Aligning Business Goals and Leadership Development

Creating a succession planning program that has process integrity as well as creates challenging learning opportunities for all staff.

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Goals for Presentation

- Understand how Sr. Execs approach developing leadership talent
- How to use industry best practices to identify and “short list” your programs candidate pool
- Understand the framework for aligning business goals and leadership development
By the year 2014 the impact of the Baby Boomers retiring or moving into nontraditional post-retirement jobs will result in 32 million positions being vacant – added to an estimated 20 million new jobs that will be created – and in light of estimated labor pool of only 29 million – projections are that we’ll experience a job deficit of 23 million positions

(Tucker, Preparing the Workforce for Tomorrow).
Trivia Question:

Name a superstar, hall-of-fame athlete who went on to be the head-coach of a winning team?

Question behind the question: Do great athletes make great coaches?

Not really – Bob Ryan, Boston Globe Sports Columnist

Do great Sr. Execs make great coaches?

How successful are Sr. Execs in identifying and developing future leaders?
The writing on the wall

• According to SAIC, in 2006 baby boomers will begin to retire at a rate of one person every seven seconds – and this retirement rate will continue for next 15 years!

• IBM’s 2005 Global Human Capital Study suggests that within the next five (5) years 19% of the American executive and managerial workforce will retire!
Unbalanced Influence

Myths and Paradoxes of Effective Executive Leadership
Leadership Myth

*Embedded views that encumber leaders with a misconception of the actions and methods they should engage as they seek to move their organizations forward*

*e.g. Myth of Elegant Reasoning (Strategy)*

Leadership Paradox

*competing demands for leaders to accept practices that while conventional wisdom purports to yield favorable results, in fact fall short of promised outcomes;*

*opposing pressures for leaders to avoid seemingly failing leadership practices, that in reality produces compelling impacts*
The Paradox of Gifted Leadership

Sr. Executives gifted in leadership may not be able to develop leaders under them. This paradox may lead to a challenge in developing an organization’s next-generation of leaders.
What is “effective” leadership?

Effective leadership has three equal parts...

- Producing desired results
- Ensuring long-term sustainability
- Enhancing workforce well-being
Leadership-at-the-Peak

Presidents & C-level Execs attending LAP from 2000-2004

Nearly 800 individual observations from Execs (70) and those working w/Execs (700+)

Five (5) distinct psychometric, personality and leadership assessments
**Observations**

- Low need for interpersonal contact that plays out in being choosy about how, when and where they associate with others
- Very cautious about how they use or share authority and in the end will not become too close with others in their work place
- Believe that the manner in which they want others to treat them is how they should treat others

**Impact**

- Close personal relationships (particularly those within the work context) can become frustrating and Sr. Executives perceive these relationships as potentially interfering with their jobs.
- Sr. Executives work better in small groups with regular contacts, or perhaps even alone, and while their work performance depends on input from others, they do not overly rely on others.
Two Implications

• Too far removed from day-to-day to identify first-hand up and coming talent
• And..
### Item Question

<table>
<thead>
<tr>
<th>Item Question</th>
<th>Execs</th>
<th>Boss</th>
<th>Direct Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Act as a mentor, helping others to advance and develop their careers</td>
<td>3.51</td>
<td>3.63</td>
<td>3.27</td>
</tr>
<tr>
<td>Develops staff through constructive feedback and encouragement</td>
<td>3.33</td>
<td>3.39</td>
<td>3.10</td>
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</tbody>
</table>

### Implications

Not an identified strength for Sr. Execs

May be seen as more interested in their own careers than others
Leadership Characteristic of Empowering

Scale
Never – Seldom – Occasionally – Sometimes – Usually - Always

<table>
<thead>
<tr>
<th>Item Question</th>
<th>Boss</th>
<th>Peers</th>
<th>Direct Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enables others to achieve more than they thought possible</td>
<td>63% 50% 58%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivates others through encouragement and emotional support</td>
<td>74% 61% 55%</td>
<td></td>
<td></td>
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<tr>
<td>Helps other to be successful and competent</td>
<td>79% 65% 70%</td>
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favorable
### Organizational View re: Promotions

