

# BUILDING LEADERS

Exelon's leadership development programs are helping new front-line supervisors find success and increased opportunities for advancement.

**BY TIMOTHY P. HICKEY, DAVID SOWINSKI, AND KEITH GOUDY**

**H**iring effective managers is the goal of any company, and having good managers in place on the front lines—to oversee the workforce out in the field—is especially critical. Transitioning an employee from a position where he or she is an individual contributor to one with management responsibilities, however, requires extensive support.

Front-line supervisors play a key role in any company. First, the scope of responsibility for the people who do the work in the field is large and is becoming increasingly complex. Second, front-line leaders facilitate communication throughout an entire organization. And third, those leaders generally have a direct impact on a large number of employees and help to execute the company's overall business strategy. It's important that companies try to identify and select leaders for the front lines who can build team morale, motivate employees, and provide strong customer service. This is particularly important for utilities, where the companies and their customers depend so heavily on productive workers in the skill trades.





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**IN GENERAL, A COMPANY MUST BE CLEAR ON WHAT QUALITIES IT BELIEVES DEFINE SUCCESS IN FRONT-LINE LEADERSHIP ROLES.**

Hiring effective front-line leaders also may provide utilities with a solution to the staffing challenges they face. Much has been said already about the impact that retiring Baby Boomers will have on corporate America, and the effect will be especially dramatic within the utility industry. According to the Department of Labor, less than 20 percent of the current workforce in the utility industry is under the age of 35 (compared to 35 percent in the general American workforce). A 2011 survey by the Center for Energy Workforce Development ([www.cewd.org](http://www.cewd.org)) indicated that the energy industry faces the prospect of losing more than 60 percent of its workforce over the next decade, while simultaneously managing both a growing demand for energy and changes in the

utility/customer relationship. Comparisons by age groupings within the industry show that the number of employees between the ages of 18 and 27 has decreased, while the number of employees age 53 and above has increased, reflecting both mid-career hires and those employees

who are waiting to retire. Reflecting the changing demographics of the industry, utilities have had to adjust their recruiting strategies. Exelon, for example, sees the value that front-line leaders represent to the company, offering a stock of potential future management talent.

### **The Assessment Program**

In general, a company must be clear on what qualities it believes define success in front-line leadership roles. Exelon initially focused on selecting supervisors based primarily on their technical knowledge. This resulted in supervisors who were not trained in such fundamentals as managing performance or coaching for improvement. When Exelon's focus shifted to selecting supervisors based primarily on leadership skills, this led to supervisors without the technical skills (or credibility) to lead the craft workforce. Today, Exelon has adopted a blended approach: Good technical skills are an initial entry requirement, and leadership capability receives consideration when making the final hiring decision.

Exelon partnered with Vantage Leadership Consulting to create an assessment program for supervisor candidates. The "Assessment Center"

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## **Key Principles For Filling Your Leadership Pipeline**

**Get it right at the start.**

**Find the right balance—technical and leadership skills are needed.**

**Don't ignore your high potentials.**

**Find a trusted partner to give you objective feedback on your talent.**

**Set people up for success—you may lose talented people before they get started.**

**Account for the dynamic, evolving nature of the front-line leader role (such as political and financial acumen) by building agility into your selection process.**

is a process that makes recommendations based on capability and potential and arms new front-line leaders with developmental feedback to help them with the transition to their new role. The Center provides a set of business simulations based on the behaviors required for on-the-job success. These simulations give candidates a realistic job preview of a front-line leader's day-to-day responsibilities. Some people decide to drop out of the process after realizing a supervisory role is not what they thought it would be. This lowers the number of finalists but also increases the chances that those ultimately selected will be well suited to the job and its expectations. Overall, most participants view this process as fair and describe it often as one of the most meaningful development experiences of their career.

### **Enhancing Success Rates**

It's critical to position newly hired front-line supervisors for success as soon as possible. When





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it occurs, turnover within the first three to six months often results from poor expectation-setting or a failure to explain the developmental resources, tools, and support mechanisms available. At Exelon, while approximately 63 percent of supervisor assessment candidates are internal to the organization, it is still crucial that the company help those new managers to succeed. In its “onboarding” process, Exelon takes several steps to improve the chances for success.

*Provide targeted feedback on supervisory strengths and capability gaps.* Each new front-line manager receives a detailed report that documents his or her Assessment Center performance and provides recommendations and developmental priorities to enhance supervisory effectiveness. In addition to a report, each person receives a one-hour feedback session to interpret the results and formulate a developmental plan.

*Clarify expectations and provide resources to boost transition and development.* All new su-

perisors participate in the internally managed supervisory development program (SDP). This four-week, intensive training program provides the new supervisor with clear guidelines and expectations for all front-line leaders at Exelon. Topics include fundamentals of employee development, personal leadership, communication skills, driving performance in a high accountability culture, and labor/bargaining unit relations.

Participants are in-residence at an offsite location for the first three weeks of the program. They experience classroom training and small group activities, as well as participate in a “class project” with a cohort from their class. An Exelon executive sponsors each class, speaking at the opening and closing of the program. This senior leader also is available to provide mentoring and perspective to participants, as well as assistance with resources in order to complete the class project. While class project topics vary from program to program, each project tackles a relevant

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business question or challenge that supervisors will encounter on the job (such as improving communication or increasing crew-member engagement). Recently, the 78th class analyzed the SDP itself, surveying recent graduates, analyzing data, and making recommendations on how to improve the program. The corporate leadership development department used the findings to validate and ultimately implement many of the recommended enhancements for the 2013 program year. The class project feature ensures that SDP has a robust action-learning dimension and further establishes camaraderie among supervisors within the program.

