

2003 Excellence in Practice Citation

Workplace Learning & Development



Michigan Family Independence Agency

Lansing, Michigan

Development Dimensions International

Pittsburg, Pennsylvania

Leadership Academy

SUMMARY

The goal of the Leadership Academy is to select and develop a talent pool of highly skilled, seasoned and qualified individuals to ensure that key leadership positions are filled internally. Individuals are selected based on demonstrated leadership competencies and their leadership potential. A unique feature of the selection process is that eligible staff may nominate themselves rather than needing to be nominated by their manager. Employees are asked to review self-assessment tools before nominating themselves to determine if there is a good fit between their ideal job and leadership jobs in the organization. A rigorous selection process is used to select the members of the Academy. This consists of various assessment tools including a test, a write-up of how they have demonstrated competencies and an interview. The final steps in the process are a reference check and a review of all the data by the Executive Management Team. This team makes the final selection.

Development of pool members is accelerated through a variety of learning opportunities including assessment of strengths and development needs, developmental planning, mentoring, action learning, developmental assignments, and competency-based training. Each academy runs for two years. Recent data gathered around this process suggest that the Academy is well received by the organization and is impacting a variety of key individual and organizational outcome measures.

BACKGROUND

The purpose of the Leadership Academy is to create a talent pool of high potential leadership candidates who can move into senior level positions as current incumbents retire. Development of members in the Academy is accelerated to prepare them for promotion to those positions. The goals remain the same.

The first Academy (LA 01) has been running for almost two years and is about to conclude. The second Academy (LA 02) has been running for almost one year and has one more year to go. The third Academy has not yet started but is in the planning stage. Each year the process is evaluated and learnings incorporated into the next Academy. The results from a recently completed LA 01 survey will be incorporated into planning for LA 03.

The Academy is open to all employees across the organization that meet the criteria for participation. During the selection process multiple locations are used for the assessments. The Leadership Academy events are held in a central location.

Approximately 2000 employees were invited to apply to the Academy. This represented about 20% of the total employees. This includes all supervisors, managers and directors as well as high level staff who are not supervisors. Currently, there are a total of 39 employees in the two Academies currently running. Although less than half percent of the organization, the small numbers have allowed us to concentrate resources to provide unique learning experiences not available to the entire organization. The Academy members are a cross-section of the organization representing organizational, geographical and individual diversity.

Employees involved were:

1. Primary Responsibility
 - a. HR Director
 - b. Professional Development Director
 - c. Performance and Workplace Learning Supervisor
 - d. Two Administrative Support staff
2. Planning Committee - individuals in #1 above plus:
 - a. Director of Operations
 - b. District Manager
 - c. Services Director
 - d. Administrative Assistant

Costs by Fiscal Year

FY 01	\$135,000
FY 02	\$239,770
FY 03 (projected)	\$55,000
Future Year Projection	\$55,000

Compared to other traditional succession management approaches, great care was taken to ensure up front that we were investing our resources on the individuals who would most benefit from accelerated development opportunities. Identifying talent in traditional succession management approaches is often given little attention, biased, and/or based on limited or irrelevant data. A comprehensive internal nomination process was established by which eligible employees could compete for a place in the Academy by participating in a series of exercises, i.e., paper and pencil inventory, and structured interview. This allowed our employees to have a voice in the process and put their best foot forward. One of our primary goals was to ensure that the nomination process was perceived as fair. Current data suggest that this was indeed the case.

With respect to the development opportunities offered, all were based on sound principles of adult learning and took into consideration what and how mid to upper level leaders like to learn. As such, all of our approaches to individual and group-based development took into consideration all of the following elements:

- More action learning
- Less theory
- Linked to current/future business challenges
- Focused/business relevant
- Tied to results
- Opportunities for networking
- Opportunities to build business partnerships at different functions and levels

Individuals were provided with a wide array of integrated developmental experiences coupled with focused reflection and accountability for applying the learning. These elements are often missing or not given much attention in traditional succession management or leader development initiatives.

DOCUMENTATION

Needs Identification

1. *Describe the problem or need for which this practice is designed and implemented. How was this problem identified, and how was it determined that this practice is an appropriate response?*

A strong shift in employee demographics showed an urgent need for a succession management plan. Recent data revealed that 75% of senior-level employees were eligible to retire within five years and 25% were currently eligible for retirement. The organization did not have a pool of internal candidates that could easily move into higher-level positions, as they were currently not

adequately prepared for the demands of those jobs. In the past when employees were promoted to that level, they were offered brief training (e.g., 6 days) mostly on professional/technical issues (i.e., labor relations), but little development in leadership. As a result, there was a large learning curve and somewhat of a “sink or swim” mentality as they learned how to function effectively at higher organizational levels.

