



A Division of Keystone Partners

Closing Your Organization's Leadership Gaps

David Montross

Bob Hewes

Kris Girrell

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Objectives

- To present a picture of what the future may require of our leaders
- Get an idea of what we are starting with in the current talent pool
- Get you thinking about how to close the gaps

Context for Leadership Development

What are the emerging trends?

- Globally
 - Nationally
 - Economically
 - Industry/Sector
-
- Biggest challenges managing the employees of the future?

What is the Current State of Leadership Development?

- Our company has enough talented managers **7%**
- We develop people effectively **3%**
- We retain good people **8%**
- We use job assignments as key developmental levers **10%**
- We know who our high potential leaders are **16%**
- Our mentoring is good **25%**

Does Leadership Matter?

Research confirms that investment in leadership development:

- Improves performance levels
- Increases profitability
- Produces higher quality products and services
- Reduces employee turnover
- Other reasons?

Leadership Development is Important but....

- 94% of North American H.R. professionals say their organizations have inadequately prepared the next generation to assume senior leadership positions
- Why is this so?

What can be done?

- First, we need a clear picture of what will be needed in the future (numbers and competencies)
- Secondly, we need a clear picture of our current talent pool
- We need a plan to close the gap

The Leader of the Future

What will it take to lead in that future?

- *Let's look at what the thought leaders say...*

Daniel Goleman

Emotional Intelligence

- **Self Awareness**
 - Emotional Awareness, Accurate Assessment, Self Confidence
- **Self Management**
 - Self Control, Transparency, Adaptability, Achievement, Initiative, Optimism
- **Social Awareness**
 - Empathy, Organizational Awareness, Service
- **Relationship Management**
 - Inspiration, Influence, Change & Conflict Management, Developing others and Teams

William C. Byham

Traditional Leaders

- Made all major decisions
- Controlled work flow
- Gave the answers
- Sought to eliminate conflict
- Focused on tasks, products & technical skills
- Thought of people as interchangeable resources

Future Leaders

- Shares responsibility with team members
- Promotes self-management
- Asks the right questions
- Sees conflict as opportunity
- Focus on process and people
- Considers people to be the organization's most valuable resource

John Kotter

	Management	Leadership
Creating an Agenda	Planning and Budgeting	Establishing Direction (A vision for the future)
Developing a Human Network	Organizing & Staffing	Aligning People
Execution	Controlling & Problem Solving	Motivating & Inspiring
Outcome	Predictability & Order	Change

Jim Collins – Level 5 Leader

Professional Will

- Creates superb results
- Demonstrates unwavering resolve
- Sets the standard for building an enduring great company
- Looks in the mirror when results are poor

Personal Humility

- Demonstrates compelling modesty
- Acts with quiet, calm determination
- Relies on inspired standards not inspiring charisma
- Channels ambition into company not self
- Looks out the window to apportion credit for success of the company

The New York Times

CEO Evolution Phase 3; Has the time come for CEO, rev 3.0?

By [NELSON D. SCHWARTZ](#)
Saturday, November 10, 2007

The first iteration made its mark in the 1990s, as chief executives like [Sanford I. Weill](#), [Gerald M. Levin](#), [John F. Welch Jr.](#) and [Michael Eisner](#) built empires, not to mention their profiles, at the companies they ran: [Citigroup](#), [Time Warner](#), GE and [Disney](#). When the shares deflated earlier this decade after the burst of the tech bubble and various corporate scandals, a new cadre moved in: the Fix-it Men. They were lower-key leaders like [Charles O. Prince III](#) of Citigroup and [Richard D. Parsons](#) of Time Warner, whose job it was to repair the excesses and mistakes of their predecessors.

Now, managers in America say they're yet another kind of CEO. "It's someone who manages smoothly as a manager of many books. In the last few years, we would be seeing losses that dwarfed Mr. Parsons during which Time Warner shared a third of the market, forced out of the market by Mr. O'Neal during his subordinate left Citigroup themselves.

