

Musings from



Musings from Gate 44 is a series of papers written from one of the most sacred reflective places in a consultant's life – the airport. As we depart our client's cities, we are often decompressing, celebrating, venting, strategizing and reflecting on behalf of those we serve. We're inviting you into our private thoughts about...you. "You" means those of you leading complex organizations trying to grow, change, improve and compete. These "musings" are stimulated by patterns we see over and over again as we work. Our hope is that letting you into our inner thoughts will help you grapple with the issues that frustrate your noblest aspirations and thwart what you seek to achieve. (We hope we'll also have a chance to laugh gently together at some of the silly things organizations can do.)

Leadership Development Machines Run Amuck

By Ron A. Carucci

Damn – no upgrade again! I don't know about you, but I find airline travel is hard enough if you do it a lot. Sitting in a middle seat at the back of a full flight is an added pleasure akin to a root canal without Novocain. The one solace we ought to be able to look forward to is getting the upgrades that being a loyal frequent flyer supposedly earns.

Today while waiting at Gate 44, I thought about a pretty scary conversation I'd just had with one of my clients. She was frustrated that her organization spends millions of dollars every year on "leadership development," yet seems to have no measurable increase in the number of leaders ready for greater responsibility. She had just been asked to speak at her organization's "high potential leader's forum" and she said she was "amazed at how many of them didn't know why they were in the room." She told me she felt the forum was a waste of time, pointing out that "nobody knew what they were collectively supposed to be thinking about on behalf of the organization." I couldn't dismiss her comments as cynicism – I've heard this complaint

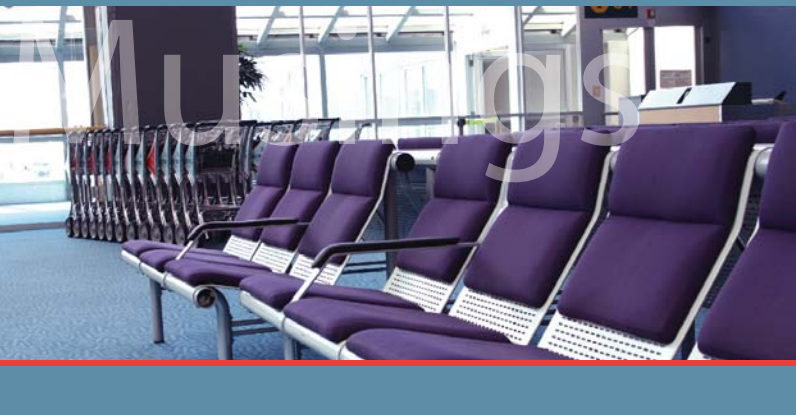
from clients too many times before. So here's our take on how an organization can maximize the investments it makes in growing its leadership capacity as a competitive resource.

Ask yourself this question:

Can you easily identify those leaders in your organization who are the "good" leaders? The ones that stand out consistently on results, the ones people are clamoring to work with and for, the ones who have the insightful ideas and also champion the agendas of others? Inevitably, you can. So moving past the cliché of asking if leaders are born or made, (it's both), how do organizations identify the key leadership capabilities necessary to drive their strategies? And once they know what they need, how do they create the necessary mechanisms that help them effectively replicate those capabilities throughout the enterprise? The first step in answering these questions is to understand how some of the ideas meant to promote leadership development inadvertently undermine the very leadership capacity they seek to build.

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Unintended barriers undermining leadership development

Developing Leaders vs. Leadership

There is no doubt that organizations take leadership development seriously. Just look at what they spend. Training interventions for organizations is a \$51 billion dollar a year business and more than \$14 billion of that is specifically earmarked for “leadership” (Dolezalek, 2005). A recent survey found that 75% of organizations with 10,000 or more employees spend in excess of \$7,500 per employee on leadership development annually and even smaller firms of less than 500 spend about \$6000 per employee (Delahoussaye, 2001). The same study found that 21% of the 639 companies surveyed mandated participation in leadership development initiatives.

The results of this expenditure and participation are a lot less impressive. My client’s frustration was echoed by an article in a major HR magazine that said “. . . while leading-edge companies today such as PepsiCo, IBM, and Johnson and Johnson spend significant time and resources on leadership development, attempts to quantify its benefits precisely have remained elusive and have led some to speculate that investment in developing better leaders may be falling short of the desired impact.” Want some hard numbers on what “falling short of desired impact” translates into? Research shows that only 10-20% of all education in the work place ever gets translated back to the job (Russell and Rei, 2006). My client may be cynical, but she is definitely not imagining things.

