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1 The Strategic Component: Partnership starts from the very beginning

The Lufthansa School of Business (LHSB) was founded in 1998 as the first Corporate University in Germany. Its mission statement guides all projects and activities:

\[
\text{Mission Statement} \\
\text{Lufthansa School of Business} \\
\text{Management programmes}
\]

Our mission is to provide advanced management training (and development) for the Lufthansa group managers according to their requirements and in line with Lufthansa’s strategy. Across company borders we are offering management programmes as well as events (platforms) for dialogue and information.

We are connecting individual management development and corporate (organisational) development. We support necessary changes within the Lufthansa group and contribute to build a corporate leadership culture. We help our managers to enlarge their personal network.

Our goal is to offer management programmes, platforms and events to which Lufthansa and their managers state: There’s no better way to learn!

Since then many successful programmes have been designed and offered and concepts have been refined over the years. We want to highlight two unique and inter-linked strategic concepts and explain them in more detail below:

- The “Preferred Partnership Concept”
- The Strategy Development Process for Corporate Executive Development and LHSB products

Under the “Preferred Partnership Concept” the LHSB co-operates with three internationally-renowned business schools for major executive training programmes. London Business School (LBS) is one of these three contracted partners. The partnership contract includes a 20% “success element” which is released upon confirmation that the programme has met its objectives six months after completion. This demonstrates a central point about the relationship: true partnership is based on shared responsibilities and trust. The main focus of the partnership is the General Management Programme (GMP), which is been now held successfully in close cooperation between the LBS and the LHSB for the third time.

The Strategy Development Process for Corporate Executive Development and LHSB products was first conducted in 2004. Its main objective is to connect individual management development and corporate organisational development. Here Lufthansa (LH) has overcome a challenge that often seems insurmountable for major corporations: finding an efficient way to give Corporate Strategy tangible relevance for Human Resource Development (HRD) and for the creation of HRD tools, programmes and projects. Beyond that, the process sought to involve all stakeholders including Board members from the Lufthansa group in an efficient way. It demonstrated efficiency and effectiveness by focusing insistently on the “right things”.

The process includes two main stages (see graph 1). In a first bottom up stage, participants from all business partners within the LH group – HR Development, corporate strategy, main strategic projects, representatives from the Board offices – plus the external partners are involved in structured interviews and workshops.
facilitated by the central HRD department. These interviews and workshops enable HRD to collect and prioritise the main future requirements for management development in the LH group.

Graph 1: The bottom-up and top-down approaches for the Corporate Executive Development strategy formulation and LHSB product development

The workshops also take into account other specific data analysis from long term HRD tools including 360-degree feedback (see graph 2), performance evaluations and corporate management gradings – thus enabling key learning and development fields for each management level to be identified.

Graph 2: Data analysis identifies aggregated individual learning and development needs
To gain a vital external perspective on trends in the fields of learning and development, LHSB ensured that its preferred business school partners were involved from the outset. London Business School was asked like the others to give its view on future HRD trends in a forward-looking approach. This approach is most familiar in the automotive industry. Defining future requirements together means incorporating the views and experience of the partner from the very beginning.

The compiled outcome of these structured interviews and workshops result in the so-called “Strategic Fields of Action”.

In the second, top-down stage of the Strategy Development Process, these Strategic Fields of Action are prioritised and amended by the Board of LH’s major business units via an online questionnaire. Board members are asked to assess proposed fields of action in terms of “Business Impact” and “Urgency” for the implementation of LH’s corporate strategy (see graph 3).

![Graph 3: Strategic Fields of Action as a result of the Strategy Development Process for the Corporate Executive Development processes and LHSB products](image)

This medium-term Strategy Development Process is undertaken every two years to review the Strategic Fields of Action. It has been conducted in the same structured way since 2004 as it has proved to be very efficient, sustainable and target oriented.

This allows LH to have a reliable basis to guide and to design its management development products and programmes. Both perspectives - bottom up and top down - are taken into account to ensure development of the right services for the business units and the LH group globally. Key to the effort’s success has been collecting all the right perspectives – internal as well as external – from the outset. The close cooperation between the LHSB and LBS from the very beginning of the process is essential. Alignment to the Lufthansa corporate strategy, external trends and executives’ individual needs is thus assured.
2 Programme Management

The GMP was first launched by the LHSB and LBS in 2005. Design and delivery of the GMP and its priorities are driven by the Strategic Fields of Action (see graph 4).

After thorough evaluation, the second cycle of the GMP took place in 2007 with some adjustments. The third cycle took place in 2008/2009 with further improvements. The fourth cycle is scheduled to start at the end of 2009 and to end mid-2010.

