

## CASE 2

# Developing Change Talents

Budapest Bank (GE Capital)

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Leadership development is rarely on the top of companies' priority lists. In times of organizational changes enforced by the macro-economic environment the main priorities form around redesigning structures and processes in order to increase efficiency.

von Leila Medvey (Budapest Bank) and András Karácsonyi

### Leadership Course at GE Capital

Even though senior managements know that developing key people can serve as a competitive advantage in the long run they sacrifice leadership development programs as one of the first ones if tough decisions have to be made.

The learning and development leader of Budapest Bank (GE Capital) had to make sacrifices too. She decided to reorganize resources (e. g. use internal trainers) and to reduce the length of some of the training courses. However, with the support of senior management she could maintain the most complex, the longest and most resource-intensive development program: the Applied Leadership Course (ALC).

### Multiple impacts

The learning and development leader takes care of the development program – training, coaching, peer learning and program management – together with two external consultants. The one-year-program combines several development methods: participants meet four times (12 days in total) to »make sense« of their biggest leadership challenges and learn tools they can use to handle them. Between the sessions each parti-

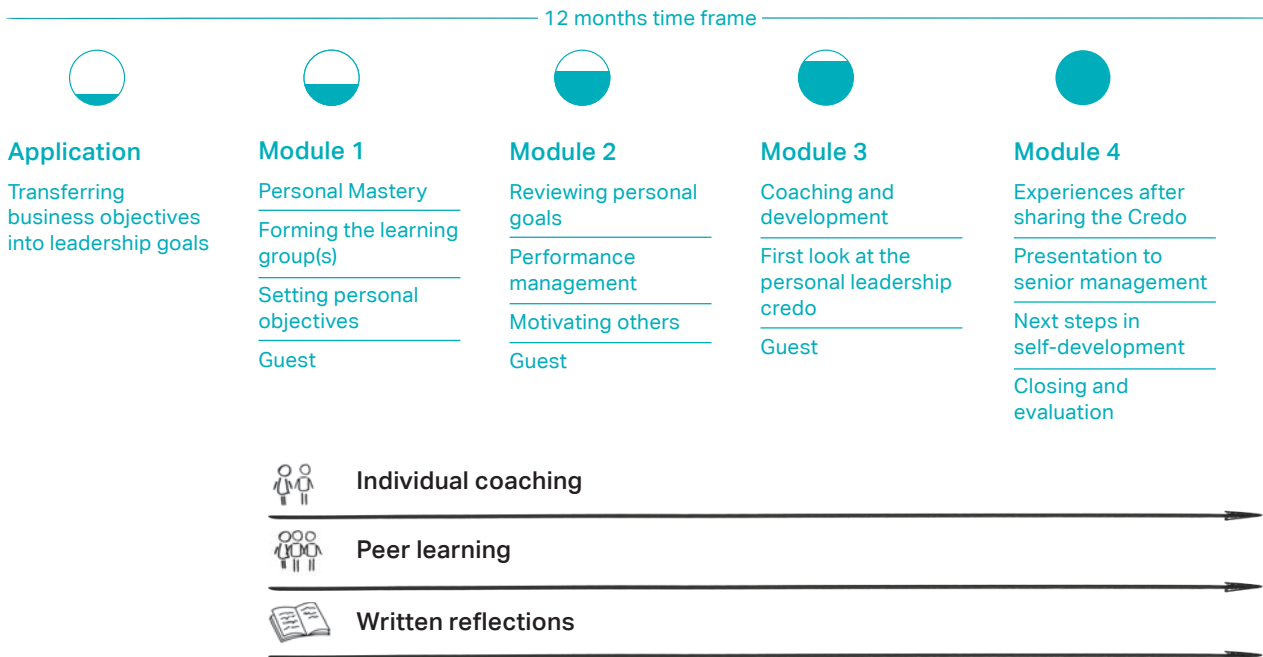
cipant has the opportunity to get individual coaching (on average 10 sessions), which the majority uses intensively. Learning groups are formed to support peer learning. External and internal guest are invited to the »classroom« to talk about their perspective on leadership issues and on practical cases within the bank and in the broader context (see graph).

