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# Diversity Glabal Magazine

Bringing Innovative Human Capital, Diversity and Inclusion to a Global Workforce

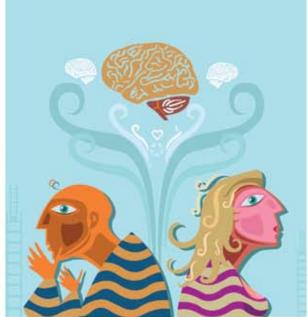
# Human Capital Metrics

**High Performing Organizations** Drive
Effectiveness Through HR

Henkel's
Approach to
Diversity
Equates to Change

Multiply People Power With Network Power and Enhance the Power to Innovate











Finding Retention Strategies in Turnover and Exit Data

Smart Organizations
Develop Talent Intelligence

Corporate Governance Takes on a New Reality

of Influence

Transparency
is the
Code Word
for an Ethical
Corporate
Workplace

Organizational Coaching Helps People Rise to Their Level of

Leadership

# "HOW DOES DIVERSITY BRING ENERGY TO US ALL?"

At DTE Energy, we believe that it's the contributions of all, not the actions of one, that build great communities. As a company, we grow stronger by welcoming the unique perspectives of everyone, regardless of background. As community members, we support our state's broad culture and heritage. From working closely with women and minority owned suppliers, to embracing our local cultures, DTE Energy is powering diversity.







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### **Editorial Description**

DiversityGlobal Magazine's mission is to generate conversation in Thought Leadership among thinkers, CEOs, managers, and entrepreneurs about the coming sea changes in global corporate diversity that will transform how people innovate and lead. DiversityGlobal captures the creativity, excitement and opportunity created by rapid societal, economic and technological change and brings it home to thoughtful managers.

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# **Immigration Dynamics**

# Change During European Crisis

istory has shown that immigrants are usually the group of people hit the hardest when economic conditions deteriorate. It is logical from the viewpoint that a downturn in the labor market means people already in the country, citizens and immigrant residents, alike, feel entitled to the jobs that do exist. The European economic crisis is no different, though it is not that simple. There is actually a trifecta of conditions that are working against immigration.

First, unemployment is at record highs in numerous developed European nations, and the tight job market is discouraging government policies that promote immigration. Second, immigrants are historically a group who are pushed into the unemployed ranks because many hold lower paying jobs that are the first to be eliminated during the massive downsizing that has occurred over the last few years. Third, the European crisis has created the unusual situation in which the eurozone countries, dedicated to creating a unified market, are now competing with each other for money, jobs and opportunities.

When the European Union is not growing, the prospects for employment decline, and that influences the migration of people. However, what is particularly unique about this particular crisis is that some developed countries like Greece and Ireland are experiencing record unemployment. As a result, their residents are trying to migrate to other European countries. Germany's Federal Statistics Office reported in May 2013 that immigration is at its highest level since 1995 with 1.081 million people immigrating. The immigration surge is attributed to record numbers of people coming from Italy, Spain, Greece and Portugal, countries with distressed economies. While Germany's unemployment rate is at 6.9 percent, the rates in Greece and Spain are each close to 27 percent.

The dynamics of this situation are complex. Many of the people immigrating from other European nations will likely return to their countries of origin when feasible. In the meantime, they are competing with immigrants from Asian, African, South American and Middle Eastern countries. That could eventually hurt the ability of developed European nations to maintain an energetic, skilled labor force. According to the Organization for Economic Cooperation and Development (OECD), in an interesting twist, non-European immigrants face greater competition for European jobs, while developing Asian nations will increasingly be able to offer jobs to its people at home. This could lead to declining immigration from outside Europe, which is precisely what Europe does not need as it struggles to come out of the recession and re-establish thriving economies.

Developed European nations need immigrants from outside Europe to maintain a stable, more youthful workforce. Some countries are curbing immigration inflows, but the question is whether the numbers can be ratcheted back up as economic conditions improve. Countries cutting back on immigration and immigration integration programs are setting themselves up for a long-term labor shortage and for other problems like increased discrimination against immigrant populations and creation of isolated immigrant groups.

Immigrants bring vitality, innovation and creativity to the labor force and fill skills gaps. They help countries become full participants in a more globalized economy. One of the impacts of the financial crisis has been a shifting of Europe's position in the world economically and demographically. No one knows what the new world order will look like yet because it is still shaking out. However, the rise of Asia and Latin America is already leading to emigration out of, as opposed to into, Europe.

This is the right time to discuss a strategic immigration policy that addresses labor force needs in terms of numbers and skills, and the integration of diverse people socially and economically. It is a time to re-define immigration policies in view of Europe's aging and declining population, the increased competition for skilled labor in Asia and Latin America, and the need to maintain a diverse workforce that contributes to economic strength. Right now, the prediction is that new immigration to Europe will decline if it stays on its current course. That would simply be a tragedy for Europe.

# **DELOITTE UNIVERSITY**

# LEADERSHIP CENTER FOR INCLUSION ANALYZES INCLUSIVE WORKPLACES



Christie Smith ,Ph.D. West Region Managing Director, Deloitte Consulting LLP

Westlake, Texas.

epresentatives from Fortune 500 companies, government, nonprofits and academia examined the evolution of inclusive workplaces at the recent launch of the Deloitte University (DU) Leadership Center for Inclusion. The more than 250 attendees discussed a wide range of inclusion issues in-

cluding minority recruiting; veteran hiring; attracting and retaining lesbian, gay, bisexual and transgender talent; and growing the number of women in science, technology, engineering and mathematics (STEM) fields.

Christie Smith, Ph.D., west region managing director, Deloitte Consulting LLP and managing partner for the Deloitte University Leadership Center for Inclusion, was instrumental in developing the center's vision and formation. Through the center, Deloitte is changing the conversation around inclusion and engaging thought leaders, clients, business leaders and their professionals in the process.

"One of the primary goals of the Leadership Center for Inclusion is to fundamentally re-define what inclusion looks like in the workplace," Smith said. "This is not just about programs or initiatives; it is the leadership issue of our time."

### Pittsburgh, PA.

ylan Inc. announced that it has contributed \$1 million to The Pittsburgh Promise Scholarship Fund, a scholarship program for Pittsburgh Public School students that advocates for improving the quality of education and increasing the preparedness and diversity of the region's workforce. The donation will help The Pittsburgh Promise to complete phase II of its \$250 million fundraising campaign nearly three years ahead of the fund's original 2018 target.

Mylan Executive Chairman Robert J. Coury said, "Mylan has and will continue to play an active role in Pittsburgh, as we believe strongly in the importance of giving back to our community. Pittsburgh has long served as an important hub to Mylan and we anticipate it will continue to play a key role in our business for many years, as we look forward the opening of our new Global Center later this year."

# MYLAN ANNOUNCES \$1 MILLION GIFT TO THE PITTSBURGH PROMISE SCHOLARSHIP FUND



Robert J. Coury Executive Chairman, Mylan

# A STRONG FUTURE FOR AUSTRALIAN



Canberra, Australia.

tralia has been feeling the pressure of the high Aussie dollar and cheap imports. But with a plan for innovation in Australian manufacturing, the country can look forward to a bright future.

Local manufacturing jobs have been under threat from a high Aussie dollar and overseas companies unfairly dumping cheap goods into Australia. That hurts sales of locally made goods.

Labor has introduced a \$1 billion plan to help boost Australian innovation, productivity and competitiveness. That may lead to more investment in innovative manufacturing so Australian manufacturing can lead the world. The products may not always be cheaper, but leaders believe that they can make smarter and better products than what is available from overseas.

A Plan for Australian Jobs will back firms to win more work at home, support industry to win new business abroad, and help small businesses to thrive and grow.

# WALMART LAUNCHES VETERANS COMMITMENT AND PLANS TO HIRE 100,000 DURING NEXT FIVE YEARS

Bentonville, Ark.

almart launched the Veterans Welcome Home Commitment to offer a job to any honorably discharged veteran within his or her first 12 months off active duty. The company projects to hire more than 100,000 veterans during the next five years.

"Hiring a veteran can be one of the best business decisions you make," said Bill Simon, Walmart U.S. president and CEO and U.S. Navy veteran. "We believe Walmart is already the largest private employer of veterans in the country, and we want to hire more."

"Veterans have a record of performance under pressure. They're quick learners and team players and are leaders with discipline, training and a passion for serv-



ice," Simon continued.
"I can think of no better group to lead in revitalizing our economy than those who have served in uniform. Through their service, veterans give us a land of freedom. When they return, it must be to a land of possibility."

Bill Simon
Walmart U.S. President and CEO and U.S. Navy veteran

......

#### San Francisco.

outhwest Airlines Vice President of Diversity and Inclusion Ellen Torbert was honored with the Rosa Parks Diversity Leadership Award. This award, presented by the Women's Transportation Seminar San Francisco Bay Area (WTS), honors women and organizations that have made a significant contribution in promoting diversity and cultural awareness within their organization, the transportation industry, or in a project/activity that supports the WTS goals and mission.

"It's truly an honor to be recognized by the Women's Transportation Seminar San Francisco Bay Area. I feel privileged to work for a company that recognizes that our unique cultures make us who we are, therefore,

# SOUTHWEST AIRLINES

# VP WINS ROSA PARKS DIVERSITY LEADERSHIP AWARD

we value and embrace the diversity of all our employees and customers," Torbert said. "Southwest Airlines has a long history of celebrating its people, and I'm proud to accept this award on behalf of my company."



# SEC OKS SOCIAL MEDIA FOR CORPORATE DISCLOSURES, BUT COMPANIES REMAIN WARY



### Washington, D.C.

he Securities and Exchange Commission recently gave explicit permission for companies to use media such as Twitter and Facebook to announce key nuggets of information, but it turns out that many public companies are still uncertain about what they are allowed to do.

That is according to a new survey of CFOs and investor relations professionals at Fortune 1000 companies, conducted by KCSA Strategic Communications.

According to the survey, 77 percent of CFOs and investor relations professionals at major public companies do not think the SEC has given enough guidance on how to use social media to disclose company information. It added that 86 percent would be willing to incorporate social media into their investor relations strategies if the SEC provided clearer guidance on the subject.

Specifically, the SEC said companies can use social media such as Twitter and Facebook to announce key pieces of information, so long as investors have been alerted about which social media will be used to disseminate it.

# WESTERN UNION TO GIVE \$500,000 FOR EDUCATION IN MEXICO

Washington, D.C.

estern Union has recently announced that it will contribute \$500,000 to the Education and Economic Development Programs of the U.S.-Mexico Foundation. The fund focuses particularly on marginalized communities in Mexico and provides the opportunity for young people in those communities to receive a decent education.

The long-term goal is to increase the number of young Mexicans pursuing both secondary and higher education, developing the skilled workforce that the country needs to sustain and improve its impressive growth in the future. As a closely-bound neighbor, the U.S. has taken a keen interest in the initiative, providing the foundation to which Western Union is now contributing.



Patrick Gaston
President, Western Union Foundation

Patrick Gaston, president of the Western Union Foundation, added that "the Western Union Foundation is dedicated to creating a better world, where the ability to realize dreams through economic opportunity is not just a privilege for the few but a right for all."

# VOLKSWAGEN RANKED GERMANY'S MOST ATTRACTIVE EMPLOYER

Wolfsburg, Germany.

olkswagen's commitment to its workforce was highlighted recently when the car manufacturer was ranked as Germany's most attractive employer. This was the result of a wide-ranging survey of roughly 13,000 people throughout 17 sectors conducted by Focus news magazine and the Xing professional career network.

The survey was staged in two parts. Covering 820 companies, the first part involved a broad collection of data from sources such as interviews, Internet reviews and awards. The second part involved a broad survey, which filtered the number of companies down to a shortlist of 379. On analysis of the remaining businesses, Volkswagen came out on top.



Dr. Horst Neumann Volkswagen's Human Resources Board Member

"At Volkswagen, skilled workers and engineers, managers and Works Council members form a strong team. Our cars generate enthusiasm among our customers," said Dr. Horst Neumann, member of the Board of Management of Volkswagen Aktiengesellschaft responsible for human resources. He underscored: "We offer our employees first-class training and a variety of development possibilities. Each individual employee can be sure that good performance and business success will pay at Volkswagen."

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# YOUNG ENTREPRENEURS

# SEND THEMSELVES ON INTERNATIONAL ADVENTURES AROUND THE WORLD



### Spokane, Washington.

he admissions department of People to People Ambassador Programs, the leader in global educational travel experiences, reports most students are paying their travel tuition in part or full in 2013 with fundraising, some with ideas so innovative that they succeed as real-life businesses.

People to People estimates more than \$35 million will be raised in 2013 alone by Student Ambassadors traveling with one of the more than 400 delegations offered by the nation's premiere educational travel provider, and it's not just through bake sales and car washes.

Students from all 50 states are slated to travel to more than 40 countries this summer on People to People Ambassador Programs that will enhance their cultural intelligence. In addition to providing students with fundraising mechanisms, People to People Ambassador Programs and the Ambassador's Foundation have pledged to giveaway more than \$1 million in scholarships and tuition credits for the 2013 travel season.

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# Take time to recognize the good around you.

At New York Life, we don't ignore the differences in people, we revel in them. We are fully committed to helping build relationships between major corporations and the diverse business community. Supporting activities and programs that help certified diverse suppliers is just another way we keep good going. For more information, visit us at: newyorklife.com/supplierdiversity

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KEEP







# MULTIPLY PEOPLE POWER with NETWORK POWER and enhance THE POWER TO INNOVATE

- By Ricardo Nunes

ow does a business define failure? When an employee has an idea for a new product and the product never gets designed or manufactured, did the idea and the employee fail? What if the original idea was shared, parsed, blended with other ideas, reassembled with new concepts and shaped into a brand new idea leading to innovation in products or services? Who succeeded and who failed? The end result may not be recognizable as the original idea, but it was the first idea that sparked the innovation process. Without the first idea, there would not be a new idea to emerge at the end of a creative process.

For decades, people have sat through meetings in conference rooms, shared ideas and then went their separate ways. Eventually they get back together for another

meeting to see if anyone A culture of innovation had further thoughts. By then, if the idea has not is only possible if died, many of the origipeople are empowered nal, innovative concepts to contribute ideas. It have been lost or forgotten. They are locked away in departments, divisions and units to wait until someone tells the people in the various silos that it is now okay to contribute information, as long as the information is related

doesn't matter if it's a good idea or not because sharing through networking will turn every idea into a learning tool. to their division, depart-

ment or unit. Crossing functions is not allowed because it might offend those who spend more time worrying about controlling ideas as opposed to generating them. Many companies can be described as having pockets of innovation, but like an outfit with multiple pockets, the contents only mix when someone manually takes the contents out of one's pocket and puts them into a different

# Glorious Jumble of Thoughts

Now consider a scenario in which people are free to network as much as they like both online and offline. They share ideas, comment on each other's concepts, praise and (politely) criticize suggestions, and produce a glorious jumble of thoughts that can go down any path. Out of this kind of sharing can emerge innovative ideas that would be nonexistent were it not for the ability to network with a diverse group of people. Technology has given companies the ability to travel the innovation path with ease. It has created a borderless arena in which empowered people can go beyond their physical limitations, like conference rooms, and search out those who have the most to offer in the way of knowledge. Technology amplifies people power by enabling them to share without arbitrary restrictions through the use of a variety of networks, like wikis, forums, intranets and social media.

