



# FEET-TO-THE-FIRE EXECUTIVE DEVELOPMENT

**Without an impetus to change and grow, most executives probably won't. Designing a process that maximizes the probability of achieving these changes is of the utmost importance. Once they see the need, they'll make the necessary changes to excel.**

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*By Mark Brenner*

There is a lot of talk about executive development today. Whether the impetus comes from baby boomers retiring, talent shortages, mergers and acquisitions, the global marketplace or increased expectations of stakeholders, the bottom line is the same.

Companies need to have a systematic way to create top-level leaders. The term “executive development” is used to describe an array of actions and activities designed to accomplish that goal. As companies wrestle with the topic, it’s important to define what constitutes “top-level leaders.”

While many important qualities such as compassion, empathy, vision, strength and dedication come to mind, the real measure of a true leader is effectiveness. The most compassionate or visionary leaders will ultimately be disappointments if they’re not fully effective in carrying out their jobs.

Although executive development actions and activities always are aimed at increasing leadership acumen, they do so with varying degrees of success. The reality is that it can be extremely difficult to select which individuals to develop and then to choose the most appropriate approaches that will lead to improved performance.

## **Competency Models of Executive Leadership**

Competency models of executive leadership tend to be heavily weighted on emotional intelligence quotient (EQ) factors, and rightly so. “Emotional intelligence” refers to the ability to perceive one’s own emotions and those of others, and to use those perceptions to guide one’s thinking and actions. As managers move upward along their career arcs toward senior manager or executive roles, EQ characteristics become increasingly predictive of their success.

Studies validate this finding. At PepsiCo, executives selected in a pilot project for their EQ competencies far outperformed their colleagues — delivering a 10 percent increase in productivity, 87 percent decrease in executive turnover, \$3.75 million in added economic value and more than 1,000 percent ROI. In a study of one of the U.K.’s largest restaurant groups, evidence indicated emotionally intelligent leaders were more effective. Their



restaurants outperformed others with increased guest satisfaction, lower employee turnover and 34 percent greater profit growth.

A typical leadership competency model might contain these kinds of EQ-laden characteristics critical to executive success:

- *Strategic action:* Creates a culture of strategic execution and innovation.
- *Organizational alertness:* Demonstrates organizational savvy and adapts accordingly.
- *Organizational commitment:* Drives organizational alignment.
- *Results orientation:* Leads people to execute for success and enterprise growth.
- *Team advancement:* Creates a culture of cross-discipline collaboration.
- *Networking efficacy:* Builds social networks between and among internal and external stakeholders.

When these high-level competencies are broken down into their behavioral components, it becomes quite evident that, to a large degree, the behavioral drivers of these competencies are EQ-based. Take one of the competencies from the list, networking efficacy, which may seem more cognitive than affective or personality based. In a 1993 study published in Harvard Business Review, researchers showed that even in the high-tech environment of Bell Labs, key success factors of the most highly contributing scientists and engineers were teamwork, cooperation and rapport building — networking efficacy — and not just technical knowledge or skills.

Consequently, the most powerful executive development experiences should serve to facilitate the candidate's refinement of his or her EQ repertoire. By far, the largest levers that leaders can operate for broad organizational impact are EQ-based. Ultimately, successful leaders are required to use mastery of self as their primary tool for impact.

### **Best Practices in Executive Development**

During the 1980s, experts in the field thought one-on-one executive coaching was the be all and end all of deep and sustainable executive development. While it may no longer be peerless, one-on-one coaching still remains a powerful medium for leadership development. Around 1990, experts began to blend one-on-one best practices with a group-based executive development design. This yielded at least as much EQ advancement as one-on-one coaching, but at a much lower cost per participant.

How does a group-based executive development design work? As with individual executive coaching, the group-based design brings to light deep insights, removes inner barriers to an individual's performance advancement and allows participants to design and practice more effective leadership strategies until they're hardwired into the development candidate's EQ repertoire.



