



RESEARCH RESULTS

SUCCESSION MANAGEMENT

RESULTS OVERVIEW

- **EVEN THOSE WHO WERE NOT SELECTED TO PARTICIPATE CONSIDERED THE SELECTION PROCESS TO BE FAIR.**
- **COMPARED TO A CONTROL GROUP, LEADERSHIP ACADEMY MEMBERS WERE SEVEN TIMES MORE LIKELY TO GET PROMOTED AND RECEIVED MORE THAN TWICE THE PAY INCREASE.**
- **LEADERS SIGNIFICANTLY IMPROVED THEIR SKILLS BY PARTICIPATING IN THE LEADERSHIP ACADEMY.**

INDUSTRIES

Public assistance, child, and family welfare (nonprofit)

ORGANIZATION

Michigan Family Independence Agency (FIA)

DDI PRODUCTS USED

Customized succession planning

Leadership Mirror®

Interaction Management®

CLIENT NEED

The Michigan Family Independence Agency (FIA) is a public assistance, child, and family welfare agency, employing 10,400 people. FIA directs the public assistance operations and service programs in every Michigan county through a network of family independence agency offices. Programs for adults and families include protective services, adult placement services, home help services, referral for employment and training, independent living, counseling, and health-related services. Service programs for children include protective and preventive services for those who are neglected, abused, or exploited, including foster care placement.

A strong shift in employee demographics prompted FIA to realize its urgent need for a succession management plan. Recent data revealed that 75 percent of its senior-level associates were either eligible for retirement or planning to retire within five years.

FIA wanted to create and launch a unique, multifaceted succession management initiative to identify high-potential employees and prepare them for senior-level positions, using a proven acceleration pool model. Expected outcomes of this program included:

- Providing a source of candidates for key leadership positions.
- Selecting candidates for an acceleration pool that was viewed as fair, objective, and valid.
- Identifying “diamonds in the rough”—candidates who might not be well known to the Executive Management Team.
- Retaining leaders who have the potential to provide senior leadership for the agency.
- Accelerating the development of key individuals and providing them challenging, growth-oriented, and rewarding career opportunities.
- Enhancing the diversity of FIA leadership.
- Preserving institutional knowledge. (Because of the large number of senior-level employees reaching retirement eligibility, the potential for a “brain drain” was real.)

SOLUTION

Development Dimensions International (DDI) worked closely with FIA leadership to develop a holistic succession management system—the “Leadership Academy”—based on DDI’s acceleration pool model. This system, guided by DDI’s strategic consulting capabilities, included:

- A multiphase process for nominating and selecting high-potential candidates. (Approximately 420 individuals applied for the Leadership Academy; 42 were accepted.)
- A Leadership Academy orientation program.
- Multirater assessment and development planning.
- Structured mentoring.
- A six-month, team-based action learning process.
- Learning forums that can provide real-time learning on topics relevant to leadership and the agency.

METHOD AND PARTICIPANTS

Results outlined in this summary address the experiences of 20 leaders who participated in Phase I of the program as well as various other individuals involved in the process. Those involved in the acceleration pool completed surveys describing their reactions to the program. Also, multirater data from DDI’s

Leadership Mirror was used to document changes in participants’ skill levels.

RESULTS

Program Reactions

Even those who were not selected to participate considered the selection process to be fair.

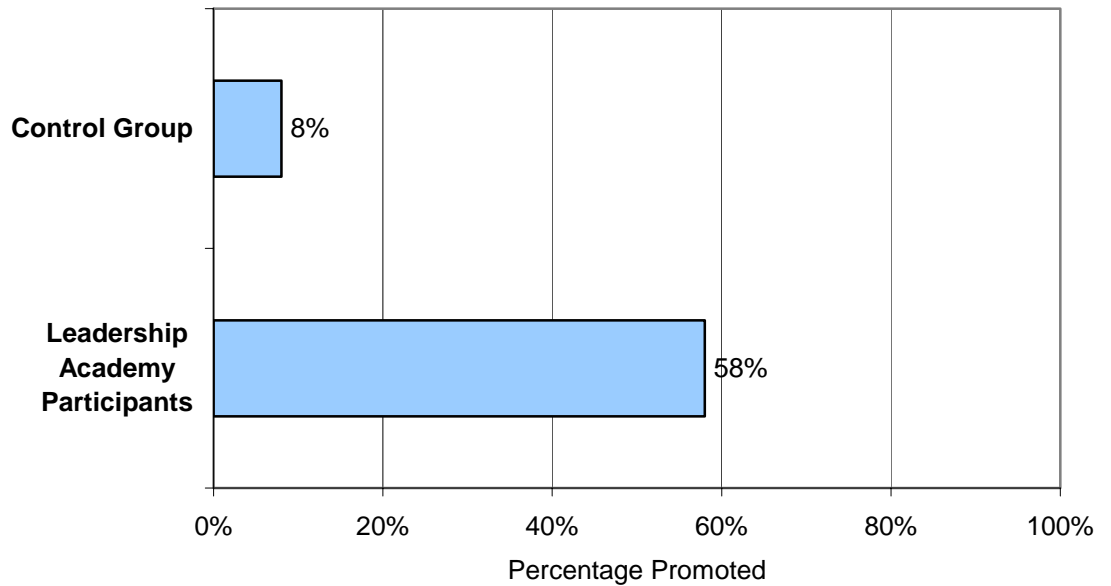
The nomination and selection processes were well received. After going through this procedure, 68 percent of the applicants believed it to be fair, although 78 of the 95 survey respondents were not even selected into the Leadership Academy.