The GMP is a 3-module programme, each module consisting of 4 days plus an evening prior to the official start. The modules are 3-4 months apart, making the whole programme last approx. 8 months (see graph 5).
2.1 The right programme design and delivery in accordance with the strategy development

Graph 6 shows more specifically how each design element within the GMP is derived from the Strategic Fields of Action. We explain how each design element relates to the Strategic Fields of Action in more detail below:

Graph 6: Alignment of the GMP to the Strategic Fields of Action

2.2 The right participants

Of paramount strategic importance is the correct selection of participants (design element 1 from graph 6) for all management programmes. For the GMP this requires a thorough process closely aligned with business objectives.

The total number in the target participant group is 150 level “B” senior executives who are located around the world, **20% of these were non German**, helping to develop the “Ability for internationalisation” as one Strategic Field of Action. These top managers from across the LH Group, have to show above-average performance and above-average potential. The nomination process is a deliberate and sophisticated one, with the corporate HR development department providing the grading results showing performance and potential of each participant and discussing each individual candidate bilaterally with the Board of the respective business unit. The process integrates systematic succession management with individual training needs.

In line with the Strategic Field of Action “Going Cross-Borders” and to demonstrate to participants that each exists within an aviation ecosystem, managers from LH “system partners” are invited to join the programme in addition to internal LH senior executives. These include Fraport (Frankfurt Airport), DFS (German Air Traffic Control) and Munich Airport. Additionally, the recently-acquired airline Swiss, now a fully-integrated subsidiary, nominates participants for the programme.
During each cycle, approx. 22-27 top managers from within this target group participate in the GMP.

Those carefully-selected top managers receive a personal invitation signed by their business unit’s Board member and the Vice President Corporate Executives of the Lufthansa group. The invitation is personally given to the nominee by one of his/her Board members, demonstrating that participating on the GMP is one form of recognition of their value to the company.

2.3 The right module themes

The three GMP programme module themes—strategy, transformation and leadership—(design element 2 from graph 6) were created to reflect these key leadership needs. Each part of this deliberate sequence of modules is carefully designed to serve particular purposes:

- The strategy module examines the context in which Lufthansa competes, explores how companies choose to compete and looks at how companies derive long-term returns from their markets. The content of the strategy module closely follows the Strategic Field of Action “Entrepreneurial Competence”. Sessions take place at the campus of London Business School to show the School’s strong commitment to the programme. The location brings additional benefits, including connection to and involvement in the life of a truly global city.

- The transformation module explores how organizations must focus on their chosen markets in the light of their strategies and transform themselves in order to exploit their strategic opportunities. Here we look at the many ways organizations have to change in order to realize their strategies and exploit the opportunities they either create or confront. The key Strategic Field of Action “Professionalism in Re-Organisations” informs the content in this module. As locations we have chosen Dubai (in cycle 2) and Mumbai (in cycle 3) on the grounds that both are fascinating examples of business centres in the process of transformation – becoming economies of knowledge workers as well as having significant manufacturing bases. As India is one of the fastest growing markets for Lufthansa it proved to be an excellent location to combine internal and external views about transformation. This module also spotlights the Strategic Field of Action “Ability for Internationalisation” to good effect.

- Finally, the leadership module explores how Lufthansa effects transformation through its people, or how they help the organisation implement its corporate strategy by doing things differently. The backdrop here is the Strategic Field of Action “Retention of Leadership Talents”. This module requires participants to reflect deeply on their own contribution to the organisation: each participant provides a detailed self-evaluation before attending the leadership module, including a Work Interests Schedule and 360 degree feedback assessment. Seeheim, a small town close to Frankfurt where the Lufthansa Training and Conference Centre and the LHSB are
located, is our location for this module. This brings the topic of leadership back where it belongs - to the home of Lufthansa and its system partners. This is entirely appropriate as it is leadership that will make or break the company’s strategy.

2.4 Creating the right learning environment

As we have shown, the international locations of each module have been chosen deliberately to correspond with the Strategic Field of Action “Ability for Internationalisation”. On top of this, the GMP incorporates other design elements to ensure that the learning environment (design elements 3 from graph 5) reflect the Strategic Fields of Action.

As the GMP is conducted in English, the design offers participants an optional Business English Communication course to be taken individually before the start of the first module in order to improve their language skills and help ensure they get as much as possible out of the programme. This supports the Strategic Field of Action “Ability for Internationalisation” in the longer term beyond the GMP.

In addition, London Business School’s “Virtual Learning Environment” (VLE) enables each participant to access an online, on-demand bulletin board easily with preparatory reading matter, presentation materials from faculty and further reference information following the programme. This is not only convenient for participants but also environmentally friendly.

