

Literature Review

Overview of Employee Development

RECOMMENDED READINGS

ENGAGING MANAGERS AS AGENTS OF DEVELOPMENT, LEARNING AND DEVELOPMENT ROUNDTABLE, 2003

SUPPORTING THE MANAGER-LED DEVELOPMENT MANDATE, LEARNING AND DEVELOPMENT ROUNDTABLE, 2003

VOICE OF THE LEADER, CORPORATE LEADERSHIP COUNCIL 2001

Profiled Companies Include:



Key Questions:

To what extent do employees own their development process?

What tools do organizations use to support employee development?

How do organizations target employee development at different employee levels?

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Issue Overview: The Need for Employee Development

Organizations face a growing need for effective leadership...

The development commitment of senior executives and managers, as well as the organization's reinforcement of development, are the two most powerful characteristics distinguishing great leadership organizations from their peers.¹ However, 2003 Council research demonstrated that less than 24 percent of leaders maintain strong confidence they will be able to find successors in coming years.

A stronger leadership bench drives company economic performance; organizations with above-average leadership bench strength enjoy above-average 36-month revenue growth relative to the industry peer group. Organizations that successfully focus development to meet leaders' needs can measurably improve the strength of their leadership bench to foster continued growth and organizational improvement.^{2,3,4}

..while employee development also supports retention of top talent.

In addition to building leaders, organizations should use employee development to maintain or increase retention levels. Employee attrition can cost organizations up to 18 months of salary for each manager or professional who leaves and a half a year's pay for each hourly employee who leaves. Additionally, a 2001 survey from the Hay Group projects that organizations providing career development opportunities save 4 percent of revenues typically lost in turnover costs.⁵

In addition, a 2002 Council survey of over 275,000 employees reveals that manager quality is the second most important component of a compelling job offer, after base pay. Therefore, managers have tremendous influence over the decisions of an employee to remain at an organization. Excelling at career development is one way in which employees gauge the quality of their manager; therefore organizations achieve significant retention gains by increasing manager-led development opportunities.^{6,7} This brief highlights the ownership and tools of employee development as well as the needs of different employee groups.

EXECUTIVE SUMMARY

Published literature reveals that organizations should align development with organizational goals, include development in performance management, and support development through manager-led activities, as well as tools such as mentoring and IDPs. In addition, organizations should target development to specific employee levels and segments.

Ownership of Employee Development

ENCOURAGING MANAGER-LED DEVELOPMENT

Manager-led development maintains a significant impact on improving employee performance.

- **Business Case for Manager Support**
 - Boost performance
 - Improved employee attitudes and behaviors
 - No need for extra manager time
- **Suggested Manager-Led Development**
 - Ensure projects provide learning
 - Explain performance evaluation standards
 - Provide experiences that develop
- **Amgen's Management Training on Employee Development**—Implemented a component of training focused on managers' roles in subordinate's careers.

FOSTERING INDIVIDUAL OWNERSHIP

To further encourage individual ownership of development, organizations should offer online Web-based support and link development directly to needed competencies.

- **Nike's Online Employee Development Guide**—Uses an online portal to link competencies to career planning and specific activities for individual employees
- **Ford's Virtual Network of Resources**—Provides content on the Web to guide individual development opportunity selection

CREATING AN ENVIRONMENT OF DEVELOPMENT

The following organization-implemented strategies serve to foster individual employee development planning:

- **Seagate's Goal Cascading Process**—Drives and prioritizes the development of individual goals through the assessment of business impact
- **PepsiCo Dual Rating Performance Management Process**—Holds managers accountable for developing direct reports through linking development to performance management

Employee Development Tools

SUPPORTING MANAGERS WITH TEACHING TOOLS

Literature suggests that encouraging collaboration and teaching relationships within a company increases the effectiveness of employee development, as demonstrated by the following strategy:

- **Intel's Central Teaching Management System**—Facilitates the development of managers as training instructors within Intel University

ENCOURAGING MENTORING PROGRAMS

Research suggests that mentoring programs maintain effectiveness at employee development. Employers may use mentoring in the following forms:

- **Bell Canada's Online Mentoring**—Provides an online center to facilitate and encourage mentoring at all employee levels and reduce administration process of the program
- **J.P. Morgan Chase's Reverse Diversity Mentoring**—Uses reverse mentoring process to encourage understanding of diversity needs among top executives

ACTING ON INDIVIDUAL DEVELOPMENT PLANS

Literature suggests the importance and effectiveness of individual developments and the necessity of manager commitment to discussion, review, and adaptation of employee development plans, as supported with the following frameworks:

- Access to IDPs by all employees (Texas Instruments)
- IDPs focused on personal development and necessary support frameworks (Hewlett Packard)
- Designated quarterly review of IDP plans (Sprint)

Employee Development By Level/Segment

EXECUTIVE LEVEL DEVELOPMENT

Organizations should aim to increase their effectiveness through development activities, including the following:

- **RBC's Experience Based Development Intervention**—Uses customized executive development processes to fill gaps in each individual's inventory of experiences
- **Deutsche Bank's CEO-Led Action Learning Challenge for Leaders**—Provides a leadership development program based on project work and collaboration between executives

SENIOR AND SUPERVISOR/MANAGER LEVEL DEVELOPMENT

To develop individual needs of managers, organizations should differentiate by manager level through strategies listed below:

- **Senior Management Development Course**—Focuses training on alignment, skill-building, and networking
- **Results-Focused Entry and Mid-Level Supervisor Training**—Offers opportunities to develop basic supervisory skills and further develop skills to increase employee morale levels and employee engagement

HIGH-POTENTIAL DEVELOPMENT

HIPO programs, necessary to fill the talent pipeline and target development efforts appropriately, should include substantial management and evaluation and may include cross functional experiences, evidenced through the design below:

- **Schlumberger's Non-Obvious Development Moves**—Encourages business unit managers to take calculated risks in placing high-potential leaders in cross-organizational stretch roles

TECHNICAL/SCIENTIFIC EMPLOYEE DEVELOPMENT

While considering the benefit of manager-led development for all employees, organizations should also focus on fostering a research environment that is supportive and autonomous for scientific and technical professionals.

Ownership of Employee Development	Employee Development Tools	Employee Development by Level/Segment
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Encouraging Manager-Led Development

Benefits and Challenges of Engaging Managers in Development

The benefits and challenges of supporting manager-led development are detailed below:⁸

Benefits

- Forms partnerships between managers and Learning and Development functions
- Provides a critical strategy for attracting and retaining top talent
- Produces leaders who provide a distinct edge over the competition

Challenges

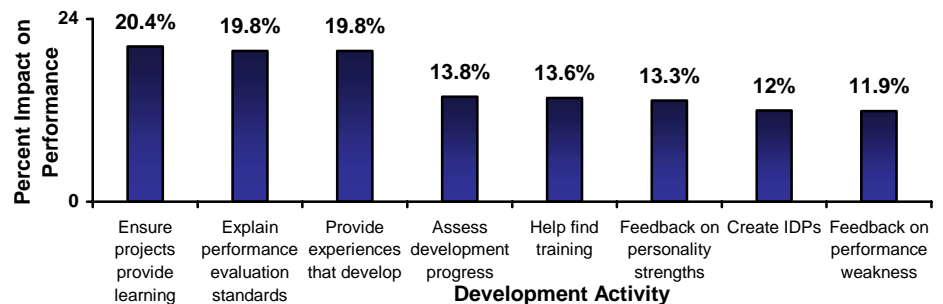
- Ensuring that managers emphasize employee development in the face of many competing priorities
- Equipping managers with the necessary skills, knowledge, and abilities to carry out this role
- Focusing managers on the most beneficial employee development activities

Effective managers should have a substantial stake in the development of their direct reports. 2003 Learning and Development Roundtable (LDR) research emphasizes the need for manager-led development in the following ways:⁸

- Boost performance**—Managers can boost the performance of their employees by as much as 25 percent when they excel at supporting development. The majority of this performance increase (16 percent) occurs directly from development, while the remainder (9 percent) comes from enhanced employee attitudes and behaviors.
- Improve employee attitude and behaviors**—The most effective managers can improve their employees' attitudes and behaviors (e.g. their intent to stay with their organization) by as much as 40 percent.
- No change in time investment**—Managers can successfully develop their employees without investing significantly more time in additional responsibilities. The development activities with the greatest impact on employee performance are integral to the existing responsibilities of most managers (e.g. giving employees new work experience that also allow them to acquire new skills).

On-the-Job Development—Simple and individualized programs delivered through managers assist in employees' development. Research from LDR, detailed in the chart below, reveals the manager-led development activities that are most effective in improving employee performance.⁹

Figure 1: Effect of Manager-Led Development Activities on Employee Performance



Providing Collaboration Tools to Encourage Development

To encourage manager and employee teamwork in development, organizations should continuously provide a collaborative environment.²⁶

Caterpillar University's Web-based knowledge management system, **Knowledge Network**, provides the following set of user-friendly tools and processes that allow employees to quickly build private networks where they can engage in open, useful conversations with their peers.

