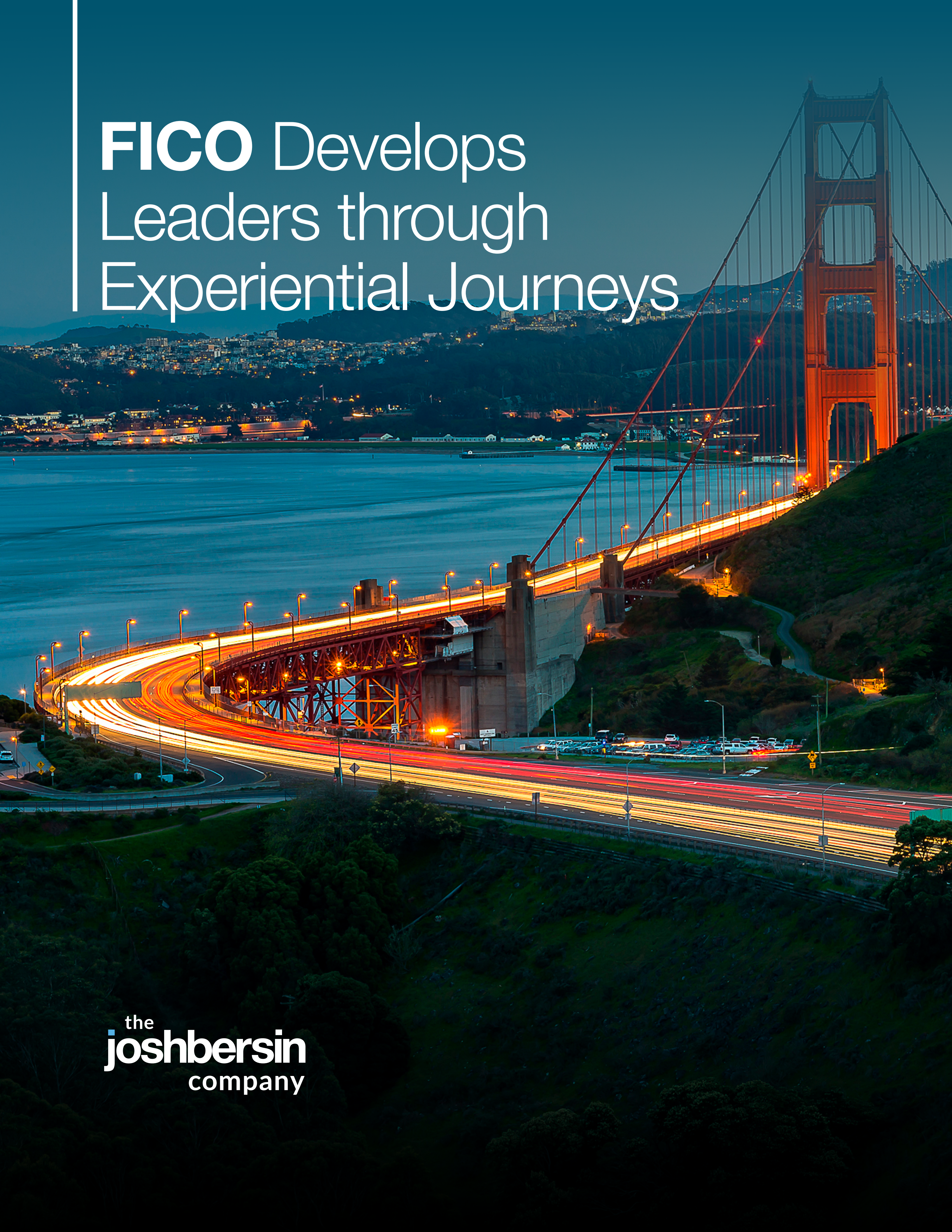
FICO Develops Leaders through Experiential Journeys



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A Leading Data Analytics Company

FICO is a leading applied analytics company. It was founded in 1956 on the premise that data, used intelligently, can improve business decisions. Today, FICO's software and the widely used FICO® Score operationalize analytics, enabling thousands of businesses in over 120 countries to uncover new opportunities, make timely decisions that matter, and execute them at scale. FICO's software solutions span acquisition and growth marketing, account activation and management, omni-channel communication, risk assessment, as well as fraud detection and prevention, and financial crime compliance. FICO has approximately 4,000 employees in 30 countries.

