

PROGRESS MAKERS AT WORK

Building corporate cultures of progress

The Economist Intelligence Unit, with support from Citi, investigates how this new breed of restless innovators shapes industries worldwide – and how businesses can help push them further.

WRITTEN BY THE ECONOMIST INTELLIGENCE UNIT

INTRODUCTION

In today's era of hyper-innovation and relentless competition, businesses around the world need to attract, engage and nurture individuals who embody a highly valued profile: the Progress Makers – people who create positive change for themselves, their families, their businesses and the communities they serve.

Today this new breed of change agents has the capabilities to bring to their jobs a heightened global awareness, unprecedented digital empowerment and, increasingly, an innate motivation to do meaningful work with significant impact – both within their own organizations and in society at large. In growing numbers, they are ushering in a global culture of progress – making them central to core business strategy at forward-thinking companies.

A new global study conducted by the Economist Intelligence Unit (EIU), sponsored by Citi, sheds light on these Progress Makers and the role they will play in driving progress within industries and around the world. In 2014, the EIU surveyed more than 1,300 executives from organizations in a dozen industrial sectors worldwide about Progress Makers and organizational attitudes toward these key individuals. Twenty-five in-depth interviews were also conducted with experts, corporate decision makers and notable change agents in every world region.

The study shows that executives value Progress Makers as exceptionally strong contributors to organizational performance in a fast-changing digital, global and urban world. Companies are also being encouraged by customers, employees, investors and other stakeholders to incorporate Progress Makers' increasingly integral social values into their corporate cultures. The growing influence of women and a new generation of Millennials also heighten this demand, making it a higher priority than ever for recruitment.

Still, executives say their path to progress is not without obstacles, owing to the inherent challenges in employing, developing and retaining these restless innovators in an increasingly mobile economy worldwide.

Among the study's key takeaways:

- A majority (70%) of companies recognize the importance of attracting and nurturing Progress Makers.
- Nearly all executives (97%) say Progress Makers are a special breed and should be given the consistent support that they need to succeed.
- However, almost two out of three (62%) feel their organization is fundamentally resistant to change (ultimately holding them back from acquiring these fresh thinkers and change agents).
- Furthermore, the vast majority (87%) say their organization doesn't have adequate capabilities to attract and retain Progress Makers.

The study has identified three areas that businesses need to address in order to connect with Progress Makers and create a fertile environment for their development.

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SECTION 1

A NEW BREED OF CHANGE AGENTS

As a driving force for change, Progress Makers are putting to work innovative business models and technologies that are reshaping today's economy and society.

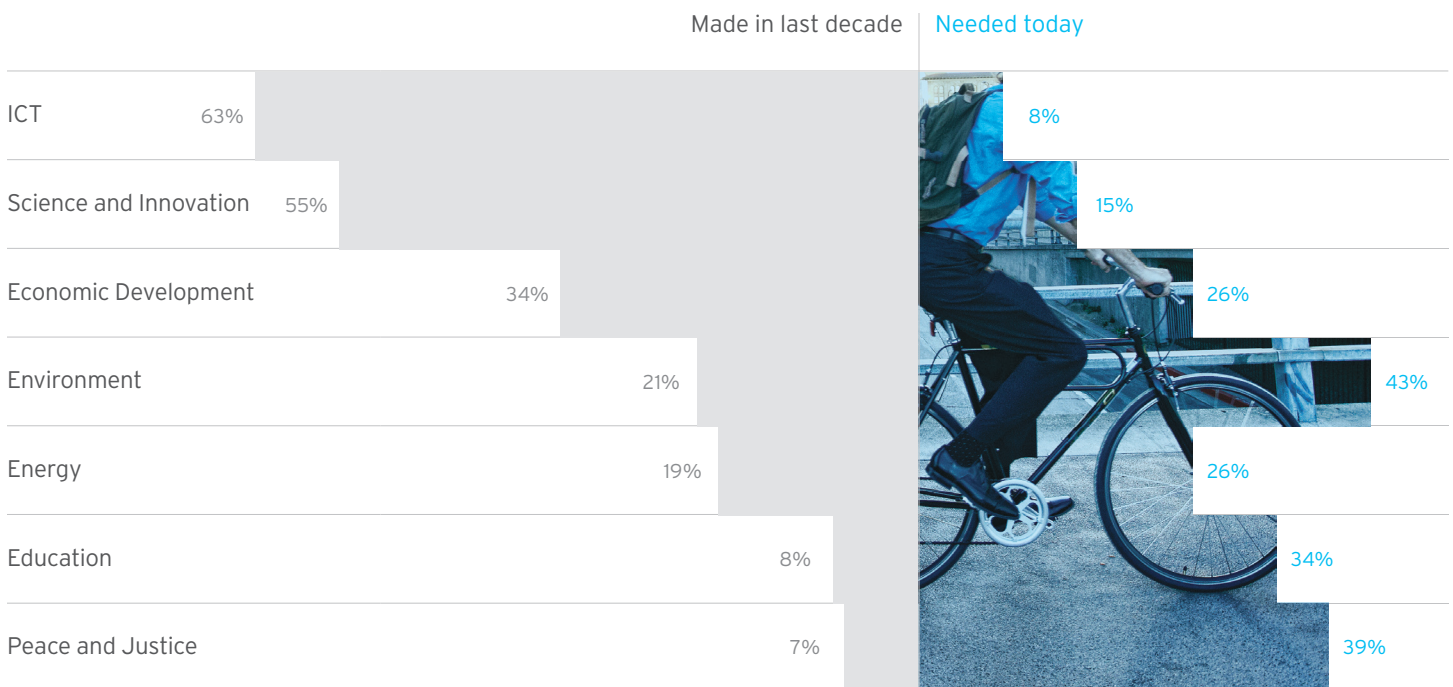
Some models are born of societal imperatives, such as Grameen Danone Foods Ltd., a joint venture between Paris-based Groupe Danone and Nobel Peace Prize laureate Muhammad Yunus, the microfinance pioneer. Applying lessons learned from microfinance to its sales channel, the company produces and distributes yogurt in Bangladesh that is specially fortified to address local children's dietary deficiencies.

