



DONGHWA HOLDINGS

INTERVIEW SERIES CAPTURING WHAT'S WORKING IN LEADERSHIP DEVELOPMENT

DONGHWA HOLDINGS AT A GLANCE

- Dongwha Holdings creates eco-friendly and human-oriented products using wooden materials.
- The company is enlarging its business to encompass a wide range of high-value-added products, such as materials, chemicals, flooring, construction materials and housing construction.
- It is expanding its presence overseas in Malaysia, Hong Kong, New Zealand, Australia, the US and Vietnam.
- The company, which has about 1,000 employees, had fiscal-year 2011 sales totaling US\$430 million.

EXECUTIVE SUMMARY

To successfully implement its organizational strategy, Dongwha Holdings believed it needed to develop an appropriate and objective employee assessment process and a system for developing leadership competency. To achieve this, the company reviewed its existing leadership development model and revised it based on Mercer's Essential Leadership Competency Model. After grouping its leaders into four categories, the company conducted 360-degree feedback surveys, especially targeting 119 leaders. Survey results were analyzed by each group of leaders. Based on this analysis, executives received one-on-one coaching and middle managers received group coaching on specific topics.

SETTING THE CONTEXT

In order to implement a business strategy for continuous growth, Dongwha Holdings needed to secure leadership able to lead business change. However, the company's leadership assessment system wasn't able to diagnose the level of its leaders' competency in this area. This made it difficult to determine the type of leadership development activities needed or to identify Dongwha Holdings' next generation of leaders.

In addition, the company's established leadership assessment tool had been used only for appraisal, although the company had a strong need to connect assessment results with succession planning and with its leadership development program.

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DESIGNING THE SOLUTION

After examining Donghwa Holdings' existing competency model, the company found that Mercer's Essential Leadership Competency Model offered a good fit with its needs. The company adopted 16 competencies from Mercer's model and one of its own to create a new leadership competency model for the organization. It then divided those competencies into three groups (Head, Heart and Guts) based on Mercer's Whole Leadership Model.

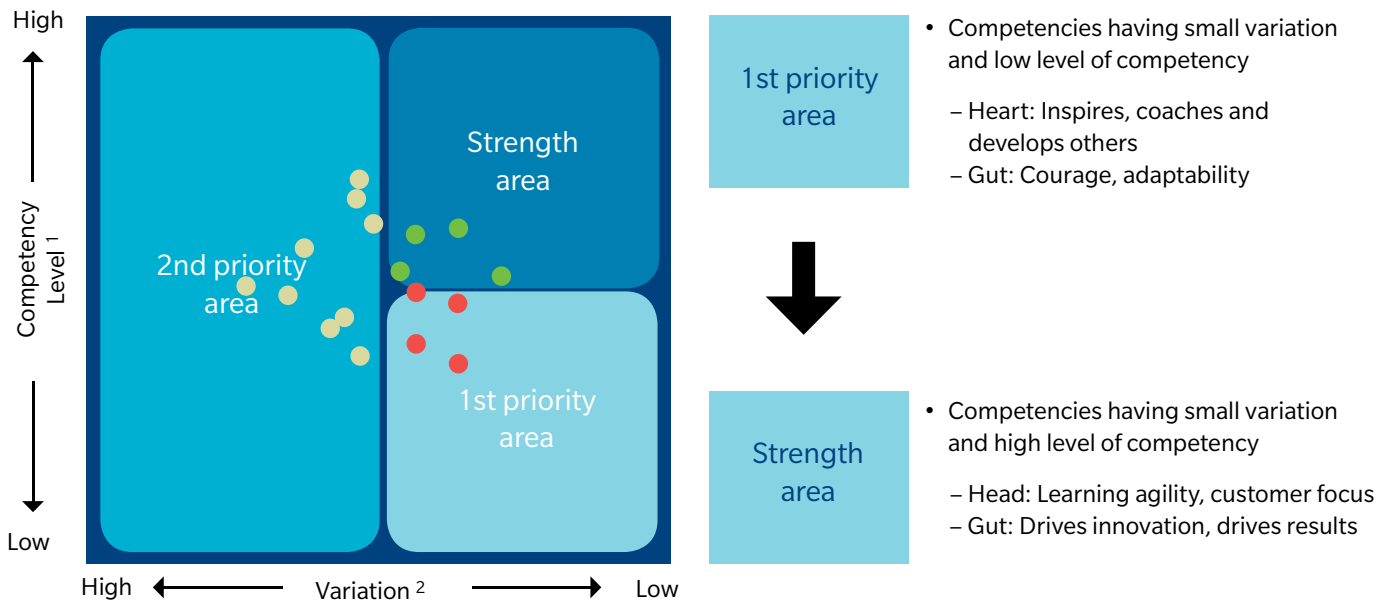
Having identified the appropriate leadership competencies for the organization, Donghwa Holdings assessed 119 leaders on these competencies using 360-degree feedback surveys. The results were analyzed across five dimensions:

