The Arrival of the Unprepared: How Kimberly-Clark is Getting our Leaders Future-Ready?

J. Scott Boston, Kimberly-Clark
DDI & ME

• Over 25 Years
• DDI + Scott: Three Companies
• Why?
  – Complete Set of Integrated Solutions
  – Pragmatic, Easily Understood by Line Leaders
  – DDI Remains Focused
  – Great Partner
Preparing Future-Ready Leaders

WHO

WOMEN

MILLENNIALS

LEARNING

DIAGNOSTICS

DESIGN

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Our Business

CONSUMER TISSUE

PERSONAL CARE

K-C PROFESSIONAL

Our Vision:
“Lead the world in essentials for a better life”
Our Well-Known Global Brands

Over $19 billion in sales

5 billion-dollar brands

#1 or #2 position in more than 80 countries

Nearly 1/4 of the world’s population use our products every day
Our People

43,000*
Employees in 66 countries

Based in North America 35%
Based in Latin America 30%
Based in Europe, Middle East and Africa 16%
Based in Asia Pacific 19%

49% Employed 15 years or more
27% Employed 5 years or less
24% Employed 6-14 years

Employees by Generation

Baby Boomers 17%
Generation X 39%
Millennials 44%

*Full-time employees
K-C 2010: Critical Global Talent Gaps

- North American Focus to International/Global
- Rapid International Expansion Strains Talent
- Low Velocity of Talent
- Few Women in Leadership Positions
- Succession Planning Limited to C-Suite Roles
- No High Potential Development Strategy
- Corporate Brand vs. Talent Brand
HELP WANTED
HR Business Partners

Mars Rover Fails Silent, Fraying Nerves at NASA
## Strategic HR: Needed Now More than Ever

<table>
<thead>
<tr>
<th>Global N=943 Challenges 2015</th>
<th>United States N=230</th>
<th>Europe* N=133</th>
<th>Asia N=332</th>
<th>China N=99</th>
<th>India N=100</th>
<th>ASEAN N=121</th>
<th>Latin America N=80</th>
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</thead>
<tbody>
<tr>
<td>1  Human capital</td>
<td>1</td>
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<td>2</td>
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<td>2  Innovation</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>4</td>
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<td>3  Customer relationships</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>3</td>
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<td>4  Operational excellence</td>
<td>3</td>
<td>4</td>
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<td>2</td>
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<td>5  Sustainability</td>
<td>10</td>
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<td>9</td>
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<td>6  Corporate brand and reputation</td>
<td>6</td>
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<td>6</td>
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<td>10</td>
<td>7</td>
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<td>7** Government regulation</td>
<td>5</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>5</td>
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<tr>
<td>8** Global political/economic risk</td>
<td>7</td>
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<td>8</td>
<td>7</td>
<td>6</td>
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<td>9  Global/international expansion</td>
<td>8</td>
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<td>8</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>8</td>
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<td>10 Trust in business</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

N = Number of overall responses. The response rate varies for each challenge. Each score represents the mean of the ranks given the challenge. * European data revised on 11 February 2015 due to re-weighting of results.

We Need to Look in the Mirror
What Role Does HR Play?

- Reactor 22%
  - Develops and administrates policy
  - Ensures compliance
  - Source of HR expertise when asked

- Partner 60%
  - Embedded in business
  - Resolves talent issues
  - Supports rollout of talent management initiatives

- Anticipator 18%
  - Align talent capabilities with business strategy
  - End-to-end talent management architecture
  - Interpret talent trends and translate into opportunities
Welcome to the World of Fact-Based HR
Fact-Based HR: Formula for Success

Strategic HR Business Partner

= Informed Logic + Qualitative Data and / or Quantitative Data
Some Key Questions We Need to Answer

• Are we diligently managing our human capital costs?

• Can we connect our investments in human capital to individual and/or organizational performance?

• Do we have the right workforce to support our business strategy? Do we have the right labor mix (full-time, part-time, contingent)?

• Are we bringing in and/or retaining the talent we need to support our business strategy going forward?
Some Key Questions We Need to Answer

• Are we rewarding our highest performers at a rate superior to moderate performers? Are we managing out “dead wood”?

