The strength of leadership capability at the mid-level is a primary determinant of an organization’s ability to execute its business strategy. If organizations want to be successful, they must take stock of the current readiness of their mid-level leaders, and develop them to meet business needs sooner. That begins with benchmarking against those organizations that are doing it right—and achieving the right results.
“We surveyed our top 500 leaders, and received feedback to the effect of ‘What made me successful up to now isn’t working any longer. I can’t solve problems the way I used to before. I need new skills and tools. How do I navigate these challenges for me, my department, my unit, my country?’ Complexity is fundamentally different today than it was five years ago.”

– Andrew Fox,
Regional Mars University Director,
Australia and New Zealand,
Mars Incorporated
The challenge—and confusion—are real. But so, too, is the desire to address it.

In fact, the impetus for this study came from a DDI client that challenged us to leverage our vast global network of contacts and clients to identify the best practices leading companies are using to assess and develop their mid-level leaders. What practices have the most impact? What doesn’t work? Which organizations can we look to as leaders? You’ll find the answers here.

We jumped at this challenge because we know organizations increasingly view the mid-level (most often defined as “managers of managers” with titles of director and vice president) as critical to their business success, as mid-level leaders must translate strategy into successful execution. What’s more, organizations have grown more sensitive to the pressure-cooker atmosphere in which mid-level leaders operate. Their roles are defined by greater responsibility, the need to do more with less, the accelerating pace of a global economy, and unprecedented demands on their time and attention.

To accomplish our mission, we interviewed talent management executives at 20 highly respected organizations from around the world. We also asked them to rate (on a scale of 1 to 5, with 5 being the highest) their organization’s performance on a number of mid-level leadership development best practices. You’ll see the average ratings throughout this report.

We view this research report as a guide to talent management best practices in assessment and development at the mid-level—a tool that you can use to diagnose your organization’s mid-level approach and to determine next steps so that you can help provide the best talent to support the execution of your business strategy.
DEVELOPMENT AT THE MID-LEVEL

THERE IS A GROWING RECOGNITION THAT THE MID-LEVEL HOLDS THE KEY TO LONG-TERM BUSINESS PERFORMANCE.

The individuals we talked to know that mid-level leaders are essential to strategy execution. Yet, as mid-level roles are changing dramatically, they need support in order to be effective. The good news is that organizations know this, and are taking action.

### FINDING: The role of the mid-level leader is changing and organizations recognize they need to provide more support.

As organizational structures have become both flatter and leaner, critical management responsibilities have been pushed downward, and the global economy has given rise to a more complex business environment, mid-level leaders have felt the heat. The role has changed so much in recent years that organizations are concerned about mid-level leaders having the skills to succeed. The individuals we interviewed agreed the role is changing rapidly, and concurred that a new skill set will be required:

**John Philip “JP” Orbeta, Managing Director and Group Head, Corporate Resources, Ayala Corporation:** “More will be expected from middle managers over the next three to five years. In particular, decision-making will be pushed to their level, including matters that have direct impact on P&L. The biggest business challenges for middle managers across the group are developing people management skills, having an enterprise mindset, and making business decisions/business acumen. Middle managers will have to develop broader perspectives in managing their operations.”

**Deb Sinta, Senior Manager, Learning & Development, Sara Lee:** “Middle managers have a high organizational impact. We expect a lot from them; they need to understand a P&L statement, be proficient in certain processes and procedures, lead and manage people effectively, and if needed, roll up their sleeves and do the work themselves. We require them to execute organizational strategy, develop new leaders, and produce bottom-line results. Often resources are limited, but the expectations remain just as high.”

**Andrew Fox, Regional Mars University Director, Australia and New Zealand, Mars Incorporated:** “The mid-level leaders of the future need to be more empowered to set their own strategy, make their own decisions, and empower their own people in..."
alignment with the business strategy. Mid-level leaders have to solve their own complex challenges and start thinking differently . . . . It’s a massive job at the mid-level because they not only get involved in executing all of our business strategies, but also need to manage the culture and be active role models in spotting and developing the next level of talent.”

**FINDING: 75% of the companies we interviewed are either increasing or maintaining talent management investments at the mid-level.**

Fortunately, many organizations have not only acknowledged the challenges facing mid-level leaders, but they also are doing more than paying lip service to the problem. Across the board, we found talent management executives who could talk about the importance of their organization investing in the mid-level.

