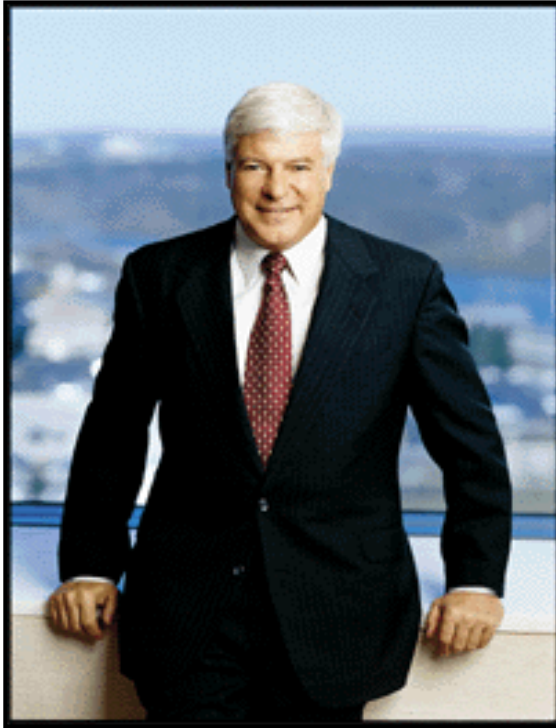


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“caring for the world, one person at a time” TM



William C. Weldon

“The most important responsibility all of us have is to **develop the leaders of the future**. It’s the greatest challenge we have, and the most important legacy that we can leave behind.”

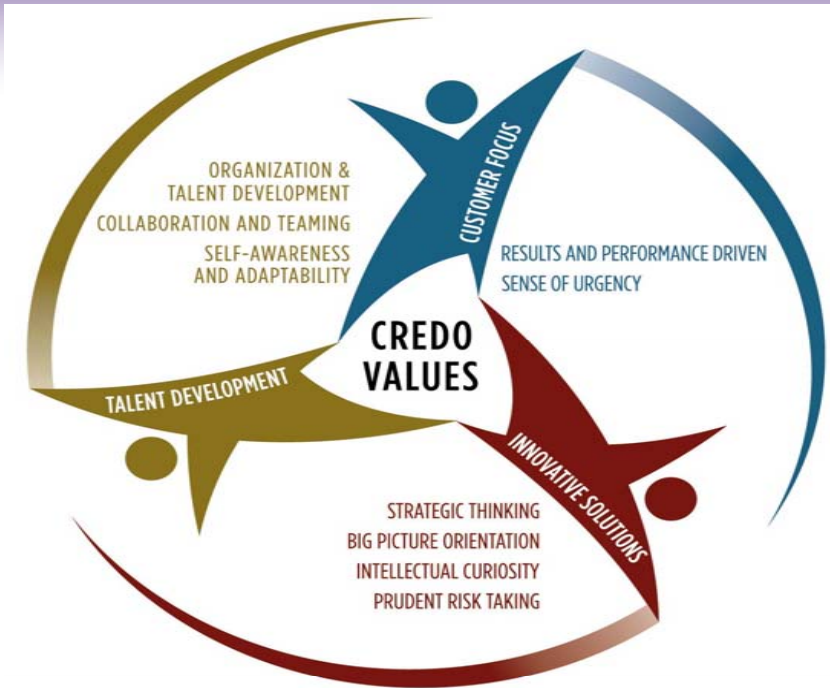
William C. Weldon

Chairman and Chief Executive Officer

What is LEADERSHIP ?

- The capacity to influence & inspire
- The **ART** of accomplishing more than the **SCIENCE** of management says is possible
- To have a **VISION** that you articulate clearly & forcefully on every occasion
- Leaders are your “**GO TO**” people

Our Foundation For Talent Management



GLOBAL LEADERSHIP PROFILE

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Family of Companies

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality.

We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities.

Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens - support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

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small-company environment
big-company impactSM

Global Leadership Profile

- GLP has 10 competencies for all levels of the organization
- Behaviours are divided into 3 categories:
 - Senior Leader – management board and up
 - People Leader
 - Individual contributor
- 65% of the behaviours are the same



