

(formerly the Family Independence Agency)

Workforce: 10,300

## Synopsis

Several features set the Department of Human Services' Leadership Academy apart from other leadership development programs we studied:

- A selection process that combines self-nomination with rigorous assessments
- A formal leadership development program with strong components
- A variety of metrics for evaluating the program's impacts

In addition, the Michigan DHS case study raises several important issues related to building the leadership pipeline that are relevant to jurisdictions and agencies at all levels:

- The challenges of attracting top candidates to leadership development programs that require a significant time investment above and beyond the regular job
- The trade-offs between self-nomination for leadership programs and nomination by others

## Challenges

- **Retirements.** In 2000, the Michigan Department of Human Services (DHS) realized that 25 percent of its workforce was currently eligible for retirement and 75 percent of senior staff would be eligible to retire within five years.
- **Leadership pipeline.** The agency realized that current staff weren't prepared to move into senior leadership jobs when incumbents retired. In the past, the agency had promoted people and expected them to learn from a short training program and on the job. Faced with the prospect of so many leadership vacancies, the agency decided to become proactive. "Rather than a sink-or-swim approach," says Bill Patrick, director of DHS' Office of Professional Development, "we wanted to prepare people before the opportunity."

## Approach

The Department of Human Services (DHS) is Michigan's public assistance, child, and family welfare agency. DHS directs the operations of public assistance and service programs through a network of over 100 county and district offices around the state. Prior to March 15, 2005, the department was known as the Michigan Family Independence Agency.

The Michigan DHS chose to adopt the "Grow Your Own" strategy championed by Development Dimensions International (DDI) consultants William Byham, Audrey Smith and Matthew Paese<sup>1</sup>. DDI advocates creating an "acceleration pool" of potential leaders. Employees who are placed in an acceleration pool are assessed and coached and trained and stretched and given feedback and then assessed some more—not in preparation for a specific promotional opportunity, but as part of a talent pool that the organization is grooming for one or another executive roles.

DHS's Leadership Academy marries the concept of an acceleration pool with the realities of public-sector personnel practices. Since 2001, two classes have completed the two-year Academy. A third class began the program in December 2004 and a fourth class is planned. The Academy has not only exposed a growing number of future leaders to the theory and practice of leadership. It received an Excellence in Practice Citation from the American Society for Training and Development (ASTD) and won praises in a 2003 study of best practices in human resources, funded by the Annie E. Casey Foundation.<sup>2</sup>

## Selection

Many private-sector organizations handpick an elite cadre of high-potential candidates (called "hi-pos") to meet future succession needs. Hi-pos may or may not be told that they're in this succession pool<sup>3</sup>, but the list is groomed and updated at talent review meetings every year or, in some companies, every quarter. Hi-pos are given special development opportunities, their progress is reviewed and their developmental needs charted with a level of scrutiny befitting a thoroughbred training farm—which is, in fact, a reasonable metaphor for the corporate approach to succession management.

But that approach would be a bad fit in state government. "We wanted an open nomination process," explains Patrick. "Civil Service guidelines require that any selection process for state employees be objective, open, and fair."

<sup>1</sup> Byham, William; Smith, Audrey and Paese, Matthew (2004) *Grow Your Own Leaders*. CITE

<sup>2</sup> Robert J. Lavigna, *Human Resource Management Best Practices in Human Services*, Final Report to the Annie E. Casey Foundation, CPS Human Resource Services, April 21, 2003.

<sup>3</sup> Young, Mary (2001) "Coming Clean to Higher Performers: Should You Tell Them of Their Potential?" *Workforce Online*. [www.workforce.com/section/00/article/23/19/69.html](http://www.workforce.com/section/00/article/23/19/69.html)

As a result, DHS invited all 2,600 employees who met the initial criteria to consider applying to the program. To be eligible, they had to be a supervisor or a fairly highly placed specialist in Michigan’s job classification system<sup>4</sup>. That put them at roughly the mid-level to top of their organization.

