

Management training

Ongoing leadership development is important

Question:

Our company was founded about 40 years ago. Years of hard work by our founders eventually paid off. We now have several sites. We keep growing by acquiring new customers and offering new products and services. My reason for writing is that I'm concerned about the ability of our managers to keep it going. Most of our senior managers have been with the company for quite a few years. While they've made the company what it is, they weren't specifically trained. Much of what they learned was on the job, through trial and error. While we have some pieces in place like a 360-degree survey and some seminars through the industry association, I'm convinced we need to be doing more. Can you offer some suggestions for getting started?

Answer:

I couldn't agree with you more. In my opinion, this is one of the most important issues for organizations to confront moving forward. One simply has to look at the

demographics of our workforce to see the significance of this issue. We all know that within the next few years as the baby boomers (people born between 1946 and 1964) retire, Generations X (people born between 1965 and 1981) and Y (i.e., people born in 1982 and later) will be asked to step forward and assume increasingly responsible managerial and leadership assignments.

While succession from one generation to the next is nothing new, what is unprecedented in this instance is the scope of the transition. The numbers tell a clear story: the baby boomers outnumber the combined total of the other two age cohorts. If you think like I do, the message in this is to start preparing for the exodus of the boomers. How can you afford not to?

Beyond the demographics, let me pick up on something that you hint at in your question. You indicate that "trial and error" learning as a method of leadership development is not going to cut it as you move forward. You are right on the money with that observation. Let's face it, the business world that the next generation of leaders confronts is a more complex one than what the boomers met as they entered the workforce. Today's business world is characterized by fast-paced change, a global marketplace, heightened competition, increased focus on customer satisfaction, etc. To be prepared for this brutal reality, tomorrow's leaders will need to be well-schooled in 21st century methods and practices.

So, my suggestion is to get serious about leadership development. In my opinion, you need to view this issue as a strategic business priority. Like Jim

Collins, author of *"Built to Last"* and *"Good to Great,"* you need to adopt the mindset that leaders drive organizational performance.

Based on what you include in your question, my sense is that you already think this way. However, some of our readers might not be so inclined. So, let me make the business case for leadership development.

By investing in leadership development activities, the quality of leadership is enhanced. When the quality of leadership is enhanced, employee capability and commitment are positively affected. As employee capability and commitment grow, customer acquisition and retention improve (i.e., "People who are well-served will serve well."). As customer acquisition and retention improve, there is a positive impact to profit, market share, and shareholder value.

For those who need hard data, let me share that meta-analytic research (i.e., large-scale statistical reanalysis of previous research) has documented that the standard deviation (average variation) of output as a percentage of mean output varies by job. That is, the average differences in productivity are greater or lesser for different kinds of work. For managerial jobs, the figure is 48 percent! In practical terms, this means that if you employ a superior rather than an average or below average leader, very real differences in productivity will be obtained, over time.

Now that we have built a business case for leadership development, let us turn our attention to the components of a sound leadership development program. What follows is an overview of the essential elements:

1. Infrastructure

Executive sponsorship must exist to give the program legitimacy. Top leaders should be involved in the program. For instance, they might be involved in crafting the program. For maximum impact, the program should be considered an organizational priority by taking direct aim at projected leadership vacancies and skill gaps.

2. Talent identification

A reliable, valid method of assessing leadership capabilities must be established. As an example, leadership competencies (i.e., the factors that form the foundation for successful leadership – knowledge, skills, abilities, behaviors) should be specified. Subsequently, instrumentation (e.g., performance appraisals, structured interviews, biographical inventories, 360-degree surveys, assessment centers, employment tests, etc.) should be deployed to measure these competencies.

3. Relevant developmental programming

Using the leadership competencies that have been identified, the organization can make prescriptive choices about the programming that is offered to individuals who are selected to participate in leadership development. By this, I mean that the organization should specify the learning content that will be offered and the manner in which it will be delivered.

This means making an explicit commitment along the lines of, “This is how we do leadership development around here.”

Of course, a host of developmental options exist. The lengthy list of possibilities includes classroom-based training, mentoring and coaching, off-site workshops and seminars, self-directed learning (often making use of technology as a delivery mechanism), and college and university courses and degree programs.

Typically, a blended approach of the options listed above is pursued. Further, it is advisable to stratify the programming based on the level of leader who is being developed. Gradations might include front-line supervisors, middle managers, and senior managers and executives.

4. Program evaluation

In a world of measurement, I suppose it goes without saying that the effectiveness of the leadership development programming must be tracked. However, I am never surprised to see how little program evaluation takes place beyond merely measuring program-related costs.

I encourage a more robust model of program evaluation that demonstrates the return on investment. What does the organization have to show for its commitment to leadership development? To what extent has participant performance improved? What was the impact of their improved performance in terms of significant organizational variables such as

operations and process efficiencies, customer satisfaction, and financial and economic performance?

Thorough program evaluation allows for responsive fine-tuning adjustments. By making program adaptations, the executive sponsor(s) help participants to continuously acquire relevant leadership capabilities. This perpetual learning helps participants make adaptations in their respective work areas. Ultimately, this helps the organization to make adaptations in the marketplace and differentiate from the competition.

In the final analysis, then, based on what I discussed in this column, if you want to provide for better organizational performance, you must provide for better leadership through a systematic program of leadership development. I am confident that by following the outline I set forth above, over time, the results of your efforts will be evident.



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