



# The Impact of Leadership Development

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# Today's Presentation

- A look at the process and outcomes Centrelink's review of its leadership programs
- To show how the review has shaped future leadership development directions



# Background

- Overview - SELP and CMLP
- Pilot evaluation
  - Return on Investment (ROI)
  - Return on Training Investment (ROTI)
  - Value for Money (VFM)
- Program evaluation
  - Impact study
  - Longitudinal study
  - Return on Training Investment (ROTI)



# Context: the programs

- Senior Executive Leadership Program (SELP) and Centrelink Manager Leadership Program (CMLP),
  - designed in 2002 and launched in 2003
  - Target audience: EL2 and SES, 24 per program
  - 15 CMLP and 11 SELP programs conducted 2003-2005
- No previous national leadership program



# Pilot Evaluation

## Purpose

- to build confidence that leadership development approach would generate the desired organisational outcomes
- To test likely value arising from the investment
- An opportunity to apply and compare three different methodologies

Outcomes published in the Australasian Evaluation Society  
Journal in late 2005

# Program Structure

## Pre-reading

- Welcome Kit

## Capability Appraisal and Debrief

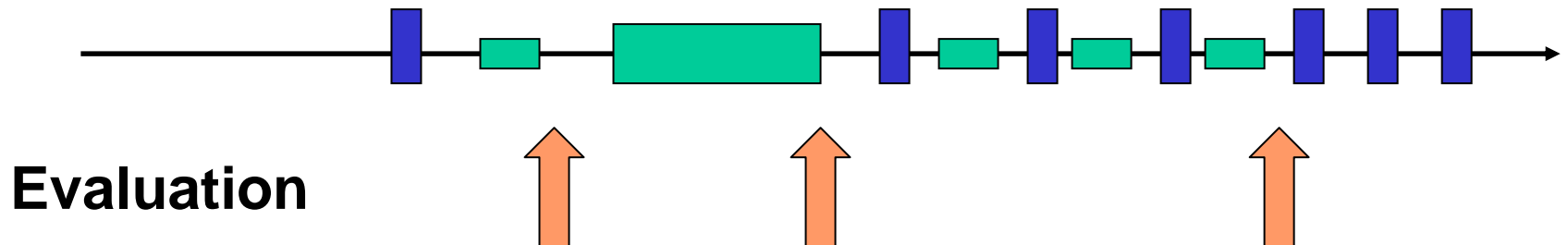
- SELCF/ ILS

## Residential

## Executive Coaching

## Peer Partnering

- “Launchpad”





# Desired Outcomes

- *close alignment with organisational goals*
- *cohesive support for organisational growth*
- *inclusive ways of working at the strategic level*
- *Addressing the challenges of complexity and diversity*
- *Drive future business*
- *Foster Centrelink's emerging role within the community*
- *Improve the competitiveness of aspiring leaders*



# ROI Study

**Did the Program generate returns that outweighed the costs?**

- Collect qualitative and quantitative data
- Compare pre and post training performance/ behaviour
- Explore the impact of other interventions
- Calculate the ROI
  - *Doucouliagas and Sgro 2000*
  - *Kirkpatrick 1998*



# ROI Analysis

- Extensive qualitative and quantitative data
  - Initial evaluation data: all participants pre and post residential
  - 30% sample reviewed at 3 and 6 months
  - Validation sample: colleagues and managers
- Clear demonstration of positive changes in pre- and post-training performance across a range of leadership characteristics
- Intervening variables:
  - Motivation
  - Opportunities to practice new skills
  - Organisational change



# ROI Findings

- The pilot had a pronounced impact on participants capacity to realise Centrelink's organisation objectives, even taking into account other factors
- the outcomes could be said to exceed the costs, although difficult to quantify in \$\$\$ terms
- Confirmed that Centrelink Executive can be confident that the SELP model would assist in meeting corporate objectives
- highlighted opportunities for continual improvement.



# Return on Training Investment (ROTI)

- Select and closely analyse key qualitative and quantitative learning outcomes, using existing enterprise data where appropriate and feasible:
  - Multiple data sources
  - Multiple stakeholder consultation'
  - Data collection over time
  - Financial and non-financial outcome indicators

*(Moy & McDonald 2000, p.v):*



# Outcome Focus

- Outcome A: cohesive support for Centrelink's growth, in line with its *Future Directions 2003-2006*
  - Evaluation data
  - Efficiency data
  - Staff satisfaction data
- Outcome B: recognise and respond to challenges of complexity and diversity in Centrelink
  - Stakeholder and evaluation data
  - Team results
  - Decision-making



