



# ExecBlueprints™

in partnership with Aspatore Books

## Action Points

### I. Focusing on the Middle

Leadership training has the greatest value when it's focused on the middle of the company.

### II. The Bottom Line

Leadership training can have the most tangible impact in the area of performance management.

### III. Must-Haves for Creating a Culture of Development

A culture of development demands CEO involvement, thorough documentation and accountability, and an emphasis on people.

### IV. The Golden Rules for Effective Leadership Training

Target your training. Implement a thorough succession planning process. Share the broad view.

### V. Essential Take-Aways

Any training or development must align with competencies that will drive the company into new markets and profitability. Company leaders must align with HR to create a culture of development that permeates the organization.

Three top HR and talent development experts from Continental Automotive Systems, Vail Resorts Management Company, and ArvinMeritor share their insights on:

## Leadership Training: Three Perspectives on Development Methods That Work

*Brent Adams*

*VP, Human Resources — NAFTA  
Continental Automotive Systems*

*Steve Fitzgerald*

*Senior Vice President, Human Resources  
Vail Resorts Management Company*

*Robert Ostrov*

*Senior Vice President, Human Resources, ArvinMeritor, Inc.*

## Contents

About the Authors .....	p.2
Brent Adams .....	p.3
Steve Fitzgerald .....	p.6
Robert Ostrov .....	p.9
Ideas to Build Upon & Action Points ...	p.12

A robust talent pipeline is key to long-term competitiveness, and one of HR's most essential tasks as the workforce's demography shifts. Leadership development is a companywide priority, demanding robust processes implemented in alignment and cooperation with top business and HR leaders. Leadership training, especially when targeted at middle managers, drives alignment with company strategic goals, shares accountability and vision, and is key for tapping into unutilized employee potential. It must be thoroughly targeted around the company's strategic direction and future needs, and be focused on creating a more agile and productive workforce. When implemented correctly and in concert with a culture of development, leadership training can be an extremely powerful weapon in the battle for talent. ■

# About the Authors



## **Brent Adams**

*Vice President, Human Resources — NAFTA, Continental Automotive Systems*

**B**rent Adams is vice president of human resources at Continental Automotive Systems, N.A. He joined the company in March of 2004 and is responsible for overseeing the development and implementation of human resources initiatives in the United States and Mexico.

Mr. Adams started his career in 1986 with General Dynamics. As an HR generalist, he developed a new salary structure for exempt employees. In 1996, he

accepted a position with Allied Signal as a human resources manager. There, he implemented an HR strategic plan for SBU headquarters affecting engineering, marketing, finance, quality, and information systems.

In 1998, Mr. Adams joined Eaton Corporation as division human resource manager, responsible for human resources initiatives impacting operations in North America, Europe, and Asia. In 2000, he became human resources

director at Axcelis Technologies (formerly Eaton Semiconductor), responsible for employee initiatives worldwide.

Mr. Adams earned a bachelor's degree in human resources from Brigham Young University and a master's in business administration from San Diego State University.

[Read Brent's insights on Page 3](#)



## **Steve Fitzgerald**

*Senior Vice President, Human Resources, Vail Resorts Management Company*

**S**teve Fitzgerald was appointed senior vice president of human resources in June of 2006. He formerly served as a human resources executive at StorageTek and Sun Microsystems, two companies with strong Colorado ties.

At StorageTek, he held several senior positions within the HR area. He played an instrumental role in building the HR function, which was recognized for its excellence by publications such as *Fortune* and *HR Executive*.

Mr. Fitzgerald was also deeply involved in the acquisition of StorageTek by Sun, and led substantial portions of the integration of the two companies. Upon the close of that acquisition, he led Sun's global talent management organization, which included the recruiting, succession, leadership development, and diversity functions.

Prior to joining StorageTek, Mr. Fitzgerald spent 14 years in the human resource and corporate strategy

organizations of Ford Motor Company and Ford Motor Credit. He is an award-winning potter and sculptor, and lives in Colorado with his wife Diana and sons Sean and Ryan.

