

2008 Best Companies for Leaders

Rick Lash & Chris Huber

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Today's agenda

Findings from our 2008 research with *Chief Executive* magazine on the Best Companies for Leaders

- A review of our top 20 Best Companies for Leaders
- Key leadership trends
 - Leadership development practices
 - Managing in a matrix
 - Attracting and retaining younger workers / mid-level managers
 - Innovation
- Leading through the economic downturn

Organizations are facing a powerful storm comprised of **economic challenges, globalization and generational differences.**

01

2008 survey findings

Survey demographics

Regional distribution

Region	Percent
N. America	38.6%
Europe	22.6%
Asia/Pacific	21.5%
Middle East/Africa	10.9%
South/Central America	6.3%
Total	100%

Revenue distribution

Annual revenue in US\$	Percent
Under 500 million	52.2%
501 million to 1 billion	13.1%
1-5 billion	17.1%
6-10 billion	5.6%
Over 10 billion	12.0%
Total	100%

1140 companies considered for ranking

Source: 2008 Best Companies for Leaders study

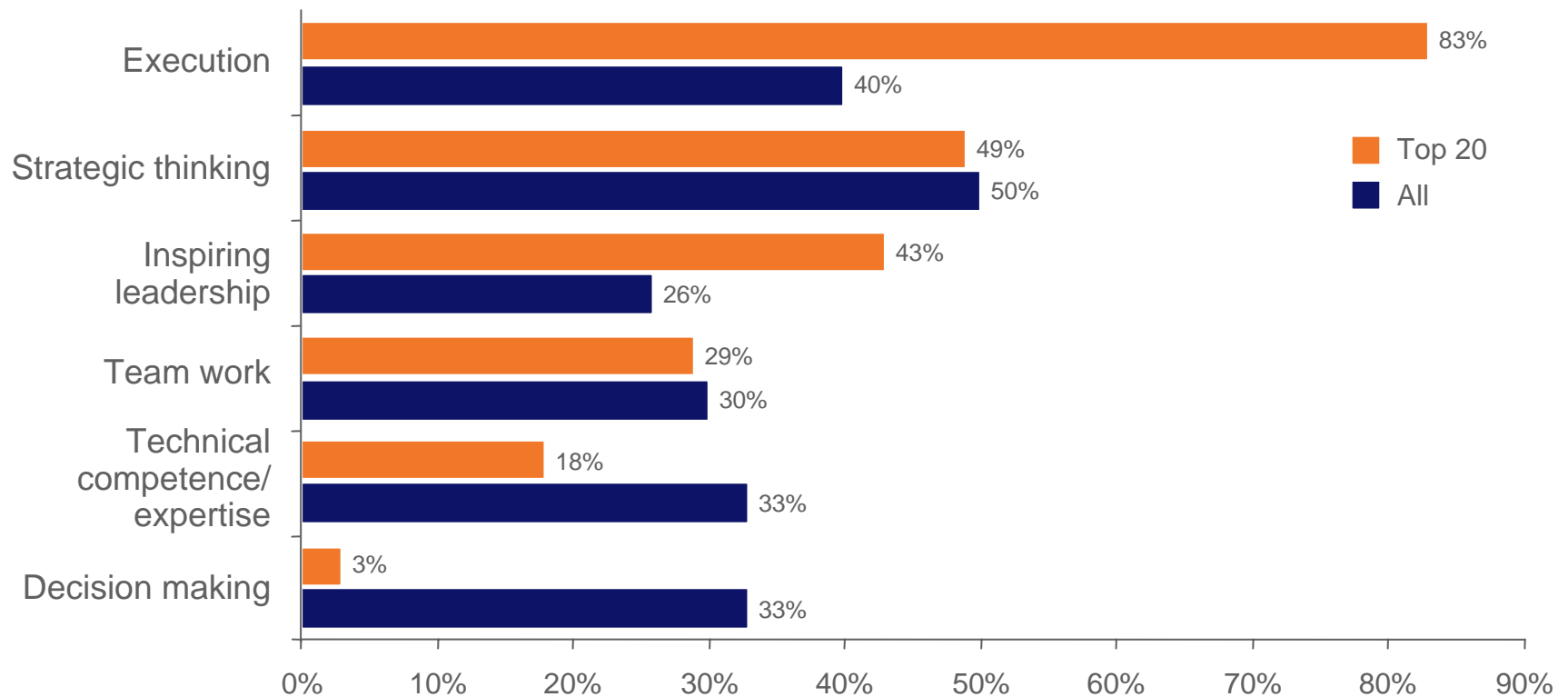
2008 top 20 Best Companies for Leaders

2008 top 20 Best Companies for Leaders	
1. 3M Company (15)	11. Nokia
2. Procter & Gamble (2)	12. Accenture Ltd.
3. General Electric (1)	13. FedEx
4. Coca-Cola (5)	14. Infosys Technologies Ltd.
5. HSBC Holdings (14)	15. McDonald's Corporation (18)
6. ABB	16. Caterpillar
7. Southwest Airlines	17. American Express
8. IBM	18. Cisco Systems
9. Hewlett-Packard (10)	19. Oracle
10. PepsiCo (7)	20. Intel Corporation

Source: 2008 Best Companies for Leaders study

What do organizations value in leaders?

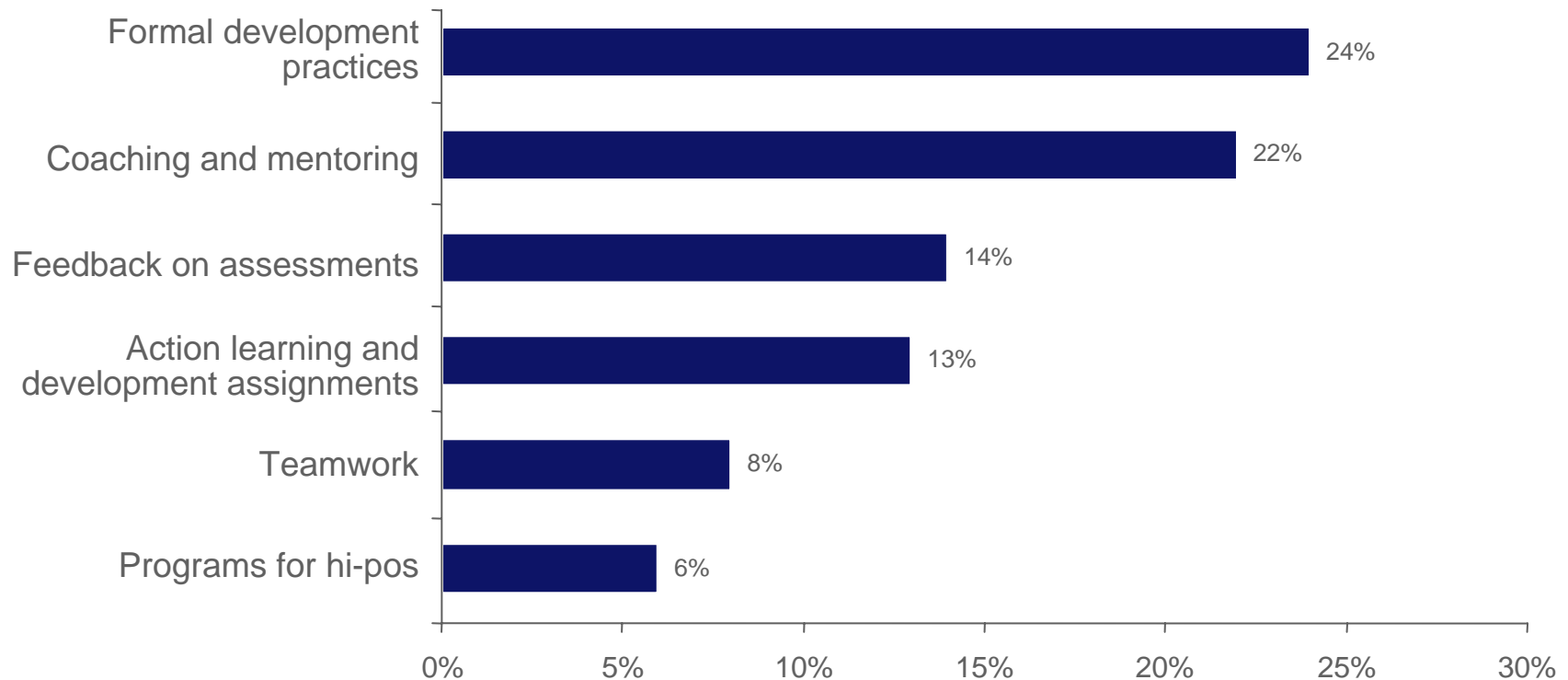
Best in class organizations value execution



