2 *Personally I don't expect training to immediately improve their work efficiency, say 10-20%, and don't think this is the right way to evaluate the effectiveness of training.* I simply want them to take this chance to better understand how the other departments work and how other colleagues think differently from us, so that they would have a wider horizon and become more willing to listen to other people. *It is hard for me to think of any specific measures to assess the effectiveness of training programs.* I have full trust on the ones who are sent for CAMP programs, and I am sure they would take this opportunity to improve themselves.

LM-3 *Although the effect of training is usually not immediately evident, we can tell that we have done a very good job in talent development because, the Directors for Customer Service at Nokia, Samsung, Al-Cartel, and Philips all come from Motorola. This is the best evidence we can find.*

HIPO-1 I believe HR has done a lot in leadership development. *Unfortunately, many of the CAMP classmates have left the company after they completed the program. I think this is a great pity for the company.*

Transfer of Learning into the Workplace

In general, the CAMP-E graduates who participated in this study found the program helpful, although in many cases its impact on business performance was not immediately visible. Almost all reported that they learned a lot from the in-class discussion and experience-sharing part of the program. They gave specific examples about how the CAMP-E program has helped them in their work.

HIPO-1 *Before taking the program, I tend to be more task-oriented, less people-oriented. This program made me realized that, it is important to keep the team members motivated, and bonus is not the only way to serve this purpose, sometimes a couple words of compliment will do.*

HIPO-2 *Before taking CAMP-E, I take individual success as my goal, not willing to share with other people. After the program, my goal has changed to team success. I realized that, I don't have to be the best myself, but I should make my team the best.*

HIPO-3 *I didn't feel I learned much after the program has completed. However, later on I realized that I gradually take on what I learned from the program in my work. CAMP-E offered a chance for us to exchange our views and communicate. I find experience-sharing is very helpful.* I learn most from the outdoor experiential training course. I believe adults learn more by experiences. This course challenged me to push beyond my limits and has changed me a lot.

HIPO-4 *I shall say this program is helpful, but its effect is not direct. I learned most from discussion in class, and experience-sharing among my classmates. Before the training, I was very picky and negative, after the training program, I become more willing to share with other people, and the result is much better than before.*

HIPO-6 *After taking this program, I become aware of the importance of communication. I am willing to spend more time in communicating with other people, which helps a lot in improving the working relationships among colleagues.*

LM-2 *I value the experience sharing part of the CAMP program most, it helps me build connections with managers from different business units, improve my working relationships with them,* and better understand their different ways of thinking.

One line manager provided his observations on how his subordinates have changed as a result of the CAMP-E program: "Before going through the CAMP-E program, they are very aggressive and talkative, and after the program, they are more willing to listen to other people. This change is so evident that helps improve our relationship with the internal clients significantly. As a result, our work efficiency has been improved."

2.2 What key factors enhance or hinder the effectiveness of the leadership development practices in China?

<u>Corporate Culture</u>

The interviews suggested that the corporate culture at Motorola China has changed to be more performance-driven. In spite of the change, most informants believe that constant respect for people remains unchanged as a guiding principle in the company. It should be noted that those who don't agree with this statement all come from the same business unit. In comparison with other people, the informants from this business unit complained strongly that the company has emphasized performance over respect for people since 2000. For details, see Table 4.9.

Table 4.9
Corporate Culture at Motorola

	Corporate Culture		
	Respect to People	Performance-Driven	Centralized
Data Sources			
HR Professionals	Constant respect to people is guiding principle		
Line Managers	• Respect to People never changed (2)	Performance-driven (2)	Centralized (1)
	• Not anymore after 2000 (1)		
High Potetials	• Respect to People (3)	Performance-driven (2)	
	• Not anymore (2)		
Cross-Source Agreement*	Moderately high	Moderately high	

Notes: Moderately high = at least two sources in agreement. Where no agreement is indicated, data were from single individual who was a line manager at the director level.

Representative quotes include the following:

LM-1: *I can see the company is changing*, though very slowly. I have been working here for 4 years, and we have had 4 CEOs. Apparently if the CEO fails to implement the global strategy, he will be removed because, *Motorola is very centralized, and Motorola China is no more than one of its regional companies*. *In spite of the changes, two basic principles never changed. One is constant respect to people, the other is integrity*.

Motorola way is characterized in clear instruction, full execution, and performance-driven.

LM-2: *Constant respect to people is highly emphasized in the company. From my first boss to the present one, all show high respect to people.* My boss told me, 'The fact that I am the boss does not mean I am always right. As you are on the frontline, you know more about the frontline business than I do.'

LM-3: *I shall say that our corporate culture is changing. Before 2000, respect to people is a guiding principle, and performance is seldom mentioned. After 2000, the company talks more about performance, much less about the corporate culture.* As a result, I have lost my passion and pride, and nowadays working at Motorola is no more than a job for me to make a living. If we take corporate culture and performance as two extremes, then the company talked only about corporate culture, never about performance, now it is just in the opposite.

HIPO-2: *In early years, the company emphasized on respect to the employees, but not anymore.* Originally we have IDE, Individual Dignity Entitlement, but in 2000, it changes to personal commitment, which basically means to me "can you complete this task?". Now we have performance management, which means "I am your boss here to manage your performance". *The overall tone has become more and more performance-driven.*

HIPO-5: *In the past, the company emphasized on respect to people and business ethics, now they care more about performance.*

Strategic Imperatives

The interview suggested that the strategic imperatives at Motorola are clearly-defined, well-communicated and tightly linked to leadership development programs as well as performance matrices. As per the program design, each module of CAMP-E is complemented by a series of leadership specials that discuss emerging issues affecting Motorola strategic development in Asia and in China (*Training Handbook for CAMP-E*, 2004).

HRM-1: *We see management localization and diversity as the two major talent strategies for Motorola China, which is tightly linked to the corporate strategic imperatives and the leadership competency model.*

HIPO-1 As far as corporate strategy is concerned, I know the company always emphasizes on quality and customer satisfaction. *The company sticks so firmly to the*

two basic principles that everybody in the company is very clear about them and our annual bonus are all linked to the two basic principles.

<u>Link to Workplace</u>

The HR professionals, line managers and high potentials all agreed that the current leadership development programs are too general and not relevant to workplace. Representative quotes follow.

IBHR-1 ***The current leadership development programs are too general, not specific enough. The program content is poorly aligned to daily operation****.* We want more tailored programs. Different people have varied needs in training. We can't offer everybody with the same solution.

LM-3: The current program design and development phase leaves the line managers outside the loop. ***HR only thinks in terms of what they can offer, not what we actually need in everyday operations.***

HIPO-3: ***The training programs offered by HR are too general and impractical.***

<u>Performance Driver</u>

The current performance management system tends to emphasize individual performance over team performance. Furthermore, the managers are not evaluated according to their contribution to people development. People have become more performance-driven, and are not motivated to improve themselves through training interventions.

LM-3 ***Most people are performance-driven, and they are not motivated to improve themselves through training programs.*** The learning atmosphere is very important in the company.

HIPO-2***We are evaluated on the individual performance, not on the team performance. No wonder are people not willing to coach other people.***

HIPO-3 ***We don't have specific matrices to measure the business managers' contribution in talent development in our performance management system.***

Top Management Support

All HR professionals agreed that top management has demonstrated strong support for leadership development. The CEO is the major sponsor of the leadership development interventions and is personally involved in leadership development initiatives.

HRM-1 *The top management offers strong support in leadership development program. The CEO always present in the opening ceremony of the CAMP program. He is the major sponsor of the program himself.* I spend around 30% of my time working on the talent development related issues. We discuss about talent related issues in the first quarter of each year, talking about the job structure and specific succession plan for all critical positions in China.

HR Alignment

In the opinions of line managers and high potentials, the HR function at Motorola has been weakened significantly. As the flagship leadership development program at Motorola, CAMP once was a passage program and a prerequisite for being promoted to senior managerial positions. But this is not the case anymore. Some CAMP-E graduates said that they are not clear about their career advancement path in the company. As a result, many people choose to leave the company after completing the program.

HIPO-5 *Our HR was very powerful in the past, but it has been weakened significantly. In early years, HR would take the initiative to help us locate resources and solve people-related problems, but not anymore.*

HRD-1 Once CAMP is the flagship leadership development program at Motorola China. *It is regarded as a passage program, a prerequisite for promotion, but this is not true anymore.*

LM-3: The employees, who have gone through the leadership development programs, especially those EMBA and CAMP graduates, see their market value enhanced significantly. Since the company fails to offer them better opportunities to advance in their career, many of them choose to leave the company. ***Today the fact is, on one hand, the company has lost its heavily-invested talents, on the other hand, those who come in to replace have no chance to get trained and developed. I strongly recommend the company work out a comprehensive plan to solve this problem.***

<u>Top Management Support</u>

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<u>Communication</u>

The in-business HR managers pointed out that the four business units are much like silos, and they have little chance to communicate across business units. It seems that the communication between the corporate HR platform and in-business HR managers is in question, too, because the in-business HR managers suggested that they should be kept informed of the goals, objectives and specific requirements of each training program. Moreover, none of the high potentials participated in the interview reported that their boss has communicated with them either before or after the CAMP-E program. Apparently the course participants are not informed of the purpose of the CAMP-E program and what they are expected to do after the program.

IBHR-1 ***Our business units are like silos, we seldom communicate, let alone to learn from each other. I would recommend experience-sharing be encouraged across different business units, especially with regard to the success and lessons learned in talent development.*** I have not participated CAMP myself, and not familiar with its goals, objectives, and specific requirements, making it difficult for me to coach the program participants after they graduate. ***I would recommend the function in charge keep the internal HR managers informed of each training program.***

LM-2 My subordinates, not Motorola University, sent me the Training Handbook, because some of the items need me to fill out. ***MU did not discuss with me about the program objectives or program contents. The Training Handbook is helpful, but frankly speaking, I have no time to read it….Some employees have wrong conception of CAMP, they assume that they will be promoted after they have gone through CAMP.*** Some believe that, if the boss send them only to CAMP-E, not to CAMP-A, it indicates that the boss has lower recognition on their performance. ***This has caused many problems.***

HIPO-1 When my boss asked me to participate in the CAMP program, I have no idea what it is all about. I visited the website of Motorola University myself to get the relevant information. ***My boss did not tell me what CAMP-E is and his expectation on me. I don't know which job levels are eligible to take this program, just some remote guess about it. After the program, the boss simply asked, "do you think it is helpful?", and never mentioned it again.*** Perhaps I should have taken this chance to talk with the boss, but we are very cautious in such conversations because, the management related topics are fairly sensitive.

