Developing Chinese Leaders in the 21st Century

Center for
Creative
Leadership
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CEIBS
CHINA EUROPE INTERNATIONAL BUSINESS SCHOOL
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A RESEARCH OVERVIEW

BASED ON THE LESSONS OF EXPERIENCE- CHINA RESEARCH PROJECT

CONTENTS

■ EXECUTIVE SUMMARY

All around the world, better leadership is needed, and more so in growing economies like China. How can we develop more effective leaders for China-based companies? Are there experiences that would better prepare them? What lessons would they need to learn to become effective managers? To address these issues, we present relevant research findings and implications for leadership development from the *Lessons of Experience-China* research project.

This research was initiated in May 2007, and jointly undertaken by the Center for Creative Leadership (CCL) and the China Europe International Business School (CEIBS). The research effort was supported by a grant from the Singapore Economic Development Board (EDB).

The research methodology adapts the critical incident technique and has been replicated over the years in the U.S, the Netherlands, and Japan. With the launch of the Lessons of Experience – Asia project in 2006, this core knowledge is being extended to include how business leaders learn, grow, and develop in India, Singapore, and China. This report brings a special focus on China and describes the findings of the Lessons of Experience-China project based on interviews with 55 top-level executives from 6 China-based companies (state-controlled and private).

Some perspectives on leadership development in China that this study provides:

- **Challenging assignments at work are the most significant stimuli for leadership development.** 82% of interviewees cited challenging assignments as having a lasting impact on their development as leaders. Only 15% of interviewees cited coursework and training as a source of leadership learning.

- **Mistakes and failures are key drivers for leadership development.** More than a quarter of the interviewees report learning from business mistakes and failures at work or in life as a significant source of their leadership development. These hardships events have led to important learning such as Establishing Systems and Regulations, Execution and Operation Savvy, and Communication.

- **The leadership lessons on Management Values and Communication are critical.** The most widely cited leadership lessons learned from all events experienced by interviewees are lessons about their management values (56%) and lessons about communication (38%). This suggests the significant need for development among Chinese business leaders in areas of management values and communication.

We invite you to reflect on the following questions while reading through the report, regarding how the research can be applied to help you with your leadership development initiatives:

How can challenging work assignments be leveraged in conjunction with coursework and training to develop leaders?

How can managers become better aware of the impact they are making? How can they contribute to retaining and developing talent in their company to build the leadership pipeline?

How can Chinese managers build on their existing analytic capability and improve their capacity for communication and at the same time enhance their awareness of various management values such as integrity and fairness?

INTRODUCTION

In China, as elsewhere, the sustainability and success of the China-based companies depends on the development of effective leaders. To increase the supply of future leaders, there needs to be a deeper understanding of how leader development happens, both inside and outside the classroom.

We need to know what kinds of events leaders experience as developmental and what is learned from these key events. We need to know what lessons leaders must learn over time to improve their effectiveness. As the levels of complexity and challenge increase, what capabilities are needed over time, to improve leadership effectiveness? Only with this kind of in-depth knowledge can senior leaders of Chinese companies intentionally provide the right experiences to the right people at the right time.

To understand and investigate these important questions, CCL collaborated with CEIBS on the Lessons of Experience research project in China. Between 2007 and 2008, the study found that managers learn the essence of leadership from specific work experiences, more so than from business schools, management centers, or ad hoc training programs. In fact, coursework and training comprise less than 10% of the significant events that contributed to people's learning of leadership lessons. Meanwhile, about 90% of the developmental events are on-the-job experiences.

This raises the question of which experiences matter? The study found that some of the most impactful learning comes from those managers being sent on job assignments or tasks which involve fixing problematic situations in the business. Additionally, managers also learned the craft of leadership from observing role models at workplace, as well as experiencing hardship events, such as being demoted.

This report of our research is an initial effort to provide systematic knowledge about how leadership development takes place in state-controlled and private companies in China.

Purpose of report

In this overview, we provide evidence of specific work experiences from which leadership lessons can be consciously extracted. Based on the analysis of key events in the lives of Chinese leaders, we propose that leadership development in China has three drivers: (1) Challenging assignments, (2) Developmental relationships, and (3) Adverse situations. These three drivers can help the Chinese companies strengthen their pipeline of leadership talent.

We also identify the critical leadership lessons, such as the craft of managing self and relationships, which may not be taught at management schools.

Our objective is to share knowledge that can assist current and future leaders and provide the appropriate experiences that develop future leaders – thereby creating a virtuous cycle of leaders developing new leaders.

BACKGROUND AND RESEARCH METHODOLOGY

At the Center for Creative Leadership (CCL), one research question has been a core focus for nearly thirty-five years: What are the processes by which executives learn, grow, and change over the course of their careers? Our original "lessons of experience" (LOE) research in the U.S. showed that managers report significant learning from the following types of experiences:

- Challenging assignments (involving job rotations, creating change, and starting from scratch).

