

# Developing emerging leaders: a new solution to an old problem

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With the baby boomer retirement bubble about to burst, leaders must take action now to plan for succession and create bench strength for the future success of the organization. No one is better qualified to develop a company's future leaders than its current leaders. This article argues that current approaches to leadership development are ineffective and proposes a new model for developing both individuals and future leadership teams concurrently.

There are two traditional approaches to developing the next generation of leaders. Both have proven to be only marginally successful, at best. The first is the B-school model, which produces graduates chock-full of theory, but devoid of practical knowledge. Companies continue to rely on higher education for the preparation of future leaders, even though those same institutions have given the corporate world much bad advice in the form of brainstorms like right-sizing, downsizing and re-engineering, all of which have proven to be abysmal failures in real-world application.

The proof of their failure is the short length of time these plans lived beyond implementation; their "collateral effects," typically mass layoffs, organizational flattening and/or the complete dismantling of previously successful entities; and finally, when the true ROI is measured, these programs rarely pass muster and therefore are deemed failures.

The second method of preparing future leaders is the "seat of the pants" approach to executive development. People proceed through their entire careers, learning as they go, without any focus or structure to their advancement. More often than not, through sheer serendipity, some employees manage to learn from experience and go on to become decent managers or leaders. But a greater number are not so fortunate. They make the same mistakes repeatedly or continue to rely on a few strengths that served them in the past. This approach may get them ahead in the short term, but in the long term, it usually leads to derailment – or worse, complete failure. Then, the "Peter Principle" takes hold, and personal and organizational distress is the unfortunate result.

In short, traditional models of developing emerging leaders are just not effective.

## Making time for leadership development

In most companies, development plans for employees are based on annual performance reviews. Superiors set out two or three specific goals that individuals will work to achieve during the course of the year until the next review. It's a good start, but the model is incomplete. Developing the next generation of leaders demands that executives create long-term development plans for their people and then work with them on a far more frequent basis than annually – at least quarterly, if not monthly.

Unfortunately, leaders rarely take the time to focus on the long-term development of their successors because they are driven by short-term results. Constantly changing markets and customer expectations, the globalization of the economy and commerce and rapidly evolving technology all create a culture that demands immediate response. Shareholders today, too, expect fast returns on investment and are, in fact, controlling companies, forcing them to be operated quarter-by-quarter rather than year-by-year.

As a result, executives are constantly running to put out fires and are unable to keep up. This, of course, leaves no time to reflect on longer-term needs such as succession planning. One

executive recently described it as follows: “It’s like being up in the bleachers watching a soccer match. The ball is the problem of the moment. Wherever it goes, everyone chases it. They drop whatever they are doing and rally behind whoever is chasing the ball to solve that problem.”

While this may be an effective way to solve a problem in the short term, in the long term, it falls short of the goal. It does not permit a balanced approach to tackling issues strategically or to effective resource utilization. Resources are simply squandered on solving the problem of the moment.

The first challenge, then, is to make leadership development a very high priority. As a starting point, let’s look at where most managers spend 60+ percent of their time – in meetings. In many cases, managers are even in meetings to plan for meetings followed by meetings to debrief previous meetings. The cycle is vicious and endless. First, rethink meeting schedules. If everyone is in meetings five to six hours a day, nothing will be accomplished, least of all leadership development. Before calling a meeting or attending one, a good place to start is to ask: “Is this meeting *really* necessary?” If the response is anything but an absolute “Yes”, then take a pass and find a better use of the time.

Once unnecessary meetings are eliminated, make the best possible use of the remaining meetings – both one-on-one and in groups – to articulate strategy, vision, plans and expectations, rather than focusing on the problem of the moment. This serves two purposes:

1. teams will be clear on leadership’s goals and expectations; and
2. it encourages a longer-term perspective.

If this really appears to be impossible because everyone is too busy with tactical initiatives to focus on the strategic, consider bringing in outside consultants to help structure more effective meetings and develop constructive communication models for teams and individuals that save time and energy.

### **A new model for developing emerging leaders**

In business today, there is an alarming trend. It’s apparent more and more emerging leaders are lacking the fundamental skills to manage people effectively. Part of the reason is that they are not taught these skills in business school or even in their early work experience. Another reason is that people are often promoted to leadership positions based on technical expertise in a specific discipline, because they have closed a big deal, helped develop the next widget or demonstrated an ability to “manage up.”

For a more strategic approach to leadership development to develop long-term, sustainable success, follow this five-step model as part of a comprehensive succession planning process.

