

# Grooming Leaders for Growth

**Ingersoll Rand develops employees to have the time,  
energy, and business acumen to help grow the business.**

By Rita Smith and Beth Bledsoe

IT MAY BE ONE of the most difficult questions that senior learning officers are grappling with today: How do we build a strong worldwide management team and our global business at the same time?

That question was also on the minds of leaders and corporate educators at Ingersoll Rand more than two years ago.

After selling heavy machinery equipment for more than 100 years, Ingersoll Rand transformed into a highly diversified company with \$10.5 billion in annual revenues. During the past five years, the company has replaced, through acquisitions and divestitures, businesses comprising roughly \$3 billion—one third of its annual revenues. Today, the company is in dozens of new markets, producing such products as biometric handreaders for airport security and refrigeration units for perishable food shipping.

Because of those changes, Ingersoll Rand has evolved financially, too. The company's revenues used to be in step with gross domestic product growth, but recently the company has experienced high single- and double-digit revenue increases, most of which are the result of acquiring shares in emerging markets, such as Asia and South America.

## **Acquiring leaders**

Finding and retaining people with the appropriate skills, aptitude, and perspective to assume positions of leadership is a challenge for every organization. But for one un-

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dergoing radical change and growth, grooming the right people to be the next generation of leaders can be a truly daunting task.

Like many other corporate learning leaders at that time, Ingersoll Rand chose to enroll its best and brightest managers in executive master's degree programs to help them acquire the skills to lead the organization forward. Executive MBA programs were offered to qualified candidates through an unregulated and decentralized process. Candidates could apply to any regional school and choose their curriculum. While the program helped instill a solid background in the fundamentals of business management, too often those managers were unable to handle the real-world circumstances they would face as leaders. Consequently, these new MBAs did not always understand company strategy well enough to shepherd a growing organization.

Another problem was that some graduates opted for new careers with other companies. Senior learning officers often complained that retaining business school graduates was a struggle because the degree improved their career opportunities and compensation levels.

I suspect, however, that new graduates change employers for a deeper reason: Their educational experience failed to promote a deeper connection to their business. In some respects, this is not because of the curriculum, but rather the structure of the typical executive MBA program. When coursework is grueling, participants have time only to perform job responsibilities and study, which leaves them little energy to pursue internal career opportunities.

In Ingersoll Rand's case, the challenge was to construct a program that would foster an education germane to the business needs while also giving students the freedom to excel in their careers with the company.

### Developing the strategy

During the height of our business growth, instructors, leaders of the company's corporate education program, and senior management examined how to tailor the

MBA program to cultivate management's bench strength more effectively. And by assessing the existing program's successes and shortcomings, we made several crucial discoveries.

First, we realized that a centralized program aligned with business strategy would promote better understanding of the organization's business. A centralized approach also would reduce the costs and improve our ability to identify and track the careers of talented employees.

We also recognized that if our company is to be a global leader we must deliver our MBA program on a global scale. Because more than 40 percent of the company's revenues are generated outside the United States—a percentage that is likely to grow as the company expands into emerging markets—Ingersoll Rand needs managers to have the skills and perspective to expand the business into different regions of the world.

Third, we acknowledged that our decentralized MBA structure failed to foster networks among the promising managers who would lead our organization in the future. Without a professional and personal connection to the company, including with colleagues and senior leaders, graduates lacked the motivation to stay with the organization after receiving their degrees.

Finally, and most importantly, we learned that our MBA students needed the latitude to earn a degree while also being able to do their jobs. For our business to thrive, it is essential that our managers have the time, energy, and focus to foster the organization's growth while they earn their degrees.

As a result of these assessments, we developed an MBA program that fosters global networks among students, aligns curricula with business strategy, and gives candidates the flexibility to cultivate their career paths within the company while also building the business.

### Finding the right partner

Developing a strategy is one thing; implementing it is quite another. Given our ambitious goals to revamp and reinvent our MBA program, the

management team realized that we needed the support of a reputable, collaborative partner to create a program geared to our corporate education needs. After considerable research, we joined forces with Indiana University's Kelley School of Business.

Among the most well-established business schools—ranking among the top 20 in recent analyses by *BusinessWeek*—the Kelley School of Business has a faculty that is willing to work closely with us to understand our business and develop a curriculum suited to our business strategy.

Given our interest in building a flexible schedule for students, we sought a partner with exceptional online learning capabilities.

While some universities offer online courses, many employ faculty who lack the training and aptitude to teach within the unique virtual learning environment. But Kelley School faculty understand how to instruct students virtually as well as in the classroom, and are available online at all times of the day to assist students with their coursework.

### Creating the program

With our partnership with Indiana University in place, we started to develop the MBA curriculum. On the surface, the criteria for the program was typical of a conventional executive MBA program: Candidates receive a 48-credit hour degree from a fully accredited, university.

But that's where the similarities between our program and conventional executive MBA programs ended. Rather than offering a traditional two-year program, we designed a three-year program to give students ample time to work on their careers as well as their education. We also emphasized virtual coursework, structuring a program whereby participants meet annually for roughly one week in the classroom in addition to meeting periodically at networking events. Because they spend less time traveling to classes, students can do their work at times that best fit their schedules.

We also grouped our students as a cohort for the entire three-year period.

In doing so, we hoped to foster long-lasting professional and personal networks between our future leaders across the globe.

In addition to those characteristics, we worked with the Kelley School to offer courses annually that specifically focus on the company's business. The company's most elite leaders, including the CEO, sponsor and instruct these courses. Often, senior leaders also attend networking events and dinners sponsored for each MBA cohort. The chance to hear first hand how executives dealt with a challenging or unusual business issue is an invaluable learning experience that is absent from many conventional curriculums.

The enthusiasm and proactive involvement of our senior leaders significantly enhances curriculum development and the overall success of the company's MBA program. Our faculty and students agree that active leadership participation, in both in-residence sessions and online courses, takes learning to the next level by linking content to specific business challenges, strategic applications, and career development experiences. Our executive participation level truly differentiates the Ingersoll Rand program from other MBA options.

### **Growing professionally**

This year, our third cohort of approximately 20 MBA students completed their studies. Although it is too early to determine the long-term impact of this initiative on our business success, early indicators suggest our revamped MBA strategy is cultivating a far better understanding of the business—and how to grow it—than the company's previous MBA programs.

In addition, many of our graduates have evolved in their company careers. Some have assumed high-level positions while simultaneously pursuing their degrees. And remarkably, not one of the nearly 70 managers who have participated in our global MBA program to date has left the company. The career opportunities available to these talented individuals within Ingersoll Rand, coupled with the flexibility and career visibility our

MBA program affords them, may explain why retention rates are much higher than for graduates of earlier company-sponsored MBA programs.

One of the most important lessons we learned from the implementation of our new MBA program is that executive sponsorship is critical. If senior leaders fail to value a company's MBA program, the most promising managers may not either. Nor will those managers make the connection between what they learn in the classroom and what our business strategy requires. For that to occur, senior executives must act as teachers and guides.

Another lesson learned is that the cohort approach is an ideal way to develop informal, supportive networks among future company leaders. These networks have proven to be a strong and vibrant part of the professional and even personal lives of several of our graduates.

Perhaps the biggest lesson we learned is that it is possible to grow people professionally while also ensuring they have the time, energy, and business acumen to help grow the business. For organizations undergoing radical change and growth, this may be the most reassuring lesson of all. **TD**

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