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## Building leadership bench strength at the Financial Services Authority

### Summary

- The Financial Services Authority (FSA) needed to develop leadership behaviours in its senior people and engaged us to design and lead an Executive Development Programme. Through a bespoke evaluation process, we got to understand individual leaders from the inside out. This allowed us to report a comprehensive picture of each person's strengths, potential and areas for development, and create concrete actions plans to help them move forward.
- The programme became a standard part of the FSA's leadership development and contributed to rising employee engagement and satisfaction scores.

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### Developing leadership behaviours in a changing regulatory landscape

In 2007, the FSA faced an unprecedented challenge. It had to deliver an ambitious agenda, to meet the growing and changing expectations of its stakeholders and the financial services market. While the FSA had individuals with outstanding technical capability, it recognised the need to develop leadership behaviours throughout the organisation. It conceived an Executive Development Programme and engaged us to design and lead it.

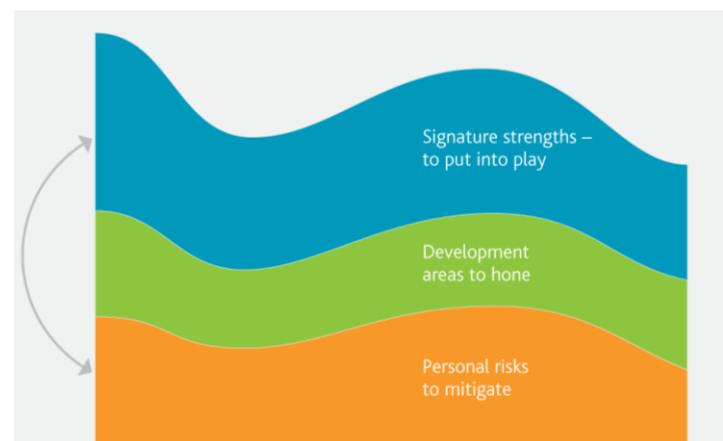
The programme's outset coincided with the financial crisis and the FSA faced a turbulent period. Chief Executive Officer Hector Sants understood the programme's long-term value. Rather than postpone it, he said, "We need this more than ever."

### Our approach

Our remit was to create a clear picture of the FSA's leadership capability today, and its potential for the future. We designed the programme to understand individuals from the inside out, to get a true picture of the person as a leader. We started by evaluating individuals in a way that engaged them with the job in hand and ignited their performance. This involved assessing people against leadership competencies and encouraging their development throughout the process.

The programme combined inputs from 'real-play' exercises, questionnaires, 360-degree feedback, psychometric tests and line manager performance data. The bespoke real-play exercises were particularly well received. They mirrored a range of leadership situations, such as managing people and being an external ambassadorial, and were in keeping with the FSA's organisational context.

Following an intense day of observed practice and real-play, we integrated all the data points to produce a report and formulate a rich, robust and comprehensive picture of strengths, areas for development and future potential for each individual.



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We supported participants in confirming their signature strengths and development areas, and in translating these into concrete action plans, which were submitted to the HR department. We also facilitated a three-way feedback session with each individual and their line manager, to ensure insights from the programme could become business as usual.

Finally, the Executive Committee reviewed individual and aggregate data. This data subsequently informed and was integrated into the FSA's wider talent management process.

In 2007-08, the Chief Executive Officer, all Managing Directors, Directors and Heads of Department went through the programme, which became an annual feature of the FSA's leadership development curriculum. We were involved in the programme until the FSA was disbanded, with all new FSA Directors and Heads of Department going through the programme and approximately 20 to 30 leaders attending annually.

### The outcome

The Executive Committee stipulated that new and existing leaders needed to meet our benchmark to remain in significant people management positions. In addition, analysis we conducted showed that people who performed best during the assessment process had higher employee engagement scores. The exercises, approach and some of the tools used were embedded into the senior leader hiring process, to ensure a joined-up approach across key human capital processes.

Over the first three years of the programme, the FSA saw rising 360-degree feedback scores and, more importantly, rising employee satisfaction and engagement scores, as the results of Executive Development Programme fed through into better and more effective leadership behaviours.

For more information please contact:  
Mike Vessey

**MDV**  
Leadership and talent consultants

[www.mdvconsulting.co](http://www.mdvconsulting.co)

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