The Leadership Academy process represents a unique and successful application of DDI’s “Grow Your Own Leaders” approach. A wealth of current research suggests that the demand for leadership talent far outstrips the supply. The dearth of qualified people for important leadership positions is one of the top concerns of most organizations. If done in a rigorous and focused way, growing talent from within (as opposed to purchasing it from the outside or simply ignoring the problem) is an attractive and beneficial alternative. Growing talent from within is allowing our organization to achieve the following:

- Ensure a continuity of management, which helps our organization to implement a consistent business strategy and preserve valuable institutional knowledge.
- Send a positive message throughout our workforce that our people are our most valuable resource
- Save money, because purchasing talent from the outside can be extremely risky and expensive.
- Make more accurate selection decisions from inside the organization, due to the greater wealth of data available on internal candidates through the Academy process.

Design Values

2. *Please describe how this practice takes into account the best interests of both the organization and the employees targeted.*

The process is designed to accomplish a variety of outcomes for both the organization and the employee. These include:

- Provide a source of candidates for key leadership positions.
- Use an open process to select candidates for the acceleration pool that was viewed as fair, objective, and valid.
- Retain leaders who have the potential to provide senior leadership to the Agency.
- Prepare individuals for future challenges.
- Align leaders to new organizational directions.
- Accelerate the development of key individuals.
- Provide challenging, growth oriented and rewarding career opportunities.
- Ensure continuity of management culture.
- Avoid lost productivity while a person is learning a new job.
- Enhance the diversity of leadership.

- Preserve institutional knowledge (because of the large number of senior-level employees reaching retirement eligibility, the potential for a “brain drain” was real).

Alignment

3. *How is this practice in alignment with the performance identified, as described in your answer to question 1?*

The Leadership Academy created the opportunity to identify high potential leadership candidates who could be placed into a talent pool. By accelerating their development over a two-year period, we were able to create a cadre of people who were prepared to fill the gaps left by senior leaders who retired.

4. *Please describe how this practice integrates other training, learning, and performance improvement practices, and aligns itself with organizational goals to achieve the desired outcomes.*

The Academy integrates a variety of best practice leadership development approaches. The entire process from selection of pool members to accelerated development was based on a comprehensive success profile, i.e., competencies, knowledge, experiences, and personal attributes that aligned with our business strategies and were critical for success at higher-level positions in our organization.

A. The selection process is designed to be open, fair and objective.

The first step of this project involved inviting eligible employees to apply for admission to the Leadership Academy —our succession management talent pool. To determine interest, eligible employees could access a Realistic Job Preview (RJP) and complete an Ideal Job Inventory (IJI). The RJP allowed individuals to obtain a complete understanding of what was expected of our executives and what a day in their work lives was all about. The IJI allowed candidates to determine the degree of “job fit” with executive level positions in our organization, i.e., the degree of alignment between what was satisfying for the individual in a job compared to what the job actually offers. A wealth of research suggests that a high degree of job fit is predictive of job satisfaction and retention. At this stage candidates had the option to self-select out of the process. This is a critical piece to consider, as most traditional succession management approaches do not consider employee motivation or job fit as an important aspect of individual development and advancement.

If interested in continuing, eligible employees could then complete a self-nomination form and participate in the next two phases of the selection process. The first phase of the selection process included:

- i. A live orientation session for all candidates.

- ii. DDI's Team Leader Situational Judgment Inventory, a one-hour proctored test measuring how participants respond in various leadership situations.
- iii. Experience Profile, which gathers examples of participants past accomplishments that apply to the competencies necessary to the successful performance of leadership positions.

At this point, the above tools were scored and the candidate pool was narrowed to an agreed upon number of candidates to continue with the process. The second phase of the selection process included:

- iv. A 75-minute structured interview conducted by regional interview panels.
- v. Collection of reference data from each of the candidates' immediate supervisors to verify the information gathered in earlier steps in the process.
- vi. Scores from the interviews were then submitted to DDI, which then ranked all candidates using scores from the Team Leader Situational Judgment Inventory, the Experience Profile, and the interview. DDI then facilitated a meeting with our Executive Management Team to review the data and select the final participants for the Leadership Academy (n=approximately 20 each year). All candidates who completed any portion of the selection process received specific feedback regarding their scores on each of the selection tools and a competency-based development guide that provided detailed suggestions for developing areas targeted in the nomination process.

B. Developmental assessment is designed to help participants create a development plan.

At this stage, individuals selected for the Academy participated in a multirater (360) assessment and completed the Hogan Personality Inventory. Even though some of the best and most qualified individuals were selected to participate in the academy, getting a more in-depth understanding of their individual strengths and development needs, as well as how they can begin preparing for more senior level roles is extremely important. This process helped to ensure that Academy members were working on the right things that would have the most impact on their development. The 360-assessment tool was based on the competencies required for success in senior level leadership positions. Academy members received feedback from several individuals around them both inside and outside the organization at various levels. Academy members also completed the Hogan Personality Inventory and the Hogan Development Survey. These tools are designed to measure aspects of one's personality that can either enable or hinder leadership success. Finally, DDI psychologists provided professional coaching to assist participants in interpreting and integrating the data they had received from both the nomination and the assessment process and create a focused, comprehensive, and measurable development plan.