HIPO-3 ***When my boss asked me to go to CAMP-E, I know nothing about it, except this is a management development program. I think the effect of training can be enhanced significantly if the direct boss could communicate with the program participants before the training to clarify the objectives and expectations.***

One more point that deserves close attention is that the line managers don't see

why the classroom training is not as highly emphasized as before. They simply attributed

it to the fact that the company is more performance-driven. This indicates that they

probably are not well-informed on this issue.

LM-3 ***Apparently the company is cutting back the classroom training. Nowadays, the training on corporate culture is no longer available, partly because the company is more performance-driven.*** The basis training part also disappeared, the only thing left is on-line learning programs, and the result has unfortunately turned out to be bad.

<u>Follow up Issues</u>

Follow-up has been identified as one of the most critical issues by HR professionals, line managers and high potentials. The evidence shows that no follow-up system is in place to guide the program participants on how to apply what they have learned from the program into the workplace. This depends strongly on how much the line managers are willing to invest in people development issues. The informants suggested that the effectiveness of training would be enhanced by institutionalizing a post-learning coaching system in order to closely observe program participants' application of what they've learned into the workplace. The effect of training should be tracked several months after the program. In addition, experience-sharing after the program is also highly recommended by the CAMP-E graduates.

IBHR-1 ***We need a good tracking system to follow up on the effect of training and a coaching system should be established to help participants apply what they have learned into workplace.*** HR is too busy to take the coaching role.

IBHR-2: ***We have done a good job in design and development, but the problem is with the follow up issues. It depends on how much time the line managers are willing to invest in people development issues. The driving force of the bosses in each business unit makes a big difference. I would suggest a follow-up system should be installed to track the effect of training.***

HIPO-1 In order to improve the effect of training, ***I would strongly suggest we establish official coaching system, to guide us in how to apply what we have learned into workplace. After all we can't learn every practical thing in the training program.***

HIPO-2 ***MU used to invite us to post-training follow up programs, in which we are encouraged to share how we have applied what we learned into workplace. It is very effective. We hope we have more activities like this.*** I would recommend we arrange an experience sharing session every half year after the program, so that we can have an opportunity to learn from each other on how to apply what we learned in the program.

HIPO-3 ***I believe the post-training coaching is very important. Sometimes, we find it difficult to apply what we have learned, it would be better if we have a coach to guide us in this regard.***

HIPO-4 *I would suggest we build in a post-learning coaching component. By doing so, the participants could be closely observed, and timely feedback can be offered. This will enhance the effectiveness of training.*

LM-3 I think we should follow GE's way in managing training programs. In GE, program participants are not allowed to take phone calls or check emails during class. They are supposed to complete a number of projects after the class, and take an exam at the end. *Moreover, the effect of training is tracked several months after the training to see whether they have applied what they learned from the program. Only by doing so, can we enhance the effectiveness of training.*

Execution

Execution has surfaced as another critical issue in talent development. Although

the *Training Handbook* for the CAMP-E clearly specifies what should be done before,

during and after the program, many people don't follow the requirements.

IBHR-3 *We have a Training Handbook for the CAMP-E program, specifying what should be done before, during and after the program, but many people don't follow as per the requirements. Execution is a big problem.*

LM-3 *The Training Handbook specifies clearly what should be done before, during and after the program, but nobody follows.* Many people put their laptops on the desk to check emails during class. How could the effect of training be guaranteed if people are not concentrated at all?

The informants suggested that both the boss and the employees should take

initiative in people development. They argued that the responsibility for people

development should be shouldered by business managers, not HR.

IBHR-1 The talent review process is no more than paperwork in many business units. *I think it is necessary to help the business manager refresh their roles in talent development.*

IBHR-2 *We need to improve in execution, both the boss and the employees should take initiative in development issues.*

IBHR-3 *I think, leadership development should be owned by business manager.*

LM-2 *I don't think it is the responsibility of HR to develop people, because each business manager is supposed to take this role. It is rather difficult for HR to*

understand the developmental needs in every business unit, let alone the performance at individual level. It is simply impossible for HR to cover so many business units.

<u>Organization Structure Stability and Management Team Continuity</u>

Organization structure stability and management team continuity are identified

by the informants as two important factors influencing talent development issues. When

the organization structure and the management team change too frequently, people

become frustrated and depressed, making it difficult to develop people from within.

HRM-1 *The frequent change in the top management has certain impact on leadership development,* especially in personal judgment, *yet not as much as the impact of market change.*

HIPO-2 *The management team in our business unit has changed frequently in recent years.* People are waiting for what will happen next, and *this is detrimental to the performance.*

HIPO-5 *The company often undergoes restructure, and the top management team keeps changing. We have no idea what to do, and feel really frustrated.* The company wants the business manager to assume the responsibility of people development, but we spend all of our time to work on the business-related issues, having no time to attend to people development issues at all.

LM-1 *The company frequently changes its organization structure, almost a restructure every 2-3 years.* It's kind of fuzzy. It takes time for people get adjusted to the new structure and the new boss. More often than not, people are hesitated to proceed because they expect a restructure coming soon. *This made it difficult to develop people from inside.*

Cross-Case Analysis

Company Profile Comparisons

The company profiles for the four cases are compared in Table NUMBER below.

Table 4-9 Comparison of Company Profiles in the Four Cases

	ABB High Voltage Switchgear, Beijing	BENQ (IT), Suzhou	LENOVO	MOTOROLA (China) Electronics
Company Profiles				
Place of Origin	Sweden/Switzland	China - Taiwan	China - Mainland	United States
Category	Sino-Foreign Joint Venture, 40% Chinese	Taiwan Investment	Traditional Chinese Company	Wholely-Owned Foreign Investment
Formation	1996	1993	1984	1992
Industry	Power & Automation	Information Industry	Information Industry	Information Industry
Scope	Mostly Manufacturing	R&D, Manufacturing & Sales	R&D, Manufacturing & Sales	R&D, Manufacturing & Sales
Product Line	High and medium voltage switchgears	Components, Personal Computer, Communication & Consumer Electronics	Personal Computer	Communication
Product Market	Local in China	Local and International	Local and International	Local and International
Employees Size	410	10,000	10,000	10,000
Company Development Phase	Fast growing, more than 30% in average since 1996, and expect high growth rate till 2008	Fast growing, expect 60-70% growth in the next 3-5 years.	Has passed its high growth, enter mature phase	Mature, slowly resurge
HR Structure	5 full-time employees	about 40 full-time employees	about 60 full-time employees	about 40 full-time employees
Corporate Culture	not clear anymore, decentralized, result-oriented, quick response, tolent, low profile	Performance-based, Integrity, be practical in things we do, Pursue of Excellence, Social Responsibility	centralized, performance-based. Customer service, Accuracy and truth-seeking, Trustworthiness and Integrity, Innovative and Entrepreneurial Spirits	The corporate culture is changing, more performance-based. Very centralized, constant respect to people, integrity;

The table reveals that, with the exception of ABB, BenQ, Lenovo and Motorola share many things in common. First, all are in the IT industry. Second, they are comparable in scope, product market, and number of employees. Third, all are described as performance-based. In addition, ABB and BenQ are still in the fast-growth phase, while Lenovo and Motorola are comparatively mature.

Answers to Research Question 1-How do the top businesses in China develop their

leaders?

1.1 What are the general talent strategies for developing the current and future leaders in the companies?

Table 4-10 General talent strategies among the four companies

	ABB High Voltage Switchgear, Beijing	BENQ (IT), Suzhou	LENOVO	MOTOROLA (China) Electronics
General Talent Strategy				
Basic Philosophy	• Developing local talents, especially managerial and technical talents	Recruit intelligent and hard working college graduates from top universities in China, and develop them on the job as fast as possible.	Identify the best ones from house racing competition.	Management localization and diversity
Recruiment	• Recruitment under tight control	Believes talent development really starts from recruitment & selection	60% new employees should be fresh graduates from top universities.	Headcount under control.
	• Seldom recruit fresh graduates in the past. Due to the difficulty of finding talents, start campus recruiting recently.	Recruit about 100-200 fresh college graduates each year.		
Development	• Prefer to grow leaders from inside, develop on the job.	Prefer to develop its own talents by learning on the job and peer competition	Prefer to grow leader on its own, and develop on the job.	Prefer to groom its own leaders, heavily emphasizing on experience-based learning.
Promotion	• Promote from inside	Only A+ players will be promoted to the next level up.	Nobody will be promoted unless truly outperforms the peers. No preference as to promote from inside or recruit from outside, all depend on job requirements.	Promote from inside
Performance Evaluation	• Once every year	Once every half year	Once every quarter	Once every quarter
Retention	• Very stable, voluntary turnover rate 3-4%; critical turnover <<3%	Total turnover 35%, including 15% unvoluntary turnover. Critical turnover rate: 1% for A+ players and 2% for A players	The more higher in rank, the more stable.	Rely on leadership development, handsome rewards and emotional attachment to retain its best talents.

As Table 4-10 indicates, ABB and Motorola emphasize management localization, and the headcount at the two companies is under tight control. By way of comparison, BenQ and Lenovo recruit plenty of fresh graduates from top universities in China each year. Both companies believe that talent development starts from recruitment and selection. The CEO at BenQ, as well as the Sales Vice President, is involved heavily in recruitment issues.

All four companies prefer to develop their own talents. With the exception of Lenovo, the other three companies tend to promote from within. In addition, the three IT companies are all performance-based, and review performance more frequently. Selection and promotion at BenQ and Lenovo are strictly based on performance. Nobody is promoted unless he or she outperforms their peers. Despite the fierce competition in China, the current talent pool for the four companies is fairly stable, and the critical turnover rate is low.

1.1 What roles should HR play in leadership development in the companies?

The CEO at ABB and BenQ value the long-term impact of HR, with both expecting it to play a leading role in talent development. The CEO at BenQ said, "We see HR as the engine of the company. HR is supposed to recruit, select, develop and retain the best talents for the companies".

The HR managers at ABB, BenQ and Lenovo agreed that HR should place a higher value on people development. ABB and BenQ also emphasized that HR is supposed to build a high-performance workplace for the company. The HR manager at ABB said that they view line managers and employees as two internal client groups for HR and argued that the goal of training is to satisfy both the employees and the employer. In comparison, the training professionals at Lenovo believe that training should meet the company's goals and objectives, and not be offered just to satisfy individual employees.

The line managers at Lenovo and Motorola argued that HR's role in talent development is limited because they are far away from everyday business operations. One line manager said, "I don't think it is the responsibility of HR to develop people, because each business manager is supposed to take this role".

