Leadership Development for Management Associates

by Jack J. Phillips, Ph.D., and Kylie McLeod

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State Government Agency

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Abstract

This case study illustrates how a state government's leadership two-year leadership development program for advance-degree graduates was implemented to support the associates' journey early in their public service careers. Based on a redesign initiative as part of the program's 40th anniversary, the program was established to ensure associates across all agencies have the opportunity to receive qualitative developmental hours within a structured framework, aligning the core qualifications. The program office conducted a collaborative design event, reaching out to all key stakeholders in the development of the program as well as ongoing evaluation, analysis, and revision with each iteration. This case study shows step-by-step how the program was designed and implemented to deliver results and then evaluated and reported to all stakeholders. The objectives of the program were met at each level, and the program yielded a positive return on investment (ROI).

PROGRAM BACKGROUND

The management associate program is the state government's gold star leadership and succession development program for potential emerging leaders. The mission of the program is to develop future leaders within their divisions. The program identifies potential emerging leaders within various divisions and includes a combination of on-the-job training, formal leadership development programming, a developmental assignment, and mentorship experiences. Upon successful completion of the program requirements, associates have the opportunity to be promoted into leadership positions within the state's organization.

Disclaimer: This case was prepared to serve as a basis for discussion rather than an illustration of either effective or ineffective administrative and management practices. All names, dates, places, and data may have been disguised at the request of the author or organization.

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Purpose

The management associate program was established to enhance leadership succession and designed to:

- Deliver a quality developmental experience equipping associates for future leadership roles in 21st-century state government.
- Cultivate strong professional relationships through collaboration and team building.
- Apply experiential learning methods to work-related projects.
- Connect experienced and skilled leaders with current associates to serve as mentors and guides.

Curriculum

Segment 1/Understanding and Leading Self (informal)

This segment focuses on acclimating to the state environment, understanding the fundamental values and principles of democratic governance, and developing constructive relationships with a diverse range of stakeholders. This segment also gives associates an understanding of themselves as leaders and helps them identify their individual strengths and opportunities for growth. Based on this work, associates design their own leadership development roadmap to strengthen their skills in leading themselves and leading those around them.

Segment 2/ Leader's Leading, The Succession Process

Upon successfully completing Segment 1, associates are prepared to identify and lead in their broader environments. Segment 2 invites small teams of associates to participate in a group capstone project with other divisions and exposes them to a range of performance improvement disciplines and leadership methods to apply during their project. Associates apply specific skills to their chosen capstone and then have the opportunity to brief senior leadership upon the completion of their project.
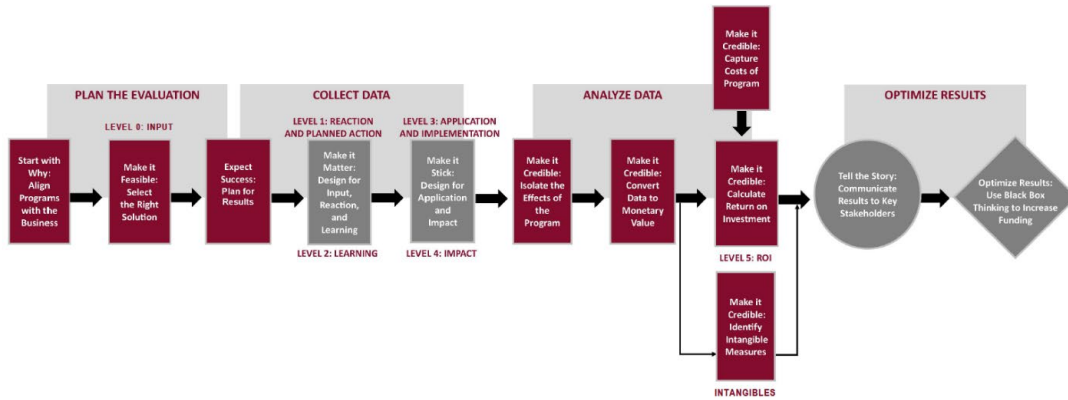
THE EVALUATION APPROACH

There was a desire to show the value of this program due in part to the importance of the program and the significant costs associated with it. Additionally, showing the value the program provides could ensure that the contributing divisions continue to support it in the future. The most effective way to provide this type of data in this setting is to show the benefit-cost analysis. Consequently, there was a need to measure not only the impact of the program, but the actual ROI as well. This led to the use of the ROI Methodology.