- **Previous leaders have had to be:**
 - Empire builders
 - Problem solvers
- **New leaders will need to be:**
 - Organization builders
 - People developers
- **Team captains:** “..they need not just the cognitive ability to run a major firm, but the ability to make people feel like they are working together.”

“They’ve got to have not just the cognitive ability to run a major firm, which Stan O’Neal definitely had, but the ability to make people feel like they’re working together,” Mr. Bennis said. Merrill and Citi might consider looking at chief executives like A.G. Lafley of [Procter & Gamble](#) or [W. James McNerney Jr.](#) of [Boeing](#) as archetypes of the new model, according to Mr. Bennis. “Both felt the need to make sure the top hundred people know that they’re in this together, that their fates are correlated,” Mr. Bennis says. “That’s what it will take to succeed in this century.” Mr. Lafley and Mr. McNerney have won plaudits not merely for their personal style, but also for their bottom-line performance, with shares of [Procter & Gamble](#) and [Boeing](#) easily outpacing the likes of Citigroup and [Standard & Poor’s 500](#).

A Profile of Future Leaders

- Dealing w/ ambiguity
- Business acumen
- Comfort w/ higher mgmt
- Command skills
- Creativity
- Customer focus
- Decision quality
- Func/tech skill
- Innovation mgmt
- Learning agility
- Motivating others
- Negotiating
- Personal learning
- Perspective
- Political savvy
- Drive for results
- Strategic agility
- Manage vision & purpose
- Building effective teams

What can be done?

- First, we need a clear picture of what will be needed in the future (numbers and competencies)
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Though in a period of change, traditional leaders and managers could be partly characterized by:

- Making major decisions and giving answers to be implemented
- Controlling work flow with a focus on tasks, products and technical skills
- Viewing people as interchangeable resources with a focus on organizing and staffing

How would you describe the current strengths and weaknesses of leadership and management in your organizations?

- Strengths

-
-
-

- Weaknesses

-
-
-

Reference Tool for Strength / Weakness Discussion – a leadership and management competency map

Business Skills

- Knows the business
- Knows one's area
- Customer focused

Strategic Skills

- Develops strategy
- Decisive – quality decisions
- Innovative and creative
- Flexible and strategically agile
- Deals with ambiguity
- Handles uncertainty
- Manages vision and purpose

Operating Skills

- Results focus
- Action oriented
- Prioritizes
- Plans and organizes
- Delegates
- Manages and measures work

Command Skills

- Keeps things on track
- Encourages debate
- Willing to take stands

Relationship Skills

- Boss and peer relationships
- Manages diversity
- Direct report relationships

Organizational Skills

- Navigates the organization
- Comfort around higher mgmt
- Political savvy

People Skills

- Approachable
- Listens and understands
- Composed
- Communication
- Inspires and motivates
- Builds teams
- Trusted

Personal Skills

- Self-aware
- Learns and improves
- Work /Life Balance

Our data set – an illustration

- A common source for identifying gaps is a “Group 360” (this is a set of 360’s that you’ve typically run for your organization)
- For this discussion, we created a “Group 360” from over 400 of our executive coaching assignments
- This is not meant to be an average or typical leader

Current Top/Bottom 10 Skills

Top down

- Intelligence
- Ethics & values
- Func/technical skills
- Integrity & trust
- Customer focus
- Action oriented
- Perseverance
- Manage diversity
- Technical learning
- Comfort with higher management

Lowest up

- Personal learning
- Conflict management
- Developing others
- Dealing with paradox
- Managing vision & purpose
- Confronting others
- Understanding others
- Motivating others
- Personal disclosure
- Patience