Table 4-11 HR roles as perceived by different subject groups

	ABB High Voltage Switchgear, Beijing	BENQ (IT), Suzhou	LENOVO, China	MOTOROLA (China) Electronics
HR Roles				
CEO	• In the short run, HR should be consultants, and **in the long run, HR should focus on strategic thinking and talent development.** Personally I value more about medium and long term impact of HR on business results.	**We see HR as the engine of the company. HR is supposed to recruit, select, develop and retain the best talents for the companies.**We think HR as a long term investment, not as expenses.		
HR Managers	• **We are expected to take a leading role in corporate culture and people development.** In daily operation, line managers and employees are regarded as two major clients of the company.	HR should center its major activities around talent development issues. **The four major roles of HR include, developing talents, building a high performance workplace, promote corporate culture, and making the company a pleasant and enjoyable workplace.**	**HR's role has been defined as strategic parnter in the company. HR is supposed to demonstrate higher value in strategy and people development,** including talent selection and evaluation, especially for critical positions and high potential employees.	**The role of HR should be more than a partner.**HR should assume the roles similar like that of the father and mother in a family, which means that, **HR should not only task-oriented, but also pay close attention to the moral among the employees.**
Other HR Professionals	• I see my role as a consultant. **I believe HR should contribute to develop a high performing workplace... The goal of training is to make both the employees and the employer satisfied, and the employees could grow together with the company.**		**The goal of training is to help the company meet its goals and objectives, not to satisfy the individual employees.**	**The major roles that in-business HR managers play include leadership development, change management, client interface and employee engagement.**
Line Managers	• HR is very good in identying and developing leaders in the company.	**I would like HR take a more neutral stand,** providing more professional advice to help people think more objectively.	**The role of HR in people development is very limited,** because they are away from the everyday business operation.	**I don't think it is the responsibility of HR to develop people, because each business manager is supposed to take this role.** It is rather difficult for HR to understand the developmental needs in every business unit, let alone the performance at individual level.
High Potentials	• I am really satisfied with our training function. Our training team is very professional.	**HR is now working on the talent pool structure**, attempting to upgrade the overall talent quality in the company.	**The goal of HR should be put the right person in the right position.**	**Our HR was very powerful in the past, but it has been weakened significantly.** In early years, HR would take the initiative to help us locate resources and solve people-related problems, but not anymore.

1.2 What common ways do the companies use to develop their current and future leaders? Which ways are more effective?

With the exception of ABB, the other three companies have an official leadership

competency model. Two leadership competencies clearly receive greater emphasis. First,

execution is highly emphasized across the three IT companies—BenQ, Lenovo and

Motorola. Second, communication is heavily emphasized at ABB and BenQ.

In terms of identifying leaders, BenQ and Lenovo are clearly performance- based. All of the leaders at the two companies have a clear track record of superior performance. ABB, Lenovo and Motorola all use 360-degree assessment tools in identifying high potentials.

All four companies emphasized developing people on the job. They prefer to use job-related approaches, such as on the job coaching, job rotations, etc. In one way or another, all four companies hold their leaders accountable for the development of leaders. For example, at Motorola, one of the four roles that middle-level managers are supposed to play is people developer. At Lenovo, business leaders oversee the development of subordinates who are two levels below them. BenQ holds its leaders at all levels accountable for leadership development. If they do not engage employees in leadership development, they are not promoted or offered job rotations.

All subject groups at ABB, BenQ and Motorola identified on-the-job coaching as the most effective way to develop leaders. Other frequently mentioned effective ways of leadership development include job rotation, challenging assignments and role modeling.

Table 4-12 Common ways to develop leaders among four companies

	ABB High Voltage Switchgear, Beijing	BENQ (IT), Suzhou	LENOVO, China	MOTOROLA (China) Electronics
Leadship Competency Model	• No official leadership competency model. The CEO suggested that, **desired leadership qualities include good communication skills, untiring drive for results, willingness to take responsibility and creativity.**	Clearly specified the leadership competencies for each level. For supervisors, it is **initiative, insight and inspiration.** For middle managers, it is **communication and resource allocation,** and for top managers, it is **visionary.** The leadership qualities are based upon its corporate culture, **be practical, untiring pursue for excellence, and social responsibility.**	The leadership competecy model consists of four dimensions, i.e. **personal excellence, effective execution, strategic thinking and customer focus.** It is closely linked to perfomance evaluation system. The model is updated each year.	The current Motorola leadership competency model consists of **envision, energetic, execution, edge and ethics.**
Identifying Leaders	• Form project teams, and challenge the teams with current business issues. Also **use 360 degree assessment to identify high potentials.**	**Peer competition, highly performace-based.** All current leaders have demontrated superior performance at each level along the way.	**Performance-based horse-racing philosophy,** every leader has a track record of superior performance. **360 degree assessment is used to evaluate the performance of each managers.** All managers at the same level will be put under 9-box performance/ potential matrix.	Future leaders are **identified through succession planning process.** The company **will have the high potentials among the candidate successors go through 360 degree assessment to further evaluate their potential of promotions.**
Developing Leaders	• Training, on-the-job coaching and job rotations. Prefer to develop leaders by job levels, i.e. all managers on the same job level will participate in the same program.	**Have people do the work, and coach them on the job. Emphasize on learning by competition;** Job rotations	**Put people on the job, have them learn by practice.** Job rotation;	After the year 2000, the company **emphasizes more on the experience- and feedback-based training, less on classroom learning.** People are encouraged to learn on the job. Developmental assignments and job rotations
	•	**All leaders are held accountable in leadership development.** Otherwise they won't be promoted or offered with other rotational job assignments.	**The company expects its line managers to be responsible for the development of their subordinates two levels below.**	
	•	**The training budget heavily lean toward A+ players**	In view of the high cost, the company's philosophy is quite clear, **it will not invest in you unless truly outperform your peers. The higher in rank, the more training you receive.**	
Most Effective Appoarches				
CEO	The feedback from the direct boss is to the point and most effective.	Our President set an excellent role model for all of us.		
HR Professionals	group learning, on the job training	peer competition. The best way is to have people do the work and coach them on the job; job rotations; High pressure to grow.	The best way to develop people is just let people do the work. Coaching by the direct boss is very important too. Job rotations.	We believe leadership by practice is the best way to develop our leaders. On the job training, job rotation, challenging assignments.
Line Managers	On the job coaching, good role model.	We are encouraged to learn by doing the job. Job rotation is very effective; on the job coaching is the most important.	What helped most are two books that I read myself; People are developed mostly on the job. Frequent job rotations.	On the job coaching,
High Potentials	On the job coaching, influence from the boss, outdoor experiential training, role models, challenging job assignments	coaching and peer competition are most effetive ways. The job is challenging, and the pressure is high; The CEO sets role models for us to follow	On the job coaching, leadership development programs; Training is no more than just have you do the job. **What I want from the company is NOT training, but development.**	On the job coaching; learn on the job.

Table 4-13 Most effective ways to develop leaders as perceived by different subject groups.

Most Effective Ways	On-the-Job Leadership Development					Off-the-Job Leadership Development		
	Learning by practice (no coaching)	On-the-job Coaching	Job Rotation	Role Model	Chanllenging Assignments	Leadership Development Programs	Outdoor Experiential Training	EMBA
ABB								
CEO		1						
HR Professionals		2				2		
Line Managers		2	1	1		2		
High Potentials		2		1	1	1	2	
Subtotal		**6**	**1**	**2**	**1**	**5**	**2**	
BenQ								
CEO		1	1	1				
HR Professionals		3	1		1			
Line Managers	2	1	1					
High Potentials		1		2	1			
Subtotal	**2**	**6**	**3**	**3**	**2**			
Lenovo								
HR Professionals		1	2					
Line Managers	2		1		1			
High Potentials					1		1	
Subtotal	**3**	**1**	**3**		**1**		**1**	
Motorola								
HR Professionals	1	1	2		1			
Line Managers		1						
High Potentials		4					1	
Subtotal	**1**	**4**	**2**		**2**		**1**	
By Subject Group								
CEO	0	2	1	1	0	0	0	0
HR Professionals	0	9	5		2	2	0	0
Line Managers	4	4	3	1	1	2	0	0
High Potentials	0	7	0	3	3	2	3	0
Total	**4**	**22**	**9**	**5**	**6**	**6**	**3**	**0**

1.3 How are the leadership development programs designed, carried out?

Program Design. All of the four companies prefer to use internally-designed leadership development programs. With the exception of ABB, whose leadership development programs are modified MBA courses, the other three companies have competency-based leadership development programs. In developing them, they first identified the roles and competencies required for the leaders, and then designed and developed training programs accordingly. With regard to method of delivery, the

face-to-face approach is more welcome, while the on-line programs received negative

comments from program participants.

      Needs Assessment. With the exception of ABB, the other three companies do not

conduct formal needs assessments for their leadership development programs. Instead,

the HR professionals take the lead in designing the programs based upon the leadership

competency model and current business issues.

      Participant Selection. The program participants are selected based upon certain

selection criteria. Regardless of who initiates the nomination, the HR professionals and

line managers jointly make the decisions on this issue.

Table 4-14 Program design and development among the four companies

	ABB High Voltage Switchgear, Beijing	BENQ (IT), Suzhou	LENOVO, China	MOTOROLA (China) Electronics
Program Design	• Modified MBA courses	Except the MTP program, **the other three programs are all designed and developed at Taiwan Headquarters. Programs are delivered by outside instructors.**	**More than 50% of all our training programs are delivered by internal instructors. We prefer to design and develop training programs by ourselves.**	As originally designed, each of the above four programs have such components as classroom learning, job rotation, bench-marking, self-study, coaching and mentoring, as well as action-learning.
	• **Heavily emphasize on cases, using company specific cases**	**All programs are based upon competencies for each level.**	**Leadership competency model is considered in developing the programs.**	**CAMP is a competency-based program, focuses on China-specific** management development **in accordance with the Motorola global leadership model.**
	•		Our employees have **a very low opinion toward on-line programs.**	**The on-line course received the lowest comments** from these CAMP-E graduates.
Needs Assessment	• **Use two approaches, top down and bottom up,** to identify training needs. **CEO and line managers are involved in this process.**	We don't follow the regular training needs assessment process, **Training needs assessment is more or less based upon our understanding of the problem issues in the company.**	HR takes the lead to design and develop training programs, and the line managers respond by sending their subordinates to participate in the programs.	The line managers are left outside the loop of program design and development.
	• Also information come from performance review process, feedback from internal clients as well as **observations and reflections of HR professionals.**	**All of their information comes from frontline business meetings as well as informal daily communication with their peers** in the company.	Based upon **leadership competency model, the current business issues, and what the line managers and high potentials want to learn comes at last.**	
	• **Training needs are specified for each person.**	Before each program, we will interview with the program candidates, and then communicate with the course instructor about their specific training needs and the focus of the course.		
	Communications with line managers to identify training needs is performed once every year.	When we develop our annual training plan at the end of each year, we also interview with supervisors and line managers to understand their training needs for the next year.		
Participant Selection	• Managers at the same level are required to take the same program at the same time.	Usually HR nominates a list of candidates, then consults with the line managers, and listen to their opinions. Finally the list is subject to approval by the CEO.	For the New Manager and the New Director Program, the participants are identified by appointment announcements, those who are the first time promoted to the positions are required to participate in the relevant programs.	The line managers will first nominate the candidates. Then the candidates go through a panel review process before the final decision is made.
			For the High Potential Employees and the High Potential Managers Program, the line managers will nominate candidates based on the nine-box matrix performance evaluation, and the list of candidates will be submitted to HR for review and approval.	

