Development at dell company management essay

1. 1 About Fresenius Kabi Oncology Ltd.

Fresenius Kabi Oncology Ltd. is a part of Fresenius Kabi AG (Germany) and is involved in the development, manufacturing and marketing of third generation chemotherapeutic drugs across the world. It has a comprehensive product portfolio of injectables, oral cytotoxics, cytostatics, intermediates and active pharmaceutical ingredients (APIs). The company employs around 945 employees with more than 160 scientists in research and development division.

The company is having three manufacturing facilities out of which two are located in India at Baddi, involved in formulation of drugs and at Kalyani, involved in manufacturing active pharmaceutical ingredients (APIs). The third manufacturing facility is located at Bordon, UK.

1. 2 Project Objectives

The objective of the project is to benchmark the following practices:

Identification of critical positions in the organization

Development of critical talent

Identification of high potential talent

Success profiles for critical positions

Career planning

Succession planning

Mentoring

Coaching

1. 3 Theory

According to the latest researches, ' gaps in the leadership pipeline' is the most critical challenge faced by the companies nowadays. Study by InfoHRM (2008) lists following as the key challenges ahead of companies in present scenario:

There is no development in the leadership gap.

There is an increasing risk of turnover of high potential candidates.

The main cause of employee turnover is inadequate career paths.

There is no measurement of Return on Investment (ROI) of talent initiatives.

Corporate involvement is very less in the talent initiatives.

Developmental programs are static and don't change with changing business needs.

An organization can face these challenges only by effective techniques of identification of the critical positions in the organization, succession planning for the critical positions, identification of potential talent, developmental activities for the potential talent, career planning for the potential talent and the consistent measurement/audit of these talent initiatives.

1. 4 Rationale of the research

Fresenius Kabi Oncology Ltd. is not having formal succession management practices and is in the process of formulation of practices and thus the

rationale behind the research is to find out the best practices followed across the industry and other organizations as well. The focus of the research is to provide Fresenius Kabi Oncology Ltd., the information about the practices followed in other organizations as well as the implementation and execution issues.

Chapter 2: Methodology

The overall methodology of the project was as follows:

Study of the Industry, the Organization and its processes

Literature survey to understand the succession management practices

Collection & collation of the data (industry practices) using the secondary research methodology

Collection & collation of the data (industry practices) using the primary research methodology

Analysis of collated data, identification of best practices

Comparison, gap analysis of current practices against the best practices and recommendations

2. 1 Sample

The companies selected as sample are from the same as well as the different industry. Some of the companies were listed as the best practice companies in the research study reports of reputed agencies and were also presented as case studies.

2. 2 Measures (questionnaire)

A questionnaire was designed which was used as a guidelines while finding out the practices as well as the implementation/execution issues. This questionnaire was used while studying the practices given as case studies. Also the interviews taken are guided by the same questionnaire.

Questionnaire

What tools you use to identify the critical positions in your organization? (organizational charting, network charting etc)

What tools or processes are used to identify the high potential employees? (position description, rapid results assessment etc)

What are the inputs to the potential identification process?

Are these tools and processes effective in identifying the high potential employees? How do you measure this effectiveness?? (E. g. Some organizations find this by finding out the successful promotions/internal/ lateral placements)

Does your organization does career planning for employees?

If yes, then for how many employees, all or only key/ high performing/high potential employees?

Does your organization does succession planning?

If yes, then for what levels?

What is the size of the succession pool? How often this is reviewed? (quarterly, annually etc)

Do you measure its effectiveness?

If yes, how do you measure its effectiveness? Do you use following measures:

No of candidates prepared to assume a key position?

How quickly a key position is filled by internal replacements?

What percentage of vacancies is filled internally?

What savings the organization is able to make by not filling the key positions through alternate approaches?

Bench strength

How well does succession planning match up to individual career planning? How do you measure it? Do you use following measures:

How satisfied is the targeted staffs with the program?

How well are individuals progressing through their developmental experiences in preparing themselves for future roles/ key leadership positions?

No of high performers leaving the organization?

How are these practices communicated to the target employees?

Are leadership competencies defined for various levels in your organization? Are these competencies aligned with the organization's strategy?

Does your organization keep track the high potential turnover and seriously takes high potential retention? In what manner (E. g. Some top companies have the policy of informing board/ CEO whenever a high potential employee resigns)

Does your organization differentiate compensation based on future potential? If yes, how is it done?