Looking Thru The Camden Lens

Distilled Themes – Top and Bottom 20

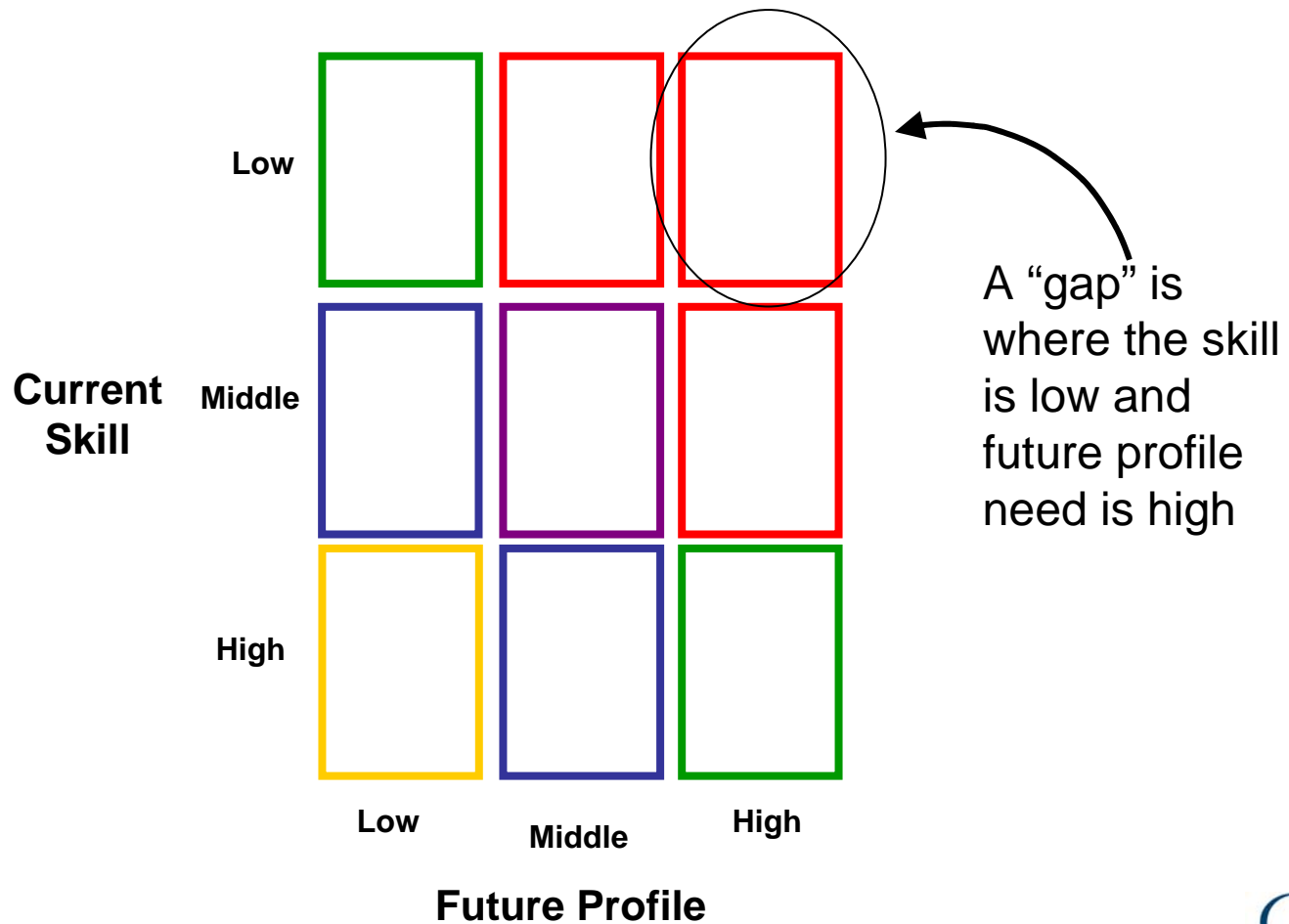
Top Themes

- Intelligent & technically knowledgeable
- Ethical and trusted
- Action/results oriented – get it done
- Knows the business and customer
- Light and approachable

Bottom Themes

- Informing/directing/disclosing
- Develop individuals
- Build teams, systems, processes
- Motivating, manage thru the vision
- Tough enough to handle difficult/gray issues and people

Where are the gaps?



