Dynamic Leadership at Hewlett-Packard
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Abstract

In 2001, Hewlett Packard launched *Dynamic Leadership* - an ambitious

worldwide program to help managers meet the challenge of an accelerating pace of

change. More than 8,000 managers were trained in the first year. This case study reports

the results of that effort, which produced a 15X return on investment for the company.

The success of the program is attributed to five key elements of its design and execution:

1) *Dynamic Leadership* was designed to address clear and compelling corporate needs

with well-defined outcomes; 2) implementation incorporated best practices from outside

vendors as well as internal facilitators; 3) an aggressive rollout schedule that created a

critical mass of managers who shared common terminology and methodology; 4) an

innovative post-course follow-through system that assured application and practice; 5)

rigorous measurement was designed into the program from the outset.

Stage One - Diagnosis

Hewlett-Packard has enjoyed an exceptional record of innovation and growth for

more than 60 years. Sustaining that record has required the company to continually

reinvent itself in order to capitalize on new technologies and to address the changing

needs of the market.

The last decades of the 1990s witnessed unprecedented changes in the technology

sector. The pace of change - already rapid - accelerated further. Product life cycles

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became shorter and shorter even as their technologic sophistication and integration needs became increasingly complex. Competition became global, with high quality products from Asia and Europe competing for market share in the US as well as their home markets. Prices declined precipitously. HP recognized that competing successfully in these new market realities required a management culture that was capable of high speed collaboration, raising and resolving issues rapidly, and making informed decisions efficiently.

To meet these needs, HP's Workforce and Organizational Development Group designed and implemented *Dynamic Leadership* - an intensive two-day program specifically designed to accelerate collaboration, issue resolution and decision-making. To date, more than 8,000 managers have been trained in *Dynamic Leadership* tools and methods. This case study reports the results of this initiative, its return on investment for HP, and the factors critical to the success of such an ambitious undertaking.

Stage Two - Assessment

In January 2000, HP conducted a survey on "Reinventing HP." More than 7,000 managers and individual contributors responded. Several themes emerged that underscored the need to accelerate decision-making and collaboration. Respondents throughout the organization recognized the need to accelerate decision making and increase accountability for action, reinforcing senior management's call for greater agility.

Workforce Management and Organizational Development was asked to design and implement a program that would address these needs and help HP managers "lead high velocity business results in a dynamic HP." Since the assessment had indicated that

these needs were common across business units and geographies, the program had to be

global in scope and efficient to implement.

Stage Three - Program Design

HP Workforce Development's design goals included a program that would

address the identified needs on a global basis and deliver substantive results in the first

year, within constraints on cost and human resources. To maximize the return on

investment, HP decided to focus on a limited number of objectives that would have the

greatest immediate impact. Specifically, *Dynamic Leadership* was designed to improve

HP managers' ability "to produce **rapid time-to-value** for hp customers first,

shareholders and employees."[3]

The program focuses on two key areas:

1. Accelerating high performance collaboration and alignment
    - Working from a shared view of "value"
    - Using conversation technology to gain alignment to purpose and rapidly raise and resolve issues.
2. Execute with accountability
    - Use rapid decision process to make effective and efficient decisions
    - Design accountability for actions
    - Learn and adjust[4]

Given the need for speed and rapid global rollout, HP elected to use a blended

approach of external providers and internal facilitators. Conversant Solutions, LLC of

Boulder, Colorado was selected as the lead consultants and facilitators. In particular,

their concepts of how to achieve higher value through more effective conversations[5]

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[3] Hewlett-Packard Inc., *Dynamic Leadership* Learning Journal, 2002.

[4] Ibid.

[5] Connolly, M and Rianoshek, R: *The Communication Catalyst*, Dearborn Trade Publishing, 2002. ISBN: 0793149045

seemed particularly well suited to the goals of *Dynamic Leadership* and formed the core components of the program.

The final program design was an intensive two-day experience. A two-day program was chosen in order to provide sufficient depth and practice without overwhelming the participants or requiring excessive time out of the office.   *Dynamic Leadership* is presented as a fast-paced program that intersperses presentations with small group work, practice and discussions. The number of topics is intentionally limited to ensure adequate time for explanation and mastery.

Topics include:

- Context setting through business mapping
- Laws of conversations
-     Conversations model
- Rapid decision making
-     RACI Model
- Authentically raising and resolving issues

The designers selected a live group format as the most effective way to introduce and illustrate the target edskills and concepts. Participants are provided a Learning Journal that includes the key concepts and ample room for personal notes. The program continues after supper on the first day, when participants must practice what they have learned to create an 'evening of value.'