Another important design component supporting the Strategic Field of Action “Competence for Dialogue and Communication” is the implementation of participant peer-coaching groups (3 participants per group), each with a series of inter-modular discussion and simulation exercises, bringing each module’s subject matter to life behaviourally in their daily work. Peer groups meet alternating between their different places of work, thus giving them first-hand views of different working environments and their peers’ challenges at work. This helps to build bridges between the modules, keep participants active and also deepen relationships between participants.

During the transformation module, “immersion” field visits in Mumbai in November 2008 were designed and implemented to foster the Strategic Field of Action “Going Cross-Borders” and to bring home the message that transformation doesn’t only occur in large corporates, but also on-the-ground in social and charity organisations. The purpose of these activities was also to create a “mental” transformation among top management and to reinforce the need for cultural sensitivity. These immersion visits were to:

- a crèche for the children of itinerant rural construction workers in Mumbai
- a home for the care of the elderly
- an urban community development project in the biggest slum in Mumbai
- a watershed management project
- a children’s home
In addition, each morning started with a voluntary **Yoga** session during module 2 in Mumbai, which most participants attended and greatly enjoyed. This element combined the intercultural factor with the benefits of Yoga for stress reduction, mental and physical health - all of profound importance for this level of top management participants.

**Field visits** during the GMP – including hosted dinners and behind-the-scenes tours at the system partners’ organisations - are also a deliberate part of the design. The objective is to deepen understanding among all participants of the challenges and co-dependencies across their organisations involved in “**Going Cross-Borders**”.

At the conclusion of the final module held at Seeheim, **Leadership**, participants wrote a letter to themselves to be sent to their home addresses 90 days from the close of the module (“90 Days in 90 Minutes”). The purpose of the exercise is to ensure each participant reflects on his/her insights and learnings from the GMP and records specific actions to be undertaken back at work (or at home) within that 3 months period. This has the intended effect of visualising success and bringing the programme content to life.

### 2.5 Networking Activities

Each module of the GMP starts on a Sunday evening before the official part with various **networking activities** including, to date:

- A cooking event in an Italian Restaurant in London
- A “Mumbai from inside and above” city tour
- A Bordeaux wine tasting prepared by one participant in Seeheim

Networking is seen as an essential part of the programme, supporting the Strategic Field of Action **“Competence for Dialogue and Communication”**. The Sunday evening start had the additional benefit that official proceedings could begin early on Monday morning with the input from the faculty.

One sign of the degree of inspiration the GMP gives its participants is the organisation, at their initiative, of a “module 4” alumni reunion to both network and revisit some of the themes of the programme. These events have been organised by a single participant who has volunteered to host the venue and arrange the content during the self-styled module sessions. The first such extra module took place in Switzerland in 2008 (approximately 6 months after the end of that cycle), and the next will be taking place in October 2009 in Turkey (approx. 8 months after the end of the last cycle).

### 2.6 And now a word from our sponsors and presenters

Key to the success of the GMP is the enthusiastic support demonstrated by the Lufthansa Executive Board. Each **Executive Board Member** joins one GMP module as a key note speaker and fosters the dialogue between participants and Board Members (see design element 4 in graph 6). This has the added benefit of reinforcing
the Strategic Field of Action “Competence for Dialogue and Communication” as well as underlining management’s support and sponsorship of the programme. On top of that the CEOs from LH’s system partners also attend an evening session as external guest speakers to exchange thoughts and discuss module topics with the participants, helping again to enrich the company’s capability for “Going Cross-Borders”.

To further demonstrate the recognition of each participant and the programme as a whole the Lufthansa Board member in charge of HR attends the graduation dinner, in addition to attending module 2 in Mumbai. Furthermore he presents the GMP certificates signed by himself, the Programme Director and the Director of the Centre of Management Development.

The opening and closing session of each cycle of the GMP is presided over personally by the Lufthansa Vice President Corporate Executives.

The world-renowned, high-professional LBS faculty has an unarguably significant impact on the Strategic Field of Action “Systematic Management of Competences” and keeps this topic in sharp focus when preparing their high-quality content for the GMP sessions.

2.7 Assessing the business impact

The impact of the GMP is measured at two different levels. First, after each GMP module participants receive an evaluation questionnaire developed jointly by the LHSB and LBS. Analysis and reporting is conducted by LBS within one week after conclusion of the module. Based on this data, the Programme Director from LBS and the Project Manager from LHSB meet to discuss the evaluation analysis and the implications for future modules.

