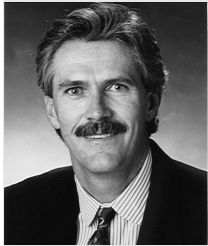


"Nothing is so well learned as that which is discovered." - Socrates

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Article by Randell Jones



As we enter a time of uncertain economic growth, the creation of corporate profits will come under close scrutiny by executives and investors alike. In a growing economy, corporations could count on their marketing efforts to increase sales and to deliver profits through increased business. During times of reduced economic growth, companies have looked historically at improving efficiencies to strengthen their bottom-lines through streamlining operations and cutting costs.

Unfortunately, corporate training and development is often an early victim of austerity budgeting. While there is no question that businesses in a slowing economy must cautiously invest their financial resources, many would argue that training is an essential part of staying competitive in a rapidly changing economy and preparing the organization to capitalize on opportunities that come with the next wave of economic expansion. As the old saying goes, the only thing worse than training your employees and having them leave, is not training them and having them stay.

Our feature article in this issue of *Excursions* looks at how intensive, focused development of the leaders in an organization pays for itself several times over in measurable, improved, bottom-line performance. As an example of what can be achieved by working at the intersection of individual leadership and organizational development, Cox Enterprises shares its experience with an application of the *Personal Leadership and Organizational Effectiveness* program. They set goals and measured financial results against them. The results, they discovered, were remarkable.

Chris Musselwhite, President

Leadership Effects

Preparing today's organizations for tomorrow's opportunities is a critical challenge requiring effective leadership. Meeting that challenge takes leaders who understand how their individual leadership styles and each organization's culture work together to affect bottom-line performance.

To help leaders in meeting this challenge, Discovery Learning, Inc. has created an in-classroom, experiential program designed to work at the intersection of leadership development and organizational development. This 3-day or 4-day program, called *Personal Leadership and Organizational Effectiveness* (PLOE), focuses on transferring classroom learning directly to the organization in ways that are tied to measurable bottom-line results.

"There is nothing in business. . . that translates impacts to the bottom line as effectively as leadership."

-Gordon French

During 2000, Cox Enterprises, Inc. under the direction of Gordon French, Director of Training & Development at Cox Enterprises, Inc., used the PLOE program to develop a special group of leaders in their organization. They called their internal program *General Manager Leader Lab*.

General Managers

"We wanted a program that targeted GMs—general managers," said Gordon French. "These people are accountable for the bottom line performance of their units. The research literature says that managers learn a great deal just in taking on the responsibilities of a new position, but all that learning is usually squeezed out in the first three to five years. We were looking for a program intended for experienced managers who had done all the on-the-job development and were in need of being taken to the next level of their leadership potential. The PLOE had all the elements we wanted.

"Our general managers are the top officers in their businesses at their sites. As a result, these GMs don't get any coaching regarding their leadership style. Conversations they have with their bosses are infrequent and usually focus only on broad issues such as financial results, capital

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investments and succession planning. In our diverse businesses (broadcast, newspapers and automobile auctions), we've discovered that these isolated and autonomous GMs have a disproportionate impact on their respective organization's culture. Over time the personality of the business actually takes on the personality of the general manager for better or for worse. That's why we wanted a leadership development program that would give feedback to these GMs. They are in powerful positions and we want them to succeed.

Feedback

"By using the *Denison Organizational Culture Survey* (DOCS) and the *Denison Leadership Development Survey* (DLDS) together," French added, "we created a unique advantage in providing feedback to our GMs. We were able to give a snapshot of their organization's culture and then overlay on that the 360-degree feedback they received about their individual management style. These Denison surveys make a terrific combination tool especially for our general managers. It allows them to see their strengths and weaknesses individually and to see how that affects the organization. The overall PLOE program was great, but for us, the part with the most impact was the 360-degree feedback piece. We know that because we were able to prove out the results.

