

Developing True Leaders at Every Level

[Based on the teachings of the book, "The Leadership Pipeline: How to Build the Leadership Powered Company" (Ram Charan, Stephen Drotter, James Noel)]

"Leadership is the art of getting ordinary people to deliver extraordinary results."

Leaders – who take full accountability of business results, aggressively improve processes, build strong relationships and networks, inspire others, coach and mentor juniors, and finally help their unit scale new heights – are needed at every level. Unfortunately, many companies keep lamenting on the 'Leadership cliff' beyond the CXO team.

And many careers hit a glass ceiling – employees who performed well at junior levels are unable to deliver equally stellar results as their span of control increased. Employees work harder but are not appreciated by management, which, in turn, is frustrated that employees are not performing to increased expectations.

Why does **'Leadership Deficiency'** happen?

- **Leadership Development is generally not considered as critical as, say, business strategy or managing operations.** Unfortunately, even our education system hardly provides any managerial/leadership skills.
- **While promoting managers, main focus is usually on personal traits (professionalism, loyalty to company) and technical competence, instead of 'future potential'.** However, **performance** and **potential** are two very different things – incentives may be given for good performance, but promotion should only be given if potential for the next level is clearly seen.

The organizational cost of Poor Leadership is disaster. 75% of below-par performance can often be attributed to the leader's flaws:

• *Job and the goals aren't clearly defined; Frequent mismatches, duplications, missing links.*

• *Fails to coach because he's too busy, often doing work that the subordinate could do.*

• *Hired/promoted the wrong person with 'missing' skills, or fails to create meaningful roles.*

• *Unable to inspire/motivate team. resultina in hiah attrition*

- Most companies lack a **defined yardstick to measure leadership** (unlike, say GAAP, in accounting) even though it is eminently measurable. Often seniors (themselves weak in some leadership traits) promote managers who also lack some critical skills, worsening the malaise.

In contrast, researchers have found that **successful managers learnt new skills as they moved up, changed their perspective on what was important and reprioritized where to spend time**. Maher's theory highlights distinct levels of Leadership, each requiring new set of *skills* and *priorities*.

1. Managing Self: The individual contributor stage first few years in our career. The key skills required for success here are primarily:

- *Technical* – Subject Matter Knowledge, Quality of output, Consistency
- *Professional* – Basic professionalism and discipline, accepting company values and norms, doing assigned work within given time frame

People who do this well are often promoted to the next level, where new skills become important.

2. Managing Others: As we start having direct reports, the older skills of technical competence and professionalism become a minimum requirement. Some very new skills start mattering:

- *Planning:* Breaking overall deliverable into smaller chunks, with a time bound action plan
- *Assigning/Delegating Tasks:* Who will do what? based on interest and capability
- *Recruiting team:* What skill sets are required and how to measure a candidate against each
- *Motivating/Inspiring:* Seen as a charismatic leader who people look up to for inspiration
- *Monitoring/Measuring the work of others:* Regular follow-ups on KRA and Action Plans
- *Coaching/Enabling:* Giving specific feedback, then following up to ensure improvement
- *Accountability:* Taking full ownership of results, without giving excuses.

Unfortunately, 3 big mistakes happen here:

- The highest performing people want to keep doing the activities that has made them successful so far.
- Hence, many people make the transition without making a real *behavioural & priority* change.
- Often the *reward systems also reinforce only the results, instead of how results are achieved*. A manager who works extra hours and himself completes the work of his subordinate is often celebrated ahead of the manager who takes time out to coach his subordinate and build long term capability.

Many people are great individual contributors but are just not cut out to **Plan, Motivate, Coach and Monitor**. Therefore, **companies need to have a reasonably rewarding individual contributor/technical competence career path, where those with outstanding technical competence/ inclination can continue to grow (working individually on bigger and bigger projects) without being bogged down by managerial responsibilities.**

EXHIBIT Leadership Development: Stages of Skill Development... New roles will require new skills and new priorities