- Developmental relationships (including mentors, bosses, coaches, and developmental networks).

- Hardships (such as mistakes/failures, career setbacks, personal trauma, downsizing, dealing with problem employees, and discrimination).

A seminal study conducted in the early 1980's has been replicated over the years within and outside CCL, including Japan and the Netherlands. The research methodology adapts the critical incident technique and has been enormously fruitful. Many publications, assessment instruments and reports have been developed describing pathways to effective leadership for different populations such as women, high potentials, and global managers. Among them:

- Key Events in Executives' Lives (1987) by E. Lindsay, V. Holmes, and M. McCall.

- Breaking the Glass Ceiling: Can Women Reach the Top of America's Largest Corporations? (1987, 1992) by A.M. Morrison, R. White, and E. Van Velsor.

- The Lessons of Experience (1988) by M. McCall, M. Lombardo, and A. Morrison.

- High Flyers: Developing the Next Generation of Leaders (1998) by M.W. McCall, Jr.

- The Job Challenge Profile Facilitator's Guide (1999) by C.D. McCauley, P.J. Ohlott, and M.N. Ruderman.

- Developing Global Executives: Lessons of International Experience (2002) by M. W. McCall, Jr. and G. P. Hollenbeck

- Key Events and Lessons for Managers in a Diverse Workforce (2003) by C. A. Douglas.

- Developmental Assignments: Creating Learning Experiences Without Changing Jobs (2006) by C.D. McCauley.

With the launch of the *Lessons of Experience – Asia* research studies in 2006, we are extending our core knowledge about how business leaders learn, grow, and develop in India, Singapore, and China.

Research methodology

Experience tells us that face-to-face conversations to collect interview data are required to obtain clear and extensive information about how development happens over time. With the objective of gaining in-depth information, 60 - 90 minute semi-structured interviews were conducted by Chinese interviewers, in Chinese. The interview questions were provided in advance, so that the senior executives participating in the study would have time to reflect on their career and life history in preparation for the interview session.

Who was interviewed?

A total of 55 top and senior level Chinese business leaders were selected from six home-grown Chinese companies. These companies were intentionally chosen to represent various industries (manufacturing, banking and financial services, and information technology). Findings discussed in this report are based on the analysis of 55 interviews (see Tables 1 and 2).

Table 1, Demographics and Levels of Chinese Interviewees

DEMOGRAPHICS		LEVEL	
GENDER Male: 51 Female: 4	NO. OF COMPANIES (6) State-controlled: 4 Private: 2	Top Executives Upper Middle Managers Middle Managers	9 43 3
AGE Average Age: 43	INDUSTRY SECTORS Manufacturing Financial Services Information Technology		

What were they asked?

For gathering their lessons of experience, we asked two questions:

- Looking back over your career, what are the three key events or experiences that had a lasting impact on you and influenced how you lead and manage today?

- What did you learn from these events or experiences?

How were the data analyzed?