1.4 What are the major problems and challenges the companies face in leadership development? [indent 5 spaces, as above for this level of heading]

The succession plan was identified as one of the major challenges in leadership development across the four companies. Whether clearly specified or not, each company had its succession plan. However, the informants, from the CEO to HR professionals and line managers, all pointed to the fact that the succession plan was not working well and required close attention. The CEO at ABB said that his major problem is the shortage of talent that was ready to fill leadership positions. Succession plans do not serve their purpose well for two major reasons. First, the market environment is changing too fast, making it difficult to implement a pre-designed succession plan, especially for those businesses facing a highly volatile business market. Second, the employees identified in the succession plan have high expectations; if the company cannot manage these expectations well, they may lose their talent.

The second challenge is that the short-term business goals are often in conflict with long-term talent development objectives. On the one hand, the business leaders are put under great pressure to handle fast-growing business opportunities in China and deliver expected business results. On the other hand, people development takes time and effort, and thus cannot keep up at the same pace as business development, resulting in a sharp talent shortage.

Third, the talent pool structure is another major issue that deserves attention. At BenQ, the employees are very young, averaging 26–27 years of age. With very few senior people in the company, it could take quite some time to be ready to compete with a global giant like Sony. At Lenovo, it was almost the opposite. The company's top

management team is very young, and senior management is fairly stable, leaving the people below them little space to grow further in the company.

Fourth, the HR professionals at the four companies all commented that they have a shortage of well-trained HRD professionals. In fact, except for a couple of people at Motorola, few of the training professionals in the four companies have an official education background in training and development. Most learn the relevant knowledge and skills on the job.

Answer to Research Question 2 - What key factors contribute to enhancing the effectiveness of leadership development interventions in China?

2.1 How do the companies usually evaluate the effectiveness of leadership development programs? [indent five spaces like headings above]

All of the four companies use participant satisfaction as the major way to evaluate the effectiveness of leadership development programs. Other than this, the informants reported that there is no well-structured way to track the effectiveness of training programs. As one line manager at Lenovo put it, the company rarely checks to ascertain whether program participants are applying what they learned into the workplace.

There are a number of reasons for this. First, the top management team values the medium- or long-term impact of talent development. The CEO at BenQ said that he sees talent development as a long-term investment, and expects the training function to promote a strong learning environment in the company, encouraging people to learn and improve continuously.

Second, the line managers do not expect to see an immediate effect from training on business performance. One line manager at Motorola commented that, "Personally I don't expect training to immediately improve their work efficiency, say 10-20%, and

don't think this is the right way to evaluate the effectiveness of training. I simply want them to take this chance to better understand how the other departments work and how other colleagues think differently from us, so that they would have a wider horizon and become more willing to listen to other people".

Third, the HR professionals at Motorola collectively argued that it is difficult to find such metrics because training serves multiple purposes, most of which are too soft to be measured quantitatively. The Training Manager at BenQ commented that, "We can easily have the program participants fill out the training evaluation forms, but find it extremely difficult to measure the behavior change after the program". Furthermore, training professionals at Lenovo even said that they are not sure whether it is worthwhile to do a training evaluation because they do not see the value in conducting one.

The informants suggested some tentative metrics to use in evaluating leadership development practices. The most frequently mentioned metrics included:

- Talent readiness: i.e., whether the right candidates can be identified for leadership positions in a short time;

- Critical turnover rate: i.e., whether most of the top performers are retained in the company; and

- Internal fill-in rate: i.e., the number of internally promoted leaders and whether they can deliver expected business results successfully.

Table 4-15 Measuring the effectiveness of leadership development practices

	ABB High Voltage Switchgear, Beijing	BENQ (IT), Suzhou	LENOVO, China	MOTOROLA (China) Electronics
The Roles of Training				
CEO	• **Personally I value more about medium and long term impact of human resources management on business results,** especially the development of strong managerial and technical teams.	The training function is intended to **deliver the right message to our employees, encouraging people to learn and improve continuously.**		
HR Professionals	•		**I see training as a facilitating tool, because I believe whether one performs well on the job has nothing to do with training. Training can provide you with no more than tools and method.**	Personally I think it is rather difficult to evaluate the effectiveness of training, because **training serves multiple purposes at the same time, such as career advancement, meeting the business needs, and talent retention, etc.**
Training Professionals	• I believe **the goal of training is to make both the employees and the employer satisfied,** and the employees could grow together with the company.	The role of training function is **to promote a strong learning environment in the company.**	**We think more from the company's perspective, and believe the goal of training is to facilitate the company to reach its goals and objectives, not to satisfy employees' individual needs**	
Line Managers	•			
Ways to EvaluateTraining	• There are **no specific matrices in place to evaluate the effectiveness of training programs.**	We **don't have any hard performance indicators in measuring the effect of training.**	The company mainly evaluates the effect of training programs by way of participant feedback. **It rarely checks whether the program participants have applied what they learned into workplace.**	**There isn't a well-structured way in place to systematically track the effectiveness of training.** So far what we do is limited to first level evaluation on Kirkpatrick's 4-level training evaluation model.
	• The company has become more aware of the impact of training programs on daily operations, and requires that, three months after the training, the direct boss should review the progress that program participants have made as a result of training.	We can easily have the program participants fill out the training evaluation forms, but find it extremely difficult to measure the behavior change after the program.	**We are not sure whether it is worthwhile to do training evaluation, because we don't see it make much sense to do so.**	After the training program, each participant will be evaluated on his or her task-oriented and behavioral performance, as well as potential for promotion by HR, the direct boss and the boss one level above.
		People don't expect any immediate effect from training, because they believe, **training itself does not contribute too much to talent development,** and it relies on many other issues to be more effective.	**People believe the impact of training on talent development is very limited.**	**They understand the effect of training is usually not immediately evident, not really expect immediate results from training.**
Suggested Measures				
CEO	• **Locate the right candidates in a short time**	I will say HR is very successful, if they could **retain most of our top performers in the company.**		
HR Professionals	• **Critical turnover rate**; **internal fill-in rate** is another one, but we have to track whether those promoted from inside have successfully delivered expected business results.	**Observing whether the participants have improved on their sales performance.** In order to judge our progress on talent development, I would rather see **whether the number of high potential employees who are ready for leadership positions has been increased.**	How much training has contributed to the daily work	**Whether there will be right people available for the right positions at the right time;**Accelerated career advancement; **Internal fill-in rate,talent readiness, critical turnover rate,** the extent of management localization and diversity, **number of internally-promoted leaders and the number of leaders that are produced by them,** improved business results of the high potentials
Line Managers	• **How fast they can produce talents as per our specifications?**		**Whether 2-3 qualified candidates can be identified** for a management position in a short time; **Relevance to workplace**	The fact that many people who left Motorola have won senior leadership positions in the competitors is in itself a strong evidence indicating the success of the leadership development practices at Motorola.

2.2 What key factors enhance or hinder the effectiveness of the leadership development interventions in China?

Corporate Culture. Although each has its distinctive dimensions in corporate culture, we can see common themes across the four cases. First, all three IT companies—BenQ, Lenovo and Motorola—are clearly performance-driven and heavily emphasize execution. Yet at the same time, all highly value integrity. Second, the four companies have consistently shown respect for people and are willing to allow their people to make mistakes and learn lessons. Such a supportive corporate culture encourages people to unleash their full potential.

In addition, the corporate culture has such a strong impact on leadership development that, as one of the HR professionals at BenQ put it, "all of our leaders grow up from this soil and show clear imprint of the BenQ way, which heavily influence on the way they lead their teams and develop their subordinates".

Strategic Imperatives. Regardless of whether the strategic imperatives are clearly defined and well-communicated or not, the HR professionals have made efforts to tie leadership development practices with strategic imperatives in different ways. They are apparently aware of the importance of the link between strategic imperatives and leadership development practices.

Link to Workplace. With the exception of ABB, informants from the other three companies complained about the current leadership development programs and described them as too general, impractical, and not relevant to daily operation. In contrast, the line managers and high potentials at ABB commented positively on the C-Master Program. One of the line managers said that, "it is excellent, because it is directly related to day-to-day business." This evidence points to the fact that people regard relevance to the

workplace as one of the important factors influencing the effectiveness of leadership development programs.

Performance Drivers. In one way or another, all four companies require their business managers to shoulder responsibility for people development. For example, at Motorola, one of the four roles that middle-level managers are supposed to play is people developer. At Lenovo, business leaders oversee the development of their subordinates who are two levels below them. However, with the exception of ABB, none of the other three companies clearly specify people development as one of the key items on their performance review forms. Yet, as the CEO at BenQ pointed out, "in my opinion, talent development should be regarded as one of the important performance indicators for leaders". One of the line managers at Lenovo also suggested that talent development should be considered as one of the important factors in the promotion and performance evaluation on the managers.

HR Alignments. In general, the line managers and high potentials at ABB and BenQ commented more positively on their human resources department than those at Lenovo and Motorola. According to the HR manager at BenQ, the four HR functions have been closely aligned in support of the change in the company's strategic imperatives. In comparison, at Lenovo and Motorola, the leadership development programs do not necessarily link with promotion and career advancement.

In addition, one of the line managers at Lenovo reported that although each of the HR functions is very professional, "the different functions within HR are not well coordinated among themselves, and as a result, the policies from different functions often conflict each other". The other line manager supported his colleague by saying that, "I

hope HR could be more coordinated across its different functions". The evidence

suggests that HR alignment is one of the critical factors to influence the effectiveness of

leadership development practices.

Top Management Support. With the exception of Lenovo, the informants at the

other three companies indicated that their top management teams have demonstrated

strong support for leadership development. The CEO at BenQ said that he personally

spends more than 50% of his time on talent-related issues. He often participates in job

interviews, and serves as a coach and mentor in the development of leaders in the

company.

Communication, Execution & Follow up. Communication has surfaced as an

important piece in leadership development practices. It may include communication

between line managers and high potentials either before or after the leadership

development programs, the communication between HR professionals and their major

internal clients, i.e. CEO and line managers, and the communication among HR

professionals themselves, etc.