[Read Steve's insights on Page 6](#)



## **Robert Ostrov**

*Senior Vice President, Human Resources, ArvinMeritor, Inc.*

**R**obert Ostrov is currently the senior vice president of human resources for ArvinMeritor, Inc., a Fortune 200 global industrial company. As the chief HR officer, he has overall responsibility for the company's 30,000 employees working in over 150 plants in 25 countries around the world.

Prior to assuming his current role, Mr. Ostrov was the chief HR officer for a

Fortune 300 global wholesale logistics company with over 100,000 employees and operations in 65 countries around the globe.

During his 35-year career in human resources, he has also worked for Fortune 500 companies GE and FedEx.

His academic credentials include a B.S. from the Cornell University School of Industrial and Labor Relations, an

M.B.A. in finance and strategic planning, and a J.D. with an emphasis on labor and employment law. He is a member of the Illinois Bar.

[Read Robert's insights on Page 9](#)

# Brent Adams

Vice President, Human Resources — NAFTA, Continental Automotive Systems

## Primary Responsibility

The primary responsibility for leadership training at the company falls on the CEO. The top person must believe that if he is not growing his team and helping it stay current, the company is going to fall behind the competition and he is not going to have the bench strength to lead the growth that he anticipates within the business. HR is a business partner that provides the CEO with the necessary tool kit to measure executive development.

## Tangible Impact

Leadership training can have the most tangible impact in the area of performance management. If a leader has the capability of providing a clear vision, an aligned set of goals, a fair and thorough method of evaluating performance, and a way to monetarily recognize performance, he will be able to maximize the capability of his human resources.

Many leaders find managing performance to be the most difficult aspect of their job. It requires tough messages and they don't always feel that they have the capability to deal with the emotions that are associated with the process. HR can help develop the leader's ability to manage these high-maintenance situations.

## Leadership Training Breakdown

At the very top level, 5 percent of our training is dedicated to executive development. Because we are trying to build our succession plan and bench strength, 20 percent of the overall development pie goes to the junior executive. Middle

*Leadership training can have the most tangible impact in the area of performance management.*

Brent Adams  
Vice President,  
Human Resources – NAFTA  
Continental Automotive Systems



**Brent Adams**

Vice President, Human Resources – NAFTA  
Continental Automotive Systems

*"There shouldn't be any training that isn't specifically linked to a weakness."*

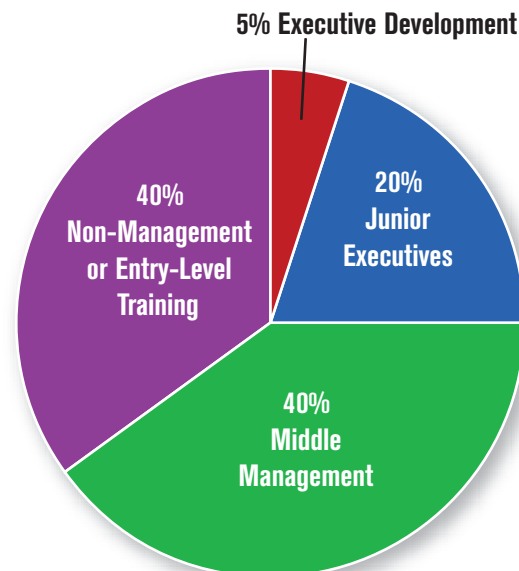
- Oversees development and implementation of company HR initiatives in the U.S. and Mexico
- Over 20 years of HR experience
- Experience at General Dynamics, Allied Signal, Eaton Corporation, and others

Mr. Adams can be e-mailed at [brent.adams@execblueprints.com](mailto:brent.adams@execblueprints.com)

management receives 40 percent of our training and development efforts and the remaining 35 percent goes to non-management or entry-level training.

In the automotive industry, we are seeing some significant global competition. The U.S.-based automotive companies are losing market share, so suppliers within that industry are going through tough times in 2008. Therefore, spending on training and development will likely be reduced. Even in this environment, HR can provide

## Training Investment Breakdown



low-cost solutions to training needs. These solutions are often developed in-house. HR can't be ashamed to use off-the-shelf products that fit the company's needs.

## Example

When I was at General Dynamics, we had a workforce that was very specialized. Employees could only do a certain task. Even the collective bargaining agreement indicated that they could only perform a certain job responsibility with no flexibility.