A team of four researchers from CCL and CEIBS analyzed the interviews. They worked as a group to identify salient themes. Content analysis was used to develop a detailed taxonomy of *key events* and *key lessons* from the interviews (The findings were also compared with data on business leaders in Singapore, the U.S., and India). The definition of key events and key lessons is as follows:
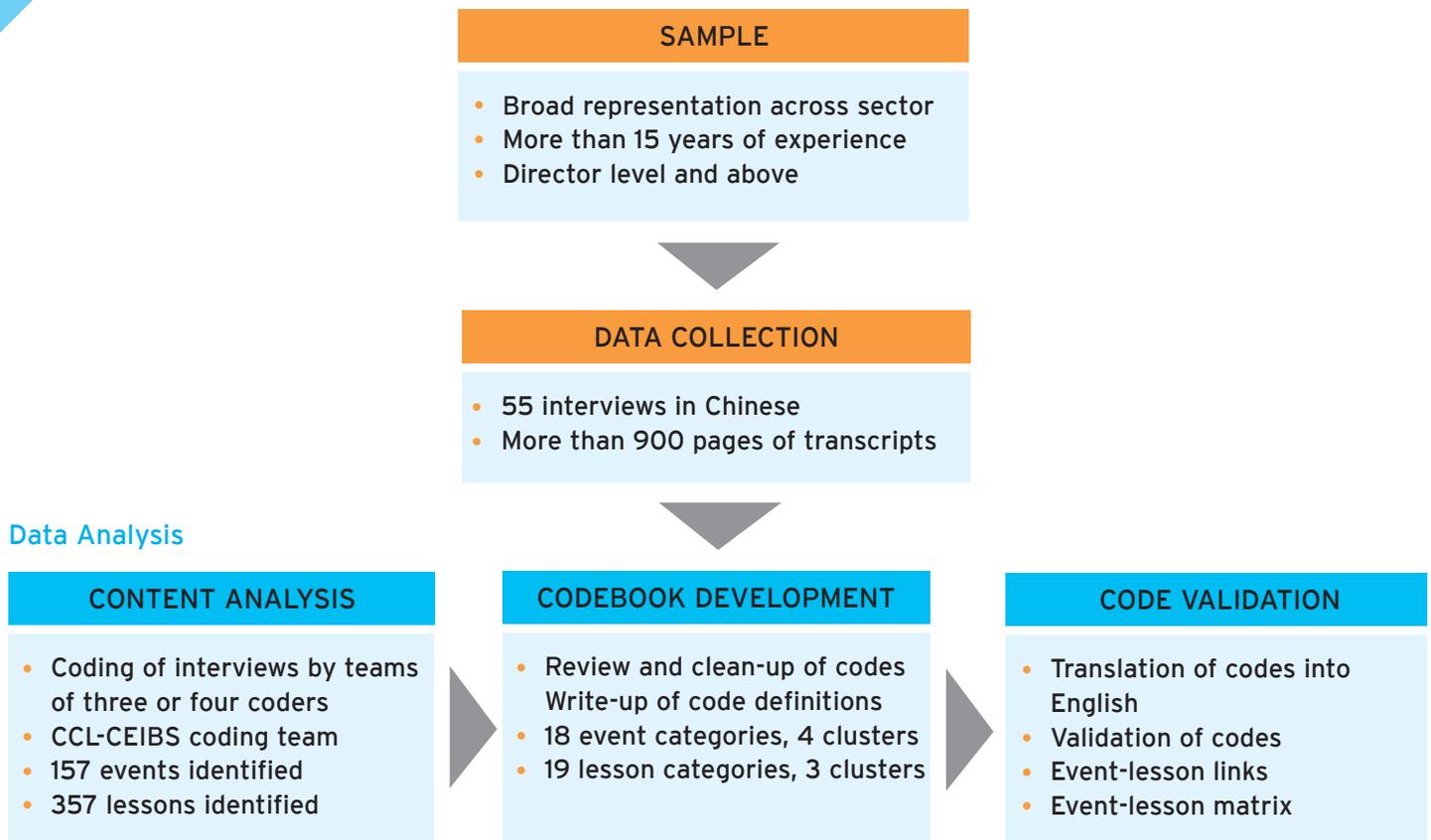
Key events are experiences that drive learning and change. They are critical or memorable experiences that develop the managerial and leadership skills of the executive in a significant way (Table 4 provides a breakdown of the key events analyzed. Table 5 displays examples of those events).

Key lessons represent a shift in attitudes, values, knowledge, behavior or skill level. Lessons are provided by interviewees as resulting from their key developmental events (Table 7 provides a breakdown of the key lessons analyzed. Table 8 displays examples of those lessons).

Analyses were conducted to assess the relationship between the events and the lessons described within each event, to determine if predictable patterns could be established. That is, were some lessons significantly more likely to be tied to certain events? Event-lesson matrices were developed to highlight the relationships between each of the key events and their associated lessons (Table 9 provides analyses of the event-lesson links).

All the interviews were conducted by Chinese interviewers in Chinese. The identified events and lessons were translated by Chinese researchers for further validation by a cross national-al CCL team.

Table 2, Data Analysis Process

SAMPLE
• Broad representation across sector • More than 15 years of experience • Director level and above

DATA COLLECTION
• 55 interviews in Chinese • More than 900 pages of transcripts

Data Analysis

CONTENT ANALYSIS	CODEBOOK DEVELOPMENT	CODE VALIDATION
• Coding of interviews by teams of three or four coders • CCL-CEIBS coding team • 157 events identified • 357 lessons identified	• Review and clean-up of codes Write-up of code definitions • 18 event categories, 4 clusters • 19 lesson categories, 3 clusters	• Translation of codes into English • Validation of codes • Event-lesson links • Event-lesson matrix

Overall results

Our qualitative and quantitative analysis of the LOE data yielded 157 events and 357 lessons learned. These were initially sorted into 18 distinct event and 19 distinct lesson categories and further sorted into four clusters of key events and three domains of lessons learned (see Table 3 and 6). The top-line findings that have immediate practical value are presented next.

◼ KEY EVENTS AND EVENT CLUSTERS THAT DRIVE CHINESE LEADER DEVELOPMENT

Key events are experiences that drive learning and change. They are critical or memorable experiences that develop the managerial and leadership skills of the executive in a significant way.

Four event clusters

Four event clusters are described and all 18 key events are listed by cluster (see Table 3). Within clusters, we focus on the 6 events that are most frequently cited (by approximately 18% to 33% of interviewees), most likely to be developmental, and more feasible for a company to address.

The four event clusters are as follows.

- **Challenging assignments** (CA) come from a posting, promotion, or task assigned to the manager by their organization. The assignment is typically difficult and sometimes requires struggle. Different kinds of assignments sharpen different leadership abilities. Challenging assignments were cited by 82% of interviewees.

- **Developmental relationships** (DR) directly and indirectly support learning and the learner. The influence of developmental relationships was cited by 20% of interviewees.