Evaluation Methodology

The program office used the 12-step Return on Investment (ROI) Methodology, a well-executed and proven process to analyze the program and identify its business value to determine the approximate return on investment for participation in the program, including the new leadership development program component. The model is shown in Figure 1. The outcome is intended to determine the approximate value of the program, its sustainability, and its effect on stakeholders.

Figure 1. The ROI Methodology Process Model

The ROI Methodology is the most recognized approach to ROI evaluation. This methodology is implemented in private and government organizations throughout the United States and in more than 70 countries. It provides organizations a process that can cross organizational boundaries, linking programs, processes, and initiatives to bottom-line measures. The ROI Methodology follows a methodical, step-by-step process; and adheres to standards and a philosophy of maintaining a conservative approach and credible outcomes. The ROI Methodology categorizes evaluation data into five levels, as shown in Table 1. These five levels tell the ultimate story of program success.

Table 1. Five-Level Evaluation Framework

Level	Measurement Focus
1. Reaction & Planned Action	Measures participant satisfaction with the program and captures planned action
2. Learning	Measures changes in knowledge and skills
3. Application & Implementation	Measures changes in behavior and specific actions on the job to make the program successful
4. Business Impact	Measures changes in business impact measures
5. Return on Investment (ROI)	Compares the monetary benefits to the costs

Data Collection

Because the evaluation was not originally planned for impact and ROI, there were some limitations on the methods that could be used for data collection. Additionally, the program itself had already been conducted – the unexpected request for data at the impact and ROI levels could create anxiety and confusion for the participants. With this in mind, it was decided to use a detailed questionnaire to capture the desired data.

For the data collection to be successful, a reasonable response rate had to be achieved. It was hoped that between 40% to 50% of contacted participants would respond to the questionnaire; this recognized that, in this type of analysis, any missing data would contribute to a negative ROI because the cost of program

was included even for those who did not provide data. In short, there was a strong effort to increase the response rate, including messaging from those in authority and various reminder messages. The final response rate was impressive, particularly because this was not an expected evaluation. This shows that the associates and supervisors see the value of this program. They were willing to take a significant amount of time to provide data on the success of this program.

Four surveys were distributed in August 2020 to collect the data needed to conduct an ROI study of the program. Each survey was tailored to each of the four groups: associates, supervisors, goal leads, and developmental assignment supervisors. The information of members from three of the groups – associates, supervisors, and goal leads – were readily available. However, the developmental assignment supervisors had not been tracked or had their contact information recorded. Associates were asked to forward the appropriate survey to their developmental assignment supervisors. This reduced the response rate from this group.

The first survey was distributed to 181 associates. Of that number, 88 questionnaires were completed to some extent. This provided a response rate of 48.6%. The second survey, distributed to approximately 155 supervisors, was completed (again, to some extent) by 40 individuals. The response rate for this group was 25.8%. The third survey was sent to 24 capstone and project leaders, nine of whom participated in the survey; this was a response rate of 37.5%. While ROI Institute did not have direct contact information to distribute the fourth survey to the developmental assignment supervisors, 14 completed the survey after receiving the link from the associate they supervised.

The data used in this report are considered to be credible because they came directly from stakeholders covering the two full years of the leadership development program. The ROI analysis was conducted solely based on those individuals who were involved in both Year 1 and Year 2 of the program. The costs were included and fully loaded to ensure stakeholders' expenses of associates developmental time, travel, and the results of respondents were included in the findings. Lastly, several impact measures were not converted to money, although they have significant value. These are left as intangibles.