**HR executive, Global Company:** “I run our senior leadership programs. We integrate what we do for the top 200 with the mid-level program. I spend less time with our executives in formal events, but more time with the mid-level. On average, we spend five days annually for executive training, and eight to 10 days annually for mid-level training.”

**Sharon Arad, Ph.D., Director, Assessment & Coaching, Engagement & Performance Management, Cargill:** “The mid-level is critical in terms of succession planning, coaching, and development. It is very important to make sure they are ready, actively developing their leadership and business skills, as they have a direct link to our business success, either now or in the future. We have to make sure we get it right at this level.”

**Nancy D. Williams, SPHR, Vice President, Manager, Organizational Effectiveness, Huntington Bancshares, Inc.:** “Our heart has always gone out to the mid-level leaders because they are always in compression mode. We must provide them with support, resources, and the development they need to be able to deliver. We know if we don’t do this, we won’t be able to deliver on our business strategy.”

As evidence of the growing commitment to helping mid-level leaders rise up to the challenges of their roles, organizations are increasing or, at least, maintaining their investment levels at the mid-level. Of the 20 companies we interviewed, 60% (12 organizations) are increasing their investment and 15% (three organizations) are maintaining their investment.
LEADERSHIP DEVELOPMENT METHODS ARE EVOLVING AS DRAMATICALLY AS THE MID-LEVEL ROLE ITSELF.

Development at the mid-level continues to evolve. Organizations are shifting their approaches to developing mid-level leaders, driven in part by the emerging challenges facing mid-level leaders and in part by the rapidly changing business landscape, among other drivers. Also driving these changes is a recognition that improvement is needed in certain areas, such as development planning.

How and why are leading companies evolving their approach to developing their mid-level leaders? Those we interviewed shared rationale and common practices, identified what’s having the greatest impact and why, and offered some valuable lessons that they have learned along the way.

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**FINDING:** Mid-level development remains a work in progress; it’s evolving to meet specific business needs and to shape organizational cultures.

As the mid-level role continues to change, the approaches organizations are taking to developing these leaders also are changing. Figure 1 on the next page shows how various established development practices are being transformed to meet both current and future organizational needs.

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“We know if we don’t focus on the mid-level, we won’t be able to deliver on our business strategy.”
### FIGURE 1: EVOLUTION OF MID-LEVEL DEVELOPMENT PRACTICES

<table>
<thead>
<tr>
<th>Past</th>
<th>Present/Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>• On-the-job learning tied to mid-level manager’s regular job</td>
<td>Strategic and meaningful developmental work assignments are defined outside one’s current job or function</td>
</tr>
<tr>
<td>• Coaching done by trained coaches; line leaders focused on achieving goals</td>
<td>“Leaders as coaches” with support provided to help line leaders be better coaches</td>
</tr>
<tr>
<td>• Programs designed at corporate and rolled out globally</td>
<td>Specific programs for emerging regions such as India and China</td>
</tr>
<tr>
<td>• Competency-based development to build general leadership skills and traits</td>
<td>Development initiatives based on organization’s business reality and business context</td>
</tr>
<tr>
<td>• Regional program design</td>
<td>Global focus</td>
</tr>
<tr>
<td>• Programs delivered to mid-level leaders within a region or business unit</td>
<td>Programs include participants from multiple regions and business units to increase learning and networking</td>
</tr>
<tr>
<td>• No specific focus on mid-level development within Learning &amp; Development (L&amp;D) function</td>
<td>Mid-level development viewed as strategic and resourced appropriately</td>
</tr>
<tr>
<td>• Mid-level leaders offered generic training calendar (buffet-style, open-enrollment courses, no tracking of courses taken)</td>
<td>Portfolio of required development programs and experiences for mid-level leaders</td>
</tr>
<tr>
<td>• L&amp;D owns primarily formal, classroom training</td>
<td>L&amp;D owns the entire 70/20/10 spectrum, leading to more creative and relevant development offerings</td>
</tr>
<tr>
<td>• L&amp;D staff dedicated to corporate, regional, or business unit initiatives</td>
<td>L&amp;D staff collaborates globally to leverage resources and maximize results</td>
</tr>
<tr>
<td>• Talent management viewed as HR process</td>
<td>Talent management is part of an organization’s value proposition and its ability to attract top talent</td>
</tr>
<tr>
<td>• Talent reviews limited to “talk” about potential future leaders</td>
<td>Talent reviews incorporate processes to identify and develop talent earlier and deeper in the organization</td>
</tr>
<tr>
<td>• Talent reviews conducted at business unit or subsidiary level only</td>
<td>Talent reviews conducted at group-wide and enterprise levels</td>
</tr>
<tr>
<td>• One-size-fits-all development plans</td>
<td>Individualized development plans for mid-level leaders based on assessment results</td>
</tr>
</tbody>
</table>
These changes in development practices bring with them significant implications for the Learning & Development (L&D) groups responsible for leading and implementing mid-level development programs. L&D personnel must be strong business thinkers with solid global acumen, not just functional HR experts. To be seen as a credible voice in critical talent decisions, they need to demonstrate an understanding of talent as it relates to unique business needs—current and future—for different stakeholders.

