

Developing Leaders for 2010

BY ED GIGANTI

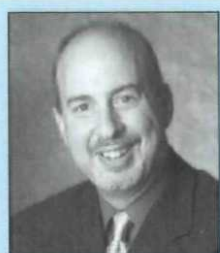
A recent study conducted by the Conference Board sought to identify, first, the business challenges leaders will face in 2010, and, second, the practices most effective in developing the leadership competencies that leaders will need to successfully address those challenges.¹ The study's findings may stimulate some innovative thinking concerning the development of leaders for the Catholic health ministry.

The Conference Board is an international not-for-profit business research and education organization. Its study included surveys of the development practices of 150 companies; interviews with the leaders of such companies as Cisco Systems, Motorola, and the World Bank; interviews with leading organizational theorists, such as Jay Conger, Noel Tichy, and Margaret Wheatley; and input from a working group that included representatives from a diverse group of companies.

The study paints an unsettling picture of leadership capacity in the business world of the future. In many industries, the projected challenges facing the business leaders of the future—globalization; hyper-competition; increased expectations on the part of boards, markets, and employees—are expected to test both the capabilities and the supply of individual leaders. Many of those interviewed were skeptical that any single person would be capable of leading the extremely complex global organization likely to be typical in the future.

A projected 15 percent decline in the 35-to-44 age group (the target age group for new senior leaders) over the next 10 years will mean that the talent pool will be smaller. The pool may shrink even more, respondents predict, as qualified people step off the leadership ladder because of the risk of premature burnout.

Only one third of the study's respondents rated their companies' leadership capacity as "excellent or good" in meeting business challenges or responding to sudden changes. This finding is a significant drop from a 1997 Confer-



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ence Board study in which half of those surveyed rated leadership strength as excellent or good. Also troubling is the fact that fewer than half of the 2002 respondents reported that development of leaders for the future is a major priority for their companies' senior leaders.

FOUR CRITICAL ROLES

The business challenges of the future will require leaders to fill four critical roles, according to the study: "master strategist," "change manager," "relationship builder/network manager," and "talent developer." These leaders will need a skill mix that includes:

- Cognitive ability—raw intellectual power and mental agility
- Strategic thinking skills
- Analytical ability
- An ability to make sound decisions in environments of ambiguity and uncertainty
- Personal and organizational communication skills
- Influence and persuasion skills exercised both inside and outside the organization
- An ability to manage in work environments characterized by diversity of cultures and generations
- An ability to attract, develop, and retain talent
- Personal adaptability—the ability to learn from experience and adjust course

How will these skills be developed in the leaders of the future? The study showed that many leading-edge companies are implementing a battery of leadership development best practices. Typical of these practices are "high potential" approaches that focus attention and resources on individuals identified as having potential for success in executive leadership; detailed career planning that provides future leaders with important experiences through "stretch assignments"; and customized development that tailors learning and growth activities to the strengths, needs, and career potential of each individual.

Companies at the leading edge of leadership development are also experimenting with emerging interventions that can be grouped into four categories:

- Adaptations of current practices, such as apprenticeships, sponsorships, group mentoring, and off-site retreats
- Technology-enabled approaches, such as executive chat rooms, business simulations, e-learning, and e-mentoring/shadowing
- Renewed emphasis on decision making, scenario planning, self-awareness, and work/life balance
- Positions or projects outside the business—for example, “loaning” employees to suppliers or civic and charitable organizations

ORGANIZATIONAL CHARACTERISTICS

Another important focus of the Conference Board study was its examination of the organizational characteristics that would most contribute to the attraction, retention, and development of leaders equipped with the necessary competencies for success in 2010. The study showed, for example, that less hierarchically structured organizations with flexible, changeable unit structures provide a wide range of learning opportunities for developing leaders. Other policies and procedures that help build leadership capacity for the future are:

- Executive reward programs designed to reinforce support for leadership development
- Flexible career paths
- Individualized compensation structures

Entrepreneurial, risk-taking workplace cultures are characteristic of organizations that are supportive of leadership development, as are cultures that are “feedback rich” and have a strong performance and continuous improvement orientation.

The Conference Board study highlighted successful, innovative practices in leadership development at several organizations. Here are a few examples from the study report:

World Bank “On-boarding” is a major focus of this institution’s Management Development System. As a part of the on-boarding plan, all newly promoted first-time managers, new directors, and new external hires are encouraged to form peer learning/coaching groups. In these groups, each of which numbers from eight to 10 people, participants share development needs and provide support and peer-level coaching.

Sun Microsystems, Inc. This company’s “SEE Tool” (Survey of Executive Experience) identifies 23

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key experiences that are helpful developmentally for persons at the director level or above. Using the SEE Tool, assessment of a leader’s past experience, provides career guidance and informs individual development planning, as well as the company’s executive talent management. The SEE Tool is a means of making developmental assignments more individualized. It recognizes that there are many different ways to acquire the needed skills for success in senior leadership roles.

PPG Industries Leaders participating in this company’s Executive Development Process (EDP) are assessed through a variety of assessment instruments, including 360-degree feedback, and they create development plans in consultation with supervisors. Once the plans are created, each leader is assigned a six-person support network: a sponsor (a PPG executive who guides the participant’s development), a mentor (an EDP graduate who is responsible for coaching and mentoring the participant), a partner (a peer from the EDP cohort with whom the participant can discuss and share experiences), the leader’s supervisor, a human resources professional (who works with the participant to identify appropriate developmental positions or projects as they become available), and the manager responsible for the entire EDP program.

AN EYE ON THE FUTURE

Although many organizations are experimenting with new approaches to developing leaders for the future, a great deal of effort is devoted to improving current practices and integrating and aligning them with areas such as recruiting and reward/recognition programs. The Conference Board study underlines the fact that leadership development is frequently costly and time consuming and often involves risk to the company and the participating leaders. However, success in leadership development seems to come through identifying future leadership talent, taking prudent risks in investing in aggressive development, and mitigating risk by providing support to high potential individuals placed in developmental assignments. □

NOTES

1. “Developing Business Leaders for 2010,” The Conference Board, Inc., New York City, NY, 2002.

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