


# Analysis of the Senior Managers' Development Center



1998 through 2001

# Background on the Center

- **The Senior Managers' Development Center focuses on the career development of Bayer's high-potential employees in the E01 – E04 salary grade levels.**
  - **The Center has as its charter providing participants with systematic, objective feedback to expedite these individuals' career development.**
  - **The people providing participants with feedback are the senior managers of the corporation.**
  - **The methodology for collecting observations and assisting senior managers in making sense out of the exercises was validated independently by an outside consulting firm.**
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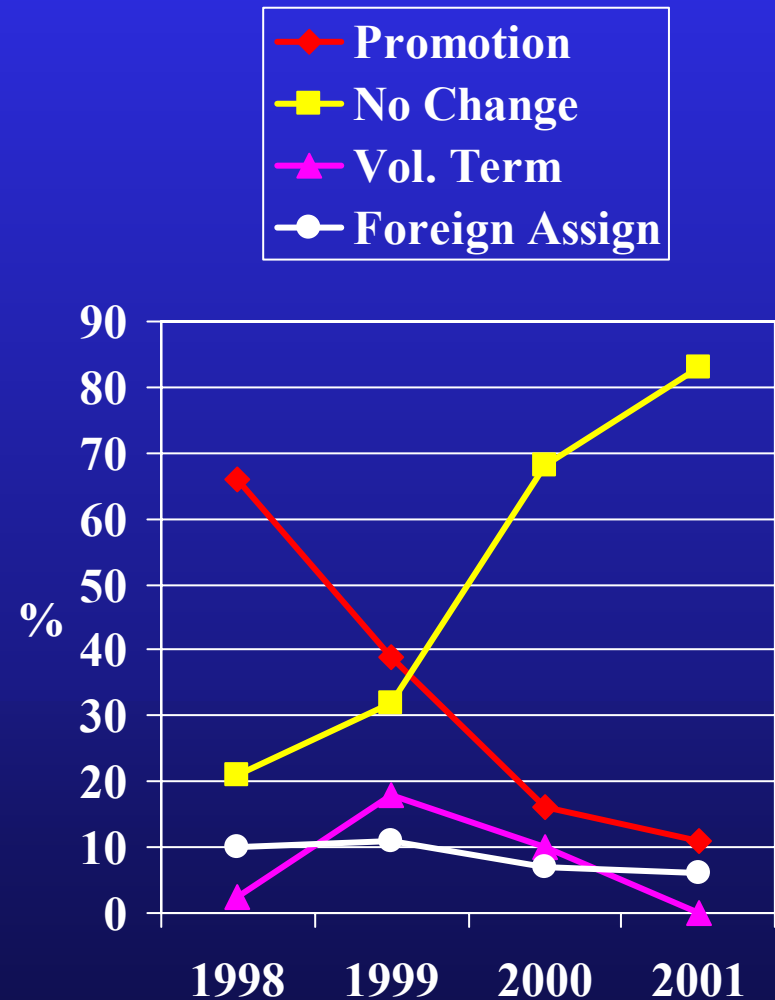
# What Has Happened to The Participants?

Looking back upon the career progression of the SMDC alumni we found:

- ◆ 66% of the class of 1998 have been promoted
- ◆ 21% of the class of 1998 have experienced 'No Change' in the job grade since attending the Center.

Contrasting the class of 1998 to the class of 2000, we see a dramatic difference.

- ◆ Only 16% of the class of 2000 have been promoted.
- ◆ 68% of the class of 2000 have experienced 'No Change.'



# Working Hypothesis

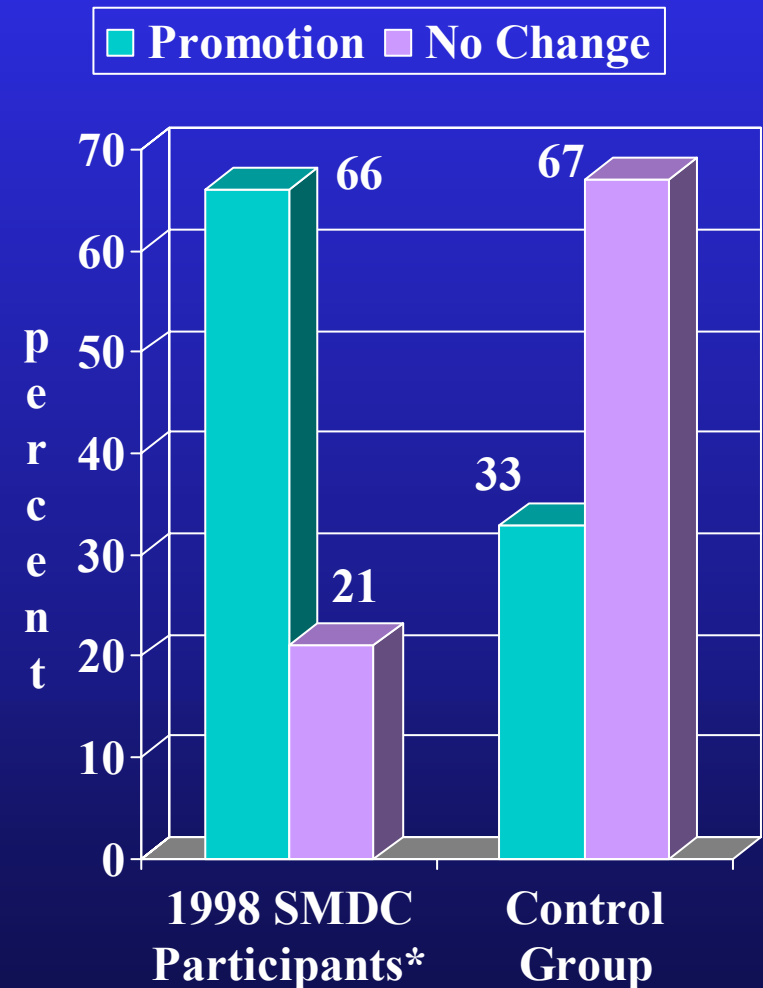
It would appear from the previous page that the impact of the development centers on the participants' career advancement was not felt for about 3 years.