The global nature of development practices also is challenging organizational norms regarding centralized L&D functions and programs versus decentralized organizational structures and their associated development programs. In addition to thinking more globally, L&D groups are being asked to think more expansively about the necessity of integrating assessment and development programs, not only at the individual leader level but also at the organizational level as a whole. Finally, as they expand their responsibilities across the entire 70/20/10 spectrum, they must continue to stay abreast of contemporary methods for integrating on-the-job development into their learning journeys as well as find ways to build an ever-growing population of internal coaches to effectively guide mid-level leaders through their development journeys.

**FINDING:** Even leading organizations rated themselves as “average” in individual development planning at the mid-level.

When asked if mid-level leaders share accountability for preparing and executing formal development plans, those from the 20 organizations we spoke with rated their efforts as “average.” One revealing theme that emerged from the interviews was that while mid-level leaders need to own their own development, they find it challenging to make development planning happen as it should. Busy mid-level leaders and their managers might not make development planning a priority, or they might not know how to craft a powerful development plan. When this is the reality, strong follow-through and results don’t follow.

Debbie Logan, Director, Global Talent Development, Halliburton, said, “Development plans can help an individual leverage the assessment feedback they receive to create a personalized path for growth. While development planning may seem common sense, it is more challenging to make common practice. It’s still a new concept for many employees and managers. I would like to see more thought, measurement and accountability put into development planning because the payoffs are worth the effort.”
Andrew Fox, Mars Incorporated, shared what this challenge looks like in his organization: “The biggest challenges in executing a mid-level leadership curriculum are the sheer logistics with the number of mid-level leaders, the intensity of the training, the size of their jobs and the time required to do training off the job. It’s easier for a senior leader than a mid-level leader to carve out the time and space to think and reflect on their development-planning journey. The business needs to be able to free them up for enough time to think and get clarity on development goals, and remove the barriers and stress from the on-the-job pressures.”

Some, however, found best practices that promote development follow-through. Tasporn Chantree, SVP, People & Organizational Performance, Siam City Cement Public Company Limited (SCCC), shared this best practice: “At SCCC, the supervisors have all gone through a development program, which builds their coaching skills and provides confidence to support development of their direct reports effectively. At the same time, the company also ensures that mid-level leaders have development options that fit the needs of each individual.”

IBM’s Innovative Capability Centers

IBM has taken development planning to new heights with an innovative approach it calls Capability Centers. The Capability Centers are web-based resources that are open to any of IBM’s 400,000-plus employees desiring to build a capability. But as the centers focus on capabilities such as demonstrating leadership, managing the business (i.e., how to run an organization), or building mutual trust, they are well-suited to the needs of mid-level leaders.

“Essentially, the Capability Center describes the behaviors you would exhibit at various levels of proficiency,” says Jack Beach, Ph.D., Manager, Leadership Research & Executive Programs, IBM. “There are also hot links to various learning resources that employees can use to put together development plans.

“Oh you feel you have improved your skills, then you can seek validation that you have achieved a particular proficiency level by seeking approval through your manager or your manager’s manager, depending on the capability at hand.”

“This has been a very popular approach to development with tens of thousands of hits on the site,” says Beach.

Managers of mid-level leaders are accountable for developing them.

Average respondent rating on a 5-point scale:

3.3
ORGANIZATIONS ARE MAKING 70/20/10 ADD UP TO SUCCESS AT THE MID-LEVEL.

The 70/20/10 model for development—70% on-the-job, 20% coaching/relationships, and 10% formal development programs (see Figure 2 below)—is well ingrained in many leading companies. Using the approach as a framework for building leadership development portfolios, many organizations map development opportunities to the model. Some share the model openly and discuss it with managers to help them grasp the variety of development methods and experiences that go well beyond the typical classroom training.