An important part of the design is 'accountability for action' - the idea that the course does not end on the last day of class, but only when participants have put what they learned into action. As part of the design, participants must commit, in writing, to their goals for applying *Dynamic Leadership.* These goals are shared with their managers (see below) to underscore accountability and management support.

Stage Four - Program Implementation

The *Dynamic Leadership* Program is presented either on-site or at a local hotel to minimize travel time and expense. Group size is limited to a maximum of 30 to ensure individual participation and practice. Both open enrollment and intact team sessions are offered; intact team participation is strongly encouraged to get everyone 'on the same page' simultaneously.

To ensure that examples and programs are relevant to HP, each session is taught by a pair of facilitators - one external and one hp employee. In order to conduct the hundreds of sessions required to achieve the rollout targets, facilitators from more than a dozen different firms were recruited and trained through in person and virtual train-the-trainer sessions. Whenever possible, new facilitators were paired with experienced for their first few sessions. Outside the US, local bilingual facilitators were recruited and trained to lead the program. To ensure quality and continuous improvement, participants complete an evaluation form at the end of each session (see evaluation below). These must be forwarded to the Workforce Development Office before the facilitator will be paid.

In 2002, more than 400 sessions were held in more than 20 countries. Altogether, over 8,000 managers participated in *Dynamic Leadership* programs in its first year.

Stage Five On-the Job Support

A unique aspect of the *Dynamic Leadership* program was a rigorous system for managing the post-course follow-through. Work by Goldsmith and others[6] that had shown a direct correlation between the degree of follow-up and increased leadership

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[6] Goldsmith, M: "Ask, Learn, Follow Up and Grow" in *The Leader of the Future.* San Francisco: Jossey-Bass, 1996. P. 227-240.

effectiveness. Adult learning studies have shown the importance of immediate

application. To ensure that *Dynamic Leadership* principles were put into practice, HP

implemented a rigorous post-course management system using a commercial follow-

through management tool (*Friday5s®)[7]*.

In the concluding session of the program, participants were asked to write out two

objectives to apply what they had learned to their jobs. These were entered into a group-

specific *Friday5s* web site. The following week, participants were reminded of their

goals by email. A copy of each participant's objectives was emailed to his/her manager

to ensure that managers knew what their direct reports had learned and intended to work

on. The system made each participants' goals visible to all the other members of his/her

cohort to encourage shared accountability and learning.

The follow-through process is illustrated in Figure 1. On five occasions following

the course (weeks 1,3,5,7, and 9) participants were sent a link to the group's web site and

asked to update their progress by answering the following questions:

- What have you done to make progress on this goal?
- How much progress did you make
- What are you going to do next?
- What has been your most important lesson learned?

The purpose was to get participants to remember to apply what they had learned, to

reflect on the experience, and to continue group learning by sharing insights with one

another. In addition, participants had the option of sharing each update with a manager

and/or coach for feedback and counsel. On the final update, participants were asked to

describe the business impact of working on the goal and, reflecting on the two months

since the program, what had proved most valuable from *Dynamic Leadership*.

Program learning was also reinforced through an on-line feature called

GuideMe™ that provided practical suggestions for action based on course materials.

Stage Six - Evaluation

Three types of evaluation were used to continuously improve the program,

measure its impact, and calculate the return on investment:

- immediate post-program evaluations
- analysis of follow-through reports
- three month post program financial impact analysis

A) Immediate post program evaluations

At the conclusion of each two-day program, participants were asked to complete

an anonymous evaluation that included questions about both the content and

presenters. These were forwarded to the Program office where they were reviewed

by the program staff. Presenters with poor ratings were coached. If they were unable

to improve their ratings in subsequent programs, they were replaced.

The train the trainer and course materials were revised based on feedback from

these evaluations, in order to clarify areas that participants indicated were unclear or

difficult to understand. As a result of these continuous improvement efforts, the

overall program evaluations increased over time and now consistently exceed four on

a five point scale.

B) Thematic analysis of follow-through

Kirkpatrick[8] proposed that rigorous evaluation of training programs should

include documenting behavioral change (Level 3) and measuring business results

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[7] *Friday5s®*, Fort Hill Company, Montchanin, DE www.ifollowthrough.com
[8] Kirkpatrick, DL: *Evaluation of Training Programs, 2nd Ed.,* San Francisco: Berrett-Koehler, 1998

(Level 4), in addition to measuring the participant's reaction to the program itself.