EVALUATION RESULTS

Level 1, Reaction

When asked to reflect on their participation in the program, associates provided Level 1, Reaction data. The factors were ranked on a five-point scale of 1 (not at all), 2 (some), 3 (average amount), 4 (significant amount), and 5 (very significant amount). The objective is a 3, which is the minimum acceptable amount. Table 2 shows the results. All six reactions exceed the objective. The top two were very impressive and represent the best predictors of use of the skills and competencies.

Table 2. Associates Reaction Data

Factor	Ranking
I will recommend the program to others.	3.69
I am committed to making the program successful.	3.64
The program is relevant to my career goals.	3.59
The program contains new information.	3.48
The program is important as a source of leaders for the public sector.	3.43
The program is important to my success.	3.05

On average, supervisors ranked the four factors they were provided – the importance of the program to the department (3.74), the perception that the program provides value to their division (3.87), the program is a source of leaders for the public sector (4.03), and their recommendation of the program to others (4.03). developmental assignment supervisors had similar rankings for the four factors.

Level 2, Learning

Associates provided Level 2, Learning data by indicating the extent to which they learned key concepts of the program. The scale used is the same as reaction. Two concepts, problem-solving and interpersonal skills, were ranked highest. The remaining four concepts – flexibility, accountability, decisiveness, and public service motivation – were, on average, higher than the objective.

Table 3. Associates Learning Data

Factor	Ranking
Problem Solving	3.64
Interpersonal Skills	3.59
Public Service Motivation	3.41
Accountability	3.39
Decisiveness	3.34
Flexibility	3.17

Supervisors were asked to indicate their level of awareness of the program in its entirety. Both "average amount" and "significant amount" were selected by 34% of respondents, respectively, while 21% selected "some." Approximately 8% selected "a very significant amount," and only about 3% chose "not at all." Developmental assignment supervisors were also asked the extent to which they were aware of the program. Seventy-five percent of respondents reported "average amount" while both "significant amount" and "some" were selected by 12.5%, respectively.

Level 3, Application

Level 3, Learning data, were collected from associates by asking them to indicate their success with use for each skill they learned as part of the program. The same scale used with reaction was used here. The

success of problem-solving was ranked the highest. The remaining five skills – flexibility, accountability, decisiveness, interpersonal skills, and public service motivation – were all ranked high, four out of five.

Table 4. Associates Application Data

Factor	Ranking
Problem Solving	4.54
Emotional Intelligence	4.46
Flexibility	4.29
Accountability	4.28
Innovation	4.24
Decisiveness	4.18

Similarly, supervisors were asked to indicate the success with the use of the knowledge, skills, and competencies that the associate in question learned in the program. Five of the six were ranked five out of five: creativity and innovation, flexibility, resilience, strategic thinking, and team building. Only one of the factors, developing others, was ranked four out of five. The developmental assignment supervisors ranked all six skills four out of five on average.

Barriers and Enablers

Information collected throughout this process provided some detail on barriers and enablers to success, as shown in Table 5. Associates provided these barriers and enablers through open-ended questions. Only a few associates observed issues pertaining to coordinator knowledge/full awareness of the program, while many praised the support they received from management. Overall, there were few barriers identified, and a variety of enablers were named. The barriers provide an opportunity to make adjustments in the program going forward while the enablers show what is already working well and can be enhanced in the future.

Table 5. Barriers and Enablers to Success

BARRIERS	ENABLERS
• Coordinator knowledge and full awareness of the program • Communication breakdown in both written and verbal delivery • The impact of COVID 19 and the change from onsite to virtual, which involved the 2020 participants • IT support and/or a centralized system to conduct virtual delivery • Misconception and differentiation between the management associates' program in its entirety and the training component within the program	• Management support • Opportunity to practice competencies • Confidence and safe space to apply learning • Support from colleagues and cohorts • Group coaching support system • Networking with colleagues, peers, leadership, and alumni • Support from program alumni

Level 4, Impact

The impact data were identified in four main areas: retention, direct contribution of the participants, the developmental assignments and the capstone projects.

