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- Career Development
- Change management
- Cultural Intervention
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- organization Design/Transformation
- Talent management
- Team building/effectiveness

**SPECIAL EDITION:
Best Global Practices in Internal OD**



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Table of Contents

From the Editor

best global practices in internal organizational Development 5
Thiet (Ted) K. Nguyen, Johnson & Johnson

Articles

CHANGE MANAGEMENT AND CULTURAL INTERVENTION

a time of transition: Lessons in global oD from a Successful Japanese firm 13
Robert C. Kjar, Takeda Pharmaceuticals

u.S. air force Wingman Culture: a Springboard for organizational Development. 19
Frank Budd, Colonel, USAF, Ph. D., Kirtland U.S. Air Force Base, NM

using Conceptual Learning maps and Structured Dialogue to facilitate Change at a Large Health System. 25
Jean Ann Larson, Beaumont Hospitals

LEADERSHIP AND CAREER DEVELOPMENT

a Systemic approach to Career Development at mcdonald's. 33
Linda Rasins, Linda Rasins Consulting; Irene Franze, Bank of America; Steve Russell, McDonald's North America

Developing Your talent to the Next Level: five best practices for Leadership Development 39
Deborah Miller, Canadian Tire Corporation, Limited, Ontario, Canada;
Sergio Desmarais, University of Guelph, Ontario, Canada

fulfilling the promise of Career Development: getting to the "Heart" of the matter 47
Frans van de Ven, Janssen Pharmaceutica in Beerse, Belguim, A Johnson & Johnson Company

High impact Leadership Development 53
Michael E. Pepe, Ph.D., Yale New Haven Health System

KNOWLEDGE/TALENT MANAGEMENT

Human Capital measurement: from insight to action 61
Debbie Whitaker, Standard Chartered Bank; Laura Wilson, Standard Chartered Bank

Lessons I learned about Lessons I earned. 67
Jerry Wellman, Honeywell International

ORGANIZATION CAPABILTY/EFFECTIVENESS

business Driven action Learning: a powerful tool for building World-class entrepreneurial business Leaders 77
Jane Horan, The Walt Disney Company (Asia Pacific) Limited

organization Development: acting as one with the business – best practices at Chevron Corporation 83
Oleen Miranda-Stone, Ph.D.; Michael C. Leary, Chevron

the annual Hr Strategic planning process: Design and Facilitation Lessons from Coming incorporated Human resources . . . 89
Debbie Bennett, Corning, Inc.; Matthew Brush, Corning, Inc.

ORGANIZATION DESIGN/TRANSFORMATION

using oD to enhance Shareholder Value: Delivering business results in bp Castrol marine 99
David Gilmour, Castrol Marine, BP plc; Anne Radford, Appreciative Inquiry Practitioner Journal

organizational Design for a Supply Chain transformation: best practice at Johnson & Johnson Health Care Systems inc .. 105
Lizbeth Yacovone, Johnson & Johnson Health Care Systems Inc.

toolbox or transformation: is organizational Development the Key to unlocking the potential of
 Civil Society organizations in east africa? 113
Kate McAlpine, Mkombozi Centre for Street Children

TEAM BUILDING/EFFECTIVENESS

a Structured, facilitated team approach to innovation 121
Drew Boyd, Ethicon Endo-Surgery, Inc., A Johnson & Johnson Company

Academic Implications

analysis of best practices of internal Consulting. 125
Miriam Y. Lacey, Ph.D., Graziadio School of Business and Management, Pepperdine University;
Teri C. Tomkins, Ph.D., Graziadio School of Business and Management, Pepperdine University

the oD Journal special edition team bios. 134

COMMUNITY CONNECTIONS

Calendar of events 153

advertising guidelines for o.D. Journal 154

Subscription information. 157

in appreciation 158

Letter from the Editor:

Best Global Practices in Internal Organization Development

by Thiet (Ted) K. Nguyen, Johnson & Johnson

I recently returned from a business trip to the Asia Pacific Region where I visited Japan, China, India, Singapore, Thailand, and Vietnam. Several weeks prior to this trip, I was in Europe visiting Germany, Switzerland, Belgium, and the UK supporting the EMEA region talent management team with strategic projects. During my global business travels in the last several years, whether to emerging markets like Russia, Turkey, China, India and Vietnam or to established markets like the UK, Germany, Spain, Italy and Japan, I have come to appreciate the value our profession brings to drive change while enhancing organizational growth and vitality.