As a closing each participant presents his leadership credo to his team. The development program ends with a presentation to the senior management about key learning. After graduation the next steps in every participant's self-development are planned. ►

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## Applied leadership skills



### Values for participants

Participants appreciate the individually tailored path of development. Consciousness, personal mastery and focus are the most mentioned areas of development. The trainees value that the ALC accelerates their personal development, supports a paradigm shift in the right direction and often helps in removing known blockages. The participants usually connect strongly as a supporting team. They can rely on each other in uncertainty and cross-functional issues are solved easier after the program.

### Gains for the bank

The most important outcomes from the bank's perspective are the following:

#### Higher employee loyalty

The success and attractiveness of the program helped in shaping an »ALC identity«. Participants got the feeling of belonging to an extended »core team« of the

bank. Graduates of the program feel more empowered, they take over much more responsibility as a result. This shared identity also helps in overcoming everyday challenges and uncertainties.

#### Proven potential successors

The program provides an opportunity for risk-free »testing« of key talents. The one year development underlines clearly what competence areas should be developed further in future.

#### Easier identification of key people

The senior management can clearly identify who the key players within the bank are, who is ready and able to take extra responsibility, who can contribute significantly to the realization of the strategy and contribute to the sustainability of the business.

#### Better support of change processes

The ALC participants and alumni function as a think tank – they are involved in the planning and execution of changes within the bank.

## Success factors

ALC has set the bar high for leadership and leadership development courses within the bank. The program had an impact due to the following factors:

- Process approach: The program is not a single impulse but rather a carefully designed development path with long-term support and commitment.
- Multiple methods: The parallel methods (experiential learning, coaching, peer learning) multiply the impact of development. Conclusions from the training sessions can be taken to an even more personal level in the coaching processes, while the peer groups help in resolving everyday leadership dilemmas and organizational conflicts.
- Integration and transfer into everyday life: The program is also a platform for discussing and finding solutions for some of the everyday challenges that come with the fast-changing banking business.
- Internal and external perspective: The perspective and paradigm interplay of the internal and external facilitators creates a dynamic learning environment where the key takeaways are reinforced from several aspects.
- Building a network of graduates: With the alumni club (approximately 60 graduates in the past six years) the program has become an institution. For the participants it gives a shared identity and for the bank a reliable group of talents who can contribute significantly to the sustainability of the business. The bank's readiness and ability to rely on the participants and to effectively create a space for their leadership potential has already been proved as a success.

## And the future

During its six years of existence the program has been fine tuned every year to adapt to the everyday requirements. The next edition will be reshaped more radically. Content-wise the program will include more on the subject of change management and innovation. Process-wise the alumni will be much more involved in the program from its beginning. With these changes we hope to keep it challenging and useful for participants – as much as it interesting and challenging for us facilitators. ●



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After graduating in Psychology and Human Resource Management, Leila Medvey spent 19 years in the field of HR. First she worked for a global FMCG company, later for a pharmaceutical company. She has been a member of the HR team of Budapest Bank (GE Capital) since 1997. In 2000 she worked for a year in the London headquarters of GE Capital. Currently she is the learning and development (L&D) leader of the bank. In this function she is the one of the persons mainly responsible for the maintenance and success of the Applied Leadership Course (ALC).

The ALC has been offered during the past six years within Budapest Bank. The program was jointly created and continuously updated by the L&D leaders of the Bank and two external consultants (András Karácsonyi, ICG and Tamás Sárdi, independent consultant). The success factors of the ALC are on one hand the bank's openness for trying new methods and on the other hand, the consultants' deep knowledge and understanding of the bank's culture. One extra success factor for improving the program year by year is the Bank's strong long term commitment for keeping the program as one of the cornerstones for developing its high potential leaders.