Dynamic Leadership included both level 3 and 4 analyses.

Because all of the participants' goals were entered into a database, we were able to

evaluate the distribution of planned post-course objectives (Figure 2). As the

program design team intended, more than 3/4 of all goals focused on improved

alignment, more effective (authentic) conversation, and accelerated decision making.

The ability to efficiently review post-program goals provided assurance that the

program was emphasizing the topics of most importance and participants were

receiving the desired message. More importantly, it illustrated that the participants

planned to apply the learning in ways that would have practical benefit for HP:

> Obtain clear accountability for all initiatives on cost plan; define roles of cost team; create process for reporting status and measuring deviation.
>
> Reduce by 25% the time it takes to process a customer order.
>
> Strive to understand the senior purpose of all participating team members to find the common ground upon which decisions can be rapidly made.
>
> In my next project meeting I will make a note to ask "is this adding value?" Explain definition of value to team.
>
> Use conversation [meter] to draw out all the facts and senior purposes of my peer group. . . in order to make faster decisions measurement, reduction of revisits on business issues.
>
> Decrease the time of meetings on projects by always involving the right person, with a purpose described and shared. Document a measured decrease of 25% time spent.
>
> Use the RACI model to improve Time-to-Value for the customer regarding Action Items and take-always during an upcoming customer review.

HP recognized that such goals are necessary, but not sufficient. Level 3 analysis

requires the ability to demonstrate that learners took new, different and better action

as a result of the program. There are two clear lines of evidence that this was

achieved in *Dynamic Leadership:* 1) the real-time self reports of the participants

themselves; and 2) the independent observations by their managers and coaches.

Participants' biweekly *Friday5s*[®] reports indicated that they not only absorbed the

content of the program, but translated their learning experience into actions that

benefited their teams and the company as a whole. Sample actions:

> Reviewed "value" concept with staff... Assigned people to come to next staff with 1) how they believe their own job adds value to the customer 2) identify areas to increase % of value add activity

> Shared the principles from the class regarding the conversation meter, and the appropriate use of accuracy and authenticity (vs. pretense and sincerity)

> I introduced the concept of "Value" verses "Waste" from the customer's perspective and facilitated an eye-opening brainstorm session on what customer value my group really provides.

> I introduced the conversation meter by way of a real-time dialog example with my team at our group meeting. The example could not have been better to explain the "Sincerity" type.

> Used the process to map out my approach to working with my co-managers to agree on our combined group charter.

> The team learned how the use of the RACI methodology led us to finish not only the process definition as planned but also the development of a web tool

The effect of the Dynamic Leadership training and the efforts being made by the

participants were apparent to their managers and coaches as evidenced by their feedback:

> Dear P___, First I want to thank you for investing time in your continued development. It is often one of those things that we let fall by the wayside . . .

> Dear J___, Good job on streamlining the Project Review process. Can you also ensure that the linkages with our review process are clearing defined? This will also help to gain alignment all around . . .

> Dear D___, I appreciate the facilitation of the decision process discussion. It was amazing the number of sub-processes that require decisions . . I have a much higher level of confidence about our ability to get to a good decision through the use of this model.

> Dear B____, I think you are doing terrific work here, but don't let it stop at this. Transformational leadership is about visioning a compelling future, modeling that future, and gaining followers.

> Dear G___, You made an important progress in sharing the tools with your teams and key people! I believe that after you obtain the measures you are planning to do, you will find other opportunities for reducing the time spent in meetings . . .

In the 10th week following the program, participants were asked what they had

found most useful from the program.   Over half of all comments mentioned the

conversations tools and the closely related concepts of shared purpose / intersections (Figure 3).

C)   Three month post program financial analysis

While the follow-through process provided ample anecdotal evidence that the program was having a positive impact at HP, it did not provide the quantitative data necessary to prove the return on investment with the rigor needed to satisfy discerning financial managers. To quantify the impact of the program, HP worked with the Fort Hill Company (Montchanin, Delaware) to design an analysis system that could be administered after each participant had had sufficient on-the-job experience with *Dynamic Leadership* tools to have produced results.