Although HR professionals at the four companies all attempt to address this issue

in their own ways, each has his own specific problems with communications. For

example, at Motorola, the HR professionals complained that they have little chance to

communicate across business units. The line managers said they were left out of the loop

in program design. Moreover, none of the participants reported that their boss had

communicated with them either before or after the CAMP-E program.

Execution and follow-up have also been identified as critical issues in leadership

development practices. At Motorola, the informants commented that although the

Training Handbook for the CAMP-E clearly specifies what should be done before, during and after the program, many people do not follow the requirements. Furthermore, except for the C-Master Program at ABB, no official follow-up system is in place at any of the companies to guide people in applying what they have learned into the workplace.

ABB set an excellent example in this regard. It is evident that the C-Master program is well executed and carefully followed up on. Most importantly, every effort has been made to ensure smooth communication among all related parties along each step of the way. According to the ABB training manager, "I shall say that, the program has been executed exactly as what is planned in each step, leading to the success of this program".

Others Five additional issues were identified as important factors influencing the effectiveness of leadership development practices: a strong learning culture, inner drive of people, the role of line managers, timing issues, and organization structure stability and management team continuity.

The informants agreed that a strong learning culture strongly encourages people to learn and improve, and therefore has an impact on the effectiveness of leadership development practices. The informants at ABB, BenQ and Lenovo all report that their companies have a strong learning culture. The HR manager at Lenovo said that, "the company values strong learning capabilities. We are always supposed to do a better job than before". One of the high potentials at BenQ said that, "BenQ is truly a learning organization in its real sense. Our President and CEO serve as role models themselves, encouraging people to improve in pursue for personal excellence".

The employees' inner drive or motivation has been identified as another critical factor influencing the effectiveness of leadership development practices. One high potential at ABB pointed out that only when people have strong inner motivation to improve, will the training be more effective. The HR manager at BenQ argued that, "in my opinion, the effect of training depends largely on inner motivation of each individual. Only when he or she has strong learning capability and is highly motivated to learn, can training contribute to enhancing his or her working capabilities. So the key here is motivation".

The role of line managers has been identified as playing a critical role in leadership development across the four companies. First, the line managers may serve as role models for their subordinates. One line manager at ABB pointed out that, "Having a good role model is probably the most important thing. If you work for a good manager, you can learn from him, pick up quickly and take on the good attributes or styles". Second, two line managers and three high potentials at Motorola strongly emphasized the influence of their direct boss on their development. It seems that the boss's willingness to coach and the stability of the direct boss are two critical factors influencing the effectiveness of on-the-job coaching. Third, the direct boss plays an important role in the follow-up phase after the leadership development programs. One high potential argued that the training could be more effective if the direct boss could encourage people to apply what they have learned into the workplace, and the improved performance received timely recognition.

Timing issues also have an impact on leadership development practices. The right program offered at the right time has more impact. One high potential at Lenovo said that,

"I think the timing issue is very important in training. In case the timing is wrong, training won't do any good".

Frequent changes in organization structure and management team are more evident at Lenovo and Motorola. The line managers believed that frequent changes in organization structure may have positive or negative impacts on leadership development practices. As the line manager at Lenovo indicated, on the one hand, frequent restructuring may generate plenty of chances for people to try different things. On the other hand, it may result in too many people who can do a number of different things, but no experts in everything. In addition, one of the line managers at Motorola pointed out that on those occasions where the organization structure and the management team change too frequently, people become frustrated and depressed, making it difficult to develop people from within.

Chapter 5 Study Summaries, Conclusions and Recommendations

Study Summaries

The purpose of this study was to investigate how companies in China develop their leaders, and to identify the key factors that contribute to enhancing the effectiveness of leadership development practices in China. The research questions were as follows:

1.How do the companies in China develop their leaders?

1.1 What are the general talent strategies in the companies?

1.2 What roles should HR play in the companies?

1.3 What common ways do companies use to develop their current and future leaders? Which ways are perceived as more effective?

1.4 How are the leadership development programs designed?

1.5 What are the major problems and challenges the companies face in leadership development?

2　What key factors contribute to enhancing the effectiveness of leadership development practices in China?

2.1 How do the companies usually evaluate the effectiveness of leadership development programs?

2.2 What key factors contribute to enhancing the effectiveness of leadership development practices in China?

This study was guided by the conceptual model "Leadership Development with Impact" (Vicere, 2001; see also Alldredge et al., 2004) and followed a multiple-case study design. Four companies—ABB, BenQ, Lenovo and Motorola—were studied in

China from January to December 2005. The data collected included interviews, which served as primary data, and documents, as secondary data. The interview data were collected from the CEO (whenever possible), HR professionals, training professionals, line managers and high potentials using pre-developed interview guides. A total of 40 people participated in the interviews.

In order to enhance the quality of the data and thus the study quality, the researcher used the following strategies to legitimize the data. First, the primary interview data were triangulated with the secondary documentary data. Second, the interview data were collected from CEOs, HR professionals, line managers and high potentials within each company, and therefore triangulation within cases across informants was made by comparison-and-contrast of personnel opinions at different job levels in a company. Third, the cross-case study design allowed the researcher to triangulate the data from four different cases, and identify similar and unique themes across the four cases.

After data collection was completed, the interview data were transcribed, cleaned and coded before the common themes were identified to answer the research questions. Coding was done by three coders independently, including the researcher. The inter-rater agreement was calculated; the agreement index among the three coders ranged from 73% to 81% for various coded segments. In analyzing the data, the researcher first developed a case study report for each individual case. In order to add validity to the study, the draft case study report was sent to 1–2 key informants in each company for their review (member checking). The comments from the key informants were incorporated into the revised case study reports. Following the within-case analysis, a

cross-case analysis was performed, and the common themes across the four cases for each research question were presented.

Conclusions

In this section, first, study findings are compared with those from the previous literature. Then, conclusions are summarized based upon the comparisons.

Research Question 1 – How do the companies in China develop their leaders?

Talent Strategy

According to the Leadership Development Survey performed by the American Management Association and Human Resources Institute in 2005, the presence of a leadership development strategy was identified as one of the elements having the greatest influence on the ability of the companies to develop and retain leaders (AMA, 2005). The data for this study suggested that the four companies each have a clear talent development strategy. The two international companies tended to emphasize talent localization, while the two local companies preferred to recruit talent from recent graduates of top universities in China and develop them from the beginning.

All four companies preferred to develop their own talent. With the exception of Lenovo, the other three companies preferred to promote from within. These findings support the results of Fulmer and Goldsmith (2001) who found that the best practice organizations grew or developed leaders as opposed to buying them, and that senior executives tended to be groomed from the beginning to take on increasing responsibilities. Hewitt Associates (2005) presented similar findings which indicated that all of the Top 20 companies have a strategy for selecting leaders from within. Fulmer and Goldsmith (2001) argued that the best practice organizations lean toward internal leaders because of

the powerful and distinct cultures in which they work. Leaders who come up through the organization are a proven fit.

HR Roles in Leadership Development

The CEOs and the HR professionals in this study indicated that HR is expected to play a leading role in talent development by not only recruiting, selecting, developing and retaining top talent for the company, but also developing a high-performance workplace in the company. This finding is in line with one of the six key roles for HR leaders identified by Rothwell et al. (1998). In their book, the authors indicated the six key roles for HR leaders: change agent, HR strategist, business strategist, HR functional aligner, partner to general managers, problem solver and consultant. The authors further explained that by playing the role of partner to general managers, HR is supposed to "work closely with key line managers to ensure that the work environment is conducive to achieving high performance" (p. 31).

Ready (2000) argued that HRD professionals should not be satisfied with being narrowly defined as either technically engaged in transactional service delivery or as aspiring "business partners" anxious to serve the top team. Instead, HRD people should aim for the highest level of HRD competence, which requires them to be fully-functioning top team members themselves, who know how to optimize human and organizational capabilities to create value-added advantages for their firms.

In spite of the fact that the CEOs and the HR professionals in this study expected HR to play a leading role in talent development, the line managers held a markedly different view in this regard. The line managers at Lenovo and Motorola indicated that HR's role in talent development is fairly limited, since HR is viewed as distant from

everyday business operations. They emphasized that the business managers should be held responsible for the development of their people, not HR. This argument agrees with one of the major findings in Hewitt Associates (2005), where it was reported that 80% of the Top 20 companies hold senior management accountable for the success of programs such as succession planning, performance management, and high-potential development. In stark contrast, the human resources department is most likely to be held accountable for these processes in other companies.

Leadership Competency Model

Fulmer and Goldsmith (2001) indicated that a majority of the best practice organizations have identified leadership competencies, or at least tried to define the characteristics and qualities of successful leaders. Furthermore, they also make sure that their competencies are kept up-to-date through both internal and external research. Hewitt Associates (2005) also found that 100% of the Top 20 companies have identified leadership competencies.

In this study three out of the four companies had official leadership competency models. Although ABB had no official leadership competency model, its CEO clearly articulated and defined the leadership qualities that he sought. However, Lenovo was the only company to update the leadership competency model regularly based upon extensive internal research.

AMA (2005) indicated that developing leaders was the third most highly ranked leadership competency in their Leadership Development Survey 2005. In comparison, in one way or another, the four companies held their business managers accountable for developing people. None regarded developing leaders as one of their core leadership

competencies. Instead, execution and communication were emphasized to a greater extent.

Identifying Leaders

AMA (2005) suggested that the succession planning/talent pool planning process is the second element with the greatest influence on the ability of companies to develop and retain leaders. According to Hewitt (2005), 95% of the Top 20 companies formally identify high potential leaders. All of the Top 20 companies use their succession planning process to identify high potentials. Fulmer and Goldsmith (2001) indicated that best practice organizations are beginning to formalize this linkage and tie together assessment, development, feedback, coaching, and succession planning into one aligned and integrated system.

In this study, the four companies each had their unique way of identifying future leaders. Motorola was the only company to identify high potentials through a formal succession planning process, although the succession planning process was not perceived as functioning well due to lack of follow-up and constant changes in the market. BenQ and Lenovo were clearly performance-based, since all of their leaders demonstrated a clear track record of superior performance. ABB preferred to use project-based assignments.

Developing Leaders

This study's results indicated that all four companies emphasized developing people on the job. They heavily used job-related approaches, such as on-the-job coaching, job rotations, etc. On-the-job coaching has been identified as the most effective approach in developing leaders across the participant groups in three of four companies. This

finding is in line with that of the AMA (2005), which reported that most leaders attribute

their mastery of leadership to on-the-job experience. In addition, Hewitt Associates (2005)

suggested that rotational assignments are used for high potentials in 37% of the Top 20

companies. In comparison, job rotation is more widely used in the four companies in this

study.