#### ***Step 1: perform a GAPS-style analysis***

A gap analysis model identifies and closes the gap between an organization’s shortcomings and goals. The same model also works for leadership development. It is really quite simple: ascertain a promising individual’s current skill level, determine the position into which he or she can be reasonably expected to grow and find ways of closing the gap in between.

Specifically, gap analysis may be broken down into G-A-P-S to ask the following questions:

- **G – Goals:** What are the talented individual’s short- and long-range career goals? What does he or she need to do in order to reach the next level? What results does he or she need to achieve?
- **A – Abilities:** What abilities does the individual have that are the most crucial? What results is he or she already getting? What abilities does he or she need to develop in order to move to the next level? Use the list shown in Appendix 1 as an aid in identifying core competencies the individual will need upon promotion. It is a fairly broad, and typical, core competency list that includes visionary leadership, business and technical expertise and interpersonal skills.

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- *P – Perceptions*: It is critical for emerging leaders to understand how their superiors and others see them and what they expect of them. For example: “I see you as needing to develop . . . because . . .” or, “Your customers want you to . . . because . . .” or, “You seem most effective at . . . and the results are . . .”.
- *S – Standards*: Set standards for development. For example: “In order to truly excel, you must . . .” or, “The company is looking for . . . so we can . . .” or, “To move to the next level, you would have to . . .”.

Use tools such as a 360-degree feedback instrument, the Myers-Briggs Type Indicator (MBTI), DiSC or an Emotional Intelligence assessment tool to assess leadership talent in an objective, dispassionate manner that identifies both strengths and opportunities for development. In the 360-degree instrument, the individual to be assessed identifies 12-25 people at all levels (boss, peers, colleagues, direct reports) with whom he or she has frequent contact. These people are surveyed, anonymously (listing only their reporting relationship) and usually online. They are asked to rate the individual on a scale of 1 to 5 on about 75 questions which cover from eight to 12 competencies that the employer has identified as being core for anyone who manages people in the company (e.g. communication, project planning, execution, delegation, conflict management, etc.). Every aspect of the individual’s performance and behavior is evaluated. Respondents also rank the level of importance of particular skills and competencies for the individual’s position.

#### *Step 2: develop individual talent*

Identifying goals for development, as is done in the standard annual performance review model, is only half of the equation. The more important task is for leaders to help emerging talent achieve these goals. Once opportunities for skill building have been identified, have the individual commit to a plan for long-term professional development. Such a plan might include the following components:

- *Formal coursework* – When critical subject area expertise (financial acumen, marketing principles, project planning, etc.) is missing, these deficiencies are easily remedied with formal classroom study.
- *Executive education* – Short-term university programs are excellent preparation, but don’t forget to put learning into practice by giving individuals new assignments that force them to leave their comfort zone to take on incrementally tougher tasks to apply what they learned in class.
- *Stretch assignments and test roles* – Give high-potential individuals the opportunity to stretch in advance of promotion. For example, have them manage an unprofitable department where they can learn to make tough decisions before promoting them up the ranks to turn around a failing division.
- *Coaching* – One-on-one coaching is a particularly valuable tool in developing vital people skills and other competencies unique to executive positions. If senior leadership cannot find the time to personally serve as coaches, consider hiring executive coaches who can provide intensive, customized one-on-one support to help emerging talent with specific development needs.
- *Mentoring* – Unlike coaching, which can be effectively accomplished by outside consultants, mentoring is better implemented as an internal learning process appropriate only for more mature organizations. A mature organization is one that is very flat or, if

hierarchical, has open communication channels across all levels. It is an environment that encourages innovative ideas, where employees need not fear retaliation and where management proactively develops itself and those below. Mature organizations are also very fluid, encouraging people to move across business unit lines and to cross-train so that everyone understands everyone else's contribution toward the common goal of serving the customer. In addition to a mature organization, successful mentoring can only take place when stellar communication models and a solid assessment infrastructure exist.

As future executives embark on development programs, make no promises of a specific executive position. Instead, assure them their efforts will be rewarded, but caution them that there are no guarantees of the desired big promotion. Finally, keep the advancement process competitive by identifying and developing all similarly talented individuals, not just one who happens to stand out. The goal is to promote the most highly qualified person, not the most popular one.

### *Step 3: develop future leadership teams*

Senior executives are usually perceptive about recognizing high-potential people at the lower levels, but most often neglect seeing them as part of a future leadership team. In fact, there is a pervasive problem in organizations where people in the lower ranks see their competition as their peers, rather than the competitors in their industry – the true competition. Senior executives unconsciously support this undesirable behavior by rewarding young people for good individual performance, while discounting or disregarding their collaboration skills.