We implemented work cells and a new job classification structure that allowed employees to perform multiple skills within each work

*Successful leadership training is targeted; it is a direct stride at a specific competency with a specific program.*

Brent Adams

Vice President, Human Resources – NAFTA  
Continental Automotive Systems

cell. We created a new structure that would compensate employees as they learned more and more skills within each cell. We presented and negotiated the plan with the union and implemented it on the shop floor.

We were able to reduce scrap, increase quality, and have better throughput. Our cycle times were

faster and we were able to increase employee satisfaction. People weren't just performing routine tasks; they could do multiple things that created a better work environment.

## Identifying Candidates for Training

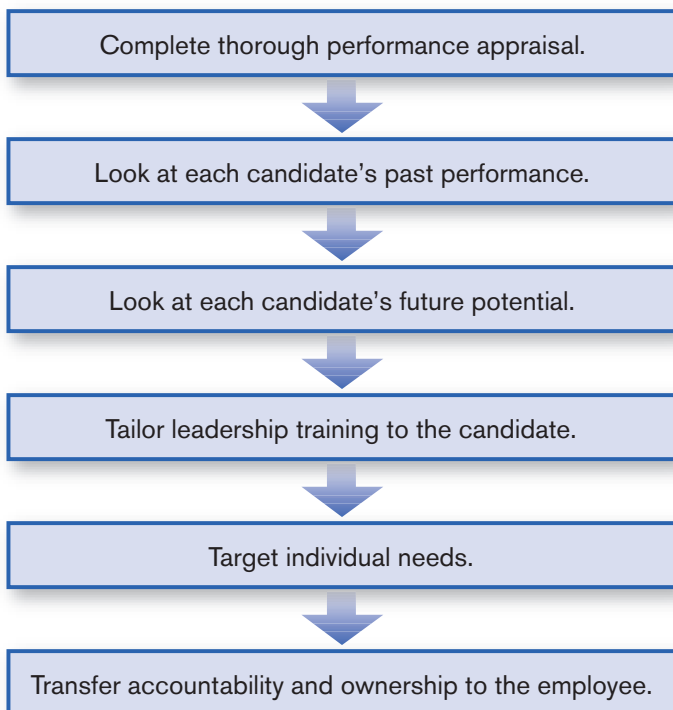
We identify candidates for leadership training through our performance appraisal process. We look back and determine someone's performance, then we look forward and determine whether they have the potential for the next level or the next two levels. Depending on how they were evaluated to our competencies, we target certain development programs to address competency needs.

## Elements of Successful Leadership Training

Successful leadership training is targeted; it is a direct stride at a specific competency with a specific program. It needs to be directly applicable and tailored to an employee or executive. There has to be accountability on the employees' part. They should own their development and find a way to fulfill their training and development plan.

Training activity should be documented, whether it is going to an executive seminar at a reputable university, reading a book, or being

## Customizing Your Leadership Training



mentored or coached. There needs to be a return on report. I ask our executives to write an executive summary to be turned in at the end of the training experience. It simply states what they learned and how they can apply it to their current responsibilities. They have to present the report to their boss and to me. There is a dialogue about how they can take those “aha” moments and apply them to their job. ■

## Expert Advice

Any training or development needs to align to a set of competencies that are determined to be successful within the business culture. HR will provide a list of training and development opportunities that would enhance these competencies and help develop the high performance culture that the company is trying to achieve.

I assess the impact of leadership training on the bottom line by looking at voluntary attrition, profit margins, and the ability to avoid draconian measures like a reduction in force. If you are proactively managing your headcount and have a good forecasting system, you should never have to go through a layoff. I look at employee satisfaction surveys to see how satisfied employees are in terms of the work environment and whether they would recommend the company to a friend.

# Steve Fitzgerald

Senior Vice President, Human Resources, Vail Resorts Management Company

## *The Roles of Internal and External Groups in Leadership Training*

The HR function has primary responsibility for ensuring that leadership development occurs. Other people need to be deeply involved, but there's a huge difference between responsibility and involvement.

