



Shaping the future

The Dublin Airport Authority's infrastructure upgrades provided the ideal opportunity to review its leadership programme, write Terri Morrissey and Richard Plenty.

Over recent years, airports have become large and complex businesses, making increasing demands on the people who run them.

Operating a large airport nowadays is like running a mini city and requires oversight and leadership of a wide range of activities and specialist areas. This includes facilities design, construction and operation, property management, car parks management, state-of-the-art retail facilities, emergency services, investment and funding – as well as managing public relations and the media. At the same time it is taken for granted that the core operations activity is managed efficiently and effectively – a massive challenge in its own right.

Added to that is the fact that passenger numbers are growing at a phenomenal rate. Between 1960 and 1999 airports around the world handled an average increase of 9% per annum in air passenger numbers. If current trends continue, international traffic will double again in the next 20 years. Building the new capacity and modern facilities required to cope with that growth – and getting that into operation whilst continuing to operate effectively and without disruption – represents a major challenge.

As airports continue to grow rapidly in terms of numbers, size, complexity and strategic importance, the demands on airport management are increasing in parallel. New facilities need a corresponding upgrade in the quality of the organisations that run them.

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To do this requires a focused and systematic approach and an investment in the organisation as well as physical infrastructure.

The Dublin Airport Authority (DAA) provides a good example of a systematic effort to upgrade the quality of airport organisation, leadership and management as it is responsible for one of the biggest and most exciting infrastructure projects in Ireland – an ambitious €2 billion plan to transform Dublin Airport with a new terminal and runway.

The newly appointed CEO, Declan Collier, realised at the outset that such a large capital investment required a planned programme

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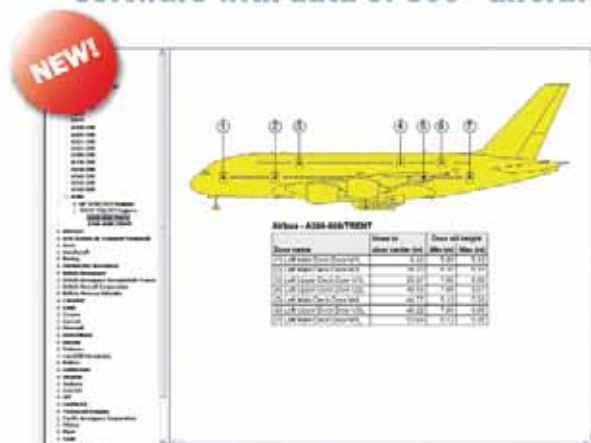
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Change is rarely a smooth process and sometimes it feels like things are actually going backwards

to build the organisational capability to implement the necessary changes and prepare people for operating in a more sophisticated and demanding environment. Called 'Shaping the Future', the programme has been driven from the top by the chief executive and the executive team, supported by the HR director, Damian Lenagh, and his staff with external support from This Is, an organisation and leadership development consultancy.

The process started in mid-2005, before planning permission had been granted for the new terminal and well before any building had taken place. It included the appointment of Collier and a strengthening of the executive team. They then met to develop their Vision, Mission and Values (VMV) for the changing organisation. This involved considerable 'soul searching' and emerged after detailed and sometimes difficult conversations about business priorities, and what was most important in achieving DAA strategic objectives.

The next wave of change started in January 2006 and was designed to establish a critical mass of leaders aligned around the company's strategic direction. An investment was made to ensure that the top 100 senior managers were well connected to the business. A series of off-site quarterly 'management cadre' full day workshops was launched in February 2006, which provided the opportunity to articulate strategic direction and business priorities, build a leadership community, learn about leadership issues, and network. These leadership events have been supplemented by calendared quarterly communication briefings run by the chief executive for all staff.

Performance management systems were also used to ensure a good 'line of sight' between individual and corporate objectives. A DAA balanced scorecard was designed and introduced, translating the VMV and DAA's strategic objectives into understandable activities, objectives and targets. The performance management system was revamped to ensure that individual objectives were aligned with the DAA scorecard and reward and recognition systems were linked with reinforcing performance and values.

All through the process, getting the right people into the right jobs has been a top priority. The organisation's structure was reviewed to identify gaps, areas of unclear accountability and new requirements. A number of structural changes have been made and a process is now in place for ongoing strategic review of key positions. In addition, systematic talent reviews have been initiated for identifying high potential individuals throughout the organisation, developing career plans for key people to ensure they were placed in the most important jobs and assessing requirements for external recruitment.

One consequence of this is that graduate recruitment, mentoring and development have been revitalised.

As the change programme has progressed, the need for a structured approach to leadership assessment and development has become apparent. People want to know what they need to do to progress and develop their careers. A set of seven leadership competencies has been designed which reflect the challenges of modern airport leadership – for example the need for strategic thinking, stakeholder and relationship management and taking personal leadership – as well as more traditional people management skills. A major focus at present is on providing targeted leadership development and training opportunities for all senior and middle managers in line with the leadership competencies and requirements of the business.

In any change programme it's essential to monitor progress. Since the programme started, the organisation has consistently delivered on its business objectives including the delivery on time and on budget of the first stages of physical infrastructure.

Organisational change is monitored using the organisation diagnostic survey tool, the Verax Organisation Transition Inventory (OTI), which not only tracks change but benchmarks against other organisations. There is a consistent pattern of improvement in the scores over three years of measurement with an overall improvement of 26% relative to benchmarks.

The DAA experience reinforces the truism that organisation and leadership development does not happen overnight. It requires a planned programme of intervention, leadership from the top, the commitment of people in leadership roles to stick with it – and sometimes help from the outside. There is always an element of 'work in progress' – change is rarely a smooth process and sometimes it feels like things are actually going backwards. Persistence and patience are required. It is all too easy sometimes to throw your hands in the air and give up. But, when you see how much difference can be made, the prize is worth it.

At present DAA is building a home grown team of internal change agents who will work across the entire organisation. Their role will be to extend key elements of the development programme to all levels. The HR team believe that building internal capability and talent is key and are working across the organisation to strengthen leadership capacity.

The DAA experience demonstrates how an investment in upgrading organisation and leadership capability has been made at the same time as an investment in upgrading the physical infrastructure. Given the management and leadership challenges facing the sector as a whole as airports increase in numbers, size and complexity, it is likely that other airports will need to revitalise their leadership along with their infrastructure. As Collier says: "Transforming the airport means transforming the infrastructure, transforming the organisation and transforming the leadership."

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About the authors

Terri Morrissey and Dr Richard Plenty are directors of This Is, an organisation and leadership development consultancy which focuses on vision, strategy and culture. They have been working with the DAA since mid-2005.