Other models evolve from Progress Makers' innate drive to address long-standing problems and go on to effect global change. Take Twitter, for example. Initially devised by entrepreneurs looking to solve age-old problems of rapid business communications, it has gone on to

help catalyze a social media revolution that, in Twitter's words, "gives everyone the power to create and share ideas and information instantly, without barriers."

In fact, executives say, the most progress in the past decade has been made in information and communication technologies (ICT) as the problem-solving mentality of Progress Makers has proved a force for innovation. The field of innovation, science and technology runs a close second (see chart below). Yet executives agree that progress today is most needed in other critical areas like environmental sustainability, peace and security and education. Fortunately, Progress Makers have shown they have the talent and ability to leverage past achievements to bring forth transformation in these areas. Market demand is rewarding and strengthening their efforts.

Where have we made progress, and where is it most needed today?



Akhtar Badshah is an example of one such Progress Maker who has leveraged the latest in information technologies to transform education. Badshah, the former senior director of global community affairs at Seattle-based Microsoft Corp., and current professor of social transformation at the University of Washington, worked with the company to lead an Internet-enabled drive to offer job-skills training to 300 million youth around the world. Another Progress Maker, Elsbeth Tronstad, senior vice president at Oslo-based SN Power, promotes scientific advances to protect the environment by bringing hydropower to developing world communities and using it to light homes and businesses.

In fact, Progress Makers like these are also satisfying a growing demand in the global marketplace. Worldwide, business stakeholders and consumers are increasingly interested in investing in and buying from companies that add social value. This demand is changing not only business models, but also the way companies communicate to consumers and prospective investors.

For example, the impact of social values on business is underscored by the Washington, DC-based Pew Research Center, which has documented how Millennials, in particular, “boycott” products and services when they agree with a provider’s social or political values – and “boycott” them when they do not.

“Consumer behavior has never before changed so rapidly,” says Patrick Struebi, CEO of Zurich-based Fairtrasa International AG, a “fair trade” company that connects small-scale farmers to markets around the world. Shoppers today look for products from coffee to clothing that have been sustainably produced and where farmers and producers have been appropriately compensated.

As the growth of impact investing demonstrates, investor and shareholder interest today has broadened beyond profits to include businesses’ effects on society and the environment.

▲ ▲ Worldwide, business stakeholders and consumers are increasingly interested in investing in and buying from companies that add social value.”

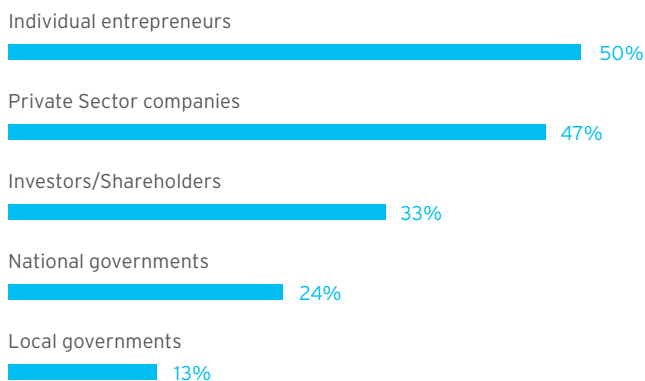
The changing value proposition of progress

The vast majority of executives surveyed (86%) define progress as something that benefits the many and not the few. Most also recognize the role that businesses play in devising answers to the world's biggest problems in critical areas like economic development and the environment.

86% of executives define progress as something that benefits the many and not the few

Private Sector entrepreneurs, companies and investors top the EIU survey for driving progress. Half of all survey respondents choose individual entrepreneurs as driving the most progress in their industry, followed by Private Sector companies (47%) and investors (33%). Few select governments, either national or local, as driving positive change.

Who is driving progress today?



And within the Private Sector, organizations are critical to fostering Progress Makers. Only 12% of adults in business in the U.S. are said to be entrepreneurs who start their own ventures, while 87% work for existing companies. "These people also have a strong role to play on the social innovation landscape, as intrapreneurs," says Stephanie Cosner Berzin, co-director of Boston College's Center for Social Innovation.

Andy Barker, the former social mission strategy and policy manager at Ben & Jerry's, adds: "Social entrepreneurs are considered sexy because they want to solve the world's biggest problems, but we face serious global challenges, and companies really have to step up to the plate." Ben & Jerry's began as an iconoclastic social enterprise and is now part of Unilever, the Anglo-Dutch conglomerate.

Along with that, 60% of respondents to our survey see businesses leading the global community in economic development, which the World Bank credits with driving some two-thirds of poverty reduction.

And more than one in five respondents to our survey (22%) cite the business sector, rather than government or the nonprofit sector, as taking the lead on environmental sustainability. “Many more companies are becoming part of the solution,” says Elaine Weidman-Grunewald, the senior vice president and chief sustainability officer at Ericsson, the global telecom manufacturer based in Stockholm.

“More companies are becoming involved in global challenges, and they don’t just do it for charity or to be good corporate citizens. They do it because it makes good business sense,” says Bruno Lanvin, executive director of global indices at the INSEAD graduate school of business in Fontainebleau, France.

These are still early days, says Shared Value Initiative executive director Justin Bakule. “It’s much easier for companies to think in terms of projects and programs that address social issues. But we see the greatest promise in companies making the move to embed and align this thinking with their overall business strategy.” Progress Makers are increasingly being embraced by organizations that understand the business value in solving social problems related to their businesses.



Meet N.R. Narayana Murthy,
founder of Infosys Ltd.