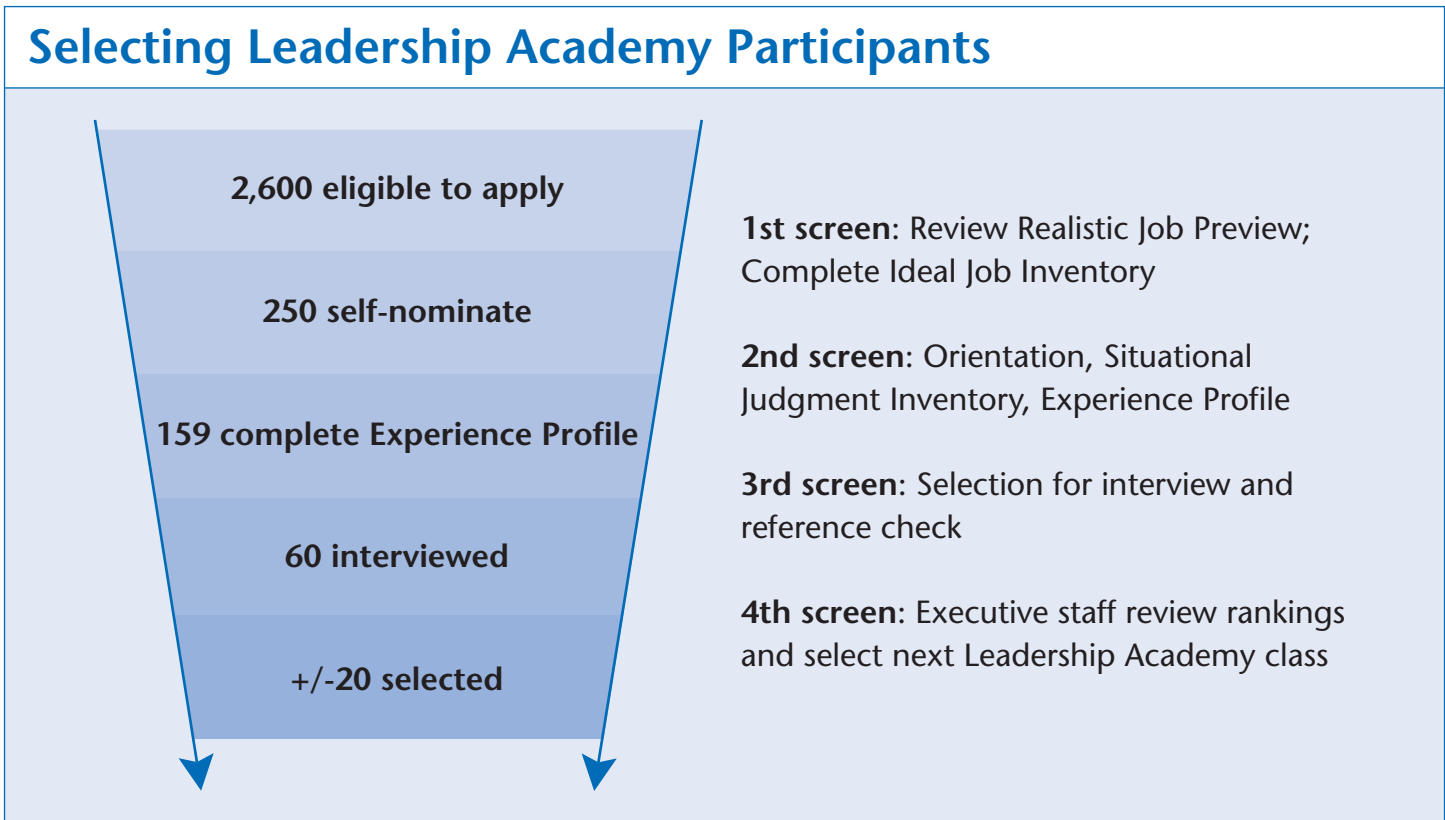
Although the size of the pool has changed from year to year, the application process has remained the same. Before submitting their nomination, qualified applicants are encouraged to review two online tools:

- **A Realistic Job Profile.** describes what executive-level jobs are like in the agency, based on details and examples provided by current senior managers.
- **The Ideal Job Inventory.** This DDI self-assessment tool was developed by surveying the agency’s senior staff about their jobs. To complete the assessment, an employee indicates his or her preferences on 100 job dimensions. In return, each person receives a report that, for each dimension, compares his or her ideal job to high-level jobs at DHS. No one sees these results except the employee.

These two tools serve as the initial screen in a multi-stage process designed to winnow the pool of potential candidates from the universe of eligible employees (2,000-2,600) to the top candidates for the next Leadership Academy class (approximately 20 people). The selection process is illustrated below. The numbers used to illustrate the process are based on the first year’s Academy.

Those who nominate themselves complete a brief, online application. Then they attend a two-hour orientation program led by Patrick. Once he has described the Leadership Academy and selection process, attendees complete two more exercises:

- **The Situational Judgment Inventory.** This exercise presents 32 situations that leaders might be expected to handle and four response options. The instrument assesses candidates’ ability to recognize the most appropriate response.
- **The Experience Profile.** This is a written, take-home exercise that takes about eight hours to complete. For each of the seven competencies that DHS has identified as critical for senior managers, the candidate must describe an experience in which she or he demonstrated that competency using the DDI “STAR” format: the situation or task, the action he or she took, and the results. Later, volunteers who’ve been trained in behavioral interviewing spend three days evaluating the Experience Profiles in a blind-rating process.