Three months after attending the *Dynamic Leadership* program, participants were asked to indicate how frequently (if at all) they had used the *Dynamic Leadership* tools. They also were asked, if possible, to describe a single specific example in which this created value for HP and to provide details of quantifiable benefits, such as hours saved, new revenue generated, or costs avoided. In evaluating the program's impact, only specific examples for which there was good documentation and a sound basis for determining worth were included. No attempt was made to ascribe value to important, but difficult-to-quantify benefits like improved quality or customer satisfaction. Hence, the actual program value is likely even greater.

The value generated by the program was calculated by multiplying the median value of reported events time the number of reported uses or program material, then discounting (75%) for positive reporting bias. The median reported value of reported events (rather than the average) was used in the analysis to avoid undue influence of a

small number of very high value instances. The return on investment (ROI) was

calculated by comparing the value generated to the full cost of delivering the

program, including the per hour cost of the attendees' time.

The results overwhelmingly supported the value of HP's investment. Key findings

reported to the Board of Directors included:

The training was practical and useful on the job. Ninety-four percent (94%) of

participants reported that they had used the *Dynamic Leadership* tools to advantage in the

first three months after training. The average participant used the tools 9.5 times during

the follow-through period.

The program produces a significant return on investment. The median value per

single reported application was $3,800 - 50% more than the fully-loaded cost.   On an

annual basis, the return on investment is 15 times cost.

Most of the benefits were attributable to time saved in reaching decisions and gaining

alignment. Intangible benefits, including improved customer service, higher quality and

better morale also were mentioned frequently.

Perhaps most remarkably, these results were achieved in the midst of one of the

largest reorganizations in corporate history; the HP-Compaq merger.

Conclusion

The case reported here - the introduction of Dynamic Leadership methodology at HP

- demonstrates that a well-designed and well-executed learning program can produce

significant and measurable results. The positive ROI for the *Dynamic Leadership*

program reflects its practical focus, thorough planning and well-managed

implementation, rigorous post-program follow-through and on-going assessment. Further

opportunities to create value include extending the program to additional managers and

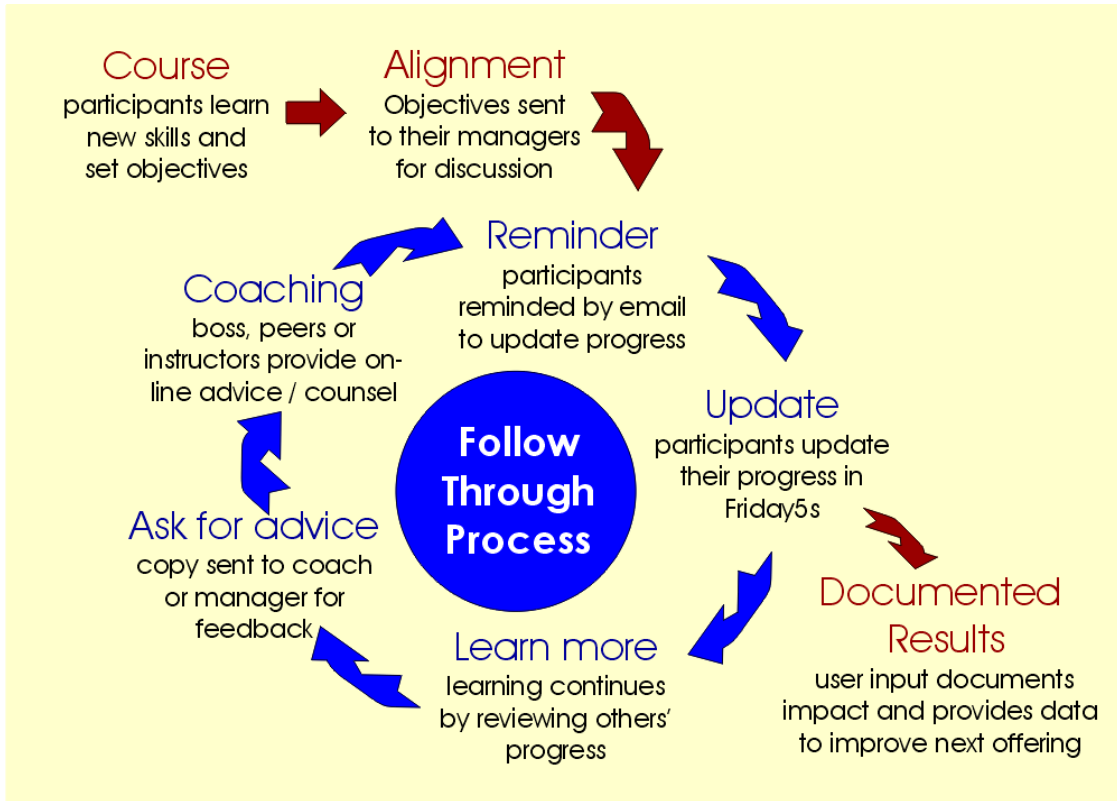developing complementary programs focused on other key management skills.