<table>
<thead>
<tr>
<th>Item Question</th>
<th>Execs</th>
<th>Empl</th>
</tr>
</thead>
<tbody>
<tr>
<td>My supervisor believes in helping others grow and develop</td>
<td><img src="image" alt="Rating" /></td>
<td><img src="image" alt="Rating" /></td>
</tr>
<tr>
<td>If I do a good job my chances for promotion are good</td>
<td><img src="image" alt="Rating" /></td>
<td><img src="image" alt="Rating" /></td>
</tr>
<tr>
<td>This job is a good stepping stone for the future</td>
<td><img src="image" alt="Rating" /></td>
<td><img src="image" alt="Rating" /></td>
</tr>
<tr>
<td>Promotions depend more on having the right connections than performance</td>
<td><img src="image" alt="Rating" /></td>
<td><img src="image" alt="Rating" /></td>
</tr>
<tr>
<td>Feedback on performance for people at my level is timely, accurate and constructive</td>
<td><img src="image" alt="Rating" /></td>
<td><img src="image" alt="Rating" /></td>
</tr>
</tbody>
</table>

**Scale**

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Somewhat Agree
- Agree
- Strongly Agree

**Favorable**
• Sr. Executives manage work relationships with an ‘arms length’ approach - they do not get too close or too personal with their co-workers

• A constricted sphere-of-influence limits the ability to identify first hand individuals who might be in the up-and-coming next generation of leaders. Likewise

• Sr. Executive’s disposition to ‘get the job done’ may come across as too pragmatic and insensitive to the needs and aspirations of others.

• May be a perception that Sr. Executives are more concerned with advancing their own careers than helping others move up the ladder.

• Sr. Executives may be drawn towards finding and grooming mirror images of themselves or worse may succumb to organizational politics and favoritism when it comes to promotions and advancements.

• Peers rarely see Sr. Executives helping advance others careers. Peers might also see the Sr. Executive as a competitive threat for limited higher level positions. If so, we wouldn’t expect to see a great deal of helpfulness in career advancement between Sr. Executives and their peers.

• From an organizational perspective we see that Observers are significantly less favorable than Sr. Executives as it relates to developing and nurturing talent.
A collection of workforce management tools, technologies, processes and practices designed to help organizations manage the on-boarding, development, growth and retention of their human capital.

**Leadership**

**Succession Planning**
- **Market Characteristic**
  - Internal Selection Process
  - Senior Manager and Above Focus
  - High Potential Employee Focus (Leadership)
  - Employee Development Planning
  - Process Integrity Concerns

**Talent Management**
- **Market Characteristics**
  - Internal Selection Process
  - All Employee Focus
  - Technology Driven
  - Links to External Recruitment Efforts
  - Employee Development Planning
Critical “Moments of Truth”

- Organizational self-awareness of the distinction between “replacement planning” and “succession planning”
- Distinguishing between high potentials and high performers
- Aligning needed leadership competencies with critical business drivers
<table>
<thead>
<tr>
<th>The Question</th>
<th>The Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the typical tools to rank order High-Potentials?</td>
<td>Don’t ask, don’t tell</td>
</tr>
<tr>
<td>What is the typical tools to rank order High-Potentials?</td>
<td>The Matrix</td>
</tr>
<tr>
<td>How do you define High-Potential?</td>
<td>Something between “faith (seeing) and hope (believing)”</td>
</tr>
<tr>
<td>How would you describe a “talent review” meeting?</td>
<td>Casting call</td>
</tr>
<tr>
<td>How to describe Executive’s willingness to dialogue around Succession Planning</td>
<td>As much energy as parents talking to their kids about sex</td>
</tr>
</tbody>
</table>
Typical definition:
“Ability (proven or perceived) to reach a senior level”

