

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Human Resources Committee

Date of Meeting: November 17, 2009

Agenda Item: Luoma Leadership Academy Update

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

This report will give a brief update on Minnesota State Colleges and Universities efforts in the area of leadership development, with a focus on the Luoma Leadership Academy Program.

Scheduled Presenter(s):

Lori Lamb, Vice Chancellor for Human Resources

Anita Rios, Director, Staff and Leadership Development

Selected Luoma Leadership Academy Participants:

- Michael Amick, Dean of Academic and Technology Services, Central Lakes College
- Trish Schrom, Academic Dean, Minnesota State Community and Technical College-Moorhead
- Sherrise Truesdale-Moore, Assistant Professor, Sociology and Corrections, Minnesota State University, Mankato

Outline of Key Points:

- Approach to Address Staff and Leadership Development Needs throughout System
- Luoma Leadership Academy Program Update/Return on Investment
- Luoma Leadership Academy Participant Testimonials

Background Information:

The Luoma Leadership Academy launched week one in November, 2004. Since that time, there have been four completed cohorts, with week one of the fifth cohort held in June 2009 and planned for completion in summer 2010.

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

INFORMATION ITEM
LUOMA LEADERSHIP ACADEMY UPDATE

1 **BACKGROUND**

2

3 **Approach to Address Staff and Leadership Development Needs**

4 As we continue efforts to recruit, develop, and retain diverse and qualified faculty, staff, and
5 administrators, staff and leadership development is very important. The operation of our institutions
6 depends on highly trained administrators and competent staff at all levels.

7

8 We also face challenges in filling leadership positions on our college and university campuses. That is
9 why it is particularly crucial to not just train staff to do their jobs today, but to provide targeted
10 leadership development opportunities that will help talented staff move into leadership positions
11 tomorrow.

12

13 **Staff and Leadership Development Report and Action Plan**

14 In January 2005, Anita Rios was hired to lead staff and leadership development efforts within the
15 system. In March 2005, a staff and leadership development steering committee was appointed by
16 Vice Chancellor Bill Tschida and Associate Vice Chancellor Linda Skallman to conduct a
17 comprehensive needs assessment. The steering committee produced a report and a 5-year action
18 plan to address employee development needs systemwide, with recommendations at the system
19 level, college and university level, and the work unit/department level. The recommendations focus
20 on the following five priorities:

- 21
- 22 1. Articulate an Employee Development Philosophy
 - 23 2. Implement Effective Performance Management Systems
 - 24 3. Develop Leaders at all Levels of the System
 - 25 4. Provide System-wide Training
 - 26 5. Provide Campus-based Training and Leadership Development
- 27

28 The report and action plan was endorsed in March 2006 by the Minnesota State Colleges and
29 Universities' Leadership Council and provides a comprehensive framework for all employee
30 development efforts across the system. In response to the report, the Chancellor asked all presidents
31 to include staff and leadership development efforts in their annual workplans. In response to the
32 first priority, the Leadership Council endorsed the following employee development philosophy for
33 the system:

34

35 *We are committed to developing the talents of Minnesota State Colleges and Universities'*
36 *employees. We value our employees and understand that continuous learning benefits the*

1 *entire system by developing and maintaining employee skills that link directly to achieving*
2 *organizational goals and objectives. Supporting successful leaders at all levels also builds*
3 *institutional capacity to better serve our students and our communities. This commitment*
4 *is realized as a shared responsibility between each employee and each college, university,*
5 *or the Office of the Chancellor.*
6

7 While the focus of this update is to share one of our programs to develop our system's leaders,
8 there has been much progress on all five priorities. Year-end reports highlighting accomplishments
9 can be viewed online at:

10 http://www.hr.mnscu.edu/training_and_development/staff_development_ne.html

11 Specifically relating to the third priority: developing leaders at all levels, here is a sampling of
12 FY09 accomplishments:

13
14 ***Develop Leaders at all Levels***

- 15 • Provided training for over 200 supervisors through "The Art and Science of Supervision"
16 program during FY09
- 17
18 • Enhanced New Administrator Orientation in 2008 to include greater networking and
19 development opportunities. Provided executive coaching for new administrators. 84 new
20 administrators attended in 2008; 53 new administrators attended in fall 2009.
- 21
22 • Launched new program offerings for the Administrator Development Program on the
23 following topics: Managing Unsolvable Problems (Polarity Management), Introduction to
24 Educational Lean, and Finance for the Non-financial Administrator.
- 25
26 • Began needs assessment process for vice presidents and provosts in the system.
27 Conducted interviews and prepared a survey for distribution to all vps/provosts.
- 28
29 • Developed a manual for using MnSCU-specific leadership competencies as a framework
30 for hiring, performance evaluation, development, and succession planning
- 31

32 **LUOMA LEADERSHIP ACADEMY**

33 In November 2004, Minnesota State Colleges and Universities worked with the Chair Academy in
34 Mesa, Arizona to launch a system-wide leadership development program for mid-level leaders. To
35 date, over 250 faculty and staff have participated in the Luoma Leadership Academy.