Figure 1: The follow-through process for *Dynamic Leadership*. At the conclusion of the program,

participants set goals to apply what they had learned. These were sent to their managers. Then on five

occassions following the program, participants were asked to update their progress, share insights with

others and continue their learning.

Distribution of 13,720 DL Objectives

- Better Alignment 35%
- Authentic Conversation 23%
- More Rapid Decisions 22%
- Other 2%
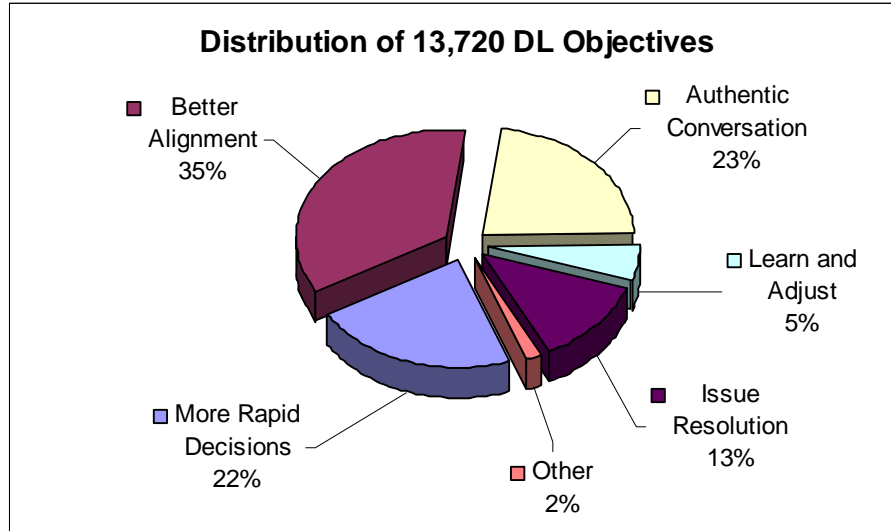- Issue Resolution 13%
- Learn and Adjust 5%

Figure 2: Distribution of more than 13,000 follow-through objectives defined by participants in *Dynamic Leadership* programs. The distribution of goals matches the design objectives.

Most Valued Aspects of Program

Conversation
Tools
43%

RACI Chart
29%

Follow-
through
7%

Stakeholder
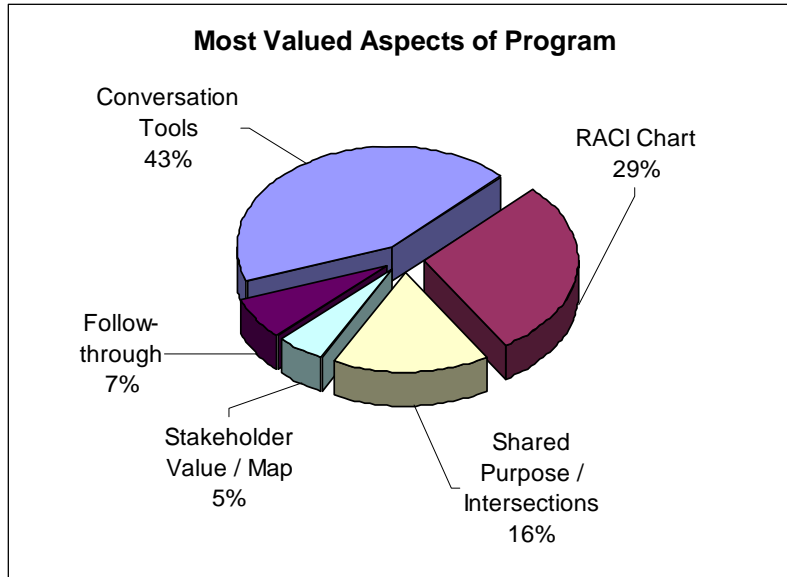Value / Map
5%

Shared
Purpose /
Intersections
16%

Figure 3: Distribution of 400 responses to the question: "What have you found most valuable from the

Dynamic Leadership program?" (after 10 weeks).