<sup>4</sup> In 2005, DHS will change the Academy’s eligibility criteria and invite all first-line professional staff to apply.

Completing the Experience Profile is demanding enough that many who attend the orientation opt out at that point. The Experience Profiles are rated, further narrowing the pool to 40-60 candidates. Even those who are dropped from the list at any point receive written feedback and the opportunity for an interview to receive more detailed feedback. In this way, the selection process does more than shorten the list. For those who don't make the cut, it provides specific feedback about strengths and areas in which they need to develop further. They can reapply another year.

Four or five panels operating in different areas of the state conduct 75-minute, behavior-based interviews with individual candidates. They use structured interview questions based on six of the fifteen LA competencies. Next, Patrick and his staff contact each candidate's current supervisor and ask him or her to evaluate the candidate against the same list of competencies. If the supervisor gives a negative reference, Patrick will contact two other references for further input.

The final step in the selection process is the Executive Staff Review. Senior managers receive a list of everyone who was interviewed. The candidates are presented in rank order, based on their interview score (A through D) and their combined scores on the Situational Judgment Inventory and the Experience Profile.

Diversity is also a factor. Patrick and his staff review the initial candidate pool to make sure it meets the agency's diversity goals. At the final stage, they check to make sure that the class mirrors the diversity of the original candidates and that the number of field-office and central-office employees is balanced. From start to finish, the selection process takes about four months.

## Leadership Academy Program

The second noteworthy aspect of DHS's approach to building its leadership pipeline is the Leadership Academy program, which, like the selection process, is robust. Its elements are depicted in the model below.

- **The Supervisor's Role.** Patrick meets with supervisors even before he gets together with the new Academy to make sure they're supportive of the program. "LA members can't work on their Leadership Academy assignments at the expense of their supervisor and staff," he says. Having that conversation with the supervisor before the program begins sets clear expectations that the LA participant will be expected to participate in all LA events and also complete their work to the supervisor's satisfaction. LA members get this same message.
- **Individual Development Plan.** Academy participants take part in a 360-degree assessment process that provides data about their strengths and developmental needs, as viewed by their manager, peers, and subordinates. They then meet with a coach—initially a DDI consultant but now Patrick or one of his colleagues—to discuss which competencies they want to focus on in the coming year. LA participants create an Individual Development Plan (IDP). IDPs are tied to the agency's competency model, which is based on the model used throughout MI state government.
- **The mentor.** Each LA participant is matched with a more senior manager within DHS. Mentors receive formal training and are expected to meet with their mentee on a regular basis. Patrick and his staff monitor the matches and can offer coaching if needed. A Mentor Support Network provides additional training and meetings.
- **Developmental assignments.** Academy participants have the option of choosing a developmental assignment outside their current responsibilities. For example, one manager chose to shadow a district manager for one week. In another case, a county program manager wanted experience in human resources, so he arranged a six-week leave to work on special projects at the agency's central HR office. By luck, a first-line supervisor who was in the Academy wanted experience as a second-line manager, so she filled in for the county program manager. Still other Academy members who were promoted while in the Academy opted to meet in a support group with classmates who were at a similar career stage.
- **Learning forums.** These training sessions are designed to address competency gaps identified through the selection process and 360-degree feedback process. Each LA class participates as a cohort. Forums are held one day each month and their format — outside speaker, formal curriculum, or roundtable discussion — is driven by the content, for example, becoming an influential leader, building trust, strategic planning, and facilitating change.

■ **Action learning.** The LA incorporates action learning, a method for developing leaders that is well established in many corporations. (See sidebar on page 64: What Makes It Action Learning?) About 10 months into the program, the LA class is presented with four project assignments crafted by DHS’s executive staff. These projects are strategic challenges the agency is facing, rather than simulations or case studies. For example, one team studied the processing of applications for various human service programs and developed recommendations for reducing cycle time to free up staff to work directly with clients. Another team investigated what it would take to extend a successful pilot program for foster care to other urban counties. A third team identified inconsistent eligibility rules for family assistance programs and developed a prioritized action plan to make the rules consistent.

Class members can indicate which project they’d like to work on, although the final assignment is made by Academy staff. Each project has a high-level sponsor who has ownership for its outcome. The sponsor provides access, guidance, and periodic reality checks to make sure the team is still on track.

