



## How to Build a C-Suite in Less Than Two Years

**Indonesian state-owned giant Pertamina had a problem: Its top leaders were all retiring at once. The solution? A new kind of leadership accelerator.**

In 2017, Indonesian state-owned giant Pertamina had two ambitious strategic objectives: Transition from oil and gas to a more diverse portfolio including renewables, and entrench itself deeper in the global market.

But there was a problem. Thanks to a remarkably low retirement age of 56 for Indonesian SOEs, the organisation – one of the nation’s largest, with more than 31,000 employees – would be losing nearly all its top leaders within a few years. Worse still, a past hiring freeze that lasted more than a decade had left a plunging experience gap between the highest-ranking company directors and their appointed successors.

In order to meet its audacious goals for the future, Pertamina would have to prepare hundreds of second-tier leaders to assume command before the retirement window closed. That meant cramming up to 15 years of missing experience into a two-to-three-year timeframe. For SOEs, which are not known for their agility, this was a tall order to say the least.

To tackle the challenge, Human Capital Director Nicke Widyawati (promoted to CEO in 2018) and Senior VP for Human Capital Ihsanuddin Usman developed the concept for Catalyser, the largest leadership accelerator in Southeast Asia. Because the initiative was deemed mission critical, Pertamina

decided to co-create the programme via an innovative array of partnerships. One of us (Bob) was invited to be Senior Advisor alongside Dr **Hora Tjitra**. INSEAD and Deloitte were tapped as co-partners.

Catalyser was recently recognised for its singular pedagogical approach (especially given the context of Southeast Asian SOEs) with the **2020 EFMD Excellence in Practice Gold Award in Talent Development**.

### **The structure of Catalyser**

Catalyser was envisioned as a two-year experience for the nearly 500 participants involved. In the first year, middle managers were intensively mentored by senior managers as they completed a “strategic action project” in small, cross-silo groups. The projects were not invented as classroom exercises; rather, they were taken directly from a short-list of opportunities identified by a newly formed Strategic Project Department at Pertamina.

Towards the end of the first year, Catalyser participants were split into four accelerator groups according to their career aspirations and demonstrated abilities. Thomas and Jason co-directed “Enterprise”, designed to build capabilities for leading strategy and change, and

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“Energy”, which looked at leadership through the lens of rapid developments in Pertamina’s own industry. The Deloitte team led the other two accelerators: “Global” (tailored for overseas-based leaders) and “Technology” (oriented towards technology exposure). In addition to coursework delivered in Jakarta, each accelerator included a week-long overseas module that included a heavy emphasis on experiential company visits.

The second year, which the first Catalyser cohort recently completed, pushes participants further outside their comfort zone through so-called “mobility opportunities” that include transfers, rotations, ownership of a major project, or a stretch assignment.

### Catalyser’s impact

EFMD’s choice to honour Catalyser with its competitive and prestigious award surely had much to do with the programme’s measurable impact. Of the first cohort alone, 70 percent have been promoted since the start of the programme, and 66 percent have made lateral moves in line with their long-term career goals. In addition, participants as a whole reported sizeable improvement on 16 core leadership dimensions – especially strategic thinker, innovator/intrapreneur, global networker, digital society and market and technology integration.

In testimonials shared with programme organisers, participants recounted the transformative shift. Mia Krishna Anggraini, a former product development specialist, described how Catalyser gave her the skills and confidence to make the leap to vice-president of overseas sales within Pertamina’s lubricants division. The programme also inspired media relations manager Arya Dwi Paramita to pursue, and win, a position as VP of corporate social responsibility.

In cases like these, we were thrilled to note that the participants’ passions were well aligned with the company’s strategic objectives of expanding globally while enhancing sustainability.

### Why Catalyser worked

In addition to being a well-designed programme without precedent in the ASEAN region, Catalyser owes a large part of its success to the following factors:

*Support from the top* – Advice no less true for being oft-repeated: If you want your ambitious plans to come to fruition in a large, complex organisation, you need highly placed advocates and friends. Here, Catalyser had none other than the future CEO of the firm, Nicke Widyawati, as its key sponsor. Her

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replacement as Director of Human Capital, Kushartanto Koeswiranto (appointed in August 2018), secured key support from senior stakeholders such as the board of directors, the board of commissioners and the Indonesian Ministry of State-Owned Enterprises during Catalyser’s make-or-break first year.

Just as essential to the programme’s success was the active participation of more than 100 top managers who acted as mentors for the strategic action project groups. Early on, a sparsely attended mentor training session had us worried that their engagement might be more touch and go. However, they showed up in full force when the time came to work directly with the mentees. It turned out that they were only too glad to lend their expert guidance; they just did not want to be told how to do it.

*A “glocal” approach* – Pertamina’s CEO specifically requested that the programme encourage participants to think beyond the local context. On the other hand, Pertamina being a pillar of the Indonesian state-owned economy, its fate is inextricably linked with that of its home country. We wanted its rising leaders to be inspired by all that the world has to offer, bringing the best bits back home to help Indonesia grow. To achieve this, we leveraged INSEAD’s core strengths as a global business school with deep-rooted ties to the ASEAN region.

As part of the accelerator coursework, for example, Jason used Jakarta-based ride-hailing unicorn Gojek as a case study illustrating the potential of digital in Indonesia. He also drew upon far-flung examples such as Tesla and its subsidiary SolarCity to spark discussion about disruptive strategies in alternative energy.

However, the INSEAD co-directors knew that to really think “glocally”, participants had to leave the classroom and venture overseas. For many, Catalyser’s company visits abroad represented a rare opportunity for international exposure. Selecting optimal locations with the most relevant and impactful opportunities for experiential learning was critical.

When Thomas took the “Enterprise” team to Shanghai, they were captivated by China’s rapid economic development – so different from the impoverished nation of just a few decades ago. It opened their minds to new possibilities for Indonesia. Professor **Rose Luo** provided the critical context needed – by way of relevant company visits and her own academic expertise – so participants could fully understand what it has taken for China to succeed.

A similar experience was enjoyed by the “Energy” team when they visited Abu Dhabi. Although the Middle East is more familiar territory for Indonesians due to strong economic and political ties between the Muslim majority nations, participants marveled at the scale and abundance of renewable energy applications in places like Masdar City, where driverless electric vehicles travel the streets in a possible glimpse of a post-carbon future. Here again, we were able to tap into INSEAD faculty’s rich expertise, this time with Professor **Neil Jones** providing the industry knowledge and the key connections to renewable energy organisations in the Emirates.



*Customisation through partnerships* – Unlike most big SOEs we’ve come across, Pertamina wisely avoided the safe road to leadership development. Instead of buying an “off-the-shelf” educational product, the company chose to co-create with partners that not only were comfortable in the ASEAN context but also had complementary core competencies. A dozen potential partners were considered, among them several top business schools. Ultimately, INSEAD won out because of the diversity and versatility of its offerings as well as its international presence.

As Thomas said in a statement for EFMD, “The partnership that has been established with Pertamina for the Catalyser programme is precisely the ideal collaboration that INSEAD seeks – one that does not merely tick boxes, but creates collective transformation of mindset, of culture, and most importantly, of leadership behaviour and action.”

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