



Consumer focus: An emerging model for developing global leaders in a hybrid world

Human resource leaders at consumer multinational companies are balancing traditional global rotations approaches with newer talent strategies that focus on potential to make sure they find the best leaders for every role.

As companies have started rallying their workforces back into the office, HR leaders are reflecting on what impact the events of the past year have had on their future talent strategies. For the leaders of consumer-focused multinationals, which have long focused on global rotations as a core part of their leadership development programs, the implications for the way they develop their talent and their careers are particularly fundamental.

To understand the impact of the past year on leadership frameworks and talent strategy, we talked to nine global CHROs and heads of talent from leading multinational consumer organizations. Some talked about how leaders rose to the challenges posed by the pandemic and which qualities best correlated with success: empathy in a digital environment, people-centricity, and a focus on wellbeing, inclusiveness, and agility. Overall, many organizations found they had underestimated their leaders' capacity for change, agility, and innovation under pressure, and, consequentially, discovered many new possibilities regarding career paths to top leadership roles.

Now, HR leaders welcome uncomfortable conversations and are looking to redefine the way they assess their current leaders as well as how they develop future ones. Many HR leaders still believe that international experience is critical for senior executives of consumer multinationals, and they are finding ways to ensure it continues to be possible. Making some of the new paths tried over the past year a permanent part of leadership development programs, and continuing to explore new ideas as conditions continue to shift, requires a leap of faith and taking bigger risks on talent, particularly deprioritizing CV box-ticking in favor of assessing broader leadership capabilities.

International experience remains a differentiator

Even as many organizations are making significant changes to the way they manage talent and leadership development, at consumer companies, international experience is still seen as critical. Many HR leaders felt that their business leaders with global experience showed better decision-making capabilities throughout the pandemic, had better perspectives on what the crisis meant for their organization, and were better able to engage with their teams about those challenges. “A clear correlation between global, cross-border experience and better decision making during the first wave of the pandemic has been visible and has led to high engagement levels,” said Alastair Robertson, chief people officer at Straumann Group.

“We have businesses in over 130 countries but there is no such thing as a global consumer. Our consumers are people who live in their own local cultural and historical setting. To balance local consumer preferences with global scale advantages you need to nurture a cadre of (senior) leaders that are very sensitive to cultural dynamics, and have experience working in or for multiple countries to be able to address the more challenging and complex problems the world and business are facing,” said Jeroen Wels, executive vice president of human resources at Unilever. “International experience is highly important.” Leaders can benefit in his view from both short and long cycles of experiences of living and breathing different cultures, communities and values to enrich their curiosity and sharpen their judgment skills.

Internationally experienced leaders also understand the dynamics of navigating global organizations. Abbe Luersman, former CHRO at Ahold Delhaize, said, “It’s survival, because if they’re not naturally adaptive, they wouldn’t last long; these leaders feel they need to demonstrate value and connect with people in the network to solve challenging problems.”

Sergio Ezama, chief talent officer and global CHRO at PepsiCo, agrees that international experience is a critical leadership skill, particularly if that leader’s experience stems from challenging environments: “In this crisis, you will see that leaders with experience in volatile environments have a healthy dose of perspective and empathy, able to compartmentalize and balance data and intuition,” he said. “Others do not have the same point of reference because they are less used to deal with crisis on the political, economic or social fronts. It is important now to make sure that they go through some of these experiences.”

The ideal, HR leaders agree, is to have leaders who can both adapt to local context and understand the global context. Going forward, HR wants to ensure these qualities are fostered amongst the new generation of leaders but know they will need to find new models to do so.

Redefining leadership in a human-centric model

When the pandemic disrupted businesses, global and local leaders had to find ways to keep organizations functioning. This often meant finding creative solutions to keep employees and clients engaged and redefining how their teams operated. HR leaders have been reflecting on the lessons from the past 12 months and how they will be permanently impacting the list of ideal leadership behaviors going forward.



A growing symbiosis between empathy and digital

“Compared to a year ago, there is more of an emphasis on leaders with a digital mindset, who are open, curious, adaptable, and flexible,” said Amy Goldfinger, senior vice president, global talent at Walmart. “Another element is empathy. We want people who lead with the heart—to care, listen, and make people feel valued and a sense of belonging. So, we are looking for those qualities to be more amplified among our leaders.”

