



Views from the C-Suite

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Three enduring touchstones of leadership success are authenticity, persistently working to connect with a wide range of key players inside and outside one's organization, and communicating honestly and persuasively. Effective future executives must possess (and many in the talent pool do not) the abilities to translate complexity into understandable terms and to inspire confidence among key players and constituents. To ensure sustainable success, developing leadership capability must be an ongoing and core priority of top management and must be embedded in the organization's culture.

This chapter describes the leadership development experiences and insights of six highly successful C-suite executives. It shows them and their perspectives, immersed in the thick of day-in, day-out leadership challenges, and it draws some conclusions about developing leaders for the future.

The chapter also includes some of my own observations based on a career in human resources (HR) in three large for-profit businesses in vastly different industries and on my experience as a board member of several nonprofit organizations. Over the years, I have come to appreciate the inherent complexities of developing leaders and the frustrating gap between the needs and intent of organizations committed to developing talent and the reality experienced by

individuals who have been identified as having high potential for leading. This chapter offers recommendations for minimizing the continuing gap between the intended end goal of development and current practices.

I interviewed the six executives just prior to the start of the global financial meltdown in 2008. As I wrote up the results, that event was still unfolding. The six executives described and endorsed fundamental, sound practices that remain important, regardless of the business model an organization subscribes to or the context in which it operates. The evidence in this chapter is anecdotal, and the conclusions are drawn mainly from the experiences of just six leaders, but I believe what these outstanding leaders have to say will prepare readers to gain more from the chapters that follow than they are likely to gain without the on-the-ground perspective of these leaders. To protect confidentiality, the names of the six and their organizations have been changed. When we spoke, the executives were asked to comment on the following topics:

- The experiences that had shaped their readiness to lead
- The skills most critical to their achievements
- What they expect leaders of the future will face
- Their observations about the needs of talented up-and-comers
- What they recommend to prepare future leaders to tackle major responsibilities
- Additional observations about ways to maximize development processes

LEADERSHIP, NOW MORE THAN EVER BEFORE

Leadership capability has long been recognized as a factor (perhaps the key one) in simultaneously guiding organizations through challenges and driving them toward higher performance. With so many pressures testing organizations of all kinds worldwide, the value and impact of exceptional leadership are greater than they have ever been before. At the same time, senior executives voice profound concern about whether the necessary talent will be available and ready to lead when the time comes for the next generation to take the reins. That concern is shared by nonprofits, educational, governmental, military, and other organizations.

The financial crisis that began in mid-2008 brings those concerns into bold relief. The world economy was pushed to near collapse by extreme and poorly understood complexity and exacerbated by diverse vulnerabilities. Together

these conditions nearly shredded whatever limited safety nets were in place and left strong indications that new thinking and new business models will be necessary going forward. Among top executives, managers, and highly trained technical specialists, a paucity of good judgment, an excessive comfort with ends justifying means, a shortage of courage, and simple greed brought about a severe financial meltdown. Hindsight revealed shared responsibility and accountability (to varying degrees) by those making decisions in major financial institutions and other organizations and by those passively benefiting from a seemingly ever-expanding economy. Mounting signs of impending crises were largely ignored, and judgment was suspended.

The depth and scope of this financial crisis and other serious vulnerabilities looming on the horizon (for example, epidemics and pandemics, access to health care, adequacy of global food and water resources, climate change, economic and political security), demonstrate how quickly and stunningly threats arise to face leaders and to challenge the survival of their enterprises. Leaders can anticipate some threats, but others will arrive with unexpected fury. These challenges bring new urgency to developing flexibility and agility among candidates for senior leadership positions (Johansen, 2007).

In light of recent changing circumstances, in addition to looking at current business models, it is relevant to ask whether the models of leadership and the developmental methods used to improve it are satisfactory. Indeed, we've seen numerous real-life models spotlighted in scholarly work and in the media as examples of extraordinary effectiveness. All too often, though, initial excitement about these near icons fades to silence. Meanwhile leaders and their organizations appear to glide along, racking up one purported triumph after another, until, for some previously unexpected reason, they hit a significant speed bump and sometimes crash. After-the-fact analysis often uncovers long-simmering problems not recognized earlier.

One such crash took down Ramalinga Raju, founder and chairman of Satyam Computer, a leading Indian technology and outsourcing firm. In 2008 Raju was lauded by Thomas Friedman for superior entrepreneurial ability, prescient strategic foresight, and philanthropic generosity, yet in January 2009, a mere six months after publication of Friedman's *Hot, Flat, and Crowded*, Raju was arrested and resigned from Satyam in disgrace. He publicly admitted to having overseen a massive, multiyear financial fraud, similar in scope to the Enron fraud in the United States just a few years earlier. The falsifying of Satyam's accounting records

and inflating of profits represent the largest example of financial mismanagement in Indian corporate history (Dolnick, 2009). As of early 2009, Satyam Computer was acquired by Mahindra Group and renamed Mahindra Satyam, and multiple investigations continued to determine the fate of funds illegally transferred from the company before the fraud was uncovered.