- **Adverse situations** (AS) are often imposed by the environment. Usually, the difficulties experienced during the event are not within the control of the organization or its executives. Adverse situations are possibly more powerful than generally realized, and were cited by 53% of interviewees.

- **Personal Events** (PE) include graduate and training programs taken at work or through external providers and early job experiences. Personal events were cited by 31% of interviewees.

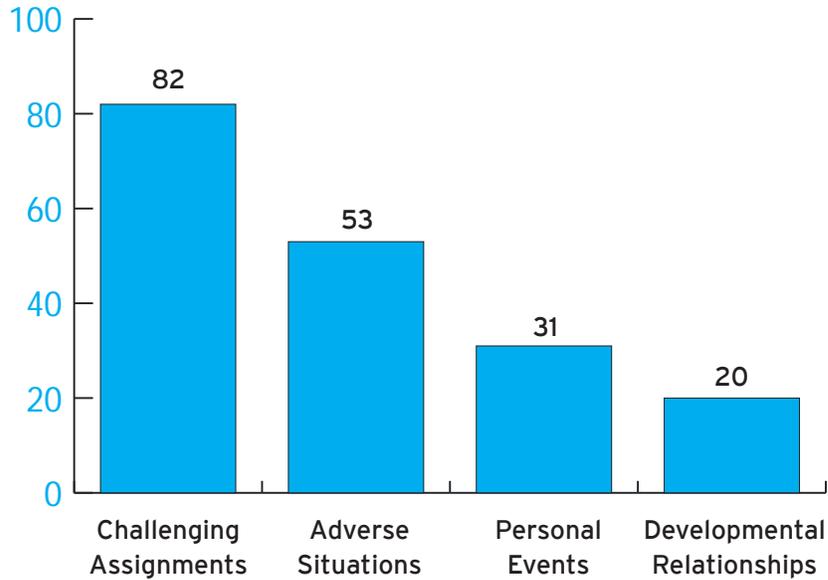## Figure 1, Prevalence of Events among Interviewees (by cluster)

Cluster	Value
Challenging Assignments	82
Adverse Situations	53
Personal Events	31
Developmental Relationships	20

Table 3, The Variety of Experiences of Chinese Leaders

CHALLENGING ASSIGNMENTS (CA)	DEVELOPMENTAL RELATIONSHIPS (DR)	ADVERSE SITUATIONS (AS)	PERSONAL EVENTS (PE)
• Fix it * • Job expansion and promotion * • New initiative * • Organizational reform * • Job rotation • Career change • First managerial responsibility • Cross-cultural experience	• Role model * • Coaching & Feedback	• Business or professional mistakes and failures * • Conflict • Managing problematic subordinates • Demotion • Physical hardship • Personal trauma	• Early experiences* • Coursework & training

* Top 7 lessons

| EVENT	EVENT CLUSTER	EVENT DESCRIPTIONS
Fix it (33%)	CA	These are events where the manager learned from being assigned responsibility for fixing or turning around an existing troubled situation. This represents a reactive approach to solving the problem. The manager's action eventually led to successful outcomes. Typical situations that managers turned around include: plummeting market share, poor sales performance, botched market expansion plans, operations requiring optimization, technical challenges, troubled client relationships and low employee morale.
Business or professional mistakes and failures (27%)	AS	These are events where the manager learned from mistakes made by himself/herself at work or learned from mistakes made by other colleagues. In some cases the mistakes clearly led to failure to meet performance targets or derailed business goals. Examples include: mistakes of a technical nature, mistakes of a professional nature in dealing with co-workers, ethical mistakes arising out of inexperience and observation of poor performance in others that has led to transfer or dismissal.
Job expansion and promotion (22%)	CA	These are events where the manager learned from taking on a substantially increased responsibility, of both technical and managerial nature. Examples include: managing additional projects, managing a greater number of employees due to promotion in the normal course of the career, promotion to management position and being assigned additional responsibility for other functions.
New initiative (20%)	CA	These are events where the manager learned from leading or being involved in building something from nothing or almost nothing. Examples of new initiatives include innovating to develop a new design, product, system or service; expanding business to new markets and introducing new ways of attracting and retaining customers.
Early experiences (18%)	PE	These are events where the manager learned from experiences early in his/her career or early in life. Examples include work experiences as apprentice/junior staff/technical personnel, work in the countryside during the Cultural Revolution and non-work experiences like family upbringing.
Organizational reform (18%)	CA	These are events where the manager learned from actively engaging in or passively experiencing impactful reforms in his/her organization. These reforms predominantly arose from the organization transiting from a state-owned company to a private company due to economic reforms in China that resulted in a move towards a market economy. Managers also learned from mergers and acquisitions, company going public and other system reforms within a division or branch of the company.
Role Model (18%)	DR	These are events where the manager learned from the deep influence exerted by the actions of another individual who modeled the behaviors learned. The typical role model is the manager's immediate supervisor. The other role models that managers learned from include friends, parents and the company CEO.