Source: 2008 Best Companies for Leaders study

Effective leadership development practices

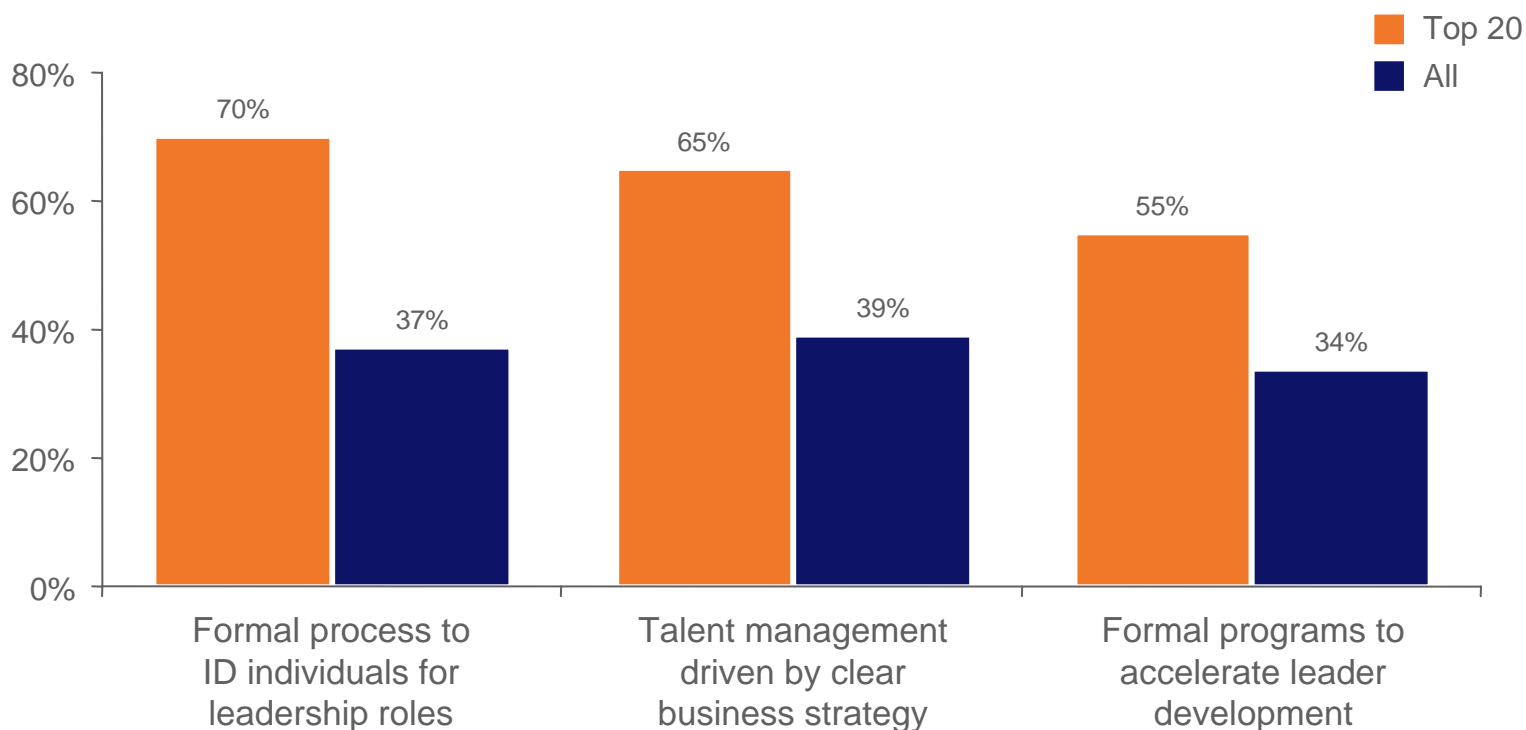
**What are the most effective leadership development practices in your organization?
(All respondents)**



Source: 2008 Best Companies for Leaders study

Making leadership development a priority

Leadership development happens by design, not by accident.



