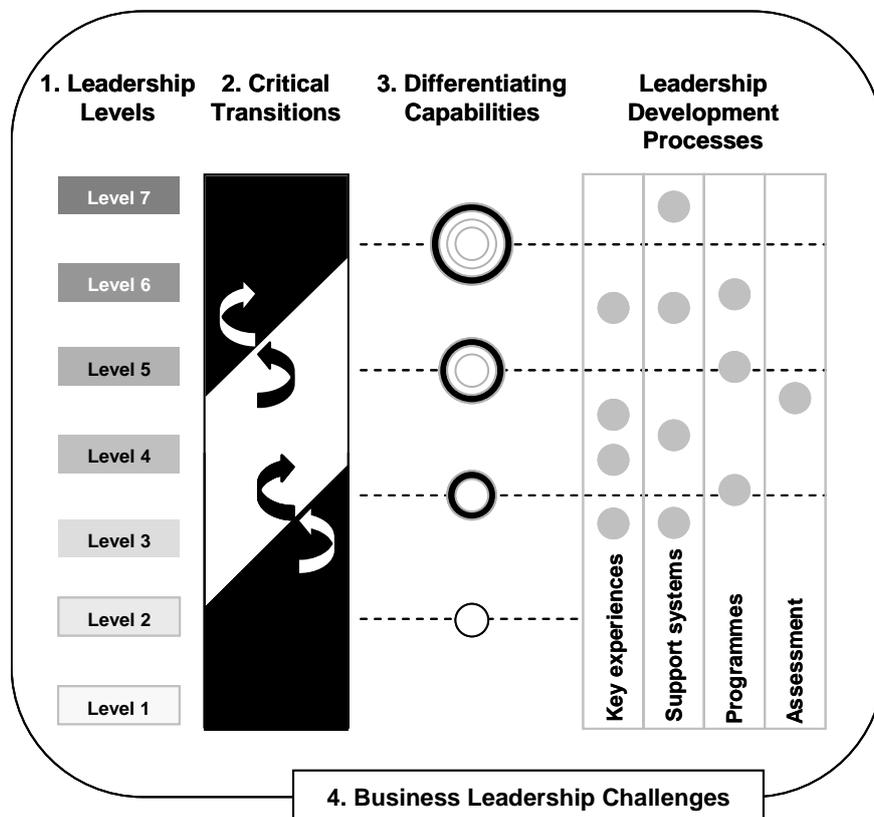


A Blueprint for Leadership Development

Annually millions of pounds are spent on leadership training and coaching but the results are disappointing: there is little sustained impact on leadership practice or preparedness. Effective leadership development needs a strategy, a structure, an applied theory of development, and the right tools for the job. I propose a framework for developing an organisation's leadership capacity which integrates some of the best recent thinking on leadership development, talent management and organisational development and focuses energy and investment on interventions that will make a real difference to long-term leadership performance.

Integrated Framework for Leadership Development



The framework points to four strategic leadership development interventions:

1. Structure existing jobs and accountabilities to give leaders the space and permission to lead and hold them responsible for leadership outcomes.
2. Define your organisation's crucial leadership groups and transition points and the vital capabilities needed to succeed at the next level.

3. Pinpoint your organisation's distinctive leadership challenges – and align capacity building with organizational change and improvement. What is an appropriate leadership approach in one organization will not necessarily work elsewhere.
4. Rigorously evaluate each leader's capacity for leadership and, within the context of points 1-3, match this with appropriate developmental opportunities on a case-by-case basis (leaders are not all the same!)

This paper describes the four components of the framework and the sources from which they originate (next) and then suggests some practical ways to apply them.

1. **Leadership Levels.** Until recently organisational redesign was viewed as a way of improving performance (or reducing cost) not as a platform for leadership development. According to Elliot Jacques¹, natural boundaries exist between managerial layers based on the complexity of the work and levels of accountability. Essentially a manager at a given level makes decisions which cannot be made by subordinates. Over time organisations have allowed too many layers to form which stifle initiative and growth. Smart delayering reduces 'compression' between layers of management and so increases individual decision making authority and gives more space for leaders to lead. For Jacques structure is more important than personality in developing leadership.
2. **Critical Transitions.** Charan, Noel and Drotter² point to the presence of six major turns or passages in leadership. These are the passages from managing self to managing others, from managing others to managing managers, from managing managers to being a functional manager, from functional manager to business manager, from business manager to group manager, and the final passage to enterprise manager. The writers say that successful passages are marked by the need to acquire new skills, values and time perspectives. Healthy organisations fill their leadership pipeline with sufficient numbers of leaders at all levels so there are plenty of good candidates to fill new and vacant roles at higher levels. Organisations naturally focus on their own critical groups, passages and transitions – for example, Heads of Department in Universities, General Managers in Energy companies, or Partners in Professional Services Firms.
3. **Business Leadership Challenges.** Based on their history and evolution Bob Terry³ says that organisations exist in one of seven zones. In zone 2, for example, the leadership challenge is the efficient performance of the organisation: having the right people, doing the right jobs, with the right skills, to the right objectives, in the right location, at the right cost. When the machine is working efficiently the leadership challenge enters zone 3, initially to join the separate skills and resources into complex structures and systems. Methodologies like GE's Six Sigma emerge from this zone's penchant for effectiveness, knowledge sharing and systems integration. In zone 4 leadership wrestles with the best way to get everyone engaged and committed. As the organisation evolves so does the leadership challenge.