From my perspective, I believe our profession is becoming localized in this global market place. Today, Western consultants are traveling to the East. Tomorrow, we may see Eastern consultants traveling West as the need for Western consultants traveling East diminishes. Today, we may export knowledge and talent from developed markets to help grow developing markets. Tomorrow, we may import talents from the emerging markets to help turnaround established markets. The global marketplace is changing rapidly, and I believe we need to continually upgrade our skills and reinvent our knowledge to remain vital as a profession.

By publishing this global Special Edition, we expect to achieve our goal to help drive change and grow our profession. This Special Edition will benefit the HR/OD community in several ways:

- *Academic community* – The academic community will find the content of these contributions of value to raise the awareness of current best internal practices. Program directors can be informed and encouraged to strengthen their curriculums and research directions. Graduate students may use this edition to leverage their classroom experience, as they prepare to enter the OD profession and compete for opportunities in the global marketplace.
- *Current practitioners* – Both internal and external practitioners can use this knowledge to guide and grow their practice areas, enhance their skills, and strengthen their core competencies, by learning from other OD professionals.
- *Our clients and business partners* – Potential and existing clients can be better informed of the capabilities OD professional can bring to enhance employee engagement and organizational growth and vitality.

Since the May 2007 publication of the first of a three-volume set of the global Special Edition, we have received a number of congratulatory phone calls and emails from academics and practitioners. We have also received requests for copies from colleagues worldwide. Given the overwhelming interest level to the premier global Special Edition, our printer agreed to a second printing within two weeks of the initial publication. We appreciate your warm thoughts and forgiveness of any errors or omissions you may have found while reading the last edition.

Content like this has never been captured or disseminated because internal practitioners tend not to have the luxury of time to write. This is the first time many of these authors took the time to document their work, secure the support of

their company to release the information, and share their internal efforts with all who are interested. We applaud all our authors for their trust in us, and their willingness to provide working papers without the benefit of professional editors. What readers will experience in this global Special Edition is truly the authentic voices of internal practitioners worldwide who share their stories from a place of caring and eagerness to advance the field of organization development.

While this series is titled a best internal OD practice edition, no one associated with its production has judged or evaluated “a best global practice”. Rather, authors were encouraged to share what they perceived to be a best practice within their organization, whether that organization is a start-up company in India, a non-profit organization in the USA, an energy company in Africa, or a hi-tech company in China. We also chose not to judge whether an article fits the definition of organization development, since there are variations among the definitions of OD. We recognized, too, that OD is practiced differently across geographies, countries, sectors, industries, organizations, groups and contexts.

To share additional insights into their workplaces, many authors have generously provided a one-page reflection outlining their working environment, the benefits of the intervention as described in their paper, and finally, to share their take on the experience. In some articles, the reflection page includes one or two brief testimonials from their business partners, internal clients, and/or others who were directly affected by the interventions.

This second global Special Edition is the collaborative labor of love of 20+ authors/co-authors and an all-volunteer team of 105 practitioners worldwide who have invested thousands of hours during the last year to bring this publication from concept to reality. Together, we have become actively engaged because of our passion and commitment to enhance the capabilities and reputation of our profession. Collectively, we share the common goal of advancing the field of organization development by strengthening the internal body of practice literature.

We hope you will enjoy reading this global Special Edition. Look for the final volume in November 2007 when we will bring you the remaining 25 articles. As always, we welcome your feedback to help us continually improve.

Thank you.

Ted Nguyen
New Brunswick, New Jersey
July 2007

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A Systemic Approach to Career Development at McDonald's

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Abstract

McDonald's USA used a high-engagement approach to improving both their operations leadership pipeline and employee satisfaction with their career growth. This effort was initiated and sponsored by top leadership, with the specific changes developed by a group representative of the impacted middle-management employees. The approach used embodies McDonald's cultural values of partnership, collaboration, and openness, and effectively ensured that a critical mass of over 100 field officers and 3,000 middle managers embraced the change.

