

Summary of Research Into
Training and Leadership
Development Best Practices

EAGLE'S FLIGHT
MEASUREMENT

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SUMMARY OF RESEARCH INTO TRAINING AND LEADERSHIP DEVELOPMENT BEST PRACTICES

INTRODUCTION AND BACKGROUND

There is much more to training and leadership development than simply attending a training event.

According to research by The Gallup Organization (1999), individuals who feel that “their own development is being encouraged”, and who have had “opportunities to learn and grow”, tend to have stronger engagement and performance.

The 2004 research study into “Best Employers” by Hewitt (What Makes a Best Employer? Insights and Findings from Hewitt’s Global Best Employers Study) offers insights into the business impact of training and development practices. According to their findings, compared to the rest, “Best Employers” tend to provide more opportunities for employees to develop and grow professionally and personally, and tend to have stronger financial performance.

The research above highlights the importance for organizations to better understand how to leverage their training and leadership development programs.

What are successful companies doing? The following practices illustrate the different ways that successful companies have approached training and leadership development:

- 1. Integrating Training and Development with Talent Management***
- 2. Leadership Development***
- 3. Corporate Universities***

1. INTEGRATING TRAINING AND DEVELOPMENT WITH TALENT MANAGEMENT

Successful organizations are integrating their talent processes and aligning their talent with strategic corporate goals. They integrate by coordinating efforts across the different talent initiatives within the company (e.g., leadership development, succession and career planning, talent strategy, recruitment, retention and performance management).

Here is a general summary of what successful companies are doing when it comes to integrating their talent processes:

- Using competencies to serve as the foundation for process integration
- Ensuring integration by allowing data to be accessible across all systems
- Putting the right people and processes in place prior to integration

EXAMPLE OF TALENT INTEGRATION:

<p>AETNA</p> <p>Healthcare and Employee Benefits Company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> What they do: created new talent management strategy along with a completely integrated talent system (to house employee talent information and drive processes) <input type="checkbox"/> Purpose: to better align talent with corporate strategic goals and build commitment to change throughout the organization; focus was to support the organization's turnaround strategy <input type="checkbox"/> Results: almost 100% of workforce has development plan in place; 8-year turnaround success story (stock price has reached \$100 per share); now considered to be an industry leader <p>Source (best practice study): Integrated Talent Management at Aetna. Bersin & Associates, October 2008</p>
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INDUSTRY RESEARCH FINDINGS

In a 2010 research study, Bersin and Associates (Talent Management: Benchmarks, Trends and Best Practices) looked at how well companies have integrated their talent processes. Here are some of the key findings:

- 30% of US companies have a dedicated Talent Management role to help drive the talent strategy and implementation
- Most organizations are at the early stages of integration:
 - Approximately one-quarter were at the initial stage of integration where there are “individual talent processes” or “silos”
 - Nearly one-half were at the next stage, where they have begun to “identify connection points”
 - Less than 10% were “fully integrated” in terms of processes and systems and where talent management is “business driven”
- Companies that are considered to be “fully integrated” tend to significantly outperform those who are not in each talent function. For instance, they are better at:
 - Developing great leaders and employees
 - Pipeline development
 - Building career paths
 - Employee engagement and retention
 - Retaining the right people
- In terms of the following business impact measures, companies that are considered to be “fully integrated” also outperform those who are not. They tend to have:
 - Lower Total Turnover rate: was 7% (compared to 15%)
 - Higher Promotion rate: was 45% (compared to 23%)

2. LEADERSHIP DEVELOPMENT

Successful organizations are creating learning and development opportunities for leaders to help them achieve strategic corporate goals.

Here is a general summary of what successful companies are doing when it comes to leadership development:

- Building alignment by linking leadership development efforts to their business strategy
- Putting rigour into the selection and onboarding practices for leaders (ensuring the right leaders, with the right skills)
- Setting clear performance expectations
- Encouraging top leaders to actively coach, mentor and teach specific viewpoints and insights on leadership
- Creating a deep and robust talent pipeline and review system

EXAMPLES FROM THE TOP 7 OF “THE 25 BEST COMPANIES FOR LEADERS” STUDY:

IBM Multinational Computer, Technology and IT Consulting Corporation	<ul style="list-style-type: none"> <input type="checkbox"/> Invests in leadership potential: identifies a significant portion of the workforce (60,000 out of a workforce of 400,000) who have the potential to be in leadership roles <input type="checkbox"/> IBM invests in employee international experience by giving international opportunities to a large portion of employees: "mobility assignments" are given to thousands of their employees for three to six months
PROCTER & GAMBLE	<ul style="list-style-type: none"> <input type="checkbox"/> Focuses on cultivating new talent <input type="checkbox"/> High involvement from top executives as they are out in the field recruiting or training the next generation of leaders
GENERAL MILLS Food Processing	<ul style="list-style-type: none"> <input type="checkbox"/> Employees are involved in their own development as everyone creates an "Individual Development Plan" that maps out their personal development goals for the year <input type="checkbox"/> Community service is considered to be part of leadership training (e.g., 82% of employees are doing some sort of volunteer work)
MCKINSEY Global Management Consulting Firm	<ul style="list-style-type: none"> <input type="checkbox"/> Has a broad view of talent development – they see it as serving other sectors (private, social) beyond just the company <input type="checkbox"/> Places a big emphasis on mentorship, as it is included as part of the feedback that consultants receive
ICICI BANK Banking and Financial Services Organization	<ul style="list-style-type: none"> <input type="checkbox"/> Involves employees in the internal scouting process (e.g., has 600 employees who act as talent scouts internally, identifying coworkers with leadership potential) <input type="checkbox"/> Takes candidates seriously as they offer training programs and guest speaker workshops to top candidates (e.g., offers a 4-day residential training program and brings in influential leaders to share their expertise)
MCDONALD'S Fast Food Restaurants Chain	<ul style="list-style-type: none"> <input type="checkbox"/> Trainees attend Hamburger University to learn how to run a McDonald's store <input type="checkbox"/> McDonald's also operates the Leadership Institute, developing about 1,400 leaders globally at the director level and above
GENERAL ELECTRIC	<ul style="list-style-type: none"> <input type="checkbox"/> Six months prior to the study, the company started to examine what it means to be a leader in the 21st century <input type="checkbox"/> GE instituted "leadership dialogues" to look at the issue, and participants ranged from top management to academics <input type="checkbox"/> Although the results have not been finalized just yet, the company plans to incorporate the findings into its leadership development process

Source (research whitepaper): B. Kowitt and K.Thai (2009). 25 Top Companies for Leaders. cnnmoney.com Whitepaper.

Source (research whitepaper): Hewitt Associates (2009). Research highlights – North America: Top Companies for Leaders 2009. hewittassociates.com Whitepaper.

RECOMMENDED ADDITIONAL READING

For more reading on Best Practices in Leadership Development, the following sources are available to copy upon request:

- Best practice company profile research from Bersin and Associates** (Learning Leaders: Lessons from the Best, 2010)
- Best practice company profile research featuring the complete list of top companies for leaders** (25 Top Companies for Leaders. B. Kowitt and K.Thai, 2009, cnnmoney.com)
- Industry research whitepaper from Ninth House** (Leadership Development Practices of Top-Performing Organizations, 2006, ninthhouse.com)

3. CORPORATE UNIVERSITIES

Successful organizations establish corporate universities to help tie enterprise learning efforts to strategic business goals.

Here is a general summary of what successful companies are doing when it comes to corporate universities:

- Aligning the learning objectives with the corporate business strategy
- Leveraging partnerships with 3rd parties (e.g., universities, training and development companies etc.)
- Responding to the learning needs of the intended audience (e.g., selecting the appropriate content mix)
- Using a blended learning approach (e.g., class-room, on-line, on-the-job, special work assignments and workshops through academic affiliations)
- Showing strong, visible support from the top (e.g., CEOs and managers involved in delivering the content)
- Ensuring that there are enough subject matter experts to keep the content fresh

EXAMPLES OF CORPORATE UNIVERSITIES:

<p>TELSTRA</p> <p>Australian telecommunications and information services company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> What they do:; relies on partnership with external T&D Company to create The Telstra Learning Academy (established in 2006) <input type="checkbox"/> Purpose: to strengthen skill sets in the field, technical, engineering and operations workforces in order to achieve increased revenue growth and efficiency <input type="checkbox"/> Results: stronger alignment of training program with business needs; increased speed of execution for training program; broader training coverage (e.g., more than 14,000 employees in 12 months) <p>Source (Article): J. Higgins (2007). Give Learning a Branded Identity. HR Magazine</p>
<p>P&G</p> <p>Multinational Consumer Goods Company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> What they do: Company has one of the strongest portfolios of well known brands across the world; created the R&D University (2001) with one college for each of 5 career levels <input type="checkbox"/> Purpose: create formal training to meet the needs of over 8000 R&D people; “teach the gap” for each of the five career levels defined by competencies <input type="checkbox"/> Results: the college has been well-received and has increased the frequency of networking; R&D university has become a key part of the organization’s culture (reaches 1000 people annually) <p>Source (research publication): E. Klein and L. Owens (2007). Case Study First Steps: Instituting P&G’s R&D Corporate University. Corporate University Exchange, October.</p>
<p>MOTOROLA</p> <p>Multinational Telecommunications Company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> What they do: Motorola University, started in 1980, has multiple campus settings globally; training is also available to suppliers and customers; partnered with a local community college (associate degree programs) <input type="checkbox"/> Purpose: to address special business needs; to focus on the necessity for organizational change; enable innovation to Motorola products and services <input type="checkbox"/> Results: characterized by “Fortune” as the “gold standard” of training (e.g., estimates that for every dollar spent on problem solving, \$30 are returned to the organization) <p>Source (book): J.K. Ford and I.L. Goldstein (2002). Chapter 9: Learning Systems in the book, “Training in Organizations”. Wadsworth Thomson Learning, Publication.</p>

SPECIFIC TACTICS IDENTIFIED IN RESEARCH:

<p>SPRINT CORP Telecommunications Company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> At The Sprint University of Excellence the training focuses on high-impact performance improvement instead of just learning <input type="checkbox"/> Measures training activity in terms of the value to the organization, instead of time spent <input type="checkbox"/> Sprint uses the Standard Training Equivalent unit to translate the amount of time spent training to the “performance impact gained from that training” <input type="checkbox"/> Since the impact gained from traditional classroom is less than from coaching, you can estimate how much each is worth for comparison (e.g., receiving one hour of traditional classroom training may equal to one unit, while the same time spent with a coach might be worth several units)
<p>BOOZ ALLEN Private Consulting Firm</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Uses a variety of in-person methods (classroom training, seminars, workshops and conferences) <input type="checkbox"/> Booz Allen’s Virtual Campus enables enterprise-wide participation in learning events
<p>AT&T BUSINESS SERVICES Telecommunications Company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> AT&T’s Executive Education Program supports on-the-job development that is tied to the business strategy
<p>RANDSTAD NORTH AMERICA Staffing Company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Randstad’s University’s objective is to provide learning and performance tools that are aligned to the corporate strategy <input type="checkbox"/> The Learning Center of Excellence uses certifications and operational training to maintain its links to the corporate strategy
<p>WACHOVIA CORPORATION Financial Services</p>	<ul style="list-style-type: none"> <input type="checkbox"/> The corporate university, called The Learning Connection, provides a self-directed approach allowing employees to learn their own way <input type="checkbox"/> Uses blended approach via conventional, virtual classroom and web-based platforms <input type="checkbox"/> Employees using the Performance Management program receive feedback to help them focus their individual development efforts
<p>RITZ-CARLTON HOTEL Co. Privately Held Hotel Chain</p>	<ul style="list-style-type: none"> <input type="checkbox"/> The Ritz-Carlton Leadership Center provides leadership development programs to support the growth and expansion of the company’s products and services <input type="checkbox"/> Has become well-known as a major center for external organizations interested in benchmarking against Ritz-Carlton’s own practices
<p>JOHN WIELAND HOMES AND NEIGHBORHOODS Construction and Homebuilding Company</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Wieland University assigns a manager for each school to ensure professionalism and to encourage continuous improvement in every course
<p>Source (research whitepaper): G. Johnson (2003). 9 Tactics To Take Your Corporate University From Good to Great. Allbusiness.com Whitepaper.</p>	

ADDITIONAL READING ON CORPORATE UNIVERSITIES

SCIENCE APPLICATIONS INTL CORP. (SAIC) (copy available upon request)

- Found in “Corporate America’s Learning Curve. Timeinc.net Whitepaper”

THE CORPORATE UNIVERSITY WORKBOOK: LAUNCHING THE 21ST CENTURY LEARNING ORGANIZATION, BY

KEVIN WHEELER (2005) (additional book purchase upon request)

- \$86.33 from Amazon.com

BEST PRACTICES, LLC REPORT (additional purchase upon request)

- Can be purchased from www.best-in-class.com for \$825.00.
- The report, “Corporate University Excellence: Creating a Robust and Flexible Workforce”, highlights corporate universities at these six leading companies: Accenture, Blue Cross Blue Shield of North Carolina, Cisco Systems, Thomson Corporation, Tennessee Valley Authority and Wachovia.

Want to learn more about how Eagle's Flight can support your strategic training and leadership development initiatives?

Call us now at
1-800-567-8079
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www.eaglesflight.com