■ **Coaching.** To ensure that action learning does, in fact, lead to learning, each team meets with a coach monthly for approximately six months. (DDI consultants served as coaches the first year; now Patrick and his staff do.) Part of each half-day session is spent in a “project action review,” in which the coach asks questions that help the team reflect on its learning. How’s the work going? What have you learned? What’s next on your agenda? The coach also helps the group connect the material presented in the learning forums to the challenges they’re grappling with in their project. In doing so, he explains, “we really reinforce the concepts that we’re teaching.”

The second part of every monthly team meeting focuses on individual members. Each is asked to present a specific leadership challenge that she or he currently faces or anticipates in the month ahead. Then the rest of the team asks reflective questions such as: What do you want to be different? What solutions have you already tried and how did they turn out?

“They can only ask questions,” says Patrick. “They’re not allowed to give advice.” Once the coach has given everyone a list of open-ended questions and modeled reflective questioning, the team takes over. By the second or third meeting, they’re actively coaching each other. In fact, “networking during the action learning meeting” was the highest rated aspect of action learning.

Mentors and the action learning project make the biggest impact on Academy participants, says Patrick. “You can’t learn how to lead by sitting in a classroom. Learning is about taking action.” The action learning project is the most challenging part of the Academy, but it’s also the most valuable. For some participants, “it’s like working on a dream team where everyone is motivated, everyone carries their weight, and everyone is a leader.”

At the end of six months, each team makes a formal presentation to the agency’s senior leadership, reporting their findings, recommendations, and what they learned from the project. Ideally, the teams’ ideas will be implemented at the end of the project, although few produce immediate change. “Many of the challenges that the action learning teams deal with are very complex issues,” says Patrick. “It takes time for the recommendations to be implemented.” Nevertheless, the sponsors and the senior management team have been pleased with the recommendations. Teams come away with “a great sense of accomplishment,” he says. “They take a difficult issue and they come up with a great solution.”

### Cost

The total program cost for one Academy is about \$38,000 per year. This breaks down to about \$13,000 for DDI training materials and another \$11,000 for travel to team meetings and Learning Forums. The remainder (\$14,000/year) pays for assessment tools such as the Ideal Job Inventory and Situational Judgment Inventory. When two Academies are running at the same time, the cost is approximately \$62,000 each year.

### Evaluation

The third area in which DHS’s Leadership Academy excels is program evaluation. Not only has it taken the time to compare outcomes for program participants and a control group of non-participants. It has wrestled with one of the most vexing evaluation dilemmas in leadership development: how do you prove that positive outcomes are due to your leadership development program rather than to the fact that program participants were already the cream of the crop?

## Comparing Outcomes for LA Participants and Non-participants

To assess the impact of training and development, many organizations track participants' career progress. Within a specified time period after completing the program, what percentage of participants has been promoted? And how does their promotion rate compare to that of a similar group (defined as the same pay band, classification level, years of experience, etc.) who did not participate in the program?

When DHS compared promotions for employees who had completed the LA and for a similar group of employees (matched with the Academy participants on the basis of age, race, gender, tenure, and job level) who had applied but not been chosen, it found a dramatic difference: 58 percent of LA alumni had been promoted, compared to just 8 percent of the other group. Pay increases received by Academy members were double that of non-members.

While such dramatic differences could suggest that the leadership development program made a difference, they do not prove it. "The Academy may have made a difference," says Patrick, "or we could have really done a good job selecting high potentials who would have gotten promoted even without the Academy."

That's about as far as evaluation goes in most of the leadership development programs we studied. But DHS goes further. When they asked LA alumni who had been promoted whether the program had been helpful in preparing them for their new job, 80 percent felt it had been "highly helpful" and the remainder said "moderately helpful." That finding seems to support the conclusion that the LA makes a difference, but it still doesn't prove it. A contrarian could just as easily argue that the Academy participants who had been promoted were predisposed to feel good about the program. That is, the very fact that they'd been rewarded with a promotion may have inflated their positive feelings looking back on the program.

Yet DHS has further evaluation data to subdue, if not to permanently silence, such a contrarian. The agency also compared results of two 360-degree assessments of its first LA class. The first assessment was conducted at the beginning of the program; the second at the end. The assessment used a five-point scale, and the average proficiency level for overall skills increased from 3.94 to 4.25.

A truly curmudgeonly evaluation researcher could still challenge these outcomes. It could be argued that the Academy participants' competency levels would have improved anyway, even without the Academy, simply by acquiring two more years of experience—what researchers call a "maturation effect." But that viewpoint seems less than persuasive. The passage of time could have brought improvement in some competencies that the LA is designed

to address. Yet even a curmudgeon would have to admit that it's less likely that time, alone, would produce an across-the-board improvement independent of the program.