Though it may seem obvious, the networks are not smart. They are only tools that enable people to get smarter through connections. The real power of networks is their ability to support a corporate mindset that is nimble and resilient, both necessary for innovation. Stanford University psychologist Carol Dweck wrote a book titled "Mindset, The New Psychology of Success." In that book she uses the term "CEO Disease" which refers to executives or other leadership that surround themselves with people and communications that only herald company success. These were the companies taken most by surprise when social media opened up lines of communication, and lo and behold, their customers or the general public criticized their products or customer service or lack of social responsibility. Working in silos where communication cannot flow freely stifles the truth and that stifles innovation. If you think the company is perfect, why change or innovate?

People managing companies must cultivate corporate cultures and norms that encourage innovative thinking. They must give stakeholders access to technology that connects everyone. Businesses must also be able to capture the ideas, trends, opportunities and information that freely and nimbly flow. In this type of culture, the CEO Disease does not exist because managers are willing to hear the good and the bad news. Customer complaints can be turned into opportunities to develop new products or services, for example, and the company gets smarter as a whole.

..successful innovators turn failures in learning. They re-deploy employees from failed innovation projects to new business units, so they can share their learning and knowledge through networking.

## Anytime, Anywhere

knowledge in ways unimaginable 10 ence room. years ago. Cloud computing has created affordable, unlimited space for the

cur. There is no need to "call a meeting" Two recent technology developments and risk losing the original concept beare making it possible to generate fore people can make it into the confer-

The Economist Intelligence Unit centralized delivery of information sponsored a survey of 226 global execuservices. It is accessible anytime and tives, primarily from Western Europe, anywhere by people and computing North America and the Asia-Pacific networks. The second development is region, concerning the ability of their mobile technology. People can access companies to innovate. There were a information resources and network number of best practices noted. First, at will, anytime and anywhere. This successful innovators capitalize on means ideas can be shared anytime technology to remove silos and promote and anywhere and when they first oc-sharing of ideas between departments, managers and employees, customers and employees, executives and managers, and so on. Their IT departments are not underutilized. Also, innovators

> use customer data and participation to make product and service improvements. They encourage customer feedback and collect information from social networks and do sentiment analysis. Innovating companies make use of disruptive technology trends like big data and social media. Finally, successful innovators turn failures in learning. They re-deploy employees from failed innovation projects to new business units, so they can share their learning and knowledge through networking.

Technology has played a huge role in making networking a best practice. However, it must be combined with a corporate culture that promotes fresh thinking and discourages people from thinking in terms of right and wrong, success and failure, or mine and yours. Connecting people will engage and empower them. In "Where Good Ideas Come From:

The Natural History of Innovation," author Steven Johnson writes, "The trick to having good ideas is not to sit around in glorious isolation and try to think big thoughts. The trick is to get more parts on the table." Connecting people so they are empowered to think nimbly and share information quickly will bring all the "parts" needed to innovate.





# Retention Strategies in Turnover and Exit Data

It is costly when employees voluntarily leave because they take their training, knowledge, talents and competencies with them. Analyzing turnover and exit data to develop effective retention strategies may reveal surprising root causes.

- By Simeone Summers

ost managers would say they know why people leave the company and then proceed to list reasons like "better pay" or "more opportunity." They may or may not be the real reasons, but the employers continue doing business as usual, seeing little reason to change anything. It is remarkable that businesses seem to spend little time trying to uncover the truth about turnover, usually relying on exit interviews conducted by Human Resources (HR) personnel. The cost of turnover is high because employees take their knowledge, training, talents, competencies, experience and networks with them. For these reasons, a wealth of turnover and exit data needs to be collected, reported to management, and then leveraged to develop effective retention strategies.

Long before an employee leaves, there are usually signs of disengagement. An anonymous saying goes like this: Some people quit and leave, while others quit and stay. When people become disengaged, they almost always lower their productivity, costing the company much more than the expense of training a replacement. Disengaged employees use sick leave, have an increased likelihood of experiencing on-the-job injuries, complain more, make more mistakes, and may even be deliberately uncooperative or cause turmoil in the workplace. It can be particularly harmful to the business if the dissatisfaction with the company translates into giving poor customer service or producing low-quality products or services.



## **Making the Connections**

In many companies, turnover and exit data tends to be fairly shallow because there is a tacit understanding that the employees will probably not tell the real reasons why they are leaving and employers should not be asking personal questions. The real reasons for leaving include lack of opportunity, poor management, inefficiency, lack of mentoring or development opportunities, no recognition earned for contributions to the business, a nonparticipative culture, lack of opportunity to use talents and creativity, or lack of opportunities to follow a desired career path. There may be more personal reasons too, like managers belittling employees or using a dictatorial, offensive style. In reality, most people have multiple reasons for searching for a new job, and it is an accumulation of events that lead to their terminating employment.

Using turnover and exit data to learn the real reasons employee leave requires connecting the data to the employee



and/or company history. The HR exit interviews may be summarized and sent to the appropriate manager or supervisor, but the information is not very valuable unless it is linked to what occurred in the workplace. Was the employee a rising star who reached a certain level and found no more opportunities? Analyzing the person's career path in the company can be very revealing. The departure of a talented employee who is promoted a couple of times, but eventually reaches a level where all efforts to advance are stymied, is an indication there is a problem. For example, there may be a history of women failing to reach management positions, despite excellent work performances. The only way that information is discovered is by analyzing the data for all women who have left the business over a period of time. If women are seldom promoted into management in a particular division, senior management knows it can expect to lose talented women in the future and corrective action can be taken before others leave. If the turnover rate for minorities is twice as high as the turnover rate for white employees, it is considered a dysfunctional voluntary turnover. Another good example of dysfunctional turnover is high turnover rates for talented staff members who complete in-house training. There is obviously a systemic issue that needs addressing or an undesirable

with other data. The breakout data on terminating employees can include information like skill level, gender or race, performance level, promotions, type of work, training and development completed, and so on. Once the data is collected, the costs of turnover by employee category, based on a pre-designated factor like skill level, are calculated and compared to the benefits of designing retention strategies. Benchmarking can provide guidance for evaluating the costs of turnover, while a needs assessment analyzes future workforce needs based on industry and marketplace conditions.

Data is collected in different ways. Exit interviews, post-exit interviews,

Understanding why people leave employment is one level of informationgained from turnover and exit data. However, employers can also use the information to identify the risk of loss of critical employees.

corporate culture that does not support diversity and inclusion or up-and-coming professionals.

Understanding why people leave employment is one level of information gained from turnover and exit data. However, employers can also use the information to identify the risk of loss of critical employees. For example, if exit data indicates a particular employee profile is likely to leave after five years due to lack of engagement, retention strategies can target this group. Perhaps the company needs to offer challenging projects requiring teamwork so the employees are able to contribute more of their talents and have greater companywide visibility.

# **Collecting a Wealth of Data**

The data collected needs to include much more than just the turnover rate. Employers should track turnover by job title and job level, years of service, performance level, and so on. The reason people are leaving should be identified, but the reasons can also be correlated

linkage research and qualitative studies are just a few methods. The type of retention strategies designed depends on what the turnover and exit data reveals. They can include adding flexible work schedules or training and development opportunities, developing a new-hire orientation program that conveys realistic information about the job, revising the salary and benefits schedule, adding supervisor training, developing motivating performance based awards, and many others.

Ultimately, the goal is to use the turnover data in a way that improves retention of employees who bring the most value to the business. Highly trained and skilled workers, minorities and women, and critical positions that are difficult to fill are examples of high value employee groups. Developing and implementing a plan to reduce turnover rates is challenging, but the benefits accrued make it well worth the effort. Just do not be surprised if the data analysis reveals that management really did not have a firm understanding of what employees are thinking and experiencing.

# Smart Organizations Develop Talent Intelligence

The next era of human resources management is Talent Intelligence, which goes far beyond talent management. It looks to the past for competency clues, to the present for results and development needs, and the future for succession planning and talent mobility.

alent Intelligence is a proactive approach to ensuring a business always has the right people on board to maximize performance now and in the future. In the traditional staffing model, companies waited until a need arose for specific talent and would fill positions based on that need. Human resources information systems were designed to track people once they were on board based on factors like education, compensation and training. However, these systems have a lot of information gaps that made them almost useless for strategic decision making. Talent Intelligence fills the gaps by linking decision making to human resources information or data and enabling managers to use those linkages to enhance business performance.

It was not that long ago when talent management was the battle cry of businesses. The focus was on ensuring people already on board were given equal opportunities to develop talents and skills, but implementing strategies like succession planning was not standard practice. In the hyper competitive environment businesses operate in today, failing to link business strategic goals to workforce planning left them unprepared to respond to rapid changes. Talent Intelligence links all of the human resources components together and to business performance; it manages data on the existing workforce to enhance sourcing and onboarding of goodfit talent, talent management, leadership succession, performance management and compensation management. In recognition of globalization, Talent Intelligence also considers talent interests and mobility.



### **Ready Now or Later?**

Businesses must be able to develop new products and services or enter new markets quickly. They are expected to respond rapidly to changing consumer needs, provide rapidfire customer service and embrace the newest technology. There is also a market expectation that socially responsible businesses will recognize the value of a diverse workforce and offer equal opportunities for progression. In the past, a corporation might ask: Can we hire engineers for development of a product prototype presented by a supplier? Now, the same company would ask: Which onboard engineers are ready to assume project team leadership? In the first scenario, human resources would have to go out into the marketplace to find qualified engineers, who will need familiarization with the company before they can be productive. In the second scenario, human resources uses a Talent Intelligence system to identify in-house engineers with the right competencies and experience and who are ready to help optimize business performance.

Talent Intelligence goes beyond asking who needs to be in the talent pipeline or who requires in-house training and development. It represents a sophisticated blending of past, present and future. Software used by corporations builds talent profiles that incorporate information from all sources by considering past and current performance and current talents, but goes one more giant step forward and incorporates potential in view of business needs. The profiles enable managers to identify successful people in the workforce, or people who have been successful in their positions. In-house talent is identified by considering each person's education, past and current achievements, skills and capabilities, career progression, team performance, future interests (like transfer overseas) and so on. This gives the organization a human resources database that enables management of future workforce needs.

However, for a company to fully benefit from Talent Intelligence, there are two requirements. First, the organization must set strategic goals and then it must identify the mission critical functions likely to need top talent. What new ventures or projects will exist five or 10 years from now? Sourcing and onboarding people now, providing development opportunities and a career path, will create a talent pool from which people can be pulled quickly to take on strategic initiatives.

# Dissatisfied but Still in a State of Inertia

Naturally, such a comprehensive approach requires software like that sold by Taleo Corp. or the startup Evoly, to

Talent Intelligence
goes beyond asking
who needs to be in
the talent pipeline
or who requires
in-house training
and development.
It represents a
sophisticated
blending of past,
present
and future.

name two. Oracle conducted a study of Western Europe talent management practices and identified a great need for Talent Intelligence. Only 24 percent of the companies surveyed were satisfied with knowledge of their workforce talent, yet 54 percent said an increased investment in Talent Intelligence would increase profitability. The survey also exposed some of the information gaps that need to be closed, if these companies are going to remain competitive. For example, only 47 percent of the

managers surveyed have access to data that measures productivity, 39 percent have critical positions with no succession plan developed, and 59 percent have access to data that identifies employees completing training and development activities. Approximately a third of those surveyed have filled leadership positions with in-house talent.

Talent Intelligence identifies potential and current top performers as well as the skills that are driving business performance. The workforce metrics help managers identify skill gaps, leaders who can be developed inside the organization, and employees with high potential who should be retained. It also identifies employees who are a good fit for long-term business strategies like globalization, mergers and acquisitions, and specialization. Talent Intelligence information systems link the human resources function directly to business performance, finally giving the human resources manager a seat at the C-Suite table.

# **Aligning for the Future**

If Talent Intelligence had to be described in one word, it would be "alignment" - alignment of people to positions, talent to business goals, and workforce to business performance. Ultimately, it is intended to have the right people in the right positions, to know what they are capable of achieving in support of the business mission and goals, and to have a development program in place to ensure they have opportunities to achieve. It begins with recruitment, moves into developing leadership bench strength, determines strategies are in place to achieve top performer retention and talent attraction, and tracks the ROI of development activities.

Achieving this kind of business intelligence requires accessible data. The Oracle study indicated that many companies have not yet moved towards being data proficient in talent management. That is bound to change as Talent Intelligence concepts take root as critical competitive strategies.



Kirsten Sánchez Marín Head of Global Diversity and Inclusion, Social Progress, Henkel

In Latin America, female employees are quite common, but they don't move up the ranks because of family pressures, a hierarchal social structure and economics.

- Kirsten Sánchez Marín

# Henkel's

# Multidimensional Approach to Diversity Equates to Change

German company Henkel operates worldwide, including in Latin America. It has been a cultural learning experience that proves change can take many forms.

- By Joseph Warren

espite the lengthy discussions in corporate board rooms on managing change, the reality is that adapting in today's world requires flexibility, adaptability and a willingness to recognize that change is defined differently from culture to culture. When German company Henkel - a leader in laundry and home care, beauty care and adhesive technologies - further extended its presence in Latin America, it found out that working in countries with strong cultural, economic and social issues can present challenges to elevating talented women into higher level positions.

"In Latin America, female employees are quite common, but they often don't move up the ranks because of family pressures, a hierarchal social structure and economics," explains Kirsten Sánchez Marín, Henkel's Head of Global Diversity and Inclusion. Besides her decades of experience working and a degree in international management, she is qualified to understand the complexities of working within multiple cultures because she is a native German, married to a Mexican gentleman, and has been working many years in Latin America. In fact, Sánchez Marín represents the talented women multinationals have increasingly turned to for help in successfully doing business in other cultures.

In Latin America, there is a complex set of factors that makes it especially challenging to improve the situation of women. Generally speaking, the South American cultures are driven by strong family bonds, a history of a male-dominated hierarchal system that emerged during the colonial period, and unstable economic and political situations that endured for a century. Multinationals entering these markets must adapt to the historic and economic conditions and understand that they must address the specific needs of women, if they are serious about tapping into the talent pool.

# Not a Matter of "Rights" ... an Issue of Culture

One of the perspectives that Western and European companies struggle to understand is that Latin America does not consider this an issue of "women's rights." Sánchez Marín explains, "They have the same rights already in the form of legal rights and general acceptance. It is the social pressure that prevents the women from advancing." Women are largely expected to care for their children and family, making it difficult for them to assume more responsibilities that may require travel, long hours and especially job rotations. It is quite uncommon that men take over the role

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of upbringing children or follow their wives to a foreign country for job reasons. Family ties are still very strong in Latin America, besides the husband it is also the parents influencing the job decisions and mobility.

Complicating the situation further is the male-dominated business culture. Local businesses have a traditional structure of one person at the top and a senior management group steering the business and making decisions without input from the rest of the workforce. One of the appeals of multinationals for Latin American women is their more democratic and participative leadership styles and structures that give women a voice.

Another main concern is safety. Most multinational offices are located in big cities where safety is less of a concern, but their production companies are outside the cities. Women must find a safe way to travel to and from work in early morning hours or after nightfall, and this can be especially challenging if dependent on public transportation.

Clearly, the issues are interrelated and complex. Quotas are not the answer according to Sánchez Marín, an opinion supported by other diversity managers familiar with the culture. As Sánchez Marín so succinctly states, "You can put quotas in place, but if the company management is not supportive of women in business, and the social and cultural structure limit opportunities, quotas will not work. It takes leadership action to change the way people think and act."