After the last module of each cycle (on top of the written evaluation) an overall oral evaluation about all three modules is done with the group. Participants are asked for their view of the most valuable aspects of the GMP, key elements they would retain intact and things they would modify or add. This has led to substantial improvements of the programme in recent years. For example, in the first cycle in 2005 many participants mentioned the need for an intercontinental location for module 2. This was then incorporated in the design for the second cycle of the GMP with an extremely positive response from the participants.

The second level of the impact assessment is conducted 4 to 6 months following the last of the three GMP modules. An online “company impact assessment” questionnaire is emailed to participants for completion. Here we want to measure the perceived residual impact of the GMP programme on their performance according to the Lufthansa Leadership Compass. This is the most powerful measurement as it shows sustainable changes in the participant’s behaviour. The performance dimensions according to the Lufthansa competency model – each with subcategories – which participants are asked to self-assess are:
Entrepreneurial Leadership
- vision and strategy
- managing innovation and change
- striving for profit

Leading People
- employee orientation in leading position

Breakthrough Problem Solving
- interdisciplinary and integrated problem solving

Communication and Persuasion
- managing conflicts
- quality of contacts and communication

Attitude and Drive

During the last “company impact assessment” participants showed an 87.8% improvement in the different performance dimensions, derived from participating in the GMP (see graph 7).

Graph 7: Company Impact Assessment results

Both tools – the oral and written module evaluations and the impact assessment – allow the GMP Programme Director and Project Manager to continually improve the programme from cycle to cycle.
3 Operational Excellence

3.1 Strong Partnership

Not only is the GMP co-branded and intellectual property co-owned by the LHSB and LBS, but the process of developing the design and content is the result of regular reviews and updates of the GMP project plan created by the LBS Programme Director. Each step is reviewed in detail and the programme timetable updated in consultation with Lufthansa School of Business, the LBS Programme Director and the school’s faculty.

3.2 Strong partnership even talking money

To maintain the interest and close collaboration of LBS in the success of the GMP, the fees for the programme incorporate a 20% variable element. Payment is based on 3 performance criteria:

a) results of the evaluation questionnaires of each module during a GMP cycle
b) the company impact assessment results
c) evaluation of LBS by the LHSB

This has resulted in a very high-quality working relationship, outstanding responsiveness from the LBS team and a true understanding and delivery of client service for the benefit of the LHSB and the GMP participants. The impact of the GMP is truly a shared responsibility, and this financial involvement of the partner in the GMP impact on the Lufthansa Group is an expression of the true partnership underpinning it.

3.3 Teamwork

Also key to the ongoing success of the GMP has been the communication within the team producing the three live events in three global locations. The programme’s success is a direct result of the consistency and quality of communication, of team members’ desire to continuously improve the modules, project management, the briefing process for presenters (whether faculty members, Lufthansa Board members, guest speakers), and the detailed checklists and scheduling by the LBS Programme Manager.

The high quality of the team therefore is a key success factor. Team members are:

- Karin Klatt, Lufthansa School of Business Project Manager
- Bert Gochermann, Head of Lufthansa School of Business Management Programmes
Michael Christ, Head of Corporate Executive Development and Lufthansa School of Business
Allyson Stewart-Allen, Centre for Management Development at London Business School, Programme Director
Katie Byrne, Centre for Management Development at London Business School, Programme Manager
John Wills, Centre for Management Development at London Business School, Account Director
Michael Jacobides, Associate Professor of Strategic and International Management; Sumantra Ghoshal Fellow, Advanced Institute of Management Research
Nirmalya Kumar, Professor of Marketing; Co-Director, Aditya V Birla India Centre; Director, Centre for Marketing; Faculty Director for Executive Education
Yiorgos Mylonadis, Adjunct Associate Professor of Strategic and International Management
Richard Jolly, Adjunct Associate Professor of Organisational Behaviour
Brent Smith, Associate Professor of Organisational Behaviour
Gareth Jones, Adjunct Professor of Leadership, Centre for Management Development at London Business School

The LBS Programme Director, Programme Manager as well as the LHBS Project Manager are attending each GMP module in order to ensure consistency and quality assurance; to identify opportunities for improving future GMP cycles; to answer queries from participants, faculty and other outside contributors; and to make last-minute fine tuning adjustments.

LHSB and LBS form a very strong team whose members are constantly focused on delivering tangible benefits for current and future participants and sustainable impact for the company.

We - London Business School and Lufthansa School of Business - will continue this success story!
(photo montage created and presented in a frame to each participant by the London Business School and Lufthansa School of Business at the close of the session, featuring participants, Programme Directors, faculty and speakers)

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Karin Klatt
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