Introduction

It is not uncommon for large, geographically dispersed organizations to experience tension between corporate headquarters and their field organizations, as they both vie for power and control. This tension is often apparent when change initiatives are designed and developed by employees at the corporate headquarters to be cascaded throughout the organization. While this is a common approach, it runs the risk of not being grounded in "field reality," alienating important stakeholders, for example, field leadership, and leaving field employees skeptical about the core issues the initiatives are attempting to address. As a result, the response is typically resistance and/or mechanical compliance. Over time, employees can become increasingly cynical about all such efforts and perceive them as "programs of the month." In this way, many top-down change initiatives do not succeed in energizing the organization or sustaining new business practices.

When it came to talent management, McDonald's USA division knew that it needed an approach that would minimize resistance and mechanical compliance. In fact, the organization recognized early on that employee ownership, engagement, and commitment were essential factors to creating sustainable improvements in talent

management practices. At the same time, it realized that managing the pervasive issue of "headquarters versus field" was critical to the success of introducing and fostering an important talent management effort, referred to as the Career Development Initiative.

The purpose of this article is to provide an account of how McDonald's USA leaders and talent management staff utilized a highly involved partnership between field and corporate, combined with a systemic, holistic approach in leading this initiative. What follows is a description of the business context of the issue, the engagement process that emerged, the core components of the systemic approach, the high-engagement launch design, and the methods recently employed to assess progress and sustain positive changes. This effort took place entirely within the USA business unit, to meet its specific needs and business situation. However, it is viewed in some ways as a prototype or pilot, since similar efforts in other areas of the world, as well as corporate, began within the two years following the launch in the USA.

Talent Management Imperative

Like many Fortune 500 organizations, McDonald's is investing in its employees more than ever before. McDonald's three-pronged talent management strategy is to ensure that the company has high-performing leaders, a deep, diverse pool of replacement candidates, and a development culture that demands and supports learning and development.

In its USA business unit, McDonald's recognized that middle management was integral to driving the business, both short and long term. The employees in these roles provide direction, guidance, quality control, training, site selection and construction management, restaurant management expertise, and support for over 13,700 franchisee and company-owned restaurants across the United States. The USA business unit began an initiative focused on career development for middle managers in

late 2004. Employees had expressed dissatisfaction with career growth opportunities, and top leadership identified a need for greater breadth of experience in candidates for officer-level positions. An annual performance planning and review process, including individual development plans (IDPs), had been in place for years, but was not utilized consistently, meaningfully, or strategically. Too often, IDPs ignored long-term career growth needs, and concentrated on training programs to be completed within the year.

The systems and processes were not the problem. Shifts in culture, patterns of behavior, and assumptions about career progression were needed. Recognizing that sustainable culture change in the development of middle managers could not happen without both individual commitment and a consistent, well-grounded, company-wide framework, leadership called for an approach that systematically engaged employees.

Task Force Chartered

Ralph Alvarez, at the time president of McDonald's USA, and since promoted to president and chief operations officer for McDonald's Corporation, decided to address the issue of career development in late 2004, as he became aware of two related business issues: (a) the talent pipeline for operations and general management officer positions was insufficient, and (b) middle-management employees across the US were less than satisfied with their perceived career opportunities. These two issues had surfaced from field leaders during talent review sessions, in employee commitment survey results, and in employee focus groups. As a result, Alvarez and Steve Russell, the senior vice president of human resources, commissioned a task force to further examine these issues and provide senior leadership with recommendations. Task force members consisted of middle-management employees, representing several functions, locations, and levels, who were selected based on their interest and track record in development, and their credibility among peers. The group of 25 included 20 field managers and directors collaborating with five corporate human resources and training staff.