Henkel has supported diversity by instituting policies, procedures and programs that directly address the multiple barriers to advancing women up the ranks. For example, the company supports work-life flexibility by allowing nontraditional work schedules on an employee-needed basis. One employee for example starts work at 5 a.m. at home, leaves at 7 a.m. for personal reasons, and comes to the office between 9 and 10 a.m. to work until 3 or 4 p.m. That is one possible working model, while others choose to start work at 6



or 10 a.m. to avoid the morning rush hours.

Other steps Henkel has taken to address employee concerns include allowing people to work from home one day a week or allowing them to leave the office early to avoid traffic and resume working at home in the evening hours. For employees working outside the city, Henkel may run shuttle services to and from the city. Though part-time work schedules are available, Sánchez Marín explains that "Most Latin American women work to move up the socio-economic ladder. To work less would mean a salary reduction and thus a reduction in the social and financial status of the family. The women in families reaching a certain economic status in that case rather tend not to work at all instead of reducing working hours."

# Create a Vision and Provide the Path

Henkel realizes that the impetus for change will rely on senior and mid-level managers having a need and passion for diversity, so that they contribute to progress and do not become internal barriers. A diversity-culture with flexible working arrangements is a question of leadership – people manager play a very important role. To attract top tal-

ent, Henkel mentors young women in the early stages of university studies to show through communication and role modeling that opportunities do exist.

The role modeling is supplemented with a clear career development path. This occurs in the early stages of their careers so that the young women understand that Henkel is truly committed to helping them succeed, move up the ranks and achieve goals. This can be thought of as a two-step process: help women develop a vision and then provide a clearly defined success path that can make the vision become reality. Once on board, Henkel encourages young Latin American women to travel abroad and experience intercultural exchanges to gain a broader cultural and social perspective.

"In Latin America, the hurdles for women interested in getting into management are not the result of being women," Sánchez Marín explains. "The hurdles are created by a combination of different dimensions that include culture and society. No group should be stigmatized for trying to develop and advance." It is important to stay away from talking about barriers on a single dimension because the issues are multidimensional. Tearing down the barriers will require an overall, integrated approach similar to the one Henkel has put in place.

# Corporate Governance Takes on a New Reality of Influence

The economic crisis led to significant changes in the principles of corporate governance. Previously, decisions concentrated on financial performance, but the new reality embraces "relationship performance" as well.

- By Anna Gonsalves

he economic crisis and globalization of corporations has led to an ongoing series of changes that continue to unfold, impacting every business level including corporate governance. Previously, most corporations were primarily directed by one person at the top who focused on financial performance and the corporateshareholder relationship. The new reality is that the corporate governance role has expanded to embrace "relationship performance" as well, internally and externally. In this new paradigm, it will take exceptional leadership to deliver good results to internal and external stakeholders, the community and society.

To understand corporate governance as a model of influence, first consider the historical definition. In the past, it was recognized as a set of rules defining the relationship between senior management, the board of directors and stakeholders (primarily investors). The relationship aspect was mostly confined to outside investors and internal staff. If

the corporation met financial goals and shareholders and investors were happy with stock prices, all was well. The Chief

the corporation met financial goals and shareholders and investors were happy with stock prices, all was well. The Chief Executive Officer (CEO) focused on determining how much capital to raise, the methods for raising capital and the efficient use of capital. The directors hired and fired the CEO almost solely based on financial performance.

# Market Backlash Changes Corporate Relationships

The 2007-08 economic and financial collapse coupled with corporate scandals like Enron, WorldCom, Barclays and Hyundai Motor, to name just a few, forced

people to question the role, performance and relationship of the CEOs and their boards. It was believed that corporations around the world had become too focused on financial performance at the sake of ethics and transparency. The still growing list of corporate scandals, exhibiting executive level decisions approving profit-making without regard to methods, caused a market backlash leading to increasing government regulations and also to community empowerment.

A new corporate governance principle has emerged: Achieving financial performance should be accomplished

"It is of paramount importance that European businesses demonstrate the utmost responsibility not only towards their employees and shareholders but also towards society at large." To achieve this goal, the board of directors must represent financial, international and industry expertise, as opposed to personal or work relationships.

with transparency, integrity, accountability and high-quality professional performance. Corporations are asked to become leaders in the community and achieve financial success by helping others achieve success also, and not make corporate decisions in a vacuum. The implication is that corporations have to develop relationships with the communities in which they operate and take responsibility for the full impact of corporate decisions. Legally and operationally, the role of the CEO and the board of directors changed because the directors are expected to assume greater oversight and responsibility for how the corporation influences the social environment, as well as the shareholder and staff environments.

The ability to influence stakeholders and society is seen in the increasing participation of corporations in initiatives involving sustainability, workforce training and business development. It is no longer acceptable to strip an environment for natural resources or pollute rivers with manufacturing byproducts. Workforce initiatives are not just focused on hiring current talent. They invest in training programs to develop a sustainable talent pool. Business development requires reaching into the communities and helping them prosper.

# Responsibility to Society at Large

To change how corporate senior management and board of directors are able to use influence required structural changes. In May 2001, the European

Union (EU) issued the Green Paper -The EU Corporate Governance Framework. The paper quotes from its Communication Towards a Single Market Act: "It is of paramount importance that European businesses demonstrate the utmost responsibility not only towards their employees and shareholders but also towards society at large." To achieve this goal, the board of directors must represent financial, international and industry expertise, as opposed to personal or work relationships. They need to understand the markets in which the corporation operates, and ideally the board makeup will include professional, gender and international diversity.

This is a far cry from pre-recession boards that hired CEOs but assumed few responsibilities other than for meeting rote legal minimums. In the modern corporation, the board of directors are managers and not figureheads doing the bidding of the CEO. In fact, corporate influence on communities and communication policies with constituencies begins at the top, so the board relationship with the CEO had to change. Once mainly responsible for hiring and firing the CEO, the directors are assuming a more participative role, becoming partners with management and driving positive corporate influence in the respective communities.

The U.S. and Asian boards are undergoing the same transitions within cultural contexts. Communities have more ability to influence corporate financial performance than ever before, and some of that is technology driven.

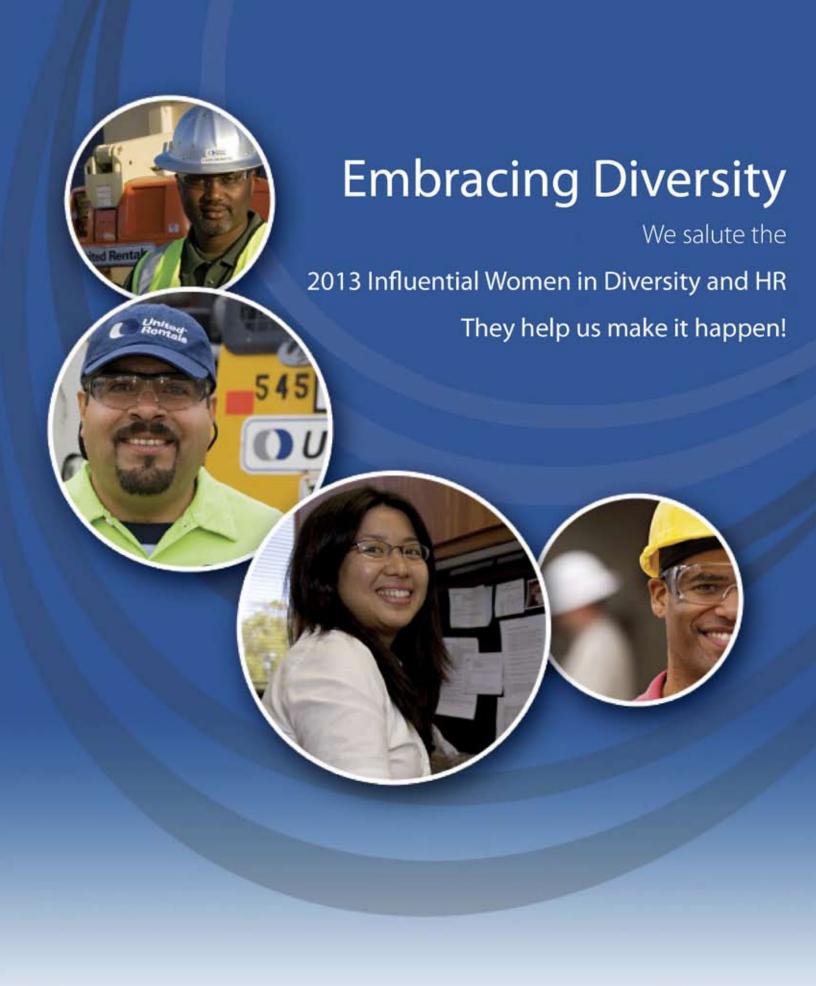
Social media has streamlined the ability to network and now small shareholders or community members can impact brand image. In the past, the corporation placed all the power in the hands of the CEO and the largest, controlling shareholders, but that is almost impossible now. In fact, the EU is addressing the need of corporations to give more power to the millions of small shareholders.

Corporations refusing to adapt and continuing to let CEOs make decisions benefiting a few financially, while leaving marketplace constituencies harmed, are quickly inundated with negative societal messaging. How the corporation communicates and interacts with shareholders, stakeholders and society matters very much today.

### New Metrics for New Influence

The new governance principle brings new metrics. Boards hiring CEOs must consider factors beyond financial results in prior jobs. The CEO of the modern corporation has to exhibit integrity, the ability to manage risk, positive community impact through surveys and project results, successful relationships with investors and stakeholders, and the ability to develop and maintain transparency. Factors like earnings per share are still considered but are financial performance metrics and not relationship metrics.

Corporations must have boards that lead in these times of economic challenges and CEOs with integrity. The businesses that survive will develop the corporate relationships with constituencies that give them access to a talented, diverse workforce; a better understanding of global communities served; and the chance to turn challenges into opportunities in the way of new products and services. Relationship performance is now on equal footing with financial performance.







Luz Helena Rojas HR Strategy and Employer Brand Director, Societe Generale

We have to rethink absolutely everything.
We have to better satisfy clients, which means we need to look like them, understand their needs, and appreciate their differences. We need to innovate.

- Luz Helena Rojas

# Societe Generale

Strives to be a Global Relationship-Focused Bank Run on a Local Scale

- By Donna Chan

he assumption is that a bank started in May, 1864, and successfully maintaining its focus on money as the main driver of change, would not have to now rethink its approach. As Societe Generale in Paris, discovered, even venerable global banks can face an unexpected shakeup, and in this case, it was the late 2007 financial market collapse. What the multinational bank learned is that people have to come first in order to continue succeeding. An effort began to rebrand itself as relationship-focused and to redefine its value proposition in the face of intense market criticism of the banking industry as a whole. To promote the employer brand and develop an employee engagement strategy, Societe Generale recruited Luz Helena Rojas, who agreed to become its HR Strategy and Employer Brand Director.

Luz is not a banker, but that is precisely why she is ideal in the position. She describes herself as working in "an intellectually clever world" and "quantitative environment where everything can be precisely measured." To convert such an environment to one that is relationship-based meant convincing top management to accept the notion that creating "untouchables" like emotion,

enthusiasm, and conviction around diversity and engagement were as necessary as reporting exact loan amounts and return-on-investments. "I don't talk to management about a business case. We talk about how the financial sector has changed and that to change with it, we need engaged people to become the new drivers of progress."

This kind of change is not easy to comprehend. "We have to rethink absolutely everything. We have to better satisfy clients, which means we need to



look like them, understand their needs, and appreciate their differences. We need to innovate," says Luz. Of course, such deep and broad change requires leadership, so the first goal was to ensure that the top managers understood the importance of focusing on internal relations first, so that successful external relationships follow.

### **No Quotas Allowed**

To size the transformation, consider that Societe Generale has approximately 154,000 employees in 76 countries. Doing business in Central and Eastern Europe, the Mediterranean, Russia, Asia, Sub-Saharan Africa, and North America, there are clearly going to be different engagement drivers for employee groups. One of the challenges Luz faces is identifying what drives people in different cultures and how to ensure Societe Generale is doing what it should to attract, hire and retain diverse talent. There are so many cultural, managerial, individual and group aspects to consider when developing an engagement program.

Interestingly, there are no quotas which is remarkably different from how diversity programs in North America



and many European countries are structured. Luz makes a convincing argument for avoiding quotas because they turn people into statistics and never address issues of culture, trust and transparency. The closest she comes is in identifying the number of women and international profiles in the top managerial positions and in the talent pool. She is also working to create an international profile that reflects where Societe Generale does business because "it's a way to develop top managers for the future." "For example, we have approximately 25 000 employees in Russia, and among the Group are experts and people who should be in the pipeline for management positions.

A main source of information is the employee engagement survey which is carried out every two years, and it is especially important for identifying the cultural aspects of engagement. The survey is a driver of strategy by answering questions like, "In this country and for these women, what is important?" Specific plans are implemented based on this survey. However, Luz is sensitive to the fact that many policies should not be exclusive to women. A father is as concerned about his children as the mother, so implemented policies and procedures concerned with parental rights, mentoring, promotions, flexible schedules, and so on are as gender neutral as possible.

### Feel the Reality

That is not to say that development programs supporting certain groups are avoided all together. The "Féminin by Société Générale" association in France is a woman's network created to promote equality in management. Similar groups exist in the UK, Brazil and the United States. In the UK, there is also a LGBT group. In fact, Luz's advice to multinational companies embarking on a diversity or talent management program is to encourage managers to "get

out and smell and feel the reality. If you are in Chicago, don't think the world is Chicago. A company needs a common framework, but it must accept cultural specificities and not just market specificities."

How does the company compensate people working in so many different countries and cultures. The top 300 positions are paid based on the results of global research on a market-by-market basis. For the remaining positions Societe Generale completes studies on local practices in various markets. As part of its transformation effort, the bank invites people from the field to come to the corporate headquarters and bring "reality" to senior management. There are departments in charge of global compensation to ensure consistency and to verify the bank is not losing good people.

# Arrogance Stifles Innovation

Luz has an important and surprising piece of advice to share. "Corporate can get arrogant. I once went to India for training, and the speaker was a CEO and founder of a successful business. He said that as you get bigger and bigger, it is important to stay humble so that you don't stop innovation. Sometimes in the little things you can find many opportunities. Be clever enough to accept that you are not always right."

Transforming Societe Generale into a relationship-focused bank is not easy according to Luz. However, if anyone is up to the job, it is Luz. She is a Colombian, married to a Dutchman, working in France, and has years of experience interacting with different cultures. Societe Generale is succeeding in its efforts to transform, and what is gleaned from their experience is really quite simple – no matter how global a company goes, it needs to always remain local.



# TRANSPARENCY IS THE CODE WORD FOR AN ETHICAL CORPORATE WORKPLACE

The question is: Will diversity suffer?

- By Belinda Jones

"Do as I do, and not as I say," is a popular expression that comes to mind when beginning a discussion on business ethics. Senior executives and managers make decisions every day that are necessary to corporate survival, yet negatively impact corporate morale. Making decisions that violate the social contract between an organization and employee is one link in a chain of ethical breakdowns that undermine business efforts to encourage people to "do the right thing" on a day-to-day basis. Developing an ethics policy is a useless effort if an organization's ethical culture is not based on a coherent set of beliefs and values that are reflected in decision making.

