

# Leadership development in a global environment: lessons learned from one of the world's largest employers

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## Abstract

**Purpose** – *The purpose of the paper is to share best practices from global logistics leader, UPS, for approach overhauling a company's global training, leadership development and succession planning practices.*

**Design/methodology/approach** – *Told from the vantage point of Anne Schwartz, UPS's vice president of global learning and development, the case study shows how UPS's internal research of focus groups and surveys revealed that the company's current training and leadership development programs needed to evolve to ensure success in today's global business environment.*

**Findings** – *The company acted on its internal research by retooling its leadership development and training programs to foster more strategically minded leaders; better engage younger generations; and make certain its people are "fluent" with UPS's vast global network.*

**Practical implications** – *UPS shares several practical takeaways for other international companies that are also looking to overhaul their leadership development and training programs. Sample takeaways include: align your training with your business strategy; start where you are and keep what works; and assess group and individual strengths and weaknesses.*

**Originality/value** – *As companies emerge from the recent economic downturn, the paper demonstrates that UPS maintains that now is the time to take a hard look at training and leadership development programs that impact workforces to ensure that businesses are positioned for long-term, global growth.*

**Keywords** *Leadership development, Social groups, Training, Globalization, Employees*

**Paper type** *Case study*

**T**here is no doubt that the economic downturn has taken a toll on businesses worldwide. However, smart businesses are taking steps now to address key learning and insights uncovered during the downturn.

From UPS's perspective, our company began more than 100 years ago as a messenger delivery service. Today, we are a global logistics leader with more than 400,000 employees worldwide. But, even a company as solid as UPS had to reassess and strengthen its operations as the world endured the toughest recession since the Great Depression.

The recent economic downturn showed just how important logistics are to global businesses. According to a June 2010 *McKinsey Quarterly* report, the average manufacturer's supply chain touches 35 different countries. When thinking about the increasing significance of global trade and the role that UPS plays in connecting global economies, UPS realized that we needed take a hard look at our training, leadership development and succession planning, to ensure that the company is positioned to continue to grow in today's fast-changing, global environment.

## The first steps

The sheer size of UPS presented challenges when deciding where to begin. With employees in 215 countries and territories, the concept of evaluating and redefining our company's

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training, leadership development and succession planning practices, was truly a global initiative that required a step-by-step approach. That is why our preliminary action included conducting a global analysis of our corporate schools, leadership development programs and the state of our talent pipeline. This was an intensive process that included interviews, focus groups and surveys.

We learned we needed to ensure our people were prepared to lead the company for the future. We designed programs to ensure our people were:

- Strategically minded to connect their operations with overall business goals.
- Prepared to manage younger generations.
- Prepared to harness the full capabilities of the network, ensuring our people are “fluent” with our entire global network.

### **Leading the leaders**

We came up with a plan for moving forward that covered these three areas. First, to ensure that our leaders really understood how to connect their operations to the bigger company strategy, we spent the last year analyzing our management positions and ultimately developed new leadership competencies – skills that management must possess to help the company meet the increasing expectations of doing business in a global marketplace. We are now measuring manager performance against these competencies, which is helping ensure that all of our leaders have a thorough understanding of UPS’s role in helping businesses better compete in today’s global marketplace.

In addition to the new leadership competencies, we asked members of the management team to tell us, in detail, what they do in their current assignments. We have been able to use these detailed response to develop a comprehensive set of job models that ultimately describe the basic requirements of the various management positions at UPS. Together with the leadership competencies, these job models also provided the foundation for more effective performance measurement. Thanks to these metrics, we are able to better identify high-performers, those who are effective in their job duties, innovative in their approach and knowledgeable about our business and the global business climate in general.

### **Taking training to a new generation**

Our analysis showed that UPS had to adapt the way we recruit, train and develop young workers. Millennials already make up a one-fourth to two-thirds of the workforce. And, with upwards of 40 percent of today’s workers scheduled to retire within ten years, it is clear that we have got to harness the talents of this generation.

About five years ago, we began to notice a decline in the performance of our young new drivers. Previously, trainees needed 30 days to become proficient drivers. Younger drivers were now taking 90 to 180 days. We knew that our younger drivers were just as smart. We knew that they had the same potential. But something we had been doing for decades just was not clicking with millennial trainees. And, we had to figure out how to correct this disconnect.

With the help of a \$1.8 million grant from the Labor Department, UPS studied the ways millennials learn, and with collaboration with MIT, Virginia Tech and the Institute of the Future,

we built a high-tech, next-generation training facility called Integrad. We currently operate two Integrad facilities: one outside of Baltimore, Maryland, and the other outside of Chicago.

