

Farm Credit Mid-America

Investing in Leaders. Investing in the Future.

Organization overview

One of the largest agricultural lenders in the United States, Farm Credit Mid-America seeks to secure the future of rural communities and agriculture by providing loans, leases and crop insurance to its customers. Owned by these customers, the lending cooperative has more than 1,150 employees and is headquartered in Louisville, Kentucky and serves Indiana, Ohio, Kentucky and Tennessee with nearly 100 offices across its marketplace. With more than \$21 billion in assets under management, approximately 100,000 farmers, agribusinesses and rural residents turn to Farm Credit Mid-America to receive crucial financial services.

The leadership situation

Farm Credit Mid-America leadership realized about 15 years ago that they were entering a time when several seasoned leaders would begin retiring, and that trend would continue through 2020 and beyond. At that early stage, it built leadership development internally and grew its bench strength enough to withstand the first wave of retirements.

Fast-forward to approximately 2011, and the organization was beginning significant changes in delivery process and technology support, which also would drive people structure changes and leadership philosophy enhancements. Farm Credit Mid-America saw the need for more leaders leading differently. No longer were they doing things the way they had in the past, they were leaping ahead to become what their customers needed in the future. This change required a change in leadership approach. At the same time, there continued to be several expected retirements on the horizon, both in leader positions and throughout the organization. The internal leadership development had served Farm Credit Mid-America well, but it wasn't going to be good enough to carry the organization through the change that was needed.

Seeking to take leadership to the next level, they enhanced the definition of leadership, determined what development was needed for the identified competencies, and set about finding development programs that met the needs of current leaders while building deeper leadership bench strength. Farm Credit Mid-America has long been committed to recruiting bright college students and talented employees already in the workforce, and they have various development and engagement programs in place already. However, they identified a gap in their leadership pipeline, as many of the employees hired for individual contributor roles had little to no leadership experience or skills. These employees needed training and experience in order to fill the gaps as they transitioned into leaders of others.

Farm Credit Mid-America engaged the Oliver Group to provide the Leadership Transition Program (LTP), a program specifically developed to prepare groups of leaders for the next level of responsibility, whether it is training individual contributors to lead others, or training "leaders of others" to become "leaders of leaders."

The concepts and curriculum were developed by the Leadership Pipeline Institute (LPI). Based on the book, *The Leadership Pipeline*, the principals collaborated and formed a partnership with the authors to and develop the LTP program and create the Leadership Pipeline Institute. LTP is the only program officially owned and licensed by the LPI and endorsed by the authors of the book. The program and its principles have been employed globally since 2000 by companies like A.P. Moeller-Maersk and more and more organizations like Farm Credit Mid-America are leveraging it to solve their leadership development needs.

The process

Oliver Group met with Farm Credit Mid-America senior leaders and first determined the attendees of the LTP leadership development programs would be broken into two groups, 93 Leaders of Others and 15 Leaders of Leaders.

The program involved intensive pre-work effort, and in-class role play and collaborative interaction among the leaders. Leveraging real examples from their workplace, the leaders were challenged to first re-examine their work values and develop plans of action they executed upon returning to work.

In the context of LTP, work values refer to those things that are most important for a leader to focus on in the role. Most of the leaders had to make the “work values” distinction between managing and leading. One of the first concepts they learned was that management was about processes and things, where leadership is about relationships and outcomes. This work value was paramount in that it informed the leaders that their primary role was to focus on the success and development of their teams, not just their own work. The most common failing of new leaders is when they do not transition from “doing” to “leading.” Farm Credit Mid-America leaders had been used to doing a lot while leading.

Following the firm grasp of work values, this then allowed the leaders to understand how they would be more effective in spending their time each day. This is where the time application concept was fortified and the leaders realized that the majority of their time needed to be spent on the success and development of their teams. Without that, the competency and capacity of the teams could not grow. The recognition of the need for different work values and time application is not enough. Once those concepts were realized and that training alone does not imbed the behaviors, the leaders benefited from facilitation and role playing to develop the skills necessary to more effectively impact their direct reports and drive different levels of competency and execution among their teams.

The LTP includes a pre-work cycle that includes reading *The Leadership Pipeline* and completing a “line of sight” survey called the Leadership Performance Index to assess the gaps the leaders have against vital leadership competencies. It measures their own self-assessment against the view of their supervising leader and their direct reports. Peers are intentionally omitted to provide an unfettered view of how the leader is influencing and creating results in the direct line of sight of cascaded expectations. Additionally, the leaders meet with their supervising leaders to discuss their results and develop a plan prior to attending the workshop. Then, six months after the workshop, the participants take the survey again to assess their growth.

The results

“Our leaders are more prepared and ready to take action for whatever situations will come Farm Credit Mid-America’s way in the future,” said Bill Johnson, CEO. The organization is confident that they are building a strong pipeline of leaders ready to fill the open positions.

Overall, the retention of the leaders has been strong, along with a recognizable reduction in the number of the leaders’ team members choosing to leave Farm-Credit Mid-America on a voluntary basis. This turnaround has been seen most dramatically among the teams of the trained leaders who attended the LTP program. This demonstrates the positive impact effective leadership can have on lowering turnover and increasing engagement. The retention and application of the skills learned in the program have been reinforced by the peer groups who have already been through the training. There is a significant cultural shift and expectations around what is expected of leaders at Farm Credit Mid-America. As evidenced by the results the organization has shifted from a “doing” culture to an “achieving” culture.

The results of Leaders of Others scores in the following areas all improved only 6 months after the LTP course, in all competencies, including setting objectives and prioritizing tasks, delegation and follow-up, coaching and developing direct reports, assessing and improving performance and selecting team members to build the team.

Investing in the future, continued

Since LTP was launched at Farm Credit Mid-America, the organization has been able to invest significantly in employees and the organization, while at the same time enhancing operating efficiency. Today, Farm Credit Mid-America is able to insure more than 2 million crop acres across 4 states, and not only does the organization invest in emerging employees, it invests in emerging farmers. FCMA serves more than 60,000 young and beginning farmers, and over 25% of its customers were 35 or younger when they made their first loan. More than half of its customers have farmed less than 10 years. Furthermore, Farm Credit Mid-America invests \$2 million annually toward community giving projects and \$100,000 in scholarships across their 4 states. Given the expanse and diversity of their customer base, Farm Credit continues to invest in LTP to ensure their ongoing growth and success.