THE SIX INTERVIEWEES

The executives interviewed for this chapter are CEOs of highly successful corporate groups, major divisions of corporations, or educational institutions. They are diverse in terms of sector, location, ages, and gender. They work in shipping, financial services, pharmaceuticals, and higher education; their ages range from their early forties to seventies; four are men and two are women; and two are non-Americans who are based abroad.

Those in businesses run multibillion-dollar organizations; our educational CEO leads a preeminent graduate school with a main campus in the United States and programs conducted abroad. Each boasts a long and sustained record of success. All of them and their organizations have experienced significant crises during their careers. Just as one would expect, these executives are seasoned, sophisticated, curious, and optimistic, and they have a broad worldview.

Early in their careers, each of the executives interviewed anticipated and looked forward to the challenges ahead. In our discussions, they projected character, appear guided by their values, and routinely reflect on their experiences. Maybe most appealing, each recognizes that he or she remains a work in progress. Their experiences range from the extraordinarily dramatic to being pushed well beyond their comfort zone.

Leading in Traumatic Times

Hostin Maritime is a major global maritime group headquartered in Europe, and Marti Amberg has a sterling record in the transportation industry, first as a senior executive of a leading national airline and subsequently leading a global maritime business. He lived abroad prior to taking the top spot at Hostin and traveled the world extensively, meeting employee teams and customers around the world. The story of Amberg's ascension to the CEO position at Hostin in 1990 and what he has accomplished there since are at the heart of why he is regarded as an exceptional leader.

When Hostin recruited Amberg to lead the business, it had just experienced an unprecedented trauma that endangered its very survival: its entire executive team had recently perished in an air crash en route to a company meeting. In one fell swoop, the business lost its leadership team, and many in the company lost valued friends and colleagues with whom they had worked for decades. The shock was profound and palpable on all levels and created deep personal pain.

Any wise executive being recruited under these circumstances would think through what might be faced before jumping on board. Amberg did just that. He considered what he might encounter professionally and personally if he accepted the job, and he discussed with valued advisors whether this position would be a match for him.

Amberg's prior positions had taught him that bringing about change is at the core of effective leadership, and to accomplish this requires creating common ground with others based on personal authenticity. He learned this lesson from previously running a business unit that was losing ground rapidly in its market because of lax management. He quickly concluded that reorganization and significant reductions in force were required to stabilize, energize, and develop the unit. To build a platform conducive to implementing these changes, Amberg put his values into practice. He communicated honestly, directly, and frequently to his staff across the company and endeavored to be open and available to employees and customers alike. He appreciated that people are acutely adept at judging integrity and operated accordingly.

As a first step in this earlier assignment, he presented in explicit terms his assessment of the state of the business and what had to be done. Simultaneously he stressed to his management team that they should work diligently to avoid casualties—meaning that they had to financially buffer those being asked to leave as much as possible and treat everyone with respect and dignity. The shared goal was to minimize fallout while allowing change to proceed. Amberg's mix of bluntness and sensitivity helped the process play out well.

An additional experience stood him in good stead when joining Hostin. During an assignment in the United States years before, Amberg had proved himself particularly effective at building bridges with the U.S.-based staff and upgrading the company's bottom line. He received numerous accolades for his accomplishments. When he returned to his home country, he faced a serious union problem but fully expected his adversaries to appreciate his impressive

skills. As Amberg describes it now, he had developed a “major helium head” while in the United States. Once back home, he quickly discovered that his overinflated self-assessment jeopardized his effectiveness. He came to understand how easy it is to become disconnected from reality. This experience became formative and highly valuable to him.

When Amberg joined Hostin, he used his accumulated experiences to deal with a situation that turned out to be as serious as he anticipated, if not more so. The company was nearly paralyzed by profound shock and needed time to find its way to a new “normal.” In Amberg’s view, one of his immediate priorities was to rebuild confidence in the company among staff, suppliers, and customers. It was imperative that he convincingly assure everyone that the company was on a firm footing in spite of the trauma it had experienced. As he worked on this, he frequently used Hostin’s long and successful history as a touch point and announced that he would delay making any significant change for a full year.

