

# Developing Great Leaders: Bucking Conventional Wisdom

*Susan W. Stang, Ph.D.*

*PSI Services LLC*

*2950 N. Hollywood Way*

*Suite 200*

*Burbank, CA 91505*

*PSI Corporate: Tel: 818.847.6180*

*Leadership Services: Tel: 440.808.1514*

*March 26, 2015*

# Overview

- Traditional Approaches to Leadership Development
- Making the Case for Alternatives
- An Exploration of Character and Values
- A Consideration of Virtues and Vices
- Using Values to Enhance Development

# Typical Approach to Managing Leadership Talent

1. Review role requirements/business strategy
2. Develop a competency model
  - Strategic Thinking
  - Achieving Results
  - Building a Team
  - Developing Collaborative Relationships
3. Administer assessments
4. Profile strengths and weaknesses
5. Select top quality candidates
6. Structure developmental activities to address gaps/opportunities

# Our Focus Throughout

- Competence



Skills and Abilities



Experience



Personality



Intellectual Resources

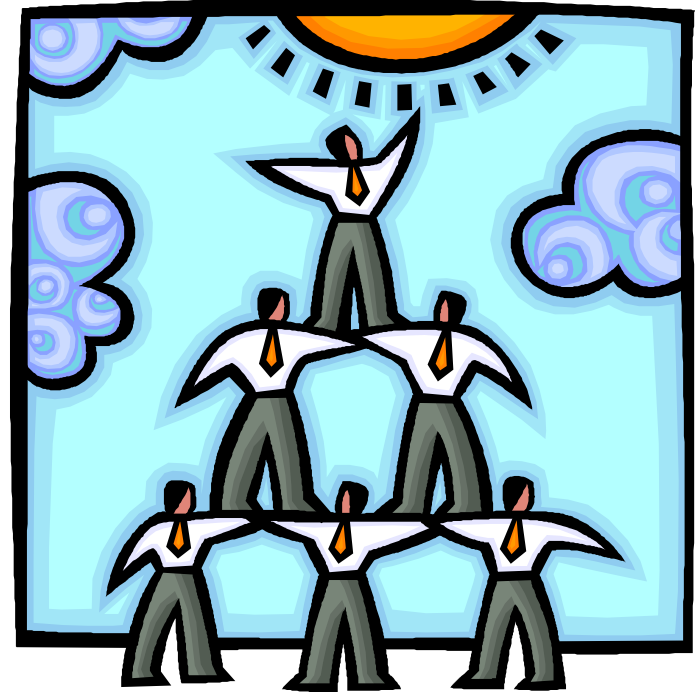
# Leadership Development as an HR Priority

- \$40 billion dollar business\*
- Survey findings
  - Top human capital need
  - Largest readiness gap
  - Strategic focus
  - Limited bench strength

\*Society of Industrial and Organizational Psychology (SIOP)

# Developmental Activities typically include:

- Training
- Education
- Coaching
- Mentoring
- On-the-job Experience



70-20-10 Guideline

# Are traditional approaches effective?

- Results suggest opportunity for improvement
- High potential programs
  - 1 in 2 drop out
  - 1 in 2 are not effective
  - 1 in 2 don't plan to stay
- 40% of senior executives ultimately fail
- Base rate of managerial incompetence estimated at 58%

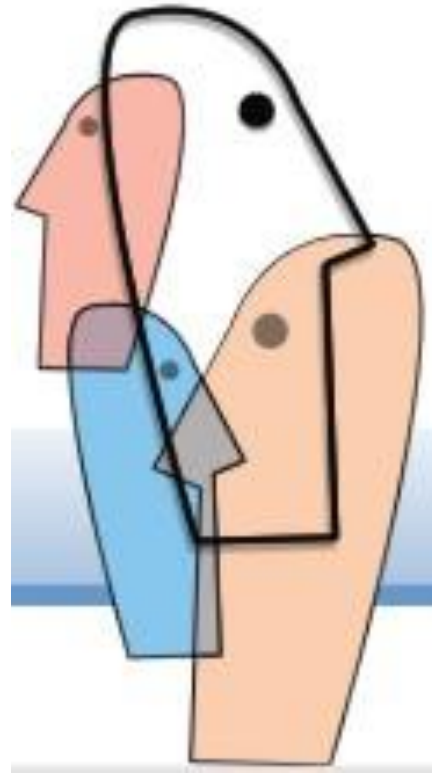
# Why is this so difficult?

- Long time frame
- Rapidly changing environment/global marketplace
  - VUCA
- No one way to get there
- Success often measured in organizational terms
- Missing pieces of the puzzle



# Other Possibilities

- Versatility and Adaptability
- Learning Agility
- Focus



# Executive Coaching Case Studies

- What was common for those who struggled and/or stagnated?