- Community building resources and templates that are user-friendly
- Flexible community access rights for privacy
- Integrated expert-search functionality
- Knowledge posting classification rules for quality control

Increase Manager Effectiveness—Although research suggests the positive return on manager-led development, the Learning and Development Roundtable (LDR) 2003 Employee Development Survey suggests that managers are mediocre at providing employee development.¹¹ In order to address this manager ineffectiveness, the following case example of Amgen, a biotechnology company with approximately 10,000 employees, illustrates how organizations can increase manager-driven development:¹²



Figure 2: Amgen's Management Training on Employee Development

Challenge: Increased Attrition—In the late 1990s Amgen experienced an increased attrition rate; their rate grew from 5 percent to 10 percent.

Solution: Management Development—To curb this attrition rate, Amgen began a management development program; a key program component was increasing managers' roles in developing subordinates' careers. Managers must meet with subordinates annually to have a "non-performance-related" discussion about their careers. To incent managers to comply with this program, the completion of the discussion directly affects managerial bonus compensation.

Result: Increased Accountability and Retention—Since linking compensation to the program, managerial compliance has increased. Also, the manager-led career discussions increased retention rates among employees.

Ownership of Employee Development	Employee Development Tools	Employee Development by Level/Segment
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Fostering Individual Development

While it is important for managers to encourage development, there still remains an onus on individual employees to control development. In the current economy, with recent unemployment rates ranging from 5.6 to 6.1 percent and turnover levels remaining at approximately 3.0 percent in 2003, employees seek development opportunities at their current employer to prepare for future opportunities.¹³

Recommended Reading on NIKE (EMEA)'s Online Employee Development Guide

Corporate Leadership Council, *NIKE (EMEA) Online Employee Development Guide* (March 2002).

This case study examines, in depth, the online employee development guide implemented at NIKE (EMEA) to encourage self-driven development.

Through individual advancement of their skills and abilities, employees also use development opportunities to position themselves for future leadership roles within an organization and increased employability for competitive job markets.¹⁴ Organizations can encourage employees' own initiative and leverage the career-self reliance capabilities of the Internet by providing supportive resources directed to the individual.¹⁵

Linking Competencies to Development—In addition to providing information regarding learning resources online, organizations can link necessary competencies to employee development to encourage individual ownership of development.¹⁶




Figure 4: NIKE (EMEA) Online Employee Development Guide

Linking Competencies to Development Opportunities

Goal: To encourage self-driven development for rapid skills enhancement, a challenge compounded by employee reliance on traditional training and by resource constraints.

Action: NIKE EMEA's Learning and Development team implemented an online guide to development opportunities explicitly linked to key employee competencies, at a cost of approximately \$19 per employee. The guide featured the following resources:

- Development resources (published books, audio/video tapes, internet sites)
- On-the-job suggestions
- Self-reflection questions
- Training courses and providers

Result: The Employee Development Guide achieved high employee utilization, positively impacted workforce perceptions of employer-provided development support, and reduced request for assistance with performance planning from managers.



Sun Microsystems' Career Support Program

With the aim of promoting employee career self-reliance and employability, Sun's Career Services program offers skill assessment workshops, individual career counseling, and assistance with crafting and executing personal development plans. This process provides the following two benefits:²⁰

- Helps individuals assess their skills, interests, and values in order to identify types of jobs to suit them
- Enables individuals to benchmark their skills, understand their abilities and assess the work involved in different roles, so that a matching process can take place

ROI: A significant reduction in attrition correlated with increased number of Career Services Appointments. Calculating costs of attrition translated into an ROI of approximately 183 percent.

Online Resources—Research suggests that online learning tools may be effective in clearly communicating and providing access to career development tools.¹⁸ Using online information, employees can access the various resources available to them at a convenient time in an efficient manner. Detailed below are the components of Ford Motor Company's virtual network of learning resources:¹⁹




Figure 3: Create a Virtual Network of Learning Resources at Ford Motor Company

Online Competency Portal at Ford

Ford Motor Company maintains an online learning portal organized according to hundreds of job-specific (and proficiency-specific) competencies. Employees may access the portal through a central site to find the appropriate performance support resources in real-time and for the long-term. Detailed below is an overview of Ford Learning Network Resources:

Curricula	Content	Experience-Based Learning Opportunities	Experts and Communities of Practice
Instructor-led training (800 classroom courses)	Business and industry publications	Development internships and rotations	Human Asset directories
E-learning (1,500 online courses supplied through vendor; 200 proprietary courses)	Intranet-available e-data books White papers, Society of Engineers' courses	Project-based assignments Task force initiatives	Links to communities of practice Subject-matter experts

Ownership of Employee Development	Employee Development Tools	Employee Development by Level/Segment
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Creating an Environment of Development

Recommended Reading on Performance Management

Corporate Leadership Council, *Closing the Performance Gap* (2002).