C. A wide range of developmental experiences gave LA members many opportunities to develop leadership competencies and enhance their knowledge and experience.

Structured Mentoring

In order to ensure each LA member fully leveraged opportunities for learning and growth, each person was paired with a higher-level leader within the organization to act as their mentor. The mentor served as an advocate, coach and sounding board to help Academy members achieve more visibility in the organization and fully reflect on what they were learning. Mentors also helped to begin the transfer of key organizational knowledge that would ultimately leave the organization when our senior leaders retired. An orientation and regular, ongoing support was provided for both mentors and LA members to ensure each had the skills and tools to ensure the success of the partnership.

Action Learning

Research in executive development suggests that most leaders do not necessarily learn from their experiences and/or apply those learnings to subsequent situations. Action learning was designed to address these issues. The first step was to work with senior leadership to identify several issues or potential projects of strategic importance to our organization. Action-learning teams comprised of 5-6 Leadership Academy members were chartered and put to work for a six-month period on one of the critical issues identified by senior leadership. Each team met formally once a month with a DDI coach to actively reflect on their learning and receive feedback and coaching from DDI and other team members. At the conclusion of the six-month period, each action learning team presented their findings and recommendations to the Executive Management Team. Additionally, this opportunity allowed each team to review and discuss key learnings gleaned from the action learning experience.

Learning Forums (competency-based training)

The concept of learning forums arose from the need to provide real-time, competency-based learning opportunities for Leadership Academy members. The objectives of learning forums were as follows:

- Opportunity to connect with other LA members in a group setting.
- Real-time learning focused on topics of interest critical to individual and organizational success.
- Content determined by HR and LA members.
- Format may include formal curriculum, outside speakers, roundtable discussion, interactive exercises, opportunities for practice, etc.
- 1 day every month.

Developmental Assignments

Selected members were given opportunities to work in higher-level jobs for a period of time to further develop their competencies for these positions. Some members shadowed higher-level employees or had temporary assignments. Members who were promoted met in developmental assignments support groups to discuss the challenges they were facing and reflect on the learnings from their experiences.

5. *What evidence is there of partnerships within and outside the organization (e.g. with senior management, frontline supervisors, unions, external training suppliers, consortia)?*

The organization partnered with Development Dimensions International (DDI) to develop and implement the Academy. DDI worked closely with a cross-functional task force comprised of representatives from HR and line management. Several intense planning sessions were conducted to ensure the succession management strategy and plans were aligned with the business needs of the organization. Additionally, DDI worked closely with the executive management team to ensure that the selection process was fair and objective.

Evaluation Strategy

6. *How is this practice evaluated? What factors are included in your calculations (e.g. time, costs, staff count, lost phone calls, customer satisfaction)? Are the financial costs of this practice calculated? If so, how? How often is this practice evaluated?*

First level evaluation is conducted after each event. In addition a survey of LA members and their mentors is conducted periodically to measure satisfaction with the process and to determine any barriers to success, such as mentors and LA members who are not meeting on a regular basis. Promotion and salary increase data have also been reviewed and compared to a control group of non-LA members. Finally, a survey of members, their supervisors, and mentors was conducted to measure the impact of the Academy. Financial costs have also been tracked.

Results (25% of total score)

7. *What specific participant behaviors are observed as a result of this practice, and how do these behaviors contribute to the goals of the practice? Are the impacts of these behaviors short-term or long-term? How do these behaviors differ from the results of previous practices?*

A variety of data was collected to evaluate the impact of the Leadership Academy. The data collected correspond to Kirkpatrick's four levels of evaluation. The first level of analysis involved candidate reactions to the

process. The nomination and selection process for the organization was unique in its emphasis on self-nomination rather than management nomination. The main reason the organization based the selection of candidates on their self-nomination was the desire to create a process that was viewed as fair.

Candidate perceived fairness of the nomination process was measured both before decisions were communicated and after final nomination decisions were communicated during each of the two nomination processes that were executed over two years. Prior to selection decisions being communicated, 96% of all candidates felt the nomination process was fair. After final selection decisions were communicated, this number dropped to 70%. However, given that only 13% of the candidates were selected, the organization viewed the percentage of candidates who viewed the process as fair very positively. Further, 82% of candidates who completed the nomination process felt that going through the process was a valuable experience.