Progress Maker profile:
Compassionate capitalist

Challenge:

Improving future prospects for India and its people, more than half of whom lived in poverty in the 1970s.

Solution:

Job creation was a primary motivation for Murthy as he founded Infosys in 1981 and launched its global outsourcing model.

Impact:

The Indian IT sector now employs some 3.5 million and has helped fuel middle-class growth amid declining poverty.



60% of executives in the EIU Progress Makers survey say that the business sector should lead the global community in spurring economic development.

Meet Rick Defieux,
co-founder of SJF Ventures

Progress Maker profile:
Impact investor

Challenge:
Develop a new way of doing business that drives environmental and social impact as powerfully as profits.

Solution:
Impact investing, making investments in companies based on environmental and social returns on investment in addition to financial ROI.

Impact:
SJF's nine-person investment team manages over \$200m, targeting companies in recycling, education, sustainable agriculture and other fields of impact.



1 in 5

More than one in five executives in the EIU's Progress Makers survey say the business sector should take the lead within the global community in addressing environmental sustainability.

Case studies show that doing good results in doing well

Businesses with a social purpose are proliferating across world regions as companies reconceive products and markets, redefine productivity in their value chain and work to strengthen the communities in which they operate. And Progress Makers are playing a pivotal role in conceiving these so-called shared-value business opportunities. Across industries, Progress Makers and their organizations are creating new connections between their business activities' impact on the bottom line and on the world around them.

Research showed their contribution is evident in the following business trends:

Global platforms

Progress Maker N.R. Narayana Murthy has built a global platform for job creation as co-founder of Bangalore-based Infosys Ltd. and is a father of India's information technology and outsourcing industry. "The only way societies can solve poverty is through the creation of jobs," he says.

Impact investments

Progress Maker Rick Defieux speaks of the "triple bottom line" as co-founder of SJF Ventures, a pioneer in the still-emerging class of impact venture capital funds. SJF invests in companies giving equal "bottom line" emphasis to business, societal and environmental outcomes, using new technologies and business models. "To me, that translates into making solutions more effective," he says. Defieux co-leads a nine-person investment team that has raised hundreds of millions of dollars for companies in recycling, education, sustainable agriculture and other fields of impact.

Social entrepreneurship

Claire Fallender, director of the global venture and fellowship program at Ashoka, a nonprofit organization, supports fellows that work to effect positive system-wide change. Similarly, resident physician-scientist Michael Mina is exploring uncharted paths to global health in some of the world's poorest communities, helping to launch microbusinesses delivering water purification solutions.

Meet Claire Fallender,
director of Ashoka's Global Venture
and Fellowship Program

Progress Maker profile: Social networker

Challenge:

How to harness entrepreneurship to solve the world's most pressing problems.

Solution:

Ashoka has pioneered social entrepreneurship by seed funding Progress Makers (40% of them women), providing them with a global network of support and, increasingly, partnering with businesses directly.

Impact:

Fallender manages a network that has provided \$100 million in support to 3,000 Progress Makers since the early 1980s, empowering women, as well as men, with unprecedented support to effect change.



In the EIU's recent Progress Makers survey, women are among the most important groups influencing social development.

SECTION 2

WHAT MAKES PROGRESS MAKERS TICK?

In an era of continuous innovation and global business transformation, the core values and characteristics of Progress Makers are what make them so valuable to businesses.

Progress Makers have an innate drive to tackle challenges. They are passionate problem solvers who set their own path and goals toward progress. And they are resilient – they learn from setbacks and rebound.

“Problem solving is the core of innovation,” says David Jensen, global innovation and digital strategy leader at New York-based Ernst & Young LLP’s (EY’s) Global Strategy Practice. “Companies need to put innovation at the center of the enterprise, making it everybody’s job.” Corporate cultures of progress are emerging to attract

and support even wider circles of innovators, encompassing everyone from high-profile leaders to those working in less visible roles behind the scenes.

Progress Makers have an eye toward the future – they are imaginative, curious and eager to discover and embrace what’s next. They are beacons of positivity who are confident they can create change.

For them, the world is becoming a smaller place – and what’s happening in the world outside their country is of great importance to them. They operate under a “connected” mentality and truly desire to help more than just themselves.



More than nine in ten executives in the EIU’s Progress Makers survey see progress as a long-term proposition – as a journey.

Meet Michael Mina,

physician-scientist and post-doctoral scholar in public health

Progress Maker profile:

Scholar without borders

Challenge:

Despite progress, contaminated water continues to cause sickness, stunted growth and death around the world, often among children in rural areas.

Solution:

Helping individuals in isolated communities set up microbusinesses providing inexpensive chlorination of water.

Impact:

Seven Nicaraguan communities have gained relatively cheap access to clean water using Mina’s approach, and his research in the field is helping to apply lessons learned to find large-scale solutions to water security and other public health problems.

Meet Andrew Ng,
co-founder of Coursera Inc.

Progress Maker profile:
Next-generation educator

Challenge:

Education is seen by most as a path to a better life, yet statistics show only a third of adults in developed countries have college degrees – even fewer in the rest of the world.

Solution:

Massive open online courses (MOOCs) are spreading education to young and old, rich and poor, far and wide.

Impact:

As a MOOC pioneer, Coursera Inc. has provided learning to over 9 million students in some 200 countries since its launch in 2012.



Michael Mina, a resident physician-scientist and post-doctoral scholar in public health, is an example of a Progress Maker tapping into his creativity to help Central American communities solve a pervasive and potentially deadly problem: lack of clean drinking water. “Without decent public health systems, medicine is often just a Band-aid,” he says. He has founded a small nonprofit, Grassroot Health, Inc., to implement some of his ideas, particularly a household water-purification initiative based on a microbusiness model.

