

Corporate Executive Education: Benchmarking Best Practices

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Do you remember when the leading edge practice in executive education was to identify the high flyers and then send them off to a major university for a mini-MBA program? Well, in case you haven't already guessed it, the purpose of this article is to show that the field has come a long way since then. In the next few pages, I'll address current "best practices" in the field of in-house corporate executive education. Because Executive Development Associates (EDA) has specialized in executive / leadership development programs and strategies for the past fifteen years, we are in a position to monitor the pulse of the field. We do this through several means. One is our biannual trends survey in which we ask leading companies about their practices in executive education and their predictions for the next several years. In our last survey, over 50 major companies responded, including AT&T, Boeing, Coca-Cola, Aetna, Northern Telecom, Johnson & Johnson, Hewlett-Packard, Volvo and Weyerhaeuser.

Also, we conduct in-depth benchmarking studies for our clients. Benchmarked companies have included BellSouth, Boeing, Ford, Philips International, Motorola, Scandinavian Airlines Systems and Xerox, among many others. Finally, our consulting work with companies like AT&T, GE, Sun Microsystems, Coca-Cola, Motorola, IBM and Weyerhaeuser has allowed us to experience firsthand the practices that lead to success.

As you might expect, we've learned a lot. The rest of the article describes some of what we've seen, under three main headings: Overall Direction and Focus of Executive Education, Design and Development of Executive Education Strategies and Programs, and Implementation of those strategies and programs.

Overall direction and focus of executive education

1. *Strategy based executive education.*

The corporate mini-MBA is passe. Best practices companies seldom provide generic general management curriculums for their executives. Instead, they link their executive education efforts directly to the strategic objectives and challenges facing the organization. More companies are now using executive education to create (or shape) and communicate clear and compelling vision, values and strategies...and to build unity and alignment around them.

Weyerhaeuser's Leadership Institute, for example, was used to help transform the Forest Products Company from a centralized manufacturer of raw materials to a decentralized, market-focused enterprise... reversing 80 years of history. To achieve this ambitious goal, Weyerhaeuser executives required new perspectives, stronger leadership skills, innovative ways of attacking problems and better teamwork. The Leadership Institute addressed these needs by fostering ownership of the new strategy and equipping executives with the mindsets to make it happen.

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With this type of emphasis on strategic issues best practices companies view executive education as a way to achieve their strategic objectives, as well as to gain competitive advantage... so much so, in fact, that a few regard their executive education strategies and programs as proprietary information.

“...best practices companies view executive education as a way to achieve their strategies and objectives, as well as to gain competitive advantage.”

A most recent development in the use of corporate executive education programs is to create **STRATEGIC UNITY** (See Table 1.) Texas Instruments’ Creating Our Future workshops for their top 250 executives (in groups of 25) were designed to increase the degree of **STRATEGIC UNITY** at TI.

<i>Element of STRATEGIC UNITYSM</i>	<i>Provides</i>
Compelling vision & clear strategies / priorities understood & committed to throughout the organization	<ul style="list-style-type: none"> • Sense of worthy purpose & unity • Clear direction • Inspiration • Focused energy Note: People must willingly enroll through engagement
1. Values shared	<ul style="list-style-type: none"> • Foundation for empowerment • Guidelines for day-to-day action / decision making • Glue that holds an organization together • Meets spiritual needs
2. Team & individual actions aligned	<ul style="list-style-type: none"> • Translation of corporate vision, values & strategies into complementary team vision, values & strategies • Alignment of individual, team & corporate vision & values • Specific action plans linked to strategies & priorities • Team & individual sense of contribution / fulfillment • Individual energy & ability to fully express talents
3. Executives equipped with required capabilities	<ul style="list-style-type: none"> • Mindsets, knowledge, skills, & tools needed to achieve vision, live values & implement strategies • Training & education directly support the business goals

2. Top management involvement.

Strong support by the CEO (of the company or business unit) is another critical element. In best practices companies, the top executive is the sponsor and champion, providing overall direction to ensure that executive education directly supports the company vision, values and strategies. But involvement doesn’t stop there. The top executive’s participation in the program... both as a learner and as “faculty”... also is critical. Chairman Bob Galvin of Motorola, Ron Lawless of Canadian National Rail and Executive Vice President Charlie Bingham of Weyerhaeuser were the first ones to go through their executive programs, along with their top management teams. CEO “faculty” members like GE’s Jack Welch express their views, make their visions known, engage in open dialogue, challenge the participants ... and *learn* from them through frequent participation in their executive education programs.

