



# ARTICLE

## BUSINESS LEADERS – THE NEW RUSSIAN EXPORT MARKET

### CITIGROUP: DEVELOPING HI-POTENTIAL-LEADERS FROM WITHIN

As one of the world's fast growing economies Russia is enjoying a period of exponential growth. While this may be good for the bottom line, a challenge for many global companies operating in Russia and the former Russian states (now called the commonwealth of Independent States, CIS) is finding people with the necessary experience to support and drive this growth. Many global businesses with similar challenges end up relying on senior managers brought in from abroad, but this can be costly and for some, defeats the aim of recruiting from the local talent market.

"The market is young and green; it's unrecognisable from 10 years ago," says Ivan Scalfarotto, Head of Human Resources Russia and CIS at global banking firm Citigroup in Moscow. "The Russian education system is very good and the graduates are talented, but businesses need experienced people who understand global business, who are able to work across cultures and who speak good English."

A recent survey by global business leadership consultancy DDI, in conjunction with the Economist Intelligence Unit, confirms this

view. The 2008 report, *Growing Global Executive Talent: High Priority, Limited Progress*, reveals that the top three leadership skills demanded by today's multi-nationals are the ability to motivate staff (35%), work across cultures (34%) and to facilitate change (32%) – skills that need to be learned and honed with experience.

Despite being one of the longest serving global companies in Russia, Citigroup's Moscow office opened just 14 years ago so it is still a relative newcomer to Russia and the CIS. Contrast this with Citigroup's presence in other countries, such as the UK, India, China and Brazil, where the firm has been operating for more than 100 years. "In other countries business knowledge is engrained and embedded because generations of staff know and have worked for Citigroup," comments Ivan. "In newer economies those years of knowledge and experience simply don't exist and we recognised that senior people were coming to senior positions without always having the relevant experience."

### EMERGING LEADERS PROGRAMME

Citigroup realised that if it couldn't recruit experienced staff from the local market, it needed to start developing its own. In 2006 it introduced an 'Emerging Leaders Programme', created by DDI, which forms part of a five year strategy that will see Citigroup fast track 60 high potential future leaders by 2011. These leaders will be available for 'export' both within the CIS as well as globally, a trend that is happening within global businesses operating across Russia and the CIS.

ARTICLE BY  
**SIMON MITCHELL**  
EUROPEAN MARKETING  
DIRECTOR  
DDI UK

## CONTACT INFORMATION

DDI UK  
+44 1753 616000

E-MAIL [INFO.UK@DDIWORLD.COM](mailto:INFO.UK@DDIWORLD.COM)

[WWW.DDIWORLD.COM/LOCATIONS](http://WWW.DDIWORLD.COM/LOCATIONS)

“Recruiting expat managers is not a long term solution for the business and developing local talent is a good strategy to help retain top talent in such a highly competitive market. The Emerging Leaders Programme has been designed to unearth anyone already working for us who could be running a business in five years time.”

Anna Mikulitskaya, Senior Country Operating Officer for Citigroup Ukraine, was one of the first 12 chosen for the new programme.

“While other leadership programmes have been about how to lead and manage others, this one concentrates on exploring how I lead and manage myself and my career. It’s really different because it is giving me the skills and experience I need to progress within the business. In particular it has helped me realise the value of networking, which becomes more important the more senior you are. I’ve met colleagues from across the business, which has been invaluable.”

The programme has already prompted Anna to broaden her career path; during 2007 she completed a six-month assignment in Russia and feels her career, and the business, are already benefiting from this wider experience.

The first 12 ‘high potentials’ completed the programme in 2007, with a further 12 who started in February 2008. Each participant is at VP level (one level down from the Operating Committee), and has been identified as having the leadership potential to be running a business and becoming an Operating Committee member within the next five years.

Another class of 2006 is Head of Technology, Andrei Popov. “The programme was quite different from previous courses. Rather than telling me how to lead others it focused on me and increasing understanding of myself so I’m more attuned to others.”

Created by business leadership consultancy DDI, the Emerging Leader Programme combines assessments, workshops and one-on-one reviews. By drawing on 360 feedback and structured interviews each participant creates a Personal Development Plan that plots a path towards their future career and next promotion. Citigroup’s senior management team meet with the emerging leaders quarterly to review progress and career options to ensure they maximise learning and business experience.

Ivan concludes: “From the class of 2006 eight have already been promoted, one to the Operating Committee itself. With such a focus on identifying and developing our internal talent, Citigroup is laying the foundations for future success.”