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Goldfinger's words resonate with many HR leaders who agree that the digital savvy, emotional, and empathic qualities are not just nice to have but essential leadership skills as new patterns of work become established. "Leading with empathy is critical. It makes a vast difference with employee engagement," said Heidi Capozzi, executive vice president and global chief people officer at McDonald's. "At McDonald's, this past year in particular shined a new light on what it means to lead with empathy—to be there for one another and our communities."

Mars Wrigley has revamped its leadership framework to adapt their leadership capability to a more disrupted and increasingly more digital world. Rebecca Snow, Mars Wrigley's global vice president of people and organization, said, "We've deployed our new leadership framework to our top 350 leaders and offered assessment, development, and coaching options against it to help a whole cohort step change their capability."

Other Heidrick & Struggles research shows that high levels of empathy are a stark differentiator for leaders at digitally successful companies. Engaging with all employees in the organization—not only in the C-suite—and understanding their perspectives will be even more crucial in a post-COVID-19 future.¹ To a point, the pandemic has provided more access and participation opportunities to employees, but it is worth keeping in mind that engaging virtually comes with different dynamics and requires different skill sets, which carry the risk of exclusion. Leaders must be able to make sure that digital inclusion is on top of their agenda, and empathetic leaders, we have seen, do this best.²

In most companies, teams will continue to be comprised of remote workers in the future. Under these circumstances, strong two-way communications skills across a multichannel digital environment and strong emotional intelligence have become some of the most important ways a leader can bring value to their dispersed teams.



The rise of employee wellbeing on the agenda

The pandemic has moved employees' wellbeing to the top of HR leaders' agendas. "When we thought about wellbeing before, we were more focused on work pressure and health and safety, and now we are addressing mental health and overall wellbeing to a larger extent," said Luersman. Walmart's Goldfinger agreed: "Our talent strategy focuses on how we take care of our associates, and wellbeing has been an important pillar in our approach."

Even before the pandemic, many companies had been making resources and support available to their employees to manage heightened degrees of stress and burnout. As organizations are rethinking how their workforce will look and operate, how the return to the office is managed is equally important. Creating a flexible environment is a critical baseline for both wellbeing and performance. As PepsiCo's Ezama said, "It's a natural evolution of the office culture to one where the focus is on learning what works best for everyone and make each employee most effective." Farheen Kamran, global head of executive recruiting at Procter & Gamble, noted that the benefits of flexibility go far beyond personal wellbeing: "By adopting a more flexible approach to work, our organization has become more agile and less encumbered, with much more openness to new ways of working. It's a more fluid approach that has made us open to so many more new ideas."

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¹ Scott Snyder and Chace Conroy, "Becoming a digital-first organization: Making the most of crisis-driven digital transformation," Heidrick & Struggles, on heidrick.com.

² Yulia Barnakova, Nedra Johnson, and Andrew Jakubowski, "Digital inclusion: Five considerations for leaders to build on gains and avoid pitfalls in the hybrid world of work," Heidrick & Struggles, on heidrick.com.



A more inclusive mindset

The approach to moving forward from the current remote working model is deeply linked to diversity and inclusion (D&I). Some of the HR leaders we talked to cautioned that companies might lose some of their female leaders, who are considering more than ever before leaving the workforce after the pandemic if flexible work policies are not maintained. McDonalds' Capozzi sees this as a fundamental backward step: "Research shows that while men and women used to leave roles at equivalent rates, that's changed," she said. "With women leaving at higher rates since the onset of the pandemic, companies need to recognize this and implement actions that mitigate this trend as they as they think about return-to-work approaches."

The combined impact of the pandemic and the strong social justice movements in 2020 raised the priority of D&I not only for HR leaders, but for the whole C-suite and the board. "At the end of the day, the best person gets the job, but the slate must be a diverse one to start with," said Mars Wrigley's Snow. Capozzi said: "Today, we're seeing that boards want more insight on succession and talent planning, and to ensure the diversity of the talent profile. It's rightfully becoming an important topic of discussion with every meeting."

Straumann's Robertson said, "Our D&I focus has rapidly ramped up over the past year, and the importance of D&I is recognized at a senior level. The best talent has choices about where it wants to go, so we have been thinking about why people would want to join us. We think it is important that people enjoy talking and interacting with us, and we think that it is our culture that has made a difference to us recruiting top talent into the company and retaining it, too. Being very focused on and intentional about our culture is key."