This “inside out” approach synchronizes the candidate’s inner motivational state with crystal-clear individual and organizational goal setting and creates a powerful development experience for an intact team or a group of peers. To harness the one-on-one design work for groups and teams, the facilitator enhances the one-on-one methodology with group process mechanisms, allowing it to be rolled out to dozens, if not hundreds, of key contributors.

A group-based leadership development process is built around a series of approximately 10 half-day meetings every few weeks. About 10 high-potential managers or executives develop their leadership skill sets in unison, provide one another with high-value and constructive performance feedback, enhance their EQ finesse, break down functional silos and, most importantly, tackle real-world business challenges.

The strength of this approach is that the entire process occurs in real time and within the flow of the team members’ workday lives — with no sterile classrooms and no intrusive and costly off-site travel to attend classes or workshops. The performance data comes directly from key players in the team members’ work lives. Additionally, the continual development-stretching, action-learning experiments take advantage of real-life business situations, involve fellow team members and are fully synchronized with the strategy of the organization. Given the complexity and difficulty of the core challenge — advancing the EQ finesse of every impact player — this design is an extraordinarily powerful solution to executive development.

### **Obstacles to Success**

The greatest obstacle to success in any executive development initiative is taking a fundamentally educational approach, as opposed to a genuinely developmental approach. The essential flaw in the logic of taking an educational approach is believing that pouring solid leadership information into a candidate’s head will change his or her behavioral and performance repertoire. It won’t. All that results from an educational approach is that the candidate simply knows more, but it’s unlikely that he or she will lead differently on the ground.

The second most frequent obstacle to success is the failure of the program design or the organization to integrate the executive development process into the organization’s performance management process. The most common model is one that sends candidates away, usually for several days at a time, either to a vacation-like venue or to a major business school. While these processes can be multifaceted and exquisitely orchestrated — race-car driving, executive health exams, all types of role-playing and simulations and big-brand B-school professors — it is uncommon for candidates to return with a detailed development plan in hand, against which their future performances can be judged and their development measured. There is no handoff from the outside program to the inside talent development infrastructure.



Lastly, another serious obstacle is ownership of the executive development program. All too frequently, the executive development initiative will be owned by HR. Perhaps this is not what is stated on paper or in public pronouncements by the CEO, but this is the reality of the day-to-day initiative. If the CEO is not whole-heartedly invested in the development of his or her executive talent, the initiative will be measurably impaired.

## Figure 1: Two Executive Development Solutions

	TRADITIONAL COACHING	GROUP-BASED DESIGN
Employ an “inside out” method for empowered leadership.	✓	✓
Achieve individual and organizational performance enhancement.	✓	✓
Use individual leadership assessment tools.	✓	✓
Use 360-degree feedback assessment.	✓	✓
Integrate high-frequency action learning.	✓	✓
Incorporate goal-setting and action-planning tools.	✓	✓
Achieve long-lasting leadership development momentum.	✓	✓
Customize to client’s leadership competency model.		✓
Design in peer coaching and group accountability.		✓
Profit from real-time 360-degree feedback and live feedback processing.		✓
Maximize real-time “silo-breaking” collaboration and development.		✓
Drive for team and organizational culture change.		✓
Provide post-coaching momentum and accountability.		✓
Capitalize on strikingly low cost per executive.		✓

### Selecting the Executive Pool to Develop

The ideal candidate for executive development is the learning athlete, but only about 10 percent of the population are agile learners by nature. Fortunately for the other 90 percent of high potentials, a good deal of what’s required to be a learning athlete is coachable. If candidates aren’t gold-medalist learners, their coaches can transform them to be.



Some characteristics of the learning athlete are:

- Constantly seeks feedback and is extremely analytical about successes and failures.
- Possesses a finely tuned capacity for self-reflection and self-awareness.
- Seeks a wide variety of experiences due to a sense of curiosity and the understanding that experience is the best medium for self-discovery.
- Constantly strives to learn something new and different by searching for comparisons, contrasts and generalizations.
- Finds ways to apply knowledge to new situations.
- Uses strengths to modify weaknesses.