So why is so much time and money spend on building leadership muscle yielding so little? The first clue is in the question itself. Most organizations, whether intentionally or not, have invested excessive resources in building stronger *leaders*, which is a very different

goal than building stronger *leadership capacity*. The former focuses on *individuals*, and most of the devices meant to develop *leaders* are behavioral interventions aimed at helping individuals think about their own behavior, how others experience their behavior, how they can improve their shortcomings, and how to limit the negative consequences of their personality flaws. What’s the common denominator in behavioral approaches? “Me.” The unit of analysis has been reduced to the individual, perpetuating the faulty notion that leadership is an individual act, and reinforcing the very self-involvement which has become a resented trait for too many leaders. You might as well have leaders go ahead and roam the halls of the company singing out loud the private song already playing in their heads, “*It’s all about me!*”

Numerous multi-rater feedback devices are designed to collect information about how others experience leaders – how they “feel about their leader.” So the *de facto* question leaders are often forced into wrestling with is, “What adjustments do I need to make so my behavior is more helpful – or at least less irritating – to others?” Now, self-awareness of the impact one has on others is a key leadership capability, and many leaders lack it. But the subsequent question that often fails to get asked is, “changing my behavior to be less irritating or more helpful....in the service of what?” Is less irritation or more help (which often means more “liked”) really the goal? The question leaves out a critical component of leadership development: context. This takes me to the next barrier.

Leadership Development Devoid of Context

Organizations exist, operate, compete and grow in a context of some sort. They exist in industry sectors, geographies, neighborhoods, supply chains, customer segments, global discontinuities, socio-economic realities, regulatory environments, social responsibility and sustainability conditions, and publicly traded shareholder arenas. Any one of those realities has the capability to shape very significant behaviors on the part of leaders. Combined, they can easily conspire to shape massively distorted, even competing behaviors that serve to impair the performance of the organization. Companies a year into a post-merger integration experience provide an extreme but useful example, since you can see legacy contexts fueling competing behaviors. You can also see the cost of letting this go unaddressed in an integration when you recall that well over half of all merged companies fail to generate the return that the pre-merger companies did. The market environment is sufficiently volatile these days so that even relatively stable companies are at risk from performance impairing behaviors.



Despite these very real and imposing forces, most leadership development activity takes place in a distant parallel universe. You've probably been to a week-long workshop with leaders and trainers presenting leadership content. Maybe you'll get a case study to make it experiential. This doesn't really put you in the context of your company's business. Even if you add some 360-degree feedback, you're still dealing with data collected based on people's preferences or on competency models designed outside a deep understanding of these realities, and executive coaches whose focus, once again, is all too often on the leader's behavior and other's perception of it. There are additional factors that compound the contextual distance between "workshop" style learning and what people genuinely need. One example is the natural distance between learning *in situ* as opposed to in a classroom. Learning that takes place outside of the work environment runs the risk of feeling disconnected and if the learning is not concurrent with an actual change in the workplace, very little is retained. Another example is the reality of global barriers to understanding. I was a guest at a recent program which included a number of Latin American and European attendees. Their business English was so good that I did not think twice about using colloquialisms. It became apparent in discussion, however, that a number of simple phrases – "side bar," "call out" and even the word "design" – simply did not convey the intended meaning to these attendees.

The irony is that organizations are aware on one level that lack of context in leadership programs is a hindrance. I've heard some horror stories from my client's own mouths that illustrate the point. In one organization, a professor from an Ivy League business school came to a savvy media company audience and described a leadership model that did not resonate with participants. The session module became very stilted and forced and ranked the lowest on participant evaluation of the program overall. In another organization, a general business case study fell flat in a technology company, because participants felt the organizational structure and culture of the case company was so unlike their own that they could not relate. In one example, a client was going to hire the author of a recent management book to come in and manage the implementation of a new performance rating system. Though the client loved the book and the models in it, they were turned off when they met the author by a triple whammy: he had a list of criteria to apply that the company felt did not measure them accurately given who they were, he wanted to take nine months and he wanted to charge \$100,000 per month. They decided, "Wrong context, takes too long, costs too much. Honestly, we've read his book. Let's do it ourselves." All of these organizations were aware that context was an issue – but even the "do it yourselfers" wound up needing a lot more than just knowing a particular module wouldn't work. Having the right context is only the beginning.

