

Raytheon Challenges High-Tech Talent

All content in Raytheon's Leadership Development Program is chosen and designed for its applicability to real-world challenges emerging leaders face on a daily basis. **BY MICHAEL TEELEY, MS, MBA**



Michael Teeley, MS, MBA, currently manages his leadership and organizational change consultancy, Service Advocate. It specializes in service organizations where there is a clear recognition of the real impact of commitment to the customer and how that affects leadership across the organization. He continues to work on leadership models and 360-degree processes related to leadership effectiveness.

In the highly competitive field of aerospace and defense, the need for leaders capable of addressing exceptionally complicated technology challenges while leading in a complex, matrixed organization is paramount. In 2000, when the leadership of Raytheon Company saw the scope of these challenges, they augmented their focus on early career, high-potential talent by expanding the Leadership Development Program (LDP) across all eight functions (Business Development, Communications, Contracts, Engineering, Finance, Human Resources, Information Technology, and Supply Chain). This expansion ensured that a robust pipeline of leaders capable of leading in a multifaceted business environment would be groomed and ready for the future.

Today, Raytheon's LDP is a rigorous two-year rotational program designed to accelerate the development of recent college graduates and early career professionals. The leadership behaviors and functional expertise developed during the LDP serve as a foundation for accelerated career success. Here's a look at the evolution of the program.

THE STORY BEGINS

As Raytheon looked at its competitive landscape, it knew it needed to identify a way to deliberately accelerate the growth of its future leaders. All in all, the company had to determine how it was going to succeed in a marketplace where:

- Talent is extremely valued and highly mobile.
- Large numbers of long-tenured, seasoned experts are nearing retirement.
- The skills needed are highly complex.
- Governmental restrictions severely limit the available labor pool.

Many companies rely primarily on buying the talent they need, often at a high premium and with marginal retention rates. Raytheon Company developed a "make-buy" strategy that included both buying key talent to fill immediate gaps and utilizing a longer-term approach of developing highly capable leaders. The company recognized that the leaders it would need to meet

the demands of the more challenging world of the 21st century would have to be cross-functional, people-centric leaders.

PROGRAM SCOPE

As a leader in the defense industry, Raytheon's functional organizations already have both depth and breadth of talent. The caliber of this talent requires a unique leadership development program that challenges and fully engages its participants. The global program focuses on high-potential (HIPOT) early career leaders across the company and across a total of eight functions, ranging from college graduate, entry-level communications, contracts, and finance recruits to Master's-level graduates in business development, HR, information technology, and supply chain. The program is built around a development curriculum that includes experiential learning in the form of rotational assignments, executive-level involvement, and functional and cross-functional learning opportunities that are directly aligned to Raytheon's competency model. Additionally, the program focuses on developing leadership competencies and creating specific opportunities for participants to practice and develop them.

The LDP program consists of more than 100 participants (LDPs) in each class; each function is responsible for recruiting its respective cohort. Recruits to the program are selected from undergraduate programs (B.S., B.A. in Finance, Business, etc.), graduate programs (MBA, MHRIR, JD, Ph.D, etc.) and engineers currently employed at Raytheon with three to five years of experience. In every case, the recruits are in the top 5 percent of their respective talent pool.

From day one of the program, the focus of learning is cross-functional, with engineers learning alongside new graduates in communications, contracts, and finance, as well as experienced professionals with Master's degrees in business development, HR, information technology, and supply chain during the three cross-functional development

sessions that each run for one week. The learning environment is team focused and competitive with learning activities designed around teams and multidisciplinary problem-solving. Individual learners are accountable to their respective functional area, their team, and the class as a whole. From ropes courses to individual and team simulations, LDPs learn to play the full spectrum of team roles while learning the essential skills of leadership

CAPSTONE CHALLENGE SIMULATION

Raytheon focuses heavily on experiential learning in its approach to leadership development. All content is chosen and designed for its applicability to real-world challenges emerging leaders face on a day-to-day basis. This means that for the Capstone Challenge simulation to be successful, it must mirror the complexity of leadership in the defense industry.

Program leadership for the LDP scanned the business simulation universe for potential vendors and ultimately selected PriSim in 2001. Important considerations in PriSim's selection included: its flexible approach, ability to assimilate complex aspects of the aerospace and defense industry, and willingness to partner with Raytheon to build a customized simulation that would be ready within six months. The result of this collaborative effort became BizFighter: a three-day capstone development event that mirrors the challenges faced by Raytheon leaders when competing for market share and profitability.

To face the challenge of BizFighter, LDPs and the instructional team gather in a location outside of Boston and form 20 five-person teams. Each team has one thing in common: two engineering LDPs. The other three team members are from the seven other business disciplines. All LDPs share common leadership development objectives built on the Raytheon leadership behaviors and competencies. The BizFighter simulation is a test of how well the LDPs can assimilate the content they learned and how well they can apply the leadership behaviors in a complex experiential team learning exercise. While BizFighter originally was designed to be the final program event of the two-year LDP development process, Raytheon recently moved it to the middle of the development process so LDPs have more opportunities to apply the lessons of the simulation during their second year in the program.

BIZFIGHTER IN ACTION

The challenges presented by BizFighter are representative of the day-to-day problems faced by Raytheon leaders and seek to break down the functional silos between the eight different LDP groups.

In other words, to succeed, the LDP teams need to be effective in all eight functional areas.

The BizFighter simulation is designed to replicate tools and processes used in Raytheon to manage costs, ensure project execution, and measure success. All simulation elements are tightly linked to the internal processes and key success factors faced by Raytheon leadership. Participants need to balance both immediate and long-term commitments to ensure their "company" will be successful against the other "companies" in the market. The impact of the LDPs' decisions is measured during each round of competition, and they must use this information to make their next round of decisions.

During the simulation, the anticipation and tension in the room is palpable as results are tallied and reported at the end of each round. Each person on the five-person team is invested in and accountable for the success of his or her team. People who do not know a balance sheet from an integrated circuit when they joined the program are making business decisions and explaining their views on everything from a contract bid strategy and market segmentation to improving overall performance to drive corporate return on invested capital (ROIC).

By the final day of the simulation, engineers are indistinguishable from their HR and finance colleagues. They share a common language. They display the same commitment to the customer. Taken out of their usual professional silos, they think and act like true high-tech businesspeople. Teams of multiple individual functions rapidly become teams of focused businesspeople.

LASTING INFLUENCE

Although the simulation lasts only three days, the effects of this approach to leadership development has a powerful and lasting influence on people moving up the professional ladders at Raytheon. Engineers who have chosen the non-technical leadership track have experienced considerable success, just as non-engineering leaders have experienced success in leading their more technical counterparts.

Today, more than 1,500 multidisciplinary leaders seeded throughout the company characterize the BizFighter simulation as one their most impactful development experiences. Says Beth Carlson, Raytheon's vice president of Global Talent Development & Learning: "It is remarkable to see the growth of the LDPs through the two-year program. Working in their cross-functional BizFighter teams to run their own A&D company fosters the critical knowledge sharing, business acumen, and team leadership we rely on across Raytheon." 