When it comes to leadership training, it's impossible to do well unless the leadership of the company is intimately involved. This doesn't mean supporting training by sending people to classes; it means helping to teach them. Involvement

*There is a huge value in having skilled middle managers with a high level of leadership acumen who can appreciate the connection between their initiatives and the advancement of the entire enterprise.*

outside the classroom means being willing to fill positions with someone who may have a lot of potential, but hasn't worked in a particular area yet. It may be wise to move that person into a general manager role. You need to have leaders who are willing to move around because they have their eye on the bigger prize.

There are innumerable opportunities for people outside the company to help you as you develop leaders, whether through assisting with the curriculum that you use or helping with the approaches you use. Sometimes it's hard to separate the wheat from the chaff when it comes to quality, but there's a lot of

external support that can be involved. Depending on the subject, there are subject matter experts inside the company who can help you impart information to those who are lacking it.

## *The Middle Man: Where Leadership Training Has the Most Impact*

Leadership training has a substantial, tangible impact on the most senior positions in the company. The benefit of teaching people how to lead and giving them the opportunity to learn on the job is greatest

in the middle of the organization. One thing that a senior person quickly comes to appreciate is that while they may have a lot of opinions and ideas, only by virtue of their ability to work through the middle tier of the organization can they be successful.

There is a huge value in having skilled middle managers with a high level of leadership acumen who can appreciate the connection between their initiatives and the advancement of the entire enterprise. They can see beyond the impact to their job or their team. When managers have the ability to impart that vision to their group of direct reports, change goes much more smoothly.



**Steve Fitzgerald**

Senior Vice President, Human Resources  
Vail Resorts Management Company

*"I profoundly believe that the minority of what you need to know about leadership is learned in a classroom or book."*

- Deeply involved in the acquisition and integration of StorageTek by Sun
- Led Sun Microsystems's global talent management activity
- 14 years' experience in the HR and corporate strategy organizations of Ford

Mr. Fitzgerald can be e-mailed at [steve.fitzgerald@execblueprints.com](mailto:steve.fitzgerald@execblueprints.com)

## *Leadership Training Outside the Classroom*

When a person moves from managing himself or herself into managing others, there's a whole new set of skills. In our company, we spend roughly a third of our time on those skills.

Some people go from managing a team that reports to them to helping a group of managers manage their teams. Very little that they've learned before other than the basic skills of leadership apply, because now they are helping somebody be a better coach rather than being a coach. They are probably getting a team of people to focus on broader business objectives. One third of our time is dedicated to those skills.

The final third of our time is dedicated to helping people at the director level and above better their

skills, their business acumen, their enterprise knowledge, and their ability to view our business as a totality to understand that there are choices we make and priorities we assign without obvious solutions.

## Spending on Leadership Training

Our overall expenditures on leadership training will increase. In terms of internal leadership time, spending will increase significantly. There's more to be learned by being coached and practicing the skills that you then learn than there is in the classroom. While we'll do some of the classroom stuff, we do a lot more of pairing people with other leaders in the organization.

I have a leadership team that is very people-centric. Our CEO Rob Katz and our CFO Jeff Jones are some of the most attentive executives I've ever seen. Fundamentally, we get everything done for our guests through our own people. Because they appreciate that so much, they're interested in helping us enhance people and they're willing to spend time and resources on it.

Our leaders are also willing to support the work that we need to do to make it easier for our employees to make our guests' experiences exceptional. Some of the scores that we track around guest satisfaction



are amongst the highest out there. There's something called a net promoter score. We have resorts in Vail and Beaver Creek that are in the high 80s from week to week, which is almost unheard of. Companies like FedEx are typically in the high 70s. We are good at what we do, and we want to get even better.

When you are already really good at something, it usually takes a lot more effort and money to make incremental improvements

than it does to go from average to a bit above average. I have to be concerned about where to spend a lot of time and money. There are parts of the company that are in more need of attention than the leadership and the guest experience side.

## Seeing Results: The Tangible Impact of Leadership Training

We recently filled an executive position at one of our resorts. Going into the process, we didn't perceive that we had a person in the company who was the right fit for the job. We tend to operate very large ski resorts and we did not have someone in the pipeline who had previously led a smaller resort. All

### Expert Advice

Good leaders are fundamentally good leaders, whether they're in a senior manager role or not. That same skill is going to follow them all the way up, and they are more impressionable and willing to learn when they are junior managers. As you move through time and levels, you go from managing a team to a group of people who manage a team to a number of people who manage a number of teams to managing a business.