Alternative perspective:
“Able to learn from experience”
Succession Planning Model

I. Hi Potential Identification Through Competency Modeling

II. Executive Potential Tool

III. 9 Box Model Succession Planning Reporting

IV. Performance Improvement
Core Competency Identification

Survey based and Focus Group based Job Analysis processes and Competency Modeling

Sales Representative Competency

INTERPERSONAL

<table>
<thead>
<tr>
<th>Representation Tasks</th>
<th>Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COMMUNICATIONAL SKILL</td>
</tr>
<tr>
<td></td>
<td>CONVEY HONESTY</td>
</tr>
<tr>
<td></td>
<td>EMPATHETIC</td>
</tr>
<tr>
<td></td>
<td>ETHICAL</td>
</tr>
<tr>
<td></td>
<td>INFLUENTIAL</td>
</tr>
<tr>
<td></td>
<td>LISTENING</td>
</tr>
<tr>
<td></td>
<td>NEGANIGTATION</td>
</tr>
<tr>
<td></td>
<td>MIRRORING CUSTOMER'S PERSONALITY STYLE</td>
</tr>
<tr>
<td></td>
<td>SINCERTY</td>
</tr>
<tr>
<td></td>
<td>PARTNERING</td>
</tr>
<tr>
<td></td>
<td>PERSONALITY</td>
</tr>
</tbody>
</table>

Master Performers:
- Genuinely interested in providing private business information by building rapport through honesty and openhearted conversation.
- Bites between humor and seriousness depending on customer.
- When customer suggests reducing or canceling, remains polite and courteous (e.g., “May I ask why?”)
- Genuinely interested in providing private business information by building rapport through honesty and openhearted conversation.

Average Performers:
- Genuinely interested in providing private business information by building rapport through honesty and openhearted conversation.
- Bites between humor and seriousness depending on customer.
- When customer suggests reducing or canceling, remains polite and courteous (e.g., “May I ask why?”)
- Genuinely interested in providing private business information by building rapport through honesty and openhearted conversation.
Formal Assessment

Executive Potential Tools

Skill comparison against national norms and position benchmark
Core Competency Identification | Formal Assessment | Gap Analysis | Performance Impact

Gap Analysis

9 Box Model Succession Planning Reporting

Promotability Matrix

- Low Promotability
  - Jones, Steve
  - Smith, John
- Moderately Low Promotability
  - Nunn, Jane
  - Benson, Bob
- Moderate Promotability
- Moderately High Promotability
  - Gunn, Juju
  - Sample, Sam
- High Promotability
  - Tanaka, Hojitsan
  - Moore, Mary

III
Promotability Matrix

High Potential or High Performer?
Performance Impact

Performance Improvement

Performance Leaders - The world’s leading digital business library for individuals wanting to improve their personal business performance

Performance Courseware – Customized solutions leveraging performance consulting, learning content management, classroom-based training, on-line tools and blended delivery interventions

Performance Topics – a comprehensive collection of topics with over 800 hours of business and professional skills course material which can be easily customized

Performance Enhancement – Top titles in business, management, and finance
<table>
<thead>
<tr>
<th>Developing Employee Potential</th>
<th>Development Resources</th>
<th>Developmental Mode</th>
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<tbody>
<tr>
<td><strong>Action Rating</strong></td>
<td><strong>Employee</strong></td>
<td><strong>Importance</strong></td>
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<tr>
<td><strong>A</strong></td>
<td><strong>19%</strong></td>
<td><strong>5</strong></td>
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<td></td>
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<tr>
<td><strong>Development Objectives (To Complete By Employee &amp; Manager)</strong></td>
<td><strong>Expected Outcome</strong></td>
<td><strong>Completion Date</strong></td>
</tr>
<tr>
<td>1.</td>
<td>1.</td>
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<tr>
<td>2.</td>
<td>2.</td>
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</table>