Retention

One of the important outcomes evaluated was the impact of the leadership program on retention of the associates. On average, respondents indicated that they intend to stay with the state government for the immediate future. However, 26 associates reported that they intend to stay for a "long time" because of the program. To be conservative, we assumed a "long time" would be at least ten years on average. This shows a contribution to turnover prevention. The average amount of attribution to retention to the program is 37%. The established average salary of an associate is $68,588.86. The cost of turnover is 1.5 times annual salary (per HR). Assuming a 24% turnover rate over a period of 10 years (2.4% per year according to organization records), a value of $237,534 in turnover prevention is isolated, as shown in Table 6.

This conclusion is supported by supervisors. Approximately 83% of responding supervisors report that their associate plans to continue to work for the state government. Only about 17% of supervisors were unsure, while no supervisors reported that the person might leave or would leave soon. Of the responding developmental assignment supervisors, approximately 87% reported that their associates will continue to work with the state government. Only about 12% indicated that they were unsure. In short, the responses from both of these groups verify the data that the associates provided.

Problem/Project Contribution

Many of the associates took on a capstone project in addition to their routine assignments. A variety of specific business measures and improvements were provided by the responding associates. Some respondents seemed to have difficulty identifying just one applicable area and provided more than one. The responses included project management results, output improvements, quality enhancements, efficiency increases, and process improvement. The data provided were supported with the details.

After providing those specific measures or business goals, associates were asked to estimate the cost saved or avoided for the improvement. Only two associates provided this information: $2,540 and $28,778. The combined value of the two estimates is $31,318, and the direct attribution to the program was 15%. This provides an isolated value of $4,698.

Surprisingly, supervisors provided monetary value at a higher rate than the associates. Based on the monetary values provided by 12 supervisors, the cost saved or avoided due to the direct contribution of the associates is $9,682,310. The percentage of improvement linked directly to the program was 45%. Several of these items were large. Although they seem credible, to be conservative and to follow the standards, the extreme data were omitted. As a results, two supervisor estimates were removed. This leads to an isolated value (corrected for error) of $757,040.

Performance Contribution

Another aspect of the contribution from associates was their level of work compared to the individuals who were previously in those jobs. Supervisors were asked how the associate's performance compared to the performance of the individuals who previously held this position. Fewer than 3% reported the associate's performance being less than others in the position, and almost 15% indicated that the performance was about the same. Nearly 18% responded that the performance is slightly higher than others in the position, while the same amount said the performance is much more than others in the position. Almost half of the respondents – more than 47% – reported that the performance of the associate is significantly more than the performance of others in the position. After converting these ratings to percentages, on average, 34 associates performed 32.3% "more" than others in the job, although they were paid a lower salary. Using the same average associates' salary of $68,588, the added value is $68,588 X 32.3% X 34. With an attribution of 45.4% to the program, the isolated value of the associates filling an existing job is $341,968.

Developmental Assignments

The data presented in this section is only comprised of the information provided by associates who participated in their developmental assignment either during or after they were in the leadership development. The data from the 13 respondents who had their developmental assignment prior to participating in the program have been filtered out for this section. Thirty-six percent of responding associates filled a position that was normally occupied by someone else for their developmental assignment, while 64% did not. Similarly, 29% of developmental assignment supervisors supervised a project-based assignment, and 71% did not. Associates who participated in a project-based assignment indicated the extent to which their project influenced a list of five measures: efficiency of the team, time savings of the team, quality at my agency, productivity of my agency, and cost control in the agency.