Source: 2008 Best Companies for Leaders study

02

Managing in the whitespace

62 percent of respondents indicated that **matrix roles** are **increasing** in their organizations

Challenges and skills for leading in a matrix organization

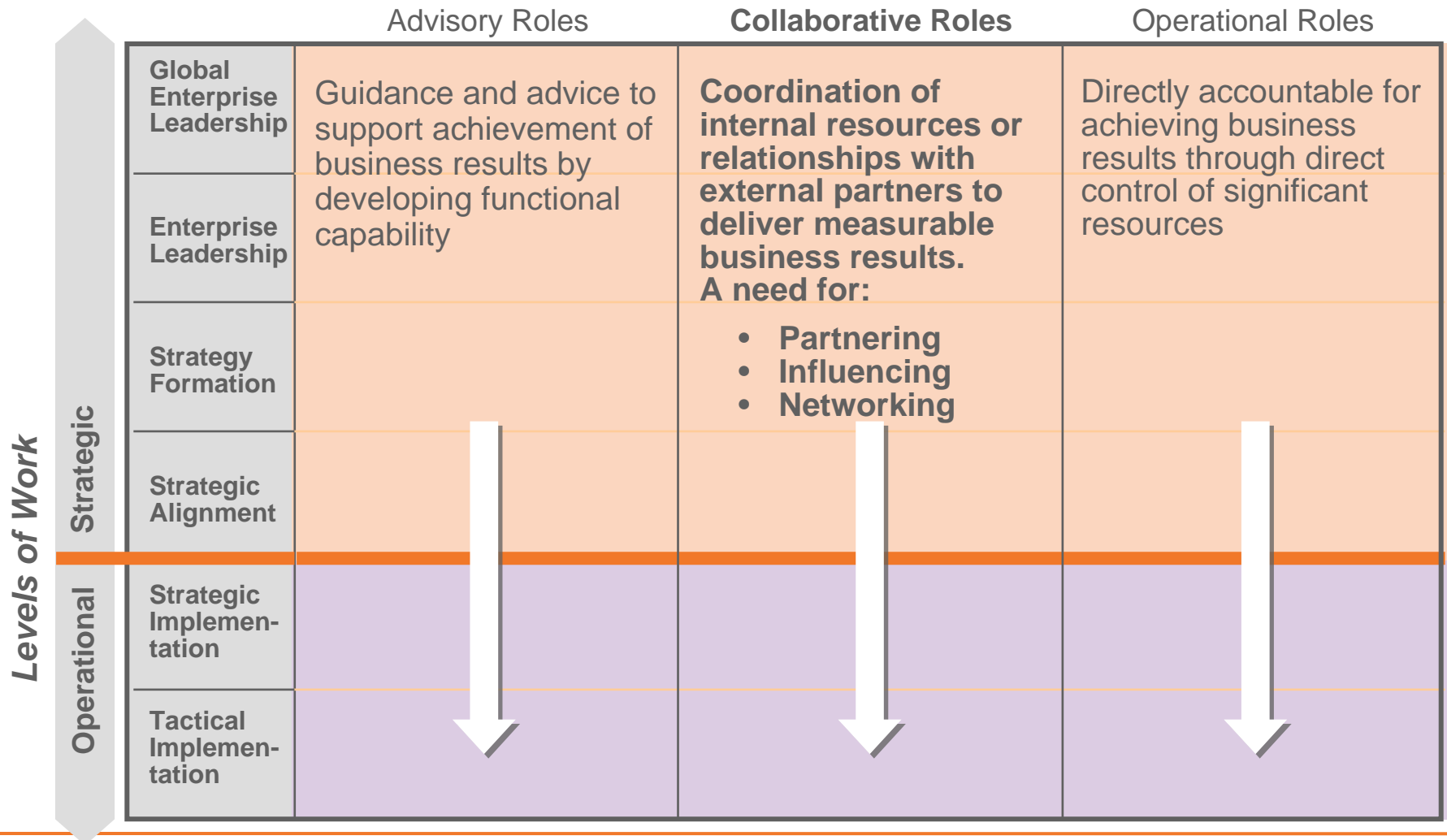
Challenges

- Need for collaboration
- Creating a cohesive team
- Not have authority over resources
- Conflicts (e.g., different agendas, goals, or priorities.)
- Confusion over roles, decision-making authority and accountability

Skills needed

- Relationship building
- Influencing
- Adaptability
- Interpersonal skills
- Collaboration skills

