



Caterpillar

REALIZED

IT.

MORE EFFECTIVE FRONTLINE LEADERS



DEVELOPING THE SKILLS SUPERVISORS NEED TO SUCCEED

ABOUT CATERPILLAR

- > A Fortune 100 company, Caterpillar Inc., is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, and industrial gas turbines. Its headquarters are in Peoria, Ill.
- > Caterpillar products and components are manufactured in 49 U.S. facilities and in 59 other locations in 22 countries around the world.
- > In 2005, Caterpillar posted sales and revenues of \$36.33 billion. It employs 85,000 people worldwide.

The world's leading manufacturer of heavy equipment for construction and mining, Caterpillar's continued global growth is guided by a long-term strategic vision called Enterprise Strategy—Vision 2020. Executing this vision and its associated strategic priorities requires Caterpillar to have effective leaders. Recognizing this, Caterpillar, through its Caterpillar University, seeks to address the development needs of its various leader levels.

Perhaps most important of these is the frontline supervisor level, which represents the greatest number of Caterpillar's leaders and includes many individuals who have recently become leaders for the first time. Caterpillar had long provided training to its supervisors, but now wanted to place a greater emphasis on developing the leadership skills its supervisors must have in order to succeed.

Caterpillar's senior management recognized the need to bridge the gap between the current leadership capability of Caterpillar's leaders and the leadership capability the organization required to execute against its strategic vision. An internal needs analysis study by Caterpillar University confirmed that addressing this gap

was viewed as a top priority by Caterpillar managers and global training managers.

"The reason we decided to target the program to our supervisors is that they are the broadest category of leadership," says Kim Converse, senior learning consultant for Caterpillar University's College of Leadership, who points out that a greater number of supervisors are needed as Caterpillar continues to grow. "We have about 8,500 leaders and five to six thousand of them are supervisors."

"Also," says Converse, "the supervisor group has the most opportunity to get it right or get it wrong, in terms of our company's success, because they are leading the employees that get the work done."

To pinpoint the specific development needs of its frontline leader population, Caterpillar applied a 6 Sigma process through which it conducted focus groups with supervisors and team members. It also took into account the results of recent employee engagement surveys. What emerged from this process was a list of 24 specific skills and knowledge bases needed to be a successful supervisor at Caterpillar.



BUILDING THE LEADERSHIP SKILLS TO EXECUTE BUSINESS STRATEGY

“PEOPLE COMMENT THAT THIS IS JUST WHAT THEY NEEDED. A supervisor’s role is about getting work done through others and this program really emphasizes that.”

BETH HAYNES,
LEARNING CONSULTANT,
CATERPILLAR
UNIVERSITY

“It became apparent that there were some very real opportunities,” says Clyde Crider, a learning manager at Caterpillar’s Cary, N.C., facility who was involved in the needs analysis process.

Drawing on the data that had been gathered, Caterpillar University partnered with DDI to create a customized two-day experience that developed the leadership skills supervisors needed to succeed—an important segment of the overall success criteria for supervisors that had been identified. The experience, named Succeeding in Supervision, combines classroom instruction, hands-on skill practice, and a comprehensive overview of Caterpillar’s strategic priorities and values.

“The experience provides the skills, tools, and resources needed to be more effective, more quickly in their role as a supervisor,” says Converse. “We built it as a supervisor curriculum tool that’s available to all leaders throughout the enterprise.”

The program is grounded in Caterpillar’s core values of Integrity, Excellence, Teamwork, and Commitment, emphasizing their importance and reinforcing the critical link between the values and the behaviors required for supervisors to be successful. “We worked in a lot of leadership language as well as our framework, so that those connections are clear to people,” says Converse.