- ◆ Question: Are the findings on the previous page merely due to the passage of time, grade level of the participant, or the individual's length of service with the company?.

To further explore the impact of the development centers, we selected a random number of employees from across the company. These employees were matched to development center participants on the following factors – tenure with the company, functional area, and grade levels. The results are represented on the next page.

# SMDC Participants vs Control Group

- Individuals attending the Senior Managers' Development Center in 1998 were twice as likely to be promoted than a random sample of employees, matched on the basis of years with the company, job salary grade, and functional area.



\*Recall that the SMDC participants total will not add up to 100% since 3% voluntarily terminated employment and 10% took German assignments

# Working Hypothesis

Since participants at the SMDC are required to be on Candidate List #3. Are the results report on the previous page merely a reflection of the fact that high-potential candidates on candidate lists are promoted faster than people not on candidate lists?

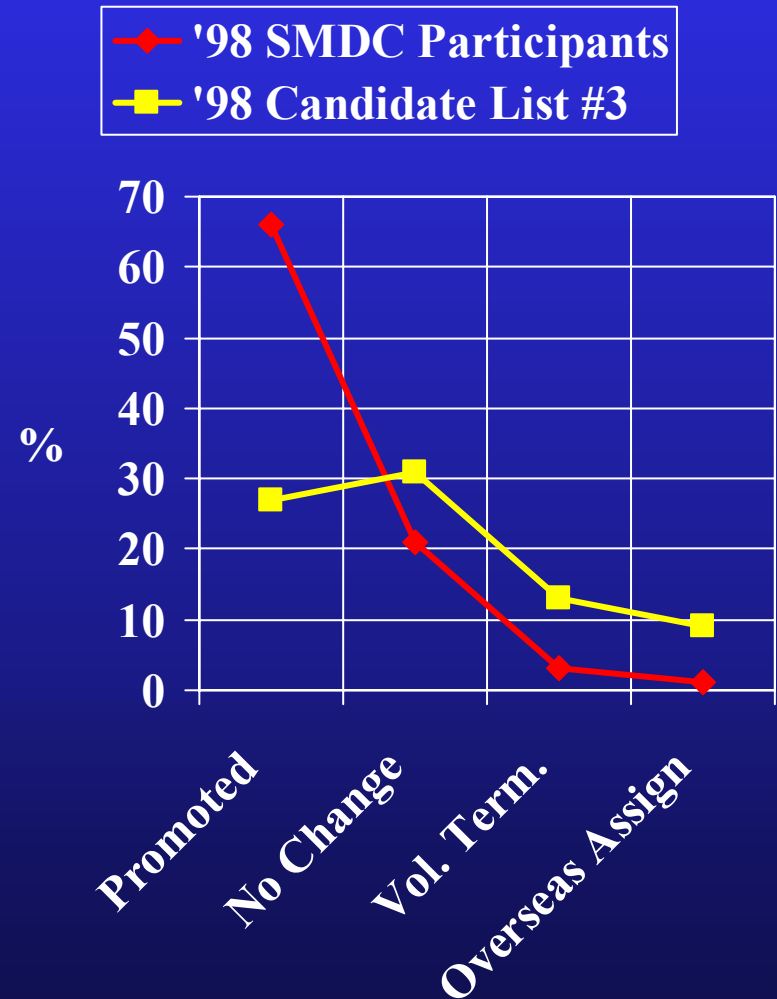
- ◆ Question: Are the findings on the previous page merely due to the fact that high-potential employees on candidate lists are promoted faster than non-candidate list employees?

To investigate this question, we randomly selected employees from candidate list #3 (balanced across divisions) who had not attended the SMDC, and compared their career advancement to SMDC participants.

# SMDC Participants vs Candidate List #3

Individuals who attended the SMDC were more than twice as likely to be promoted than peers who were named to the 1998 candidate list #3.

- ◆ 66% of those individuals who attended the SMDC in 1998 have been promoted
- ◆ 27% of those individuals listed on candidate list #3 in 1998 have been promoted



# Conclusion

- **Attendance at the Senior Managers' Development Center (SMDC) expedites leadership development.**
- **Participants attending the Senior Managers' Development Center are twice as likely as peers to be promoted.**
  - ◆ Their promotions are not related to:
    - being on Candidate List #3,
    - the length of time they have been employed at Bayer,
    - their functional area, or
    - their salary grade at the time of attending the SMDC.
- **Factors that likely contribute to effective leadership development:**
  - ◆ Involvement at the SMDC as observers allows Senior Managers to meet and work with participants as a coach (and in some cases as a mentor.)
  - ◆ Each Participant receives systematic and objective developmental feedback along with a formal developmental action plan.