Another Progress Maker, Andrew Ng, co-founder of Coursera Inc., embodies a number of the characteristics identified by our survey panel, including determination and resilience. Coursera, a pioneer in the massive open online courses (MOOCs) phenomenon that recently exploded onto the educational landscape, was not an overnight success. “People don’t see the six years we spent building out the technology and trying different versions – some of which worked, some that didn’t – and learning hard lessons.”

“ // They [Millennials] consider technology almost a sixth sense – a way of knowing the world.”

Appealing to new waves of Progress Makers

The emerging culture of progress is increasingly diverse, as experts see Millennials and women in general taking a more active role in helping to change the dynamics of progress.

Millennials are expected to constitute 75% of the global workforce by 2025, and several analyses of this rising generation see them imbued with a strong sense of social purpose. As a group, this generation (born between the early 1980s and just after the turn of the century) is said to be impatient with institutions' perceived failure to address long-standing problems. Many are said to see more potential in business solutions than in government interventions.

75% of the global workforce in 2025 is expected to be constituted of Millennials

Millennials are also arriving in the workforce at a time of great change in women's corporate influence. By 2012, more than 120 million women were starting or running new businesses in 67 economies around the world and almost 100 million were running established businesses, according to the Global Entrepreneurship Monitor 2012 Women's Report.

In our survey, Millennials are singled out as current progress drivers in their industries by only 12% of respondents, with women even lower at 8%. A closer look at our data, however, reveals that these two demographic groups are poised to rise in emerging cultures of progress. Among indicators:

- Respondents to our survey rank women second only to national governments in driving social development (cited by 14% of respondents, versus 28%).
- Millennials are cited as most influential in the arts and entertainment (37%) – particularly notable at a time when the lines are blurring between the global technology sector and the media and entertainment industry.

Given the increasing influence of Millennials and women in general in different spheres, attracting and engaging them is a priority for many organizations – requiring companies to appeal to new ranges of priorities and sensibilities.

“Young people coming out of university and engineering schools don’t want to just go and work for a company that doesn’t stand for something,” says Ericsson’s Weidman-Grunewald. “They want to be engaged and feel proud of the work they do, and that’s very aligned with Ericsson’s culture overall.” Her own role as vice president of sustainability and corporate responsibility is considered so important that she reports directly to Ericsson’s CEO.

What makes Millennials different? “They consider their relationship with technology almost a sixth sense – a way of knowing the world,” says Andrea Hershatter, who has researched the group and directs the bachelor of business administration program at Emory University in Atlanta. Among other influences is their upbringing. Unlike preceding generations, many have been required to do community service while in high school, which becomes a de facto requirement on college resumés and then a part of campus life. “Ultimately, it becomes a ‘habit of the heart’ that they take with them to work,” Hershatter says.

Meanwhile, educators are filling the pipelines with even more Progress Makers. Ashoka, the pioneering global network of social entrepreneurs based outside Washington, DC, reports a steep rise in social innovation offerings on college campuses in recent years. Some 240 schools responding to an international poll are running nearly 1,200 dedicated centers, courses, certificates, competitions and fellowships.

All that said, progress cultures are not defined solely by one demographic or another, explains Josh Bersin, founder of Bersin by Deloitte, an Oakland, California-based consulting firm specializing in human capital strategies. “Most people want their company to be a highly regarded company. Where you work gets wrapped up in your identity,” he says.

■ ■ Most people want their company to be a highly regarded company. Where you work gets wrapped up in your identity.”