# Steve Fitzgerald

Senior Vice President, Human Resources, Vail Resorts Management Company

(continued)

five of our resorts are among the biggest in North America.

When we had an opening at a big resort and looked around our company, our initial impression was that we didn't have anybody in the pipeline with enough experience. We thought it was important to look on the outside. We looked at every major player in the North American skiing and snowboarding

industry from a run-the-resort standpoint and met with our best internal candidates.

At the end of the process, we felt that four of the top six candidates for the position were in our own company, even though they hadn't run an entire resort. They had high intellectual horsepower that put them in good stead versus the competition, and we had taken time

over the years to develop them. Because the leadership climate around them was so strong, they had learned from the best. We focused on choosing from our internal candidates, and the person we chose is making real traction in her role. When you build a culture of effective leadership and coaching, it's contagious. ■

# Robert Ostrov

SVP, HR, ArvinMeritor, Inc.

## Areas of Impact

In our company, HR has primary responsibility for leadership training. We make sure the business unit presidents and senior officers of the company, including the CEO, are included in the process.

The areas where leadership training can have the most tangible impact are in the management, recruitment, and retention of people. As we build the company globally, we need managers who are trained to understand a global

*Most of our training is devoted to mid-level managers and subject matter experts who have the opportunity to become managers within their departments.*

economy and lead people around the world.

Most of our training is devoted to mid-level managers and subject matter experts who have the opportunity to become managers within their departments. Around 75 percent of our training is focused on departmental line managers, who manage the function, shift, and first line supervision on both an hourly and a salary basis.

## Expert Advice

When we benchmark leadership training, we take a strong look at how many people we have in the pipeline to assume new leadership roles and where they live. We measure our progress based on filling the pipeline of available talent in various parts of the world. We assess our success twice a year.

One of our best practices has been educating our management staff on appreciation and respect for different cultures. Focusing on the diversity of people around the world has served us well as a company.

## Assessing Bottom Line Impact

Overall expenditures on leadership training will substantially increase over the next 12 months. We assess the impact of leadership training on the bottom line in terms of increases in margins, increases in product line profitability, and earnings per share.

Our leadership training is focused on getting people to understand how the global economy impacts our company and how we can benefit from it. We recently announced

Robert Ostrov  
SVP, HR  
ArvinMeritor, Inc.

a major growth investment in Asia Pacific, with new plants in China, India, Korea, Thailand, and Vietnam. The training of our management team has allowed us to pursue these investments.

## Developmental Needs

Around 50 percent of our development needs concern people management. Another 25 percent of our needs focus on how to judge



**Robert Ostrov**  
SVP, HR  
ArvinMeritor, Inc.

*"Leaders have to understand the critical elements of our business and how to communicate those elements to their staff members."*

- Fortune 200 global industrial company
- Overall responsibility for 30,000 employees in over 150 plants in 25 countries
- 35-year career in human resources; experience at GE and FedEx, among others

Mr. Ostrov can be e-mailed at [robert.ostrov@execblueprints.com](mailto:robert.ostrov@execblueprints.com)

performance of people. The final 25 percent focuses on understanding the cultural differences of people around the world.

## Identifying Candidates

In order to identify candidates for leadership training in our company, we use a robust succession planning process. Through that process, we identify potential leaders that should be eligible for more training.

We do an in-depth analysis of our managers around the world. We assess their potential for greater responsibility and their need for leadership training in order to

assume additional responsibilities. We use a very individualized, robust, and in-depth succession planning process.

