

The Top 20 Companies for Leaders

Hewitt Associates has released the results of their third research study aimed at identifying the “Top 20 Companies for Leaders.” Results were summarized in *The Journal of the Human Resource Planning Society, Volume 28, Issue 3, 2005*. This 2005 study was preceded by similar research conducted in 2002 and 2003. Out of the 374 participating companies, here are the “Top 20”, all of whom were screened for strong financial performance:

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| 1. 3M Company | 11. Capital One Financial Corporation |
| 2. General Electric Company | 12. Whirlpool Corporation |
| 3. Johnson & Johnson | 13. Colgate-Palmolive Company |
| 4. Dell, Inc. | 14. Pitney Bowes Inc. |
| 5. Liz Claiborne, Inc. | 15. Pfizer Inc. |
| 6. IBM | 16. FedEx Corporation |
| 7. The Procter & Gamble Co. | 17. Washington Group International, Inc. |
| 8. General Mills, Inc. | 18. The Home Depot, Inc. |
| 9. Medtronic, Inc. | 19. Avery Dennison Corporation |
| 10. American Express Corp. | 20. Sonoco Products Company |

The study is instructive in many ways, perhaps most striking in what it did not find. It did not find any single best practice that was “replicable across companies, industries or geographies.”¹ Instead, “Three Fundamental Leadership Truths,” were identified. These are the foundation elements that support everything else needed to grow leaders successfully, and without which companies seem unable to sustain their capacity to grow leaders.² Here they are:

- 1) **CEO and Board Leadership and Inspiration:** This goes far beyond the typical platitudes. CEOs at the Top Companies spend 20% or more of their time on activities that develop leaders, they model the ideal behaviors, and they are visible and approachable.³ Board activities include participation in leadership development courses, mentoring high potentials, and cultivating a deep understanding of the quality and depth of the leadership bench.
- 2) **A Maniacal Focus on High Potentials:** The Top Companies focus disproportionate energy and resources on correctly identifying the top 10%-15% of their current leadership population, giving them a rapid series of developmental assignments to assess or confirm potential, and sharply differentiating their rewards based on that potential.

- 3) **The Right Leadership Practices, Done Right:** This truth is perhaps the most instructive for other organizations. The Top Companies are looking internally to determine the type of leaders and leadership practices that make sense for them in light of their unique business strategy, market position, culture, etc. Once this has been defined, they have a relentless focus on outstanding design and flawless execution. This is reinforced with clear accountability for results. At Top Companies, leaders (not just Human Resources) are held accountable for the success of leadership programs, for their own development and for the development of others. In fact, the area of accountability was one of the areas of greatest difference between the top performing companies and others.

So what?

Glad you asked that question. You may be thinking that your company would never have the resources of a 3M, an IBM or a GE. True enough, but the key take away from these findings is just as their leadership development programs are those that make sense in their markets with their business strategies, so must your company find the right ones for your situation. Content and scope will vary widely, but any company interested in developing their next generation of leaders can and should drive CEO and Board involvement, have a laser-sharp focus on high potentials and hold leaders at all levels accountable for development. It's the future that's at stake, so what are you waiting for?

References:

Marc Efron, Shelli Greenslade and Michelle Salbo, Hewitt Associates "*Growing Great Leaders: Does It Really Matter?*" The Journal of The Human Resource Planning Society, Volume 28, Issue 3, 2005, pgs. 18-23

Footnotes:

¹Efron, Greenslade and Salbo, pg. 20.

² Ibid., pg. 20.

³ Ibid., pg. 20.