Hewitt Associates (2005) identified practical accountability as one of the

differentiating factors and reported that the Top 20 companies formally hold their leaders

accountable for the success of leadership programs, the development of their employees,

and the development of their own capabilities. More importantly, these companies linked

a significant percentage of the incentive package for business leaders with talent

development: many allocated up to 20% or more of the package to talent development. In

this study, in one way or another, all four companies required their business managers to

shoulder the responsibility for people development. However, none reported formally

connecting the executives' annual incentive package to the success of talent development.

Program Design

Hewitt Associates (2005) suggested that 90% of the Top 20 companies reported

that internal leadership training is almost always or always used. Fulmer and Goldsmith

(2001) indicated that the majority of the best practice organizations favored the

face-to-face method of delivery. In this study, all four companies preferred to use

internally designed leadership development programs. In terms of method of delivery,

face-to-face is more preferable to on-line delivery.

Fulmer and Goldsmith (2001) indicated that all best practice organizations

reported conducting formal business-unit needs assessments. Their first step in designing

the leadership development programs was to solicit the direct input of their key customers. Gathering input from key customers is an ongoing process for best practice organizations. In this study, except for ABB, the other three companies did not conduct formal needs assessment for their leadership development programs. Instead, the HR professionals took the lead in designing the programs based upon leadership competency model and current business issues. Some of the line managers complained that they were left out of the loop in program design, as the HR professionals often gave the line managers what they can offer, without consulting them.

In selecting program participants, Fulmer and Goldsmith (2001) indicated that the best practice companies focus on getting the right people into the right programs. They look to the goals of their leadership development process to determine who will be selected as a participant. This study found that since most of the leadership development programs are competence-based, job level is one of the most important selection criteria in identifying program participants.

Evaluating the Effectiveness of Leadership Development

Fulmer and Goldsmith (2001) suggested that best practice organizations view leadership development as a costly undertaking but also as a worthwhile investment. They reported that viewing their leadership development process as a long-term investment was key to best practice organizations. In this study, the CEOs at both ABB and BenQ shared the same opinion. The CEO at BenQ said that, "we are committed to develop our talents, as we see HR as a long term investment, not as an expense." And the CEO at ABB pointed out that he personally values the medium- and long-term impact of talent development on business results.

The AMA (2005) regarded measuring the effectiveness of leadership development as a third element with the greatest influence on the ability of companies to develop and retain leaders. Fulmer and Goldsmith (2001) reported that, in general, the best practice companies were more aggressive about measuring and evaluating the effectiveness of their programs. Hewitt Associates (2005) supported this idea, indicating that better performing companies tended to use metrics to assess the effectiveness of leadership programs. Goldsmith and Morgan (2004) argued that the companies should not just evaluate the employees' satisfaction with leadership development, but also take care to measure the effectiveness of their leadership development initiatives.

In this study, all four companies used participant satisfaction as the major way to evaluate the effectiveness of their leadership development programs. Other than this, the informants reported that there was no well-structured way to track the effectiveness of training programs. However, as Fulmer and Goldsmith (2001) suggested, the use of both participant satisfaction and impact research will help provide a more balanced set of results.

The AMA (2005) stated that a highly integrated talent management system should include such metrics as (a) number of managers promoted, (b) success of managerial moves three years later, (c) time to fill open positions, (d) number of external hires for management positions, (e) number of developmental moves, and (f) performance distribution. In addition, other metrics that may be tracked included frequencies of leadership meetings that talk about talent, employee morale and satisfaction, attrition and headcount analysis, recruiting cost and diversity representation in the talent pool.

In this study, the talent readiness, critical turnover rate and internal fill-in rate were the three most frequently mentioned metrics suggested by the informants as appropriate for measuring the effectiveness of leadership development. This finding is consistent with that of the AMA (2005).

Summaries

Based upon study findings, the researcher concluded that the four companies in China developed their leaders in more or less the same way as their counterparts in the United States, but in a less structured and formalized fashion. The needs assessment phase and measuring the effectiveness of leadership development were the two components apparently left far behind. The researcher contended that this was due in part to the fact that few human resources development professionals in China have formal education background in the HRD field. This study found that most of the human resource development professionals developed technical expertise on the job, and many of them had little frontline business experience. The HRD professionals at the four companies all commented that they were short of well-trained HRD professionals, and viewed this as one of the major challenges in leadership development in China. In sharp contrast, Fulmer and Goldsmith (2001) indicated that they were impressed by the professionalism of the leadership development people at each of the best practice partners. They had excellent backgrounds in various aspects of human resources development and extensive line business operation experience. Fulmer and Goldsmith argued that creating a business and education mix seemed to enable best practice organizations to build programs based on sound theories, but focused on results vital to the organizations.

Second, although the four companies in this study differed in many ways in their leadership development process, each demonstrated its unique strengths in leadership development practices. More importantly, together they provided a "patchwork" for excellence in leadership development practices, allowing other companies in China to benchmark their practices. Lenovo distinguished itself in linking its leadership competence model tightly with the performance evaluation of the business managers. It updated its leadership competence model once every year based on extensive internal research data. Motorola stood out in formalizing the connection between the succession plan and its leadership development process. In addition, its well-developed Training Handbook clearly specifies expectations for all relevant parties before, during and after the programs. Moreover, its leadership development team was the most professional among the four companies in this study—they were more senior in age and better-equipped with HR/HRD expertise. ABB demonstrated its strengths in conducting training needs assessment and emphasizing communication with all relevant parties in each step of its leadership development process. Compared with its counterparts in the other three companies, the HR team at ABB received the highest compliments from the line managers and high potentials for identifying and developing leaders for the company. Although the leadership development team at BenQ was the youngest among the four companies, they did exceptionally well in linking the performance drivers and the HR alignment pieces to leadership development practices in support of the company's strategic imperatives. Their talent development initiatives were firmly rooted in strategic imperatives, and the compensation and reward systems were closely tied to talent development and performances.

Research Question 2 – What key factors contribute to enhancing the effectiveness of leadership development practices?

Strategic Imperatives

Alldredge et al. (2004) emphasized that in cases where a program was created without real links to the firm's strategic imperatives, even if the faculty was outstanding and action learning built in, the resulting program might generate no more than great "smile sheet" evaluations. Fulmer and Goldsmith (2001) expressed the same idea, saying that, "if the leadership development process is to be an effective part of the change process, it must be aligned with all of the strategic objectives of the organization" (p. 8). Hewitt (2005) supported this view, suggesting that the Top 20 companies' approaches to building leaders were firmly rooted in business strategy. They differentiated themselves by effectively utilizing their practices to develop leaders that support their strategy.

This study indicated that the HR professionals were aware of the importance of linking the strategic imperatives with the leadership development process. In one way or the other, they all made an effort to ensure this linkage in designing their leadership development programs in various ways.

Link to Workplace

Fulmer and Goldsmith (2001) emphasized that action, not knowledge, is the goal of best practice leadership development processes, and they heavily used real time business issues in learning and development. In this study, the informants, from the HRD professionals to the line managers and high potentials, all regarded the relevance to the workplace as an important factor in influencing the effectiveness of leadership development. However, ABB was the only company to use real-life business cases in its

leadership development programs. The informants in the other three companies described their leadership development programs as too general, impractical and lacking relevance to daily operations.

Performance Drivers

This study found that, one way or the other, all four companies required their business managers to shoulder the responsibility for people development. However, except for ABB, none of the other three companies clearly specified people development as one of the key items on their performance review forms. Among the four companies, BenQ did exceptionally well in linking its performance management system with talent development as well as the compensation and benefits package. Its CEO strongly emphasized that, "in my opinion, talent development should be regarded as one of the important performance indicators for leaders". One of the line managers at Lenovo also suggested that talent development should be considered as one of the important factors in the promotion and performance evaluation of managers.

HR Alignment

Hewitt Associates (2005) suggested that one of the differentiating factors for Top 20 companies is that their high potential leaders received clearly differentiated compensation—more than two-thirds of these companies target long-term incentive pay for high potentials between the 90th and 100th percentiles.

In this study, the HR manager at BenQ reported that the four functions of HR were closely aligned in support of change in the company's strategic imperatives. In comparison, at Lenovo and Motorola, the leadership development programs did not necessarily link with promotion and career advancement. Both HR professionals and line

managers at the two companies complained that their HR functions were too separate from each other. As one line manager at Lenovo put it, "the different functions within HR are not well coordinated among themselves, and as a result, the policies from different functions often conflict each other".

Corporate Culture

Fulmer and Goldsmith (2001) pointed out that the best practice organizations realized that the leadership development process must fit the culture of the organization. One of the most important characteristics of all six best practice companies was the extreme care taken to ensure that their leadership development processes were tailored to their own specific culture.

This study also revealed that corporate culture was believed to have a strong impact on the effect of leadership development practices. One HR professional at BenQ commented that, "all of our leaders grow up from this soil and show clear imprint of the BenQ way, which heavily influence on the way they lead their teams and develop their subordinates". In addition, one of the repeated themes in this study was that companies that were more tolerant and allowed their people to learn from mistakes had a better chance to unleash their people's full potential.

Top Management Support

Fulmer and Goldsmith (2001) showed that top level support was a consistent key to developing leaders and sustaining the process in best practice organizations. Alldredge et al. (2004) pointed out that a CEO with a clear vision, who demanded the accelerated development of leaders and was willing to champion efforts to this end, could have a huge impact on a large organization in a short time. Hewitt Associates (2005) suggested

that one of the key enablers of leadership quality and depth is the active involvement of the CEO and Board of Directors. The more active the CEO is in developing leadership talents, the more effective a company rates itself in developing leaders. One Top 20 company CEO even stated that, "my number one job is developing leaders". In addition, the AMA (2005) also identified top executive support and involvement as one of the elements having the greatest influence on the ability of companies to develop and retain their leaders.

This study found that, with the exception of Lenovo, the informants at the other three companies indicated that their top management teams had demonstrated strong support for leadership development. The CEO at BenQ said that, "I personally spend more than 50% of my time in talent-related issues. I often participate in job interviews, and serve as coach and mentor to guide the development of leaders in the company".

Communications, Execution & Follow-ups

One of the key findings in this research was that communication is a critical factor in enhancing the effectiveness of leadership development practices. Communication includes that between line managers and high potentials either before or after leadership development programs, between HR professionals and their major internal clients, and among HR professionals themselves, etc. This study revealed that although HR professionals at the four companies all attempted to address this issue in their own ways, each had specific problems in communications. Goldsmith and Morgan (2004) argued that although historically a great deal of leadership development had focused on the importance of a single event, the experience of the eight companies they studied indicated that the real leadership development involved a process that occurred

over time. As such, they suggested that the participants' ongoing interaction and follow-up with colleagues emerged as central to the achievement of positive long-term change. Their research showed that the leaders who discussed their own improvement priorities with their co-workers, and then regularly followed up, showed striking improvement in perceived change in leadership effectiveness.