36
37 The Luoma Leadership Academy is designed to provide participants with the leadership theories,
38 practices, and skills needed to lead their respective departments, colleges, and universities more
39 effectively. It was named after Trustee Emeritus Jim Luoma, who was a great proponent of
40 providing leadership development opportunities for Minnesota State Colleges and Universities
41 employees. Participants have included department and faculty deans, human resource directors,
42 business managers, chief financial officers, as well as faculty and staff who aspire to leadership
43 positions.
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1 As of November 2009, 267 employees have been admitted into the program, in cohorts of 53-54
2 participants each. Four cohorts have completed the Luoma Leadership Academy. The fifth cohort
3 began their program in July 2009.
4

5 ***Program Design***

6 Based on the concept of *training-over-time*, the Luoma Leadership Academy allows participants to
7 thoroughly understand, internalize, and apply leadership concepts and skills. Four basic criteria are
8 incorporated in both the design and delivery of all leadership topic areas: active engagement of
9 participants, meaningful and relevant curriculum content, useful and applicable learning in the job
10 setting, and measurable training outcomes.
11

12 ***Program Elements***

- 13 1. Ten full-day leadership sessions scheduled over one year (an initial 5-day session, followed a
14 year later by a concluding 5-day session). Participants must commit to staying at a metro area
15 executive conference facility during each of the one-week sessions.
- 16 2. A year-long practicum experience between training sessions with support and guidance
17 provided by participant-selected college mentors, Academy liaison, and Academy
18 coach. Practicum elements include:
 - 19 • ***Action Learning Team Project*** – Team-based action learning projects are completed during
20 the intervening year between the two one-week residential sessions. Teams of 5-6
21 participants work on systemwide or campus-specific problems or issues. Projects are
22 sponsored by leaders in the system.
 - 23 • ***Individualized Professional Development Plan (IPDP)*** – Participants develop and
24 implement individualized action plans (IPDP) to address the leadership topics and skills
25 covered in the first training session. Participants expand their IPDP to include the other
26 leadership topics covered during the second training session.
 - 27 • ***Mentoring*** – Participants choose a college mentor who provides support, guidance, and
28 feedback regarding their IPDP. In addition, an Academy liaison and coach provides further
29 guidance and support. Participants also select a “Program Buddy” for peer support during
30 their practicum experience.
 - 31 • ***Reflective Practice and Journaling*** – During the practicum experience, participants are
32 encouraged to reflect upon their work experience and their IPDP on a regular basis.
33 Reflection helps them to establish a benchmark journal of where they are now, determine
34 what they have learned from their leadership activities/experiences, and what they will do
35 as a transformational leader in the future.
 - 36 • ***Electronic Connection*** – Participants and their mentors will be able to electronically
37 engage in an on-going dialogue with fellow participants through the Academy listserv.
38 Monthly leadership issues are sent by the Academy liaison. Additional leadership content,
39 which reinforces and enhances the learning experience during the practicum experience, is
40 also provided.
 - 41 • ***Leadership Surveys*** – Using online 360 degree evaluation tools, participant growth and
42 development and are measured three times over an eighteen month period.
 - 43 • ***Academy Certificate of Completion*** – Each graduate of the program receives a framed
44 Certificate of Completion listing the program competencies as well as an Academy

Leadership pin, recognizing their efforts and successful attainment of program competencies.

