

# 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

| <b>Top 10 elements that Attract Employees</b><br><b>(Attraction Drivers)</b>   | <b>Top 10 Elements that Retain Employees</b><br><b>(Retention Drivers)</b>   | <b>Top 10 Elements that Engage Employees</b><br><b>(Engagement Drivers)</b>   |
|--|--|---|
| <p style="text-align: center;"><b><u>Pay</u></b></p> <p>2. Competitive base pay<br/>8. Pay raises linked to individual performance</p>                               | <p style="text-align: center;"><b><u>Pay</u></b></p> <p>6. Competitive base pay</p>  | <p style="text-align: center;"><b><u>Pay</u></b></p>  |
| <p style="text-align: center;"><b><u>Benefits</u></b></p> <p>1. Competitive health care benefits<br/>3. Work/life balance<br/>4. Competitive retirement benefits</p> | <p style="text-align: center;"><b><u>Benefits</u></b></p> <p>10. Overall satisfaction with benefits needed in day-to-day life</p>  | <p style="text-align: center;"><b><u>Benefits</u></b></p>   |
| <p style="text-align: center;"><b><u>Learning and Development</u></b></p> <p>5. Career advancement and opportunities<br/>6. Challenging Work</p>                     | <p style="text-align: center;"><b><u>Learning and Development</u></b></p> <p>1. Career advancement and opportunities<br/>2. Retention of high-caliber people<br/>4. Development of employee's skills<br/>8. Challenging work</p> | <p style="text-align: center;"><b><u>Learning and Development</u></b></p> <p>2. Challenging work<br/>4. Customer orientation<br/>5. Career advancement opportunities<br/>10. Sr. management vision</p>  |
| <p style="text-align: center;"><b><u>Work Environment</u></b></p> <p>7. The caliber of coworkers<br/>9. Recognition for work<br/>10. Reputation of the company</p>   | <p style="text-align: center;"><b><u>Work Environment</u></b></p> <p>3. Overall work environment<br/>5. Resources to get job done<br/>7. Clear goals from manager<br/>9. Manager inspires enthusiasm</p>                         | <p style="text-align: center;"><b><u>Work Environment</u></b></p> <p>1. Sr. management interest in employees<br/>3. Decision-making authority<br/>6. Reputation of the Company<br/>7. Collaboration with coworkers<br/>8. Resources to get job done<br/>9. Input on decision-making</p> |

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

# Leadership Development vs. Leadership “Support”

|                   | Leadership Development | Leadership Support |
|-------------------|------------------------|--------------------|
| Orientation       |                        |                    |
| Focus             |                        |                    |
| Learning/Doing    |                        |                    |
| Timeframe         |                        |                    |
| Delivery          |                        |                    |
| Targeted Audience |                        |                    |
| Accountable Role  |                        |                    |

# 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:
    - **Partnered** 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

Core cycle of Leadership Support

connect the work-unit level and the macro/enterprise level

# 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

| C<br>O<br>M<br>P<br>L<br>E<br>X<br>I<br>Y<br>Y | “People” Support Required   |                              |                                 |
|--|---|------------------------------|---------------------------------|
|  | <u>Nature of Support</u>  | <u>How Delivered “Today”</u> | <u>How Delivered “Tomorrow”</u> |
|  | Organization Consulting<br>Strategic Business Planning                                | HR Director                  | HR Strategic Business Partner   |
|  | Team Building<br>Meeting Facilitation/”Retreats”<br>Program Design                    | OE Specialist                | HR Strategic Business Partner   |
|  | Employee Relations<br>Performance Management<br>Investigations<br>Termination Support | HR Business Partner          | HR Business Partner             |
| HR Operations support (e.g, CHOP One, etc.)    | HR Business Partner   | HR Assistant                 |                                 |

# Summary

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

# 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”**