This strategic research identifies specific tactics to drive business results through performance management processes.

Though managers and employees maintain much of the development responsibilities, according to 2003 Council research comparing 276 organizations globally, the top two drivers significantly distinguishing top-tier organizations from all others is an organization's commitment to development, as detailed below.²¹

- **Senior executive commitment to development**—Maintaining commitment can increase the probability of being a top-tier organization by over 70 percent.
- **Organizational reinforcement of development**—With reinforcement of development, the probability of being a top-tier organization can increase by 40 percent.

Although research suggests the importance of development to organizational success, in a 2003 survey by Towers Perrin, only 34 percent of respondents rated their organization favorable in response to the statement that "employees have excellent career opportunities."²² To address this lack of effective commitment, organizations can prioritize development and link it directly to performance management processes.

Strategy #1: Prioritizing Development—Organizations can use goal setting and a transparent view of the goal management process to promote the understanding of performance standards and senior-level commitment to development. Effective promotion of performance standards can improve an individual's performance by 25 percent.²³ One method for linking employee development to organizational goals is shown in the Seagate example below.²⁴

Business Case for Organizational Support of Employee Development

Seagate's goal cascading process aligns employees' development goals to organizational goals as well.

An online goal management system provides visibility to the company. It also offers the following opportunities:

- Plans employee development through aligning IDPs to business goals effectively
- Incorporate business goals into one-on-one development conversations with employees' direct managers
- Adjust IDPs to organizational goals and corresponding performance ratings.

An effective performance management system has the potential to increase an individual's performance by 25 percent.

Figure 5: Seagate's Goal Cascading Alignment

Driver: Seagate strove to connect the development of individual employee goals with organizational strategy through a transparent goal cascading process.

Action: Seagate HR connects goals from the top level of the organization to all employees through the following cascade.



Strategy #2: Linking Performance to Development—PepsiCo reinforces its organizational commitment to development by maintaining a dual performance rating system. This process includes both people management and business results in a manager's realm of accountability; managers' performance rating and compensation are dependent not only on financial targets but also on their ability to develop staff.^{25,26}

Figure 6: PepsiCo's Dual-Rating Performance Management Process

Maintaining People Accountability through Performance Management

Driver: Employee feedback in 1999 highlighted the importance of manager quality and the opportunity to improve the feedback and increase accountability.

Action: PepsiCo redesigned its people management system to embed manager accountability for, and commitment to, people responsibilities, introducing two discrete appraisal ratings 1) performance against business goals and 2) performance against people management goals.

People Rating: Accountability Areas Focusing on Development

Translates company goals into actionable individual objectives

Provides constructive, actionable feedback and coaching

Designs work assignments to promote employee development

Achieves progress vs. personal development objectives

Result: PepsiCo reports an increase in manager commitment to people management as well as a higher level of employee satisfaction with the performance management process. The dual-rating system also enables PepsiCo to identify managers who are underperforming in terms of their people results and thereafter implement the appropriate development or performance plans.



Supporting Managers with Teaching Tools

Managers, employees, and organizational culture all play a significant role in the development of individual employees. This section addresses how organizations can adapt specific tools and processes to encourage this combined, or hybrid, model of development ownership.

Current research focuses on the concept of “teaching enterprises,” which are defined as organizations that explicitly establish teaching and coaching as the cornerstone of their corporate cultures. According to a 2003 survey by the Learning and Development Roundtable, serving as an instructor demonstrates a considerable impact on manager effectiveness at employee development, but few organizations place emphasis on cultures supporting “teaching ethics.”²⁷

Moving from Learning to Teaching Organizations

According to Noel Tichy, the author of “Building the Teaching Organization,”²⁷

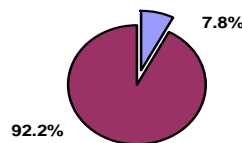
“... Winning companies—those that consistently outperform competitors and reward shareholders—moved beyond learning organizations to become teaching organizations. [They] share the goal that everyone continually acquire new knowledge and skills, but to that they add the more critical goal that everyone pass their learning on to others.”

High Impact on Employee Development Effectiveness

Managers with the most experience serving as an instructor relative to others are as much as 7.5 percent more effective at employee development than peers with the least experience.