Content at the Expense of Experience

It's stunning to me that in the 21st century, organizations are still "delivering leadership training" to all levels of their organizations. Guest lecturers from local universities, department heads or business unit presidents, and even the CEO (who often appears on a video screen when time doesn't allow a live performance) crowd management development agendas, sometimes followed by break-out discussion groups. Let's assume that what they're talking about is firmly in the right context for the organization and is even about leadership rather than leaders. We're still not there for a simple reason: Leadership isn't something you can learn by talking. It's something you learn by *doing*. Despite piles of insights accumulated over the years about adult learning, organizations are still defaulting to "teaching" leadership, either delivered by consultants, internal trainers or line leaders.

Now of course having the involvement of key line executives in the development of leadership talent is a terrific idea. But there are more productive ways of leveraging their insights, experiences and knowledge in developing others than just having them stand in front of the room with PowerPoint slides quoting their favorite leadership gurus. I recently worked with a client who was firmly committed to the notion that people learned most effectively from best practice case studies. He was tasked with implementing a new go-to-market model globally, so he developed a three day program crammed with case studies for the marketing teams across all the company's geographies. After the first of what was to be a series of seven programs in different regions, he called me in a panic. The meeting had gone spectacularly badly. Participants had trouble staying focused and though people agreed that the content was correct, they had no way to assimilate it or apply it. I spent a long weekend working with him and together we reworked his whole approach so participants were able to discuss the content, bring their own experiences into the room and work together to solve some real-world challenges facing the company. The difference between the first and second sessions



was night and day – because participants were able to grapple with leadership issues and bring themselves into the mix. Both sessions dealt with exactly the same content – we used the same cases, but we got very different results.

Militant Programmatic Interventions

Like any initiative in an organization, leadership development programs can take on a life and momentum of their own. Once the programs are built out, staffed, funded and plotted on the calendar for the next 18 months, you can find yourself with a leadership development “organizational machinery” that is blindly followed without thought to real value. Symptoms of this problem include mindless devotion to processes, forced job rotations, succession slates, filling out the forms, forced mentoring assignments, etc. One of my clients a few years back was concerned about a high failure rate among the leaders two levels down from the senior team. The client described this to me as an “onboarding” problem – they believed that their recently promoted leaders needed more tools to succeed, though they weren’t sure exactly what tools to deploy, as the failure rate remained high. As I looked into their process for leadership development, I uncovered a ruthless system of forced promotion – the notion that someone could be comfortable in a job they excelled at was not acceptable. Everyone *had* to move up on a predetermined schedule. This ingrained process had become quite destructive, yet it took a lot to get the client to concede the point. Abandoning this particular rigidity went a long way to solving the client’s problem. *[Reducing the number of militant programmatic interventions is surprisingly difficult to do, but it is a vital part of managing your organization effectively – especially if you have a lot of these initiatives in play. My colleague Ulrich Nettesheim deals with reducing large numbers of low value-yield initiatives in his “Musing From Gate 44” entitled “Priorititis.”]*

Fragmented Parts Undermining the Whole

Leadership development is facilitated through many types of interventions, and though it may be “owned” by a central group in HR, ultimately it should be the role of leaders in the organization to develop leadership capacity. And yet the centralized function often has defaulted to two or three “favorite” devices – the company’s 360, a succession planning process, and an annual Global Leader’s Summit hosted by the CEO are typical examples. You need to consider what holistic portfolio of leadership development activities would be ideal for your particular organization’s context, and how to embed these devices deeply into the fabric of the organization, *facilitated* (not driven) by a centralized team, usually in HR. There is no off-the-shelf package that will do this for you – it depends on your particular organization. So where do you begin?

Rites of Passage: Building Your Organization’s Leadership Capacity in Context

Develop Leadership as a Collective Capacity

Leadership is a collective capacity in an organization – it is an asset that doesn’t always come in the form of potent individuals. The “leadership quotient” of an organization is measured more in the strength of the relationships among leaders, and more in the collective sense of understanding and ownership of the enterprise agenda garnered among those leaders.

Build your leadership development initiatives around cohorts of leaders, or organizational segments of leaders around market, product, business line, or geographic boundaries – follow the natural groupings in which you most need them to accomplish the execution of a given aspect of strategy. Enable cohorts to identify their leadership as part of a greater capacity to advance the organization. Do whatever is necessary to diminish their beliefs that their leadership only matters to those who report to them.