The recent financial collapse brought the topic of ethics to the forefront. The decision of various financial institutions to sell high-risk mortgage-backed securities to

unsuspecting entities around the world is now touted as an ethical failure of the highest magnitude. The damage to worldwide economies and people's savings accounts was devastating. In the aftermath, bank CEOs continued to earn multimillion-dollar bonuses, even while significantly raising consumer bank fees and downsizing staffing levels. Viewed as corporate hypocrisy and greed, the actions sent a message that corporate leaders deserved rewards even while people were losing their jobs. This is not the kind of decision making that promotes an ethical culture or worker lovalty.

# Powerful Influence of Informal Practices

Corporations have both formal and informal practices. Formal policies inevitably require employees to perform their jobs according to a corporate code of ethics. However, each business has informal practices that include ethical leadership and organizational norms and values that drive employee behavior at all levels. Informal practices can have more influence than formal ones.

As in the bank example, there can be a disconnect between how leadership acts and how it expects employees to act. One of the problems is that managers may not realize that decisions made, like downsizing staff, influence the informal ethical environment. To management, reducing staff numbers is good decision making and has nothing to do with ethics. However, when decisions are interpreted as greedy (i.e. downsizing is for profit making), the inevitable result is a degradation of the ethical culture and an increase in employee disloyalty. Disloyalty can take many forms. For example, why speak up about a coworker embezzling funds when managers are acting immorally by "stealing" money via bonuses?

How leadership acts day-to-day does play a critical role in determining the

status of the corporate ethical culture. Leaders must understand that their decisions must also be evaluated in terms of their compatibility with organizational ethics. The reality is that an ethical corporate mindset is developed through management practices that build relationships, so that no group of people is acting independently. In this scenario, corporate executives deciding whether to downsize will consider the impact on the morale of the entire workforce and find ways to achieve desired results using transparent decision making.

### Who Cares for Who?

Transparency (or lack of) has everything to do with ethics. It is the common factor in the ethical failures of giant companies like AIG and News of the World. Ethics is a component of all decision making from the CEO's decision to market a new product that does not meet top safety standards to the petty theft of an office worker. When an employee speaks up about an ethics violation by a coworker, the response should be transparent and unequivocal in its interpretation. This is how an ethical culture is developed: 1) leadership makes decisions that are transparent and take into account their impact on all levels of the organization; and 2) ethical violations are met with corrective action and those reporting concerns are supported rather than excoriated.

The Institute of Business Ethics (IBE) periodically surveys workplaces to assess employee attitudes towards ethics and the organizational assistance received when ethical matters arise. In 2008, the increasing pressure placed on workers to assume heavier workloads and meet unrealistic expectations is believed to explain the increase in unethical behaviors in businesses over the ensuing years. As decision makers take risks with company assets and ignore the types of controls and system failures that cover up unethical behav-

Ethics is a component of all decision making from the CEO's decision to market a new product that does not meet top safety standards to the petty theft of an office worker. When an employee speaks up about an ethics violation by a coworker, the response should be transparent and unequivocal in its interpretation.

ior, the wrong corporate culture forms bit by bit. In the wrong culture, petty crimes are considered as inevitable and overlooked, while major decisions impacting people's lives are made behind closed doors without any input from those who are most affected.

It is human nature to push the limits, according to Dr. Muel Kaptein with the Rotterdam School of Management. Small thefts lead to larger ones and eventually to a large scale ethical failure. Ethics violations can take many forms,

too. The theft of pens and pencils or overstating expenses on travel reports are two common events that indicate a lack of integrity. It is up to line managers to set the right tone that even small ethical failures are not considered acceptable. At the same time, top executives must re-assess their workforce expectations and level of transparency. When employees believe the managers do not care about their welfare, it is likely they will not care about adhering to ethical behaviors.

### Let's Talk About It

A good start for transforming a corporate culture is to provide ethics training. However, the training needs to include sessions in which people are encouraged to discuss real-life situations faced. The IBE compared two different surveys of British workers conducted in 2008 and 2012 and provides evidence that a formal ethics program and a culture where ethical values are embraced are linked to worker perceptions that their workplace has higher ethical standards of behavior. In the last four years, British firms have instituted staff meetings where issues of right and wrong are discussed openly. The message is clear: workplace ethics and transparency go hand-in-hand.



# Organizational Coaching Helps People Rise to Their Level of

# Leadership

Coaching develops in-house leaders for succession. What many do not realize is that a quality program also improves individual position performances specific to the organization, enhancing business results long before succession takes place.

- By Ingrid Johnson

t was not surprising to company insiders that Ursula M. Burns became the CEO of Xerox in 2009, a company with sales half in and half out of the U.S. Thirty years ago, she was recognized as a leader almost immediately and now has deep industry knowledge and highly developed technical skills as a mechanical engineer by training. What was surprising to people outside the company was that she is an African-American, making her the first to assume the top position of a Fortune 500 company operating worldwide. Several days after the announcement of her promotion, she flew to Europe to meet with staff and get their ideas on how to rebuild Xerox's customer base. The fact that she did not take time to celebrate her historic accomplishment was indicative of her focus on leadership.

This discussion begins with the story of Burns' rise to the top because she is an outstanding example of why organizational coaching should be a strategic imperative. In-house leadership potential is identified early, as are the people with the right skills and talent to oversee specific business initiatives within a specific organizational context. A talent pipeline filled with competent people is not enough for multilevel succession planning. It must be filled with people contributing to team performance throughout the organization now and

able to eventually fill future positions essential to business success. As doing business has become more complex in a globalized environment, employee development must focus on helping people maximize performance at their current level, while coaching them to move ahead within the organization.

# Coaching People to Stay With the Organization

Coaching has a specific agenda and concentrates on improving a person's performance in their job and as a team member, while also helping them develop the particular skills needed on their career path within the organization. It is not intended to prepare people to advance their careers with another company, a problem often associated with mentoring. In the early days of the coaching concept, people were said to be "groomed" for a particular position. Burns never expected to become CEO and had planned on leaving Xerox at one point. Mentoring helped her develop strong, natural leadership skills first, leading to earning increasingly responsible positions. After Anne Mulcahy was named CEO in 2000, she forged a partnership with Burns because of her exceptional performance over the years, and together they led the company back to profitability after years of decline. In 2007 Burns was appointed president and



became the designated CEO successor.

Mulcahy coached Burns over the next two years to become her successor. Coaching teaches the nuances of leadership not taught in the classroom. For example, Mulcahy taught Burns how to listen in a meeting, while keeping a poker face, so that team members are not discouraged from contributing. A seemingly small point, but Xerox would not get on firm footing financially unless the senior management worked as a team. A single person is limited in his/her ability to solve problems, and it is critical that the rest of the organization is lined up.

The Xerox story clearly showcases how executive coaching contributes to high performance before succession, a point often overlooked by companies. Coaching can begin while people are in the lower ranks but show leadership qualities. It begins with performance management to help talented people



align and focus on strategy development and execution within the larger corporate context. However, it is not enough to coach individuals in a vacuum. Burns had to develop her understanding of team behaviors before she was ready to head the company in its pursuit of strategic goals.

Waiting until an executive or senior leadership position, or any critical position for that matter, needs to be filled and then frantically search for a replacement is not good management. The stunning characteristic of an organizational coaching approach is that everyone is given the opportunity to rise to their level of leadership. Some people will be coached into mid-level management positions, while others will be coached into senior management, or like Burns, to the executive level. Coaching based approaches to drive business initiatives for success will also move into

Waiting until an executive or senior leadership position, or any critical position for that matter, needs to be filled and then frantically search for a replacement is not good management.

activities like group coaching and team coaching, in addition to individual leadership coaching. Team coaching develops a unit of people so they can achieve breakthrough performance in any area.

# **Asking the Right Question**

The Massachusetts Institute of Technology estimates that companies around the world spend approximately \$1 billion annually on executive coaches. Formal coaching programs, like leadership

academies, include a mix of perspectives and topics. Some are expected like team building and motivation, managing cultural diversity across borders, critical thinking, and financial management. However, an executive coaching program may also include topics like developing a leadership philosophy, accountability, risk-taking, role modeling, assessing future needs, management influence, decision execution and listening to others.

Some companies take advantage of leadership development programs offered by universities. Companies like General Mills develop in-house formal assessment and training programs. Each person employed by General Mills works with a manager to design an individual development plan and is given the opportunity to attend the General Mills Institute development programs. The institute gives new employees an executive-led introduction to General Mills' mission, values and functional areas. At career transition points, additional formal training is available for employees following various career paths like marketing, technical, sales, human resources and more. The fact the employees are developed in specific areas of the business as they advance, like cereals marketing, turns ordinary development into coaching.

Though the General Mills program is not specifically designed to develop the next CEO, a natural result of the program is the identification of the next generation of leaders who are already in-house. The people with the highest potential will emerge, and successful companies focus on everyone so that all talent has equal opportunities to advance. A good test of the success of succession planning is the ability of each executive and manager to answer the question: Who could succeed you? When they can answer that question, the company has a culture of succession planning.

# Seamlessly Aligning Procurement and Business Strategies

- By Gerald Donald

A successful procurement strategy is one that seamlessly integrates business strategy with procurement objectives.

magine a sporting goods company releasing a new line of T-shirts and jerseys for a popular sports team immediately following its championship win. This release is met with fanatic consumers eager to show their team colors. Imagine a cosmetics company releasing timely advertisements featuring a trendy actress shortly after her first Oscar win, and consider the customers that view those advertisements longing for similar silky skin. Imagine a defense contractor outsourcing various aspects of manufacturing to numerous industry leaders across the globe, saving the company millions of dollars. These are not isolated advertising and manufacturing scenarios. These successful ventures represent countless hours and devoted professionals across multiple specialties who dedicate their efforts to executing and procuring these projects.

As the economy began to decline at the beginning of the millennium, companies around the world began to view procurement as more than simply purchasing. Business savvy executives and innovative leaders realized that developing an effective procurement strategy could substantially cut costs and improve profit margins. As procurement strategy evolved, industry leaders in procurement realized that having a strategy for purchasing was not enough. Aligning procurement strategy with business strategy was the key to a successful and prosperous future.

When aligning these two strategies, it is important that the aligned strategies also maintain allegiance to their original purpose. The two strategies should progress efficiently and in sync with one

another, but each strategy should also be completely reflective of its individual goals. For procurement professionals, the strategy should be implemented with the goal of providing efficient and cost-effective solutions that meet business needs. Those executing business strategies may have substantially different goals across a wide spectrum of

business advancement objectives, and should continue to operate with the upmost dedication to that goal. However, by aligning various aspects of operations, procurement professionals can ensure that the strategies are in step with the present and future needs, goals, and objectives of the company.



## Aligning for Efficiency

Alignment of procurement and business strategies can be a strategic effort that acts to streamline and improve the overall efficiency of business operations. These efficiencies may manifest in numerous forms, such as hiring supply vendors that align more appropriately with the overall business strategy, to working with contractors who can help reduce the total costs of operating throughout current and future contracts.

Additionally, aligning strategies improves overall internal efficiencies when the supply and inventory chain is integrally linked to business operations. For example, one of the best practices in the procurement industry involves maximizing inventory and reducing fees as-

sociated with excessive inventory. With proper strategic alignment, procurement professionals can utilize business strategy in order to appropriately forecast inventory needs, and ensure supplies are not out of sync with the company's needs.

By emphasizing alignment and efficiency, procurement professionals may also build stronger relationships with contractors and suppliers that benefit current and future company operations. These relationships could lead to future agreements and arrangements that spur innovation and propel the company into future projects. Separately, procurement strategies can help to maximize existing business structures by reshaping in-house tasks and reducing the need to outsource work. Conversely, the strategy could effectively maximize outsourcing and minimize in-house activity based on future business goals and objectives.

# Aligning Business Needs for the Present and Future

A specific aspect of alignment that is critical to cost-saving and overall efficiency is aligning procurement and business strategies with the company's needs. Marketing, manufacturing and socially conscious initiatives are various aspects of business plans with unique needs that may be assisted with proper procurement alignment. In the previous scenarios of sporting goods manufacturers and the cosmetics company, the procurement strategy seamlessly aligned with marketing goals and deadlines to produce a timely and efficient execution of marketing strategy. For the sporting goods company and the defense contractor, the procurement process also involved heavy alignment with manufacturing strategy to produce an end product that effectively met the company's and consumers' needs. The results of this alignment were seen in the rush of sales or the substantial manufacturing costs savings.

Another substantial aspect of effective alignment involves "future-focused" alignment. While procurement and

By emphasizing alignment and efficiency, procurement professionals may also build stronger relationships with contractors and suppliers that benefit current and future company operations.

business strategies need to be aligned to effectively handle daily activities, the alignment should also be future-focused and reflective of the projected trajectory of the business. Technology procurement is an incredible example of necessary alignment for future cost savings. By understanding the overall goals of the company and the direction of leadership, procurement can research and select technology equipment and services that will grow with the company and meet the company's future needs. Selecting technology vendors based on bid price is incredibly shortsighted in the technology industry. With rapid advancements and shifting consumer needs, procurement professionals can cut costs by working with suppliers that are moving in sync with the business strategy and understand the company's

Regardless of a company's size and industry, having a properly aligned procurement strategy is critical to maximizing cost savings and steering the company into the future. As companies begin to incorporate and align procurement strategy with their overall business strategy, they will see greater efficiencies as the procurement objectives act to meet the current and future needs of the business. Procurement should not be regarded as merely a purchasing decision; rather, business leaders should view procurement as a vehicle for innovation and a tool for company growth and development.



# High Performing Organizations

Drive Effectiveness Through HR

By Peter Scott

ot long ago Human Resources (HR) was considered a paper-pushing department tasked with unpleasant chores like telling payroll which employees had been terminated or pleasant ones like processing new hires. Everyone either loved or hated HR, depending on the paperwork it was processing at the moment, and spent little time thinking about the function otherwise. However, a changing business environment has made it increasingly clear that the HR function must be an integral player in connecting talent and results and has to be integrated into the process of developing business strategies to achieve desired outcomes.

There is growing recognition that Human Resources professionals are not just supporting actors in the business enterprise. They are the heart of businesses that must achieve high levels of consistent efficiency and innovation, requiring the management of a continual investment in human capital. Without the right talent, businesses become stagnant and unable to maintain a sustainable competitive position. In other words, HR as a people management function has a direct bearing on fi-

Human Resources has finally taken a place at the C-Suite table in this volatile, globalized business environment. The reason is simple: competitiveness relies on strategic talent management.

nancial performance. Far from being paper-pushers, HR professionals are people-developers who ensure the talent pipeline is always filled through effective recruiting, develop onboarding strategies for new hires, manage internal talent in a way that ensures diverse people are given real opportunities to develop and progress, create leadership development tools, and manage performance rewards. Just as importantly, the HR unit is responsible for employer branding, so that talented people are attracted to the company and seek out opportunities because of the company's reputation for encouraging and developing talent.

# "People Companies" Offer Great Careers and Opportunities

The World Federation of People Management Associations (WFPMA) and the Boston Consulting Group surveyed over 100 companies across industries worldwide. The goal was to compare the practices of high-performing and low-performing companies in 22 important people management areas.

The report shows striking differences between the two sets of companies in terms of the degree to which they understand how talent and sustainable performance are related. Dubbed "people companies," the high-performing businesses make people development a part of leadership duties and extend talent management to a broader range of people beyond management successors.