Execution and follow-up also surfaced as two of the most critical issues in leadership development practices. At Motorola, the informants commented that although it was clearly specified in the *Training Handbook* for the CAMP-E program what should be done before, during and after the program, many people did not follow the requirements. Hewitt Associates (2005) emphasizes that, "although the companies may have the right programs in place, it is the integration and execution of these programs that make the most difference" (p. 1). They suggested that great leadership practices both designed and consistently well-executed at the Top 20 companies.

Goldsmith and Morgan (2004) also indicated that the follow-up factor correlates with improved leadership effectiveness. They pointed out that, "too many companies spend millions of dollars for 'the program of the year', but almost nothing on follow-up and reinforcement" (p. 36). Nevertheless, except for the C-Master Program at ABB, there was no official follow-up system in place at any company to guide people in how to apply what they'd learned into workplace.

Among the four companies, ABB set an excellent example in these regards. It was evident that the C-Master program was well executed and carefully followed up on. Most importantly, every effort was made to ensure smooth communication among all related parties along each step of the way. According to its training manager, "I shall say

that, the program has been executed exactly as what is planned in each step, leading to the success of this program".

Others

This study also found five additional factors that may have significant impact on the effectiveness of leadership development practices, including a strong learning culture, inner drive of people, the role of line managers, timing issues, and organization structure stability and management team continuity.

The informants from the four companies repeatedly pointed out that a strong learning culture contributes to encouraging people to learn and improve, and therefore has an impact on the effectiveness of leadership development practices. The AMA (2005) also identified the lack of a supportive culture as one of the barriers to leadership development.

The employees' inner drive or motivation was identified as another critical factor influencing the effectiveness of leadership development practices. One high potential at ABB pointed out that only when people have a strong inner motivation to improve, will the training be more effective. The HR manager at BenQ argued that, "in my opinion, the effect of training depends largely on inner motivation of each individual. Only when he or she has strong learning capability and is highly motivated to learn, can training contribute to enhancing his or her working capabilities. So the key here is motivation".

The role of line managers was identified as playing a critical role in leadership development across the four companies. Based on the data from this study, the line

managers could contribute to enhancing the effectiveness of leadership development in a number of ways. First, the line managers could serve as role models for their subordinates. One line manager at ABB pointed out that, "Having a good role model is probably the most important thing. If you work for a good manager, you can learn from him, pick up quickly and take on the good attributes or styles". Second, since the on-the-job coaching was regarded as the most effective approaches to developing leaders, the line managers could contribute to developing people on a daily basis by serving as coaches for employees. The study suggested that the boss's willingness to coach and the stability of the direct boss are the two critical factors influencing the effectiveness of on-the-job coaching. Third, the direct boss also played an important role in the follow-up phase after the leadership development programs. One high potential argued that the training could be more effective if the direct boss could encourage people to apply their lessons to the workplace, and if the improved performance received timely recognition.

Timing issues also were found to have an impact on the effectiveness of leadership development practices. The right programs offered at the right time will have more impact. One high potential at Lenovo said that, "I think the timing issue is very important in training. In case the timing is wrong, training won't do any good".

Frequent changes in organization structure and management team emerged as critical factors in influencing the effectiveness of leadership development programs. The informants pointed out that frequent changes in organization structure may have positive or negative impacts on leadership development practices. As the line manager at Lenovo indicated, on the one hand, frequent restructuring may generate plenty of chances for people to try different things; on the other hand, it may result in too many people who can

do a number of different things, but be expert in none. In addition, one of the line managers at Motorola pointed out that in cases where the organization structure and the management team changed too frequently, people became frustrated and depressed, making it difficult to develop people from inside.

Summaries

As per the Leadership Development with Impact Model (Vicere, 2001), five major factors were found to have strong impacts on leadership development effectiveness: the strategic imperatives, program design, link to workplace, performance drivers and human resources alignment. Alldredge et al. (2004) further explained this model and stated that:

> A program design is directly tied to the organizational vision and strategic imperatives, generating higher level of senior leadership support and sponsorship. Program participants gain a deeper understanding of strategic imperatives and experience guided opportunities to practice behaviors that support them. They see how newly learned behaviors are measured and rewarded throughout the corporation, and understand why those behaviors are essential to continued personal success and the organization's business performance. There is greater opportunity to drive lasting, sustainable change in individual behavior and organizational culture (p. 48).

Based upon study data, the researcher concluded that the Leadership Development with Impact model works well in the Chinese context. In addition to the five major factors identified in this model, additional factors were revealed in this study as key factors contributing to enhancing the effectiveness of leadership development practices. These may be summarized as follows:

- Top management support

- Supportive corporate culture

- Communication, execution and follow up issues

- A strong learning culture

- Employee's inner drive or motivation

- The role of line managers

- Timing issues

- Organization structure stability and management team continuity

Recommendations

Study findings have a number of important implications for both researchers and practitioners in the leadership development field. In this section the researcher discusses implications for the two key stakeholders, respectively, and presents recommendations for future researchers, the CEOs, the HRD professionals, and educators.

For Future Researchers

The first major contribution of this study is that it presents the current leadership development practices in China, which has been more or less ignored in the literature to date. As one of the first attempts to depict leadership development in China, it helps the researchers to gain a clear understanding of how companies in China develop their leaders. However, due to the limitations in the case study approach, the researcher would encourage the collection of more similar case studies in China to warrant the generalizability of study findings. In addition to the companies that are in types of businesses similar to those in this study, leadership development practices in other types of business should also be explored. For example, fast-growing private companies, state-owned enterprises, the Chinese government, and non-profit organizations are not

represented in this study, and their leadership development practices remained untouched. Therefore, detailed case studies of their leadership development practices would be of great interest to the research community and the practitioners in this field.

The second major contribution of this research is that it reveals several critical factors that contribute to enhancing the effectiveness of leadership development practices in China. Based upon relevant literature and the findings of this study, a number of theoretical propositions could be well developed to test the effectiveness of leadership development practices in a quantitative manner. As a matter of fact, had quantitative data been collected, it would make the findings of this study much stronger. Therefore, the researcher would recommend that survey instruments be developed based upon the findings of this research, and that quantitative data be collected to explore the impact of leadership development practices on individual, group and organizational performance.

Furthermore, since the succession plan has been identified as the number one challenge in leadership development faced by companies in China, the researcher would encourage future researchers to do more research on how a succession plan could be made more effective in the highly volatile Chinese market.

For Practitioners

The practitioners who probably would find this study of great value may include the CEOs, the HR/HRD professionals, and the educators. The researcher presents below the implications and recommendations for each of these target groups.

For the CEOs

For the CEOs, several key findings from this research deserve special attention. First, the AMA (2005) suggests that leadership development strategy be regarded as one

of the elements with greatest influence on the ability of the companies to develop and retain leaders. This research also found that the four companies each have a very clear talent strategy. Therefore, the researcher would highly recommend that the CEOs clearly define the appropriate talent strategies to support their corporate strategies.

Fulmer and Goldsmith (1998) found that best practice organizations prefer to develop their own leaders as opposed to buying them from outside. All four companies in this study also showed a strong preference for developing their own talents. Some may argue that in the current highly competitive labor market in China, it would be too costly and risky to develop leaders on their own, since other companies may easily lure talents away to higher positions and better pay. However, this study found that the four companies all managed to retain their critical talents. This evidence suggests that, managed properly, growing leaders from inside may work well even in the highly competitive labor market in China.

Hewitt (2005) reported that 80% of the Top 20 companies held senior management accountable for the success of programs such as succession planning, performance management, and high-potential development. In comparison, the human resources department was most likely to be held accountable for these processes in other companies. One of the key findings of this research was that the critical role played by the line managers in enhancing the effectiveness of leadership development practices. Therefore, it is highly recommended that the line managers at each level be held accountable for the success of the leadership development process. They should be well trained, motivated, evaluated and rewarded for doing their part in developing leaders for the companies. In fact, developing a leader is in itself a major form of leadership, and

developing leaders has been identified as one of the core leadership competencies by the AMA (2005).

For HR/HRD Professionals

Since this study presented the leadership development practices of four exemplar companies in China in great detail, and also reported on best practice leadership development worldwide, the findings from this study will be of great value to HR and HRD professionals, especially those who work in the leadership development function.

First, although the leadership development practices revealed in this study may not fit perfectly in other organizations, they may suggest other alternatives or stimulate new ideas for designing a leadership development process that fits the unique corporate culture of other organizations. As the four companies in the study each demonstrated their unique strengths in leadership development practices, together they serve as benchmarks for excellence in leadership development in China.

Second, the factors that have been identified in this study as critical to contributing to the enhancement of leadership development practices, may show HR/HRD professionals how to improve the effectiveness of their leadership development practices. The researcher would recommend that HR/HRD professionals develop a check list for designing and developing their leadership development practices, making sure that critical factors are considered and carefully addressed in proper ways. In doing so, the effectiveness of leadership development practices will be enhanced significantly.

For Educators

This study found that one of the major challenges in leadership development in China is the lack of well-trained professionals in learning and performance. In view of this challenge, the researcher would highly recommend that educators collaborate with top-ranked graduate programs in training and development in the U.S. and Europe to introduce graduate degree programs in training and development in China.

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Appendix A: Case Study Protocol

Case Study Protocol

I   Purpose of the Study

       This study intends to investigate in how the companies in China develop their leaders and explore what key factors contribute to enhancing the effectiveness of leadership development practices in China.

II   Field procedures

1. Self introduction, explain the purpose of the study, the research questions, and why the participant has been invited to join the study;
2. Explain the human subject requirement and ask for signature on the informed consent forms
3. Start interview questions
4. Answer the questions of the participants
5. Thank the participants for joining the research
6. Inform him/her that follow-up steps might occur later on

III   Interview Guides (see Appendix B1-5)

1. Interview Guide for CEO
2. Interview Guide for HR Managers and Other HR Professionals
3. Interview Guide for Human Resource Development professionals
4. Interview Guide for Line Managers
5. Interview Guide for High Potentials.