Engaging a Globally Dispersed and Highly Specialized Workforce

FICO's core business offerings lean heavily on highly specialized technical experts such as software engineers and data scientists who use Big Data and mathematical algorithms to predict consumer behaviors. "FICO is a talent business that thrives on the intellectual capital and expertise of our people. Engaging our people to create innovative solutions to solve complex customer problems is what differentiates our business from our competitors," says Richard Deal, Chief HR Officer at FICO.

Attracting, developing, and retaining such talent in an extremely competitive labor market entails creating a workplace where employees can continuously learn, build critical skills, advance their careers, and have a great employee experience. With a workforce that is globally dispersed across 30 countries, this is a critical priority for the company's learning and HR organization. The diversity of cultures and backgrounds makes it challenging to provide a common approach that fits the needs of all groups.

Summary

Challenge

- Engaging highly specialized technical employees to develop and deliver core business offerings in a highly competitive talent market.
- Developing leaders who can engage talent and harness the potential of employees in a scalable, personalized, and targeted manner.
- Identifying and implementing a scalable, online leadership development approach capable of supporting individual needs and leaders' aspirations.

Solution

- Partnered with Torch to get access to a panel of professionally certified coaches and experienced operational leaders who can provide high-touch virtual coaching and mentoring to employees.
- Launched a leadership development program to qualified leaders who demonstrated a high level of engagement and motivation.
- Offered a coaching program to high-potential people leaders and a mentoring program to high-potential leaders in individual contributor roles.

Results

- Participants of FICO's program with Torch reported positive experiences.
- Qualitative feedback demonstrated individuals felt encouraged to take risks and cultivate trusted relationships with their coaches and mentors.
- Partnership with Torch will be expanded to add more seat licenses, promote the program more broadly, and enable more leaders to experience the program.
- The program's ROI is emerging through increased engagement, leaders' confidence in the program, and development and retention of high-potential individuals and people leaders.

Building Leaders Who Inspire Excellence, Growth, and Emotional Commitment

FICO believes leaders are the lynchpin for engaging employees and harnessing their true potential. The company's vision of an effective leader is an individual who inspires excellence, irrespective of whether he or she has people management responsibilities. Such leaders inspire employees to bring their best selves to work and generate energy and emotional commitment to the success of the business. As a vehicle for attracting, developing, and engaging its workforce, FICO invests heavily in helping its people acquire and develop leadership skills and become inspirational leaders.

Rather than adopting a one-size-fits-all approach, FICO's leadership development offerings are designed to meet the different goals, aspirations, and skills of its employees. The company takes a holistic approach built on the power of relationships and learning on the job, from and with others, at all levels.

FICO's Leadership Development Programs

To develop essential capabilities for future leaders at FICO, leadership development offerings are based on experience level and role within the organization. By leveraging Torch, an online coaching and mentoring platform, FICO can address diverse use cases—from foundational support of people managers to personalized mentoring experiences for high-potential leaders to a specialized immersive coaching program for a select few exceptional leaders. The four leadership development programs are listed as follows:

- **Foundational (broad-based)—Blended learning programs for all people managers.** The learning and development (L&D) team has developed blended leadership development programs with facilitator-based and e-learning content supported by HR leaders and FICO's Learning Center, an integrated skills management and learning experience platform. These programs provide foundational and broad-based learning to all managers globally.
- **Advanced (career-focused)—Mentoring journeys for high-potential leaders.** FICO offers an external mentoring program powered by Torch to its high-potential leaders who are not in people management roles. These are virtual, high-touch experiences with accomplished and tenured business leaders from other companies in six-month guided mentorship relationships.
- **Advanced (people-leader oriented)—Coaching journeys for high-potential people leaders.** FICO also partners with Torch to get access to top-tier coaches who provide virtual and high-touch leadership development to high-potential people managers. These experiences span six months and are customized to fit the data collected through feedback surveys.
- **Proficient (for a select few)—Great Manager Program.** Twenty managers with the highest engagement scores across the organization are invited to gather for two to three days every year to attend a specialized immersive learning experience. FICO also sponsors several programs that specifically target the development of high-potential women leaders.