But Organizations Only Place a Low Emphasis on Teaching

Less than 8 percent of managers place a “great deal of emphasis” on teaching courses to employees in their organizations.



Research suggests that the defining characteristic of renowned teaching organizations is their investment in robust tools, systems, and processes that make it easier for managers to get involved in the process.²⁸

As detailed in the example below, Intel supports a teaching management system through a dedicated Web site that provides easy access to a suite of task administration and teaching-support tools for managers serving as volunteer instructors.²⁹



Figure 7: Intel’s Central Teaching Management System Supporting Employee Development

Intel’s Volunteer Instructor Program

Goal: To foster a strong culture of teaching and development by minimizing barriers to active involvement in the teaching process.

Action: Intel maintains a Volunteer Instructor Services Web site as a key element of Intel University’s value proposition to eliminate the following barriers to active involvement:

Barrier:	Response:
Meeting program requirements	Provides information on teaching expectations, certification process, and teaching opportunities
Performing administrative tasks	Schedules classes, finds replacement instructors, tracks teaching activities
Fulfilling teaching expectations	Assists with planning and preparing classes and maintaining teaching skills and content knowledge

Result: Intel’s Volunteer Instructor Services Web site supports 10,000 volunteer instructors, who collectively deliver approximately 90 percent of training sessions conducted at Intel on an annual basis (36,000 to 40,000 sessions annually). It fosters a culture of teaching that extends beyond the classroom to include day-to-day manager-led development.



Encouraging Mentoring Programs

Mentoring presents another tool that organizations can include as part of a comprehensive suite of career development. Mentoring helps to ensure that employees have the appropriate resources to further their careers adequately. Organizations offer mentoring programs as an effective and low cost aid to employee development.^{31,32}

Recommended Reading on Mentoring Programs

Corporate Leadership Council, *Tools for Executives in Mentoring Programs* (October 2003).

This research discusses the role of executives in typical mentoring programs and the tools that organizations can provide to executives in preparation for their mentoring relationship.

The following case examples of mentoring practices at Bell Canada and JPMorgan Chase present some innovative examples of this relatively common practice. Bell Canada runs an online program to create consistency and reduce the administrative burdens and barriers to participation in mentoring programs. JPMorgan Chase implemented reverse mentoring relationships to address its diversity needs.

Online Mentoring—The following example from Bell Canada provides an effective strategy for maintaining a consistent and development-focused organizational culture through the encouragement of mentoring relationships. Also, this program does not increase HR’s administrative burden since mentoring relationships develop online.³⁴




Figure 8: Bell Canada’s Online Mentoring Program

Development Challenges at Bell Canada

- **Senior Leadership Challenge:** Creating a consistent development message
- **HR Challenge:** Reducing administrative burdens associated with increased development programs
- **Employee Challenge:** Increasing access to development programs

HR Solution at Bell Canada

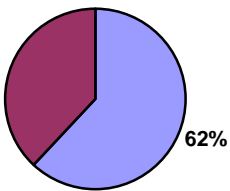
Bell Canada developed an online tool called Mentor Match that enables mentees to browse a cross-organizational pool of potential mentors, using a search tool that generates a list of suitable mentors based on the information contained in a mentee profile:

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    graph LR
      A[All employees have access to the site, and use a self-assessment, tutorial and online profile to search for mentors] --> B[Mentors receive an e-mail notification of request, then schedule a meeting and sign a one-year agreement]
      B --> C[Bell Canada provides online tools and counseling, while the online program tracks evaluation and success]
    
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Mentoring Supports Employee Career Development

A CLC survey of 378 organizations found that 62 percent of organizations viewed enhancing career development as a key benefit of mentoring programs.²⁹



In addition, providing even one or two sessions with a mentor as opposed to no sessions, is the single most effective change in mentoring programs an organization can make.

Diversity Reverse Mentoring—JPMorgan Chase uses an effective reverse mentoring program to develop its senior executives on the issue of diversity, as demonstrated in the case below.³⁵




Figure 9: JPMorgan Chase’s Diversity Reverse Mentoring

Need for Diversity Development

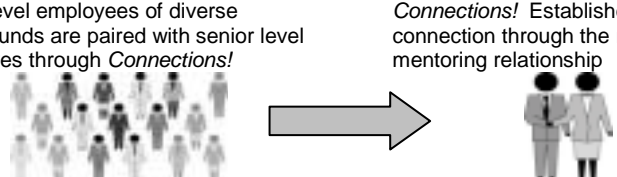
Because there are few minorities at the senior vice president level at JPMorgan Chase, employees were skeptical of senior executives ability to understand perspectives and challenges of individuals from different cultural or ethnic backgrounds.