IV   A Guide for the case study report

1. Individual Case Study Report

Case Overview
- Background
- HR Structure
- Leadership Development Practices

Within-Case Analysis
- Selection and Background of Interview Subjects
- General Talent Strategy
- HR Roles
- Leadership Competency Model, Identifying Leaders, & Developing Leaders
- Program Design & Development, Needs Assessment, Participants Selection
- Major Problems and Challenges in Leadership Development
- Role of Training, Evaluating the effectiveness of leadership programs

- Key Factors contribute to enhancing the effectiveness of leadership development practices

2. Cross-Case Analysis

Appendix B-1: Interview Guide - CEO

Opening Script*:** "Thank you for agreeing to participate in my study on leadership development programs in China. My name is ***June X. J. Qiao and you can reach me at ***juneqiao@gsm.pku.edu.cn***. Again, this interview is part of my dissertation research. It is intended to investigate in how the companies in China develop their leaders. I am going to ask you a number of questions. The interview should take about **60** minutes.	

Name of the Company	

Interviewee Contact Information		
Title:	Phone:	E-mail Address:
Time:	Venue:	

Questions		Notes/Answer
1	How do you define the strategic imperatives for the company?	
2	What are the general talent strategies of the company?	
3	From the company's point of view, what roles should HR play in leadership development?	
4	In what ways do you think the strategic imperatives and unique corporate culture influence on the ways that your company develops its leaders?	
5	What leadership development interventions are available in your company to develop your current and future leaders?	
6	Among the leadership development interventions in your company, which ones you find more effective? Why?	
7	How do you usually evaluate the effectiveness of the leadership development interventions?	
8	In what ways, have you demonstrated your commitment and support to leadership development interventions?	
9	What are the major problems	

	and challenges you are facing in people development?	
Field Observations		
Follow-up Issues		

That concludes my questions. Is there anything that you'd like to add? Do you have any specific questions to me?

Thank you for your cooperation!

Appendix B-2: Interview Guide - HRM

Opening Script: "Thank you for agreeing to participate in my study on leadership development programs in China. My name is ***June X. J. Qiao*** and you can reach me at ***juneqiao@gsm.pku.edu.cn***. Again, this interview is part of my dissertation research. It is intended to investigate in how the companies in China develop their leaders. I am going to ask you a number of questions. The interview should take about **60** minutes."		
Name of the Company		
Interviewee Contact Information		
Title:	Phone:	E-mail Address:
Time:	Venue:	
Questions	Notes/Answer	
1	What are the general talent strategies of the company?	
2	From the company's point of view, what roles should HR play in leadership development?	
3	In what ways do you think the strategic imperatives and unique corporate culture influence on the ways that your company develops its leaders?	
4	What leadership development interventions are available in your company to develop your current and future leaders?	
5	Among the leadership development interventions in your company, which ones you find more effective? Why?	
6	How are the current leadership development programs designed and developed?	
7	After the course participants return to their workplace, how does the company measure whether their performance has been improved as a result of the program?	
8	How do you usually evaluate the effectiveness of the	

	leadership development interventions? What performance metrics you use?	
9	In what ways, do the CEO and top management team demonstrate their commitment and support to leadership development interventions?	
10	What are the major problems and challenges you are facing in people development?	
11	Please share with me how you have been trained and developed in the company? Which ways you find more helpful? Why?	
Field Observations		
Follow-up Issues		

That concludes my questions. Is there anything that you'd like to add? Do you have any specific questions to me?

Thank you for your cooperation!

Appendix B-3: Interview Guide – HRD Professionals

Opening Script: "Thank you for agreeing to participate in my study on leadership development programs in China. My name is ***June X. J. Qiao*** and you can reach me at ***juneqiao@gsm.pku.edu.cn***. Again, this interview is part of my dissertation research. It is intended to investigate in how the companies in China develop their leaders. I am going to ask you a number of questions. The interview should take about **60** minutes."		
Name of the Company		

Interviewee Contact Information			
Title:		Phone:	E-mail Address:
Time:		Venue:	
Questions		Notes/Answer	
1	What are the general talent strategies of the company?		
2	From the company's point of view, what roles should HR play in leadership development?		
3	In what ways do you think the strategic imperatives and unique corporate culture influence on the ways that your company develops its leaders?		
4	What leadership development interventions are available in your company to develop your current and future leaders?		
5	Among the leadership development interventions in your company, which ones you find more effective? Why?		
6	How are the current leadership development programs designed and developed?		
7	How are the decisions made regarding who should attend the leadership development programs?		
8	After the course participants return to their workplace, how does the company measure whether their performance has been		

	improved as a result of the program?	
9	In your opinion, what factors have encouraged or hindered the course participants from applying what they have learned?	
10	How does the company usually evaluate the effectiveness of the leadership development interventions? What performance metrics are used?	
11	In what ways, do the CEO and top management team demonstrate their commitment and support to leadership development interventions?	
12	How do other functions in HR support leadership development interventions?	
13	What are the major problems and challenges you are facing in leadership development?	
14	Please share with me how you have been trained and developed in the company? Which ways you find more helpful? Why?	
Field Observations		
Follow-up Issues		

That concludes my questions. Is there anything that you'd like to add? Do you have any specific questions to me?

Thank you for your cooperation!

Appendix B-4: Interview Guide – Line Managers

<table>
<tr><td colspan="2">Opening Script: "Thank you for agreeing to participate in my study on leadership development programs in China. My name is June X. J. Qiao and you can reach me at juneqiao@gsm.pku.edu.cn. Again, this interview is part of my dissertation research. It is intended to investigate in how the companies in China develop their leaders. I am going to ask you a number of questions. The interview should take about 60 minutes."</td></tr>
<tr><td colspan="2">Name of the Company</td></tr>
<tr><td colspan="2">Interviewee Contact Information
Title: Phone: E-mail Address:
Time: Venue:</td></tr>
<tr><td colspan="2">Questions</td><td>Notes/Answer</td></tr>
</table>

	Questions	Notes/Answer
1	Please share with me, as a line manager, how you have been trained and developed in the company	
2	What leadership development interventions are available in your company to develop its future leaders? Specifically, what do you usually do to develop your high potential subordinates?	
3	Among the leadership development interventions in your company, which ones you find more effective? Why?	
4	In what ways do you think the strategic imperatives and unique corporate culture influence on the ways that your company develops its leaders?	
5	How are decisions made regarding who should attend leadership development programs?	
6	After the course participants return to their workplace, how do you evaluate whether their performance has been improved as a result of the program? Please tell me a real story to illustrate this?	
7	In your opinion, what factors have encouraged or hindered	

	the course participants from applying what they have learned?	
8	What are the major problems and challenges you are facing in people development?	
9	How do you comment on the performance of HR function in general? As an internal client of HR, how do you evaluate their contribution in people development in the company?	
Field Observations		
Follow-up Issues		

That concludes my questions. Is there anything that you'd like to add? Do you have any specific questions to me?

Thank you for your cooperation!

Appendix B-5: Interview Guide – High Potentials

Opening Script: "Thank you for agreeing to participate in my study on leadership development programs in China. My name is ***June X. J. Qiao*** and you can reach me at ***juneqiao@gsm.pku.edu.cn***. Again, this interview is part of my dissertation research. It is intended to investigate in how the companies in China develop their leaders. I am going to ask you a number of questions. The interview should take about **60** minutes.	
Name of the Company	

Interviewee Contact Information		
Title:	Phone:	E-mail Address:
Time:	Venue:	

Questions		Notes/Answer
1	Please share with me, as a high potential employee, how you have been trained and developed in the company.	
2	Among the leadership development interventions in your company, which ones you find more effective? Why?	
3	Specifically what leadership development programs you participated so far? Which programs you find more helpful? Why?	
4	After returning from the leadership development programs, how do you usually apply what you have learned to your workplace? Please tell me a story to illustrate this.	
5	In your opinion, what factors have encouraged or hindered you from applying what you have learned?	
6	How do you evaluate the effectiveness of the current leadership development interventions in the company?	
7	In what ways do you think the strategic imperatives and unique corporate culture influence on the ways that your company develops its leaders?	
8	What are the major problems and challenges in people development in your company?	

9	How do you comment on the performance of HR function in general?	
Field Observations		
Follow-up Issues		

That concludes my questions. Is there anything that you'd like to add? Do you have any specific questions to me?

Thank you for your cooperation!

Appendix C: Number of Interview Subjects in the Four Cases

Case #	Company Name	Interview Participants	Number
1	BenQ China	CEO	1
		Vice President	1
		HR director	1
		Human Resouce Dev.	1
		Other functions in HR	3
		High Potential	2
		Line Managers (Direct Boss)	2
		subtotal	**11**
2	ABB(THB)	CEO	1
		HR Manager	1
		Human Resouce Dev.	1
		High Potential	2
		Line Managers (Direct Boss)	2
		subtotal	**7**
3	Motorola China	HR director	1
		Director for Learning A/P	1
		In-business HR	4
		High Potential	6
		Line Managers (Direct Boss)	3
		subtotal	**15**
4	Lenovo China	Strategic Leadership Dev.	1
		Training Function	2
		High Potential	2
		Line Managers (Direct Boss)	2
		subtotal	**7**
		Total	**40**

Appendix D: List of Secondary Data

ABB High Voltage Switchgear Co., Ltd., Beijing

1. ABB China Employee Magazine, 2005

2. Organization Chart

3. China Annual Performance & Development Review Form

4. ABB China Annual Report, 2004-2005

5. For more information, please visit ABB company website: www.abb.com.cn

BenQ (IT) Co. Ltd.

1. Zhang, Zhe-Cheng (2003). *BenQ: A legend in Suzhou*

2. Tseng, Michael (2005). Professional Kindness

3. For more information, please visit BenQ company website: www.benq.com.cn

Lenovo China

1. Li, Fang (2005). *Seven years in Lenovo.* Tsinghua University Press.

2. Ling, Zhi-Jun (2005). *Legendary History of Lenovo*. CITIC Publishing House.

3. Yu, Shao-le & Lu, Huai-Qian (2003). *Liu Chuan-Zhi: The making of a Chinese*

   entrepreneur.

4. Lenovo Company Magazine, 2003-2005.

5. For more information, please visit Lenovo China company website: www.lenovo.com

Motorola (China) Electronics, Ltd.

1. CAMP-Essential: Training Handbook (v.2.5). July 2004

2. For more information, please visit Motorola company website:

   www.motorola.com.cn

Table of Contents

VITA

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Xuejun Qiao is currently a Ph.D. candidate at the Workforce Education and Development Program, College of Education, the Pennsylvania State University, University Park Campus. Her research interests include leadership development, organization development, succession planning and competency models.

Prior to entering this program, she served as the training manager of the Executive Development Programs at Guanghua School of Management, Peking University in China. In that position, she was responsible for all aspects of the executive development programs, covering development, marketing and administration of both open enrollment executive development programs and custom executive programs that address the specific training needs of client organizations. Her clients include Lenovo China, and the Chinese Academy of Sciences, etc.

June Qiao received her bachelor degree in Economics at Beijing Polytechnic University, and her master degree in Business Administration at Guanghua School of Management, Peking University in China.