

ACE HARDWARE: *Assess for Success*

AS WITH MANY ENTERPRISES, ACE HARDWARE HAS DEALT WITH CHALLENGES OF REORGANIZATION FOR THE PURPOSE OF ADAPTING TO CHANGING BUSINESS CLIMATES. RECENTLY, THE COMPANY CONVERTED ITS 160 RETAIL BUSINESS MANAGERS — A CRITICAL POSITION WITHIN ITS OPERATIONAL ARRANGEMENT — TO “FIELD MANAGERS.”

This transformation went far beyond simply renaming the job role, though. In fact, Ace completely changed the role from reactive problem solvers to proactive consultants.

The first step in this transition was to systematically analyze the skills of current and potential field managers, then compare those with the proficiencies people in this position should possess. Following that, the assessment system matched up participants with development programs and tools that would help them improve their comprehension of requisite knowledge they didn't have. In the first run of the program, Ace evaluated 300 candidates in eight weeks.

Ray Narducy, manager of organizational development, discussed the launch and outcomes of this initiative with *Talent Management* magazine.

TM: What is your role at Ace Hardware?

Narducy: My job is to help people work better together. That works on many different levels — I can work with individuals, teams or the entire organization. We're trying to make our company viable for beyond the next 10 years. We're trying to gain alignment with our retail (locations) because we're a cooperative, not a franchise. Part of the challenge is getting the retailers, who are entrepreneurs, aligned with the corporate direction. And part of that was getting our field people, who deal with the retailers, lined up to support that change initiative.

TM: A lot of what you've been working on lately is assessment of proficiencies. What specific needs did Ace have regarding skill sets? What did you determine you needed to gauge in your workforce?

Narducy: For some time, our field people were called “retail business managers,” and they were really geared toward solving the problems of the retailers. Most recently, because we're moving toward getting our retailers better aligned, we changed the title to “district manager” (DM). That title indicates we want more of a consultative approach, and that they

should be consultants rather than problem solvers for the retailers. Thus, the skills have changed dramatically.

Part of this move meant that we took a couple of things off of their plates. At certain times, they were responsible for some of the projects that retailers were working with and also new-store development. We broke both of those off into separate categories for other employees. There are now district managers, project managers and marketing development managers. It was, in many ways, a refocusing of the DM position, particularly in terms of retail execution and inventory management, the two key areas that we want our retailers to be aligned with.

TM: How did you determine that assessments might help drive your growth strategy?

Narducy: Asking people to shift their focus from problem solving to becoming a consultant is easier said than done. We thought it would be fair to say, “Let's find out where you're at. We'll do an assessment that tells you your skill levels, potential and personal characteristics, and from that, let's have a development plan to help move you from where you're at today to that consultative role we want you to be



in.” Rather than just flip a switch and say, “OK, now you’re consultants,” we thought we’d give them information about themselves, and then they would work toward that new role.

It’s clearly a question of support and — I believe — fairness. You can’t ask people to do something when they don’t know where they’re at and where they need to go.

TM: What factors led you to settle on the solution you did?

Narducy: The (Vangent) LH-STEP can be used with four different kinds of functional areas. Sales is one of them, along with technical, professional and line functions. We felt the information we could get from those would be beneficial to us. The modifications we made were slight because the standard questions were really geared toward sales, and we wanted them to reflect this more consultative approach.

One of the things I said to the district managers when we handed out the results was, “This is a size 12 shoe, and while many of us can fit in a size 12 shoe, it might not work as well for someone who is a size 9 or 10.” But we get enough solid information from that, so it’s beneficial for us.

Part of the solution that we incorporated was the individual development plan. Given the results of the assessment, employees could find out the areas where they were strong, and where they needed to improve. With the areas they need to improve on, the system then suggests developmental opportunities.

Ace University provides a number of those opportunities with training materials such as books, CDs and videos. We also have a computer-based training option. Pearson (now Vangent) went in, looked at all these opportunities and hooked them up to some of its processes. So, when an employee clicks on his or her individual development plan, he or she can see that this book or that CD may be able to help in a certain area. The results are directly linked to our developmental opportunities.

TM: What was the significance of being able to assess and analyze individuals in district manager roles?

Narducy: We felt that by doing the assessments, we were telling the district managers, “This is a new Ace.” We’ve never done anything like this before. Because it’s focused on development, we felt that it would be supportive of the change in that role. That’s not to say it wasn’t potentially harmful either. Anytime a company goes through a change of any sort, imme-

diately the employees' job security comes to the forefront. We try to safeguard the fact that this is a developmental process.

The fact that we could get all this done in eight weeks was a godsend because we were looking to make this change rapidly. We're in retail, so we have to move along fast. Because we could get the assessment out to employees very quickly, that meant their concerns would be alleviated. They would have the results right in front of them and realize what all this was about and how they would apply it. As we gave them the results, we emphasized that this was a development process, not a weeding-out process. Thus, the speed was very beneficial to us.

We didn't do assessments in the past. We obviously had performance reviews but nothing standardized and implemented nationally.

TM: What sticks out in your mind as an indicator of the program's success?

Narducy: For the most part, the assessment was agreed upon. There might be some differences of opinion. For instance, we'd have people with a finance background whose finance results didn't come out as high as they would've liked. But for the most part, people accepted it. They'd say, "Yeah, that's me."

Managers really liked it because it gave them a concrete tool with which to talk about development — it wasn't just their impressions or something intangible. It offers people a ranking against the national norm in terms of potential and skill level. Then, it will tell them their strongest traits. Then, because of our job analysis, it compares those specific skills and how they relate to what we think the main district manager skills are.

I think people really respond to that. If we had just done a skills assessment or potential assessment, it wouldn't have had the same effect.

TM: What is the impact of having prescriptive learning based on these assessments?

Narducy: I think it's an indication to the district managers that things have changed. Frankly, we could have done a lot more training for this assessment, but there are a wide range of reasons why we didn't do that. This assessment gave us an opportunity to focus our training efforts. We just had a convention in Las Vegas where we brought the district managers in and gave them more training around their new role. Some of that training was heavily influenced by the results we got from the assessments. In a number of ways, this reinforced to our employees that this change initiative is happening, and we want them to be a part of it.

We believe that by doing all this, we're going to help our employees be successful. And if they're successful, then our change initiative will be successful. **TM**