- A detailed analysis of the 17 competencies was conducted, analyzing the pitfall and risks of the highest- and lowest-rated competencies.
- Results were compared with those from the previous year to determine whether competency levels had increased or decreased.
- Results were compared with local and global norms.
- Self-assessment results were compared with the results from others (boss and subordinates) to determine whether a gap existed between the two.
- Considering the variation between individuals' scores on various competencies, the competencies for which there were small variations and low scores were chosen as priority areas for development efforts.

Individuals also received personalized reports that would be used for strategic deployment and to design customized training programs.

Analysis of Leadership Assessment Result

Developing Guide



¹ Relative competency scores based on an overall competency average (3.42)

² Relative variation scores based on an overall variation average (0.38)

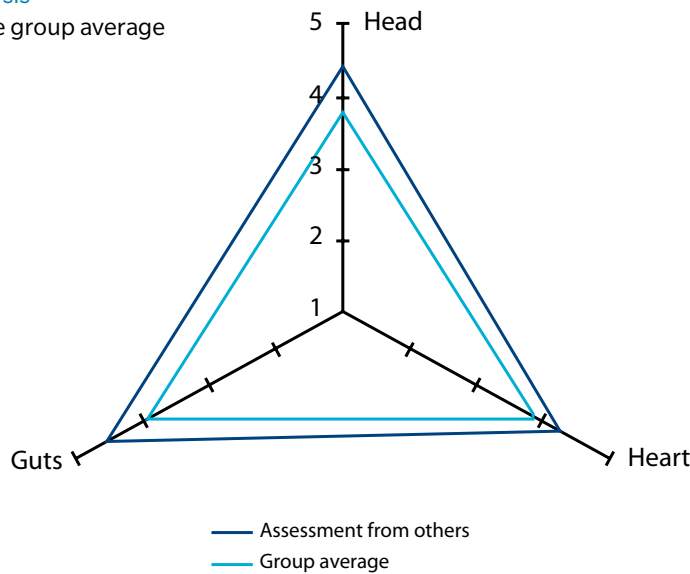
Three kinds of methodologies and programs were established for each group (Training for Head, Coaching for Heart, Experiences for Guts), taking into account the developmental effectiveness of each competency in developing “Whole” leaders in the next generation.