# ROTI Conclusions

- Both quantitative and qualitative data demonstrated measurable and positive impacts attributed to the impact of the leadership program:
  - Staff satisfaction
  - Team performance
  - Business efficiency
  - Decision-making



# Value for Money

## Did Centrelink get value?

- ANAO (2002) defines *value for money* as a judgement of the worth of funds expended in the light of the benefits received (p.84).
  - cost comparison – benchmarking like programs;
  - assessment of value for money based on participant and supervisor feedback



# VFM Findings

- Favourable comparison of costs:
  - Commercial programs: public tender process
  - Similar programs conducted in another agency
  - Similar programs offered externally
- Participant and stakeholder feedback identified options for further improving value



# Comparison

## **ROI**

- Undertake infrequently, for major investments
  - Difficult to quantify, resource intensive
  - Results are comprehensive

## **ROTI**

- Undertake selectively to confirm outcomes
  - Provides understandable information to guide future decisions and improve relevance
  - Accommodates qualitative data

## **VFM**

- Undertake regularly to confirm continuing value
  - Relatively simple to conduct
  - Embedded in Commonwealth Procurement Guidelines





# Impact Evaluation 2005

## Objectives

- to identify the impact of the leadership programs on workplace and business outcomes
- to confirm longitudinal outcomes from the program 2003-2005
- to independently assess the outcomes achieved from the investment: followup Return on Training Investment (ROTI) study



# Methodology 2005

- Pluralist or “pragmatist” approach (Creswell 2003)
  - Qualitative and Quantitative - aggregated post-residential participant evaluations
  - Quantitative survey - stakeholders and participants
  - Open-ended quantitative questioning  
Qualitative interviews, incorporating “appreciative inquiry”



# Study Findings: SELP

(1-5 scale where 1= not at all, 2= some extent 3 = moderate extent 4 5= large extent)

- Individual Outcomes

- Increased job satisfaction – 2.8
- Increased organisational commitment – 2.8
- Increased innovation - 2.9
- Improved communication - 3.4
- Improved decision-making - 3.1
- 93.6% rate the program as a positive financial investment



# Findings (cont'd)

- Team Outcomes
  - Improved staff teamwork - 2.8
  - Decreased staff complaints - 2.2
  - Improved workplace climate - 2.7
  - Reduction in customer complaints - 1.7
  - Increased client respect - 2.1
  - Increased community support – 2.0



# Meeting Program Objectives?

- Enhanced leadership practice – 3.5
- Improved leadership capability – 3.5
- Improved understanding: culture and context – 3.5
- Demonstrated effective leadership behaviours – 3.5
- Improved influence and communication skills – 3.6
- Improved understanding of strategic frameworks, strategic thinking – 3.1
- Commitment to ongoing development – 3.8



# Extent of improvements

Extent of Improvement as a leader attributed to program...	SELP 2005	CMLP 2005
0%	2%	7%
1-25%	51%	39%
26-50%	23.5%	28%
51-75%	19.6%	22%
76-100%	3.9%	4%



# What else contributed?

- Motivation, backed by Clear manager expectations
- Relevance of content to role
- Exposure to continued experience, opportunities
- Recognition for using new skills or knowledge
- Ongoing coaching and mentoring
- Role modelling



# What program components were most effective?

<b>Component</b>	<b>SELP 2005</b>	<b>CMLP 2005</b>
Readings	-	4%
Residential	54%	46%
Journal/ Launchpad	6%	-
Peer Partnering	2%	4%
Executive coaching (incorporates 360 process)	38%	46%



# Longitudinal Study

- Intended Outcomes:
  - Participant responses strongly consistent over time
  - A shared language of leadership
- Unintended Outcomes
  - Increased respect of colleagues
  - Improved commitment of subordinates to personal development
  - Depth of engagement with coaches
  - Flow on requests for specific requirements, ie strategy analysis work, VCWs



# Ongoing Impacts

- Spiral effect and impact of ongoing networks, collegiality
- Confidence and competitiveness for promotion, impacting on succession management and recruitment
- 2003 SELP and CMLP cohorts reassessed in 2005 show a consistent or increased attribution of positive change to the program: eg (SELP data)
  - Decision-making                      2003 – 3.1      2005 – 3.57
  - Improved staff teamwork      2003 - 2.8      2005 – 3.4
  - Response to complexity      2003 – 3.2      2005 – 3.14



# Future Directions

- Incremental improvements to design and content – new public tender process pending
- Greater flexibility and follow on options
- Re-focus on leadership foundations:
  - Personal leadership – soft skills
  - Resource, project and financial management
  - Strategy planning
- Integration of leadership development opportunities at all levels
- Integrating leadership development strategies with HR practices





# Questions?

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