Supporting Today’s Leaders

Connecting the Dots between:
Leadership Development
Leadership “Support”
Development and Retention

9/24/09
Agenda

“Macro” View – connecting the dots between:

Engagement
Development
Role of the Leader

Leadership Development and Leadership “Support” at CHOP

Implications
Summary

• One of the most pressing challenges facing organizations involves motivating and engaging the workforce
  – What motivates employees to work hard on behalf of the organization?
  – What actions drive improvement in employee retention?

• Data consistently points to the importance of line managers
  – Managers have a greater influence on employee outcomes – namely, performance and retention – than any other organizational characteristic

• Managers face substantial demands on their time – what strategies and actions should a manager pursue in managing employees that are most effective?
  – Why do some “people management” strategies yield stronger results than others?

• How should organizations think about Development in today’s world?
Employee Performance and Retention

Key Drivers

• Employee performance is significantly influenced by their attitudes about the organization
  – Employee attitudes originate from “rational” and “emotional” commitment – ie, engaging their “hearts and minds” – and directly impact effort and intent to stay
  – So – attitudes influence commitment… which influences effort… which influences performance and retention

• The Manager’s influence in Performance and Retention
  – Line managers have significant influence over employees’ attitudes and perception of the organization…
  – Thus, they have a significant influence over what drives performance and retention
  – Managers not only generate commitment to themselves, but also play a crucial role in building employee commitment to the broader organization

• So – the “dual” role of the manager
  – Manage their direct working relationship with the employee
  – Emphasize their role as “conduit” – in effect, managing the employee’s relationship with the broader organization
Why Bother?
Making the Business Case

• Academic and business research is increasingly measuring the value of human capital as an organizational asset
  – Central question – do “high performance” HR systems influence a firm’s financial performance?

• Numerous studies since the mid-1990’s provide empirical evidence that human capital practices can be a source of value creation; representative examples:
  – The value of a firm’s intangible assets was shown to be more than 2x larger in firms with “best practices” in talent management (Becker, Huselid)
  – Organizations with high employee commitment levels create 6x the surplus value than organizations with low commitment levels (Towers Perrin)
  – Significant improvement in Human Capital Index practices is associated with a 47% increase in market value (Watson/Wyatt HCI study)

• Clear links have been established between employees’ engagement, their focus on customers, and aspects of their company’s financial & operational performance
  – Specific HR practices have been identified with shareholder value creation, including total rewards management, recruitment/selection, and employee communication programs
## What it Takes to Attract, Retain and Engage

**Targeting HR Practices to Human Capital Objectives**

### Top 10 elements that Attract Employees

**(Attraction Drivers)**

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<th>Pay</th>
<th>Benefits</th>
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<th>Work Environment</th>
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<td>4. Competitive retirement benefits</td>
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<td>10. Reputaton of the company</td>
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### Top 10 Elements that Retain Employees

**(Retention Drivers)**

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<td>2. Retention of high-caliber people</td>
<td>5. Resources to get job done</td>
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<td>4. Development of employee’s skills</td>
<td>7. Clear goals from manager</td>
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### Top 10 Elements that Engage Employees

**(Engagement Drivers)**

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<td>2. Challenging work</td>
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<td>4. Customer orientation</td>
<td>3. Decision-making authority</td>
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<td>5. Career advancement opportunities</td>
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<td>10. Sr. management vision</td>
<td>7. Collaboration with coworkers</td>
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Pay/benefits are required to attract people. Necessary component for companies to compete for talent.

Pay/benefits less important in retention. Recognition, development and career options become paramount.

Engagement influenced by work environment; so-called "soft" issues. Demonstrates importance of connecting with employees on culture/values level.
Digging Deeper - Analyzing the HC Practices

• A majority of these attributes relate to the cultural components of the workplace

• Findings highlight the important role leadership must play in building and maintaining an engaged workplace

• The nature of people’s work matters a lot
  • Being able to do something interesting and meaningful creates a connection

• Don’t confuse communication with information
  • Employees need more than just basic facts – looking for context and two-way dialogue

• Personality, skill and beliefs of the frontline manager are critical
  • He/she sets the tone/feel for the workplace
  • Frontline managers take cues from leadership and prevailing culture

• Attracting, retaining and engaging employees require different reward elements
  • Different reward elements take on greater or lesser importance, depending on the Human Capital objective
  • No single reward element can effectively accomplish all three objectives
Why Is Development So Hard to Do Now?