Table 5, Examples of Top Events Cited by Interviewees

EVENT	EVENT CLUSTER	EXAMPLES
Fix it	CA	"The former General Manager of R&D was under great pressure. So after the success in June, he decided to give up the position. Because he had foreseen that expansion projects in other five provinces would be more difficult. He didn't want to do it anymore. But these projects were important as well. All the work was expected to be finished at the end of the year. In fact, the time was much shorter, for we must prepare equipment. Despite all the difficulties, the company had to carry on the projects. Without other choices, our company transferred me back to R&D from Marketing Dept, in which I only stayed for about five months. I was rather reluctant, because, on one hand, I got more familiar with marketing Dept. during those five months; on the other hand, the project of R&D was really stressful. It seemed that I was a fire fighter for the emergency."
Business or professional mistakes and failures	AS	"I still remember an event clearly although it happened many years ago. Once, we produced four tanks of yoghourt on the night of Middle Autumn Day, but something went wrong and we had to abandon all of it. In order not to let workers down, we decided to pour the yoghourt secretly at night. This event impressed me so much that I can never erase it from my mind."
Job expansion and promotion	CA	"One day, I was in the workshop and Mr Pan, the board director visited the site and called me, saying that the company was going to expand and build new workshops, so he asked me whether I would like to be the part-time project manager and I agreed."
New initiative	CA	"In about 2000, when I was just promoted to be the vice president of Jiangmen branch, I developed a new financial service, which aimed to address the needs of overseas Chinese, because Jiangmen is the hometown of thousands of overseas Chinese. The headquarters accepted my proposal and an interview was conducted on CCTV to promote the new service. Immediately, it succeeded and was well accepted in the market."
Early experiences	PE	"Originally, I was not a law major, but I stepped into the field to make up for what I lack. Besides, senior lawyers at the time were very kind and responsible, treating young people like their own children. I was only 21 years old then, and they taught me a lot in work and cared about me in daily life."
Organizational reform	CA	"The transition from a state-owned bureau to a marked-oriented company impresses me most. During the process, many practices of the old system remained, which actually did not fit in the new system any longer, because, as a company, it began to face market competition which didn't exist before. Therefore, a series of changes should be made on the part of the company to adapt to the new market environment."
Role Model	DR	"Our new boss is very tough and dominant. I always compare my management style with his, imagining what I would do in a certain circumstance if I were him and thinking about the weaknesses and advantages of each method. I always ask myself to reflect my work and compare myself with my predecessors and my boss. Of course, the market environment faced by my predecessors is different from the situation I am facing, but at least, sometimes, there are similarities, so I think it necessary and beneficial to compare."

■ KEY LESSONS IN CHINA

From our analysis of the 357 in-depth lessons, we identified 19 lessons categories. These were sorted into three domains of which 44% are lessons related to leading oneself, 32% related to leading others, and 24% related to leading the organization (see Figure 2 and Table 6). In this section, we describe the domains, identify all lessons learned, and provide descriptions for the top seven lessons – lessons noted by greater than 25% of the interviewees (see Tables 7 and 8).

Figure 2. Distribution of lessons learned by Chinese executives
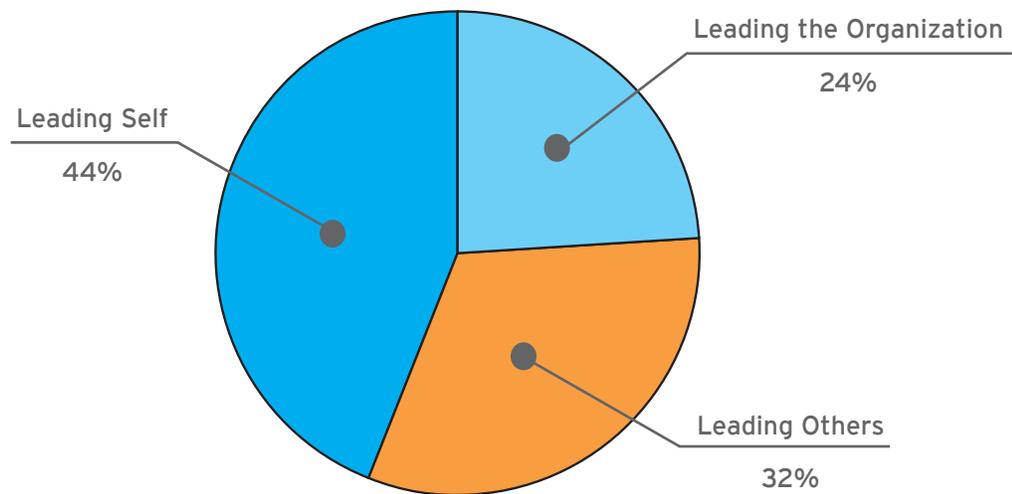
The seven most frequently cited lessons within the three domains are as follows, with percentage of interviewees citing a specific lesson in brackets.