In addition, HR plays a central role in creating transparency as part of the employer brand, motivating people with clear expectations that lead to rewards for behaviors, and not just results. Transparency includes promoting norms that support the business mission. One of the ways diversity and internal talent development were discouraged in the past was by establishing non-transparent "road rules" that only select people understood. As the chairman and CEO of the U.S. arm of the global giant tax, auditing and advisory services firm KPMG International says, "Every person who is part of KPMG believes this is a place where they can have a great career and find equal opportunities. In fact, we would not be able to attract diverse talent if people did not believe they can have a successful career. We drive the culture from the top and leaders take ownership of what we want to accomplish as a firm. Everyone understands our mission." The success of KPMG International is dependent on its talent. However, note that attracting talent requires multiple strategies, including developing the right culture, educating the workforce on the mission, gaining the support of existing leadership to promote future leaders and bringing talent into the organization. All of these are HR-directed strategies.

Traditionally, Human Resources has played a supportive role in the organization, but the modern business model turns HR into strategic partners. In the new model, HR professionals work with senior management to identify and define business direction and goals. They learn more about the business competitive environment, identify the talent characteristics the organization needs, and develop strategies for attracting and retaining required talent. Going beyond talent attraction and retention, high performing organizations also rely on HR to analyze the organizational culture, structures, systems and policies in order to understand the type of talent that needs to be in the talent pool.

# Out With the Old and In With the Strategic New

In the "old days," HR waited for managers to tell them they had a position open and the qualifications the person should possess. As a strategic partner, HR can be transformational, if it assumes its rightful place at the table as a business advocate and consultant rather than a policy and rules enforcer. The implication is that HR becomes a strategy developer rather than a reactor to employee issues. The difference between the two approaches is radical. Dave

As businesses strive to achieve higher levels of efficiency and innovation, world-class companies are turning to Human Resources for a value proposition that adds to business success.

Ulrich developed a modern HR model in 2005, that has since been expanded, which defines HR accountabilities as transactional and transformational. HR assumes functions as a strategic partner for HR planning and a change agent for talent staffing and management and training and development, in addition to managing traditional functions such as compensation, benefits and labor relations.

As businesses strive to achieve higher levels of efficiency and innovation, world-class companies are turning to Human Resources for a value proposition that adds to business success. There are many examples of successful corporations adapting to the changing economic conditions and the new global business environment through talent management, and the Human Resources function is at the core of the adaptability in a knowledge-based workplace. Companies like Ford, Apple and Intel made Human Resources a partner in developing strategies that promote continuous innovation through talent management.

As HR joins the C-Suite table as a strategic partner, the focus of discussions are sure to change. In the past, companies relied on traditional methods of survival in economic downturns, like cutting staff and expenses, increasing workloads, and mergers. Now they are relying on talent management, and that is the value proposition offered by Human Resources. Thriving in today's business environment requires that every-one be on board.



# REWRITING THE RULES OF CRM IN THE SOCIAL MEDIA AGE

Social media changes the playbook for Consumer Relationship Management.

- By Joshua Ferdinand

ustomer Relationship Management (CRM) has operated by the same rules for years. The first rule was that businesses were responsible for choosing the time, place and type of customer interactions. Along came social media and the first rule was tossed out, along with much of the rest of

the playbook. People are now free to interact with each other, access businesses without talking to a single person, share experiences about products and services, comparison shop with ease, and shift over to a competitor with a click of a mouse. Traditional CRM strategies simply do not fit this dynamic environ-

ment because they do not recognize the fact that the power has shifted to the consumer. Now, by integrating social media and CRM, companies must pull in customers through interactions that often have nothing to do with selling.

Originally, CRM was a strategy focused on increasing sales by collecting data on existing customers, creating niche market profiles and then targeting the niches with specially crafted marketing campaigns. The business functions most responsible for carrying out this strategy are marketing and sales. In many ways, despite being called "relationship management," the process represented an arms-length interaction with customers because data and mar-







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keting occurred on business turf, so to speak. Before the Internet and social media, customers had to interact with an employee in some way before anything could be sold. Marketing developed advertising to pull customers in and sales people could push customers to buy products and services. The relationship management part of CRM was devoted to target marketing, selling and follow-up customer service.

With an estimated 66 percent of online adults using social media, networking abilities have shaken up traditional CRM because consumers now have the power to communicate with each other. They can share product information, ask for references, check online reviews posted by other consumers, and post positive or negative product reviews of their own. However, the critical change is that customers can now exchange information without ever contacting the sales or customer service departments, and consumers can drive the discussions about the brand rather than the business driving the brand image.

#### JOINING THE CONVERSATIONS

Businesses missing the implications of the new social interactions are at a higher risk of experiencing brand damage. Facebook, Twitter and other online forums provide customers a means of communication that can exclude the business, and that communication may be positive or negative. Before social media, a retail store's dissatisfied customer would not be likely to take a complaint further than the customer service desk. Now that customers can use mobile technology and tweet the complaint about lack of service or a faulty product to everyone in their network, any business that does not know how to interact with Internet-enabled customers using social media loses control of its brand.

A Customer Relationship Management strategy in the age of social media recognizes the urgency of joining the virtual world conversations. Effective CRM has shifted from being one-sided to being bi-directional, and the custom-

er voice has to be embedded into business operations. Businesses can use social media to enter the conversation and strengthen customer relationships to get the opportunity to prove it offers value. One of the important points to keep in mind is that interactions through social media are not designed to sell. They are meant to engage and develop loyalty. Generating sales is an end-product of social CRM. Sales are produced when the company understands customer needs and behaviors and can respond appropriately. This is a difficult concept for some businesses to grasp because selling has traditionally been the driving force behind marketing campaigns.

What does all this mean in terms of business processes? First, traditional selling strategies must change to strategies that identify and engage potential buyers. CRM should track the interactions between the company and the marketplace, not just sales activity. Consumers can now complete an in-depth online review of products and services by communicating via social networks. Closing sales is no longer a matter of a sales person convincing someone to buy. Rather selling has become a public relations function because rapid responses to customer inquiries, problem solving and clear messaging define the marketing process in social CRM.

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#### BUILDING VALUE, NOT JUST RELATIONSHIPS

Social CRM is technologically enabled but it is not about technology per se. Social media becomes a source of information and data that is used to streamline services, identify potential problems, pinpoint up-sell and cross-sell opportunities, manage costs, and address competitive pressures. Automation enables companies to go into the social media networks and find out what people are saying about the business and how they can deliver tangible value. Naturally, the right CRM system is the one that can provide the information the company determines it needs to monitor and interact with the marketplace.

The transition from formal customer service to relationship building requires the ability to identify what does and does not need a response. There are new risks introduced with the use of social media like Facebook and Twitter. It is common today to see news reports about improperly worded tweets or rude posts made by employees, generating instant bad publicity. The staff responsible for monitoring and responding to the online community has to know when and how to respond in a way that strengthens the company brand. The social media service personnel have to develop the skills needed to address a dynamic marketplace. "I'll get back to you," is no longer acceptable because people do not want to wait. They can simply move on to the competition.

The world of social media is turning businesses and customers into partners. The customer delivers insight into what is seen as having value, while the business delivers value. The reinvention of this customer relationship has an impact on all business processes, including marketing, sales, customer service, product development, and even billing and refund policies. Businesses must be where their customers are, which is in social media sites, and then listen closely to what they are saying. What they hear may be quite surprising.

# LEARNING TO MANAGE INTROSPECTION AS A LEADERSHIP DEVELOPMENT STRATEGY

Losing focus on personal learning can hinder job performance and suppress leadership development.

- By Dave DeSouza

n the technology-filled personal and work environments most people operate in today, there is little time for reflection. It is too easy to just let the flow of information take control of thoughts, time and effort. The consequence is that people fail to nurture their personal values and strengths that form the foundation of leadership development. Stepping back to make a personal self-assessment requires backing away

from the barrage of electronic devices and instant information that bombards people in their personal and professional lives.

Almost 2,500 years ago, Confucius said, "To become a leader, you must first become a human being." Leadership is an expression of emotional, psychological and physical qualities rather than a gift of power. Consider that very powerful leaders in history have failed, despite

having the formal authority. As technology gains a deeper and deeper hold on people's time and attention, it is important to develop the habit of stepping back and spending time on self-learning that promotes knowledge growth, while at the same time identifying strengths to develop and weaknesses to overcome.

If this all sounds a bit philosophical, consider this: How can a person make good judgment calls if there is nothing



to measure against? Since technology has led to the ability to create enormous and steady flows of information, it is easy to get sidetracked into thinking that good decisions are always based on the amount of data accumulated. Developing leadership skills begin by taking a journey into yourself to gain self-knowledge, being willing to learn from others, and continually re-assessing and re-balancing to build on strengths.

## An Intense Journey Into Yourself

After Jeffrey R. Immelt succeeded Jack Welch as CEO of General Electric, he said during a speech, "The first part of leadership is an intense journey into yourself. It's a commitment and an intense journey into your soul. How fast can you change? How willing are you to take feedback? Do you believe in self-renewal? Do you believe in self-reflection?" The implication is that self-assessment first requires identifying core values that drive all future thoughts and actions.

Reflection is an important part of the journey because it represents an effort to identify aspirations, values, dreams, goals and what is most important in personal terms. This self-knowledge can drive the development of leadership capacity. A.G. Lafley, former CEO of Proctor & Gamble, had a personal belief that leaders can only focus on solutions if perspectives grow from within the person. He said that to have good leadership capabilities you must "first know yourself ... You need to understand your value system ... what is really meaningful to you ... what you really care about ... what counts in your life." The personal knowledge promotes development of leadership capacity.

In this context, leadership capacity applies to all levels of staff because each person has working relationships, the ability to choose productivity levels and the means for approaching work with innovative thinking. Leadership is often viewed as a quality only belonging to those with authority, and that is not true. When it is time to make decisions, think

innovatively, build working and personal relationships, and promote team cohesion. The set of choices is driven by the degree to which leadership capacity has been developed, and leadership capacity begins with self-learning. Those who have not spent the time to understand their core values and competencies are not in a good position to make the right decisions about business-related core values and capabilities. It does not take a big leap to question if the lack of introspection driven by access to fastpaced technology has led to the growing number of examples of unethical behaviors by employees and businesses.

Intellectual
arrogance holds
back many
people from full
development
of capabilities
because it makes
them unwilling to
learn from others.

## Emotional Intelligence and Intellectual Arrogance

Both General Electric and Proctor & Gamble are recognized as two of the most successful companies in this century. As globalization and diversity become business drivers, the successful companies will be those with staff who have developed their emotional intelligence and identified areas of intellectual arrogance. Peter Drucker, renowned management consultant, points out that being bright is not a substitute for knowledge because knowledge equates to personal empowerment. Bright just means someone is intelligent. In an era of globalization and diversity, intellectual arrogance is a roadblock to progress. A person who does not understand the importance of developing relationships with diverse groups of people in a connected world will obviously make little effort in this direction. Unfortunately, too many people today are replacing personal relationship building with superficial technology-based activity.

Personal knowledge grows through introspection and feedback. It surprises some people when successful managers like Immelt and Lafley discuss topics like personal assessment, values and journeys, rather than hard-core business issues. For them, the most successful employees are those willing to learn about themselves first and willing to use that knowledge to develop what Drucker calls a "spirit of good performance." To achieve this position, identify personal qualities and strengths and spend the time evaluating outcomes of decisions and actions. If the outcomes on any level - personal, emotional, performance were not the ones desired, decide what learning should follow to improve.

Intellectual arrogance holds back many people from full development of capabilities because it makes them unwilling to learn from others. Grow emotional intelligence to improve communication skills, team building or participation, critical thinking skills, people interactions, and work-life balance. Despite the tremendous benefits of technology, it has led to enormous pressure being placed on people to multitask, increasing emotional and physical stress. They are expected to learn new technologies at a rapid rate, creating uncertainty and self-doubt and distracting them from personal development. One of the benefits of taking time for introspection is that personal strengths are identified, and that can help anyone overcome a tendency towards negative thinking. It is more important to focus on what can be contributed to work and personal lives by relying on personal values and strengths.

Step back and take the time to understand how to accelerate learning on the inside. It is highly likely there are suppressed leadership capabilities waiting for expression.

BUILT TO KEEP
YOU MOVING.

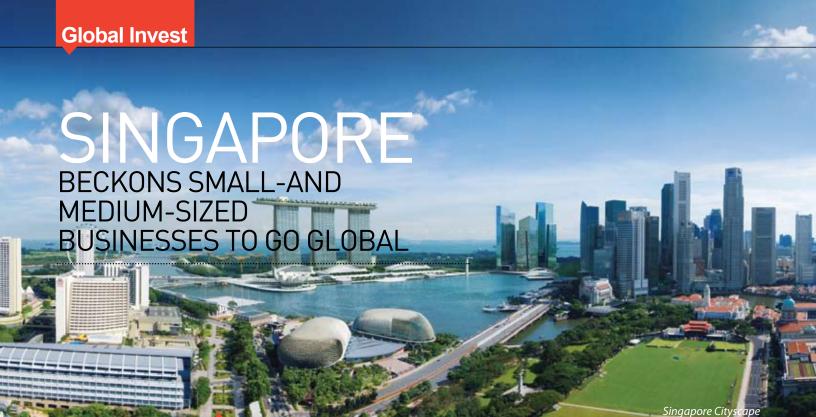
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SINGAPORE
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INTO THE ASIAN
MARKET.

ords of praise are often heaped on the Republic of Singapore, a cosmopolitan, vibrant and successful country welcoming foreign investments and businesses with enthusiasm. Located on the southern tip of the Malay Peninsula between the Indian Ocean and the South China Sea, the government of the Southeast Asian island determinedly set out to build a business friendly environment and has succeeded in a way that countries many times larger can only envy. The World Bank report, "Ease of Doing Business," gave Singapore top ranking in 2013, the second year in a row it earned that position. It is also the first non-European and non-North Ameri-

- By William Bell

can country to achieve that honor. Singapore's position in the global economy is enviable because of its strategic location, strong financial position, highly-skilled diverse workforce, well-developed infrastructure, and strong legal and judicial system.

Singapore contains 5.4 million people and has only a small domestic market. That spurred the country to grow its economy by looking at external markets, an initiative started in the 1980s. There are a number of ways to enter the Singapore market, including business takeovers, distributorships, direct foreign investment, franchising and import/export. After building a successful manufacturing base, the Singapore Economic Development Board (EDB) is now focused on shifting manufacturing into areas requiring more intellectual property, capital intensity and technology. Of particular interest to many potential investors is the shift to cross-disciplinary areas like bioelectronics. The 18 bilateral and regional free trade agreements, 40 investment guarantee agreements, 69 comprehensive double taxation agreements, and 24 trading partners are designed to position Singapore as a regional integrated manufacturing center.

Singapore is also well known as a services hub, in which logistics, financial services, information, trading, communications and tourism are well established. It is a leader in international banking, finance, insurance and wealth management. The service industries are also being upgraded to adapt to increasing technology and to expand support for manufacturing research and development, product lifecycle management and intellectual property management. The continuing expansion and adaptation across the spectrum of manufacturing and services industries has made Singapore a Global-Asia hub where foreign investors and businesses can take advantage of a rising Asia.

#### MORE THAN MEETS THE EYE

The above mentioned reasons for doing business in Singapore – location, well-developed manufacturing and service industries, financial stability – are just the beginning. The ease of starting a business is one of the main factors considered by the World Bank, and Singapore's registration process reflects procedures developed over a long period of time with the intent of promoting economic activity. It takes approximately

three days to set up a business, compared to at least a month in most other countries.