Through our interviews, we learned how leading organizations approach each area of the model and the best practices that allow them to realize the greatest value from the related development efforts.

Andrew Fox, Mars Incorporated, said that his organization’s 70/20/10 approach is well-planned: “What has had the biggest impact is being able to apply learning on the job and have that real-world application. All of these experiences are followed up with coaching where we are leveraging our senior leaders as mentors across the business. Our application learning includes compulsory, significant, self-directed learning, fieldwork, and e-learning 90 days leading up to attending classroom training. After the classroom experience, coaching continues, and during the 90 days following the program, there are tangible business outcomes required to show that the objectives have been met.”

FIGURE 2: 70/20/10 GUIDELINE

“What has had the biggest impact is being able to apply learning on the job and have that real-world application.”
FINDING: While expanded use of technology continues to be explored, many leading companies still find face-to-face learning to be most effective.

The companies involved in this research still rely heavily on face-to-face workshops to deliver flagship development programs for mid-level leaders. But that’s not necessarily a negative. As one individual we interviewed put it, “Many still prefer good-quality classroom learning.” For many types of training, such as courses designed to develop behavioral skills, the classroom is a superior option as it offers opportunities for live role-playing and peer-to-peer networking, which is critical for mid-level leaders.

For example, Nokia implemented custom programs to focus on markets and strategies in Asia to support its expanding operations in the region. Thirty mid-level managers were selected to attend a program with one session conducted in China and another session in India. The group also dedicated time to global action learning projects that were presented to the senior management team, according to Arati Mohanram, Manager of Talent Management, Nokia in India.

As organizations have increased their focus on developing their mid-level leaders, training programs targeted to the unique needs of the mid-level have become available. Contemporary courses that combine skill development with an emphasis on development planning and immediate on-the-job application are recommended. For example, an exercise such as having leaders chart the extent to which their actual day-to-day activities align with strategic priorities can help them stay focused on what’s most important.

This isn’t to suggest, however, that mid-level development remains a low-tech realm. Organizations have embraced technology for some of the management fundamentals for their frontline leaders and, to some extent, at the mid-level. Early adopters are using webinars to deliver leadership development sessions, web portals to connect communities online and to facilitate virtual action-learning teams, and blogs to increase participant interaction and to support their efforts to integrate what they are learning between face-to-face sessions.

HR Executive, Global Company: “In India, it’s premature when it comes to using online networking as a learning method. People want to network online, but not to learn online.”

John Philip “JP” Orbeta, Ayala Corporation: “Online learning is being utilized more frequently such as video conferencing and e-learning, among others. The blended learning approach is starting to be practiced across the Ayala Group of Companies. Social networking is used more for information exchange and not for development.”

“Social networking is used more for information exchange and not for development.”
FINDING: Leading organizations are recognizing the importance of relationships in developing mid-level leaders.

Mentoring by senior leaders, executive coaching, and interaction with the executive team continue to be essential for the effective development of mid-level leaders. Establishing relationships among mid-level leaders across the organization is also recognized as increasingly important—in part to help mid-level leaders gain a broader knowledge of the organization, and in part because it’s the new way business is conducted.

This recognition is leading organizations to employ various techniques to facilitate more cross-organizational interaction. This may take the shape of peer mentoring, group coaching sessions, or structured learning cohorts, as well as the deliberate mixing of participants across geographies or business units in workshops and action-learning teams (Figure 3).

Jack Beach, Ph.D., Manager, Leadership Research & Executive Programs, IBM, said that coaching and mentoring have had tremendous effect in his organization. “These are all very smart people. You don’t need to teach them the concepts, per se. Rather, it is exposing these leaders to various experiences, actual and simulated, and having senior leaders provide practical guidance or act as a coach who can accelerate development. Mentors’ and coaches’ most important function is to help these individuals learn from their experiences. Just having various experiences does not guarantee learning will occur. All of these programs are about giving people feedback—both in the moment from observers and from 360 survey assessments. When coaching and mentoring are combined with 360 assessments, you can get some very solid results.”