Alvarez and Russell charged the task force with developing sustainable recommendations to ensure an ongoing effective pipeline of management talent and improvement in employee satisfaction with career growth. The effort was focused on middle management at the regional and divisional level (not at the restaurant level), thus impacting approximately 3,000 US employees. Nearly 80% of these field managers are in the operations function, so much of the focus was on operations. The two executives also provided some important guidance about how to proceed. For example, they stressed that

the effort was a business initiative, not a human resources program and that they wanted to hear solutions from the middle managers themselves. They wanted no new tools or processes; they believed that the organization already had great tools that should be used. They stressed that the field leaders must be engaged, not just informed. Therefore, from the beginning, there was a clear mandate to engage stakeholders and to ensure that solutions met not only the business talent needs, but also the growth and career satisfaction needs of each individual employee. Top leaders did not have the answers, but clearly wanted to engage employees to garner their insights and recommendations.

Open, Meaningful Dialogue Across Silos

A critical lever in shaping this entire effort was the first, one-and-a-half day task force meeting. This meeting was designed and facilitated by McDonald's USA talent management staff in partnership with an external OD consultant. The group charter and direction from top leadership was clear, as stated above. These 25 people from across the country gathered in three small groups, with a mix of levels, geography, and functional expertise in each group. They engaged in structured dialogue, sharing personal and business perspectives on career development, such as the factors which contributed most to their own development, their concerns about career development at McDonald's, and their greatest hopes for career development at McDonald's

As common themes from these conversations were recorded, it was clear that the task force members were meaningfully engaged; they cared about the issue and saw it from both the personal and business perspectives. Next, the task force reviewed relevant data, including employee commitment survey and focus group data, most commonly traveled operations career paths, general workplace and workforce trends related to careers, and external best practices in career development. Then, as a collective team, they compared the current and desired future states, and crafted a vision for career development along with some of the key actions necessary to achieve the vision. This process of connecting through meaningful conversations, followed by examination of a wide array of relevant information, leading to a collective vision of the desired future state, created energy, focus, and commitment to change. It also allowed the task force members to appreciate the past, such as the ways in which their own growth had been supported, while recognizing the need for culture change given the changing business environment.

As the task force crafted the recommendation details, they came to some important conclusions. For example, what was needed was a culture change (see Table 1).

From... Old ways of thinking and acting	To... New ways of thinking and acting
<ul style="list-style-type: none"> Assumption that frequent promotional opportunities will be available 	<ul style="list-style-type: none"> Accepting the reality: changed growth strategy and streamlined structure creates fewer promotional opportunities
<ul style="list-style-type: none"> Implicit, inconsistent messages and actions regarding advancement within Operations. Tendency toward narrow paths. 	<ul style="list-style-type: none"> One widely accepted model – with clear guidelines emphasizing the needed breadth of experience. A wide range of valued, individualized paths.
<ul style="list-style-type: none"> Many employees feel their career growth is out of their control – a waiting game 	<ul style="list-style-type: none"> Employees feel strong ownership of their career growth and satisfaction
<ul style="list-style-type: none"> Varying accountability and competencies around developing people 	<ul style="list-style-type: none"> Strong accountability for, and competence in developing people
<ul style="list-style-type: none"> Career Development means getting promoted. 	<ul style="list-style-type: none"> Career Development refers to a wide range of learning, development, and enrichment activities and job moves. Ongoing learning is expected and valued.
<ul style="list-style-type: none"> Promotions expected as a reward, sometimes an entitlement 	<ul style="list-style-type: none"> Advancement depends on business needs, performance results, competencies, and potential

Table 1. Description of Culture Change Needs identified by the task force

New ways of thinking and behaving were necessary, and neither a stringent, best-way career path nor a pronouncement that “employees own their own career development” would be successful. This meant that employees, managers, and leaders at all levels had to become committed and accountable. The complexity and enormity of the task became increasingly sobering for the task force, yet a sense of purpose and passion prevailed, and the initiative took on a strong momentum. Just as the initiative had begun with feedback and input from the field, it continued to be “pulled” from the field more than “pushed” from corporate.