The coaching and mentoring experiences bridge the gap between broad-based general learning and the Great Manager Program and women-focused development programs, which are personalized but less scalable. Rather than a one-point-in-time or one-and-done approach, these experiential journeys facilitate ongoing and continuous leadership development at FICO. This approach, in partnership with Torch, allows the firm to touch hundreds of people each year and provide personalized, ongoing, and high-touch leadership development experiences, at scale.

A Closer Look at FICO's Coaching and Mentoring

FICO invests in high-quality coaching and mentoring relationships to provide customized growth and learning experiences based on the data and feedback collected throughout the year. Finding multiple qualified coaches and leaders within the firm to commit time and provide personalized leadership development over extended periods of time is challenging in terms of identifying the right pairings and is often not a scalable solution. Coaching and mentoring provide different experiences and insights to leaders. While coaching focuses on behavior change and interpersonal development, mentoring—especially from companies outside FICO's walls—helps people hone their careers through learning from the experience of others.

To support its coaching and mentoring solution, FICO has been in a successful partnership with Torch for the past two years. The Torch People Development Platform matches qualified external coaches and experienced operating leaders from external organizations with the high-potential employees nominated for these leadership development experiences at FICO and provides them with a carefully crafted journey. Each selected employee is allocated two hours each month over a span of six months with their coach/mentor and has the flexibility to determine how they want to distribute the allocated time each month.

Coaching and Mentoring Offerings

FICO uses a coaching solution for its high-potential people managers and a mentoring solution for its high-potential individual contributors (see Figure 1). "At FICO, we have a managerial track and a technical or individual contributor track. We recognize that people can be leaders in either one of those dimensions, and we want to make sure that we're providing them that opportunity through Torch to get the development and support they need," says Kimberly Hickox, Director of Corporate Learning at FICO.

Figure 1: Distinction between Coaching and Mentoring Offerings

	COACHING	MENTORING
Career Trajectories and Horizons	• Aimed at employees on the people manager career path • For senior-level employees looking at the next big career progression, which is typically nearer term	• Aimed at employees on the individual contributor career path • For mid-level employees looking to navigate their career and accomplish long-term aspirational goals
Coach/Mentor Profiles	• Professional certified coaches • Provide coaching as a profession • Provide certified training content, support, and resources • Typically have 15–20 years of professional coaching experience	• Experienced operating leaders • Provide mentoring as a passion • Provide experience-based learning and unique perspective • Are typically two or more career levels above the matched mentee
Focal Points	• Focuses on 360 feedback to identify strengths and opportunities and determine what to accomplish • Focuses on immediate goals • Focuses on performance	• Focuses on understanding career goals and expectations to determine what to accomplish • Focuses on long-term goals • Focuses on aspirations

Source: The Josh Bersin Company, 2021

Leadership Development as an Investment

Leadership development programs at FICO are offered as an investment in an individual's growth rather than a remediation. The candidates selected for the program are individuals who receive high survey feedback scores on leadership effectiveness, have high team engagement scores, are highly motivated and engaged, and are people who really want to be part of the program.

"The ROI is dramatically higher when we're engaging a preselected, high-potential group of leaders who actively opt into the program. When they learn what the experience is about, they commit to six months of work because they feel it will help them become better leaders," says Beth Galdieri, Chief Learning Officer at FICO.