## Best Practices

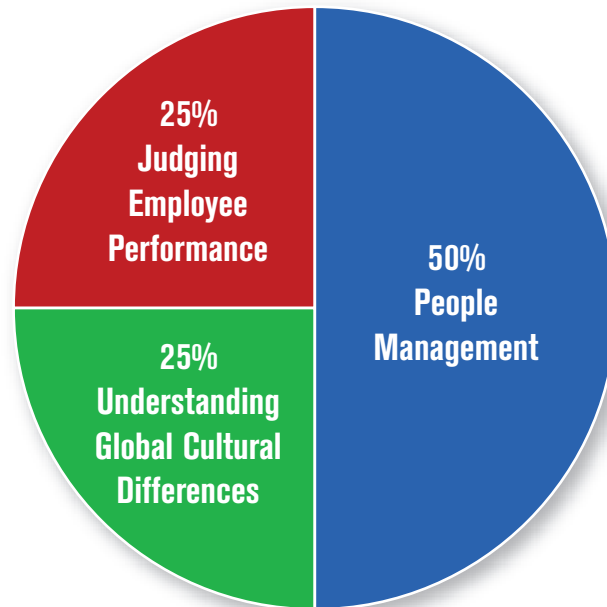
Leadership training focuses on how to manage people and how to manage financials. People are the most important part of the equation, and understanding our particular piece of the business in the global economy is a close second. We are teaching our new management teams how to understand the massive impact of the globalization of the world.

The most critical element of leadership training is getting new managers and leaders in the company to understand how to find the right people, train the right people, retain the right people, and lead the right people. It is critical that our managers understand their responsibilities as leaders. The most challenging part of running a global company is the fact that we have the financial means to grow, but we still need more human capital skills.

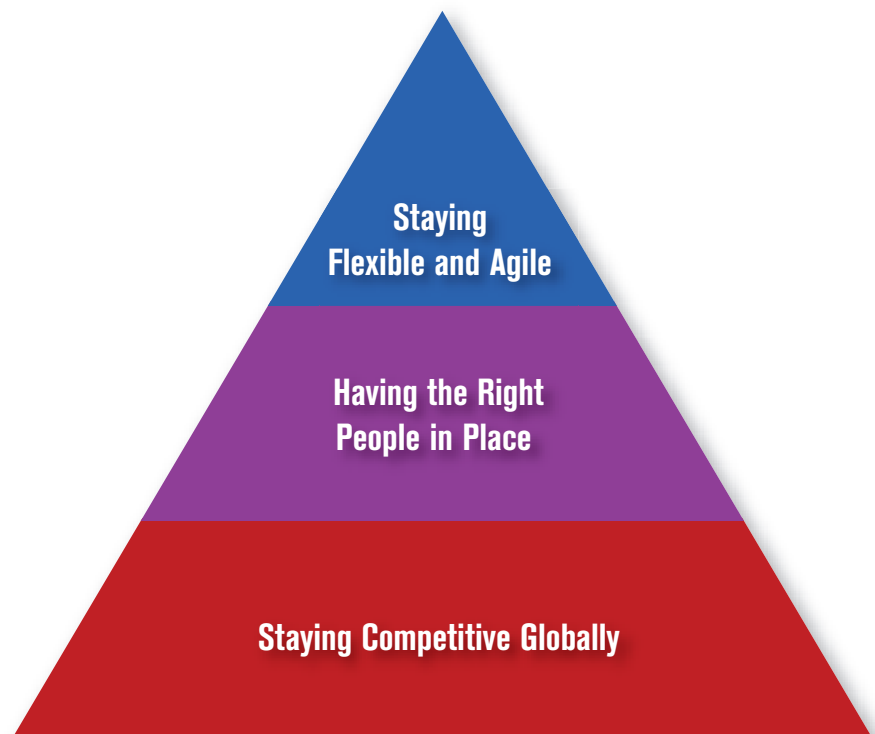
*Our leadership training is focused on getting people to understand how the global economy impacts our company and how we can benefit from it.*

Robert Ostrov  
SVP, HR  
ArvinMeritor, Inc.

## Our Development Needs



## Foundational Leadership Lessons



## Challenges

One of the challenges specific to leadership training is getting people to understand how to get others to be productive.

We try to stress certain themes in our leadership and management training. We talk about the fact that we have to be competitive in the world, we need to have the right people in the right place at the right time, and we have to be flexible as we move our business globally.

## International Concerns

Around two-thirds of our leadership training efforts are international. One third of our efforts are domestic. Assessing leadership training needs for international locations is our most critical element.

As a company, we put our efforts into not using American expatriates to run our businesses around the world. We do everything possible to develop, train, and promote local citizens to run our businesses. We

need to train these people to understand their place in our global footprint and in their local culture. ■

# Ideas to Build Upon & Action Points

## I. Focusing on the Middle

Leadership training has the greatest value when it's focused on the middle of the company.