Exhibiting the characteristics of a learning athlete doesn't guarantee a candidate is destined for success. In fact, experience has shown it is quite difficult, if not foolhardy, to predict who will soar when these development resources are made available. It is telling to observe a candidate's response once he or she is placed in front of the data mirror from which any well-designed leadership development process is launched. The data mirror is comprised of 360-degree data, leadership test findings, performance review information and other performance measures.

In the end, the most effective leaders will demonstrate ever-increasing finesse with a broad range of EQ behavioral vectors, such as secure self-awareness, quiet self-confidence, transparent genuineness, emotional self-mastery, resilience, empathetic mentoring and core values-based role modeling. Certain EQ characteristics accelerate leadership effectiveness (e.g., conscientiousness, drive for achievement, openness to information and feedback, and helpfulness and sociability) while other personality-based factors operate as obstacles to a leader's impact (e.g., approval seeking, rigidity, mistrust, hostility and a need for control).

Perhaps the truest measure of the success of an executive development process is its ability to prepare leaders to manage in the face of ambiguity, one of the most challenging areas for top managers in our global economy. The world of business has become increasingly complex during the past 25 years. Executives can no longer manage and lead by policy and procedure or command and control.

Driving business forward now looks much more like a flow sport, such as soccer or rugby, than a scripted stop-and-go sport, such as football. There is not a single forecaster who anticipates a period like the 1950s or 1960s ever again, when America's economy was rock solid, king of the mountain and calling the shots. American economist Herb Simon observed, "Although uncertainty does not make intelligent choice impossible, it places a premium on robust adaptive procedures instead of strategies that work well only when finely tuned to known environments."



### IN PRACTICE: Pioneering Development at Penn National Gaming

Penn National Gaming, the owner of 17 U.S.-based casino and resort properties, racetracks and off-track betting facilities, did not have a formal talent development program.

With a new head of HR and a president eager to learn and improve the company's performance culture, it began by rolling out a mini-coaching process for the top 100 managers. This move exposed it for the first time to 360-degree data, professional debriefs and substantive development goal setting facilitated by outside consultants.

This organization-wide experience led Tom Burke, then-newly appointed general manager of one of the company's properties — the Argosy Casino, Hotel & Spa near Kansas City — to engage in an intensive strategy process.

“When I got there, I thought about how we were going to coalesce the team and figure out where we go and what we do — and integrate me into it,” Burke said.

With an emphasis on team building and strategy execution, Burke discovered that leadership depth was both fundamental and critical to the execution process. He decided to put three different groups of managers through a group-based leadership development program. The participants were Burke's top management team — himself and his direct reports — a group of high potentials and a group of key managers and supervisors.

With their customized competency model, customized 360-degree survey and customized leadership development test in hand, along with the strategy-execution blueprint, the three groups had the kind of “orienting tools” required to customize the program design to the demands of their business situation and to supercharge the overall development process.

The top 30 leaders at the Argosy property became deeply aligned with their mission, vision, core values and long-term strategy. They all kept score using the same metrics and have evolved a collaborative process that facilitates innovation on the upside, and handles bumps in the road more effectively on the downside, because of the conflict management techniques they cultivated during the group development process.

“It really brought the team together,” said Burke. “I believe without a doubt that it made us much more functional, it gave us direction, it clarified who and what we were, where we were going and what our roles were, both as individuals and a team. All of that combined makes us much more profitable.”



## Feet to the Fire

Offering high-potential candidates an experience that advances their EQ capabilities is no simple matter. It is an understatement to say that adults do not readily change their behavioral patterns, whether in their personal or work lives. Designing a process that maximizes the probability of achieving these changes is of the utmost importance.

Without an impetus to change and grow, most potential candidates probably won't. But when a candidate is exposed to gap analysis — the distance between where they are developmentally and where the leadership competency model suggests they ultimately need to be — there is a fairly high probability that they'll begin to experience the proverbial “feet to the fire” and work to make the necessary changes to excel as a leader.



### About the Author:

*Mark Brenner is Chairman of the Global Consulting Partnership, a firm that provides leadership development and organizational performance solutions for corporations, professional service firms, non profits and closely-held businesses. For further information, visit [www.tgcpinc.com](http://www.tgcpinc.com) or call 610 975-9110.*