Payoff

"We conducted two follow-up processes for measuring the results of the Leader Lab. One process used *GoalGetter*, part of the PLOE program. It involved having direct reports reevaluate the GM's performance after the Leader Lab with regard to specific goals and behavior changes each GM had identified as part of the *GoalGetter* process. For the 14 GMs who

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Personal Leadership and Organizational Effectiveness

The PLOE (*Personal Leadership and Organizational Effectiveness*) program uses a blending of assessment and simulation to help participants explore the organization's culture, their leadership style and the many ways their personal styles, beliefs and actions can influence their organization's performance. It begins with looking at the overall culture of an organization using the *Denison Organizational Culture Survey* (DOCS). Through the feedback of employees throughout the organization, the PLOE participants explore how the organization shapes up in broad measures of Mission, Consistency, Involvement and Adaptability. It also looks at how performance in those areas affects bottom-line financial results.

With this new information, the PLOE participants engage in the simulation, *Paper Planes, Inc.* Through this exercise, they can see some of their organizational culture play out with regard to assumptions about control, decision-making and change. During the *Paper Planes, Inc.* simulation, participants are evaluated and introduced to the assessment tool, *Change Style Indicator*. Knowledge gained about change styles can affect how they participate in and what they learn from the remaining portion of the simulation.

At this point in the PLOE, participants have seen the culture data and experienced it in a simulation. They now know that the

organizational culture can affect the way they perform. Through CSI they have also begun to explore their personal leadership styles. Through additional assessments, they will continue to see how their own personalities and styles affect how they can influence and change the organization's performance.

The Denison Leadership Development Survey (DLDS) provides 360 feedback to the individual leaders so they learn how they are perceived by others. Knowing how one is viewed by one's supervisor, one's peers and one's direct reports is essential to acting in ways that will achieve the leader's intended results.



In preparation for another business simulation, the participants are introduced to *Decision Style Profile*. This assessment tool helps participants assess their decision-making skills and preferences. This information prepares them for the *PressTime* simulation in which they work together to operate a business through a dynamic situation. Additional preparation for this simulation involves participants reviewing the culture data and the leadership data they have received. They are encouraged to think about how they will likely behave during the simulation unless they make a conscious effort to do otherwise. They identify those behaviors they want to do more of and less of and note what actions the teams could take to work together more effectively. In that way they go into the simulation with some intentions based on what they have learned.

When the group debriefs after this day-long simulation, they look at where

they were successful and where they were not in changing their behaviors. They consider how this confirms the leadership data they received. They also consider where there are possible disconnects between how people see them working in the simulation and in their normal environment. All of this feedback is valuable information about their personal leadership and its impact on organizational effectiveness.

“Most often,” says Chris Mussellwhite, “we see people behaving exactly as the data indicate they would even when they are trying to do otherwise. Usually people get so absorbed in the simulations that they just act as they normally would. And that’s good because in the debrief we talk not only about where they are having trouble changing behavior, but we explore what makes it so hard. We talk about what do they need to be aware of and what kinds of strategies they need to be following to create the changes they want. That discussion leads directly into the process that creates the payoff for all the work participants have done so far—*GoalGetter*.

“Through *GoalGetter*, participants set specific, actionable intentions that allow them to transfer this new learning directly to the workplace. Because the group also discusses organizational goals, they can tie their individual goals to them. In that way, every planned action and change in behavior by a leader supports the identified goals for the organization.

“The real payoff from *GoalGetter* is in the follow-up process. Participants ask for another round of 360 feedback after they have worked for several months attempting to employ their new and changed behaviors. The feedback confirms for them whatever degree of success they have had in making changes in their leadership and in their subsequent ability to influence and change the organization. That, of course, is what the PLOE process was designed to do.”

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participated, one question was common to all the customized goal sets. It related to measuring overall performance effectiveness. For the nine GMs who were able to complete the evaluation process, the average rating went from 3.5 on a five-point scale before Leader Lab to 4.5 after only four months. That’s phenomenal! Clearly, these GM’s had demonstrated a change in behavior that others had seen and liked. I think this change in perception reflects a positive ‘halo effect’ as well. Those who provided the feedback before and after were not just responding to the specific changes they noted, but judging the overall perceived change in improved effectiveness. What that means to me is, ‘Change a little, get a lot of effect.’