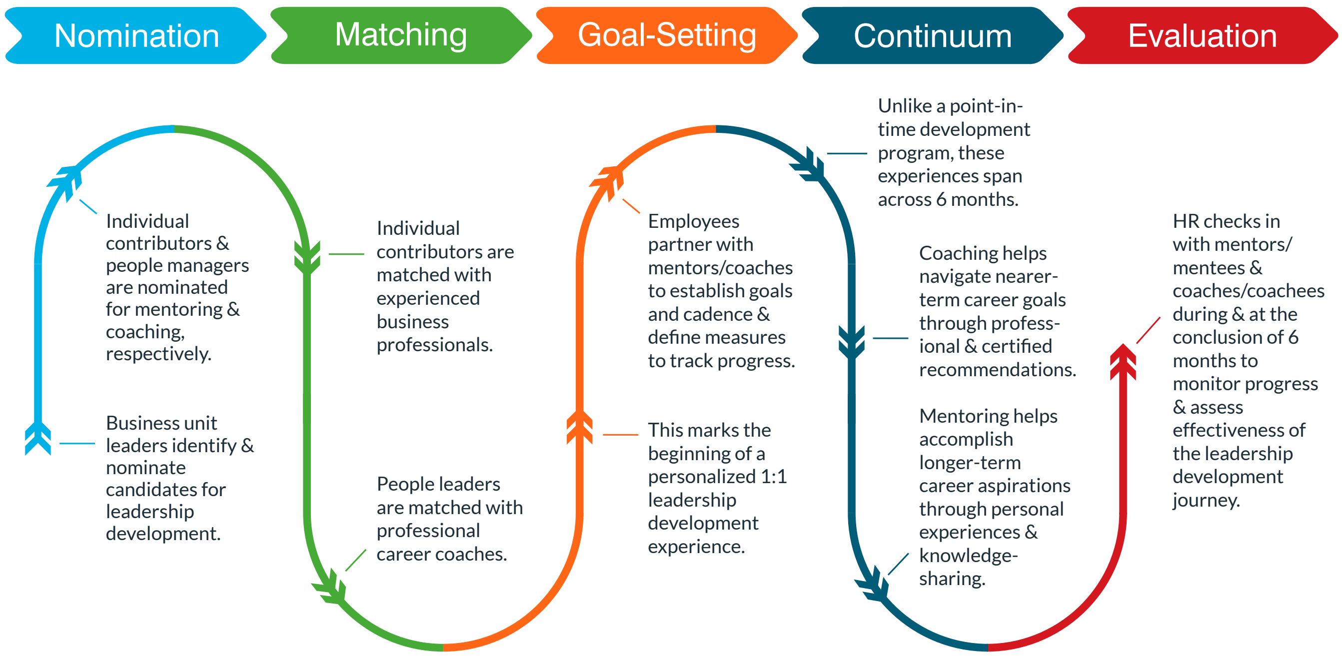
This approach also generates a "pull effect," in which other employees feel this is something special and strive to acquire the foundational knowledge that will then potentially qualify them for more advanced and next-level leadership development opportunities.

Coaching/Mentoring Lifecycle

While every coaching and mentoring relationship is different, the six-month engagements follow the same process lifecycle (see Figure 2), driven by the HR team in partnership with Torch. This leadership development journey's touchpoints are outlined as follows:

- **Nomination.** The HR team liaises with business unit leaders to identify high-performing and high-potential candidates that would be good fits for the programs.
    - **Validation.** HR validates that nominated candidates see value in the offering and are willing to sign up for a six-month commitment.
    - **Kick-off.** HR kicks off the engagement by establishing scope and expectations, answering questions, and introducing the Torch platform.
- **Matching.** The pairings are done within the Torch platform based on the alignment of functional backgrounds, career levels, experiences, or learning goals.
- **Goal-setting.** Participants work with their assigned coach/mentor to establish a cadence of meetings across the next six months for two hours per month and partner with them to develop and track goals within the Torch platform.
- **Continuum.** Coach/mentor pairs meet monthly throughout the six-month period to work on the defined goals.
- **Evaluation.** HR checks in mentors/mentees and coaches/coachees.
    - **Mid-point check-in.** Three months into the program, the HR team conducts a quick mid-point check-in call to discuss progress and share learnings.
    - **End-point check-in.** The team checks in at the end of the cycle to discuss lessons learned, share feedback and insights, and convey next steps in the leadership journey.