• Is our workforce aging, become more diverse or changing in some other way we must recognize to manage our business in the future?

• Do we know who our most effective leaders are? What are they doing that differentiates their results? Their engagement and retention scores?
Fact-Based HR: Formula for Success

Strategic HR Business Partner = Informed Logic + Qualitative Data and / or Quantitative Data × Consulting Skills
Preparing Future-Ready Leaders

WHO you’re developing
HOW we develop
WOMEN LEADERS

From: Competence  To: Confidence
Bottom 20% Financial Performance

19% of All Leaders Are Women

Top 20% Financial Performance

37% of All Leaders Are Women

All Leaders

Percent Women
2014 Catalyst Award Winner
April 2, 2014
Our D&I vision is to look, think & behave like the people who use our products.
K-C Diversity & Inclusion

- Company must reflect consumer base
- Clear goals drive alignment and impact
- Attracting & developing the best talent

<table>
<thead>
<tr>
<th>Increased 66%</th>
<th>Increased 84%</th>
<th>Increased 207%</th>
<th>Increased 50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Director + Roles</td>
<td>Internal Promotions</td>
<td>C Suite</td>
<td>BOD Representation</td>
</tr>
</tbody>
</table>
Breaking Through Barriers

- Integrating diversity with business needs
- Driving a diversity mindset
- Men as advocates vs. adversaries
- Creating visibility to roles
- Recruiting the best talent
- Identifying and communicating our top talent
Unlocking Kimberly-Clark’s Potential

• Leadership Commitment and Accountability
• Strong One K-C Culture
• Women’s Forums to Build Confidence & Exposure
• D&I Linked to Bonus & Compensation
• Diverse Slates Demanded by Leaders

Our Journey Continues…
MILLENIAL LEADERS

From: Hierarchy  
To: Networks
“Managing is a big part of my time—coaching and team development needs equal attention”

“Decrease focus on managing tasks and increase importance placed on managing people”

“Provide more time for one-on-one interaction versus just focusing on daily tasks”
# Millennials: Understanding a Misunderstood Generation

## Why do Millennials Want to Lead?*
- High future earnings
- Opportunities to influence the company
- Working with strategic challenges
- Power to make decisions
- Challenging work

## What Kind of Environment Do Millennials Want?
- Empowering Leaders
- Open & Accessible Coaches
- Career Development
- **Transparent Performance Criteria; Objective Evaluation**
- Roadmap for Success

*Source: INSEAD, Emerging Markets Institute, The HEAD Foundation (2014)
# Fully Integrated Approach to Competency Management

<table>
<thead>
<tr>
<th>Build Trust</th>
<th>Make Decisions</th>
<th>Win Consistently</th>
<th>Think Customer</th>
<th>Continuously Improve</th>
<th>Build Talent</th>
</tr>
</thead>
</table>
| - Compelling Communication  
- Leveraging Diversity  
- Influence | - Strategic Decision Making  
- Planning and Organizing | - Driving Results and Accountability | - Customer Focus  
- Fueling Innovation | - Cultivating Networks  
- Driving Change and Improvement | - Continuous Learning  
- Coaching and Mentoring |

- Behavioral Based Interviewing
- Onboarding
- Culture of Accountability
- K-C Performance and Development
- Diversity and Inclusion Programs
- Functional Competency Models
- Learning and Development
- Global Continuous Improvement
Leadership Essentials

Day 1
Interaction Management, Feedback, and Coaching

- K-C Leadership Kick-Off
- Communicating for Leadership Success (DDI)
  - Interacting vs. Managing
  - Personal and Practical Needs
  - Feedback Fundamentals
- Coaching for Peak Performance (DDI)
  - Seek and Leverage Data
  - Balance Seeking and Telling
  - On-Going Feedback and Support

Day 2
Performance Management

- KC Performance Management System (K-C HR)

Day 3
Change and Continuous Improvement

- Driving Change (DDI)
  - The Personal Needs of Change (Reactions and Resistance)
  - Change Accelerators
- Continuous Improvement/Lean Leadership (K-C CI Team)
- Personal Development Action (K-C CI Team)
Leadership Essentials