Associates struggled with providing monetary values (costs saved and/or avoided) for the measures associated with the project-based assignments. A conservative estimate of monetary value could not be provided from these respondents for this area. These respondents may not have been able to provide this information because they simply were not prepared to provide this type of information. This is an area of suggested improvement in the future. Only one developmental assignment supervisor provided a monetary value ($15,000 annually). The percent of influence of program was 50%; when multiplied by $15,000, this produces a value of $7,500.

However, responding associates did provide information around their project-based assignments.
While there were no usable monetary values provided by the associates relating to project-based developmental assignments, the respondents did provide data concerning the influence of the program on improvements related to these assignments. The average percent of influence provided by 39 associates was 29%.

Capstone Projects

Associates provided a description of their leadership development capstone project. They were asked to provide specific measures that improved during the capstone agency project as well how much those measures improved. The associates provided an amount of improvement for their projects based on a variety of measures, such as output, cost reduction, time savings, process improvement, and efficiency.

Eight associates provided estimated costs saved or avoided for the measures improved. Four provided: $10,080; $50,000; $100,000; and $2,140,198. When all eight answers are added, there is a total amount of $2,300,279 either saved or avoided due to the program's capstone project. With an attribution of 54% to the program, this is an isolated value of $1,242,150. To be conservative, the extreme value of $2,140,198 was omitted from the ROI calculation, leaving a value of $86,444.

After providing a description about their leadership program's capstone project, capstone leaders provided the specific measures that improved and by how much. While none of the seven responses to this question provided a number associated with the amount of improvement for the measures, they did provide interesting information, including the actual measures that improved and the status of the projects. The measures provided were:

- Employee engagement (in relation to productivity)
- Improve reduced spending, eliminating the appearance of waste
- Identifying strategies for output and quality
- Process improvement (via communication and establishing guidelines), output of quality increased; still in development
- Time savings (ensuring employees know where to find specific information)
- Quality of tools (saved time and cost); on hold due to COVID pandemic

Two goal leads provided estimates of costs saved or avoided for the improvements. They also provided a percentage of attribution for that monetary value to the program. When added together, the goal leads provide a value of $80,000 and an attribution of 70%. This leads to an isolated value of $56,000.

Table 6 shows the monetary conversion and isolation methods for the six impact areas, with all the outliers or extreme data removed. For more detailed information on all the impact calculations, please contact the authors.

Level 5, ROI

With the extreme data points removed in the ROI calculation, the following equation is:

$$\text{ROI (\%)} = \frac{\$1,491,184 - \$1,085,113}{\$1,085,113} \text{ X } 100 = 37\%$$

The benefit-cost ratio is:

$$\text{BCR} = \frac{\$1,491,184}{\$1,085,113} = 1.37$$

Intangibles

Almost all programs will generate results that include both tangible and intangible measures. By definition, an intangible benefit is a measure that is not converted to money, because the conversion cannot be accomplished with minimum resources and with credibility. These measures were identified at the beginning of the data collection process. Although not converted to monetary values, they are an important part of the evaluation process; for some programs, they are the most important outcome.