Stage	Managing Oneself	Managing Others	Managing Managers	Functional Manager	Business Manager	Group Manager - Enterprise Manager
Description	Individual Contributor	First time Manager	General Manager of a Function	Head of Function (Vice President Sales- Marketing/HR/Fin etc.)	Head/President of a Business Unit/ CEO in a small Company	CEO of a large/ multi product/ multi geography Company
						Managing Investors
					Balancing current and future needs (need for reflection and analysis, time management)	Evaluating strategy - capital allocation, portfolio assessment
				Self-Understanding (clarity on link between function and larger business objectives, humility to accept lack of knowledge)	Strategy (profit perspective; long term orientation, what is our right to win, what trends will affect us)	Development of Business Managers
			Monitoring - Operations and Key Performance Indicators	Business Acumen (how profits are made, key drivers of superior business performance)	Continuous improvement (Benchmarking, root cause analysis; Process orientation)	Assessing core capabilities needed to win and investing in building these
	Recruiting (identifying and measuring specific traits critical in a role)	Bridging barriers (inter departmental collaboration)		Listening (rather than talking, interpreting what is not being said/reading between the lines)	Valuing others (especially the contribution of staff functions)	Interpreting uncertainty
	Delegating (assigning who will do what specifically, by when)	Pure Management ('getting things done through others' versus 'doing' it oneself)		Advanced Communication Skills (framing thoughts, what to say, when to say, how will people interpret)		
	Planning (breaking the task into smaller chunks, making a time bound action plan)	Problem Solving (barrier busting, when things get stuck, ability to find solutions)		External view (best practices outside and how we can reapply them inhouse)		
	Monitoring (measuring the work of others, regular follow ups)	Maturity (balance between courage and consideration, no insecurities)		Process Orientation (how to set the right processes, to improve effectiveness and reduce inefficiency)		
	Motivating/Inspiring: Full of energy and positivity			Value Alignment (Promoter/CEO sees us as fully dedicated to his vision and loyal to him)		
	Technical (depth of knowledge, quality, consistency)	Coaching/Enabling (developing team and processes)				
	Professional (timeliness, discipline)	Accountability (fully responsible for end results)				

					Managing various complexities and stakeholders (investors, community, industry, government)
Challenges / Skills to learn for evolving to the next level					Balancing long term and short term through devoting time for reflection and analysis
				Developing Business Strategy and Profit perspective	
		Valuing People Management, Become Accountable ("Bad results + Good Excuse is still not equal to Good Result")	Selecting right people (hiring/letting go) and coaching them in their evolution, Bridging Barriers		

Key Commitment Commitment to **oneself** - keep evolving through **developing new skills**, and **willingness to take up newer/higher challenges**, WHICH need **reallocation of time** (in thinking about new skills/things and implementing it), and **changing the way** one worked in the past

3. **Managing Managers:** At this stage, we have reportees who in turn have reportees. This level is critical in the execution process, since maximum number of contributors report here.
- Requires *'pure management'* and a shift from *'doing'* to *'getting done through others'*, therefore we need a change in paradigm that ***'managing people' is as important as 'managing work'***.
 - Hence, priorities need to change. **The time it takes to review operations and key business indicators needs to be equaled with time taken to review and improve people capabilities.**
 - One key skill required is to decide who to promote at the manager level and hence the ability to **differentiate between those who can 'do' and those who can 'lead'**.
 - Another key skill is **bridging barriers between departments** and having a holistic picture, instead of having a *'union member'* psychology. We need to bust silos by reaching out to those who may not directly report to us. Maintaining healthy win-win relationships is critical. **Often smart, hard working people are very good in upward and even downward collaboration, but sideways collaboration is almost alien to them.** In other words, they often lack Engaging skills: Understanding the other person's point of view with as much interest as you can advocate your own point of view, having a mindset that we have to take everyone along, understanding that big decisions are often complex and we have to do a give and take.
 - We also need **immense maturity**. Often seniors start competing with their own juniors to subtly show who is more capable, instead of celebrating their success. While they have comfort with people 2 or more level below, a tinge of insecurity peeps in with 'almost equal' direct reportees. A client called it the *'Pygmy syndrome'* where you don't like people who can replace you.

Why do seniors not coach and develop their juniors?