Then, as peers advance in the organization, they eventually become peers at a senior executive level where they need to be team-mates rather than opponents. That's why building peer relationships is a critical skill for talent at any level. It's also the reason why it's essential for executives to stop taking a "pick one – promote one" approach to leadership development. This limited view has numerous ramifications that are never seen until it is too late. Remember, a peer today is a peer tomorrow. The higher up the corporate pyramid up-and-comers go, the higher the stakes. It is at these highest levels where they *will* need "friends" to get things done.

It takes true vision to see talented individuals horizontally across the organization as future leadership teams and develop them toward that goal. This new model of team development can be accomplished by providing opportunities for emerging talent to interact with peers and grow concurrently, such as:

- participating on committees, boards, roundtable discussions and interdepartmental programs;
- taking on stretch assignments and testing roles in pairs or trios to develop skills in teamwork, delegating, relationship building and conflict management; and
- focusing on special problem-solving assignments, such as developing a new solution to a manufacturing bottleneck, re-engineering a process, increasing efficiency in the supply chain or getting to the bottom of customer dissatisfaction.

After a team has developed a creative, uncommon solution collectively or collaboratively, assess how the participants functioned both individually and as a team. Look for those who recognize and understand the goal of a team assignment is to get a problem solved together, not to be the star of the group.

It is equally important for emerging leaders to learn to build positive relationships with their direct reports. They need to understand true success is built on a foundation of accomplishments of the people below. Championing one's team members' successes and highlighting their accomplishments create undying loyalty and build trust. Doing so helps remove the "Judas Factor" (an environment with little or no trust) where direct reports undermine or even sabotage their boss's success.

#### *Step 4: give effective feedback*

Research indicates that an estimated 50 percent of all performance problems occur because of lack of feedback. However, not any feedback will do. It must be sensitively delivered to increase motivation and success. Provide emerging leaders with information about performance in a way that is non-judgmental and non-defensive. The idea is simply to share data with the goal of moving people toward action and improvement. Also, consistency is extremely important in the delivery of feedback. Make sure it is delivered in private and cites specific examples of the behavior to be discussed rather than generalities. Follow these seven steps:

1. clearly state the purpose of the feedback;
2. describe specifically what action or behavior has been observed;
3. describe the observer's reaction;
4. give the employee an opportunity to respond;
5. offer specific suggestions for improvement;
6. summarize the conversation; and
7. plan for a follow-up meeting to revisit the issue in 30, 60 or 90 days.

Use feedback throughout the development process to give praise for jobs well done, for tasks accomplished and to provide meaningful direction when needed to reset course. Good feedback supports effective behavior, guides and puts individuals back on track, serves as a barometer to show where individuals stand, and recognizes progress.

#### *Step 5: measure success*

Assessing whether a leadership development program is working is as easy as looking at retention and recruiting data. Do talented people want to stay with the organization, or are they jumping ship for better opportunities? Does the company attract highly talented people? Also work with HR to develop models or benchmarks that measure and assess people's increasing levels of effectiveness. There is an old adage that says "What gets measured, gets done." This is not only true for projects and goals, but also for leadership development. In fact, it is best to include leadership development for individual departments and the organization as a whole in the strategic plan, complete with milestones and measurements. Then, because it is measured, it will get done.

In addition to these key strategies, leaders also have an obligation to communicate their vision and expectations with clarity, frequency and consistency. Everyone, not just future leaders, needs to stay informed of where the organization is headed so they can stay on track and ahead of the curve in achieving goals. Although the primary focus here is on emerging leaders, remember that not everyone on the ship is a captain. Someone has to row. Be certain all team members are supported in their respective positions so that all can work towards achieving desired goals and outcomes.

#### **Old problem – new solution**

The problem of leadership development and succession is as old as leadership itself. Today's solution, however, must be new. The baby boomer retirement bubble is about to

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burst, creating a leadership vacuum like none before in modern business history. The typical solutions are few. For far too long organizations have been locked into traditional and only marginally successful paradigms of growing new leaders.

The basis for the new model is simple: pick the best and the brightest, use the GAPS analysis to identify development needs, invest effort and resources in developing the best talent individually, *and* – most importantly – don't neglect to develop several individuals together as a future leadership team. And finally, do it now!

The development of future leaders is *not* the job of HR, but of the current executive leadership, whether they are in charge of a business unit or the entire organization. Although driven by corporate goals and the bottom line, leaders also have a responsibility to plan for succession and create bench strength for the future success of the organization. No one is better qualified to develop a company's future leaders than its current leaders.

## Appendix 1: core competences for leaders

The core competencies for leaders fall into three categories: visionary leadership, business/technical expertise and interpersonal skills. They are comprised of the following areas.