Singapore is considered a model of sustainable living, and that is driven partly by its geographic circumstances and partly by the city-state's creative approaches to development. Singapore is natural resource poor, meaning the government and industries had to plug into global and regional economies to gain access to the resources needed to sustain consumption by industries and the population. At the same time, Singapore had to find markets for its manufactured goods and services. Singapore was named Asia's greenest city in the Asian Green City Index study commissioned by Siemens in 2011. The city has developed an efficient water system that collects, produces, distributes and reclaims city water, with 17 reservoirs collecting water from a catchment area covering two-thirds of the land area. There are many opportunities for innovative businesses to bring advanced technology and designs to Singapore. The goal is to meet 50 percent of the city water needs with treated wastewater by 2015 and reduce CO2 emissions 30 percent by 2030.

Singapore's stability in the Asian-Pacific region and pro-business environment make it an excellent country for small and medium enterprises (SMEs) to consider, if interested in expanding into global operations. The Standards, Productivity and Innovation Board (SPRING) is the primary enterprise development agency, and it aims to increase enterprise competitiveness by assisting with industrywide infrastructure development and new market opportunities. SPRING works closely with banks and financial firms to assist with development of financing schemes. Singapore has a number of government programs providing tax incentives. Just recently, the government announced it formed one-stop "SME Centres" to make it easy for businesses to learn about and apply for government incentives, and they will also offer networking opportunities.

There are many options for foreign investors to enter the Singapore market. Companies establishing a Singapore company can choose a sole or general partnership, limited liability partnership, limited partnership, or company. Joint ventures are formed by making an equity investment in a limited liability company or partnership or a general partnership. A foreign company can also choose to set up a subsidiary, a new legal entity incorporated under Singapore law, or a branch that is an extension of a company incorporated outside of Singapore. Businesses incorporating in Singapore must have at least one Singapore resident as a director.

## FINDING GATEWAYS INTO PROSPERITY

The Singapore EnterpriseOne website is the government's gateway to business resources. The Accounting and Corporate Regulatory Authority (ACRA) has a one-stop business services portal called Bizfile. The Singapore Economic Development Board offers information on various industries, including those that are emerging, like nanotechnology, lifestyle products/services, and real-time data solutions. The U.S. export.gov

website contains information on current industry and trade information for exporters and includes market research, trade event listings and trade leads.

There are other features Singapore advertises that attract businesses. It is very modern, but has an exotic aura. The population is a blend of cultures including Chinese, Malay, Arab, English and Indian. Singapore has a tropical climate and an abundance of nature reserves, parks and cultural sites that can easily be reached by the excellent transportation system. A good place to start getting ideas on how to go global in Singapore is by reading the many company case studies found on the EDB website. It is time well spent.



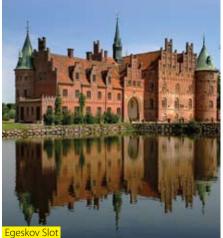




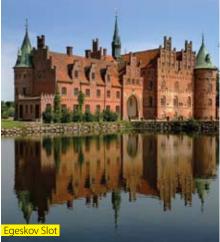














## DENMARK

## SERVES UP GREEN CITIES, FAIRY TALES AND VIKINGS

A thousand years after the Vikings, a single visit to Denmark makes it is easy to see why they returned home.

- By Pamela Grant

here is a Danish word hyggelig – that people say is impossible to translate because it is a word that holds feelings and not just meanings. It refers to the cozy hospitality that evokes feelings of well-being. Comfortable, friendly Denmark is the land of fairy tales, wandering Vikings, sustainable cities and Queen Margrethe II, reigning as the first female monarch since the 1300s. This mix of new and old, make-believe and reality, defines Denmark wherever you go. It is a country with a rich history, a passion for culture and the arts, and a determination to be a sustainability leader in a very modern world.

Denmark is comprised of 400 islands. The capital city Copenhagen on

the Baltic Seas is filled with the kind of activities and sites familiar throughout Europe, like the stunning 25-acre botanical garden Botanisk Have and the Amalienborg Palace, winter home of the royal family. However, any tour guide book can provide a list of worthy tourist sites. What they may not note is that eco-travelers in Copenhagen are in the heart of "green" Europe because the city is recognized as the Environmental Capital of Europe. The ancient city sets standards for model urban planning and design and has an ambitious goal of being CO2 neutral by 2025 through implementation of a number of initiatives including developing greener transportation and integrating climate into the energy supply (think wind farms).

## Wandering With the Smallest Carbon Footprint

Eco-travelers are thrilled to know they can visit Copenhagen and leave a very small carbon footprint by bicycling around the city on its 150 miles of bike lanes. The bikes available for daily rent give visitors green wheels for visiting city center sites like Christiansborg Slot, home of Parliament and containing subterranean ruins, and the Renaissance palace Rosenborg Slot, housing the Crown Jewels and royal memorabilia. Travelers can bicycle through the old medieval section of town, visit the original hippie district of Christiana with its fairy tale-like house murals, and marvel at the ultra-modern buildings that are distinctively Copenhagen.

You can also stay in one of Copenhagen's energy-efficient hotels. A good example is the Crowne Plaza, Copenhagen Towers, an environmental jewel and the first of its kind in the world. Erected in 2009, the hotel obtains all of its energy from sustainable and renewable sources, making it carbon neutral. When booking a hotel in Denmark, look for Green Key certified lodgings because they use 25 percent less energy and water compared to buildings of similar size and use.

Copenhagen's sights and sounds are interesting, but much of the real beauty of Denmark is found on other islands or in the countryside. Hans Christian Andersen, famous for writing fairy tales including the original "Little Mermaid" and "The Ugly Duckling," was born in

Odense, Denmark, and called the isle of Møn the "most beautiful spot in Denmark" and Funen (Fyn) "the garden of Denmark." Møn Klint (Chalk Cliffs) on the isle of Møn are stunning white and plunge straight into the Baltic Sea. Funen is the second largest Danish island and is comprised of rolling hills, orchards, farmland, thatched-roofed farmhouses, hedgerows and seaside towns. Funen has two museums celebrating the famed author, and two well-preserved castles - Nyborg Slot built in the 12th century and Egeskov Slot constructed in the 16th century. To experience the past, take a ferry from Svendborg to other islands where time has stood still for the fishermen and their families. The tiny towns may remind you of Hobbit Town, with their small cottages, grass-covered roofs and ancient stone walls.

#### Get a Bicycle and Get Riding

Eco-travel is taken to a new dimension in the Green Islands of Denmark where there are a number of bicycle tours punctuated with strolls among ancient sites and stunning landscapes. Since the Vikings are such an important part of Denmark's history, visitors would be remiss if they failed to include these wanderers in their plans. It seems particularly appropriate for an eco-themed trip because the Vikings looked at the world with curious eyes and set out to discover what gems it held.

When you get on your bicycle to search for Vikings, head for Roskilde, established as a Viking trading post over a thousand years ago and has eventually grown into the medieval capital of Denmark. It is located at the end of the Roskilde fjord west of Copenhagen, and a visit to the Viking Ship Museum containing numerous artifacts offers a chance to stretch legs. Now with over 60 Nordic vessels, the first five Viking boats excavated were dated to the 11th century. Continuing west to Jutland, the largest region, is found Jelling, a UNESCO World Heritage Site. The eighth century site, with the Jelling Monuments created by Vikings King Gorm the Old and his son King Harald Bluetooth, contains inscriptions marking the birth of Denmark. The Royal Jelling visitor's center tells the story of the influences of paganism and Christianity, the ruling of dynasties, and Viking life centuries ago.

#### As the Wind Blows

The natural environment of Denmark offers some unique experiences for ecotravelers looking for unusual examples of humanity versus nature. In Skagen in northern Jutland, the Råbjerg Mile is an unfettered migrating coastal sand dune, the largest moving dune in Europe. In most areas sand dunes are contained, but these are allowed to move as the wind blows. The dunes have buried a church with only the top third of the tower remains visible. While in Skagen, you can experience the powerful North Sea winds and think of the generations of local fishermen who braved the cold waters to survive.

Denmark is a destination that was designed just for the eco-traveler. You can go bicycling through the modern cities and medieval towns, eat meals in organic cafés, hike on foot through the island fishing towns, witness the splendor of the North Sea, and roam castles and manor houses. One trip to Denmark is all it takes to understand why Hans Christian Andersen was inspired to write fairy tales and why the adventurous Vikings always returned home again and again.







# CONTAINING COSTS WHILE STAYING COMPETITIVE IN THE MULTISCREEN ERA

Rapid changes in communication and consumer demands mean businesses have to evolve as well.



rocurement in the modern workplace has evolved substantially since the start of the Digital Age. The marketplace itself has changed considerably with the introduction of the Internet and personal computers, as well as the wants and desires of today's consumers and the modern employee.

Ideally, businesses will develop a procurement strategy that plans for the future and incorporates future trends. However, modern technology and consumer trends are advancing at such a rate that precise advanced planning may be less than feasible. Thus, strategies that meet current consumer demands and cost-containing procurement may

often be at odds. Today's consumers are reached through a variety of platforms. Mobile phones, Internet protocol television, tablets, traditional televisions and broadband provide various modes for transmitting information to the modern populace. Competing and staying relevant in the current technology environment may be difficult as trends shift and various technologies become en vogue at a rapid rate.

## MARKETING, TECHNOLOGY AND THE COST OF OPERATIONS

This creates a unique situation as those in charge of marketing aim to devise a strategy that successfully reaches consumers through their new mode of communication. Today, companies are investing in Web professionals, social media connoisseurs and technology -savvy developers to create marketing campaigns and mobile phone applications that bring the company into the 21st century. While marketing professionals desire to invest in this modern technology, budget-focused procurement specialists may be more limited in their response as they determine whether or not these technology modes are worthy investments.

The costs of interacting with consumers through these new technology modes present a bit of a conundrum for those concerned about cost containment. While the costs associated

with creating a Facebook page or Twitter account may be minimal, the business may need to invest substantially more money into effectively managing and utilizing these accounts. In addition, as the technologies become more common, more marketing and service professionals seek employment at more competitive prices.

Additionally, businesses may need to adjust their operations strategy in order to stay competitive in the evolving market. Today's consumers purchase goods and services through a variety of platforms, and businesses must adjust their operations to meet these needs. Adapting business operations to provide services to consumers through these modes may also be incredibly costly. Online sales options, mobile phone applications and easy-to-access user accounts are just a few of the standard offerings of contemporary businesses. Conversely, small businesses may find online sales and mobile applications to be more budget friendly since the businesses can operate with less overhead, less inventory and less of a physical presence.

#### ADVANCING TECHNOLOGY AND PRODUCTIVITY FOR EMPLOYEES

In addition, today's employees are expected to be constantly connected and may rely on mobile phones for email, company tablets or laptops for offsite work, and broadband connection for continuing education or work-related tutorials. Needless to say, these advancements are costly and require careful consideration. Since today's technology is often quickly outdated by newer and greater models, procurement experts need to develop strategies that accommodate technology upgrades and updates. Depending on the types of technology needed, the upgrades and allowances would improve the productivity and efficacy of the employees and result in greater returns.

It is a given that businesses must invest in these modern modes of communication in order to remain competitive.

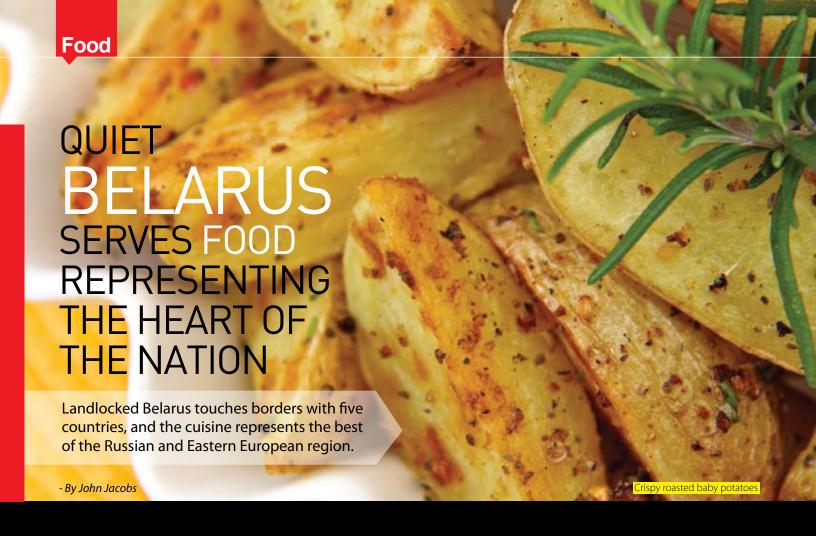
However, what are the risks and rewards for doing so? By operating in the digital realm where information is instantaneous and online mistakes are permanent, businesses are placing themselves in vulnerable positions. One mistake could be fatal. An insensitive tweet or an erroneous upload could tarnish a reputation as the populace rapidly spreads the information across the Web. On a more fundamental level, procurement experts are faced with the prospects of overspending on trending technologies that are fated to fizzle or undervaluing critical technologies that could place them far in front of competitors. Additionally, if procurement professionals are not quick to accept bids and hire the appropriate professionals, marketing and business operation strategies can be negatively affected by rapidly evolving consumer trends. Yet, with the risk, comes rewards.

## STRATEGIC ROLE OF PROCUREMENT

Businesses that appropriately gamble on cutting-edge technologies can reap great rewards, if they choose wisely, since pioneers in technology can be greatly rewarded. Furthermore, maintaining an alliance with consumer demands can help to boost a company's bottom line if consumer trends shift and the business has already procured and developed technology to meet that shift. Alternatively, the risk of not investing in appropriate technology can be detrimental to the company's profit margin as consumers adjust their spending to reward companies that operate in accordance with their desires.

Essentially, the role of today's procurement professionals is more strategic than ever. As the economy shifts and businesses become more concerned about costs, procurement professionals have the ability to save the day. Today, an effective procurement strategy does more than just slash numbers. A successful procurement strategy examines the issues at hand and provides a value-driven response that maximizes efficiency and profits while minimizing spending. Given current consumer and technology trends, procurement professionals should evaluate and prioritize their business's needs when purchasing technology services and solutions.





sk a Belarusian to describe the food in one word, and it would have to be "potatoes." That may not sound too exotic, but do not underestimate foods made by people who have taken the lowly potato to new heights and turned it into the main ingredient in Belarusian dishes. There are potato dumplings and thick, hearty potato pancakes (draniki), potato and mushroom dishes (dracheny), and grated potato pies (babka). With a few mushrooms and vegetables added to the dishes, the ordinary potato is turned into cuisine. Historically, Belarusians have used potatoes as a main food for so long that potatoes are called "the second bread," with the first being dark rye. The food in Belarus is enviable for its flavors and skilled use of vegetables to create memorable dishes that reflect the country's long history.

Belarus had a largely agricultural-

based economy for thousands of years, and the popular peasant dishes reflect that lifestyle. Using arable farming techniques, they primarily grew vegetables, wild herbs and various grains, laying the cultural foundation for today's traditional foods. Soups and stews, breads, and vegetables were the main fare because meat was difficult to come by through much of many difficult decades marked by a series of occupations and wars, and at one point, famine. Once part of the Russian Empire, once divided between the Belarusian Soviet Socialist Republic and Poland, twice occupied by Germany during two World Wars, and once polluted by the Chernobyl nuclear reactor disaster, the enduring Belarusian spirit won out and the Republic of Belarus was eventually formed in 1991. The indomitable spirit of the Belarusian people is unmistakable, and the heartiness of their food seems so appropriate for such a hardy people.

