

## Initiative 8 – Orange Book

### Strengthening Capital Management Practices

#### Summary

GLCs face a gap of 1500-2000 leaders to deliver the bold performance aspirations of the GLC Transformation Programme. Malaysia is not short of people with leadership talent, it is short of leaders in leadership roles. The Orange Book provides advice to CEOs – as Chief Human Resource Officers – as to the role that they can play to close their leadership gap.

The Orange Book provides CEOs practical guidance about what they can personally do to institutionalise good leadership development practices. In addition, the Orange Book calls for Boards, Human Resources (HR) functions and line managers to support CEOs to create an environment where leaders will flourish and grow.

#### FAQ

##### **What is the purpose of the Orange Book?**

The Orange Book provides advice to the CEOs as Chief Human Resource Officers on the role that they can play to ensure GLCs have the leaders they need to be successful.

The Orange Book gives CEOs practical guidance about what they can personally do to institutionalise good leadership development practices.

The Orange Book calls for Boards, Human Resources (HR) functions and line managers to support CEOs to create an environment where leaders will flourish and grow.

The Orange Book contains a Leadership Development Audit (LDA) to enable CEOs to determine how effective their GLC is at developing leaders. The Leadership Development Audit enables GLCs to evaluate the current effectiveness of their leadership development, identify any key gaps and thereafter formulate an actionable improvement program.

##### **How is the Orange Book different from existing material on Human Resources?**

The Orange Book is different from existing Human Resource material because it provides advice to CEOs and senior leaders on how they personally can make a difference to the development of leaders. Leadership development must begin with leaders.

Also, the Orange Book has been specifically written to meet the needs of GLCs working in a Malaysian context. The Orange Book was developed in consultation with GLC CEOs and the Malaysian HR community.

## **What are the key features in the Orange Book?**

The Orange Book sets out practical guidelines to institutionalise good leadership development practices using a simple framework. This framework has three key features:

- (1) *Leadership development must flow from business strategy* - All aspects of leadership development need to focus on creating those leaders with the experiences and capabilities required for that unique business to be successful.
- (2) *Leadership development is institutionalised as a system, not just a process* - Every aspect of leadership development is interlinked and crucial in determining the quality and size of the leadership pool. Hence, leadership development must be embedded in the way the company works.
- (3) *The partnership between HR and line management frames all leadership development* - The task of identifying and developing leaders must be led by the CEO and all line managers. CEOs and senior leaders should devote a minimum of 30% of their time to leadership development.

## **What is expected of GLC Boards from the Orange Book?**

PCG expects all listed GLCs to conduct a Leadership Development Audit (LDA) to determine their current leadership development performance, and thereafter to develop and begin to implement an actionable improvement programme.

It is the responsibility of all GLC CEOs to lead this implementation effort.

The relevant GLICs will monitor that the LDAs have been conducted, improvement programmes have been developed and thereafter the implementation of these programmes completed across their portfolio companies.

## **Where can GLC Boards seek clarification on the content of the Orange Book?**

The Transformation Management Office (TMO), located within the Secretariat to PCG, will be the central point to answer questions regarding the content of the Orange Book. TMO can be contacted at:

- Phone: 03 2034 0000
- Email: [tmo@pcg.gov.my](mailto:tmo@pcg.gov.my)
- Website: [www.pcg.gov.my](http://www.pcg.gov.my)

In addition, Nominee Directors of GLICs would have been briefed on the content of the Orange Book, and can help request TMO to conduct a similar information session for their Boards.

## **Where can GLC Boards seek assistance to implement the Orange Book?**

The Transformation Management Office (TMO), located within the Secretariat to PCG, can provide assistance to Chairmen and GLC Boards in identifying potential experts and/or offer direct support to GLC Boards in implementing this Orange Book.