FIGURE 3:

<table>
<thead>
<tr>
<th>The Advantages of Coaching and Mentoring to Mid-level Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Exposure to leaders at higher organizational levels</td>
</tr>
<tr>
<td>• Direct coaching—and feedback—from subject-matter experts</td>
</tr>
<tr>
<td>• Business relevance of target skills and knowledge are reinforced</td>
</tr>
<tr>
<td>• Opportunity to network and learn about other parts of the business</td>
</tr>
</tbody>
</table>
FINDING: For developing mid-level leaders, the workplace has become a “life experimentation” lab.

This is where development takes place inside of real work, or as one individual we spoke to stated, “The company and the job itself become the curriculum.” The best learning experiences focus on unique assignments aimed at building specific competencies rather than generic on-the-job learning. At IBM, for instance, development targets competencies, capabilities, and experiences with the expectation that line leaders will help oversee the learning experiences.

In addition, many organizations, including some that were interviewed for this study, are now taking a more scientific and creative approach to matching job assignments and activities to specific competencies. This approach also takes into account that there are different types of job assignments (e.g., projects/task forces, start-up jobs) that provide unique or specialized development opportunities.

Andrew Fox, Mars Incorporated: “The Management Team meets on a quarterly basis with the broader leadership team (top 45 managers in the business). So the mid-level leaders have an opportunity to reconnect with the strategy and participate in intact learning experiences in teams built around the business challenges they are facing. This creates a common language, a critical mass, a tipping point for changing paradigms.”

Within the Ayala Group of Companies, more attention has been given to actual development projects within subsidiaries or across the organization. Developmental activities include working on project teams with middle managers from other subsidiaries. These project teams have developed new products and services that create synergy and offer exposure to alternative careers within the current organization or to another company within Ayala Group.

John Philip “JP” Orbeta, Ayala Corporation, shared this example: “One of our high-potential project teams asked if they could create a group-wide rewards and loyalty program that would cut across the businesses. . . . The program was a big hit and we were able to raise over US $2.7M in new business at the launch event.”

In another organization, learning is equated with life experimentation, through which newly minted high-potential mid-level managers are given new responsibilities and a chance to demonstrate their talent on the job. Because of frequent changes and reorganizations in the organization, this is even more feasible thanks to a rise in the number of assignments and opportunities available for leadership.
ASSESSMENT AT THE MID-LEVEL

WHEN IT COMES TO ASSESSING MID-LEVEL LEADERS, 360s ARE MOST POPULAR, YET ASSESSMENT CENTERS ARE MOST POWERFUL.

Assessment is important because it identifies and clarifies the gaps between current leadership capability and what is needed for success in a mid-level leadership role. The companies we interviewed employed different strategies for different populations of mid-level leaders. For the general population of mid-level leaders, the most popular form of assessment is multirater instruments (360s), while for high potentials, assessment centers remain very popular.

The different ways in which these assessment methods are used are reflective of the advantages that they offer for assessing these two key populations of mid-level leaders.

FINDING: 360s are most widely used for larger mid-level leader populations.

As our interviews confirmed, the 360 tool is perceived as an excellent option for a lower-cost assessment focused on development. A big advantage it offers is that most mid-level leaders have access to 360s, and can leverage the results for development. Administration of a 360 instrument, especially when coupled with a personality inventory to attain a more complete snapshot of the individual, provides excellent insights into a leader’s strengths and areas for improvement, offering a starting point for meaningful developmental planning.

For example, John Philip “JP” Orbeta, Ayala Corporation, said, “The use of 360 feedback has improved self-insights of middle managers. Oftentimes, they are surprised with the results. However, the instruments provide them with an opportunity for self-reflection, and after the initial reactions, they accept the feedback and are now trying to figure out what they can do to change. As a result of this initiative, we have seen behavioral changes.”

Average respondent rating on a 5-point scale: 3.7

We have a formal process for early identification and growth of high-potential talent at the mid-level.
**FINDING: Assessment centers are viewed as the most impactful assessment option.**

For their high-potential populations, many companies turn to more robust, day-in-the-life assessment centers, which bring together business/leadership simulations, interviews, and personality inventories. It’s not hard to understand why the smaller high-potential population tends to benefit from the more robust and involved form of assessment, which provides a tremendous amount of data and insights on the individual, including strengths, target areas for development, and personality traits. After all, high potentials at the mid-level are viewed as the future of their organizations. What’s also clear from our research is that the results from assessment centers are recognized as being very powerful predictors of future success.