Is the need/ gap analysis is done for the high potential candidates for the competencies they need to move to future roles/ key leadership positions? If yes, how (tools/processes)?

What programs are there for the development in those gap areas? (assessment centres, internal leadership training programs etc)

Does your organization have the coaching and mentoring programs for every employee?

Does your organization have the coaching (executive) and mentoring programs for development of the critical talent? If yes, how has it been implemented especially mentoring, selection of mentors?

What are the criteria for the selection of mentors? (if psychometric profiling, which tool is used). Is mentoring cross functional or within the function?

Are the leaders held accountable through performance management process, for development of their direct reports and their own leadership

capabilities? If yes, what percentage of average annual incentive is tied to this development objective?

Are the CEOs and the board of directors actively involved in developing leadership talent?

Are their regular audits of the leadership practices for finding gaps and filling them?

Is cost- benefit analysis done for these leadership practices?

Does your organization perform success profiling?

If yes, then is it done internally or any agency is hired or it is outsourced?

2. 3 Procedure (Data Collection)

The procedure followed for the collection of data was twofold:

Through secondary sources

The practices followed by some of the organizations were found out by studying the case studies given in books and research study reports by various reputed agencies. Also some of the practices were found out from the white papers published by the companies about the issues of succession management.

Through primary sources

The second and main source of the information of the practices followed by various organizations was the personal interview of various HR managers

involved in the organizational development, learning and development or implementation of talent initiatives of various organizations.

Chapter 3: Result & Discussion

After five weeks of the project, the first three steps of the overall methodology are completed which include the study of the industry, the organization, its structure & the practices followed in the organization; the study of the various succession management practices; and the collection of data through secondary sources in which succession management practices of three organizations have been found.

The fourth step is in continuation with completion of personal interviews in four organizations. The practices have been collected through personal interviews from Jubilant Organosys, Ernst & Young, GSK Consumer Healthcare India, Intel Corporation. Personal Interviews are still going on in continuation with HR managers in other organizations according to the scheduled appointments.

After the collection of practices and implementation issues, the next step will be to collate the findings from the various organizations, the analysis and identification of the best practices and finally the comparison, gap analysis and recommendation to the Fresenius Kabi Oncology Ltd.

3. 1 The practices followed in organizations collected through secondary research

3. 1. 1 Eli Lilly and Company

Eli Lilly and company is a global pharmaceutical company with its global headquarters at Indianapolis, Indiana in United States. Eli Lilly is a fortune

500 corporation and had revenues of $20 billion in 2008. It is an innovation based company whose portfolio includes the areas of diabetes, cancer, cardiology, osteoporosis, neurosciences, acute coronary syndrome, severe sepsis, growth disorders etc. It employs approximately 39, 377 employees worldwide with approximately 7, 241 employees engaged in research and development in the R&D facilities located in 8 countries. The manufacturing plants are located in 13 countries and its products are marketed in 143 countries.

Succession management practices

Talent pools

Eli Lilly has organized its talent pools into three corporate talent pools. The first two pools are the general manager pool & the product team leader pool. These two pools are comprised of the candidates who have cross functional talent and who can lead multiple disciplines. The third pool consists of the individuals who are not having any experience on foreign assignment. So this pool contains people who need a foreign assignment for the development of their leadership skills and behaviours.

Talent Identification Process

It is an annual process and the review is a continuous, real-time process. All the employees are categorised into three main categories:

Technical leadership potential- those employees who are having the learning agility within their area of expertise.

Functional leadership potential- those who demonstrate learning agility in their function and area of expertise. These are highly skilled in leading a

functional organization. They are usually interested in managing a part of the value chain.

Cross- functional leadership potential- those employees who demonstrates learning agility across multiple functions and areas of expertise. They are interested in managing across the value chain.

Talent Identification Tools

The Eli Lilly uses three tools for the identification of the talent across the organization for its three different talent pools. These tools include a talent identification questionnaire and CEO reviews and COMPASS.

Talent Identification Questionnaire

This is a six page questionnaire which was designed by the collaboration of internal as well as external consultants. This tool is used soon after the employee is hired to create a list of employee candidates for the open positions. This tool targets three key factors:

Performance- Under this factor this questionnaire finds out the track record of the results produced by the employee as well as his demonstration of the management competencies.