Day 1: Interaction Management, Feedback, and Coaching
- K-C Leadership Kick-Off
- Communicating for Leadership Success (DDI)
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- Coaching for Peak Performance (DDI)
  - Seek and Leverage Data
  - Balance Seeking and Telling
  - On-Going Feedback and Support

Day 2: Performance Management
- KC Performance Management System (K-C HR)
- Setting Goals and Reviewing Results (DDI)
  - Shared Ownership
  - SMART Goal Setting
  - Gathering Data
  - Skill Practice Performance Discussion

Day 3: Change and Continuous Improvement
- Driving Change (DDI)
  - The Personal Needs of Change (Reactions and Resistance)
  - Change Accelerators
- Continuous Improvement/Lean Leadership (K-C CI Team)
- Personal Development Action (K-C CI Team)

Pre-work:
Self assessment of key principles

Post-work:
- Meeting with manager
- Implement development action plan
Our vision and the culture needed to get us there.
Outcomes

One K-C JAM

• Flexible work environment
• Casual dress
• Adopt faster collaboration practices
• Just in Time learning
Preparing Future-Ready Leaders

WHO you’re developing

HOW we develop
LEARNING

From: 70:20:10

- On-the-job 70
- Others 20
- Formal 10

To: SWIRL
Today’s learning is not separate activities

At the moment it is needed
Targeted to the needs
Any where, any time
However they learn best

Informal Learning

Burst Learning
Social Networks
Mentors/Reverse Mentors
Forums
Community
Wikis
Podcast
Chats
Video

Formal Learning
Leaders Teaching Leaders Top Talent Program: The Three E’s

Leaders Teaching Leaders:
A nine-month, high impact developmental experience for top talent

Goals:
To develop top talent for future leadership positions by:
• Broadening their knowledge of K-C’s business
• Heightening their exposure to the Global Senior Leadership Team, Presidents, Board Members and external thought leaders
• Developing project and action plans for development—based on existing project work and personal goals

Audience:
One cohort per year, typically 20 - 25 global participants

- Change Acceleration Process (CAP)
- GILD (Global Institute for Leadership Development)
- GetAbstract – Executive book summaries
- Cultural Dexterity Awareness
- Vitality (top performance)
- Executive Communications

- Leadership Journey presentations by Executives / Board of Directors
- Other Markets / Functions in KC
- Peer Networking / Coaching
- 1:1 External Executive Coaching

- Action Learning Projects
- Selected for special projects and enterprise design teams
- International experience—market visits global leaders

Education

Exposure

Experience
DIAGNOSTICS

From: NUMBERS  
To: INSIGHT

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Who is Ready?

- Ready
- Ready with Development
- Not Ready at this Time
BUILDING GENERAL MANAGERS AT K-C
The Dynamic Duo of Assessment & Development

**STEP 1** Identify GMs

K-C GM Roles clustered based on *Scope, Scale & Complexity* of role, a framework to facilitate talent pipeline development

- **Cluster A**
  Group GM, USD$1B Net Sales

- **Cluster B**
  Multi-Business/Complex Business-Unit

- **Cluster C**
  Single Business Unit, Multi-Country-Complex

- **Cluster D**
  Medium Size & Complex Country

- **Cluster E**
  Single Business Unit, Small Country

**STEP 2** Targeted Assessment

DDI Strategic Leader Assessment
Seasoned General Managers

**STEP 3** Focused Development

DDI Leader3 Ready Virtual Assessment
Aspiring, 1st Time, 2nd Time General Managers
Global

Performance Management
Senior Leader Development/Assessment
Leadership Selection/Promotion

Balanced

Mid-Level Leadership Development
Front Line Leadership Development
Succession Management

Local

Targeted Development Initiatives

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K-C HR Approach to Global Development

• Adopt & Adapt
• Global Design Teams
• Global Communities of Practice
• Global Innovation Hubs
K-C Global Innovation Hubs

Wisconsin

Brazil

Israel

South Korea

China
Cross-Border/Swap Program

• Provides future leaders with cross-cultural experiences

• Shifts our best talent to critical areas

• Accelerates development of top talent/high-performers

• Helps build a strong pipeline of leaders

100+ Millennial participants in last 18 months
Preparing Future-Ready Leaders

**WHO**

**WOMEN**

**MILLENNIALS**

**HOW**

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