# Conclusions

- Competencies are needed to execute the strategy but competence is not always the issue
- Leadership is more than a person's ability to get work done, it is the way he/she navigates the complexities of leading
- Leadership is more than what we do, it is the way we do it
- Who you are determines how you lead

# Good to Great 'Level 5' Leaders

## Two Key "Qualities"

Humility	Will
<ul style="list-style-type: none"><li>• Modest</li></ul>	<ul style="list-style-type: none"><li>• Creates strong results</li></ul>
<ul style="list-style-type: none"><li>• Acts on Values</li></ul>	<ul style="list-style-type: none"><li>• Focused on the long term</li></ul>
<ul style="list-style-type: none"><li>• Works for the company, not self</li></ul>	<ul style="list-style-type: none"><li>• Sets high standards</li></ul>
<ul style="list-style-type: none"><li>• Accepts personal responsibility</li></ul>	<ul style="list-style-type: none"><li>• Gives credit to others</li></ul>

Collins (2001, 2005)

# Values at Work

- Vast majority of organizations have value statements ...

**ACCOUNTABILITY:  
IF IT IS TO BE, IT'S  
UP TO ME**  
*COCA COLA*

**Integrity**  
*Barnes & Noble  
Booksellers*

**Deliver  
WOW  
Through  
Service**  
*Zappos*

**Every Client.  
Every Time.  
No Exceptions.  
No Excuses.**  
*Quicken Loans*

**Respect  
for  
People**  
*American Express*

... which most believe are central  
to their success

# Values have impact

Companies with explicit commitment to values ...

- . . . provided more than twice the value to shareholders (DePaul University, 1999)
- . . . provided 3 x the market value added of companies without (Management Review)

# Organizational Values

- Focus operations
- Build alignment to purpose
- Define the culture
- Build a brand
- Open a dialogue
- Identify important selection criteria

Vision  
Mission  
& Values

# Values are:

- guiding principles for decision-making
- fundamental beliefs
- motivational characteristics
- priorities
- standards of behavior



# Values ...

- Provide stability and consistency
- Serve as an unwavering guide
- Are likely to remain important over time
- Guide behavior

# What could be more critical to ensuring effectiveness in a ...

- volatile,
- uncertain,
- complex,
- ambiguous, and
- global

**marketplace?**

# Values and Character

- Who we are on the inside
- Impacts how we interact with the world around us
  - what we notice
  - what we choose to act on
  - how we decide





# Effective leadership includes:

- Competencies Ü What a person can do
- Commitment/Motivation/Interest Ü What a person wants to do
- Character Ü What a person will do



# Character

- An awareness of the complexities of leading
- An understanding of the impact on self and others
- A willingness to consider both (self and others) in high stakes situations
- An appreciation for balance among competing values (i.e., competing priorities)

# Values and Vices

- Too much v. too little



# Values are not necessarily virtues

- Power
- Money/Affluence
- Dominance
- Non conformity
- Prestige

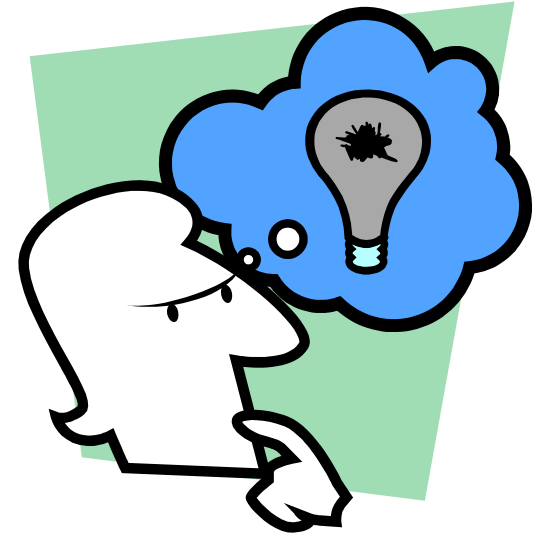




# An Alternative Approach

- Expand development to include what makes a leader good in addition to what good leaders do

*Develop Skills and Character*



# Supporting Development of Great Leaders

- Talk about values and character
- Discuss what a leader is in addition to what a leader does
- Include character and values in leadership models

# Designing a Values-Based Development Program

## 1. Translate organizational values into key leadership practices

- Link values to context and to role
- Identify standards and expectations for how work will be done
- Define the desirable shared behaviors that shape the culture