Personal Experience Solution

The following program, titled *Connections!* serves to broaden the perspective of senior management.

Junior level employees of diverse backgrounds are paired with senior level executives through *Connections!*

Connections! Establishes a personal connection through the reverse mentoring relationship



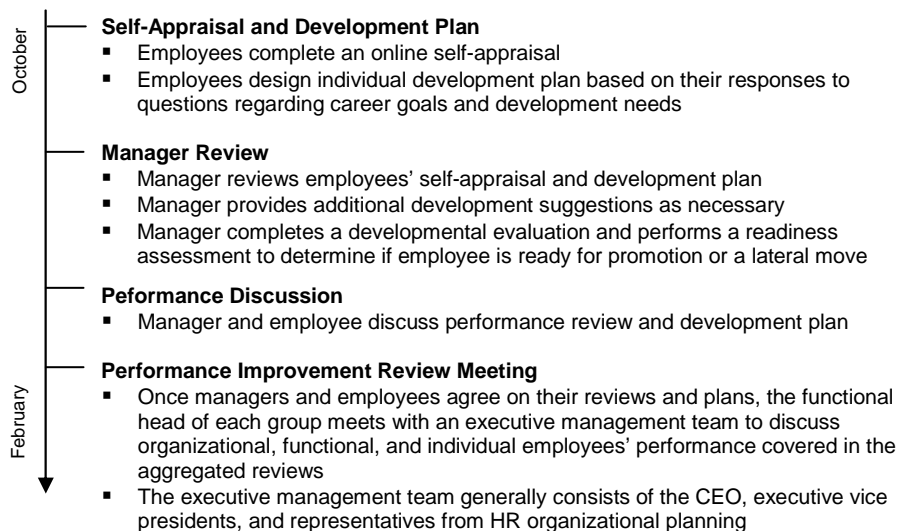


Acting On Individual Development Plans

Individual development plans (IDPs) are another common development tool that offer potential success to employees. Surveyed organizational leaders in 2001 Council research identified the creation of individual development plans as the second most important component of their development, behind the level of decision-making authority with which they are entrusted.³⁶


Literature suggests that IDPs are essentially a self-motivated effort by employees, although supervisors must assume responsibility for guiding employees towards success. Supervisors should offer constructive feedback about developmental strengths and weaknesses and use this feedback for improvement, not simply evaluation.³⁷ Through maintaining a consistent IDP review process and standardized timelines, organizations can facilitate the effectiveness of IDPs.

Include IDPs in Performance Reviews—The IDP process involves continuous discussion between employees and managers. Below is a sample process for incorporating IDPs into the employee and manager development conversations.³⁸



Standardized IDP Review—To encourage employees to own their personal performance and demonstrate organizational commitment to this goal, organizations standardize the review and discussion process of IDP development. Below are timeframe and commitment responsibilities at three profiled companies.³⁹

General Electric Medical Systems (GEMS) Personal Board of Directors Provides Additional Feedback to Update IDPs






To encourage employees to own their personal performance and receive “in the moment” feedback on their performance, GE Medical Systems implemented a feedback group for employees.

GEMS’ practice aims to provide employees with a mechanism to gain timely feedback from sources other than direct managers and to overcome situations where managers are not best-positioned to provide up-to-date feedback.

This Personal Board of Directors contains a panel of 2-4 peers and managers, selected by an employee to provide the employee with candid and in-the-moment feedback on that employee’s performance. This practice offers the employee a line of sight into his or her actions regarding the IDP plan separate from the direct manager.

Figure 10: Company Examples of Individual Development Plan Use

	Texas Instruments requires all employees to have an IDP, updated annually and adapted to specific project team needs.
	Hewlett Packard’s employees all maintain IDPs containing personal objectives. They may require employees to attend courses, work with mentors, or work alongside individuals who excel in a particular activity or area that needs developing.
	Sprint employees maintain flexible IDPs that they and their managers evaluate and modify quarterly.

Ownership of Employee Development	Employee Development Tools	Employee Development by Level/Segment
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Executive Level Development

In addition to encouraging manager and individual ownership of development by demonstrating organizational commitment with supporting processes and tools, organizations should target development opportunities to specific employee groups.

Executive development requires experience and resource variety; Council research, surveying over 8,000 executives in 2001 discovered that organizations need to be more effective in certain executive development performance areas, including:

- Executive coaching
- Feedback
- Interaction with peers
- Leadership development plans

According to this research, although leaders highly value the above programs, organizations are ineffective in providing them, suggesting resource misallocation.⁴⁰

Comprehensive Development Support—To address these ineffectively utilized leadership development activities, the Royal Bank of Canada Financial Group implemented an experience-based development intervention providing supportive coaching, feedback, and leader-to-leader collaboration.⁴²

Recommended Reading on Leadership Development

Corporate Leadership Council, *The Leadership Imperative* (2001).