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

- **Integrity and Credo-based Actions** – lives Credo values, builds trust; tells the truth; initiates transparency into problems; demonstrates genuine caring for people
- **Strategic Thinking** – driven to envision a better future; takes any role or job and makes it better; has relentless dissatisfaction with status quo; motivated to leave things better than they were; a change agent
- **Big Picture Orientation with Attention to Detail** – able to operate in two “worlds” simultaneously e.g., growth and cost control, enterprise and operating company success; sees the why as well as the what; can zoom in or out as needed
- **Organization and Talent Development** – motivates and empowers others to achieve a desired action; enjoys developing a diverse group of people; champions diversity; instills confidence; attracts good people; demonstrates a track record of people development; brings out the best in others; net exporter of successful talent; invests time to be personally “connected” with the organization
- **Intellectual Curiosity** – sees the possibilities; willing to experiment; cultivates new ideas; comfortable with ambiguity and uncertainty
- **Collaboration and Teaming** – puts interests of enterprise above own; works well across functions and groups; builds teams effectively; inspires followership; instills a global mindset; champions best practices
- **Sense of Urgency** – proactively senses and responds to problems and opportunities; works to reduce “cycle” time; takes action when needed
- **Prudent Risk-Taking** – inner confidence to take risks and learn from experience; courage to grab opportunities or shed non-viable businesses; willing to make tough calls
- **Self-awareness and Adaptability** – resilient; has personal modesty and humility; willing to learn from others; patient, optimistic, flexible and adaptable
- **Results and Performance Driven** – assumes personal ownership and accountability for business results and solutions; consistently delivers results that meet or exceed expectations; makes the customer central to all thinking; keeps the focus on driving customer value



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Integrity & Credo-based Actions

- Trust, truth, transparency, genuinely cares for people



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Strategic Thinking

- Relentless dissatisfaction with status quo
- A change agent
- Sees a better future



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Big Picture Orientation with Attention To Detail

- Can zoom in or out as needed
- Sees the “why” as well as the “what”



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Organization and Talent Developer

- Motivates, empowers, champions diversity
- Brings out the very best in others
- Exporter of successful talent
- Invests time to be personally connected with the people



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Intellectual Curiosity

- Cultivates and encourages new ideas
- Comfortable with ambiguity and uncertainty



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Collaboration & Teaming

- Puts the interests of the enterprise above own
- Works well cross-functionally
- Builds teams effectively



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Sense of Urgency

- Constantly works to reduce “cycle times”
- Takes action!



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Prudent Risk-Taking

- Willing to make the tough calls
- Inner confidence to take and encourage risks



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Self-Awareness and Adaptability

- Demonstrates personal modesty & humility
- Willing to learn from others
- Patient, optimistic, flexible, adaptable



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GLOBAL LEADERSHIP PROFILE

Developing a diverse, robust pipeline of extraordinary leaders

Results and Performance Driven

- Assumes personal ownership & accountability
- Consistently delivers results to exceed expectations
- Makes the customer central to all thinking
- Keeps the focus on delivering customer value

Leadership Derailers

What is a Derailer?

- Derailers can undermine the leader's effectiveness
- Represent “road block” to individual's success
- Individual usually can't compensate for a Derailer or “manage around” it
- Must be addressed with improvement action
- Individual can overcome the potential obstacle
 - Self Awareness
 - Development Actions
 - Organizational Support

GLP Derailers

- **Is indecisive—reluctant to commit to decisions**
- **Has difficulty with ambiguity and/or uncertainty**
- **Puts interests of his/her area ahead of what is best for the company**
- **Does a poor job of helping top talent move on to other areas and opportunities**
- **Is exclusive, only open to the opinions and ideas of a select few**
- **Avoids needed conflict**
- **Has difficulty building effective and productive relationships**
- **Micromanages—is too much in the details**

Identifying Leadership Gaps

- Talent Review
- Credo Survey
- Connecting Surveys
- Performance Reviews
- Leadership development programs - participant feedback
- GLP 360
- Insights