Table 6. Monetary Conversion and Isolation of Non-Extreme Data

Impact Area	Rationale	Assumptions	Monetary Value	Attribution to Program	Isolated Value
Retention	We count only associates who plan to remain with State government for a long time (26 people). This was confirmed by supervisors and developmental assignment supervisors	A long time is at least 10 years. With a turnover rate of 24% for 10 years(annual average: 2.4%), the cost of turnover is annual salary multiplied by 1.5.	Turnover for 10 years = 24% total 26 (associates) x 24% = 6.24 6.24 x 1.5 x $68,588 = $641,983.68	37%	$237,534
Problem/Project Contribution (tackled a project/problem)	Associates tackled a problem or took on a project in addition to their routine assignments.	This is value add. The associates struggled to provide monetary values, but supervisors gave us ample, credible data.	Associates (two) = $31,318 Supervisors (12) = $1,682,310 Supervisors provided basis for value. Duplicates were avoided.	15% 45%	$4,698 $757,040
Performance Contribution (filling an existing job)	Associates performed at a higher level than individuals who were previously in those jobs.	Supervisors indicated the amount of performance enhancement. The average salary of associates is $68,588. The average salary of the previous job holders was not easily available.	Associates performed 32.3% more than others in the job. $68,588 x 34 x 32.3% = $753,233	45.4%	$341,968
Developmental Assignments (project-based = 36%)	Assignments provide an opportunity to add value to an agency	Associates suggested that projects improved productivity, quality, time savings, efficiency, and costs	Associates struggled to provide monetary values (0); one Developmental Assignment Supervisor provided $15,000 – this is an opportunity for the future!	50%	$7,500
Developmental Assignments (replacement value)	Associates are replacing others with less pay.	Associates performed equal to or better than others, but are paid less = value add	There was not enough data to show a value add – this is an opportunity for the future!		
Capstone Projects	As part of the program, associates work on a challenge project to add value to an agency.	Value is sought from associates and capstone leaders. The basis for the value was provided.	Associates (8) = $160,081 Capstone Leaders (2) = $80,000 Duplicates were eliminated.	54% 70%	$86,444 $56,000
				Total	**$1,491,184**

As shown in Table 7, the data provided by associates and their supervisors allowed for a basic ranking of intangibles from the highest rated to the lowest rated based on the average scoring.

Table 7. Intangible Data Ranked

Associates	Supervisors
1. Leadership effectiveness	1. Contribution to the agency
2. Engagement	2. Engagement
3. Motivation to serve	3. Motivation to serve
4. Image of government	4. Job performance
5. Job satisfaction	5. Job satisfaction
6. Job performance	6. Leadership effectiveness
7. Contribution to the agency	7. Efficiency of government
8. Efficiency of government	8. Image of government

CONCLUSIONS

The findings indicate that overall, the state's gold star program is a successful leadership and succession development program and stakeholders want to see the program continue. The results show that the associates' knowledge and application have increased. In addition, associates gained value from working with colleagues, mentors, and coaches. They embraced the networking and built on the continuum of every level of the program. The results are evident in both tangible and intangible measures, as well as in the two provided ROI calculations. For more detailed information on the data, data collection, data analysis, and the ROI Methodology, contact the authors.

Two recommendations would lead to a dramatic improvement of data from the next group of associates. Make participants aware that impact and ROI information is desired or required. With this, they will better provide it in the future. Future associates will make notes and detail the impacts they are tackling in their agency, and a tool such as an action plan would have a significant effect on not only achieving success, but also reporting it in more credible, detailed terms.

The second recommendation involves response rate. It is also important to remember that the standards of the ROI Methodology require that absence of data equates to no value from non-respondents while the cost associated with that person is still included. In short, increasing the response rate to the questionnaire could dramatically improve the ROI. While the ROI for this program is positive, there is an opportunity for improvement in the future.

ABOUT ROI INSTITUTE·®

ROI Institute, Inc., founded in 1992 as a service-driven organization, assists professionals in improving programs and processes using the ROI Methodology® developed by Dr. Jack J. Phillips and Dr. Patti P. Phillips. This Methodology is the global leader in measurement and evaluation including the use of return on investment (ROI) in non-traditional applications. ROI Institute regularly offers workshops, provides consulting services, publishes books and case studies, and conducts research on the use of measurement and ROI. This makes ROI Institute the leading source of content, tools, and services in measurement, evaluation, and analytics. Working with more than one hundred ROI consultants, ROI Institute applies the ROI Methodology in 20 fields in over 70 countries. ROI Institute authors have written or edited over 100 books, translated into 38 languages. Organizations build internal capability with the help of ROI Institute and its ROI Certification process. By successfully completing this process, individuals are awarded the Certified ROI Professional® (CRP) designation, which is respected by executives in organizations worldwide.

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