# One Example: Competency Model linked to Corporate Values

Corporate Values	Leadership Competencies and Character
Responsibility	Confronting Problems Demonstrating Commitment
Caring about People	Building Relationships
Initiative	Leading with Vision and Values Being Comfortable with Change
Integrity	Acting with Integrity
Teamwork	Working Collaboratively

# Acting with Integrity

- Is honest and forthright in dealing with others
- Takes a stand, when necessary
- Follows through on promises and commitments
- Earns the trust and confidence of others
- Does the “right thing” even when not convenient or popular to do so

# Strategic Agility

Management-Level	Executive-Level
<ul style="list-style-type: none"><li>• Recommends fresh perspectives and novel ideas</li></ul>	<ul style="list-style-type: none"><li>• Seeks challenging opportunities</li></ul>
<ul style="list-style-type: none"><li>• Priorities work to focus on value-added activities</li></ul>	<ul style="list-style-type: none"><li>• Prioritizes work to focus on highest value activities</li></ul>
<ul style="list-style-type: none"><li>• Adapts well to changing priorities</li></ul>	<ul style="list-style-type: none"><li>• Embraces change by being a good sponsor</li></ul>
<ul style="list-style-type: none"><li>• Supports new ideas and takes calculated risks</li></ul>	<ul style="list-style-type: none"><li>• Has a clear agenda for continuous improvement</li></ul>

## 2. Measure character and values in addition to competence

Expand

- Assessments
- 360 Degree Surveys



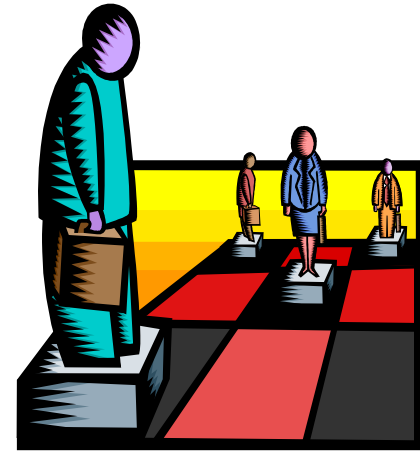
# Assessment and Surveys

- Measure values and fit
  - Tell me about a high stakes situation you were responsible for at work that did not go as well as you would have hoped. What was the situation? Why was it important? What was the impact on you, and on others around you?
  - Think about the last time someone challenged your decision or an action you put into play. What did you do in response?
- Measure the degree to which values are embedded in everyday activities



### 3. Leverage on-the-job opportunities that test/demonstrate/develop character

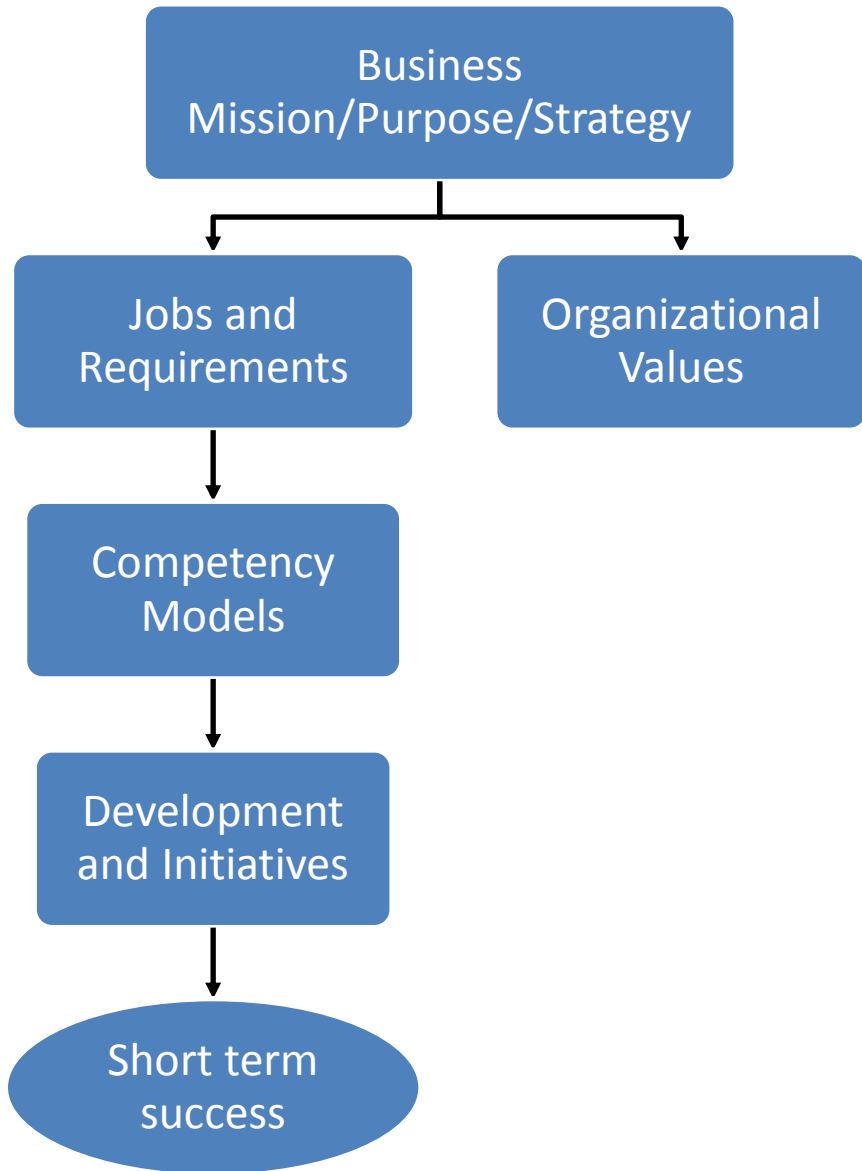
- Identify opportunities
  - Stretch assignments (challenge and adversity)
  - Risky/critical experiences (high visibility)
- Provide mentoring/support
- Outline lessons to be learned