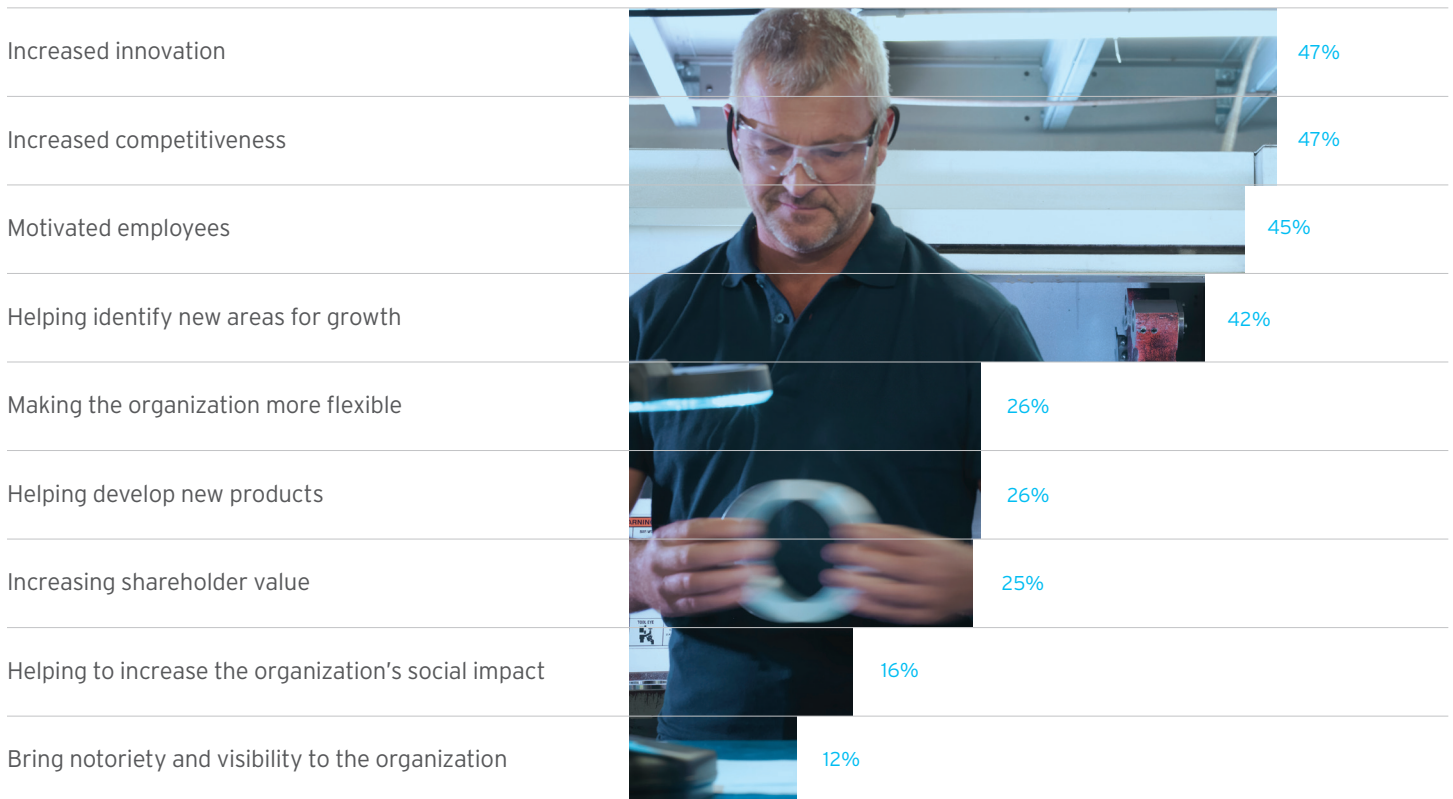
SECTION 3

THE CARE AND FEEDING OF PROGRESS MAKERS



Within organizations, Progress Makers have a clear impact. Surveyed executives say they increase innovation (47%), increase competitiveness (47%) and motivate employees (45%). And all of these areas affect business performance and bottom lines.

What do Progress Makers impact the most in an organization?



However, while most organizations recognize the importance of attracting and nurturing Progress Makers, by their own admission their execution can be lacking. Among survey findings:



70% of executives say their organizations consider it important to attract and nurture Progress Makers.



62% feel their organization is fundamentally resistant to change, which ultimately holds them back from acquiring these fresh thinkers and innovators.¹

A minority of executives say their organization is very strong at attracting and nurturing this group.



13% of organizations are very strong at **attracting** Progress Makers.



16% of organizations are very strong at **developing** Progress Makers.



12% of organizations are very strong at **leveraging** Progress Makers.



12% of organizations are very strong at **retaining** Progress Makers.

Competition for talent in sectors such as ICT may be at work, as only 16% express strong confidence that they can attract Progress Makers, and only 10% feel as strongly about retention. In manufacturing, the drop is even steeper – from 21% to 9%.

Mid-level professionals tend to be less optimistic than their C-level counterparts about their organization’s ability to recognize the importance of Progress Makers (64% versus 76%).

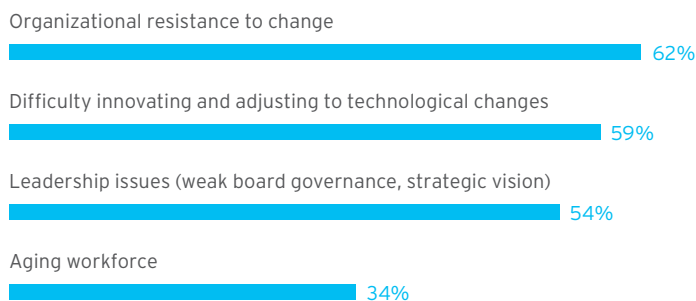
How strong would you say your organization is at attracting Progress Makers? (% of respondents)	Very strong	Somewhat strong	Neither strong nor weak	Somewhat weak	Very weak
Financial Services	10	37	27	20	6
Aerospace and Defense, Automotive, Logistics, Transportation, Travel/Tourism	9	34	36	17	4
Manufacturing	21	35	30	11	4
Healthcare, Pharmaceuticals and Biotechnology	14	44	24	14	5
Government/Public Sector	11	31	19	22	17
Agriculture and Agribusiness	19	50	23	8	0
Chemicals, Energy and Natural Resources	14	41	26	16	3
Construction, Real Estate	20	34	32	14	0
Consumer Goods, Retail	19	37	23	16	5
Education, Entertainment, Media and Publishing	13	36	30	13	9
ITC and Technology, Telecoms	16	35	30	13	6
Professional Services	9	36	36	16	3

How strong would you say your organization is at retaining Progress Makers? (% of respondents)	Very strong	Somewhat strong	Neither strong nor weak	Somewhat weak	Very weak
Financial Services	14	33	27	17	9
Aerospace and Defense, Automotive, Logistics, Transportation, Travel/Tourism	3	44	29	20	3
Manufacturing	9	51	26	12	3
Healthcare, Pharmaceuticals and Biotechnology	12	39	27	14	8
Government/Public Sector	9	25	25	22	18
Agriculture and Agribusiness	15	54	19	12	0
Chemicals, Energy and Natural Resources	8	43	27	18	4
Construction, Real Estate	17	42	23	17	1
Consumer Goods, Retail	21	31	27	17	4
Education, Entertainment, Media and Publishing	13	32	33	11	11
ITC and Technology, Telecoms	10	43	26	13	7
Professional Services	11	31	37	16	5

While corporate cultures are evolving, change can nevertheless stall, warn executives surveyed. They point to four factors:

- Organizational resistance to change is the leading barrier to progress, cited by 62%.
- 59% say their companies have difficulty innovating and adjusting to technological change.
- More than half cite leadership issues (54%)
- More than one in three (34%) cite an aging workforce as an obstacle.

Moderate to major obstacles to progress



And older companies can face bigger hurdles. “I need to infuse the talent of the future into my world,” says Dana J. Smith, vice president of human resources for Peabody Properties, a Braintree, Massachusetts based residential and commercial real estate brokerage. The need to infuse the next generation of talent into today’s property management firms is a result of having buildings that are becoming more efficient, with more advanced building automation systems. “Advances in technology and building automation require a more tech-savvy property manager and staff,” he explains. “With what is now a 24/7 work genre - customer service via technology - specialized tools and apps that increase

proficiency and productivity are a must. As residents embrace technology more and more, they want it more in our property operations and we expect it more in our talent of the future.”

