



From shop floor to executive suite

More companies are turning to an overlooked source of talent: employees without academic credentials but with valued experience

WALLACE IMMEN | June 11, 2008

Uby Lozupone spent years on the job as a truck driver, forklift operator, order checker and warehouse worker. He doesn't have a post-secondary degree and what he knows about the food distribution business he learned "by the seat of my pants."

It doesn't sound like a path that would lead to the top. But two years ago, Mr. Lozupone was promoted to president of Victoria-based North Douglas Sysco Food Services, a division of Sysco Corp. of Houston.

Mr. Lozupone was in the right place at the right time. Sysco is one of a number of organizations waking up to the value of creating leaders out of employees who earned their stripes on the shop floor rather than in the classroom.

The pendulum is swinging after years in which organizations figured they were far too complex to have anyone but those with business degrees lead them, says Professor Jeffrey Gandz at the University of Western Ontario's Richard Ivey School of Business.

But now, more companies are realizing that they may have been overlooking an equally worthy source of talent: their own employees who might not have academic credentials but who do have a track record of experience and being effective, and the potential to become strong executives, Prof. Gandz says.

Because such employees can't afford to book time off to spend weeks in the classroom, their employers are developing them as leaders in house and on the job, where candidates can apply what they learn directly to their work.

The trend is being driven by a serious shortage of executive talent on the market, says Tom Knighton, a Chicago-based partner and training specialist with management consulting company Oliver Wyman.

"But, just as importantly, companies see the value of using the experience and insights gained by people who have worked their way through the organization," he says.

"Companies realize there is a risk that an executive hired from the outside won't grasp the nature and complexity of the business. Those who have grown through the ranks know the business and its players," adds Mr. Knighton, whose firm has advised several Canadian companies on setting up leadership-development training programs.

Mr. Lozupone, for instance, started at Sysco in the 1970s as a delivery man. Over the next 30 years, his responsibilities grew to running a fork lift, writing invoices and eventually general manager of the warehouse operation responsible for distribution of 2,600 kinds of food moving from Sysco's Victoria warehouse, which has 285 employees.

When senior management approached him in 2003 and said he might have a shot at becoming president of the division, he hesitated because he didn't think he had what it would take to be successful. He'd taken a couple of business courses in the 1990s but, otherwise, his knowledge came on the job and he viewed his role very narrowly.

"I never had time to think about leading, looking ahead or reflecting. It was all just get the job done day-to-day," Mr. Lozupone says. "Because of all those years flying by the seat of my pants, I never developed skills in planning, goal-setting and developing people - the things a leader needs to develop to be effective."

Sysco isn't the only company trying to cultivate senior management skills among its employees. For instance, Pitney Bowes Canada Ltd. president Deepak Chopra says his company is increasingly working to develop into executive roles many employees who started as service technicians or sales people with no post-secondary education but who have a "desire and fire in the belly."

To succeed as leaders, though, they need management training to get them thinking beyond their specialty, and to make them think in strategic, rather than purely technical, ways, Mr. Chopra says.

Pitney Bowes decided to set up an internal leadership development program in 2006 because it found the courses that were available outside the company were either too short or too generic to prepare people without previous management experience to move into an executive role, such as vice-president or division director.

It's not that those without business training don't have the innate skills, it's that they have not in the past taken on such management challenges as team-building, goal-setting and motivating others, Mr. Chopra explains.

The internal training program is designed to get these potential executives up to speed by getting them involved, over the course of a year, in developing solutions to actual challenges the company faces, he says.

The employees management chooses from among high performers in sales or technical departments learn by doing, applying what they are taught in several days of initial classroom training to their daily work. The students are then assigned to a team that

meets weekly in person or by teleconference over a year to discuss how they are solving the problems they are given. Their results are critiqued by trainers and senior executives of the company.

"This encourages them to get out of their daily routine to see action as a leader in real business decision-making," Mr. Chopra says.