- **Leading Self** (SEL) lessons relate to the inner world of leaders and effective ways to manage themselves – their values, thoughts, emotions, actions, and attitudes over time. These lessons include: Management values (56%); Self-awareness (38%); New knowledge (29%)

- **Leading Others** (OTH) lessons relate to the world of people and involve interpersonal and social skills that equip leaders to connect with people. These lessons include: Communication (38%); Inspiring employees (31%); Team building (31%)

- **Leading the Organization** (ORG) lessons relate to the world of running a business and facilitating the accomplishment of work in organizations. These lessons include: Establishing systems and regulations (29%).

Table 6, Variety of Lessons Learned by Chinese Senior Executives

LEADING SELF	LEADING OTHERS	LEADING THE ORGANIZATION
• Management Values * • New knowledge * • Self- awareness * • Perseverance • Self- improvement • Sense of responsibility • Confidence	• Communication * • Inspiring employees * • Team building * • Humanized management • Talent cultivation • Managing relationships	• Establishing systems and regulations * • Adaptation and change management • Customer orientation • Planning • Strategic decision-making • Execution and operation savvy

* Top 7 lessons

76% of all lessons learned are not about leading the organization, but about leading other people and leading oneself. Based on analysis of the interview data, we suggest that self, other, and organization lessons all be emphasized – this is how maximum learning can be extracted from on-the-job experiences. In our view, tools and processes will need to be developed – for bosses, coaches, and HR managers – to make this kind of extraction possible.

Table 7, Descriptions of Top Seven Lessons

LESSON	LESSON CLUSTER	LESSON DESCRIPTION
Management values (56%)	SELF	Managers learned to imbibe certain values related to leadership. These values are then reflected through their various behaviors. The lessons learned by different individuals are often diametrically opposite to each other, but the characteristic feature linking them is that these lessons are deeply entrenched and guide the leader's behavior. Lessons learned include: Importance of work vis-à-vis personal life, interests of the company vis-à-vis interest of the individual, approaches to handling success and failure, work ethics, integrity, fairness, transparency, task focus vis-à-vis people focus, person-organization fit, actively responding to situations, need for a leader to be fully aware of the situation and handle important tasks personally, and the need to be a follower before being a leader.
Communication (38%)	OTHER	Managers learned a variety of lessons with respect to communication with their bosses, peers and subordinates. They learned lessons about the importance of communication, need to change the style of communication to suit the context, need for frequent communication, need for sincerity and transparency, perspective taking of the conversational partner, clarity of the message communicated, use of invoking authority, use of propaganda, necessity for calm while communicating and ways of criticizing.
Self- awareness (38%)	SELF	Self-awareness refers to a clearer understanding of oneself and the discovery of something new about oneself. Managers learned the importance of understanding their strengths and weaknesses, and that their awareness of strengths leads them to be self-confident.
Inspiring employees (31%)	OTHER	Managers learned the use of a variety of techniques to inspire employees. The techniques learned include: being a role model for employees to look up to, support from the immediate superior, promotion, providing freedom to realize potential, fairness, empowerment, praise, encouragement and punishment. Additionally, they learned the importance of applying different techniques in different contexts and to different types of employees.
Team building (31%)	OTHER	Managers learned to address a variety of issues related to building and maintaining an effective team. They learned about the importance of an effective team to organization's success, approaches to team building, the process of selecting team leaders and team members and balancing their strengths, empowerment, the role of trust, cooperation, reward allocation, motivation and the sense of identification as a team.
Establishing systems & regulations (29%)	ORG	Managers learned lessons on the importance of developing regulations, procedures and systems to ensure enhanced supervision, risk control and better performance. The systems and procedures described include: IT systems, auditing, HR systems (employee selection, performance assessment, reward systems), developing a corporate culture and internal management systems for decision making.
New knowledge (29%)	SELF	These lessons refer to improvement in terms of knowledge, skill, ability, vision and experience. Managers gain new technical knowledge of specific fields like HR, supply chain, financial, business operations, product design, manufacturing, language skills. In addition, they learned new ways of thinking and decision making. This enables them to have a broadened view and improve their ability to understand complex issues.