Engaging Progress Makers

An inescapable fact is that talent is a leaky resource in an increasingly global, mobile business world, says INSEAD’s Lanvin, who is also co-editor of The Global Talent Competitiveness Index. Companies often spend substantial resources developing their best talent only to see it walk out the door. “Accepting this fact is a first step toward managing the issue,” he says. Our survey identified three areas that businesses need to address in order to connect with Progress Makers and create a fertile environment for their development:

Our survey identified three areas that businesses need to address in order to connect with Progress Makers and create a fertile environment for their development:

1. When asked what they would personally need to foster their own potential as Progress Makers, 56% of surveyed executives cited opportunities to take on challenges. **Progress Makers lean into change and value companies that encourage them to take risks.** They are seeking companies that reward creative ideas and do not penalize failure.

2. **Progress Makers value companies that foster creative thinking, collaboration and personal independence.** Eight in 10 (82%) executives say progress is increasingly achieved collaboratively, and more than half say that having the freedom to work independently with others would help foster their own growth and potential.

“It’s about creating a workplace that’s meaningful, productive and holistic,” says Bersin. He recommends small teams, loose federations and less hierarchy as the structural setting for innovation. “Innovation requires that people have freedom to think and try new things and experiment. Big companies with lots of meetings tend to quash that by accident.”

“A company that values innovators should build its employment brand around the knowledge that innovators are attracted by other innovators,” says Lanvin. “Innovators are more likely to be drawn in and remain if they are challenged, unsettled and excited by their peers in the company and its environs. While there is no guarantee against losing talent, this approach can create a multidimensional approach to recruiting highly trained professionals.”

3. Transparency is critical in creating an environment in which Progress Makers feel comfortable sharing and innovating.

Progress Makers are actively seeking access to information, with nearly half of those surveyed citing it as an important contributor to fostering their own potential.

A transparent work environment leads to more of a flat structure, where the entire team feels involved in what is happening and why decisions are being made. This openness fosters greater trust and creates an environment where people are encouraged to speak their mind and bring forward their best ideas and solutions.

New organizational development theories, such as the “Deliberately Developmental Organization,” embrace this notion and have created “cultures explicitly designed to advance the mutual flourishing of the organization and its people.” These cultural evolutions set up a value exchange between Progress Makers and the companies where they work. Business leaders recognize the need to establish a balance between what the Progress Maker is giving and getting back from the organization. Components of corporate cultures of progress include clearly stated values, open dialogue, coaching and a willingness to embrace disruption of legacy products or processes on the path to innovation.

▲▲ It’s about creating a workplace that’s meaningful, productive and holistic.”

Another important factor in attracting and retaining Progress Makers is corporate mission or purpose, Bersin's research has found. "The really good employment brands are trying to find ways to give back to society," Bersin says – in part motivated by altruism, but also to compete for talent.

For their part, Progress Makers understand the potential to make a difference on a larger scale by leveraging corporate influence and resources. They are most attracted to companies that develop their own corporate cultures of progress, integrating positive social and environmental impact into their business models and infusing their brands and day-to-day work with broader meaning.

Microsoft focuses on maintaining a corporate culture that carefully tends to its Progress Makers; it reports that 90% of its employees say they feel proud to work there. Microsoft's Akhtar Badshah worked at the intersection of technology and education, helping Microsoft launch innovative programs like Skype in the Classroom, a shared-learning program, and Office 365 for Education, a set of cloud-based tools for students and teachers. As a trained architect venturing out into technology, Badshah proved pivotal in advancing innovative ways to use information technology for social and economic development.

In many companies, improvements could be forthcoming in the care and feeding of Progress Makers: more than half of EIU survey respondents (57%) say their organizations have updated their talent development strategies in the last two years. Of these, nearly one-third (32%) have done so within the past year.

When was your organization's strategy for talent development last updated?



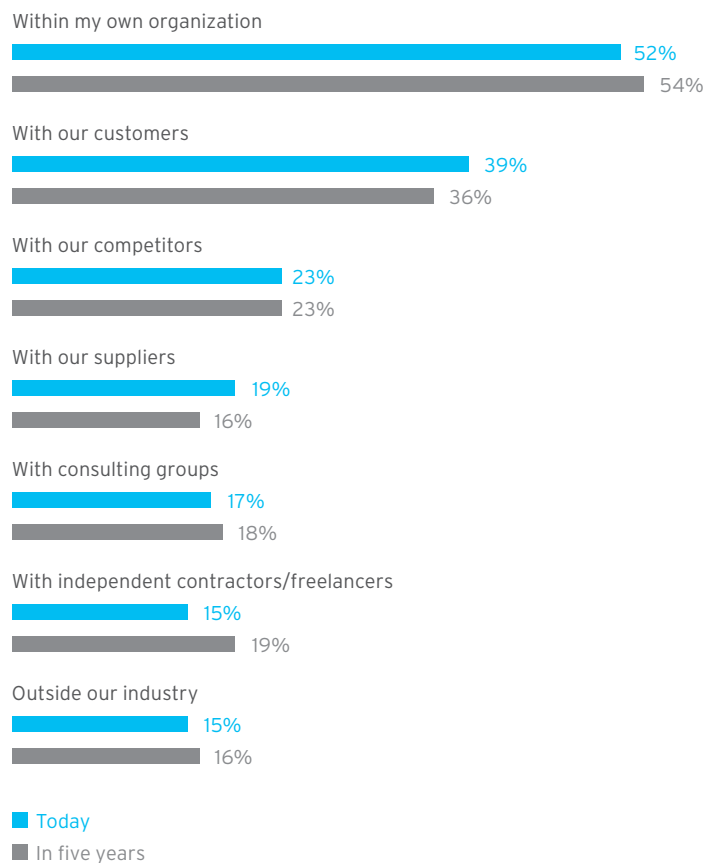
Conventional leadership roles may be tested on the road to realizing the potential of progress-making Millennials and women in general. For example, many younger workers have been raised to expect significant support and feedback from adults and institutions to help them thrive, says Emory University’s Hershatter, but older colleagues can view this as entitlement or lack of initiative. “It’s a learning curve for both groups.”