RETURN ON INVESTMENT FOR LUOMA LEADERSHIP ACADEMY

(data for this ROI study was collected in December 2008, focusing on the first four completed cohorts)

Rationale for Developing Leaders

Formal leadership development programs serve the following purposes in an organization:

- 1) Equip *recently promoted leaders* with the skills and knowledge needed to succeed in a new position
- 2) Build skills and knowledge base for *employees currently in leadership positions* and improves their effectiveness.
- 3) Prepare *high potential, high performing employees* for new leadership positions

Recently Promoted Leaders

Targeting recently promoted leaders, (those who are taking on new managerial tasks), for formal leadership development programs is absolutely critical. This is where employees need immediate help with new skill development and an expanded network and knowledge base to lead effectively in the new job. Research shows that development efforts have the greatest impact for those individuals who are just experiencing a new transition and are ready to apply what they've learned in their new job. Participants who were promoted within a year before entering the Luoma Leadership Academy, represented the following percentage of their cohort:

2004-2005 Cohort	2005-2006 Cohort	2006-2007 Cohort	2007-2008 Cohort
9%	26%	21%	8%

Current Leaders

Building skills and knowledge bases for employees in current formal leadership positions (deans and directors who manage other people) helps them lead more effectively within their college, university, or division. Given the lack of attention to systemwide leadership development efforts, before the inception of the Luoma Leadership Academy, this particular focus has been important for the Minnesota State Colleges and Universities since fall of 2004. This approach builds the organizational capacity of our current leaders.

Participants who were in mid-level leadership positions at the time of their participation (and more than a year before their participation), represented the following percentage of their cohort:

2004-2005 Cohort	2005-2006 Cohort	2006-2007 Cohort	2007-2008 Cohort
48%	31%	37%	38%

1 **High Potential, High Performing Individual Contributors**

2 Individual contributors (both faculty and staff), who demonstrate excellent performance on the job,
3 exhibit leadership potential, and aspire to future leadership positions, are prime candidates for
4 formal leadership development programs. Formal programs help these high performers gain needed
5 skills and knowledge, and develop the network they need to explore future opportunities.

6
7 Those employees who received promotions after beginning the Luoma Leadership Academy
8 program and those who served in interim positions represented the following percentage of their
9 cohort:

2004-2005 Cohort	2005-2006 Cohort	2006-2007 Cohort	2007-2008 Cohort
35% promoted	32% promoted	30% promoted	19% promoted
5% interim	----	4% interim	6% interim

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11 **Transfers within the System**

12 Growing our own within the system means that we need to encourage transfers from one institution
13 to another, so that mid-level leaders can gain useful experience as they develop in their careers,
14 especially if those opportunities don't exist within their home institution. While there has not been
15 a great degree of movement within the system, there is some evidence of it as the chart below
16 shows.

	2004-2005 Cohort	2005-2006 Cohort	2006-2007 Cohort	2007-2008 Cohort
2-yr to 2-yr institution	2% (1)	6% (3)	8% (4)	---
2-yr to 4-yr institution	2% (1)	---	2% (1)	2% (1)
4-yr to 4-yr institution	---	2% (1)	---	---
4-yr to 2-yr institution	--	---	---	---

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19 **Retention**

20 Leaders who are promoted from within tend to stay with the organization longer than those who are
21 recruited externally. They also are able to "hit the ground running," as they are already accustomed
22 to navigating the environment, as opposed to new hires.

23
24 Development programs such as the Luoma Leadership Academy tend to have a positive effect upon
25 retention. As you can see from the chart below, an average of 93% of participants have stayed
26 within the system.
27

	2004-2005 Cohort	2005-2006 Cohort	2006-2007 Cohort	2007-2008 Cohort
Retention Rates	89% (3 terminations, 1 restructuring effort, 2 resignations)	91% (5 resignations – one of those currently works with a foundation assoc. w/MnSCU)	94% (3 resignations)	98% (1 resignation)

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Watson Wyatt reports that total turnover costs including hard dollars and lost productivity are approximately 48% – 61% of salary. Minnesota State Colleges and Universities has an already low turnover rate of 7-8%, in line with local and state government. With 2205 employees in the pool we've identified, that means approximately 154-176 leave per year. With an average salary of \$50,000, our annual turnover costs for mid-level leaders are between \$4M and \$5M. For each person retained within the system, we save approximately \$24,000 to \$30,000.

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Additionally, organizations that continue development efforts, become known as desirable places to work, or employers of choice. While this already may be true in parts of greater Minnesota, where Minnesota State Colleges and Universities may be a major employer in the area, commitment to development efforts has a stronger impact in areas where we may compete for talent with other major employers, such as the metro area.

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Conclusion

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The Luoma Leadership Academy continues to provide excellent return on investment by equipping current and recently promoted leaders and preparing high performing, high potential employees for leadership opportunities. On average, 33% of Luoma Leadership Academy participants have either received promotions or interim leadership opportunities after participating in the program.

Date presented to the Board: November 17, 2009