The emergence of new leadership roles

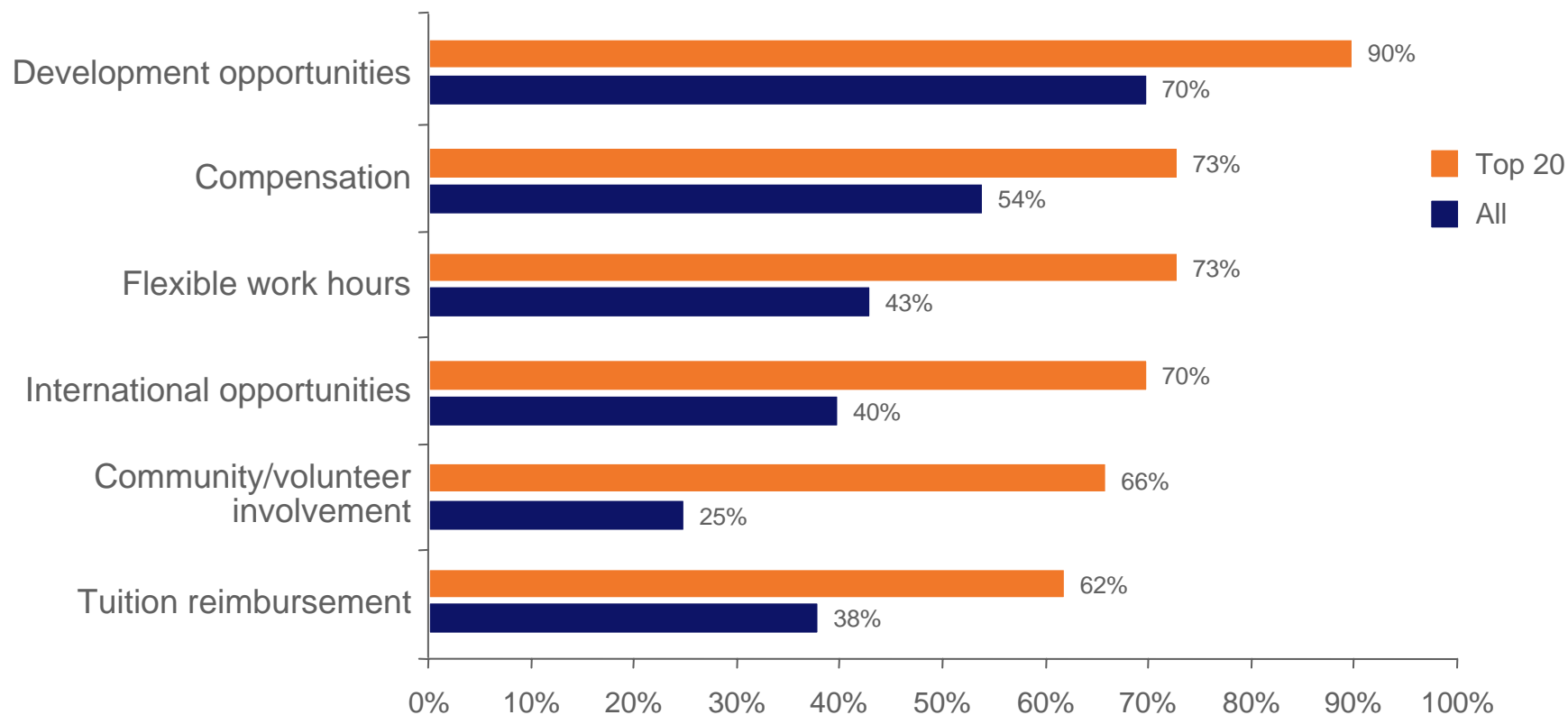


03

Attracting and retaining
young leaders

Tactics used to attract and retain younger leaders

Best in class deploy a wider range of attraction and retention activities



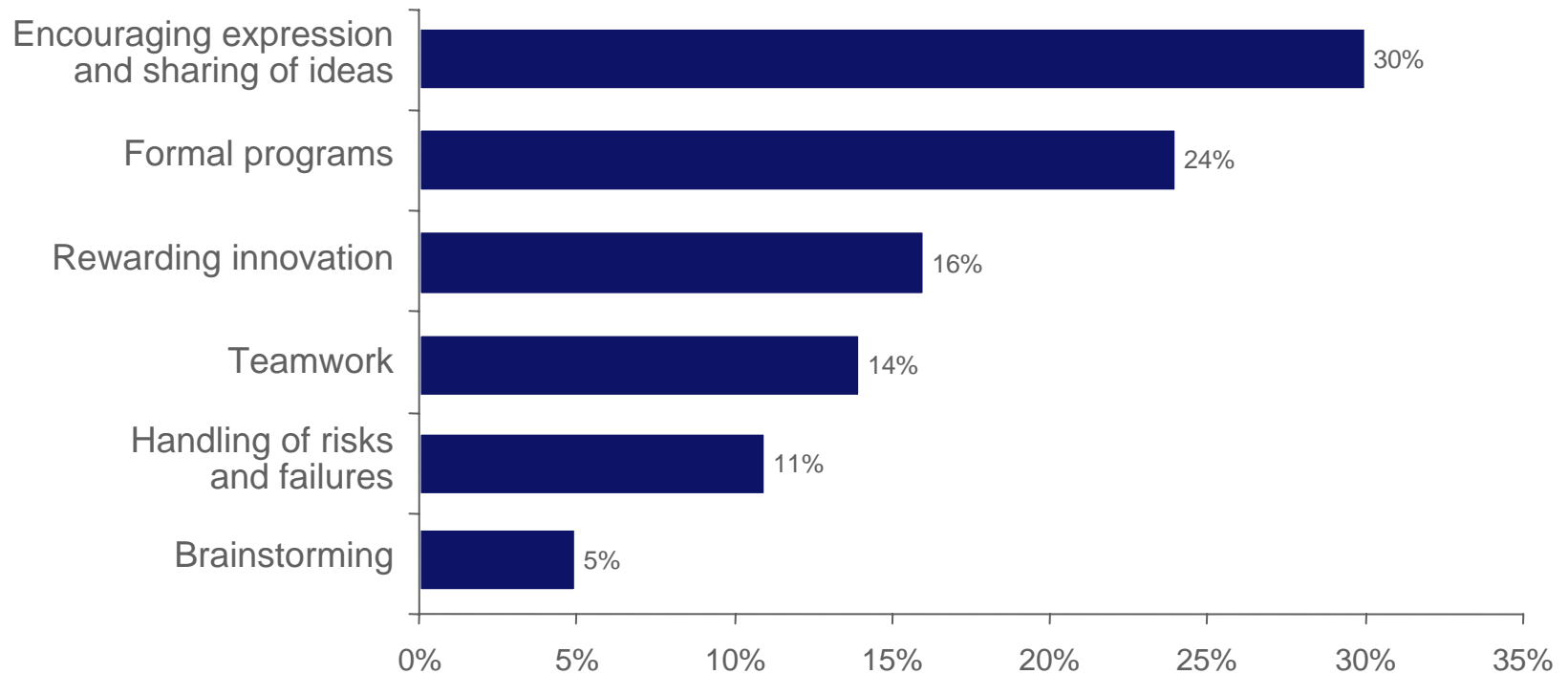
Source: 2008 Best Companies for Leaders study

04

Innovation

Practices used to foster innovation

**What leadership development practices do you use to foster innovation?
(All respondents)**



Source: 2008 Best Companies for Leaders study

Innovation is a mindset that permeates an organization. Successful innovation takes leaders, entrepreneurial spirit, great ideas, good management and the right organizational structures.”