- Development refers to preparing for a new, more advanced job…
- Can you be sure what you’re developing for – will the job and the person be there?
- Old model – required lots of resources
  - Will decentralized management pay for corporate development?
  - Does rotation pay? “Shadow” jobs?
- Few companies can plan far enough out to develop talent - - doing it for smaller groups
- “Trust Gap” – corporate restructurings have eroded loyalty and altered the implicit “work contract”
- Generational differences – Gen X/Gen Y expectations much different than Boomers…
So….

Leadership Development and Leadership Support

At CHOP
Leveraging the Role of the Leader
5 Tips for Maximizing the Employee’s Relationship with the Organization

• **Amplify the Good, Filter the Bad**
  – The unique role of “conduit” allows managers to amplify positive organizational traits while filtering those with negative impact

• **Connect Employees with the Organization and its Success**
  – Managers can establish and reinforce how employee efforts connect with, and drive, organizational success

• **Instill a Performance Culture: Communication, Flexibility, and Innovation**
  – Culture matters… and managers play a critical role in shaping employee perceptions of the organization’s culture

• **Connect Employees with co-workers**
  – An employee’s co-workers have significant impact on engagement and, ultimately, performance

• **Demonstrate a “credible” commitment to employee development**
  – Create development plans… and follow-through on their implementation
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Leadership Development

- **Strategic in nature** – narrow in scope and targeted audiences

- Preparing specific leaders (or roles) for “tomorrow’s” jobs – building organizational depth and capabilities
  - Connected to CHOP’s strategic plan objectives

- Consists of **targeted** development processes and activities for **specific populations**:
  - High-potential
  - Emerging leaders
  - Diversity

  - Not all leaders may be eligible for in-depth development programs; ROI on leadership development investment requires that CHOP thoughtfully consider which roles and/or specific leaders to invest in

- Learning is done “outside” of current job – focus is on preparing for new roles and/or assignments
  - Linked to acceleration pools and succession management
Leadership Development

• Development framework
  – Typically, done over time – 12-18-24 month process
  – Mix of academic / strategic design
  – Emphasis on:
    • Shifting participant’s conceptual framework – learning to think/act at a different leadership level
    • New skill / knowledge development
    • Creating an “organizational” perspective

• How implemented?
  – Create single accountable role in HR
  – Identify target populations
  – Identify / define leadership competencies for “tomorrow’s” jobs
    • How will current CHOP competencies change?
    • What new competencies are required?
  – Create curriculum – mix of theory, project assignments, and reflection
Leadership “Support”

- **Tactical in nature** – focus is on “application” of leadership skills in current jobs
  - How can CHOP best equip and support leaders in accomplishing their FY 10 objectives
  - How can HR best support leaders in addressing “people issues” in current jobs

- **Leadership Support activities are intended to provide:**
  - Emphasis on **clarity of leadership role** –
    - what are the components of the CHOP leader’s job
    - what is the depth/breadth of these responsibilities?
  - Emphasis on **clarity of expectations** of leadership role
    - what is the leader’s level of accountability, particularly with “people” issues?
  - **Prescriptive**
    - provide specific “how to” examples to execute role/responsibilities
  - **Translate**
    - what do leadership competencies look like “in action;”
    - what skills/knowledge are required?
Leadership “Support”

• So – what is the CHOP Leader’s role?
  – Administrative (e.g., CHOP One, core curriculum, etc.)
  – Staff management (FMLA, IMPACT, etc.)
  – Project management
  – Productivity and results management
  – Organizational liaison – connection point with broader CHOP organization

• How well do CHOP leaders understand these components – the full scope of their role?

• How can we improve their ability to execute in all areas?
Leadership “Support”

• What does Leadership “support” look like:
  – A mix of activities:
    • Education
    • Role clarity and definition
    • **Action planning / execution**
    • **Lessons learned / reinforcement**
    • “step back” – helping leaders connect the work-unit level and the macro/enterprise level
    • Ad hoc learning experiences

  – Designed to engage leaders, through the mix of activities, in “real time” situations to provide “just-in-time” coaching, issue analysis, risk assessment, and decision support

• A Leadership Support example: CHOP staff reduction process
  – HR provided “real time” support in form of:
    • **Partnersed** with leaders in decision-making and risk assessment for RIF selections
    • **Scripted “talking points”** and role-playing with leaders to conduct termination meetings
    • Joined termination meetings to provide support and “just-in-time” coaching
    • Helped leaders **facilitate “post-RIF” staff meetings with remaining employees**
    • Facilitated **“lessons learned”** meetings with leaders after RIF process
    • **Integrated** Learnings into support programs for subsequent RIFs
Leadership “Support”