Getting Broader Leadership Input and Support

Once the task force drafted their initial recommendations, there was a need to get leadership reactions and feedback, and expand the circle of involvement to a broader group. Ralph Alvarez was still a big supporter; he spent a couple of hours in dialogue with the team about their recommendations, providing some very candid feedback. But that would not guarantee that

the hundred or so vice presidents in the divisions and regions would embrace the proposed changes.

An existing advisory group to US Human Resources, the Compensation Sounding Board (CSB), made up of US field and headquarters executives, was employed as an ongoing, formal review board. Task force members, not talent management staff, presented their recommendations to the CSB, while talent management staff clarified and tracked the feedback and guidance from the CSB members, facilitating a consensus when disagreements surfaced. Informally, task force members took their recommendations to their local leaders for input via small group and one-on-one dialogue. Talent management staff provided orchestration and maintained forward movement by summarizing issues, compiling feedback received, gathering additional data needed, and facilitating meetings. At a bi-annual meeting of the top 100 US officers, CSB members (not HR executives) presented the initiative recommendations and listened to feedback and questions. Ownership was in the hands of the field leaders.

And so began the top-down, bottom-up flow of recommendations; work and revisions that took place at each phase of the initiative, from assessment and design through implementation and evaluation. This iterative process provided the opportunity to engage a wide variety of stakeholders, ensuring that the components developed fit the needs of many different US markets. The circle of involvement widened at each step (see Figure 1, next page).

Different streams of work fed into the up-down process. For example, the development of the new Operations Career Map, which included new position levels and promotion requirements, involved input from employees at all levels of middle management. Input from 219 employees influenced the content, design, delivery requirement, and timeframes for the major launch event in the field. What is noteworthy is that the design process itself began the culture change. While the explicit purpose of presentations and dialogues with leaders was review, input, and revision of initiative components, those very conversations and open discussions of issues provided clarity, challenged old assumptions, and sparked new thinking. Initial objections and resistance to the task force recommendations gradually diminished as the initiative moved forward. For example, when the initiative was first introduced, field leaders were pushing to quickly implement the new operations career paths, with or without any other components. With further dialogue and understanding, they became strong supporters of the holistic, comprehensive approach, recognizing that the paths alone would not achieve the desired business results: improved satisfaction with career development, and a stronger management talent pipeline. The design