Bottom-line

“The other process we used to measure our payoff from Leader Lab involved changes to bottom-line performance. After all, I believe that the only reason to change a behavior is if it affects the bottom line. Consequently, I asked the GMs to identify one behavior change from which they could track a bottom-line impact and to consider how they would measure that change and impact. Out of the nine GMs who were able to complete the follow-up, five measured bottom-line impacts. The other four could not directly link a planned behavior change to a bottom-line effect.

“Here’s an example. One of our GMs got feedback from his direct reports that he was thought to be too risk-averse. During the Leader Lab, he committed to acknowledging with these direct reports that he had heard the message and would agree to be more open to their suggestions and innovations. Soon enough he found

himself accepting a proposal to conduct business in an experimental fashion in one particular area in a way that clearly violated company policy. It was a change in pricing structure that affected one-twelfth of the business. The change proposed by his staff was designed to drive up volume but he was not so certain it would work. Against his own instincts he agreed and undertook the experiment. He now cheerfully admits that the bottom-line impact of that one change in his behavior to be less risk-averse netted the business \$300,000 in six months.

“For the five GMs who could tie planned behavior changes to bottom-line effects, the difference was \$3.57 million dollars plus a couple hundred thousand British pounds. That’s in four months. That is the impact these GMs were willing to identify as being directly tied to the behavior changes they made as a result of this PLOE program. They all agreed that if they had not made the changes they did, these bottom-line results would have escaped them.

Our Conclusion

“My take away from this experience confirms what I have long believed,” said French. “There is nothing in business as fungible—that is, that translates impacts to the bottom line as effectively—as leadership. Capital improvements don’t do it; cutting prices doesn’t do it. Nothing improves your bottom-line performance faster than effective leadership.

“We are putting another 28 GMs through the Leader Lab this year. We’ll follow the results as we did with this first group, but we already know that changed behaviors by leaders can create substantial bottom-line impacts for organizations. That was our goal and that was our result. The PLOE helped us get there and more than paid for itself in the bargain.”



What's happening at DLI?

For the first time in its 30-year history, the Center for Creative Leadership (CCL) is sharing ownership of a training product. They have chosen Discovery Learning, Inc. as their partner.

The *EdgeWork*® management training simulation has just been released in a revised and updated version. However, as did the earlier version, it models the dynamic relationships and conflicts that can arise in a rapidly changing business climate where one-time competitors can find themselves becoming cooperative collaborators.

As the name implies, *EdgeWork*® helps managers learn to work at the "edges" – where the boundaries of us-versus-them become less pronounced. The simulation focuses on the changes in perspective and values that confront leaders when traditionally defined boundaries blur as a result of business alliances that might have been unthinkable just a decade ago.

As the original owner of *EdgeWork*®, the Center for Creative Leadership invited Discovery Learning to update and expand the simulation and to become its co-owner. "Co-owning the *EdgeWork*® simulation with Discovery Learning is a unique situation for CCL. We're very pleased about it," says Joan Tavares, Ph.D., senior product manager at CCL. "*EdgeWork*® was created from research into contemporary leadership and managerial issues. Our researchers created a parallel

universe where managers would confront a version of the volatility, uncertainty, complexity and ambiguity they face in their true work situations. Now Discovery Learning has added value to the simulation and increased usefulness of *EdgeWork*® by expanding the number of roles and adding several options for conducting structured debriefs. I believe *EdgeWork*® users will be as pleased as we are with the updated version."

For more information about *EdgeWork*® and to order materials, contact Discovery Learning, Inc.

Call about our Train-the-Trainer sessions:

April 26-27

EdgeWork®, *Decision Style Profile*

May 16-18

PressTime, *Denison Leadership Development Survey* and *Decision Style Profile*

Sept. 10-12

Denison Organizational Culture Survey, *Paper Planes, Inc.* and *Change Style Indicator*

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