Developing “Whole” Leaders

Methodology		Programs
	➔ Training	<ul style="list-style-type: none"> • Self-directed learning • Custom-designed program • Open-enrollment program
	➔ Coaching	<ul style="list-style-type: none"> • 360-degree feedback • Executive coaching • Formal mentoring
	➔ Experience	<ul style="list-style-type: none"> • Action learning • Job rotation • Business scenario simulation

Competency Category Analysis

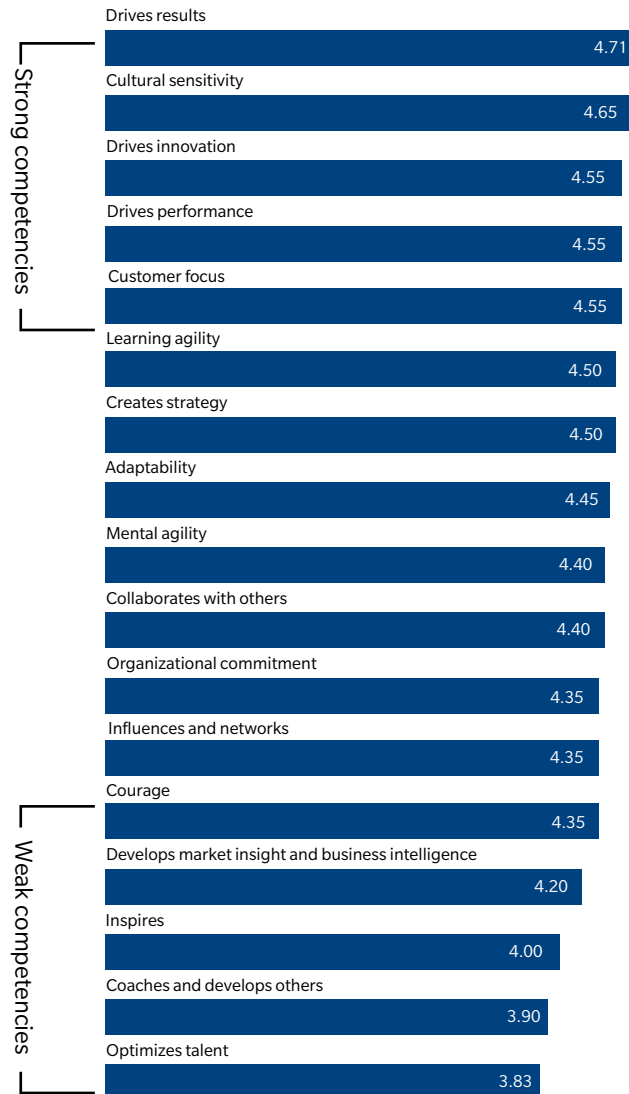
All of the levels are above the group average



Category	Description	Self	Boss	From others	Group average
Head	Present organization’s vision, objective and strategic direction	3.43	4.70	4.47	3.84
Heart	Build trust, with attention paid to the organization and people	3.17	4.42	4.17	3.84
Guts	Seek change and innovation with belief based on proper values	3.13	4.81	4.48	3.92

Overall Analysis (1/3)

Based on the assessment from others, strong competencies are “Drivers Result” and “Cultural Sensitivity,” and weak competencies are “Optimizes Talent” and “Coaches and Develops Others.”



MAKING AN IMPACT

The level of awareness about leadership competencies has improved not only among individual leaders, but also across the organizations as a whole. The assessments have provided leaders with information about their weaknesses and strengths and are enabling them to focus on areas for improvement.

Dongwha now plans to analyze the correlation between assessment results and performance outputs. The assessments will also be used to create intensive and customized development plans, depending on the nature of individuals’ competency levels and positions.

LESSONS LEARNED

- To ensure leadership competency, it is necessary to identify the level of individuals' competencies and develop them by preparing systematic and robust plans based on the assessment results.
- When Dongwha first conducted 360-degree feedback surveys, the tendency of assessors was to show leniency in their assessments because of cultural norms. To minimize this tendency, assessors need an advanced understanding of leadership competencies. Training should be provided to achieve this.
- Leadership assessment tools can be aligned with other HR areas.

ADVICE FOR OTHERS

- Assessment tools are usually used for selection and appraisal, rather than for development purposes. However, this case demonstrates that assessments can be designed and used for leadership development.

MERCER WOULD LIKE TO THANK THE FOLLOWING FOR THIS INTERVIEW:

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