

Panasonic goes global with talent management

Panasonic Fact File
▪ One of the world's largest electronic product manufacturers
▪ Head Office: Osaka, Japan
▪ Founded; March, 1918, incorporated, December, 1935.
▪ 2008 Net Sales: 7,765.5 billion yen
▪ Number of Employees: 292,250
▪ Number of group companies: 540
▪ 14 business lines ranging from digital AV, home appliances, industrial solutions to other electronic and consumer products

TALENT PHILOSOPHY

To tell, or not to tell. When management earmarks individuals as high potential, the question is whether to let them in on the secret, or keep the list confidential.

Danny Kalman, director for global talent Panasonic Corporation and a director of Panasonic Europe, is in no doubt that transparency is the better policy. For him the positives far outweigh any negatives. "Some argue that the downside is that you raise expectations that may not be fulfilled. But this is nonsense. What you must do is manage expectations and make it clear what has to happen for opportunities to open up."

But Kalman admits that it was not always custom and practice in Panasonic.

"I remember speaking at a public conference four years ago when I was asked about our policy," he says. "I was embarrassed to admit that we treated this confidentially. But when I asked for a show of hands, I found that about a third still operated a black-book system for Hi Pos. So I knew we were not the only ones."

Since then in its European region Panasonic has changed its policy on the issue for what Kalman regards as sound business reasons.

"You've got to be open and honest with people about their future prospects in line with their preferences for mobility, staying in their function and so on. We leave it up to them whether they tell others that they are in a HiPo group. We've done this in Europe and I'm working on making this global," he adds.

A PROCESS OF EVOLUTION

This is one of an evolving set of talent management policies and practices introduced over the past few years. It was not a case of jumping on the talent management bandwagon.

"Talent management and corporate social responsibility are things that companies like Panasonic have been doing for years," he says. What is

more, he can point to a cultural legacy that has embedded the concepts in the way Panasonic does business.

Back in the 1930s, Konosuke Matsushita, Panasonic's founder, boldly laid down a 250 year vision for the company, along with a set of guiding principles to steer its evolution. One of Matsushita's maxims was: "We make people before we make products." Another was the primary corporate purpose of "enriching society".

"Much of what we do today goes back to his business philosophy and vision for the business," says Kalman. "Our job has been to bring this up to date." The current wave of initiatives in talent management was launched just over five years ago.

TALENT MANAGEMENT SCOPE

Part of Kalman's remit is to bring consistency to talent programmes and practices that had been developed locally and establish worldwide standards for identifying and evaluating talent.

"My role is to find the commonalities and introduce a more systematic approach to senior executive development across the global business. Every company talks about developing next generation leaders. But what do they look like? How do you recognise them?"

Panasonic's answer is based on a combination of internal research supported by external leadership models, including those developed by talent specialist consultancy DDI. "We've now come up with our list of leadership factors that are very close to DDI's top 10 factors."

The groundwork for the company's current approach to talent management involved recognising the roles that had the greatest influence on Panasonic's fortunes. Out of the 290,000 plus positions across the global business, 450 key roles were identified: 350 in Japan, the remainder in the international business.

PANASONIC'S THREE CORE INITIATIVES

Today's talent process starts with regional companies identifying high potential candidates for key roles who are then assessed using a system based on DDI's assessment model and tools. Post-assessment, individuals are allocated to one of three groups.

High Potential 1s are those closest to global executive positions while HP3s representing next-generation talent are furthest away and HP2s midway. Individual development plans are then put together, including learning and strategic assignments, in line with the needs of each group. Of the 70 people who entered the three-tier programme between 2005 and 2008, 20 have been promoted to more senior positions.

In addition to the high potential programme, there are two other schemes.

Talent for Tomorrow in the European region is now in its second year. "This is a self-nomination programme which is open to anyone," says Kalman, "but there is a rigorous selection process." In the first year, 2008, about 70 people applied and 14 made the grade for the inaugural programme. The aim is to give individuals a better understanding of their own capabilities and career potential. For the company, there is the opportunity to identify future high fliers in the making.

The two-year programme runs alongside the participant's day job. In the first year, there are three modules:

- A visit to Japan for five days to learn more about Panasonic values and culture
- A visit to a Czech manufacturing centre
- Participation in a CSR project working one day a month with a social enterprise. For two participants, this involved working on a water extraction project for villages in Malawi. "The social enterprise company was so impressed, that they took our two people out to Malawi at their own expense," Kalman adds. "I was very proud of that."

Two further modules are scheduled for the second year

- A team building project in Spain
- An overseas assignment in Japan.

One measure of success is that five of the April 2008 intake has already been made managers.

"As director of global talent, my main focus is on the identification and development of our future leaders from a global perspective. In my global talent role, I have a desk in Osaka HQ and spend some of my time guiding leaders and interviewing people for global leadership jobs," says Kalman.

"The focus for HR in regional and local roles is to recognise and develop talent within their regions."

WINNING MANAGEMENT BUY-IN AND SUPPORT

Europe was the proving ground for the approach that Kalman is in the process of taking worldwide. Early on an executive development committee was set up that included the Europe CEO, COO and two or three other senior executives in Europe, including Kalman. Meeting twice a year, this is the key decision making body where high potentials are reviewed, succession planning is done and candidates for global seminars are identified.

According to Kalman, the formation of this committee has proved invaluable in winning the buy-in of the top management team in Europe. "It also adds so much credibility to the whole program," he adds.

While there is strong support at the top of Panasonic for the global talent development case, the next phase involves developing similar processes and practices across other regions.

TALENT MANAGEMENT MUSTS

On the basis of what has been achieved in Panasonic so far, Kalman identifies a number of lessons from his experience.

- “The first priority is to align talent management with the vision of the business. What kind of roles do you need to achieve your objectives?”
- His advice on retention is to create an environment where people are engaged, which comes down to the quality of leadership and management. “One of the key things I have learnt is that people leave managers, not companies,” he adds.
- “To be successful, anyone in TM must really understand the company. It’s very difficult for a newcomer to establish the kind of credibility you need to deal with senior managers.” In this respect, Kalman says that his 17 years with Panasonic have proved invaluable in building his network and establishing his credentials to lead talent development at a global level.
- “You have to be able to benchmark and network outside the organisation. I regard talking to others at conferences and elsewhere as an important part of the job.
- “Understand that talent management is all about a process and a toolset to ensure you can put the right person in the right place.”
- He also stresses the importance of in-house development corporate fit: “I’ve seen many companies go wrong because they’ve taken off the shelf competencies or talent models.”

THE NEXT FOUR CHALLENGES

Kalman list these as the top of his to-do list:

- “To promote transparency globally
- “To breakdown barriers to promote a global consistency in our talent management
- “To improve the selection potential of our HPs
- “To develop talent management processes in the emerging markets.”

Danny Kalman will be talking about Panasonic’s global talent management initiative at WTG’s European HR Directors Business Summit, 19-20 January, 2010.