“...the top executive is the sponsor and champion.”

In addition to the CEO, a senior-level advisory board is a common element in successful executive education efforts, lending further direction and credence to the overall strategy and programs. The Board is typically composed of line executives who are key stakeholders and a cross section of the “customer” (i.e., participant) group. An important function of the Board is to ensure that the strategy and programs are relevant for the organization and that design and development stays on track.

When people in the company see the list of advisory board members, the program’s credibility is firmly established. Their participation and backing provides a “Wow!” factor. That is, the prestige of the members signifies the importance of the executive education effort.

“...a senior-level advisory Board is a common element in successful executive education efforts.”

Plus, by their involvement in shaping the executive education strategy and programs, the Board

members come to own them. They become champions in their own organizations.

A sample advisory board charter is shown below (table 2):

Table 2: Sample Advisory Board Charter

PURPOSE & OBJECTIVES

The overall purpose of the Board is to ensure that the XYZ Company has the executive talent required to achieve its strategic objectives. Within this overall purpose, there are five primary objectives. They are:

1. To establish and monitor the strategy and processes for executive education and development.
2. To ensure that executive development strategies and programs directly support the achievement of XYZ Company's strategic objectives.
3. To ensure an adequate supply of high-potential managers to meet the strategic needs of the corporation.
4. To establish and maintain executive education and development as an integral part of the business planning process.
5. To manage executive talent as a resource for creating competitive advantage.

3. Continuous Learning Strategy and System.

Finally, best practices companies consider executive education as a strategic undertaking... as a system, or process, rather than a disjointed series of stand-alone, ad hoc events. They have a long-term strategy... a written plan... linked to the business strategy or challenges, that establishes executive education as a continuous learning system, thereby maintaining its strategic momentum. Specific programs, then, support the overall strategy.

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Companies employ a variety of strategies. For example, some use a building block approach,

which consists of a set of core, mandatory programs aimed at the transition to key management levels. Typically, “blocks” are developed for individuals who are newly-appointed to first-level and mid-level management positions, and for those moving into the executive ranks. Participants learn the skills and knowledge necessary to succeed in the new and different responsibilities they are acquiring. In addition, the building block approach provides a vehicle for inculcating the culture at various points in the manager's career, as well as continually reviewing and reinforcing the organization's vision, values, strategies and priorities.

Another strategy is exemplified by Motorola's Senior Executive Program. Each year, a new program is designed around the most critical business issue facing the company, and all 250 top executives attend. Programs have addressed Asian markets and competitors, cycle time, 6-Sigma Quality and projected customer expectations in the twenty-first century.

In summary, best practices companies link executive education directly to strategy and view it as a way to gain strategic advantage; their CEOs are committed and involved; they rely heavily on a senior-level advisory board; and they employ a long-range, continuous learning strategy and system, rather than ad hoc programs.

We've found that best practices companies also share some common characteristics in the way they design and develop their strategies and programs. These are described in this next section.

Design and development of executive education strategies and programs

1. Thorough Front-end Analysis.

First, best practices companies perform a comprehensive front-end analysis to ensure strategic relevance. The analysis identifies the organization's strategic objectives, the major challenges facing it and the executive capabilities that will be required. The analysis typically includes in-depth interviews with the top management team and a cross-section of the target audience. The process also creates commitment through involvement.

This is a critical step... and one that it is tempting to forego when under pressure to develop a program quickly or to reduce expenses. However, we have

“Prescription without diagnosis is malpractice.”

found that disaster almost invariably follows if it is not done and done well. This is because thorough research is essential if a company is to link executive education with its specific strategic issues. An appropriate medical phrase comes to mind here: “Prescription without diagnosis is malpractice.”

2. Customized Design.

Best practices companies don't use off-the-shelf or packaged programs at the executive level. Why? Because they use their executive programs to address the company-specific challenges and opportunities identified in the front-end analysis.