Potential leaders also benefit from more interaction with their peers and current leaders, including those in a remote environment, underscoring a wider path to the top. "We are open to so many more ideas," said Procter & Gamble's Kamran. "Recently, we did a global talent academy program. People from around the world attended globally get to know people in other regions. Mostly, it has been positive."

What companies are doing differently

HR leaders agree that the lessons from the past year have triggered a change in the way consumer companies recruit and develop top talent, with less of a focus on someone's track record and how it matches to job description and more focus on what the individual's capabilities are. We asked HR leaders to share their biggest shifts in strategy.



Widening the lens on talent

Perhaps one of the biggest lessons as described by some of the HR leaders we spoke to is that box-ticking or matching exercises between a candidate's qualifications and the job description are no longer sufficient. This approach, however, can create obvious complications for HR leaders: without relying on their trusted processes, how can they define and find the right mix of soft and hard skills, as well as global experience, to make sure a given person can best do a given job? At the senior leadership level, talent development is designed in the context of succession planning. As more paths to success are emerging, succession planning is getting more complex. One consequence is that more people will need individualized support and development opportunities.

An important question emerging for HR leaders is how to determine the right trade-offs when they don't find the perfect skill-set combination: what is non-negotiable for a given job and what are the more lateral-thinking ideas that can ensure they have the right leaders for the roles? For instance, when thinking through the lens of CEO succession planning, the emphasis is on strategic skills rather than operational skills, focusing on the full potential of the individual to lead the organization; but short-term stepping-stone roles, often COO or CFO roles, might need a more technical and operational skill set. Some organizations have opted to appoint a COO or CFO with strong strategy skills and hire an operations or technology expert to support them, while others have split the COO role between people with complementary skill sets and thus expanded the succession pool.

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The overwhelming response from HR executives is that they are now more open to looking at leaders who may not have taken a well-trodden route or have the best technical skills or sequence of jobs, but who are committed to learning and building a team that would complement them so that goals will still be met. “We’re casting the widest net possible, not only to capture a diverse candidate pool but also to include great talent that don’t tick every single box,” said Goldfinger.



Seeking potential over track records

Some companies are finding ways to support people in new leadership roles with less traditional profiles and scouring their networks for high-potential step-up talent. “At the end of the day, we want people who, when faced with complexity, respond with simplicity,” said Ezama. “It’s less about the skills and more about the person who comes with that.” But appointing step-up talent in leadership positions means that they will need more support from their leadership to be set up for success; companies need to conduct thorough leadership assessments to identify strengths areas for development or support, and make sure they have a clear mandate for the role.

Looking through the lens of potential rather than track record means dropping the mindset that leadership roles are fixed and must be built around specific areas or the same job descriptions as predecessors. “Forget the concept of jobs and titles,” said Luersman. “Let’s just talk about the jobs to be done, where people have affinity, and where they can best contribute. Let’s focus on recognizing the good leaders and leveraging talents in new ways.”

Following that line of thinking, some companies have built roles around top talent capabilities to leverage executives’ skill sets and assess their potential outside their scope of formal responsibility, particularly in areas where they are excited and engaged. Combining passion with capability is the sweet spot for purposeful leadership. For example, the COO could be good at or passionate about sustainability, but it might not traditionally fit into their job description. However, encouraging people to take on these extra areas of responsibility creates risk too. If the additional work isn’t carefully balanced and fostered, it can deflate the candidate’s passions and just become an add-on on top of an already extremely busy job.



Finding new ways to develop international experience

One of the challenges HR directors now face in providing international experience is that some companies still rely heavily on programs like global rotations and other international assignments to build that skill set, even as they have seen people’s appetite for relocating decrease. “One of the things the pandemic has done is make people look at their life choices and their connections with family and friends. We have had leaders come to us and say they are very comfortable with the role and the company but need to be closer to family, and we are looking into how this might impact our location strategy,” said Mars Wrigley’s Snow.

Finding a balance will remain an ongoing challenge. As Straumann Group’s Robertson said, “We know the roles that are critical to us and, not surprisingly, we have been thinking about the succession planning for those roles. International experience and exposure will undoubtedly be beneficial.” HR will have to use its full arsenal to make sure executives are still happy to spend time in other countries.

Drawing from the lessons learned from the year of fully remote work, consumer companies are now exploring ways to build global experience among leaders with high potential who for various reasons cannot relocate. HR leaders are considering making rotations shorter, allowing remote work much of the time, and otherwise making each role as flexible as possible. Unilever has been experimenting with a series of virtual international assignments, which could be used to provide this type of experience to people at different critical times throughout their careers.