Included in Succeeding in Supervision are 18 units that range in length from less than a half hour to more than two hours. The units cover such topics as engagement, being authentic, bringing out the best in people, being receptive to feedback, safety, managing former peers, and interpersonal communication skills. DDI worked with Caterpillar University to tailor the training materials, exercises, and skill practice situations to encompass

Caterpillar-specific language, the organization’s culture, and its business environment. DDI trained and certified Caterpillar HR staff and associates to deliver Succeeding in Supervision. At some facilities, DDI facilitators deliver the program.

As Succeeding in Supervision is targeted to supervisors from all across the Caterpillar organization, the sessions typically include leaders from different departments, business units, or functional areas, providing valuable networking opportunities as well as a chance for participants to gain an understanding for the different perspectives that others bring to similar workplace challenges.

Caterpillar initially implemented Succeeding in Supervision at two facilities in North Carolina and then expanded the rollout to include facilities all across the U.S. and at international locations, as well. International locations where Succeeding in Supervision has been implemented include the U.K., Asia, and mainland Europe, with plans to also deliver the Succeeding in Supervision curriculum in India.

“VERY POWERFUL” RESULTS

Succeeding in Supervision was first introduced in 2005 and by late 2006 more than 800 Caterpillar supervisors had completed the program, with more going through it on an ongoing basis. The experience has received high marks from supervisors, nearly 90 percent of whom have reported that they applied what they learned on the job.

“People comment that this is just what they needed. A supervisor’s role is about getting work done through others and this program really emphasizes that,” says Beth Haynes, a learning consultant in Caterpillar University who has been closely involved with implementing the program. “It’s been very powerful.”

“IT SHOWED ME SOME THINGS I was doing wrong. I was doing too much myself. Now I delegate more and I feel like I better know how to deal with people.”

ALAN LACEWELL,
FRONTLINE SUPERVISOR,
CATERPILLAR
SANFORD, N.C.,
FACILITY

Alan Lacewell, a frontline supervisor in Caterpillar's Sanford, N.C., facility, acknowledges the impact Succeeding in Supervision has had on his effectiveness as a leader.

“When I went through the program, I had been a supervisor for a year. It showed me some things I was doing wrong. I was doing too much myself. Now I delegate more and I feel like I better know how to deal with people.”

The supervisors also benefit by going through the training with individuals from other departments or functional areas.

“Doing the training in mixed groups, we are able to help supervisors realize that they aren't the only ones facing certain problems,” said Crider. “By spending time with others who are also facing the same challenges in other areas of the company, they get to share in a variety of ideas and see how people handle the same situations differently. We have some fairly spirited debates, which is great.”

Another factor that has contributed to the success of Succeeding in Supervision is the emphasis on attaining the support of the supervisors' leaders. Prior to a Succeeding in Supervision session, the managers of those supervisors going through the session receive an e-mail providing specific application ideas for the new skills the supervisors will learn. After the session, the supervisors and their managers meet and put together a quick-start plan for applying the new skills and ensuring their continued use on the job.

Caterpillar engaged a third-party organization to study Succeeding in Supervision's impact. Among the findings were that it positively impacted 14 areas of intangible benefits, ranging from “increasing employee engagement” to “improving teamwork” to “increasing ability to avoid common supervisor pitfalls.” The study also estimated that Caterpillar realized a Return on Learning of more than 240 percent, with the return over 400 percent among manufacturing supervisors.

“I could talk all day about this program. I love it,” says Haynes. “It gets down to a grassroots level of how to deal with others in an environment where we get caught up in our day-to-day business.”

THE BOTTOM LINE

Partnering with DDI to create and deliver the Succeeding in Supervision experience, Caterpillar realized the following results:

- > 89 percent of respondents reported that they applied what they learned to their work environment.
- > Estimated Return on Learning of more than 240 percent for all supervisors and more than 400 percent for manufacturing supervisors.
- > 14 areas of intangible benefits were positively impacted, including “increasing employee engagement,” “improving decision-making,” “improving performance management,” “improving team work,” and “increasing ability to avoid common supervisor pitfalls.”

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MKTBDSC13-03072.5MA



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