

CASE 9

FINDING THE RIGHT VIEW: DEVELOPING LOCAL TALENT IN LOCAL MARKETS

By Claudia Fischer and Allen D. Engle, Sr.

A still February morning in Shanghai. The view from the 15th floor of the New Shanghai International Tower on Pudong Road South is obscured by silver-grey pollution. Thomas' practiced eye has calibrated the index at over 100 already, perhaps going to 200 plus by late afternoon. The top of the World Finance Mansion is obscured as he looks up into the fog. He cannot see to the top of the 38-floor China Merchants Tower. His sliced view of the heavy traffic on the Lujiazui Ring Road is softened by the haze.

Thomas Mueller is thinking about yesterday, today, and tomorrow. Well into ten years at Bombardier Transportation (BT), a market leader in train manufacturing, he is currently on assignment in Shanghai as General Manager of the company's Best Cost Country Sourcing subsidiary. The office in Shanghai is the key interface between procurement teams and project managers all around the world and the Chinese suppliers. He reports to the Head of Global Commodity Management, based in Headquarters in Germany.

Thomas was put on the assignment with a clear mandate to stabilize the supplier relations, standardize processes and – most critically – to implement Key Performance Indicators (KPIs) for the Shanghai office to make the unit's business performance transparent and measurable. He has completed two and a half years of his three-year assignment. According to BT's annual talent calendar, it is time to prepare the annual performance management process (PMP) reviews with his direct reports as well as the talent review input for the procurement functional 'talent day'.

Thomas feels like he is between the Devil and the deep blue sea. Firstly, one of his main assignment objectives is to develop a local successor in his role, but the employee number one on his succession list is not ready to step into Thomas' role now. Hence, he has toyed with the idea of an alternative solution in which he asks for a one-year assignment extension. On a more personal level, as BT's strategy is clearly to

develop deep roots in local markets, Thomas has just started to discuss with the European management team the potential for a new role for him becoming available in a few months. This reassignment would be the perfect repatriation opportunity. His family is keen on moving back to Europe. His wife and the two kids have adapted well in China, but they still miss the extended family and some of their old friends. How would a one-year extension affect his long-term career goals? What would his family think?

Putting his dilemma aside for a while, Thomas takes his role as people manager seriously, to act as talent champion and to prepare for the outstanding performance reviews properly.

In BT, talent reviews and annual PMPs are important – more critically, they go hand in hand. The information obtained from the PMP discussions – e.g. career aspirations and interests – is used as the basis for management's preparation in the talent review process. Thomas will also listen to ideas about short- and long-term development objectives from his employees, and he and they will build or adjust the individual development plans together.

As people manager and talent champion he is expected to (1) communicate and cascade business objectives to ensure alignment between individual, team, and business objectives; (2) integrate long-term development objectives into PMP development plans; (3) actively assist employees in achieving their objectives by providing open and honest feedback regularly; (4) conduct meaningful discussions resulting in agreed-upon objectives fulfilling SMART (Specific, Measurable, Achievable, Relevant and Time-bound) criteria and, finally; (5) develop objectives for each annual cycle and review and rate employee performance and behavior at the end of each cycle. A daunting but critical set of linkages is required. Thomas helped develop the system in Berlin; it was much clearer on paper four years ago than it may be today.