Table 8, Examples of Top Seven Lessons Cited by Interviewees

LESSON	LESSON CLUSTER	LESSON DESCRIPTION
Management Values (56%)	SELF	"The most important thing I learn from the experience is honesty." "From my experience during that period of time, I found that managing people is much more important than managing tasks for a manager. Of course, for those who are on the operational level, it is opposite. But managers should pay more attention to people than tasks. This is what I have learned during that period."
Communication (38%)	OTHER	"I think from that experience I improved my communication skills. In the past, I just focused on the points I need to communicate with my boss. But later I pay more attention to time management as well as selecting proper location during my report to the boss. I also think more about how to get my ideas across clearly in a limited period of time to the boss in order to persuade him to agree with me. So regarding communication skills, I have made a progress during the event."
Self-awareness (38%)	SELF	"In my opinion, people with financial background are usually good at understanding the business operation on the macro level, but weak in understanding the specific operations. I think I am also lacking in this aspect."
Inspiring employees (31%)	OTHER	"From the experience, I come to the conclusion that it is effective to adopt severe measures when managing front-line or low-level employees, because sometimes, friendly communication with them can not solve the problem. Besides, the simpler the performance assessment is, the more effective it is. If it is going in the right direction, I don't need to interfere. What is important is that I tell him what to do and how he would be punished if he doesn't do as he is told. I think it is critical to tell them clearly both positive motivations as well as punishments."
Team building (31%)	OTHER	"From that experience, I realize the importance of a team as well as team building. I learn to understand their strengths and limitations and arrange them accordingly."
Establishing systems & regulations (29%)	ORG	"Another thing I learn is the importance of procedure management after promoting someone. It is not good to just delegate everything to him and let him operate and manage all by himself. If there isn't a good system, even a good person may easily do something bad, because he has too much freedom. For example, if many people asked him to support the local government by giving loans, he would probably do it using his power. But such behavior which does not follow relevant regulations would lead to big problems if anything goes wrong with the cash flow."
New knowledge (29%)	SELF	"From the experience, I learned how to design, but what is more important is that I became more familiar with the whole business operation through the process of designing."

■ THE EVENT-LESSON LINK

For Chinese companies to continue to grow and achieve global impact in the future, their talent pools must become more broad and deep today. One important first step is simply to pay attention to which events, or on-the-job experiences, are the most developmental and what is learned from these events.

Table 9 provides several insights resulting from these event-lesson links: First, different events are developmental for managers in a distinctive way. For example, the event "Organizational Reform" results in learning mostly in the areas of *Management Value, Inspiring Subordinates*, and *Communication*; but the event "Job Expansion & Promotion" provides the most diverse learning opportunities for managers, covering five areas ranging from *Management Value* to *Self Awareness*. This indicates increasing one's job scope may be a more effective approach to expanding a manager's knowledge and skills across a variety of domains.

Second, we can look at an event being developmental from another perspective based on how frequently it is cited by the interviewees. In other words, the events cited by managers most often can be seen as powerful learning opportunities. In this case, the "Fix It" event category was cited the most frequently of all events, and thus appears important to consider in addressing management development needs.

Third, different events triggered different learnings, due to the nature of each event. For instance, *Perseverance* is a unique learning from a "Fix It" event which emphasizes a lot of problem solving and fire-fighting. "Job Expansion & Promotion" provides a unique learning opportunity for knowledge related to different functions and technical fields, as the enlarged job scope requires managers to pick up these new skills. The "New Initiatives" event triggers learning about *Customer Orientation*, because developing a new product and expansion into a new market often requires managers to be more engaged with their clients.

Fourth, the most frequent learning across various events is Management Values, which refers to principles that guide managers' behaviors, and include examples like putting the interest of the company before the interests of the individual, integrity, fairness, and transparency. This suggests that in the Chinese context, the lesson managers may need to learn most has to do with values and principles, which is something that may be missing as China moves forward in the process of building a market economy.

These conclusions are just snap shots that reveal the developmental opportunities at the workplace in China today. This study is a launching point for understanding the event-lesson link; but the sample size permits us to connect events with lessons in an exploratory and not a definitive way. Additional data are needed to undertake more rigorous quantitative analysis.

However, for any business, investing systematically in the development of future leadership will yield greater dividends than selecting managers randomly, and providing developmental experiences only opportunistically. We suggest that the approach we have adopted – of linking events with lessons learned – can help set the direction for more intentional and fruitful leadership development in Chinese companies.

Table 6, Variety of Lessons Learned by Chinese Senior Executives

EVENTS	STRONG LINK TO LESSONS	MODERATE LINK TO LESSONS
No.1: Fix It (33%)	• Management Value (12%) • Perseverance (12%) • Establishing Systems & Regulations (11%)	• Inspiring Subordinates (9%) • Team Building (9%) • Humanized Management (6%) • Communication (6%)
No.2: Mistakes & Failures (27%)	• Establishing Systems & Regulations (18%) • Execution and Operation Savvy (15%) • Communication (15%)	• Strategic Decision Making (9%) • Self Awareness (9%) • Management Value (9%) • Humanized Management (6%)
No.3: Job Expansion & Promotion (22%)	• Management Value (13%) • New Knowledge (10%) • Communication (10%) • Team Building (10%) • Self Awareness (10%)	• Operational Planning (8%) • Guanxi/Managing Relationships (8%) • Inspiring Subordinates (8%) • Talent Cultivation (8%)
No. 4: New Initiative (20%)	• Management Value (20%) • Customer Orientation (17%) • Operational Planning (10%)	• Talent Cultivation (7%) • Team Building (7%) • Perseverance (7%)
No. 5: Early Experience (18%)	• Self Awareness (17%) • Responsibility (17%) • New Knowledge (11%) • Managing Relationships (11%) • Self Improvement (11%) • Management Value (11%)	• Establishing Systems & Regulations (6%) • Humanized Management (6%) • Talent Cultivation (6%) • Perseverance (6%)
No. 6: Organizational Reform (18%)	• Management Value (25%) • Inspiring Subordinates (21%) • Communication (17%)	• Strategic Decision Making (8%) • Humanized Management (8%) • Team Building (8%)
No. 7: Role Model (18%)	• Management Value (25%) • Inspiring Subordinates (21%) • Communication (17%)	• Strategic Decision Making (8%) • Humanized Management (8%) • Team Building (8%)