The program has already helped several employees not previously considered ready for promotion to stand out and advance to positions such as vice-president or division director, he adds.

Meanwhile, Sysco has gone further, with a three-year executive development program that covers much of the curriculum that a student would receive in an MBA program.

It was launched in 2003 because Sysco's food distribution business was growing so large that several of its 16 Canadian operations were planning to add extra executive positions to keep up with their expanding administrative responsibilities.

Meanwhile, a number of executives were reaching retirement age, says Andrew Miller, director of training for Sysco Canada in Toronto.

"The easy option would have been to bring in senior people from the United States, where Sysco has 80 facilities, but we didn't want to do that," because of a commitment to hire internally when possible, Mr. Miller says. "We wanted Canadian talent to run our Canadian facilities."

However, many of those working for Sysco were long-time employees in sales, warehousing or delivering, with lots of on-the-job experience but little in the way of post-secondary education and neither the business nor leadership training nor the aspirations to climb the ladder, Mr. Miller explains.

And that made promoting internally a risky business.

Indeed, in the past six years, a half-dozen workers who had risen through Sysco's ranks to become executive vice-president or president in its Canadian divisions failed to perform to expectations and had to be moved out of the executive ranks, Mr. Miller says.

Even though those employees were sent to management training courses, the lessons learned over the course of a few weeks often weren't enough to get them thinking like leaders, rather than employees, he explains. "We wanted a program that will make skills and behaviours innate."

So he designed a three-year development program that emphasizes making leadership skills a part of daily business life.

The employees who are selected for the program on the recommendation of senior management attend a total of six one-week classroom sessions, interspersed at six-month intervals of the three-year program. They include lessons on a range of management skills, such as team-building, negotiating and goal-setting as well as challenges specific to the food business.

After each intensive week, the students go back to their jobs where, in addition to their daily work, they are assigned to take on increasingly complex management projects.

After each challenge, there is a debriefing, in which Mr. Miller and other senior executives ask candidates to describe their experience and what they've learned from it. All along, they are expected to do regular goal-setting for themselves and for the company, and have coaching and motivational discussions with fellow employees.

The goal is to create a shift from being an individual day-to-day performer to thinking like a leader, Mr. Miller says.

While the program doesn't promise promotion, of the 24 graduates over the past four years, 14 have been bumped up to significantly greater responsibility, most to the title of executive vice-president or president.

And they have all lived up to expectations, Mr. Miller says. "We have had zero turnover. That's a win for everyone."

That change in thinking is something that doesn't come overnight. Mr. Lozupone, 51, says it took more than a year into the three-year program for him to think more like a coach than an individual player, and to stretch his horizon beyond the end of the day to thinking of goals for five years down the road.

It's been a lot of hard work, but worth the effort, Mr. Lozupone says, and he's grateful Sysco had the faith in him to give him the opportunity.

"Being president has literally been life-changing," he says. "And I'm finding it can be a lot of fun."

Lessons in leadership

Moving from the shop floor to the executive suite requires a radical change of thinking about your role in the workplace and your relationship with those around you. Here are lessons of leadership derived from Sysco Corp.'s executive development program:

Expand your vision

Making good strategic decisions means understanding all parts of the business and not just your specialty.

Look beyond today

Realize your responsibility has grown and you need to have a vision with a horizon of years, rather than days.

Reflect

Regularly set goals for yourself and the company, and review daily or weekly whether you are achieving them.

Develop others

You are no longer just an individual contributor. Inspiring others requires knowing their individual goals and aspirations.

Encourage feedback

Ask for input from peers and reports to avoid developing blind spots.

Keep a cool head

Emotions are contagious: A leader's display of feelings will strongly influence how others around feel about their work.

Trust your team

Meddlers and micromanagers are resented. Keep hands off while your employees are executing the plays you call.

Stay approachable

You may be the boss, but people still need to feel comfortable coming to you for help.

Record your progress

Keeping a journal will remind you of what you should work on and act as a pat on the back for what you've achieved.

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