Therefore, they customize their programs so that they help create and drive the vision, values and strategies that are unique and critical to their organization. Also, customization ensures practicality, relevance, consistency and fit with the organizational culture and the target audience.

“...they customize their programs so that they help create and drive the vision, values and strategies.”

However, it should be noted that if organizational change is the goal of the program, fit with the current culture may be undesirable. Through the front-end analysis, it becomes clear what culture changes are required, and the programs can be designed to communicate and reinforce the desired culture.

3. Leadership Profiles and 360° Feedback.

The use of leadership profiles is another approach shared by many best practices companies. These customized profiles define and articulate desired values and leadership practices, expressing them as specific activities and behaviors. They are the values and leadership practices that top management perceives as critical to future success. This is an important point. Top management needs to build consensus among themselves about what the values

and practices are and the specific activities and behaviors that represent excellence.

The key is to go beyond the usual platitudes and to define behaviors that truly guide action. For example, for the BellSouth Leadership Profile, top management agreed on these activities and behaviors that exemplify the value “Respect for the Individual” in their company:

- Treat individuals with respect and dignity regardless of their position in the company.
- Make no destructive comments about people at work.
- Avoid playing favorites.
- Appreciate the value of diversity (avoid discrimination based on race, sex, age or background).
- Respect the needs and concerns of employees outside of work.
- Genuinely listen to other people's ideas.
- Make people feel their contributions are important.

These profiles are often converted into leadership inventories used to elicit confidential 360° feedback that is provided during executive education programs. When used in conjunction with follow-on one-on-one coaching, they form the basis for creating and implementing personal development plans that result in significant behavior change. See Table 3 on Page 5 for an example of the general values and leadership practices included in the Weyerhaeuser Leadership Inventory used in their Leadership Institute.

Each of these items in the Weyerhaeuser Inventory was further defined by specific behaviors. See the example of the Customer Satisfaction Item in Table 4 on Page 8.

Some companies even use the profiles as templates for other human resource systems and as the “glue” that holds the system together. In other words they reason that if these values and leadership practices are critical, why not hire and promote people who display them in the first place, or use the profiles to plan developmental assignments, make hiring and promotion decisions, etc? In addition, the leadership inventories are often re-administered over time to reinforce and measure progress. And sometimes they are used in training programs for lower-level managers to help institutionalize the

Table 3: WEYERHAEUSER Leadership Inventory.

Weyerhaeuser defined these values and leadership practices as being necessary to achieve its vision of becoming an organization dedicated to Total Quality:

Values

Customer Satisfaction
Leadership
People Involvement
Continuous Improvement

Leadership Practices

Personal Leadership
Directing
Guiding / Coaching
Supporting / Participating
Delegating

company's values and leadership practices throughout the organization.

Thus, in design and development, best practices companies first perform a thorough front-end analysis. They then customize their executive

“...many employ leadership profiles to clarify values and leadership practices and to provide individual 360° feedback.”

education strategies and programs to fit their specific strategies and the challenges facing the company. Finally, many employ leadership profiles to clarify values and leadership practices and to provide individual 360° feedback, development and coaching.

But there's still a critical task to be accomplished... implementation. The next section shows how this is done in best practices companies.

Implementation

1. Top-down Implementation and Critical Mass.

In best practices companies, the top management team goes first... and they are full, active participants. Thus, implementation is from the top down. That is, the top executive and his or her

“...early participation allows the senior executive to lead by example.”

executive team typically constitute the first participant group. As a major benefit, they understand and agree about what is being taught. Only then can they immediately reinforce, coach and support people who report to them as they subsequently complete the programs. In addition, early participation allows the senior executive team to lead by example. They can embody and employ the philosophies and practices they have learned, as well as demonstrate the importance of learning.

Often, the goal of executive education is to catalyze organizational change. Critical mass must then be attained quickly, in order to establish and sustain momentum.

CEO John Clendinin of BellSouth applied this principle when he used executive education to help re-shape his company's culture after divestiture from AT&T. Clendinin realized that in transitioning from the old monopoly to the new, unregulated and highly competitive environment, his managers

“...Often, the goal of executive education is to catalyze organizational change.”

would require an enhanced set of leadership skills. Thus, he wasted no time in creating the BellSouth Leadership Institute.