Learning agility- Under this factor, it measures the willingness and the ability to learn new skills by the employee under not so favourable conditions

Derailment factors- Under this factor, it finds out the unfavourable factors such as the unwillingness of employee to work at higher levels, or non adherence to Lilly values or any other barriers.

The data from the talent identification questionnaire is used to find out the upward potential rating of an employee. The competencies and the performance are compared to determine the employee's potential or talent. These results are validated with the line manager's review and are input to the intranet for the formation of matrices which are reviewed by the CEO.

CEO Reviews

This review is the key element of the process due to the involvement of the CEO. The CEO reviews the functional business units at least once in every three years with key units being reviewed annually. In this process the CEO meets the business unit head and its human resources head to evaluate and select talent within the particular business unit. The succession management team provides with the tools and processes according to the different needs of the different business units so that the output is valuable to the participants.

The succession management team prescribes similar reviews with the human resource of the business units annually. These reviews are headed by the business unit heads and are targeted at filling 500 high level positions. The potential associates are identified and developed by the process; a succession plan is formulated finding the gaps in the progress.

COMPASS

It is a 360-degree feedback tool, which is used to assess the leadership behaviours of an individual.

Talent Development activities

Mentoring

Eli Lilly uses formal and informal mentoring for the high potential talent identified in the organization.

Career Planning

Eli Lilly performs career planning for the employees by drafting individual development plans and resume which are the result of the performance management process. The resume lists the positions held by the employee and also the positions of interest, reporting levels with the organization, current location and other information about employees' interest. The development plan is drafted keeping in mind both the short-term perspective to improve the current responsibilities and the long term perspective to develop employee to reach full potential.

COMPASS

COMPASS is a 360-degree feedback tool which is used to assess leadership behaviours of an individual. The results of the feedback for all the management employees are shared with their supervisors and this is used to find out the gaps/ required input to develop the talent of an individual.

Group Development Reviews

It is the Eli Lilly's largest executive development program. In this program approximately 500 individuals with high potential are targeted and a ninety minute conversation is facilitated among their supervisors. This meeting is

facilitated by third party consultant to prevent it from any bias. The feedback is taken from current, past supervisors as well as peers of the supervisor so as to affirm about the potential of the candidate. The strengths and weaknesses of the candidate are discussed among the supervisors and a detailed report is produced by combined effort of Eli Lilly employee and external consultant. This report is shared by the supervisor with the candidate and a development plan and career plan is drafted with the help of an HR. The output of talent identification questionnaire is also used to validate and provide input to the development and career plan.

Action Learning (Leadership V)

This is a development activity focussed on the individuals having executive potential. This program is based on Lilly's belief that70% learning takes place on job, 20 % comes from relationships and mentoring and 10% comes from structured programs. In this program 18 high potential leaders are selected across the functions with the final approval of CEO.

This program is structured over a time period of six weeks in which the CEO chooses a real business issue and let the leaders learn by dealing with the same. Various activities are planned over the period of six weeks in which first week is an off campus boot camp where knowledge, topical, academic, and directional experts introduce and explains the business issue so that all the candidates have a starting point and a basic understanding of the issue. Next week is spent on the job. During the third week the participants are split into teams of two and are instructed to conduct approximately 150 interviews all over the world targeted at different spheres related to the

business issue such as suppliers, customers, subject matter experts, and best practice organizations. During next two and half weeks the participants interview those having understanding or knowledge of Lilly about how to move forward keeping the chosen business issue in mind. The participants are then required to debrief, make decisions, and prepare a presentation to the CEO and recommend a course of action.

Measurement

Eli Lilly leverages SAP and Oracle as a backbone by creating metrics using employee data and these metrics are used to measure the results of succession management. It utilises two key measures- the overall quality of talent in the pipeline, and the number of succession plans where there are two or more " ready now" candidates for the position. Lilly considers these measures sufficient to assess its short term and long term preparedness in terms of talent. The two metrics works as follows:

Talent pipeline metrics

This metrics finds out the ratio of the incumbents at a specific level and the individuals with potential to that same level. The company has already decided some specific goal ratios for each level of management (e. g. 3: 1 for the director level). Lilly also tracks the percentage of the incumbents and individuals at each level for various demographics and data related to certain experiences such as cross functional etc. to find out the diversity. It believes that improvement of diversity of " potentials" is a leading indicator of overall diversity within the company as it relates diversity with business success. It also pinpoints the top successors using querying tools and put

development plan in place for these individuals to reach diversity and cross functionality goals.