Fortune Magazine

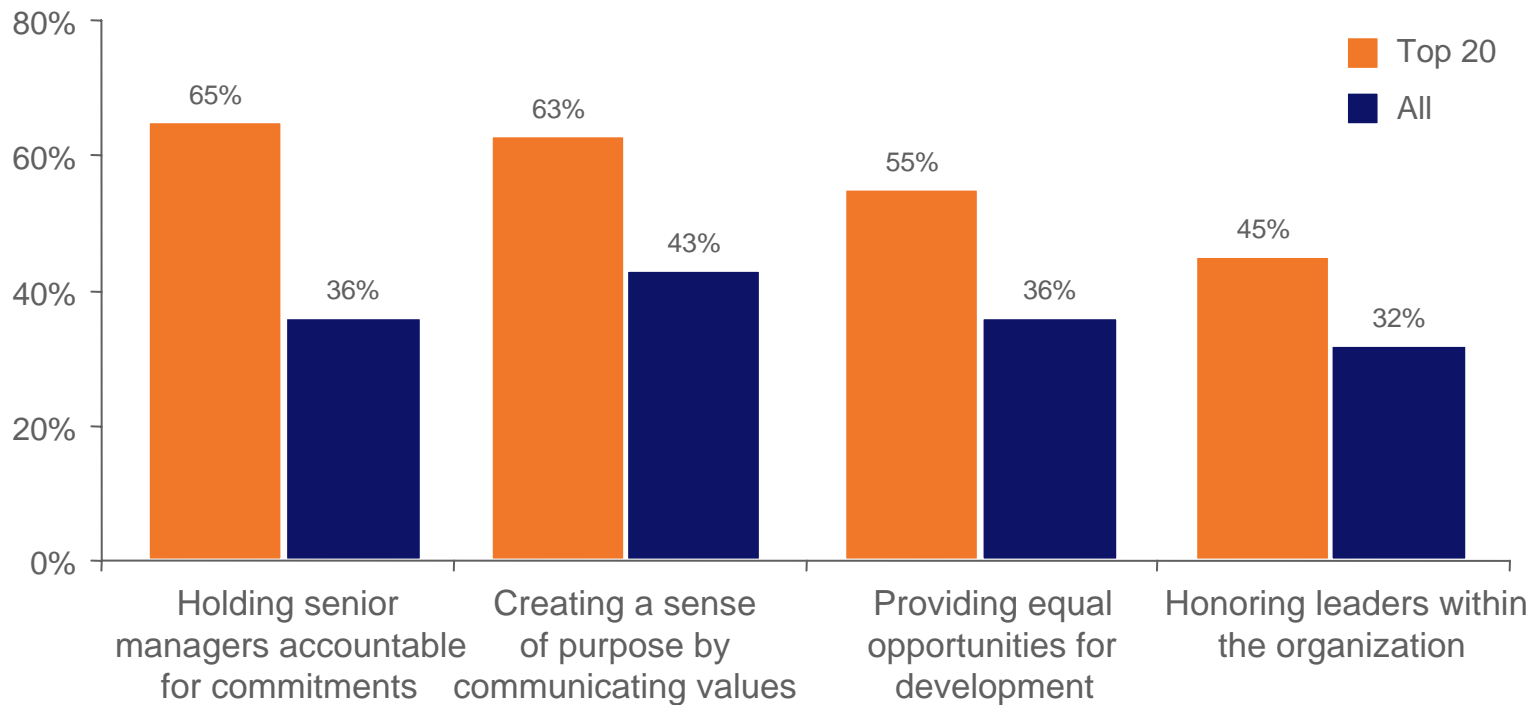
05

Leading through the downturn

Is your company ready
for the **up-swing**?

What practices do organizations use to engage and motivate their people?

Best in class create clarity, encourage development, drive accountability and recognize successful leaders



Source: 2008 Best Companies for Leaders study

06

Wrap-up

What have we learned in 2008?

- Leadership is critical in tough times
 - Sustain through the downturn
 - Prepare now for the upswing
- Enable your leaders to drive execution and engage others
 - Effective leadership in the matrix
 - Foster innovation to drive growth
 - Create resilient engaged work groups that can perform in challenging times
- Leadership development takes all forms – do a few things but do them well
- Leadership development happens by design not by accident
- Attract, retain and develop your young workforce

How can you leverage this study with clients?

Communicate with your clients

- Invite them to participate in the February 3, 2009 webinar
 - www.haygroup.com/events to register
- Implement a follow up strategy
- For those who miss hold a small event in your office to talk through what the best-in-class do.

Utilize top 20 award presentations as business development opportunities

Utilize marketing collateral on Global Gateway

- <http://globalgateway/supportingyou/globalmarketing/Pages/BestCompaniesforLeaders.aspx>

How can you leverage this study with clients?

Continue to build the relationship bridge with your clients – make links between survey findings and Hay Group solutions:

- Standardized leadership development product offerings
- Assessment to identify high-potentials
- Low cost tools and surveys
 - ESCI (Emotional and Social Competency Inventory)
 - ILS (Inventory of Leadership Styles)
 - OCS (Organizational Climate Survey)
 - GFI (Growth Factor Index)



Questions?

2008 survey methodology

2008 focus

- Specific questions were asked to determine how companies were dealing with today's critical issues

Survey self scores

- Rated the effectiveness of leadership development within their own organization
- Rated the extent to which leadership programs were offered and the amount of emphasis the organization placed on developing leaders

Survey peer rankings

- Each respondent was asked to name three companies from which they would like to hire