Identifying The Gaps

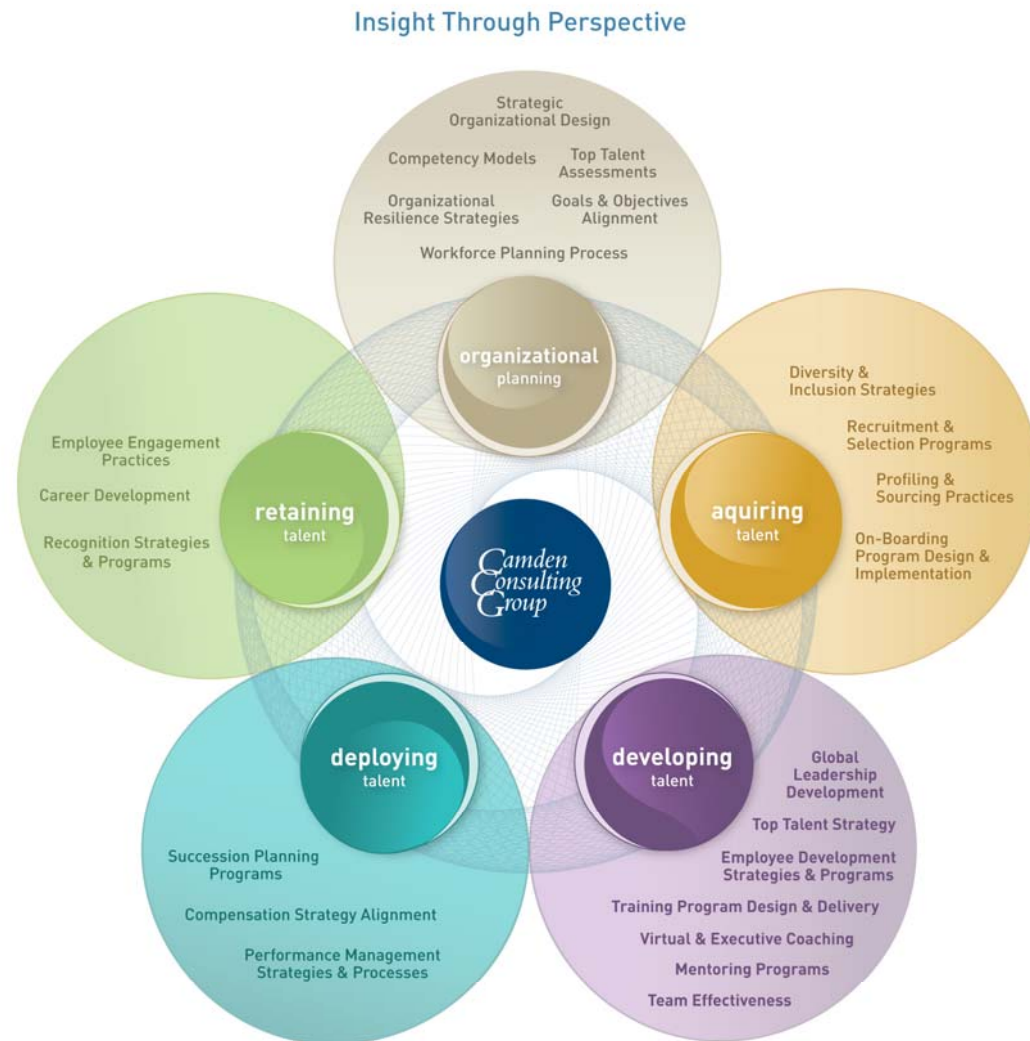
Future Profile	Current Assessment*	Gap
• Dealing w/ ambiguity	Mid-range	-
• Business acumen	Strength	-
• Comfort w/ higher mgmt	Strength	-
• Command skills	Mid-range	-
• Creativity	Mid-range	-
• Customer focus	Strength	-
• Decision quality	Strength	-
• Func/tech skill	Strength	-
• Innovation mgmt	Weakness	Yes
• Learning agility	Strength	-
• Motivating others	Weakness	Yes
• Negotiating	Weakness	Yes
• Personal learning	Weakness (lowest)	Yes
• Perspective	Mid-range	-
• Political savvy	Weakness	Yes
• Drive for results	Strength	-
• Strategic agility	Mid-range	-
• Manage vision & purpose	Weakness	Yes
• Building effective teams	Weakness	Yes