* The % for each event refers to how widely it was cited by the interviewees. The % for each lesson within each event refers to the frequency of this lesson among all the lessons associated with this event. **Strong Link**: Among all the lessons learned from an event, if the reported frequency of a particular lesson is above or equal to 10%, then this lesson is considered to have strong links with this event. **Moderate Link**: Among all the lessons learned from an event, if the reported frequency of a particular lesson is between 5% and 10%, then this lesson is considered to have moderate links with this event.

◼ IMPLICATIONS: ACCELERATING LEADERSHIP DEVELOPMENT IN CHINA

Alvin Toffler (2006), the renowned futurist, reminds us:

> *As we advance into the terra incognita of tomorrow, it is better to have a general and incomplete map, subject to revision and correction, than to have no map at all.*

Our intent has been to share critically important knowledge – the best we currently know – about how leadership can be developed in Chinese companies that are on a high-growth trajectory. The advantages we expect are that:

- Organizational leaders will understand what lessons are most important for their subordinates to learn in order to become effective executives and leaders; and how to provide these lessons.

- Subordinates who aspire to become senior leaders will be better equipped to develop a plan for progressing themselves.

- HR executives (from both domestic and foreign organizations) who are interested in forming a China-based leadership development strategy will learn how to adjust their HRD approach to the Chinese context.

- Global managers, originating in countries outside China and with a stake in the Chinese business context, will learn how to work with their Chinese counterparts.

In summary, we have aimed to simplify, but not be simplistic about, the complex phenomenon of learning, growth and development toward assuming senior leadership roles. The specific insights in this report are offered as a basis for devising practical approaches to leadership development. For those who wish to gain a broader perspective of leadership development in Asia, we recommend two other reports: *Lessons of Experience-India* and *Lessons of Experience-Singapore*. These reports are available from www.ccl.org

Knowledge is clearly not enough. This research raises several questions that must be addressed in order to evolve existing good practices of leadership development in China toward yet another level of excellence. These are:

- How can on-the-job experiences be leveraged and emphasized in addition to the current focus on development through coursework and training?

- Can challenging assignments be more intentionally allocated to create developmental opportunities for managers identified for leadership roles?

- What processes are needed to customize assignments to meet the developmental needs of high potential managers?

We invite you to join us in research and practice to tackle one of the most compelling issues of our time: Developing competent leadership.

■ ACKNOWLEDGMENTS

About the China Europe International Business School (CEIBS) and the CEIBS Leadership Behavioral Laboratory (CEIBS LBL)

The China Europe International Business School (CEIBS) was established in 1994 in Shanghai, with the aim of cultivating senior managerial talents who have a broad world view and a firm local footing; and managers who are geared toward economic globalization and capable of participating in global cooperation and competition, in order to promote the harmonious development of the Chinese economy and society and to facilitate the integration of the Chinese economy into the global one. According to the global business school rankings compiled by the Financial Times, in 2009, the MBA program offered by CEIBS ranked 8th worldwide and its EDP program ranked 19th worldwide; and in 2008, its EMBA program was ranked 23rd worldwide.

As an important special research institution of CEIBS, the CEIBS Leadership Behavioral Laboratory (LBL) is the school's stronghold on leadership assessment and leadership behavioral research. LBL aims at exploring the unique rules and principles of Asian leadership development and providing effective suggestions to augment Asian leadership via in-depth interviews, scenario enactment, behavioral experiment observations, surveys, and other social science methodologies.

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■ ABOUT THE CENTER FOR CREATIVE LEADERSHIP

The mission of the Center for Creative Leadership (CCL®) is to advance the understanding, practice and development of leadership for the benefit of society worldwide. We conduct research, produce publications and provide a wide variety of educational programs and products to leaders and organizations in the public, corporate and nonprofit sectors.

Funding is derived primarily from tuition, sales of products and publications, royalties and fees for services. In addition, the Center seeks grants and donations from corporations, foundations and individuals in support of our educational mission.

Each year, some 20,000 individuals from more than 2,000 organizations participate in Center programs world-wide. These organizations include more than two-thirds of the Fortune 100 and approximately 200 institutions from across the nonprofit, government and education sectors.

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