### 1. Visionary leadership includes:

- *Strategic thinking/planning* – Assesses a broad range of internal and external factors when solving problems and making decisions; identifies high payoff strategies and prioritizes team efforts accordingly; uses information about the market and competitors in making decisions; develops short- and long-range plans that are appropriately comprehensive, realistic and effective in meeting goals; adjust actions and decisions for focus on critical strategies (e.g. customers, competition and quality); integrates planning efforts across work units.
- *Motivation/influence* – Demonstrated ability to articulate and foster a common vision and motivate others to achieve business goals and objectives. Uses reasoning, logical arguments and data to influence others and gain their commitment. Possesses the ability to coordinate work efforts and achieve challenging goals by delegating to and empowering others.
- *Adaptability/change management* – Demonstrated ability to proactively lead change and mitigate its impacts; demonstrates the ability to anticipate and plan for needed changes to strategy and processes. Ability to adjust his/her style or approach in order to handle sudden changes in priorities or demands.
- *Creativity and innovation* – Demonstrated ability to generate new ideas and seek new business opportunities; goes beyond the *status quo*; recognizes the need for new or modified approaches; fosters creativity and innovation in the work environment.

### 2. Business/technical expertise includes:

- *Cross-functional business knowledge* – Demonstrates the ability to function effectively within/across businesses, organizations and work cultures. Possesses an understanding of various structures, politics and business practices. Serves as a source of cross-functional business information to others.
- *Technology/management* – Demonstrated ability to apply state-of-the-art techniques, methods, systems, media and/or technologies towards achieving business results. Possesses the ability to apply theoretical and practical techniques to solve new/unique problems in a creative way.
- *Business acumen/finance* – Demonstrates an understanding of issues relevant to the broad organization and business. Understands the role of different functional areas and how they relate to the success of the business including the application of financial metrics to the achievement of business goals. Understands the industry, including its key success factors, competition and expected future developments/challenges.
- *Customer focus* – Recognizes the importance of customer service to the achievement of corporate goals. Assesses and anticipates internal and external customer needs; builds relationships and takes action to meet customer needs; continually searches for ways to increase customer satisfaction.

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3. Interpersonal skills include:

- *Integrity and ethics* – Builds trust with others through own authenticity and honest communication, follows through on commitments, shows consistency among principles, demonstrates sound business ethics.
- *Coaching and mentoring* – Demonstrated ability to assess others' strengths and developmental needs; ability to coach others and provide constructive feedback to enhance individual development.
- *Relationship building/conflict management* – Demonstrated ability to build and maintain effective relationships with others. Brings conflicts and disagreements into the open and attempts to resolve them collaboratively. Promotes open communication through solicitation of feedback and is responsive to the needs/concerns of others.
- *Build and manage a diverse workforce* – Demonstrated ability to appreciate others' styles, opinions and viewpoints when promoting teamwork and solving business problems. Demonstrated commitment to build effective teams working towards organizational goals.

#### **Appendix 2: coaching the new generations**

Devon Scheef, Co-founder of The Learning Café, a Westlake Village, CA based leadership development company that specializes in helping emerging leaders be successful, has conducted extensive research on generational gaps in organizations and the unique coaching and mentoring needs of the different generations. “The 51 million members of Generation X (born 1965-1976) are very independent, resilient and adaptable,” says Scheef. “They feel strongly that they don’t need someone to look over their shoulder. They dislike authority and rigid work requirements. An effective coaching relationship with them must provide them with respect and autonomy. Providing feedback on their performance should play a big part, as should encouraging their creativity and initiative to find new ways to get tasks done.

“As a coach, you’ll want Gen Xers to work with you, not for you. Start by informing them of your expectations and how you’ll measure their progress – and assure them that you’re committed to helping them learn new skills because they want to stay employable,” Scheef recommends.

The 75 million members of the Millennial Generation (born 1977-1998), on the other hand, seem to expect structure in the workplace. “They acknowledge and respect positions and titles and want a relationship with their boss,” says Scheef. “This doesn’t always mesh with Generation X’s love of independence and hands-off style. Since Millennials are new to the professional workplace, they are definitely in need of coaching, no matter how smart and confident they are. And they’ll respond well to personal attention. Because they appreciate structure and stability, mentoring and coaching these employees should be more formal, with set meetings and a more authoritative attitude. Provide lots of challenges, but also provide the structure to back it up,” Scheef recommends.

“This means breaking down goals into steps, as well as offering any necessary resources and information they’ll need to meet the challenge. You might consider coaching Millennials in groups, because they work so well in team situations. That way they can act as each other’s resources or peer mentors,” Scheef suggests.

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