*Strength, Mid-range and Weakness are the top third, middle third, and bottom third, respectively, from the CCG Group 360.

What can be done?

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Integrated Talent Management Model



Change • Communication • Culture

Closing the Gaps: Buy vs Build

Select (e.g. buy) competencies when:

- There is not time to develop them (and the skills are high degree of difficulty)
- You have very different needs in the future
- Strategies change dramatically
- Other?

Innovation management

Dealing with ambiguity

Personal learning

Closing the Gaps

Develop competencies for the future when:

- There is sufficient time
- You can dedicate the necessary resources
- You have identified your “agile learners”
- Skills are easier to learn

Motivating Others

Building Effective Teams

Strategic Agility

Not All Competencies Are Created Equal

Degree of Developmental Difficulty

Easier

Customer focus
Delegating
Directing others
Informing
Listening
Peer relationships
Planning
Written comm.
Technical skill

Moderate

Approachability
Business acumen
Command skills
Creativity
Decision quality
Ethics & values
Hiring & staffing
Motivating others
Self development
Managing through systems

Harder

Innovation mgmt
Dealing w/ ambiguity
Strategic agility
Sizing up people
Interpersonal savvy
Understanding others
Personal learning
Managerial courage

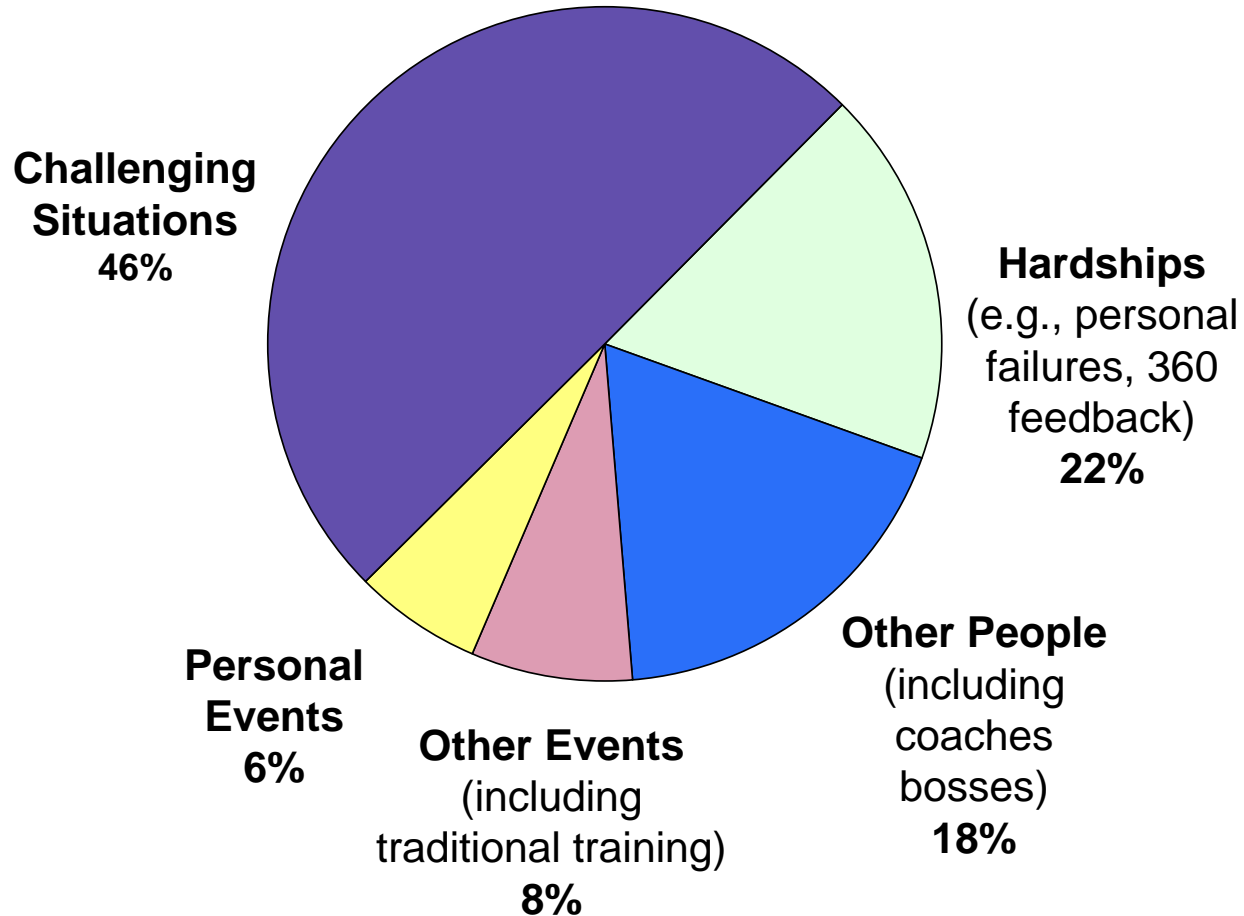
Making it Happen

- “Stretch” events take the person
 - Out of their area of expertise
 - Beyond their current skill set
 - Into high risk/challenge situations
- Senior execs have fewer “degrees of freedom”
- Most often the thing that will develop a particular skill is the situation which most requires that skill!

What are the ways to develop future leaders?

- Full job assignments