• How implemented?
  Through the **HR Business Partner role**
  – Opportunity for HR to expand the role and scope of services provided by HR Business Partner
  – “support” activities most effective when implemented in **context of BP/client relationship**
  – Creates opportunity for HR BP to engage clients more **proactively**, and in more structured settings
  – Allows HR BP to collaborate internally with HR functional experts
  – At a macro level, allows HR to partner with sr. leadership to create a **“leadership support” framework** that clarifies expectations and holds leaders more accountable

Tools:
  – **Client staff meetings** – “people” issues becomes standing agenda item, with HR BP facilitating discussion
  – **Supervisor forums** – regular, ongoing schedule within client groups; open forum for issue discussion
  – **Article exchanges** – regular distribution of topical “people-related” articles, highlighting skill development; HR BP can also schedule regular sessions to discuss/debrief articles
  – **Monthly WebEx** – HR BP conducts monthly WebEx forum on topical issues, new policy updates, etc.
  – **Leadership Briefing “debrief”** – HR BP holds client staff meetings, following Leadership Briefings, to clarify information, confirm expectations to “cascade” information, develop talking points, etc.
HR Business Partner “Services”

• OE work occurs at both “enterprise-level” (e.g., Operating Plan initiatives) and “work-unit level”
• OE Specialists have been integrated into OEIE, supporting Operating Plan; results in OE gap at work-unit level
• Opportunity to integrate “People” support activities (including OE) into the range of services provided through HR Business Partner team
• Creates opportunity for HR BPs to engage clients more proactively and in more structured settings – also provides “single point of contact” approach for client

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<tr>
<th>Complexity</th>
<th>“People” Support Required</th>
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<tr>
<td></td>
<td>Nature of Support</td>
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<td>Organization Consulting</td>
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<td>Strategic Business Planning</td>
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<td>Team Building</td>
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<td>Meeting Facilitation/“Retreats”</td>
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<td>Employee Relations</td>
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<td>Performance Management</td>
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<td>Investigations</td>
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<td>Termination Support</td>
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<td>HR Operations support (e.g, CHOP One, etc.)</td>
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# Summary

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<tr>
<td><strong>Orientation</strong></td>
<td>Strategic</td>
<td>Tactical</td>
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<tr>
<td><strong>Focus</strong></td>
<td>“tomorrow’s jobs”</td>
<td>“today’s job”</td>
</tr>
<tr>
<td><strong>Learning/Doing</strong></td>
<td>Emphasis on “learning” – building skill capacity for new roles</td>
<td>Emphasis on “Doing” – applying skills in current role to improve execution</td>
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<tr>
<td><strong>Timeframe</strong></td>
<td>Extended over time – typically, 12-18-24 month process</td>
<td>Immediate and ongoing support</td>
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<tr>
<td><strong>Delivery</strong></td>
<td>Mix of content (classroom, eLearning), projects, IDPs</td>
<td>“real-time” engagement – various forums that engage leaders on current issues</td>
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<tr>
<td><strong>Targeted Audience</strong></td>
<td>Specific leaders or leadership groups; narrowly defined</td>
<td>All current leaders – but primary focus on helping front-line / mid-level leaders</td>
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<tr>
<td><strong>Accountable Role</strong></td>
<td>New role – HR Leadership Dev’l</td>
<td>HR Business Partner</td>
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Implications for Development, Retention and Career Management
What Has *Really* Changed About Careers?

- The notion of a secure, long-term career is harder to imagine
- President/CEO 10 yrs in 1950s; 5 years in 1960s; <3 yrs now
- CEO turnover (and exec team) up 53% since ’95
  - Rising 2x as fast in UK and Europe
  - Firing for performance 2x as big a cause
  - 54% VP vacancies and above have an outside search
- Restructuring is non-stop
  - AMA survey – 49% have downsizings even during the “boom” years
  - *Fortune 500* now employ ½ as many as 20 years ago
  - 63 percent cutting in one division and expanding in another
  - Cuts happened faster in this downturn than any time before
  - Employee Tenure: Down with employer/ Up with occupation
What do new Careers and Development look like?

• **Predictable** career planning **eroded**
  – entry training limited
  – job rotation is rare
  – job ladders less clear

• **Mobility** across companies much greater, also across industries, driven by experience

• **Executive search study**
  – The big promotions are still internal
  – Outside moves tend to be lateral
  – “Reputation” of company drives lateral advancement
To do development well now....

• What is theme across best development experiences?
  – How could we build this into a companies’ development program?
  – How to make development pay even if people leave?

• Should the company direct people to jobs or let them find their own path?
  – The new internal job market....

• Should the company be a talent developer or a buyer of talent?
  – How to think about this – is it “job-by-job”?

• Create a new level of “transparency” with employees
  – Acknowledge jobs aren’t for lifetime
  – Emphasize skill development and learning
  – Foster “employability”