Often, the technical skills and sincerity of first level managers was not an issue. But managerial skills (taking accountability, improving processes and efficiency, avoiding urgencies, solving problems, communicating clearly, building relationships) was often found missing. Developing this is the critical role of a 'manager of managers'. Ask: what percentage of their time are they devoting to this development? Usually the answer is no more than 5-20%, even though it should be at least 50%. Individual contribution MUST reduce and be replaced with people development, if you are responsible for a large team.

When pointed out that they are doing the work of their juniors, often these managers become defensive and start saying: "but my team is not as responsible/capable, what can I do". They need to be taught that the way work is done is as important as getting the work done. Instead of doing, they need to spend time in clarifying roles, building capabilities, inspiring team, monitoring performance, and giving actionable feedback. This requires understanding why people make mistakes, and changing their behavior – a difficult and new task for many managers. Therefore, most take the easier and familiar route to do it themselves by working extra hard. But this is not sustainable in the long run.

4. **Functional Head** (e.g. Operations Head or Finance Head or Sales Head etc.): As we start managing an entire function, three key changes happen:
- At least some areas start reporting to us which are outside our own experience. E.g. a newly promoted Plant Manager will have Purchasing and Finance report in, hence, ***the need to listen and learn new skills***. Unfortunately, many people get hardened, disinclined to learn eagerly.
 - Talking to field workers requires penetrating at least 2 layers of managers, hence ***very advanced communication skills*** are required. How to frame thoughts, how to focus on the most important message, how to be persuasive and inspiring (governing statement -> supporting logic), how informal communication channels work, how messages can be misinterpreted etc.
 - ***Strategy or Business Acumen*** becomes important. A view of business, beyond the function. A holistic picture of how company runs and how your function fits in. How profits are made.
 - ***Loyalty and Value Alignment*** or the 'social' side of success becomes important. No CEO likes a colleague who keeps talking negative about the corporate direction or whose loyalty is suspect?
5. **Business Manager** or P&L Owner: At this level, we can now start seeing a clear link between our actions and in-market success and failure. Our paradigm needs to change: **From looking at proposals functionally (can we do it technically) to a profit perspective (will it make money) and long term orientation (will it be sustainable)**. Three new skills start becoming important:
- ***Balancing current and future needs***. Most of us **spend 50-60% time in Quadrant I (Urgent & Important, daily fires), even though this should be no more than 10-20%**. Leaders **develop capability, relationships and processes that reduce fires and dependence on individuals**.
 - As decisions become complex, ***balancing time between action & reflection/analysis***. Benchmarking with competitors (what can we learn from them), doing root cause analysis (why exactly did we fail), process orientation (what systems can we set up that will drastically improve efficiency and effectiveness), personal development (what can I personally do better) etc.
 - ***Valuing*** the contribution of staff functions (often seen as adversaries before this role).

How can we use this understanding of Leadership Development?

- Diagnose individuals who, while working hard, may be showing inappropriate leadership (e.g. doing work that their subordinates should be doing, thereby 'clogging' the leadership pipeline).
- Analyze 'what key leaders are doing at every level' (360 degree feedback, direct observation), compare with what they should be doing, and then identify the 'missing leadership skills'.
- Often 'rising stars' – promoted because of technical competence/operational mastery/loyalty - miss a critical level and underperform later. In our experience in many companies, those who were the fastest to get promoted to the first few level(s) often did not get promoted to the next higher level!
- Interventions – through training and mentoring – can be designed to develop those skills. This can help companies move from a general problem ("we lack leaders") to a very specific, action oriented, and measurable remedy ("in these people, these skills need to be developed").

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(Elements Akademia offers HR interventions to improve Leadership at every level. We help in:

- *Evolving/Customizing what skill sets (hard and soft) are required at every level in client's company*
- *An initial 360 degree assessment/feedback to find 'missing skills' at each level/department*
- *Delivering customized workshops to partially develop these skills. Pedagogy will include cutting edge theory, use of multiple real-life examples and case studies, and self development action planning. We will focus on different skill sets for each level based on the needs of that level.*
- *Following up with mentoring and re-assessments to ensure real change.*

Workshops may be done as 2 day Orientation Programme just as people get promoted to a new level.

Past clients: J&J, Cadbury, Nestle, KPMG, Zee, Relaxo Footwear, Guardian, Aon Hewitt, ICSI, ICAI, etc.)