For women to flourish as Progress Makers, they will require more service design skills and leadership development training. They will need to embrace multiple networks, access board seats and decision-making responsibilities, says Servane Mouazan, director of Oguntê C.I.C., a London-based community interest company amplifying the women’s social entrepreneurship ecosystem. Susan Steinman, social entrepreneurship advisor for the School for Business Leadership of the University of South Africa, sums up the challenge for women, saying: “To get your message across as a social entrepreneur can be very hard. As a woman, it’s harder.”

Taking stock of progress in the making

Within companies, the challenges of attracting and leveraging Progress Makers are proving to be significant. More than half of executives surveyed point to their own organization as their most promising source of Progress Makers both today and five years from today (52% and 54%, respectively). This has significant implications for training, global opportunities and other talent management decisions. Ben & Jerry’s, for example, has seen a growing mandate to develop Progress Makers throughout the organization as it has become a larger company. “We need people who love to do the technical pieces of work but also want to create change,” Barker says – ranging from the purchasing department to the accounting department and beyond.

Where are the Progress Makers that can impact your organization?



Not all organizations, however, are capable of fostering engaged, talented, forward-thinking employees. Indeed, a broad measure from Washington, DC-based Gallup, Inc. shows a pessimistic global context. Overall, a mere 13% of employees across 142 countries are fully engaged in their jobs – in that they are “emotionally invested in and focused on creating value for their organizations every day,” according to Gallup’s 2013 State of the Global Workplace Report. Among companies Gallup identifies as leaders – winners of the 2013 Gallup Great Workplace Award – the percentage rises steeply to 63%, displaying proven links between engagement and financial outcomes.

The highly prized Progress Makers themselves present another challenge. “The more talented the person, the wider the global opportunities they can find elsewhere,” according to the Global Talent Competitiveness Index.

However, employees who derive meaning from their work are more than three times as likely to stay with their organizations, according to research from The Energy Project, a Yonkers, New York, human resources consultancy. “Purpose” had the highest impact of any variable in The Energy Project’s survey, also delivering 1.7 times higher job satisfaction and 1.4 times the engagement.

3x

Employees who derive meaning from their work are more than three times as likely to stay with their organizations

Across the business sector, progress is also mixed. “Businesses have a lot more work to do to more fully embrace shared value as an overall corporate priority and strategy,” Bakule says. He cites the complexity of embedding shared value into processes, human resource management and organizational structures. “It’s a lot less sexy and takes a lot more time, but is a lot more promising than stand-alone initiatives.”

SECTION 4

PROGRESS
MAKING AMID
URBANIZATION,
DIGITIZATION
AND
GLOBALIZATION



The context for change continues to be dynamically driven by the megatrends of urbanization, digitization and globalization. More than one in two survey respondents (58%) situate progress in cities, as urbanization swells their populations worldwide by nearly 60 million per year.

“People often think first about pollution, traffic and slums when they consider the acceleration of urbanization today,” says Steven Pedigo, director of the Creative Class Group, a research and advisory firm based in Miami and Toronto that focuses on urban development. “But with the clustering effect of human capital and talent in urban ecosystems, cities can facilitate solutions to their own problems.”

As cities make progress, they also attract more business. The EIU’s Hot Spots 2025 City Competitiveness Index highlights the following case studies:

- Singapore’s clean environment and the quality of its education system helped it achieve third place among the 120 cities – and first place in Asia.
- St. Petersburg, Russia, despite challenges, was able to rise 15 places on the index, to 92, in part because of improvements in human capital and environment (Moscow ranks 59th).