Candidate reaction or level 1 data was also collected from members of the leadership academy to measure their reactions to the various components of the program. In regards to the multi-rater developmental assessment, 83.3% felt the developmental assessment process (multi-rater assessment, coaching by DDI and creation of development plan) helped Leadership Academy members understand their developmental needs and raised their self-awareness to a high or very high extent. With regards to the mentoring program, 77.8% felt the interactions with their mentors were helpful to a high or very high extent. Further, 77.8% of Leadership Academy members indicated they have used their mentors feedback or advice to improve their performance to a high or very high extent. With regards to the action learning program, 72.2% of Leadership Academy members felt the Action Learning experience built or enhanced important competencies that they need to succeed to a high or very high extent. Further, 66.7% indicated they have applied the skills and knowledge developed from the Action Learning experience on the job to a high or very high extent. The Executive Management Team also provided some reaction data pertaining to the Leadership Academy's action learning teams. One hundred percent of the Executive Management Team members were satisfied with the results of the action learning team and felt the teams were beneficial to both participants and the organization. A total of 83.3% of Leadership Academy members felt The Learning Forums helped them improve their leadership skills and knowledge to a high or very high extent. Regarding developmental assignments, 66.6% felt the Developmental Assignment helped them develop leadership knowledge and skills.

Level 2 data (learning) was collected from Leadership Academy participants after two years of participating in the Leadership Academy. A total of 72.2% of Leadership Academy participants felt the action learning teams built or enhanced important competencies needed to succeed on the job. A total of 83.3% of Leadership Academy participants felt the learning forums helped them improve their leadership skills and knowledge to a high or very high extent. Of the Leadership Academy participants who completed developmental assignments,

85.7% felt the Developmental Assignment helped them develop leadership knowledge and skills to a high or very high extent.

Level three data (behavioral change) was collected from the immediate supervisors of Leadership Academy participants. A total of 60% of the supervisors felt the LA member they supervised improved performance in the areas targeted on their development plans to a high or very high extent. A total of 55.6% of the supervisors noticed a positive change in the LA members' performance/behaviors over the course of the Leadership Academy. It was found that a key factor in determining whether supervisors noticed a positive change in behavior was directly related to the extent to which the LA member was able to use the learned behaviors on the job. Of the LA members who indicated they were able to use the behaviors they learned in the LA on the job to a high or very high extent, 100% of their supervisors noticed a positive change in their performance/behaviors to a high or very high extent. In other words, LA members who were able to use their skills on the job benefited the most from the LA experience.

8. *What was the impact of the practice on your organization? Are the impacts of these behaviors short-term or long-term? (Wherever possible please include actual figures related to the practice.)*

Perhaps the most important metric defined by the organization prior to embarking on the project was accelerating the development of future leaders to step in to key leadership roles at the organization. This metric was measured primarily by the number of promotions of LA members relative to a control group of equivalent employees. The organization identified a control group based on tenure, job level, location, age, race and gender to compare Leadership Academy members on promotions. The results of the study indicated that Leadership Academy members were seven times more likely to be promoted relative to members of the control group. Fifty-eight percent of the Leadership Academy had been promoted in the two years encompassing the study compared to only eight percent of the control group. In addition, pay increases received by members of the Leadership Academy during the two years of the study were more than twice as large as the control group.

Shared Learning

9. *What have been some of the specific lessons learned from designing and implementing this practice for the purposes of continuous internal improvement? Please discuss whether and how this practice might be transferred and replicated both internally and external to your organization.*

Process improvements that were lessons from the first Academy were implemented in the second Academy. These include:

- The “awe factor” in the mentoring relationship – We found that some LA Members fell into the awe factor trap of feeling intimidated by their mentor’s

position in the organization. They didn't make enough of an effort to connect with their mentor feeling this high level person was too busy for them. In the training for the second Academy we stressed both the need to overcome the awe factor and the need for the LA member to drive the process. We now survey the mentors and LA members every few months to see if any pairs are not meeting regularly or if either one is not satisfied with the process. We then provide support in the form of individual or group meetings to help overcome barriers and get them back on track.

- Time for the Action Learning coaching sessions – Four coaching sessions were provided over a four-month period. The more members spent time with each other experiencing the process, the more comfortable they became. They then began opening up more. At that point, the process was almost over. We will be increasing the number of meetings in future Academies.
- The need for additional assessment tools – A multirater assessment was conducted to give each member feedback about the extent to which they were demonstrating the Leadership Academy competencies. However, we did not address leadership derailers in the first Academy. In the second Academy we administered the Hogan assessments that provided information on both the enablers and inhibitors of leadership success. We also asked them to consider job challenges they would like to experience and knowledge that they would like to obtain as part of their development plan.

The Leadership Academy could be replicated in other organizations. Key factors needed would be:

- Executive Management Support
- A planning team made of both HR staff and line management
- An understanding of the "Grow Your Own Leaders" concept
- HR staff to manage the Academy
- Availability of assessment tools

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