Leadership Development: The Secret to Success at Macy’s

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One of the most iconic of department store brands, Macy’s is constantly evolving to meet changing customer demands. Since its inception in 1858, one thing continues to hold true: leadership plays a critical role in current and future success. With a history marked by successful joint ventures and acquisitions, Macy’s executive management team has maintained a keen focus on effectively integrating and unifying the company’s leadership to ultimately drive the company forward and strengthen performance.

To maintain its reputation as a premier fashion goods retailer in today’s competitive market, the company continues to make an investment in leadership development, understanding that effective leaders execute better and deliver more powerful business results.

Expanding Its Commitment to Leadership Development

As part of its commitment to great leaders, Macy’s established the Leadership Institute, an award-winning “corporate university” targeting its top 2,000 executives. The institute has been highly successful in honing the skills of these senior executives. Challenged to adapt to changing customer needs, the Macy’s Leadership Institute collaborated with several partners including BTS, a leading strategy implementation firm – and partner since 2002 – to offer a learning initiative called Leadership Choice (LC).

To deliver maximum relevance, BTS consultants worked closely with the Macy’s executive team to create a custom experiential learning program aligned to and reflective of the business and key strategic priorities. Over the course of the four-day, high-impact, business simulation-based program, Macy’s employees were given the opportunity to step outside of their traditional roles, collaborate in small teams, and hone fundamental business acumen and leadership skills. The simulation was highly integrated with the rest of the content – bringing the leadership skills to life and allowing participants to immediately practice those skills. Through valuable first-hand experience, Macy’s senior leaders built the critical business acumen and leadership capabilities required to increase employee engagement, maximize productivity and accelerate results.
In the end, the customized initiative empowered participating employees to grow the business and drive the company’s long-term sustainable success. Leadership Choice runs four to five times a year, and one hundred and twenty-five Macy’s employees experience the leadership simulation annually in addition to other content that is delivered by both internal and external facilitators.

**Powerful Results Strengthen Leadership and Ensure Long-Term Success**

The results have been powerful and confirm that Leadership Choice has had a profound impact on Macy’s leadership and business goals. A survey conducted after one of the programs indicated that behavior changes resulted in revenue enhancements, productivity improvements, cost reductions and executive retention. Conservatively, the survey evaluators estimated the benefit obtained from the participants to be in the millions – a 3-5x return on investment within six months.

Sample survey results:

- **96 percent of employees learned something new, have used it in their work and are seeing or fully expect to see results.** One participant noted, "I have used what I learned in LC to help several of my assistant store managers make dramatic improvements in their leadership. We now have a highly productive, motivating leadership team."

- **60-90 percent of survey respondents are using all or some of the targeted Leadership Choice behaviors with many of those producing positive results.** "The simulation showed me how dangerous it was to not leverage the expertise of my Macy’s colleagues. I approach decisions much more carefully, making sure I have gotten maximum input from other key stakeholders before acting. I have seen the effectiveness of my decisions go up. LC and the simulation really helped me do this."

- **Executive turnover reduced** with an employee commenting, “I was not sure if Macy’s was the right fit for me when the acquisition occurred. However, I have discovered that Macy’s orientation to people development, empowering managers with clear accountability, and then investing in people through programs like LC has turned my skepticism into positive anticipation. I am in this for the long haul.”

Companies like Macy’s that embrace leadership development as a strategic differentiator are better positioned for long-term success. Macy’s secret to success? Understanding that leadership development expands the capacity of individuals to perform in their roles and constantly evolves to facilitate the execution of a company strategy through building alignment, winning mindshare and growing the capabilities of others.

**About BTS**

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we’ve been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It’s strategy made personal.

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