When identifying needed leadership capability, link leadership requirements to strategic aspirations, and be precise in the connection between how a collective leadership capacity will be a driver of a stated strategic objective.



Use Strategy Execution and Organization Re-design as Leadership Development

Leadership development is often positioned as preparation for major initiatives such as merger integration, organization redesign, new strategy development, big implementation plans or other major discontinuities. Flip this around: use major change initiatives as ways to develop leadership capacity. The broad enterprise views and ideas that emerge from this kind of work can be leveraged as leadership development if you design the initiatives accordingly. Build in learning processes to the initiative that provoke those engaged to reflect on their own leadership and the implications the change they are helping design will have on how they help lead the organization. When leaders participate in architecting a new aspect of the organization or its strategy, they inherently have to change the way they think and perceive their context in order to be effective in the work at hand. But unless they are specifically enabled to do so, the opportunity to shape new leadership behavior may get left on the table.

Aim Leadership Development at “Doing” Instead of Just “Knowing”

I’ve already talked about how ineffective it is to invest colossal amounts of money on workshops where somebody lectures at people for days on end about principles of leadership. Make this your mantra: talking about leadership has very little to do with learning leadership. Leading is a “doing” thing far more than it is a “knowing” thing. Engage cohorts of leaders in the active work of advancing strategy and performance and use those experiences as devices to strengthen leadership capacity. Move away from didactic leadership training that continues to reinforce leaders thinking primarily about themselves devoid of the context in which they are leading.

Leverage the Natural Traffic Patterns of the Organization

Your organization is a dynamic system that has a culture and personality unique to your context, your industry, your DNA. There are patterns of how people interact, how “things get done.” If you know your ecosystem and the interacting parts, you have a leverageable asset for developing leaders. Using the natural traffic patterns of how leaders get their jobs done becomes a natural device for developing them *in situ* rather

than disconnected from each other and their context. Uncover the natural groups of leaders and learn why certain formations have developed. You may also discover that certain patterns of leadership are actually undermining overall enterprise performance and you can then intervene in real time by helping leaders modify their choices. An example of this is a habitual morning coffee at one of the offices I’ve worked in. Three leaders would gather regularly around their morning coffee and talk. This was the very definition of informal – the three were there simply because they all liked coffee at that particular time early in the morning and were usually in the office. Naturally, they would end up talking about the business and they eventually made a key decision at one point. The problem is, one of the key players who should have been in on this decision was not part of this traffic pattern. The other three realized this when they ran into a road block. Their simple solution was to let the additional player know their coffee routine and include him.

Mix Experiential Learning with Work on Real Strategic Issues

The best leadership development experiences are just that – experiences. Sometimes it becomes necessary, for the purposes of isolating certain behavioral and relational patterns that need to be modified, to create a “metaphor” in which leaders can “lead,” but still focus more on leadership than tasks – more on context vs. content. We make great use of simulations, constructing “real” organizations with “real” issues in which leaders can be immersed and free to lead. While the simulations are “fictitious,” they are “real” in the sense that the stakes are high, there are real consequences for their actions, and leaders’ natural instincts are surfaced, even amplified. This creates a safe laboratory for leaders to examine what does and doesn’t work about their leadership, and also a laboratory for them to consider different choices in a “simulated” and safe environment, while still working with their colleagues. Then you can have them work on strategic challenges in their own organizations that they must address with a broader array of behavioral and relational choices to select from as they attempt to influence the organization’s performance.



Accelerate Feedback Loops to Both Individuals and the Organization

Real time data is essential for leaders in order for them to make course corrections, to self correct and to accelerate performance. The shorter the timeline between leaders learning about their leadership choices and the organization learning about its collective leadership choices, the quicker performance gains can be garnered. Build in feedback loops that don't require cumbersome 360 processes that take weeks. Use just-in-time meeting processes that surface feedback on initiatives, strategies, unresolved issues, and attempts to employ new leadership behavior that allow leaders to make just-in-time adjustments. Well facilitated focus groups, fast-cycle interview processes, and even brief online survey tools, used effectively, can create feedback loops that strengthen relationships between leaders and encourage the kinds of relationships in which helpful feedback is exchanged routinely and applied confidently.

We're about to board at Gate 44, so I have to shut down my laptop. I hope I've given you some things to think about as you grapple with leadership development.

At the very least, stop before you sign on for another costly program and ask yourself what you're getting and if it will really help you and your organization get where you need to be.

If you want to hear more, drop me a line at ron@passagesconsulting.com

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Notes



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