

Building a leadership pipeline

Egon Zehnder recently organized a roundtable discussion (on May 27, 2013) in Mumbai with some of the senior professionals in the Chemical Industry in India to discuss the challenges in building a leadership pipeline in the industry. The forum consisted of experienced leaders from the industry across Indian organizations and established MNCs.

The Chemical Industry faces four significant challenges in the context of building a leadership pipeline:

1. **Attracting talent to the sector:** India produces ~11,000 Chemical Engineers and ~150,000 Scientists (Ph.D. and M.Sc. graduates) but still has challenges in attracting people into the Industry at the entry level. This has been a struggle even at leadership levels, where the Chemical Industry is not seen in a favourable light. This issue is not just restricted to the Chemical Industry. Manufacturing-driven Industries are often losing out to Technology and related industries in the war for talent at various levels as the option set for individuals has expanded significantly in the last few years. And India is not the only country that is facing these challenges. Several developed markets are coping with a shrinking population and a reduction in the proportion of the population going into the Chemical Industry. A recent survey of MBA graduates conducted by German *Manager Magazin* reveals that only two chemical companies were among the top 100 preferred employers for MBAs. Even among engineers, there were only four chemical companies in the top 100.
2. **Driving diversity at the top:** Several companies do not have an informed and internally consistent view of diversity. Often the topic is watered down to diversity in gender and nationality. The real goal is often to drive diversity of thought which could include, inter alia, diversity in academic qualifications, professional experience and industry backgrounds. Even if there

1. Create and build awareness around a compelling Value Proposition

2. Proactively define and drive the Diversity Agenda

The Chemical Industry is perceived both internally and externally as being fairly insular, and there is consensus amongst industry leaders that ‘*diversity of thought*’ must be actively encouraged. Most organizations admit that there is considerable room for progress on this front, which will only be achieved if leaders treat it like a genuine priority and institutionalize specific measures:

- *Clearly articulate and communicate a Diversity Agenda:* Diversity means different things to different people (gender, academic qualifications, nationality etc). It is important for senior leadership to articulate the organization's priorities to ensure there is a common understanding of the diversity agenda across the team. Certain companies have already included discussions on diversity objectives as part of leadership training initiatives.
- *Create a sense of urgency by setting and monitoring specific targets:* Once the priorities have been established, it is crucial to set targets (e.g. recruitment targets) and monitor performance. A diversity council that reports performance against defined objectives can be an effective tool to ensure that intent is translated into actual outcomes.
- *Over-invest in successful integration:* In the absence

3. Strike a balance between the need for Technical Excellence and Leadership Skills

Given the very nature of the Chemical Industry, there is a strong emphasis on technical excellence in the initial stage of a manager's career. However, as s/he transitions to a leadership role, various other 'softer' skills become increasingly critical. Initiatives that could help organizations strike the necessary balance include:

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4. Support global career aspirations despite pressures on local leadership pipeline

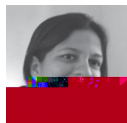
Indian managers increasingly have global career aspirations. Given limited leadership pipeline at the local level, it often becomes challenging to accommodate these aspirations. However, most leaders believe that it is important for the organization to create an ecosystem that rewards high performers with international opportunities, while managing the impact locally.

- *Maximize use of short-term cross-border moves:*
CEOs must provide long-term relocation op-

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Egon provides Executive Search, Board Consulting, CEO Succession and Leadership Strategy Services. Over 25 consultants from 14 different countries have set up their specialized and local work to better serve clients in the fields of: Chemicals, Polymers and Plastics, Packaging, Glass, Building Materials and Metals. For clients in this sector, we have identified top leaders and attracted them to key Executive and General Management and functional leadership positions in Chemicals, Technology, Specialty Chemicals, Packaging, Glass, Building Materials and Metals. Our clients range from large multi-nationals to start-ups, private equity, and family ownership.

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