From our interviews, we learned that while assessment centers are prevalent for assessing the development needs of high-potentials, organizations employ different assessment processes, with some even combining assessment centers with 360s:

**Tasporn Chantree, SCCC:** “The company invests a huge amount in assessment centers, and they are used for all mid-level leaders, whether they are in the general or high-potential population. It is positioned as a critical part of their development. They also have a 360-degree feedback exercise as part of post-assessment to check the progress of their individual development.”

**Debbie Logan, Halliburton,** said, “The day-in-the-life assessment simulations which are customized to our Halliburton Leadership Competencies have the greatest impact. The feedback and insights that come out of this type of assessment provide us with an objective and consistent approach to help us analyze our leadership pipeline and make critical talent decisions. 360s are also an invaluable tool when we want to assess someone’s leadership ability in their current role. When used appropriately, both of these types of assessments can be powerful tools for development.”

**Jack Beach, Ph.D., IBM,** shared how the company is leveraging assessment to significantly improve the selection and performance of its Managing Directors (MDs), an elite group of 80 senior managers. A multidisciplinary team built a new success profile for the role and two new assessments to identify future high performers. “To judge our new assessments’ utility, we conducted a study using MD incumbents. Are higher scorers on our assessment paradigm also better performers? We looked at two outcomes: three-year compound annual growth rate for revenue (Revenue CAGR) and independent assessments of MDs by their respective GMs. The MDs who performed well in the new assessments significantly outperformed the rest in both revenue and performance ratings.”

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**A Participant’s View of an Assessment Center**

Here are quotes from individuals who have gone through assessment centers:

- “Finally, open and honest feedback about my weaknesses and strengths.”
- “The most powerful developmental experience I have ever had in my 15 years here.”
- “The assessment was a wake-up call—it changed my life.”
MOST ORGANIZATIONS LACK A STRATEGY FOR INTEGRATING ASSESSMENT AND DEVELOPMENT.

We continue to be surprised by the number of organizations we speak with that are very mature and sophisticated in talent management, but still struggle to develop an enterprise-wide, integrated assessment/development strategy. This study confirmed what we are seeing—that most organizations are greatly underestimating the power of assessment and the impact it can have on their overall talent management strategy. We believe the reasons for this critical oversight include a lack of awareness about the importance of assessment, concerns about the perceived costs associated with assessment, and a lack of knowledge about how to properly incorporate assessment as part of a mid-level leadership development approach.

FINDING: When it comes to assessment, consistency is a common challenge.

When we asked these leading companies what didn’t work in the area of assessment, a key theme emerged around the lack of consistency in their strategy, approach, and tools. Our interviews confirmed, however, that smart organizations—such as Cargill, with more than 130,000 employees—are finding ways to refine their strategy, consolidate their approach across the enterprise, and streamline the number of tools and resources being used. The big benefits to taking these steps include reduced costs, reduced complexity, and better data comparisons across business units or geographies.

For instance, Sharon Arad, Ph.D., Cargill, said, “When I first arrived, I found that the businesses were using more than a dozen different assessment tools for development, with varying degrees of validity. We were not really aligned with a common approach. Assessment was not always informing development. Leaders would be exposed to many different tools. It was confusing for them as to how it all connected together. We created a common assessment framework and set of tools that are used consistently across businesses and regions.
**FINDING: Assessment and development practices still aren’t integrated.**

This finding was the one that was most surprising to us. During our interviews we learned that many organizations still struggle with effectively leveraging assessment to inform targeted development. Why? In addition to grappling with the relatively large size of mid-level leader populations, we suspect they also struggle with the inherent challenges that often accompany integrating assessment and development, such as attaining buy-in and support, having adequate resources, and minimizing distractions.

Not all fall into this category, however. Panasonic Corporation, for one, demonstrates the value of leveraging assessment for development. Like many organizations, it relies on assessment centers to assess its high-potentials. Danny Kalman, Director - Talent Management, said, “In Europe, each country nominates their high potentials themselves. In the past, we were getting a lot of inconsistencies, so it made sense to have some kind of assessment or view in terms of consistency. We decided a few years ago that all of them would go through a full-day assessment center. And it is only those people who get over a certain score who are put into a high potential pool. The others go on to create a development plan. The assessment works well for development to help identify strengths and development needs. I feel quite confident we have the right program in place.”

Average respondent rating on a 5-point scale:

2.4

Assessment or other diagnostics are used to determine mid-level training and development needs.
WHEN IT COMES TO MEASURING THE IMPACT OF THEIR INITIATIVES, MOST ORGANIZATIONS ARE STILL TRYING TO “CRACK THE CODE.”