This research study presents strategies for increasing organization's leadership bench strength. Specific strategies include the redefining of required leadership profiles, targeting future needs, ensuring manager accountability for development, creating a continuous development culture, and customizing opportunities to leaders' needs.

Figure 11: RBC's Experience Based Development Intervention

Need for Fast-Paced Development

RBC realized that generic leadership development programs were not providing the kinds of targeted, high-return experiences that its executives needed for accelerated development.

Influential Experiences with Company Support

RBC implemented the following procedures to address this need:

- Created an inventory of experiences that have been most influential in top leaders' development.
- Developed customized development plans for all high-potential leaders targeted at filling gaps in each individual's inventory of experiences.
- Supported targeted, experience-based development with relationship-based activities such as coaching and leader-to-leader training.

Importance of Leadership Development⁴²

"...The only thing standing in the way between where we are now and what we want to achieve are the limitations of our leaders. The number one way we can increase shareholder value is by improving the quality of our leadership bench."

—CEO, European Manufacturing Company

Action Learning Process—To address the needs of a select group of senior managers with a broad range of influence on the organization, Deutsche Bank implemented the following CEO-led development activity that addresses the executives desire for interaction with peers.⁴³

Figure 12: Deutsche Bank's CEO-Led Action Learning Challenge for Leaders

Need for Leadership Development

In the face of substantial organizational change, the company needed to develop new leadership capability.

The "Spokesman's Challenge" Leadership Development Program

Over six months, the identified leaders meet for five group events, separated by distributed learning and collaboration time periods, combining action learning with individual development components discussed below:

- Step 1: Project assignments, executive education, preparation to work as a virtual team**
- Step 2: Project work, executive education, executive coaching**
- Step 3: Executive education, coaching, and CEO debate on projects**
- Step 4: Group learning event**
- Step 5: Senior management conference**

The project work offers real business strategies to implement in action at the business units as well as a networking opportunity and collaboration sessions. Several participants have become top executives at the company.

Ownership of Employee Development	Employee Development Tools	Employee Development by Level/Segment
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Senior Manager and Supervisor/Mid-Manager Level Development

Through development of managers, organizations should seek to provide diverse development experiences aligned with an organization's strategy. 2003 Council research suggests that development early in a leader's career significantly increases the organization's probability of being a top-tier leadership organization by 54.2 percent.⁴⁴

Furthermore, management development programs help organizations to grow their internal talent pools to improve succession management. Talent pools contain individuals from several levels of an organization namely key management positions, candidates outside their functional area, and candidates at lower levels of the organization.⁴⁵

Senior Manager Development—Apart from executive leadership development discussed previously, literature suggests focusing senior level management development through customized training programs and cross functional interaction. The following case example presents one option for senior management development:⁴⁶

Figure 13: Senior Management Development Course

One week training program—A previously profiled company requires its senior level managers to attend a one-week training program focusing on alignment, skill building, and networking.

Simulation Course—In addition to this, senior level managers participate in a simulation course to discover strength and weakness areas. It is continuously considered by participants to be "the best development thing they've ever done." The course offers participants the opportunity to work in cross-functional teams to resolve hypothetical business challenges together.

Mid-Manager Development—Companies profiled in 2003 Council research support new and mid-level managers through the following activities:⁴⁷

Figure 14: Results-Focused Entry- and Mid-Level Supervisor Training

Entry Level New Supervisor Program

Leaders at Company A are individuals "who manage or influence others." These 2500 individuals maintain a specific level of readiness to advance within the company. Initially, once appointed as supervisors, they undergo the "Gateway to Leadership" development program detailed below:

Goal—To develop basic supervisory skills

Duration—One-week

Program components—Employee relations, supervisory, and management skills

Advanced Supervisor Training

In addition to the basic supervisor training, high-performing supervisors with five to ten years of supervisory experience undergo a hands-on training session detailed below:

Goal—To provide an opportunity for participants to receive hands-on training and development related to employee morale and engagement

Duration—Initial four-day classroom training, then a three month project component

Program components—Work projects using a business goal from the year that include collaboration with others who maintain similar goals and the following process:



Result—All participants complete their projects and demonstrate positive business results.

New Manager Training Content

Research suggests that new manager training seeks to introduce new managers to the type of duties they will be responsible for completing on a daily basis.