Figure 2: Key Touchpoints in FICO's Development Journey



Source: The Josh Bersin Company, 2021

Measuring Leadership Effectiveness

Many companies struggle to objectively assess leadership effectiveness and often just incorporate manager assessments. In contrast, FICO uses a combination of data sources, including manager insights, individuals' self-reported observations, and reflections from peers and team members. FICO then maps that data to its leadership model, using it to understand the effectiveness of a particular leader. Specifically, this data includes:

- **Quarterly engagement data.** FICO leverages data from quarterly engagement surveys to determine team engagement levels by individual manager level (e.g., team leader, first-level manager, leader of leaders), analyze gaps, and help build action plans to strengthen leadership capabilities. This survey data also provides insights on individual leaders' effectiveness.
- **Performance assessment metrics.** An individual's ability to role model leadership behaviors is considered an important performance metric at FICO. The 360 feedback is merged with self-evaluations and manager assessments to determine overall performance, as well as identify individuals who are or have the potential to be great leaders.
- **Business success metrics.** P&L, sales targets, and new product development data help paint a more holistic picture of the performance and contributions of each leader.

Results and Next Steps

In its first two years, FICO's program with Torch has generated positive feedback from those who have participated. Participants expressed they feel more encouraged to take risks and have applied and moved to new positions they wouldn't have considered applying to prior to participating in the program. They also said that having an external perspective helps them see their challenges in a different light.

"High-potential leaders are often deeply invested in developing their teams and rarely make time for personal development," said Galdieri. This program refocuses their priorities on developing themselves while developing others. The interactions help participants translate what effective leadership looks like on the job and across different situations.

The program's ROI is emerging through the increased engagement of team members, leaders' confidence in the program and their ability to actualize their take-aways, and successful development and retention of high-potential individuals and people leaders.

As next steps, FICO intends to expand its partnership with Torch to purchase additional licenses so more participants can experience the program. They also intend to increase transparency around the program.

> *I think the next evolutionary step is to start promoting the program more publicly. It's time for us to share more broadly within the organization that we've hitched our wagon to this train, and we've had a great experience on the journey so far. We're now expanding the experience.*
>
> *Richard Deal*
> *Chief HR Officer, FICO*

About Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. Recently published research covers topics such as hybrid work; HR technology market trends; employee experience; and diversity, equity, and inclusion. He is frequently featured in publications such as Forbes, Harvard Business Review, HR Executive, The Wall Street Journal, *and* CLO Magazine. *He is a popular blogger and has more than 800,000 followers on LinkedIn.*

About Nehal Nangia

Nehal is the senior manager for research at The Josh Bersin Company. In this role, Nehal drives empirical research on key workforce-related topics and the development of actionable insights and powerful stories for today's talent executives. Nehal has almost 15 years of professional experience in human capital, with a focus on performance management; employment value proposition; workforce transformation; and diversity, equity, and inclusion (DEI). Prior to joining The Josh Bersin Company, Nehal was a global advisor for clients at Deloitte and published several studies on pertinent topics such as DEI, performance management, and bias. Nehal lives and works in India and has a master's degree in psychology.

About Kathi Enderes, Ph.D.

Kathi is the vice president of research at The Josh Bersin Company; she leads research for all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years of experience in management consulting with IBM, PwC, and EY and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte, where she led many research studies on various topics of HR and talent and frequently spoke at industry conferences. Originally from Austria, Kathi has worked in Vienna, London, and Spain and now lives in San Francisco. Kathi holds a doctoral degree and a master's degree in mathematics from the University of Vienna.