The Institute was not a *program* in the traditional sense of the word. Instead, it was a process... a series of experiences for key executives and

managers... with a powerful mandate: to take a leadership role in transforming the essence of the BellSouth culture and the way the company ran its business.

BellSouth, in the tradition of best practices companies, didn't rely on a catalog approach, in which individuals pick and choose the developmental activities that seem best for them... or are simply most convenient. Instead, *everybody* in the target group was "expected" to participate.

This full participation strategy, however, does not preclude a more focused approach, when appropriate. Best practices companies also use "laser" precision to focus on the identified needs of subgroups with common needs, teams or functional and technical organizations. Also, a "dual track" approach may be used to simultaneously address common needs as well as individual development requirements (which are often identified by leadership inventory 360° feedback).

2. Shorter and More Frequent Learning Experiences.

In best practice companies, the trend is for more frequent, on-going learning experiences in shorter blocks of time away from the job. This practice directly supports the concept of continuous learning. Thus, Motorola no longer sends its executives to the

“...the trend is for more frequent, on-going learning experiences in shorter blocks of time.

Arizona desert for a month-long, once-in-a-career mega-dose of learning as it did in the 1970s. Instead, the top 250 managers come together once each year (in groups of 20 – 30) to address an issue of strategic importance to the company at that point in time.

3. Action-oriented Learning.

In best practices companies, executive learning is built around action, not theory. Participants learn by doing. For example, rather than listen to a lecture on strategic planning, they build strategic plans for their own business units, using the faculty as a coach.

Or, instead of debating the quality and value of their company's products and services among themselves, they go through their executive education programs shoulder-to-shoulder with living, breathing customers... and hear customer perceptions first-hand. Among others, Weyerhaeuser, Xerox, Northern Telecom, BankBoston and Canadian National Rail did this, and the revelations were eye-opening. For example, Weyerhaeuser executives discovered that they had to learn not only their own business inside-out, but also the businesses of their customers. Only then could they truly understand how to serve them well. CN executives learned that they could operate a very efficient railroad but still not meet the needs and expectations of their customers. Thus, these companies developed new ways of doing business... ways that were more customer focused.

“...executive learning is built around action, not theory...”

Action-oriented learning can take other forms as well. Leadership and teamwork, for example, are sometimes learned and practiced through adventure challenges... by accomplishing daring cliff rescues or by navigating through electronic mazes or crocodile-infested streams (simulated, of course!).

Or business simulations may be employed. Participants may undertake grueling and life-like experiences in which the business activity of years is compressed into a day or two.

The latest trend is a process called “action learning” which includes the assignment of real, immediate business problems to teams for developmental purposes. As an example, participants in Motorola's Senior Executive Program developed the company's strategy for competing in Asian markets. At BankBoston, high-potential executives in their Accelerated Leadership Program are tackling eighteen of the Banks' toughest opportunities and challenges.

As these examples illustrate, action-oriented learning is dynamic, not passive. It is learning by doing, not by listening. It breaks the old teacher – student mindset. And best practices companies believe that compared to more traditional methods, it results in increased retention and accelerated

learning, as well as in hard-hitting outcomes that can have far-reaching implications.

However, there is a major danger inherent in this approach. Participants sometimes get so caught-up in the action, i.e., the problem, that they lose sight of the learning objectives.

This, of course, is where expert facilitation and debriefing come into play. In an adventure challenge scenario, for example, the skill of the facilitator may mean the difference between achieving a significant breakthrough in team building and merely spending an interesting day in the woods.

Finally, best practices companies are vitally concerned with the transfer of learning back to the job. They put less credence in participant reactions to the program (e.g., how entertaining it may have been) and instead devote significant resources to support on-the-job application.

For example, Canadian National Rail used faculty members outside the classroom to help project teams apply the tools and concepts they had learned.

“...best practices companies are vitally concerned with the transfer of learning back to the job.”

Digital Equipment provides an executive coach for each person in their Corporate Leadership Group to help participants make behavioral changes related to the feedback they have received concerning the organization's desired leadership practices. And, BankBoston provides process coaches to support each team as they work on their action learning projects.