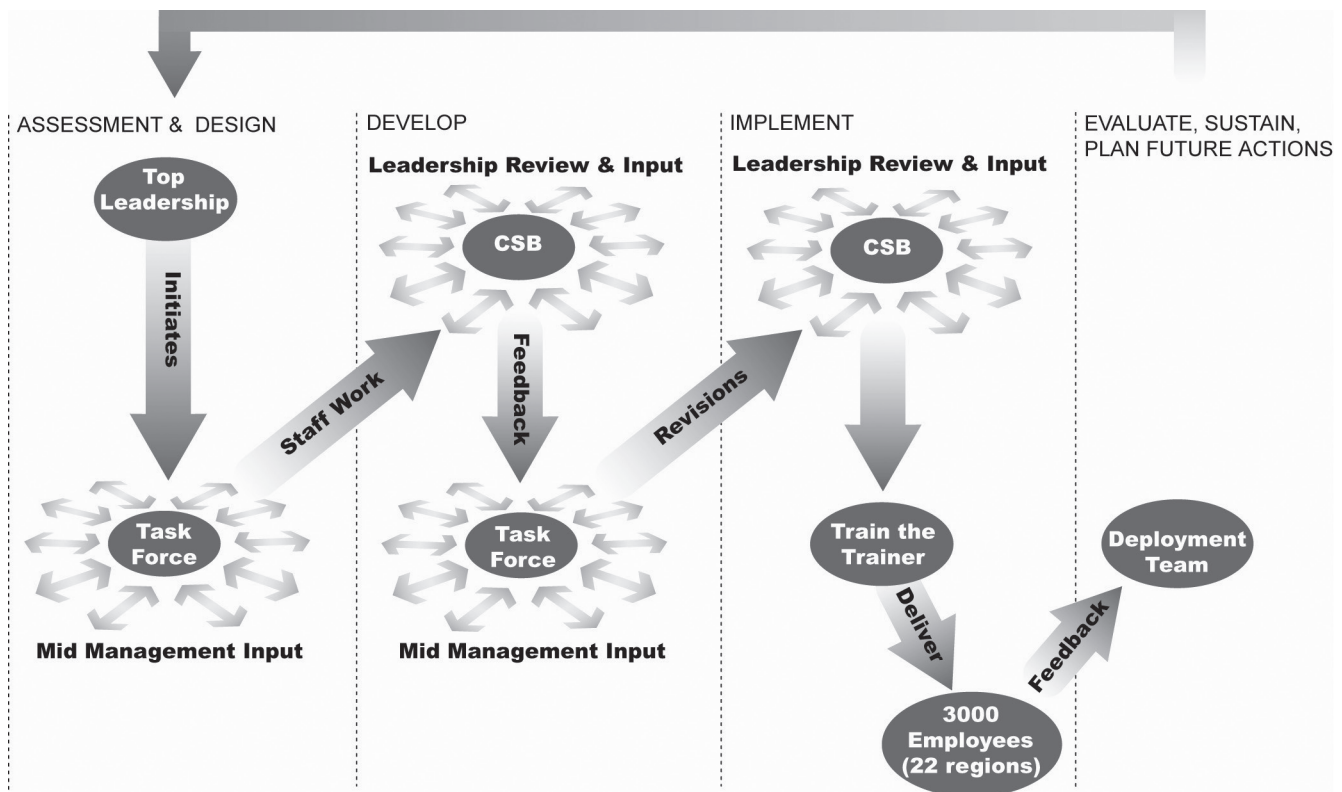


Figure 1. engagement process

and development phase of the initiative cannot be fully separated from the implementation. The iterative, ever-widening involvement process meant that a critical mass of the target population for the change participated in creating the change plans.

The Content of the Change: A Systemic Approach

The comprehensive recommendations from the task force were ambitious, and all were strongly supported by top leaders. They included:

1. A holistic approach. The culture change would only come about with the combined impact of the recommendations below. A single quick-fix solution would not be effective.
2. A new Career Map for operations. A set of guidelines and career move options to encourage breadth of experience. It is referred to as a map rather than path since there are many different routes to success and satisfaction, and not one preferred path.
3. A broader definition of development. Employees and managers must see development as an important responsibility which includes career growth as well as ongoing learning, accepting the concept of building a broad skills portfolio. The new view should "make it OK" for employees to turn down or postpone promotions, to make non-traditional moves, and generally make their own career choices.
4. Bi-Annual talent reviews. Reviews and succession planning held in each of the USA regional organizations, and rolled up to the divisional and corporate levels, will help keep local leaders accountable for the development and movement of their employees.
5. Career development alignment sessions. The one-time launch event that brings together all employees in each region (roughly 100 people, about 80% from operations, with a handful from marketing, finance, real estate, franchising, human resources, and administration), to start a culture shift through conversations about the changing business environment and the personal meaning of growth and development.
6. Career planning and management workshops. These training workshops are intended to help employees develop the skills needed to take ownership of their own careers. Follow-up sessions for managers will help them build skills in career-related coaching. The workshops should be available to all USA employees, as part of the ongoing training curriculum.
7. Accessible information and resources. Employees need easier access to the tools and information they need to plan their learning, manage their careers and make choices. A Career Development intra-net site will help provide information, coaching, tools, and success stories, while keeping the focus on development ongoing.

Career Development Alignment Sessions: High-Involvement Implementation Launch

Over a year after the task force made its initial recommendations, once there was consensus on the initiative and its components, the initiative was ready to be officially launched to field employees. Employees and leaders needed to embrace a new, broader meaning of career development, along with new responsibilities. The task force recommended that all employees experience something similar to what they had: a chance to have meaningful conversations, examine relevant data, and see both the personal and business perspectives of development. A one-day, large group session was designed and developed with input and review from leaders, task force members, human resources staff, and learning and development staff. The session would be facilitated in each of the 22 regions and corporate office, a one-time event to launch a shift in mindset. Here are some of the highlights of that design:

1. Most of the day is spent in structured conversations in groups of seven to eight people, with a mix of levels, functions, and demographics in each group. Reflections and sharing regarding past career growth and current development options get everyone personally engaged and leaders actively participate at table groups as well as share aspects of their own career histories and choices.
2. A learning map depicting the changing career development landscape, with a summary of the relevant data supporting the change, prompts conversations about ownership, choices, roles, and the business case for change.
3. Managers of people hear what is needed and expected of them, from both their leaders and their employees. Public commitments made in the large group help to create accountability for developing self and others.
4. The new operations Career Map is introduced, with table groups generating priority questions for response from a leadership panel.

The sessions were facilitated by local leaders with local HR staff. The HR staff had been prepared via train-the-trainer sessions, where their roles as subject matter experts and change leaders were introduced. This represents yet another broadening of the circle of engagement and ownership, which allowed for sessions to be held across all 22 regions within a few months time in late 2006. Many new and unique conversations about development took place across the country, sparking some new ways of thinking about careers, and highlighting the importance of attracting, retaining, and developing management and leadership talent. The “pull” continues, for the skill-building workshops planned for 2007, the career development website, and even stronger accountability for talent development.

Monitoring Progress and Planning Sustaining Actions

Keeping the field HR staff focused and aligned in their roles as career development advocates will be critical to sustaining the momentum and continuing to raise the bar on talent management. To that end, a team of HR and field employees was recently formed to provide on-going input and feedback to the US talent management staff. Their first tasks include review and testing of the website, collecting success stories from the field, and customizing plans for the career planning and management workshops. They will also review employee commitment survey data, talent review processes and outcomes, and other information to stay focused on the culture change indicators.

Conclusion

This initiative continues to evolve and is still in its early stages. Long term impact measures are not yet available. However, there are some positive early indicators. For example, feedback surveys completed at the end of the alignment sessions showed that over 80% of those participating saw the experience as worthwhile, understood their role in managing their career, and believe that their manager and the company will follow through on their commitments to career development. It will be important to keep the focus on career development, keep leaders accountable via the talent reviews and individual development plans, and tell the stories of those who are having career development success. At the same time, in order to ensure that future actions supporting this change fit the “real world” of the field organization and have the strong commitment of leaders, the talent management staff will continue to follow the high-engagement model.

Author’s Reflection: Irene Franze

As a part of my role on the McDonald’s US Talent Management Team, I had overall management responsibility for this initiative. My close partnership with an external OD consultant, Linda Rasins, was critical in planning and executing this work.

As OD practitioners, we know that sustainable culture change is a result of many holistically-driven activities, such as challenging deeply held assumptions, using many levers to influence and foster change, and leadership support among other things. All too often, time, resources and other business demands limit our ability to do what is really necessary for thoughtful, meaningful, and sustainable change to occur.

Reading this article, some may claim that the change outlined above was an anomaly: a rare occurrence of

real support, involvement, and resources provided by top leadership. It would have been easier and much faster to take the top leadership sponsorship and use it to drive a cascading, top-down implementation (as there would have been compliance with that approach).

My key learning from this initiative is the criticality of active, on-going stakeholder involvement. All too often, stakeholders are identified and their input is sought out to “react” to a proposed solution or plan. However, their on-going engagement is not often fully leveraged, and very rarely are they the drivers of the change. From this experience, however, I gleaned the importance of engaging stakeholders very early on, and throughout the process, while “shepherding” the change along. This allowed me to serve as a true business partner, where my focus was on the strategic imperatives rather than simply day-to-day project management. This level of engagement causes a ripple effect, as more and more stakeholders believe in the change and accept responsibility for making it happen. The business ultimately becomes the driver, reducing resistance and creating greater accountability.

Authors' Bios

Linda Rasins, of Linda Rasins Consulting, has over 25 years experience in OD. Her current focus areas include talent development, creating collaborative cultures, human resources transformation, and whole system interventions. Linda completed her Master of Science in Organization Development at Loyola University of Chicago, where she taught Whole System Interventions. Linda can be reached at linda@rasinsconsulting.com.

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