Perhaps the most helpful insight comes from what participants' supervisors said. Sixty percent reported that the Academy participant's performance improved to a high or very high extent in the areas targeted in his or her development plan. That's moderately positive. But the results were a lot stronger when a second factor was incorporated into the analysis: the extent to which the participants said they were able to use the newly learned behaviors in their current job. For the 67 percent who reported that, to a high or very high extent, they could apply what they'd learned in the Academy back home on the job, their supervisors all reported a high or very high performance improvement.

Of all the agencies and jurisdictions we studied, Michigan's DHS uses the most robust program evaluation. The metrics that it tracks over time — career progress (measured by promotion and increase in pay) and 360-degree assessment ratings — are ones that other organizations could also use. They don't entail any special analytic capabilities, although the decision to ensure the confidentiality of 360-degree assessments by outsourcing can be costly. DHS demonstrates the benefits of using a combination of metrics, rather than a single outcome measure. It also demonstrates that corporate approaches to succession management can be adapted to the public sector.

## Next Steps

While DHS's Leadership Academy has gotten many important things right, there are challenges it still needs to address:

- **Pushing leadership development down deeper into the organization.** Another mark of the program's success is that employees who are not yet supervisors—and therefore not eligible for the Leadership Academy—have complained that they're not getting developed. To meet their needs, DHS has made two changes: Beginning with the fourth Leadership Academy, applications will be accepted from employees at lower levels, that is, non-supervisors who are first-line professionals. The second new initiative is a leadership development program that will be open to all staff. Its purpose will be to prepare employees for supervisory roles and to develop leadership skills. While the first course in the program will be taught face-to-face, others will be offered online, a low-cost solution that fits within tighter state budgets. Participants will be able to choose a mentor from a list of DHS managers who have been trained for the role.
- **Attracting applicants to the Leadership Academy.** Each year, the number of Academy applicants has dropped.

Entering Class	Eligible	Applicants	Selected	Completed Program	Still employed by DHS
2001	2000	250	22	19	19
2002	2600	160	20	19	17
2004	1800	112	24	(in progress)	

When asked why they haven't applied, some members of the program's target audience have said they couldn't handle the time commitment. Because the state had just offered an early retirement incentive, they had already taken on extra duties to cover for vacant positions. "Employees who are already working extended hours and who are also juggling personal commitments may already feel over-

whelmed," says Patrick. There's a delicate balance that employers must strike between forewarning would-be participants about the program's demands—which are significant—but not scaring them off. There are also limits on how rigorous a program can be when it is added "on top of" the routine workload.

### What Makes It Action Learning?

The term "action learning" isn't entirely self-explanatory. It's often used to refer to work-based experiences that combine learning and doing. In some organizations, programs may be called action learning simply because that sounds more engaging than ordinary training.

In fact, action learning is a well-defined methodology with essential characteristics that distinguish it from other approaches. Like task forces and problem-solving teams, an action-learning team tackles a strategic business issue and makes recommendations to more senior decision-makers. But that is only one objective. Action learning is also a process for selecting, assessing, and developing top performers to achieve new levels of knowledge, skills, and experience.

### Four characteristics set action learning apart from other kinds of training and development:

- **Teams.** Typically, action learning is a team-based approach to learning. Teams are carefully selected based on individual members' skills and potential and on the desired mix of the group, for example, cross-functional, cross-level, cross-geography, and/or culture.
- **Real-world business challenges.** Action learning stands in dramatic contrast to other approaches to learning — for example, classroom instruction, case-study discussion, or simulations — because participants are given real problems or business challenges to work on. In most cases, these issues have significant impact on the organization, making the assignment high-stakes for the company and consequently for the team, which is challenged to identify the best options for moving forward.

- **Structured learning.** To meet the goal of individual and team development, action learning programs often include training (for example, in team functioning, problem-solving, questioning, and reflection), coaching, and structured feedback.

- **Stretch assignments.** Because teams are given stretch assignments that extend beyond members' normal responsibilities or past experience, action learning simultaneously provides both:

Extraordinary challenge, serving as a test whose results will be carefully scrutinized by superiors

A hothouse environment where participants receive extraordinary opportunities, tools and, hopefully, support

### Why Action Learning?

Many organizations recognize the imperative to develop leaders. Action learning is an attractive solution. Since the mid-1990s, it has become an established and effective process for developing leaders while, at the same time, addressing critical business challenges—for example, new product development, expanding business operations into new geographies, post-merger integration, supply-chain management, and organizational restructuring.

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