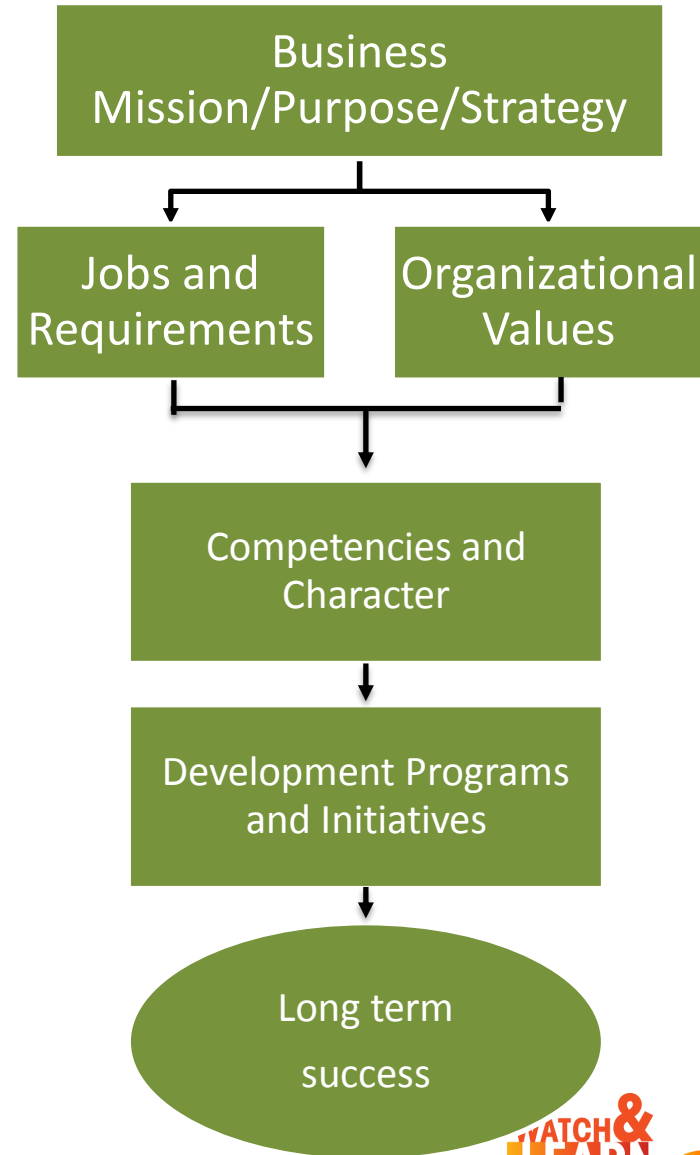
# 4. Support sound development “habits”

- Reflecting on effectiveness
- Considering all perspectives
- Sharing why and how decisions are made
- Setting expectations – leaders are custodians of the culture

## Traditional Strategy



## Proposed Alternative Strategy



# Key Takeaways to Enhance Leadership Development



- Include competence and character
- Define the target
- Communicate expectations and standards
- Provide feedback
- Think long-term – reinforce key values
- Encourage self reflection
- Include risk-taking, perspective-broadening experiences
- Maintain the culture

**Thank you!**

***Susan W. Stang, Ph.D.***  
***PSI Services LLC***

*PSI Corporate: Tel: 818.847.6180*  
*Leadership Services: Tel: 440.808.1514*