In summary, best practices companies implement their programs from the top down, attain critical mass quickly, use action-oriented learning, provide shorter and more frequent learning experiences for their executives, and focus on on-the-job application of the tools and concepts learned in the classroom.

Benchmarking Your Practices.

The final section of this article challenges you to see how your company stacks up in respect to current best practices in executive education. See Self Assessment Inventory on page 9 and 10.

About The Author

Jim Bolt is Chairman and founder of Executive Development Associates (EDA), a leading consulting firm specializing in the use of executive and leadership development to help achieve strategic objectives and change. EDA designs and develops in-company, customized executive education and leadership development programs and consults on strategies for executive learning. EDA also runs workshops and networks for executive development practitioners / professionals. EDA's clients have included 25 of the Fortune 50 sized companies.

Prior to founding EDA in 1982, Jim spent nearly 17 years at Xerox Corporation in marketing, branch management and human resources. His last position was Corporate Director, Human Resources Planning and Development, where he had worldwide responsibility for executive education, leadership development, succession planning, personnel research, as well as employment and college relations.

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**Table 4: Weyerhaeuser Leadership Inventory
Customer Satisfaction Item**

*Consider this individual's effectiveness in the following items.
How satisfied are you with the way this individual...*

	<i>Highly Dissatisfied</i>	<i>Dissatisfied</i>	<i>Neither Satisfied nor Dissatisfied</i>	<i>Satisfied</i>	<i>Highly Satisfied</i>	<i>No Information</i>
1. Creates a customer and market orientation throughout organization	HD	D	N	S	HS	NI
2. Consistently treats his / her customers as a top priority	HD	D	N	S	HS	NI
3. Ensures personal calendar reflects substantial time with customers	HD	D	N	S	HS	NI
4. Seeks and actively listens to input from his / her customers	HD	D	N	S	HS	NI
5. Searches for new, better ways to meet customer needs	HD	D	N	S	HS	NI
6. Strives to make his / her customers more profitable (efficient)	HD	D	N	S	HS	NI
7. Makes honest, realistic commitments to his / her customers	HD	D	N	S	HS	NI
8. Meets commitments made to his / her customers	HD	D	N	S	HS	NI
9. Uses "full customer satisfaction" as a guide for measuring quality	HD	D	N	S	HS	NI
10. Acts to solve customers' problems in a timely manner	HD	D	N	S	HS	NI

Corporate Executive Education: Benchmarking Best Practices

How does your company rate?

On the scales below, rate how well your own organization uses the methods of best practice companies. If you find gaps in your practices, take a lesson from the companies that have already blazed the trail, and develop an action plan.

Scale

- 1 Very Poor*
 - 2 Poor*
 - 3 Fair*
 - 4 Good*
 - 5 Excellent*
-

Overall Direction and Focus of Executive Education (Circle One)

- | | | | | | |
|--|---|---|---|---|---|
| 1. Strategy based executive education. | 1 | 2 | 3 | 4 | 5 |
| 2. Heavy top management involvement. | 1 | 2 | 3 | 4 | 5 |
| 3. Continuous learning strategy
and system. | 1 | 2 | 3 | 4 | 5 |

Biggest Gaps:

Actions Required:

Continued on Page 10

**Corporate Executive Education:
Benchmarking Best Practices**
How does your company rate? (Cont.)

Design and Development of Executive Education Strategies and Programs

- | | | | | | |
|--|---|---|---|---|---|
| 1. Thorough front-end analysis. | 1 | 2 | 3 | 4 | 5 |
| 2. Customized program design. | 1 | 2 | 3 | 4 | 5 |
| 3. Use of leadership profile and
360° feedback. | 1 | 2 | 3 | 4 | 5 |

Biggest Gaps:

Actions Required:

Implementation of Strategies and Programs

- | | | | | | |
|--|---|---|---|---|---|
| 1. Top-down implementation and
build critical mass. | 1 | 2 | 3 | 4 | 5 |
| 2. Shorter and more frequent
learning experiences. | 1 | 2 | 3 | 4 | 5 |
| 3. Action oriented learning methods. | 1 | 2 | 3 | 4 | 5 |

Biggest Gaps:

Actions Required:
