Counterfeit LD

Go for the gold standard.

by Michael G. Winston

Sixteen years ago, the editor of *Leadership Excellence,* Ken Shelton, wrote in his book *Counterfeit Leadership* about the dearth of authentic leaders. He emphasized the need for *substance over style*, *fact over fallacy*, and *timeless wisdom over faddish notions*. This theme is relevant to efforts to develop leaders.

Growth imperatives, global complexities, and strong competition demand that we foster leadership development (LD) at all levels—finding, nurturing and developing leaders who champion change, innovation, and continuous improvement; leveraging leadership capability across business groups; fostering cross-functional learning; and building unity, alignment, and capacity for execution. These activities build sustainable competitive advantage.

Gold Standard in LD

Here are **nine best practices** that enable leading companies to develop exemplary leaders. They constitute the "gold standard" in LD. I also list some practices, which if not thwarted, lead to "counterfeit development" characterized by style-over-substance:

1. Require leaders to develop leaders. You can't have a great company without having great leaders. Great leaders regard building leadership talent as a duty and privilege. They identify, attract, and retain the most talented, diverse group of high performers. They know the competencies and skills required to meet goals and attract a highly capable staff. These leaders reward excellence, act as role models, and spur growth. They push decision-making down and develop people's confidence in their ability to lead, manage, and achieve goals. They allocate sufficient authority and resources to subordinates to enable them to make decisions and act independently within their responsibility.

2. Secure top management support. Senior executives must clearly communicate the mission, strategy, objectives and expectations for participants, executive presence, and participation in the programs and tools to assess improvement realized and reinforce leadership accountability for results.
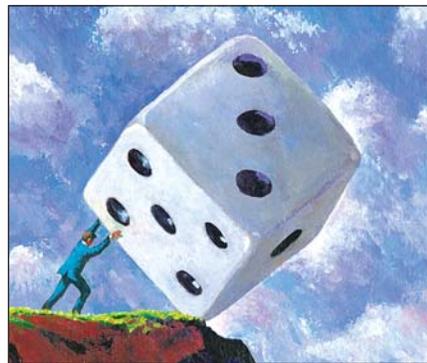
3. Align LD efforts with strategy. Link the development of new skills, mind-sets, and perspectives with achieving business objectives. The role of all LD efforts should be to speed up the realization of business results prompted by the strategy and to increase competitive advantage.

4. Determine required skill-sets. Best-practice companies define key leadership requirements and develop a plan to improve skills and competencies required to implement the strategy. They review current and prospective markets, competitors, customers, channels and determine critical success factors. They focus discussion on whether current strengths will continue to be a source of competitive advantage. Further, they review the skills and capabilities that would make the company unique in the future and from which margins would be derived.

5. Embed four characteristics of world-class LD programs. First, craft an *integrated* and *focused* set of initiatives that re-

flect the strategic agenda, address challenges and opportunities, and strengthen leadership capability. Use a combination of company presenters, external subject matter experts, e-learning technologies, and post-program project work. Compare your "state-of-the-practice" with the "state-of-the-art" and address relevant gaps. Second, promote team-building and interaction by providing experiences that strengthen identification and engagement, and reinforce teamwork and networking. Third, leverage a robust 360 leadership feedback process—one that leads to insight, direction, focused action, and measurable improvement. Ensure each participant reviews leadership skill levels and seeks to leverage strengths and improve weaknesses. Provide participants with the support they need. Fourth, encourage skill *application* to real-world issues. Cross-functional teams work on enterprise-wide challenges, using their new skills, in teams that interface with man-agement. Leaders identify, define and frame issues for participants, enabling them to focus on common challenges, create a unified perspective, and enhance its competitive advantage.

6. Launch a tiered talent identification, assessment and succession process. Succession management must identify, develop, and retain those people who can deliver superior performance, both individually and as part of a team. Done well, this aligns top performers to most critical jobs and identifies gaps; identifies successor candidates for key roles; assesses strengths across key competencies; and identifies and develops high potentials. Implement regular interviews, discussions and rigorous assessment and analysis. Emphasize candid and realistic evaluations of *performance* and *potential* of current and next generation's leaders as well as the skill set requirements to meet *current and projected* challenges. Evaluate leadership depth and succession capability against a broad variety of scenarios. Use group talent reviews to exchange information on high potentials, gather input on their performance, and promote rotation and communication.

7. Develop a broader perspective. Use job rotation to broaden the executive, promote information-sharing, reduce functional myopia, and promote sharing of management talent across functional, business, geographic boundaries.

8. Install systems and metrics to hold line managers accountable for building leadership. LD and succession should be a "gate" for promotion and affect compensation. Succession systems must match executives to needed development experiences, balance the short-term risks of stretch assignments with long-term benefits, and enable the enterprise-wide mobility of talent. Key executives are evaluated and compensated, in part, based upon the extent to which their direct reports reach excellent rankings in "job fit," meeting or exceeding targeted goals, generating effective survey results and success in "successor quality and readiness" and "hi-po" identification. This takes into account the percentages of: key incumbents and successors whose development activities occur; vacancies filled via the plan; key positions designated with at least one validated "ready now" backup; key positions designated with at least one validated, planned backup.

9. Institutionalize the process. Note and celebrate LD wins. Executives focus on aligning skill-sets with key positions and identifying and developing high potentials. Panel talent reviews increase

the quality and quantity of input, and prepare executives for the next succession cycles. Key managers get briefings and updates on key initiatives.

Avoid Counterfeit LD

Beyond these practices, you must also avoid these seven worst practices:

1. Failure to engage top leadership and secure their commitment. Secure the commitment of senior leaders and managers. Before moving fast toward enterprise initiatives, create understanding, support and commitment.

2. LD not linked to tomorrow's skill requirements. Counterfeit LD focuses on today's skills without assessing future relevance. LD is geared to the *program du jour,* teaching trendy discipline and failing to link all content to strategy.

3. Faulty metrics. Impact measures are often relegated to how many people, in how many programs, for how many hours. These companies *measure well what should not be measured at all.*

4. Feedback processes not fully utilized. When there's disagreement on critical success factors, people dismiss the feedback. Identify and measure the core values and leadership practices. Encourage each function to add items that predict success in their cultures.

5. Failure to coach. You foster counterfeit LD when you provide feedback without coaching. Coaching sessions provide participants with the support they need to make fast, measurable improvement in their leadership.

6. Succession planning is done to satisfy compliance, not drive superior performance. Hence, it is fraught with five pitfalls: 1) managers move up vertically—building upon similar experiences, without gaining perspective; 2) bright, talented people are moved too quickly; 3) people are often promoted based on good performance to jobs they aren't prepared for; 4) promotions are often based on style, loyalty, or relationships, not performance and competence; and 5) the succession process fails to anticipate skills needed in the future and passes up qualified people.

7. No long-term strategy. You need to craft a *sustained development strategy.* Don't gobble up the latest *management theories* only to abandon them quickly when hoped-for improvements do not occur overnight. There's no *magic elixir.* You build a culture of authentic leadership with patience and hard work.   LE

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ACTION: Go for the gold standard in LD.

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