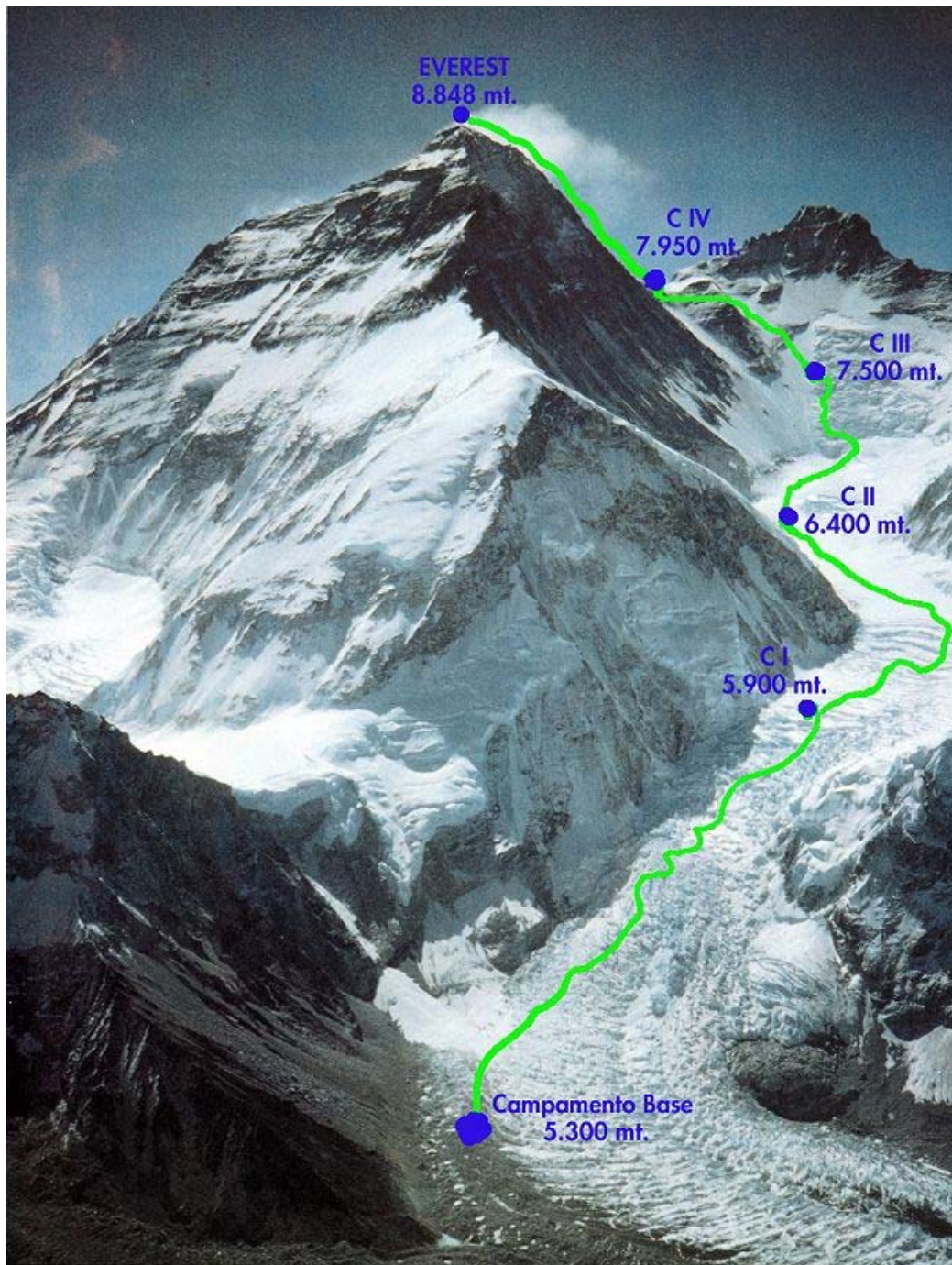
Talent Priorities

- **Grow General Management Talent (anticipated loss of approx 5000 leaders throughout J&J over the next few years)**
- **How many leaders will Canadian Healthcare lose over the next few years?**

What makes a LEADER ?

**What are the attributes of a LEADER
you admire most ?**

LEADER need not apply to hierarchy



Emotional Intelligence

The LEADERS' Advantage



What is Emotional Intelligence?

- “The capacity for knowing one’s emotions (self-awareness), managing emotions, motivating oneself, recognising emotions in others and handling relationships.”
 - Daniel Goleman, “Emotional Intelligence”



Emotional Intelligence





IQ

*8 to 9% predictor
of success*

Technical Skills

*8 to 9% predictor
of success*

EI

*40% predictor
of success*

**Threshold requirements
to get the basic job done**

Talent differentiator



- A study of 286 different kinds of jobs at dozens of organizations worldwide found that 21 competencies distinguished stars from average performers.
- 18 were based on emotional intelligence.

-- Spencer & Spencer, 1993



- Egon Zehnder International's study of 515 senior executives
 - EI was better predictor of success than either relevant previous experience or high IQ.
 - The executive was high in EI in 74% of the successes compared to 24% of the failures.
 - Identical results in Latin America, Germany, and Japan.



In summary today...

- **Leadership** is not a bestowed rank or title.
- **Leadership** is not a right of tenure.
- **Leadership** does not require direct reports.
- **Leadership** is the art of inspiring and motivating with clear vision, integrity, adaptability and results orientation.
- **Leadership** is being that ultimate “go to” person
- **Leadership** development is simply NOT an option for good to great organizations – it is the only way for sustainable growth/success.

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