Belarus is bordered by Russia, the

Ukraine, Poland, Lithuania and Latvia. The country is over 80 percent ethnic Belarusians, but the intricate history of the changes in borders have led to the majority of remaining ethnicities coming primarily from the bordering nations. For obvious reasons, the food in Belarus is very similar to the food of the surrounding countries. The advantage of this fact is that anyone hoping to enjoy Belarusian dishes, but unable to travel to the country, can locate a local Russian or Polish restaurant serving similar foods.

## Potatoes, Bread and Throwing Caution to the Wind

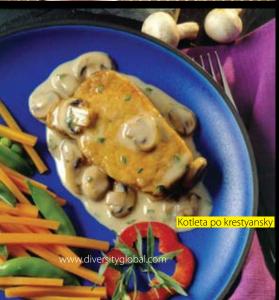
Food dishes in Belarus rely heavily on local vegetables and cereals, including the potato, mushrooms, beetroot, berries and barley. If you are fortunate enough to have the opportunity to dine in Belarus, there are plenty of restaurants serving national recipes like beetroot soup (borsch) served with hot sour cream, cabbage soup (shchy), and chilled soup











(khaladnik). Holodnik is a chilled Russian beetroot soup made with chopped boiled eggs, kvass (fermented drink made from rye bread) and sour cream. Beets are a nutritious food that supplies a healthy dose of antioxidants, minerals and B vitamins.

Soup served with potato pancakes or rye bread makes a full meal. Brown rye bread has played a central role in Belarusian meals for centuries, and there are even proverbs about bread. For the really hungry, a Belarusian zakuski (appetizer) will certainly be enough food. A plate of cold appetizers will be a feast of potatoes, balyk (salted, dried fish), meat rolls, pickles, dipping sauces and much more. For a lighter touch, you can order a cabbage or beetroot salad.

Now that meat and fish are more readily available, there are popular dishes made with pork and pork products, poultry, beef, and river fish like trout and perch. Filet à la Minsk, chopped beef sausage (zrazy), and meat or cabbage pasties (pirozhki) are favorite main dish choices. You may enjoy pork cutlets in mushroom sauce (kotleta po krestyansky). Though admittedly not a healthy dish, you have to throw caution to the wind at times in order to experience something new. If the urge overcomes you, try mochanka, which is a thick pork stew traditionally made with lard. However, more modern recipes call for butter or some lighter fat choice. Dishes may contain onion and spices like garlic, parsley and pepper, but spices are used sparingly. A popular side dish is zatirka, a flour dish in which prepared dough is boiled in water and served with milk poured over it. Other than potatoes, typical vegetables served with meat, chicken or fish dishes include peas, carrots, black radishes, mushrooms and cabbage.

Any country with a long agricultural history is going to appreciate salads and spices. The Belarusian salad always contains more than lettuce and tomato. You

are likely to find other ingredients like fruits, nuts, and greens like fennel, basil, coriander, bay leaves, caraway seeds, and parsley.

#### The True Heart of a Nation

Belarus has special foods it saves for holidays and celebrations, like the Slavinspired decorated round bread loaf served last at wedding meals to symbolize good fortune. The Christmas meal usually includes Lenten buns, pearlbarley porridge, a fish dish, mushrooms and a fruit dessert called kissel.

Some say that the true heart of a nation is found in its foods. If that is true, the simple but delicious Belarusian recipes represent a country that embraced its history and found comfort in food. The recipes were originally designed to keep farmers full while working in the fields and families satisfied year-round. Using the products of agricultural fields, the traditional recipes have endured through the centuries to continue delighting visitors today. In many Minsk restaurants and cafés, the peasant food has been changed to gourmet cuisine, but that does not change its roots. Belarusians are enduring and adaptable, and their food can only be described in the same way.





## NGOs BUILD TRUST BY DEVELOPING LOCAL ASIAN LEADERSHIP

Historically, European and North American NGOs sent their homegrown leaders to Asia. Now they are developing local leaders through knowledge transfer, creating long-term transformational organizations.

- By Jill Motley

ost European and North American NGOs started for one overriding humanitarian reason - to improve the socioeconomic status of people needing assistance. Over the past 20 years, Asian countries have relied on this form of foreign assistance while worked to develop stronger economies. NGOs filled needs, but at the same time failed to gain a strong understanding of the local context of their efforts. They have historically failed to consult with local leaders or develop local leadership, making their efforts unsustainable. When the NGO left, progress stopped. Under the old model, leaders came from the NGO's country of origin and made decisions about programming and services without local input. In the emerging new model, leadership is developed locally through a transfer of knowledge and programming reflects consultation local area aid recipients and host governments.

The variety of needs served by NGOs – from natural disaster relief to reducing poverty – means there are numerous opportunities in every industry. However, the modern NGO is finding the days of starting the organization, filling the leadership positions with white males, and sending them to Asian locales is no longer a sustainable model. Asian countries are rapidly emerging as

more economically viable and governments are choosing to create their own NGOs with local staff. According to the 2012 report "The State of the Humanitarian System," published by the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP), "A growing number of aid-recipient states, particularly in Asia and Latin America, are establishing and strengthening national systems to manage response to natural disasters, and increasingly insist on engaging international aid actors on their own terms."

Growing cultural awareness and strengthening national identities have led Asian governments to question, in some cases, the real intent of NGOs. If leadership positions are filled with people who have no understanding of local culture, customs and heritage, are they really there to bring long-term results, or are they there to merely give an appearance of social responsibility?

## Getting There From Here by Crossing Barriers

NGOs can face many barriers despite good intentions. Some governments are placing severe funding restrictions on NGOs or making the registration process very difficult. Suspicions the NGO is merely a cover for interference in government policy can lead to the exclusion of core activities. When the leadership faces bear no resemblance

to local people, the suspicions are only strengthened.

Often, starting an NGO in Asia requires dealing with entrenched assumptions about Western cultures and intents. The assumptions are grounded in a history of foreigners forcing their cultures on Asian communities and of exploitive corporations. There are also traditional barriers to cross like cultural and language barriers, inadequate funding, and in some areas, violent conflict. Local, regional and national laws can be complex and quite different than what Westerners are familiar with.

There are ways to respond to the challenges, but at the core should be a willingness to engage people, embrace cultures and operate within the local context. NGOs hoping to transform people's lives, rather than "doing good," have to make real change beginning with





leadership strategies and that requires local leadership development.

## Creating a Transforming and Sustainable NGO Footprint

An NGO brand image must be embedded in trust. To gain that trust, they must intimately understand the communities they operate in and plan on investing in people with long-term intentions. Flying in and flying out is not enough. Building trust is only possible by developing local leaders with a deep knowledge of communities, and that requires NGO knowledge transfer. To have a greater local impact and a greater chance for mission sustainability, NGOs must contribute to local staff development, create local leaders and inspire creative solutions to real local problems.

This approach can also help assuage some of the concerns about NGOs that governments may harbor. NGOs are increasingly held responsible for their impact on communities and must prove integrity and honest intent to build trust. Developing local talent through skills transfers and by building leadership capacity, creating sustainable employment opportunities, and nurturing insightful and in-depth understandings of local problems are all critical to trust building.

Finding the right local people for leadership positions can be challenging. A good place to start is at local universities, businesses and charity organizations. Though there are thousands of NGOs in Asia, there are seven major organizations that can provide valuable guidance in finding local leadership: Oxfam, Save the Children, World Vi-

sion, Medecins Sans Frontieres, Catholic Relief Services, United Nations, and the International Red Cross.

#### Filling Gaps

Forming partnerships with corporations is also an effective strategy. Large companies have assumed the mantle of social responsibility, and NGOs offer corporations benefits just by doing what they do best - helping others. Developing NGO local leadership in the same communities where corporations are operating brings benefits like new talent pools, new markets, more prosperous consumers and positive brand building. NGOs can also bring the corporations knowledge and methods for local talent training, while corporations can bring NGOs much needed financial and other resources and government connections. Developing partnerships creates a more sustainable relationship than merely asking a corporation for funding that can be stopped at any point.

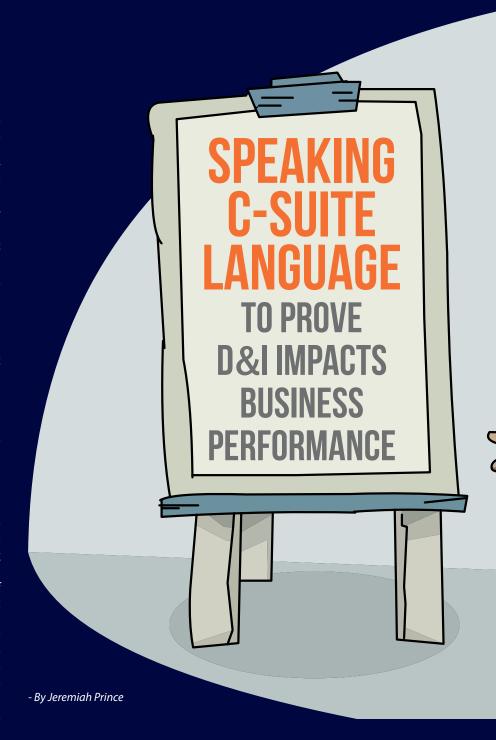
One of the interesting NGO forms to emerge in the economically improving Asian (and other) countries is the for-profit social enterprise. In this arrangement, an NGO partners with local businesses to sell products or services needed by local communities to raise their standard of living, and uses local staff as sales people, team leaders and marketers. Social entrepreneurship generates funding for the business at the same time. For example, Indonesian Bina Swadaya is an NGO that is 97 percent self-funded and promotes community development by carrying out business activities in areas like micro-finance, community-based ecological tours, local training and much more, all of which are focused on developing self-reliant communities and forming partnerships.

Foreign NGOs have been critical to past development efforts in Asian countries. They will continue to play an important role, but their relationship to the local communities will be more integrated and better defined. In the new model, the NGO efforts are sustainable at the local level, meaning everyone wins for a very long time.

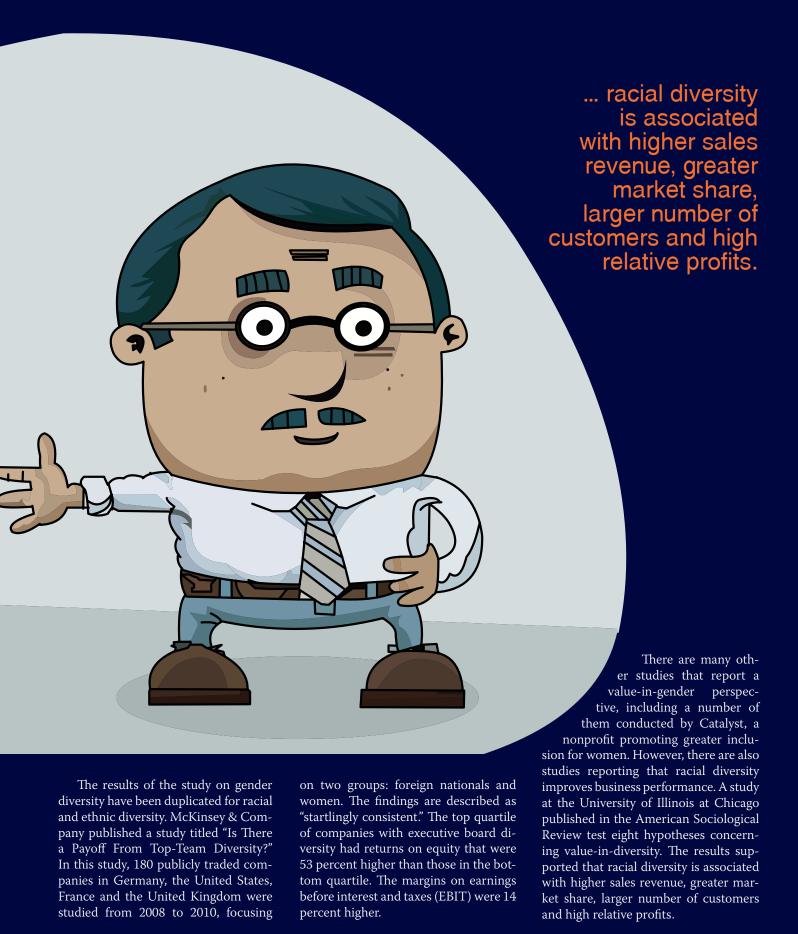
ver the last 10 years, diversity and inclusion (D&I) professionals have made great strides in presenting their business case and value proposition. One of the indications of their success is that the growing C-Suite pressure to prove the real impact on business performance. It means D&I practitioners have gotten the attention of senior leadership, so now it is time to move into the next phase, which is connecting goals and objectives, targets, measurements, and results directly to businesswide and bottom-line performance. Fortunately, there are already some studies that point in the right direction.

Up to this point, most D&I human capital metrics have focused on creating targets and diversity measures, and then using tools like scorecards and strategy maps to hold managers and executives accountable for effort and progress. However, these are reporting tools that do not connect D&I to other business goals. For example, exactly how does diversity and inclusion improve financial performance? Top executives want to see hard evidence that the investment in D&I is bringing in a direct financial return. The pressure for such information has been turned up as businesses continue to operate as leanly as possible in order to increase stock values despite a transitioning and difficult economy.

The growing need for hard data is one of the reasons Credit Suisse did a study called "Gender Diversity and Corporate Performance," looking closely at 2,400 companies from 2005 to 2011 and using a global perspective. The purpose of the study was to find evidence that stock market and financial performance improved when women are added to the board and whether gender diversity in management makes a difference. The results clearly indicated "superior" stock price performance when one or more women were on the company board. In addition, the companies with at least one woman on the board had a four-point higher average return on equity, better average net income growth, lower net debt to equity, and a third higher price per book value compared to companies with no women on their board. Additionally, women in management produces a company that puts out greater effort to find the right answers to problems, has a better mix of leadership skills, better reflects the consumer market, improves corporate governance, and much more.



The C-Suite language of business value propositions and performance is spoken in terms of definitive measurements and results. That means D&I professionals must learn to speak the same language in order to be fully understood.



# Private Investors Raise Kenya's Energy Generation Capacity to Support Growth With Equity



Johannes Zutt, World Bank Country Director for Kenya

enya's electricity generating capacity is set to receive an 80 megawatt boost when a new private power project sponsored by local investors is completed in the next 12 months.

Gulf Power Limited, an independent power producer established by a consortium of Kenyan investors, will produce power from a thermal plant on Mombasa Road, near Athi River, Nairobi. Gulf has signed a power purchase agreement with Kenya Power and Lighting Co. (KPLC) for purchase and distribution of the electricity it will generate.

Agreements for the Gulf Power project were signed between the Government of Kenya, KPLC, the World Bank, JP Morgan Chase Bank N.A. of London and Gulf Power Ltd for two Partial Risk Guarantees (PRGs) for \$35 million and €7 million. The PRGs are in support of two Letters of Credit provided by KPLC to Gulf Power Ltd, and to be issued by JP Morgan Chase Bank for a term of more than 15 years.

"The World Bank has now signed partial risk guarantees for a third private power producer to increase the availability of electricity in Kenya," said Johannes Zutt, World Bank Country Director for Kenya. "Diversifying Kenya's power sources and increasing the stability of supply are key to helping businesses to grow and create jobs for the Kenyan people."