In addition, as first level managers often have no previous experience supervising others, organizations offer them courses to develop soft skills necessary to successfully manage other employees.

Training coursework may include administrative responsibilities such as budgeting and legal compliance along with leadership development courses on building HIPO teams, coaching, and business process improvement.

Recommended Readings: Management Development

Corporate Leadership Council, *Supporting the Transition to Management: Management Development Programs at Top Training Companies* (February 2004).

This research discusses the following aspects of new manager development:

- Structure and content
- Administration and delivery

Ownership of Employee Development	Employee Development Tools	Employee Development by Level/Segment
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Differentiating for Technical/Scientific Employees

Differentiating development for executives, managers and HIPOs effectively provides the most-needed and most-valued development experiences to each segment. In addition to these differences, organizations should provide some targeted opportunities to employees in different industries or functional areas, based on their specific needs.

Organizations with a large research and development function, or numerous scientific and technological employees, can benefit from targeting development to these employees, as detailed in the tactics mentioned below.⁵⁵

Key Differentiation for Industry-Specific Employees

A 2002 Council survey based on over 225,000 employees determined the most compelling components to a job offer. All employees value base pay, manager quality, and benefits most highly. However differences occur across industry for other high-value components relevant to development.⁵⁶

High Responsibility

Development—Employees in the energy industry place more value on project responsibility and internal mobility compared to the population as a whole.

Flexible Development

Employees in the technology industry place an increased importance on a flexible work environment.

Role of Creativity in Development Activities—Managers must realize that a flourishing research environment is crucial for engaging the knowledge and skills of a company's research and scientific population. By implementing the following practices, managers can create the proper environment for stimulating creativity.⁵⁷

- **Creating Research Teams**—Managers should create mutually supportive teams with a diversity of perspectives and backgrounds to support a project. Even though disagreement can occur, the range of perspectives more often than not adds to, not subtracts from, the quality of the project.
- **Creating Stretch Roles**—Matching researchers with projects that are challenging, but engaging, is critical to ensure that these individuals are not bored or overwhelmed by the nature of the work.
- **Granting Project Autonomy**—Organizations that grant researchers autonomy in projects will elicit greater creativity and innovation. Management intervention, however, can hinder the commitment and passion researchers have for projects.
- **Managing Resource Allocation**—By allocating sufficient resources to a project, managers will not overtask researchers to spend time searching for information. Imposing restraints on resources can dampen researcher enthusiasm to identify necessary data.
- **Projecting Managerial Support**—Even though managers have extremely busy schedules, they must encourage researchers to sustain the passion for their work. Managers who discourage ideas ultimately stunt the creative spirit of researchers.

Qualities to Encourage in Technical/Scientific Managers—To focus development on the key qualities of research and technological employees organizations should aim to support the most important qualities of these employees. Research indicates the following to be qualities of an excellent Technical/Scientific manager, as outlined by consultants to research organizations.⁵⁸

- Acknowledges and rewards accomplishment
- Allows autonomy in determining research approach
- Encourages risk taking and creativity
- Has trust and confidence in researchers' ability
- Is a good planner and uses a consensus approach
- Is honest and approachable
- Supports team in dealing with senior management

THE RESEARCH PROCESS IN BRIEF

Research Methodology

The Corporate Leadership Council conducted a comprehensive search of published materials regarding employee development, drawn from previous Corporate Executive Board research, trade press journals, other research organizations, and the Internet. This report represents the findings from these secondary sources.

Project Aims

Ownership of Employee Development

1. What role does the company play in employee development?
2. How do managers control employees' development?
3. To what extent do individual employees own their development?

Employee Development Tools

4. What are effective employee development tools?
5. How do organizations implement low cost development support tools?
6. Do mentoring and individual development plans provide adequate employee development support?
7. What other tools do organizations use to develop their employees?

Employee Development by Level

8. How do organizations develop their leaders and various levels of their management?
9. How do organizations develop high-potential employees?
10. Are there specific methods for developing scientific/technical employees?

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Professional Services Note

The Corporate Leadership Council has worked to ensure the accuracy of the information it provides to its members. This project relies upon data obtained from many sources, however, and the Council cannot guarantee the accuracy of the information or its analysis in all cases. Further, the Council is not engaged in rendering legal, accounting or other professional services. Its projects should not be construed as professional advice on any particular set of facts or circumstances. Members requiring such services are advised to consult an appropriate professional. Neither Corporate Executive Board nor its programmes is responsible for any claims or losses that may arise from any errors or omissions in their reports, whether caused by Corporate Executive Board or its sources.

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