- There is a huge value in having a skilled level of middle managers.
- Middle managers who see the connection between their workers and the company's goals are a huge driver of profitability.

Leadership training should focus on creating middle managers who:

- Have a high level of leadership acumen
- Can appreciate the connection between their initiatives and the advancement of the entire enterprise
- Look beyond their function, job, and team
- Impart the company vision to their direct reports
- Encourage innovation and change in their units
- Are eager to learn more

A robust middle management not only drives the company's current productivity; it also ensures a deep talent pool for the future. The same leadership skills will follow them all the way up, and create the next generation of executives.

## II. The Bottom Line

Leadership training can have the most tangible impact in the area of performance management. Enhanced leadership skills at all levels of the company can drive increased productivity from the same set of employees.

Increased worker productivity comes from leaders who have:

- Clear vision
- An aligned set of goals
- A fair and thorough method of evaluating performance
- A way to recognize and reward performance

These leaders will be able to maximize the capability of their human resources, and have a real impact on the bottom line. Leadership training at all levels should be focused on creating leaders with these key skills.

## III. Must-Haves for Creating a Culture of Development

### CEO involvement

- The primary responsibility for leadership training at the company falls on the CEO.
- The top person must believe that if he is not growing his team and helping them stay current, the company is going to fall behind.
- HR provides the tool set, but the CEO provides the credibility and vision.

### Thorough documentation and accountability

- Training activity should be documented and evaluated.
- HR should monitor the impact of every type of leadership training, and engage in dialogue with the trainees.
- Every training should be linked to a specific weakness, and its impact on that weakness should be measured.

### Emphasis on people

- The most critical element of leadership training is getting new managers and leaders in the company to understand how to find, train, retain, and lead the right people.
- Human capital is critical for success, and leadership training is critical for maximizing its impact.

## IV. The Golden Rules for Effective Leadership Training

### Target your training.

- Successful leadership training is targeted; it is directed at a specific competency with a specific program.

- It needs to be directly applicable and tailored to an employee or executive.

### Implement a thorough succession planning process.

- There must be a thorough process for identifying candidates for leadership training.
- Determine someone's past performance, then look forward and determine their future potential.
- Target development programs to address overall competency needs.

### Share the broad view.

- Leadership training must teach people to focus on broader business objectives.
- Leaders at all levels should understand the company's goals, strategies, and objectives, and understand how their team aligns with those.

## V. Essential Take-Aways

Any training or development must align with competencies that will drive the company into new markets and profitability. Understand what you need to be competitive in the world, and how to get the right people in the right place at the right time. Target your training around these skills.

Company leaders must align with HR to create a culture of development that permeates the organization.

- Successful leadership training requires the support and involvement of company executives.
- It's impossible to do well unless the leadership of the company is intimately involved. ■



## 10 KEY QUESTIONS AND DISCUSSION POINTS

- 1 In your company, who has primary responsibility for leadership training? Is leadership training primarily handled through HR? Which other people in the company should be involved to ensure success?
- 2 In what areas of an organization do you believe leadership training could have the most tangible impact? Could you please describe how your organization has benefited from leadership training?
- 3 Could you give a breakdown of the leadership training efforts within your company? What percentage is devoted to senior executives? Mid-level managers? Other employees? Who are these employees?
- 4 Do you expect that overall expenditures on leadership training will increase or decrease over the next 12 months? What is driving this increase or decrease? What do you predict will be the impact on the company?
- 5 How do you assess the impact of leadership training on the bottom line? Is there a way to calculate ROI for these development efforts?
- 6 How should leadership training efforts be linked to business goals? Is that approach used for other development programs around the company as well?
- 7 Could you cite an example of a leadership training effort that had a substantial impact on the company's profitability? What are the best practices you took from this effort?
- 8 Could you give a breakdown of the developmental needs that leadership training is most commonly used to address in your organization? What percentage of efforts is targeted at developing personnel management skills? Enhancing overall performance? Another developmental area?
- 9 What process is used to identify candidates for leadership training in your company? Do you expect your leadership training priorities to change over the next 12 months?
- 10 What kind of benchmarks do you use for leadership training? How is progress measured? How often?