¹ Elliott Jacques (1998) *Requisite Organization*

² Ram Charan, Stephen Drotter, James Noel (2001) *The Leadership Pipeline*

³ Robert Terry (2001) *Seven Zones for Leadership*

4. **Differentiating Capabilities.** Bill Torbert and David Rooke⁴ say that as individuals grow they develop more sophisticated ways of understanding the world and using their personal power to influence it. These 'action logics' unfold in a series of stages: from opportunist to diplomat to expert to achiever (conventional stages) and from individualist to strategist to alchemist (post conventional stages). Leaders at the higher stages are more able to generate transformational change and to cope with the complex decision-making and influencing required of, for example, general management or enterprise leadership roles. Torbert and Rooke suggest that only about 15% of leaders operate from the higher action logic stages (Individualist, Strategist and Alchemist) and individuals continue to be promoted on the strength of their conventional leadership expertise and achievements. The good news, though, is that 'leaders can transform from one action logic to another' by exposure to challenging experiences and assignments, or by development processes which encourage feedback, reflection and self insight.

Advancing Leadership Development

When viewed holistically, each component of the framework provides an opportunity to improve the impact of leadership development. To summarise:

1. Leadership performance can be improved by making changes to the environment in which leaders lead. Reduce leadership compression by ensuring that leaders at all levels are accountable for decisions that cannot be taken by their reports and that are different from those of the boss. Structure jobs to make sure leaders have space to lead and can develop through challenging work. Be clear about the differences between leadership and management and explicitly include leadership standards, expectations and metrics in performance contracts and development plans. Hold the individual accountable for their performance contract and the boss accountable for the development plan. Remember that the job someone already occupies can be as challenging as a developmental project or assignment.
2. We know that exceptional performance in the current role is one indicator of successful performance at a higher level. But unless we know what values, capabilities, and challenges mark each successive layer selection will always be flawed. Identify the key turns in your organisation's talent pipeline and ensure there are unambiguous leadership definitions and standards at each. Ensure your selection processes tap into what is really important at the next higher level and assessors know what experiences, achievements and performances are predictive of success. Be aware also of the causes of executive derailment and how as job demands change, some early strengths become weaknesses and some early weaknesses begin to matter.
3. Organisations exist in all of Bob Terry's developmental zones all of the time but the challenges of one zone will probably resonate more than the others. Know what stage of development your organisation has reached and ensure your leadership frameworks and interventions are consistent. Teaching scenario thinking will have little impact if

⁴ David Rooke and William Torbert (2005) *Seven Transformations of Leadership*. Harvard Business Review

your business is struggling to improve the effectiveness of its supply chain or its customer relationship management. Leadership development can help to overcome silo mentality and create a shared and more systemic view of the whole organisation.

4. Developmental models for leadership are the way forward - anything else simply fails to appreciate the complexity of the phenomenon. Recognise that adult development proceeds through a series of stages, each new stage broader and more comprehensive than the previous one. Include a measure of psychological development in your selection process and consider how to equip leaders, especially at senior levels, with the necessary action logic to overcome the challenges they will meet. People who are fundamentally rigid, dogmatic and territorial are unlikely to thrive when the role requires partnership, open-mindedness and innovation. There are many examples of high-potentials who failed in the next role because they lacked the breadth and depth of perspective needed.
5. View your organisation as an integrated whole with different leadership needs and challenges at each level, all providing a fertile learning ground for future roles. Recognise the key growth assignments to support the building of capabilities, values and worldviews needed at the next level of leadership. Identify the bosses and mentors that future leaders will learn most from. Integrate experience-based assignments with formal programmes and employ development process that elicit a heightened sense of awareness, personal accountability, and capacity to initiate personal and organisational change. And start early: develop leadership understanding and knowledge at the beginning of a person's career.
6. The transition into a new job is an opportunity for profound learning and development but also a time of potential difficulty. Every year 25% of managers in large companies change jobs and the evidence is that a significant proportion of them will derail or seriously under-perform. Acknowledge that many will be dealing with complex emotions such as anxiety, insecurity and isolation, as well as the more obvious need to make a success of their new role. Provide coaching/mentoring to managers moving into particularly troublesome levels of leadership such as the promotion to managing others for the first time and the transition from functional manager to business manager. Put in place a framework of support to enable them to maximise their learning and produce value as soon as possible.
7. Leadership development should be straightforward: identify the critical leader groups, define the challenges they face and the capabilities they need, and build development processes that enable those with the aptitude and ambition to learn to lead. But organisations fail because they focus on the parts rather than the whole. Step back from the action and chart the big picture. Take an inventory of your leadership capability. Probe for the kind of leadership you need to facilitate your organisation's growth and progress. Declare the purpose and objectives of your work. Communicate upward and downward. Connect talent management with organisation development and individual leader development. Choose the targets for your intervention carefully and focus your efforts. And, most important, build enthusiastic support amongst your top team and encourage them to shape and own leadership development.

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