<table>
<thead>
<tr>
<th>Supervisory Practices</th>
<th>Development Resources</th>
<th>Developmental Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action Rating</strong></td>
<td><strong>Employee</strong></td>
<td><strong>Importance</strong></td>
</tr>
<tr>
<td><strong>A</strong></td>
<td><strong>26%</strong></td>
<td><strong>6</strong></td>
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<td></td>
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When it comes to a leadership development initiative, what impact do you think people are looking for? (How do you when something is going well)?

What we know about expectations

- Organizations want a demonstrable return on investment, but they don’t often define what they mean by that.
- At what levels of impact? Individual, Group/Team or Organization?
- Will individuals perform better in their leadership roles in the organization?
- Will the organization’s ability to meet its goals be enhanced?
This process unearths valuable organizational artifacts:

- Data about the organization’s beliefs, values and culture.
- Data about work and leadership practices.
- Data about notions of leadership and the role of leaders.
- Data about the climate for leading and learning.
- Data about how people connect with each other to get the work done.
Aligning Strategy & Drivers

Assessing where we are

Your Industry
- Markets
- Competitors
- Nature of Industry
- Governmental Influences
- Economic & Social Influences

CCL
- Capacity
- Products/Services
- Market Position
- Customers
- Systems, Processes, Structures
- Leadership Capacity, Culture

Understanding who we are, and where we want to go

Learning how to get there

Key Strategic Drivers

Business Strategy
Leadership Strategy

Making the journey

Current Performance
Future Capability
Implementing Tactics

Checking our progress
Deliverables

1. Surface key business needs. Prioritize.

2. Determine how leadership practices or behaviors need to change or adapt to manage the business needs.

3. Prioritize leadership needs.

4. Use CCL database to clarify and further refine client leadership competencies.

5. Determine level of mastery.

6. Create map that highlights the learning activities that support client outcomes.

7. Discern and evaluate for impact throughout the process.
Topology of Competencies
Mastery Overview

Levels of Mastery Overview

- **Critical Awareness and Knowledge**: Gains powerful new perspectives on self (impact of my behaviors — impact of others on me — interaction between myself and others); crucial awareness of the need to change in order to be more effective. Remembers facts, terms, models, methods pertaining to leadership and understands them.

- **Guided Application**: Practices new behaviors to solve problems and receives immediate coaching and feedback on performance effectiveness.

- **Independent Application**: Practices new behaviors and uses new knowledge in the work setting, analyzes their effectiveness and seeks feedback on their effectiveness in meeting business challenges from coaches, mentors, peers.

- **Skilled Performance**: Utilizes new and more effective leadership behaviors as a part of their everyday leadership repertoire. Seeks periodic feedback to ensure that new behaviors are creating desired new perceptions.
• The Levels of Mastery Model shows the learning time needed to support the stages of development.

• Mastery level determines how much exposure and experience participants require during the developmental process.

• The higher the skill level the more time required for development.
CCL has conducted evaluation of its programs, products and services for more than 25 years.

Evaluation helps people in organizations meet several goals:
- Helps make informed decisions about how to improve development.
- Helps examine the extent to which development goals have been met.
- Helps determine what work remains to be done.
Evaluation Methods

- Daily Evaluations
- End of Process Evaluations
- Expectations and Benefits Comparison
- Interviews
- Surveys
- 360 Degree Assessment Retest
- Focus Groups
- Dialogue
- Return on Investments
- Workplace Statistics
- Document Analysis
by creating Systemic Development through

• Common Development Structure
• Common Assessments
• Common Language
  • Feedback Method
  • Learning Partners
  • Team Effectiveness
Lessons Learned

• Involve executives
• Agree on check points with partners
• Make necessary adjustments early and ongoing
• Be prepared to be surprised