- Special assignments in current role
- Coaching/360 feedback
- Learning from others
- Courses/action learning/blended learning
- Readings
- Self-development (scorecards, journaling)
- Other assessments (conflict; influence; strategic vs. tactical and forceful vs. enabling)
- Other?

How Leaders Learn*



Leaders from seven Fortune 500 companies
Total on-the-job learning = 86%

*Adapted from: Center for Creative Leadership

Implications for Talent Management

- These challenges need to begin earlier in the potential leader's career
- They have little to do with technical and business-specific skills
- Self development translates well to development of others

Where Do You Stand?



Closing Your Leadership Gaps Worksheet

1. Do we have a clear picture of what competencies our future leaders will need?
2. Do we have a clear picture of what competencies our current management population?
3. Do we have a plan to close the existing gaps?
4. What is the state of our talent management levers:

COMPONENTS

CURRENT STATE

ACTIONS NEEDED

Competency model(s)

Acquiring & Selecting
(including College Recruiting)

On-boarding & Assimilation

Development & Training

Managing & Deploying
(including Performance Management)

Succession Planning

Changing and Retention

Other



Take Aways

- It is necessary to develop a profile of your future leaders and a clear picture of your current talent pool
- The imperative is to have an integrated talent management program to close the gaps
- Talent management needs to be a whole-company, dedicated effort

Thank You!

Dave Montross, Partner, dmontross@camdenconsulting.com
Bob Hewes, Senior Partner, bhewes@camdenconsulting.com
Kris Girrell, Senior Partner, kgirrell@camdenconsulting.com

Camden Consulting Group
One Boston Place, Suite 2010
Boston, MA 02108
617-720-7370
www.camdenconsulting.com