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Global Vice President of People & Organization, Mars Wrigley

Another consideration for HR leaders is—because providing international experience is a way of developing skills that they value in their leaders—building programs or experiences that offer different opportunities to learn those skills. From the conversations we had with HR leaders, the top benefits of international experience revolve around learning and adaptability, which are two key pillars of agility. The past 12 months have been the ultimate test for agility, as leaders have had to pivot and adapt to respond to the many changes triggered the different ways countries responded to pandemic, even from one week to the next. “Agility has become an essential skill set for a leader now more than ever; they need to be able to pivot to where the growth opportunities are and understand how to allocate to other needs,” said Wels. “We are looking for more of a growth mindset in leaders now,” said Kamran. “Now, with the changes in the past year, we are looking more actively for people open to new ideas and learning agility.” Companies can design initiatives of various scope that incorporate the specific skills and experiences that they want to see in their leaders; PwC, for instance, had a leadership development program called Ulysses that offered future leaders 8-week projects working with UN agencies and NGOs to solve specific issues in developing countries. The program combined lived experience in very different cultures with coaching on issues such as cultural awareness, diversity, leadership, and participants’ personal journeys.



Hiring locally, connecting globally

As hiring happens at local levels, the challenge for HR is to connect new leaders to a global network and culture. This challenge is, of course, exacerbated when people are not working in an office because many companies have made a significant number of appointments during the pandemic. “No doubt we can make our hiring and onboarding more efficient with what we’ve learned through the pandemic,” said Snow, “but fully onboarding virtually is hard and there is increasing data suggesting that people hired during the pandemic are more likely to quit their jobs.”

One of the most common approaches is offering coaching and mentoring programs that connect rising talent with global leaders, which helps to improve international exposure and supports the development of networks. “As senior leaders who have global experience, we shall mentor and coach high-potential talent when they are stepping up and give them more visibility in our global network,” said Philippe Bocquillon, general manager of PUMA Greater China. And, speaking specifically of the younger generation of rising stars in China, he sees it as a duty to “help them improve their collaboration skills in a global network and teach them how to spearhead innovation, especially in the areas where China is several steps ahead.”

Virtual training programs have also been a good substitute during the pandemic. And, in some cases, these do not need to be highly structured. “We do a lot of less-formal things at a greater frequency,” said Robertson. “We have also found partial meetings—meaning having some people in the room and others on Zoom—to be very challenging,” he noted. “So now, we have everyone on screen, even if they are in the same building, because it feels so much more inclusive.”

It is a balancing act, as Bocquillon said: “Leaders with global experience are stronger at navigating the dynamics of gaining resource support from global [organizations], while talent with only local exposure are quicker in adapting to the ever-changing market in China. As a leader, I am making efforts to develop talent in my teams who, on one hand, can be more locally adaptive and, on the other hand, shall be more open-minded in a global context.”

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Multinational consumer companies, like most others, are still absorbing the effects of the events of 2020. Given HR leaders’ sense that the best leaders for a given role are not necessarily those checking the traditional boxes, the unprecedented level of experimentation and flexibility that the pandemic required will have to become normalized in leadership development and assessment and succession planning for consumer companies to ensure a strong leadership pipeline. HR leaders will increasingly have to experiment and take risks to match the best talent to the right growth opportunities.

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Consumer Markets Practice

As consumers demand more transparency, brand engagement, and sustainability, Heidrick & Struggles' Consumer Markets Practice is at the forefront of industry trends to provide cutting-edge counsel to clients in a wide variety of consumer sectors.

Competition among consumer companies has never been fiercer. Customers are shopping in new and sometimes nontraditional ways, as mass market retailers offer designer goods, brick-and-mortar staples are available online, and venerable brands spin off agile brand extensions. Consumer companies are also keen to capitalize on the potential of emerging and high-growth markets. This means having the right leadership in place is critical. With broad global presence and deep sector expertise, we anticipate future needs to help clients successfully secure the right leaders who will enhance innovation within their organization.

Backed by a team of passionate experts, we counsel clients in a variety of consumer sectors to clearly assess and identify the competencies needed for success. From building powerful brands and streamlining supply chain operations to penetrating new markets and delivering financial objectives, we are focused on helping companies realize their investment in talent for today and the future.

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