The Integrad learning lab offers many different training delivery modes: 3-D models, webcasts and traditional classroom instruction. There is also a big hands-on training component. For instance, a slip-and-fall station teaches trainees how to be aware of, and prepare for, slippery conditions

Integrad even includes a replica outdoor city named Clarkville that has real streets and street signs, sidewalks and simulated commercial and residential delivery and pickup sites. Trainees learn to avoid unexpected obstructions in the street and how to drive different-size trucks while simulating ten to 15 delivery or pickup stops each day.

The new interactive training methods have been a huge success, especially among millennial drivers. Our young trainees say they are highly satisfied with the training approaches. We did not lower our expectations for younger workers. Instead, we started speaking their language, training them in ways that were relevant to them.

### Talking the talk

Finally, as UPS grew from a small package-focused business into a global logistics company, we needed to ensure our people are “fluent” with our entire global network. To really address the need for global competencies, we looked to one of our tried and true company philosophies for guidance: promoting from within.

From our earliest days as a messenger service, UPS has always placed great emphasis on promotion from within, resulting in a company managed by people who have extensive experience and expertise in virtually every aspect of the business.

To ensure that our company’s most promising leaders understand today’s ever-changing global business environment, we have made an effort to ensure that as we promote from within, we also look for opportunities to promote employees to international positions. This way, they can gain valuable global perspectives, while also sharing any best practices from their career path. I know firsthand the benefits of these international assignments, as my work in both the USA, Quebec, Canada, and throughout Asia, equipped me with business and cultural experiences that allowed me to better understand our company’s global training needs.

In addition, globally, UPS conducts special leadership development programs to help cultivate our local workforce for positions of greater responsibility. This kind of investment instills a unique sense of pride and commitment in our people, most of whom spend their entire professional lives at UPS.

### Sharing the wealth: lessons learned

UPS has taken numerous strides to revitalize our company’s global training, leadership development, and succession planning practices, recognizing some best practices along the way. Companies looking to redefine similar practices should keep the following in mind:

- *Align your training with your business strategy.* UPS is a global business that moves more than two percent of the world’s gross domestic product (GDP) every day. Yet, our training

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and leadership development models did not take into account that our managers should have an understanding of how the core of what we do every day – logistics – helps our customers compete on a global scale. Now, we are creating job models and leadership competencies that align with our company's goals and priorities.

- *Start where you are. Keep what works.* UPS has always strived to make our managers partners in the company, partners who have a stake in the company's success and are rewarded for long-term service. Ninety percent of UPS's top executives began their careers in entry level positions, working their way up as package sorters or delivery drivers. As we looked to form a more globally minded workforce, we knew that we could leverage our promotion from within mantra to promote employees to international locales, which would help build a more internationally attuned culture.
- *Assess and redesign talent management and training programs.* Millennials are already a huge part of our company – and this generation has only been in the professional workforce for less than a decade. Research has shown that millennials learn differently than previous generations. We had to adapt our training and talent management programs so that they resonate with this generation.
- *Assess group and individual strengths and weaknesses.* Because UPS is a culture that grows employees through experiential development – such as lateral assignments and relocation – we are in a position to customize career paths to meet individual and group needs. UPS has empowered employees who understand the business and have promising leadership potential, to take on various job responsibilities within the company, based upon his or her strengths.
- *Focus leadership development programs for strategic development.* UPS started its first Corporate School in 1946. Historically, our Corporate School programs were instructor-led courses that accommodated about 2,800 managers and supervisors each year. They were very expensive to run and tracked only about 50 percent effective. So, in August 2008, we launched a completely redesigned Corporate School program that aligned with the development of our leadership competencies; kept pace with the enterprise demand for development; leveraged more cost effective, progressive and timely methods of training; and offered a more flexible and customized approach to training.

Whether it is taking lessons learned from the recent economic downturn or adapting cultures to meet the needs of younger workers, change is abundant in today's corporate culture. Now is the time to take a hard look at training and leadership development programs that impact your entire workforce to ensure that your company is positioned for long-term, global growth.

### About the author

Anne Schwartz serves as Vice President of Global Learning and Development for UPS. At UPS, the world's largest package delivery company and a global leader in supply chain solutions, Anne Schwartz is responsible for global training and leadership development, training strategy and governance, analysis and development of learning technologies, and talent management for the enterprise. Anne has spent her entire career with UPS, encompassing more than 23 years.

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