As a final component, each Exelon operating company provides a week of customized training for new supervisors on topics unique to the businesses they have joined (such as nuclear, utilities, etc.) This fourth week of training forms the capstone to the SDP experience.

*Establish peer support.* The classmate relationships developed during SDP are an added benefit for new supervisors and provide them with a long-lasting resource for learning, communication, and ongoing networking as they progress in their careers. In fact, many managers and executives still recall those individuals who were their classmates in SDP and continue to rely on these colleagues long after program graduation.

Assigned to each new supervisor is a peer mentor, an on-the-ground resource in his or her local department or area of responsibility. The mentor is a more seasoned employee, who can help the new leader learn the ropes

in the field or plant. The mentor also helps the new supervisor acclimate to the workgroup and local culture, ensuring he or she does not have to climb the learning curve alone.

Finally, some operating companies establish supervisor peer groups, which provide a forum

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Courtesy: BGE





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## The Evolving Supervisor Role

Just as economic, political, demographic, environmental, and technological quakes alter the 21st-century work landscape, the role of the front-line supervisor also is experiencing tectonic shifts. Economic pressures on business have forced organizations to flatten structures, resulting in greater spans of control at the front line than in years past. This flattening also has elevated the exposure front-line leaders get to higher levels of leadership, requiring supervisors to increase their political savvy to maintain effective communications with senior management and executives.

Outside the organization, social media tools have changed the way customers interact with their suppliers, and the energy sector is not immune to these growing expectations. Front-line leaders are more likely to face direct demands from consumers than in the past. In addition, technological advances, such as the smart grid, have increased the required technical acumen that supervisors must possess.

Organizations that want a firm leadership foundation in the front-line supervisor ranks must contemplate such external and internal challenges. The list of competencies or skills that helps indicate effectiveness by the front-line leader continues to evolve.

**Having a multi-faceted approach to onboarding and development is a critical first step to ensure the longer-term success of new hires.**

for airing and resolving concerns, leveraging peers as sounding boards, and gaining exposure to higher levels of leadership while working on special project opportunities.

Exelon works to ensure that new supervisors have a network to support their growth into their new leadership roles. Having a multi-faceted approach to onboarding and development is a critical first step to ensure the longer-term success of new hires.

### Accelerate Readiness for Advancement

Given the impending wave of industry staff retirements, utilities face tough decisions relating to filling senior management positions—how much do you rely on hiring from the outside in lieu of developing and promoting from within? While the strategy of buy-

ing talent from the outside is feasible for some organizations, the energy sector's competitiveness and the fiscally conservative nature of most utilities mean that these businesses do not have the luxury of instituting costly, large-scale development programs for all employees and supervisors. In order to generate the highest return on investment, utilities need first to identify high potentials accurately, then to create developmental strategies to accelerate the group's readiness.

To position front-line leaders for greater future responsibility, Exelon's approach is to provide targeted development to this level of the leadership pipeline. That allows the company to leverage internal talent and to mitigate significant talent acquisition costs. Two recently created leadership development programs build upon the skills learned in SDP and provide learning opportunities to those identified as having the potential to excel in middle management and beyond.

The goal of the "Emerging Leaders" program is to provide select front-line supervisors with additional fuel for growth following the completion of SDP. This four-day program focuses on developing the higher-level leadership skills needed for success beyond direct supervisory roles—influencing without authority, assertive communication techniques, networking, informal mentoring, and emotional intelligence. The participants cover those topics through a combination of classroom lectures, presenta-



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**Small-group learning can focus new supervisors on the higher-level skills necessary to lead, engage teams, and coach team members.**

**CURRENT ANALYSIS INDICATES THAT EXELON FILLS MORE THAN 90 PERCENT OF KEY LEADERSHIP ROLES WITH INTERNAL TALENT.**

tions, simulations, and small-group discussions. Participants also have the opportunity to meet with senior management and executives over the course of the program, through leadership panel discussions and other structured opportunities.

“Power to Lead” is the second offering, geared to those in front-line supervisor positions, along with those at the immediate next level of management. For admission to this program, talent management specialists and business leaders nominate participants based on whether they,

in the nominator’s eye, have the potential to rise to middle management. In the week-long program, participants engage in small-group learning focused on how to lead, engage teams, and achieve results through others. Managers learn how to coach and build the capacity of their

team members, sustain high levels of personal and team performance, and lead through change by increasing team agility. There also is a significant emphasis on personal development; participants take several personality and leadership style assessments throughout the program to provide additional insight on strengths and development needs. This information is used to

build a personal “Leadership Effectiveness Development Plan.”

### **Making the Grade**

Some work remains to be done, but Exelon has made considerable progress in creating a robust pipeline and filling it, as demonstrated by the company’s ability to promote from within. In fact, current analysis indicates that Exelon fills more than 90 percent of key leadership roles with internal talent. To assess the impact of recommendations that come from the Assessment Center, Exelon and Vantage conduct rolling validation studies—and they find that the recommendations accurately predict overall job performance and advancement potential (as rated by the employee’s manager) and that those predictors become more powerful as employees mature in their job responsibilities. Similarly, work continues on development and support structures provided to front-line supervisors, with such offerings as new peer groups, increased metrics, workforce planning, and further program enhancements in progress.

In the end, Exelon has improved its ability to hire talented front-line supervisors and identify accurately the people with advancement potential. The company also is filling the leadership pipeline for success today and into the future. ♦