Succession plan metrics

This metrics helps the company to understand the readiness of its talent pipeline and find out where gaps exist. It finds out how many ready now candidates it has for its top 500 positions. This also helps it to find out where there are no sufficient " ready now" candidates and uses this information to start the process to fulfil the gap. Metrics are also gathered to find out how many candidates are on more than three succession plans as a " ready now" candidate.

Additional metrics are also used by the succession management team such s funnel diagrams dividing into various levels for potentials providing the number of incumbents and potentials identified broken down according to various categories.

There is also a quarterly scorecard that tracks progress on goals, positional and pipeline data and the succession plan. Lilly also uses specific measures such as key positions filled through the succession plan, potentials ready for promotions for more than three positions and the individuals having potential that is two levels higher than their current level.

3. 1. 2 Dell Computers

Succession management practices

Talent Pools

Dell computers finds out high potential talent at two different levels, the corporate level i. e. Global Corporate Talent (GCT) and at the business unit level i. e. Functional high potentials.

The GCT is also profiled and reviewed for the office of the chairman (OOC). These are the individuals who are having the capability to run very significant portions of the business. These are the individuals who can demonstrate their skills and experience at global level. This pool consists of less than 100 individuals on which lot of resources and senior management time is invested.

The business units also have Functional High Potential programs that identify talent deeper into the organization. These are generally not reviewed in the OOC presentations.

Talent Identification Process

The talent identification is done by reviewing the each direct report to the business unit leader according to the criteria in the individual profile. The key data reviewed includes basic biographical data, career history, career interests, potential jobs in short and medium term, competency strengths and development opportunities, high potential identification, scaling calls, development actions from last twelve months and preview of development actions for next twelve months. In this process data is collected through

different methods but the manager and the individual meet to discuss and agree on the ratings.

Talent Identification Tools

360- degree feedback

360-degree feedback is used by dell for collecting the data for identification of the high potential individuals in the organization.

Assessment centers

The various business units use the results of the assessment centers for getting additional data about the individual's potential.

Development Interview Process

There is a development interview process in which the individual is interviewed and data is collected for the assessment of his potential for his development for higher level roles.

Scaling calls

The individuals are rated on a five-point scale according to the ability of an individual to grow into a higher level job or scale with the growth of his/her current job. The five point scale is as follows:

Promotable

Develop in place

Contribute in place

Manage out of position

Too new to call

Talent Development Activities

Dell's Staged Model for Development

Dell has a career development model to assist the individuals to plan their career through four stages. The first stage is for new hires to understand the dell's business model, the second and third stages focus on learning to contribute independently and collaboratively. And the last stage is dedicated to achieve organizational leadership. The staged model for development is as follows:

Figure 1: Staged model for development at dell

360-degree feedback

360-degree feedback system in dell consists of a survey that collects detailed behaviour based data about the individual's job behaviour from his peers, bosses, direct reports as well as customers.

This helps dell to identify the gaps in the behaviour of their employees and then develop programs specific to the gaps to improve the performance. The data of the feedback is owned by the individual and he shares it with his manager and they collectively draft a development plan to address the goals

Executive Education

At dell, there is a competency based executive education that is driven by feedback and is to target the specific needs of an individual. It consists of e-learning as well as leader led curriculum. Apart from this there are online conversation groups and interviews and also online resources like book signings, literature, courses, orientation material etc which are available to the individuals.

Cross-Organization movements

To facilitate the cross organization movement to let the individuals gain an experience across the functions/businesses, dell creates the talent pools by using the profiles of the individuals (top executives). This placement of an individual into talent pools is based on his/her level within the organization, readiness for promotions, needed experience, and the competency strengths. Then the position pools are created based on current and anticipated vacancies based on job characteristics. Using these two pools the moves within the organization are mapped. This also increases the visibility of the executive talent among the business units. There are also biannual meetings among the interested business units for facilitating cross functional movement of talent.

Measurement

The measurement is done by creating an executive database by consolidation of the data from the succession plans and individual profiles. When all the business units are through with their annual presentation to OOC, the executive and organization development analyzes the company wide data to find out the status of the leadership bench.

One of the metrics that are used to find out the strength of the talent initiatives is bench strength. Each business unit reports the percentage of positions with ready successors and percentage of positions with successors in the pipeline. Another method is tracking of the movement and development of the Global Corporate Talent (GCT) pool on quarterly basis.