Promotions and Salary Increases

Compared to a control group, Leadership Academy members were seven times more likely to get promoted and received more than twice the pay increase.

One of the main goals of the program was to accelerate the development and promotability of the high-potential group. Outcomes of the program show a clear advantage for the Leadership Academy participants. Figure 1 (on the next page) shows that 58 percent of this group were promoted, versus only 8 percent of the control group (i.e., non-participants).

Figure 1: Promotion Rates

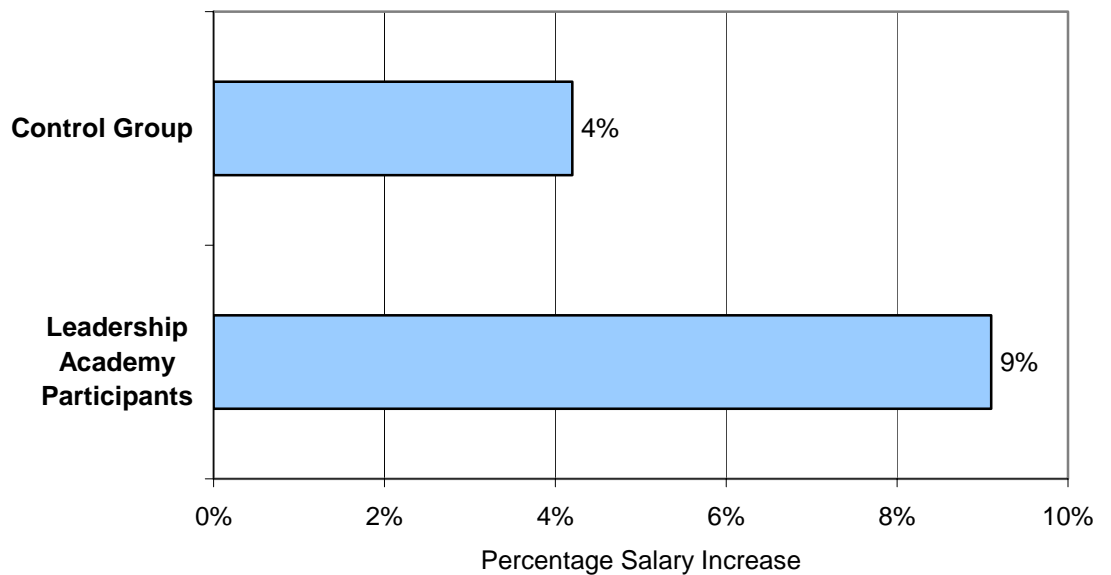


In addition to a higher frequency of promotion, Leadership Academy members received pay increases beyond typical amounts. Their pay raise amounts were more than twice the size of those received by the

control group in the same period.

Figure 2 shows an average increase of 9.1 percent for Leadership Academy participants, versus only 4.2 percent for the control group.

Figure 2: Salary Increases



CONTACT INFORMATION

WORLD HEADQUARTERS
412.257.0600

E-MAIL INFO@DDIWORLD.COM

WWW.DDIWORLD.COM/LOCATIONS

Skill Improvement

Leaders significantly improved their skills by participating in the Leadership Academy.

The Leadership Mirror multirater assessment was administered before and after associates participated in the Leadership Academy. Results show significant improvement in their overall skill levels. Before participating, their average proficiency levels were rated a 3.94 (1 = Much less than proficient; 5 = Much more than proficient); afterward, the average rating increased to 4.25.

Expansion of the Program

Because of the positive reactions and outcomes, FIA is continuing the Leadership Academy and is on its third iteration. These individuals will follow a process similar to that of the first and second groups.

Plans are underway to gather additional data that can demonstrate the changes in leadership behavior, job performance, and organizational outcomes. This first set of results is very encouraging, and FIA expects to find many other positive benefits resulting from the Leadership Academy program.