Given the pressures on HR and OD organizations to prove the impact of their initiatives, measurement has moved from a best practice to standard practice. But it’s far from standardized; no one appears to have yet cracked the code. As a common approach to measurement remains elusive, organizations instead are using different metrics to track the effectiveness of their mid-level programs.

FINDING: Organizations are relying on many different metrics to gauge the effectiveness of their mid-level assessment and development programs.

As we have repeatedly observed, the combination of assessment and development forms the backbone of a successfully executed talent management strategy. Yet organizations often have difficulty quantifying the impact of their assessment and development activities because they lack a rigorous approach to measurement. The lack of uniform measurement systems across organizations underscores the void that still exists between the wide acceptance of various assessment and development practices, and the lack of widely accepted, rigorous measurement.

The individuals we spoke with described a wide array of areas they are measuring. For example, Sara Lee tracks retention rates for all directors and above, and also tracks retention rates, promotions, and lateral moves for high-potential directors and above. In addition, they measure behavior change associated with specific learning initiatives and the resulting business impact. The quotes below offer a sampling of what leading organizations measure with regard to their talent management systems.

• Some organizations are measuring results related to development projects.

  John Philip “JP” Orbeta, Ayala Corporation: “For example, in our own HR organization across the group, a small team of managers created an incentive program exclusively for employees within our group that would encourage us to patronize and support our own products and services. In its first two years of operation, we have been able to generate over US $55M in sales. We now have exclusive employee sales channels to service the over 50,000 employees we have in the Ayala Group of Companies.”
• Some organizations are tracking **growth of leadership talent.** Sharon Arad, Ph.D., Cargill: “Really what we’re measuring is an increase in self-awareness. These assessments are always part of a structured coaching engagement. You get feedback from a certified coach, who asks, ‘What does this mean to you? How can we link to your development areas? How do you engage your manager as a supporter?’ We do measure all of this, and get feedback from the individual and his or her manager.”

• Some organizations are measuring the **strength of their leadership team.** Danny Kalman, Panasonic Corporation, said, “We introduced assessment centers in Europe two years ago. The result we are seeing is a higher benchmark in terms of leadership behaviors. There is recognition in the regions that it is not just raising your hand to say you are a high potential. There are certain leadership standards we are looking for. It has created a situation where people are striving to be in the pool of talent. It is aspirational.”

• Some organizations are actively tracking **outputs from development efforts.** Andrew Fox, Mars Incorporated: “We want to show tangible results from the workshops. We ensure that the delegate’s line manager is involved before, during, and after the program. The line manager/director agrees on objectives with the delegate and their coach at the beginning of the journey (which could last for half a year), and success is ultimately based upon the sign-off by the line manager on the outputs (not just the classroom experience). This is the exciting part of measurement—the manager sign-off and involvement.”

• Some organizations are measuring the **factors that influence job performance.** Jack Beach, Ph.D., IBM, said they conducted an internal study and found that nine competencies accounts for 56 percent of the variability in leadership performance.

• Some organizations are tracking **impacts on the business.** A compelling example comes from a global pharmaceutical distributor with which DDI worked to develop a transition program for mid-level leaders moving into a challenging newly created senior leadership role. The program helped the leaders to make a successful transition and produced 65 positive impacts, including those related to financial success, operational success, workforce success, and customer service.
TAKING ACTION

MOVING FORWARD ON YOUR MID-LEVEL JOURNEY

We have captured many different insights, best practices, and common challenges related to assessing and developing mid-level leaders from the leading companies we interviewed. In this final section, we summarize key learnings from this research, and close with some provocative questions you may want to pose to your own organization.

• Recognize that your business success is directly tied to the leadership abilities of your mid-level leaders. Their roles are more complex than ever, and your organization’s future rests on their ability to successfully meet the challenges confronting them. In short, your mid-level leaders need to develop because the business needs them to develop. Are you devoting the focus and resources necessary to develop your mid-level leaders?

• Mid-level development methods continue to evolve, and those changes have distinct implications for the HR function and the organization as a whole. If the development methods you are using for your mid-level leaders remain stuck in time, you are likely to be left behind—and so will your mid-level leaders. Have you made or are you willing to make the necessary adjustments to your development methods to effectively stay competitive?

• 70/20/10 is not just a clever catch phrase, but rather a foundational best practice that has direct application for mid-level leaders. If you expect to see meaningful results from your mid-level development efforts, none of these three components can be left out. If your mid-level leaders aren’t as actively engaged in their development journey as you need them to be, which of these components have you short-changed?

• Without the proper and consistent use of assessment tools, your development program starts out with “one arm tied behind its back.” There are useful assessment tools available to aid you in making sound development decisions about your mid-level leaders, both individually and as a group. How you use them is up to you, but not using them should never be an option. Do you have a consistent assessment strategy for your mid-level leaders that optimizes the use of 360s and assessment centers?
• **Assessment center results can provide powerful insights for predicting the success of mid-level leaders in future roles.** Don’t forget that those same results can inform many of your talent management decisions including selection and succession. This is one of the greatest opportunities for improving your success rates. Wouldn’t it be nice to know in advance if your leading candidate will fail or not? *Are you using your assessment results for everything that you can, including development, selection, and promotions?*

• **Measurement isn’t easy, but it is necessary.** Mid-level leaders in different organizations typically find themselves on different development journeys, but regardless of the journey, it needs to begin with the end in mind. Measure what you can. Look to industry leaders or come up with an alternative definition that works for your organization. Don’t worry whether it’s perfect or not, just do it. *Do you have a clear vision of what you are trying to accomplish with your mid-level leader development?*

To learn more about specific approaches to developing your mid-level leaders, read *Put Your Money in the Middle: A Meta-study and Talent Management Guide for Mid-level Leaders* and *Optimizing Your Leadership Pipeline for Operational Leaders*, both of which can be found in the Deeper Dive section at www.ddiworld.com/strengtheningthemiddle.
Methodology

In the period between November 2010 and February 2011, DDI and the Institute of Executive Development conducted interviews with 20 organizations around the world on the topic of mid-level talent management. These companies were selected based on our knowledge of their expertise in talent management at the mid-level; we believe these companies are leading in some or all of their assessment and/or development work. We sincerely thank them for their time and participation in this research project. The following organizations agreed to be named in this study report:

Air Liquide  Flextronics  Hydro One  Panasonic Corporation
Ayala Corporation  Gap Inc.  IBM  Sara Lee
Bristol-Myers Squibb  Halliburton  Indegene  Siam City Cement
Cargill  Huntington  Mars Incorporated  Public Company
Dassault Systems SA  Bancshares, Inc.  Nokia  Limited (SCCC)

Strengthening the Middle Research

The demographics of the 20 companies surveyed are:

> **Company Headquarters:** 45% U.S.A., 15% Europe, 15% Southeast Asia, 10% India, 5% Australia, 5% Canada, 5% Japan

> **Industry:** 25% technology, 15% finance/insurance/professional services, 15% industrial/cement, 10% food, 10% holding companies, 5% defense, 5% petroleum, 5% pharmaceutical, 5% retail, 5% utility

> **Number of employees worldwide:** 15% 0-10k employees, 30% 11-50k employees, 20% 51-100k employees, 10% 101-150k employees, 10% 151-200k employees, 15% 201k+ employees

> **Company revenue:** 25% $0-10B, 30% $11-20B, 15% $21-50B, 20% $51-100B, 10% $101-200B+
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Nancy Thomas has over 20 years’ experience helping organizations build leadership capabilities and improve performance. Currently she works with The Institute of Executive Development advising clients on executive development strategies and practices and has led a number of research and benchmarking studies in areas including executive transitions, innovation in leadership development, and global leadership development. Previously she worked at Hewlett-Packard overseeing executive leadership programs. NancyThomas@execsight.com
ABOUT DEVELOPMENT DIMENSIONS INTERNATIONAL:
For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there.

Our areas of expertise span every level, from individual contributors to the executive suite:
• Success Profile Management
• Selection & Assessment
• Leadership & Workforce Development
• Succession Management
• Performance Management

DDI’s comprehensive, yet practical approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require.

You’ll find that DDI is an essential partner wherever you are on your journey to building extraordinary talent.

ABOUT THE INSTITUTE OF EXECUTIVE DEVELOPMENT:
The Institute’s mission is to drive innovation in executive and senior leader development. A unique combination of customized services, technology, and content is shaped to help organizations deliver high-impact, cost-effective development to their leaders. Over 7,500 development professionals from more than 110 countries throughout the world look to The Institute for best practices and innovative ideas. More information is located at www.execsight.com.