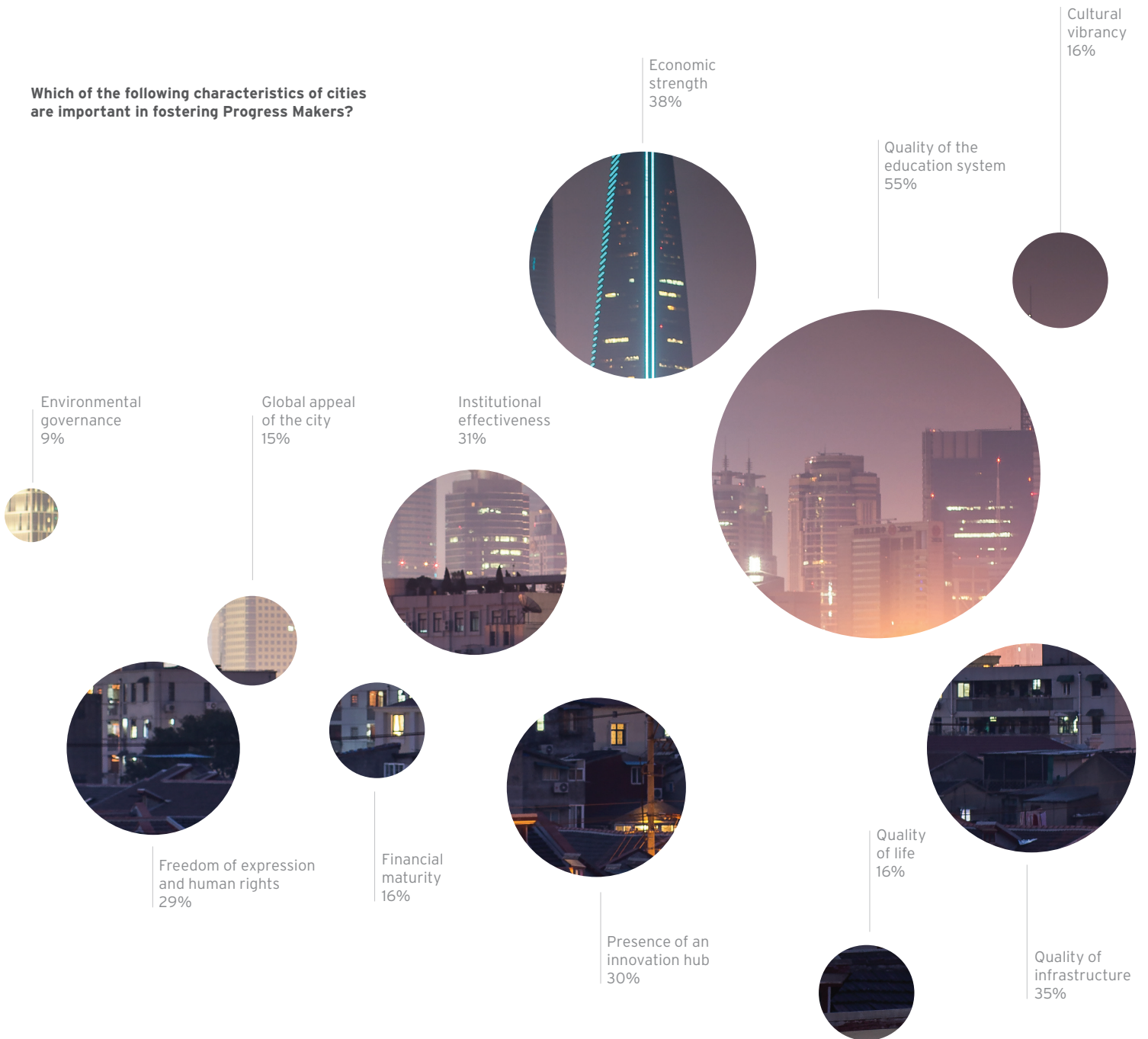
As the report says, “High standards of environmental governance make a city attractive for both businesses and people and are key to preserving a city’s competitiveness.”

Of the top 10 cities predicted in our survey to host the next generation of Progress Makers, all are also in the top 100 of the City Competitiveness Index, and half are in the top 20.

Top 10 cities predicted to host the next generation of Progress Makers

City	Percentage of total respondents (rounded figures)
Shanghai, China	8%
Beijing, China	7%
San Francisco, United States	6%
London, England	6%
New York City, United States	5%
Seoul, Korea	3%
Bangalore, India	3%
Boston, United States	3%
Mumbai, India	3%
São Paulo, Brazil	2%

Which of the following characteristics of cities are important in fostering Progress Makers?



The EIU survey delivers the following findings about the most important characteristics of cities in fostering Progress Makers:

- Education is most important (cited by 55%), followed by economic strength (38%) and quality of infrastructure (35%).
- Another valued urban characteristic is the presence of an innovation hub (30%).

Digitization amplifies and globalizes progress

Urban progress is accelerated by digitization and connectivity within and between cities, countries and regions in a globalized economy. “Never before has innovation been so well distributed among countries,” according to the 2013 Global Innovation Index, with local hotspots emerging across the world and networking internationally.

In cities, where the local broadband network is also seen as a critical component to competitiveness, São Paulo and Cape Town are among those poised to rise in the EIU’s Hotspots 2025 index – in part on the strength of their investments in information and communication technologies (ICT).

Regionally, Asia is seen by our survey panel as having made the greatest strides in laying this ICT foundation over the last 10 years (59%). Furthermore, respondents see the United States as continuing to lead among individual countries in advancing ICT (39%), with China taking second place (9%), followed by Korea (8%), India (7%) and the UK (6%).

Digital technology may not be the only source of innovation, but it is cutting across all industries today and accelerating their progress. Power grids increasingly rely on machine-to-machine communications. The healthcare industry tracks epidemics using big data analytics and collaborates on cures via cloud computing. Manufacturing is being reinvented with 3D printing.



CONCLUSION

PROGRESS MAKERS – AN ESSENTIAL ASSET FOR FORWARD-THINKING COMPANIES

Today's global challenges exceed the capacity of governments and philanthropies, thus the Private Sector will play an increasingly greater role in driving progress. Business leaders recognize that Progress Makers are key to driving innovation and change and that their success will depend on their ability to attract, develop and retain these powerful agents of change. Factors like company size, culture and geographic location will help determine effectiveness. The ideas, actions and impacts of individuals like Infosys's Narayana Murthy, SN Power's Elsbeth Tronstad and SJF's Rick Defieux, among others, are paving the way for future Progress Makers.

APPENDIX

METHODOLOGY

About the survey

In January 2014, the EIU conducted a survey sponsored by Citi of an executive panel of 1,315 respondents to explore the definition of progress and the role and impact of Progress Makers in the workplace and beyond. The panel was global; the highest level of response came from Asia/Oceania and Europe (37% and 29%, respectively). Respondents work in 12 industries; financial services (21%) and professional services (14%) topped the list. Half of the respondents are C-level (51%). Eighty percent of respondents represent organizations with more than \$5 million in revenues, with 15% reporting revenues of \$10 billion or more. All had financial assets of at least \$25,000.

Survey objectives

The EIU survey aimed to glean insights into executives' perceptions regarding progress, where it has been achieved and where it is most needed today. It was also designed to probe industry perspectives on the individuals behind progress, where they come from, what their attributes are, what they mean for organizations and how organizations go about attracting them and leveraging their skills and abilities. Finally, it explored some of the obstacles to progress for organizations, providing insight into ways to dismantle some of these.

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