Gulf Power is being developed by a consortium of local investors, namely Gulf Energy Ltd and Noora Power Ltd. The total cost of the project is \$108 million, which includes \$32 million of equity investments and \$76 million in long-term debt financing. The debt portion consists of IFC A Loan, and commercial lending through IFC B Loan and OPEC Fund for International Development (OFID).

"The partial risk guarantee is supporting an innovative public-private partnership program that helps African countries to unlock their energy potential and improve competitiveness," said Lucio Monari, World Bank Sector Manager for Energy in the Africa Region. "The bank will continue to support private sectorled investments to reduce Africa's energy deficit."

The Gulf Power project is the third in a series of PRGs of \$166 million, which was approved by the bank's board on Feb. 28, 2012. Thika Power was the first in this series to reach financial closure in August 2012, followed by Triumph Power Generation, which reached financial close in December 2012.

"The partnership between the World Bank, Government of Kenya, KPLC, private investors and commercial lenders has enabled successful financing of these three power projects in Kenya with minimum credit enhancement from the bank. This has reinforced KPLC's strong track record and additionally obviated the need for sovereign guarantee," said Pankaj Gupta, the Manager of the World Bank's Financial Solutions Unit, responsible for World Bank Guarantees Program.

The Kenyan government plans to increase private sector participation and utilize low carbon resources such as wind and geothermal to increase electricity generation capacity by an additional 2,000 MW in the medium term.

Business Grants to Boost Productivity and Global Competitiveness he Victorian Government has announced \$3.2 million in grants for 21 companies to invest in new technology and equipment designed to boost productivity and global competitiveness.

Minister for Manufacturing David Hodgett said the Investing in Manufacturing Technology (IMT) program was delivering long-term economic benefits to Victoria – the hub of Australia's manufacturing industry.

"These new projects, supported by the IMT program, represent more than \$15 million worth of investment in new technology, processes and equipment, which will help to boost the productivity and competitiveness of Victorian manufacturing," Hodgett said.

#### **President Bill Clinton**

## Helps Launch Kiva City Little Rock to Bolster Small Business Growth

resident Bill Clinton helped announce the launch of Kiva City Little Rock, an initiative that expands the availability of microloans for small business owners and aspiring entrepreneurs in the Little Rock, Ark., area.

The program reaches underserved borrowers by crowdfunding loans, connecting current and future small business owners to a global online community where anyone with an Internet connection and \$25 or more can lend to a local Arkansas business at kiva. org/littlerock. Kiva City Little Rock is the latest implementation of the Kiva City Initiative, a partnership between Kiva and Visa Inc. (NYSE: V) that was launched at the Clinton Global Initiative America meeting in June 2011.

"Successful small business owners in Little Rock and across the country have the power to accelerate job growth and economic opportunity for all of us," President Clinton said as he announced the national Kiva City Initiative from the stage of CGI America in 2011. "They have the plan and the passion; and this Commitment to Action will provide the much needed capital to start or expand."

Kiva City Little Rock is a collaboration of Kiva, Visa and Accion Texas, with area nonprofits serving as Kiva Zip Trustees and helping to identify and endorse the borrowers. Part of the power of Kiva City Little Rock is that it is driven by local people with local solutions for starting or expanding small businesses and stimulating job growth.

Through Kiva City Little Rock, everyone can help fill the lending gap for small businesses by crowdfunding loans. Just visit www.kiva.org/littlerock, browse small business owners' profiles and stories, and choose someone to support with a loan of \$25 or more.

"When small businesses do well,



President Bill Clinton

local and national economies do well — local jobs are created and communities are strengthened," said Janie Barrera, president and CEO of Accion Texas. "The small business owners and future entrepreneurs we work with have all the elements of success except access to capital and training to grow their business and realize their dreams. The Accion Texas partnership with Kiva City Little Rock will enable us to substantially expand our efforts in the Little Rock area.

"Accion Texas began operations in Arkansas in late 2011 and, to date, has made nearly half a million dollars in microand small business loans to start-ups and existing small businesses," Barrera said.

Small dollar loans, or "microloans," are essential for small businesses to accelerate job growth. According to the U.S. Small Business Administration (SBA), small businesses create two out of every three new jobs, employ over 50 percent of private sector employees and produce more than half of the country's nonfarm GDP.

"Visa has a long-standing commitment to small business and financial inclusion. Kiva City brings those together by making it possible for entrepreneurs to start or grow a business when they might not be able to otherwise," said William Sheedy, Group President, Americas, Visa Inc. "For small business owners, Kiva City Little Rock can be the critical first step in creating jobs and realizing long-term financial success."

In the Little Rock region alone, there are more than 69,000 small businesses that employ nearly 330,000 people. This program provides loans as small as \$500 and as large as \$10,000 – amounts which can be difficult for some entrepreneurs to access from traditional lenders due to the loan size or the borrower's lack of commercial credit history.

Accion Texas will use its extensive network to identify qualified small businesses in the Little Rock area that would benefit from a loan and then post their profiles on Kiva.org. Small business owners and aspiring entrepreneurs can start the application process at www. accionarkansas.org. Accion Texas aims to provide loans up to \$10,000 for borrowers, even if they have little to no collateral.

To date, Kiva has launched similar crowdfunded microloan initiatives in more than 50 cities and towns including Detroit, New Orleans, Los Angeles and Washington, D.C.

"This initiative gives everyone a chance to help support local jobs and businesses in Little Rock," said Premal Shah, President of Kiva. "Every dollar lent to a small business helps create jobs in local communities, which in turn supports another local business, and another. As small businesses grow and expand, local economies improve, helping to support schools, city services and more vibrant and sustainable communities."

Several other area groups and individuals are joining Kiva City Little Rock as trustees on Kiva Zip. Kiva Zip is a pilot program that aims to expand the number of entrepreneurs accessing microloans through Kiva's crowdfunding platform. Trustees are technical assistance providers, community groups or individuals committed to supporting social good through entrepreneurship and local job growth. Through Kiva Zip, trustees do not have to have their own loan programs to connect borrowers to Kiva lenders; instead they endorse borrowers.

## L'ORÉAL USA and The American Conference on Diversity Co-Hosted Forum

"Reflections on Diversity: Defining Moments"



Angela Guy, Senior Vice President of Diversity & Inclusion at L'Oréal USA, delivers opening remarks to nearly 100 guests at the invitation-only forum "Reflections on Diversity: Defining Moments," held at L'Oréal USA New Jersey headquarters.

"Diversity Management has had many defining moments," said Angela Guy, Senior Vice President of Diversity & Inclusion at L'Oréal USA upon welcoming nearly 100 guests to the invitation-only forum "Reflections on Diversity: Defining Moments," co-hosted with The American Conference on Diversity at L'Oréal USA New Jersey headquarters on June 6.

The event was part of the American Conference on Diversity's 65th anniversary celebration. Attendees included chief diversity officers, EEO and affirmative-action officers, diversity recruiters, and human resource professionals from throughout New Jersey. Participants took the opportunity to network and learn best practices in workplace diversity issues from leaders in the profession.

"A key defining moment for L'Oréal was the formalization of a U.S. Diversity team in 2002 that defined L'Oréal's efforts in diversity as a key strategic driver for our business. We are proud that L'Oréal USA set the standard and continues to be a role model for its initiatives and approach across 24 countries worldwide," said Guy.

"Today we are on a mission to make beauty inclusive and your participation in this afternoon's discussion supports this effort."



#### Presenters included, left to right:

New Jersey Department of Higher Education Chief of Staff Elizabeth Garlatti; INSIGHT Into Diversity Co-Publisher Lenore Pearlstein; American Conference on Diversity President and CEO Elizabeth Williams-Riley; Rutgers University researcher Dr. Patrick F. McKay; Angela Guy, Senior Vice President of Diversity & Inclusion at L'Oréal USA and INSIGHT Into Diversity Co-Publisher Holly Mendelson.



Award-winning researcher Dr. Patrick F. McKay, Professor of Human Resource Management and Chair of the Human Resource Management department in the school of Management and Labor Relations at Rutgers, The State University of New Jersey, shared data that revealed the value of diversity in bottom-line performance.

# Honing 'Short Game' Skills for Success

With universal rules, the golf course becomes common ground for developing successful business relationships.



olfer Sam Snead racked up numerous wins including 82 PGA Tour victories, three Masters Golf Tournament wins, three PGA Championships and one British Open. He seemed liked a natural-born golfer, and yet he wrote, "I'd like to have a quarter for every shot I hooked with my natural grip before I developed the unnatural grip that let me hit them straighter." Though great

golfers have ability, they are also persistent when things do not go their way. Instead of giving up, they figure out which skills need developing to capture the next win. In most cases, that means developing both long game and short game shots.

Persistence seems to be something all successful golfers have in common. Kevin Streelman was the winner of the Tampa PGA Championship in March

2013, but 10 years ago he was a caddy on weekends at the Whisper Rock Golf course in Scottsdale, Ariz. During those 10 years he lost all his money and his financial backers because of a poor golfing performance in tournaments. During one lucky chance to play a practice round with golfer Mike Weir, Streelman realized he could learn to play just as well as the then current Masters Champion. Streelman's March win was his 153rd PGA start, netting him \$990,000 in winnings. "It just shows you ... determination, hard work and keep chasing your dreams and you never know what will happen," he commented.

#### Soft Putts on Rough Courses Bring Success

There are many such losing-to-winning stories in golf, and persistence is the common thread. Mike Thompson was a surprise winner of the 2013 Honda Classic golf tournament. He played against the world's top players and had never won a PGA Tour tournament before. Just two weeks prior, he had come in last at a tournament and his coach offered to quit and take the blame. Thompson's answer: let's work harder.

Business and golf have a lot in common. The current business "course" seems to be all rough and sand traps and very little green. Europe is back in a recession. New job creation in the United States is at its lowest since 1979. There is a continuing credit crunch, increasing regulation and undependable financial markets. Yet, the successful business leaders persistently pursue the skills and competencies needed to succeed despite landing in the rough.

In golf, there are two components of the game – the long game and the short game. The business mission and goal oriented strategies can be considered the long game consisting of drives and fairway "shots," like the launching and nurturing of new business initiatives or projects. The short game is where persistence leads to victory. There are hours of practicing approach shots, and learning pitching and putting. When a



business initiative is close to success, the approach shot may require changing a marketing strategy to reach the targeted market or re-aligning staff to ensure the most talented people are in the right jobs. It may be necessary to take a few pitching shots, like upping product or service offerings or identifying and revising plans to overcome unexpected hurdles like a new competitor. Pitching elevates the business effort to get the project back on course. The short game of golf also includes putting, in which the ball must travel a short distance to a golf hole to score points. Bringing a business initiative to fruition will usually require some skilled "putts" by managers who rely on their experience, intuition, skills and business knowledge to assess the slope of the course and decide how to best bring an initiative or project to closure.

## Make or Break the Game

Persistence in golf brings success, but only when the whole game is learned. Mastering the long game is not enough. The greatest golf champions did not win strictly by making long drives and approach shots because the ball still needs to reach the hole. Tom Watson is a firm believer in the short game, and he has been quoted as saying that "practice makes nearly perfect." His philosophy was to be prepared for anything he might come across on the course, so he practiced thousands of chip shots using a variety of golf clubs. Jack Nicklaus won many golf championships with his short game. He seldom missed putts under 6 feet, and it was his famous long putt that netted him the 1986 Augusta National championship. Interestingly, he The business mission and goal oriented strategies can be considered the long game consisting of drives and fairway "shots," like the launching and nurturing of new business initiatives or projects. The short game is where persistence leads to victory.

did not particularly like putting, so he made sure he mastered the shot. He was always prepared to putt from the middle of the green.

Recently, Nicklaus talked about how he advises other golfers like Tiger Woods and Belgium's Nicolas Colsaerts. He said, "I just try to find out what they are thinking and what they are trying to accomplish, what they are trying to do, what are their goals and how do they approach what they are doing. I told Nicolas the other day, I said, 'There's going to be half a dozen golf shots on this golf course that make or break this golf course that can kill you, not so bad if you hit it good. But if you hit it poorly, you're down the road."

Nicklaus could have been a businessman talking about a project team. Seve Ballesteros died in 2011 but he will go down in history as one of golf's greatest short game golfers. Ballesteros was said to have a natural instinct for the short game, and yet he relentlessly practiced. Persistence in golf pays off, and so does persistence in business. However, it is not persistence alone that brings success. There must be strategies to cover long and short business goals and the persistence needed to keep business initiatives on track. Golfers learn a variety of short game shots in order to be prepared for any course and any kind of situation because they want to win games, tournaments and championships. It is simply a good way to manage their business.

## Nominations are now open for the 2013 Champions of Global Diversity Fall Special Issue.

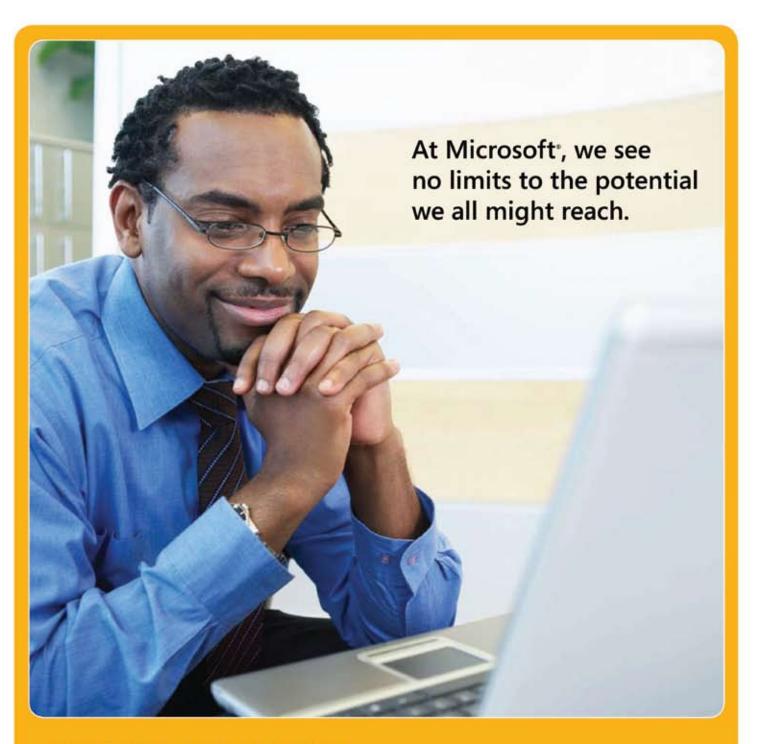


The Champions of Global Diversity salutes individuals and companies who embrace diversity at all levels of their organization and in all the markets they operate in.

Best practices that drive the success of Diversity & Inclusion, Talent Management, Philanthropy and Employee Engagement are hallmarks of great companies.

Go to <a href="http://www.surveymonkey.com/s/J35HJ8G">http://www.surveymonkey.com/s/J35HJ8G</a> and fill out the survey. It should take no more than 10 minutes!





We believe in creating opportunities for people to succeed – in our products, in our workplace, and among our suppliers. For that reason, we are strongly committed to diversity, including seeking certified minority, woman, service-disabled veteran, and veteran owned business enterprises from which to purchase competitively priced quality goods and services.

Together with our suppliers, we are continuously innovating to lower the cost of technology, making it accessible to all and showing leadership in supporting the communities in which we work and live.

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Visit http://www.microsoft.com/procurement/diversity to learn more about how to do business with Microsoft.