He expected that this year-long hiatus would offer three advantages: (1) he would respect (and be seen as respecting) the company’s need to restabilize, (2) he would have an opportunity to get a firsthand understanding of the true state of the business and what was necessary to move it forward, and (3) he would have the opportunity to build relationships and trust with staff, suppliers, and customers. In Amberg’s estimation, thrusting new challenges onto the Hostin staff too quickly would endanger a fragile organization. As he put it, “The company needed time to grieve.”

For his first twelve months as Hostin’s CEO, Amberg ran the company as promised: in a business-as-usual mode without significant change. At the one-year mark, he felt the interlude had accomplished what he had intended. He had become highly knowledgeable about the company, had learned whom he could rely on, and had developed a plan for next steps with the active help of key players. In turn, the staff had had a chance to get to know him, had developed a sense of renewed confidence in themselves, and had come to trust and respect their new leader. Together Amberg and Hostin were ready to move forward.

Amberg’s experiences illustrate the importance of leadership presence—the willingness and the capacity to be visible in the most difficult times, to be open to others during times of crisis, and through it all to remain, in the midst of change, focused on what needs to be done to ensure the organization’s success.

Relationships Work, Clarity Leads

Greentown National is a large investment organization in the United States. Meredith Rangster's progression throughout her career has been based on the strength of her technical skill, relationship-building skills, and highly competitive nature. She has always relied on her gut and sheer persuasiveness, finely tuned over twenty-four years as a salesperson in financial services. The combined power of these skills had worked so well for her that she came to expect she would win every argument and overcome any obstacle in her path.

Reality struck a few years ago when the president of Greentown National gave Rangster the assignment to "reduce the white space between the bank's silos and leverage the capabilities of each to augment overall effectiveness." To this point in her career, Rangster says she had been operating as "a typical salesperson, thinking facts were less important than relationships." But after months of trying to accomplish her new mandate and coming up against one frustration after another, she realized she was directly interfering with what the employees in those silos felt was working quite well for them. Rangster was challenging a comfortable status quo and facing abundant resistance. Her inability to move the situation forward to a successful conclusion came as an unfamiliar surprise. She readily admits she came to hate the job.

For several months, Rangster pressed ahead with minimal progress. She began to realize that she had to not only rely on her gut and influence skills, but highlight convincing facts to support her positions and deliver the information in a compelling manner. As she put it, her arguments had to "let the story tell itself." After all, the decision makers in her target audience were experienced and skeptical executives who were trained to look at facts and numbers. She would have to impress them intellectually and convince them that she had a firm grasp of their world. Credible solutions would have to be developed with her internal clients, not for them.

Encouraging the involvement of those closest to the work required Rangster to look critically at the style she was most comfortable with and draw out the perspectives and ideas of her internal clients. She also had to recognize and resolve disagreements in a patient, inclusive, and respectful manner in order to build relationships with those most inclined to resist her involvement. The power of her position would not buffer her from conflict or carry the day. So with rigor and persistence, Rangster marshaled data to support her arguments and used

information, persuasiveness, and process skills to help others think with her, project ahead, and avoid the constraint of initial assumptions and objections. She also found that as a by-product of inclusiveness, she had an opportunity to understand the shortcomings others saw in her arguments. Their comments provided early alerts to possible risks and unintended consequences she might not have anticipated on her own. As a result, she was also able to garner solid support for the major structural and behavioral changes needed to accomplish her mission. She turned things around, accomplished the goals of the project, and was rewarded with a major new line assignment.

As Rangster's career progressed, two additional lessons stand out in her mind—one involving personal style and the other a work-life balance issue. The first represented what might be thought of as the underbelly of being an extraordinarily effective multitasker. While Rangster routinely juggled multiple priorities, she did not always realize that her attention and clarity were at times deflected from strategic issues and onto small fixes. She received feedback about this and empowered her team to send up a warning flag when they saw her lunging toward small fixes rather than attending to the bigger picture. These alerts, which she needed, strengthened bonds with her team.

Another and very different kind of experience, which has had a lasting impact on Rangster, came when she learned she was pregnant with her second child at a time when she was leading an extremely demanding business unit. With some apprehension about her manager's possible response, she proposed working four days a week for several months after her baby was born. She had carefully worked through the dynamics of managing her toddler and newborn along with her job and was confident her multitasking skills would make it work. Although she understood that her strength as a multitasker sometimes endangered business goals, she knew that adroitly leveraging this skill would be her salvation in balancing this work-life issue. To her surprise and delight, her manager unhesitatingly approved her request despite the potential risks to the business.

His positive response and the confidence he exhibited in her left a lasting impression. She terms it "soft kindness," and she in turn intentionally extends soft kindness to others. She believes the arrangement cost Greentown National nothing, minimized disruption in the office and at home, and transmitted to her that her manager and the company appreciated the importance of trusting a talented employee to professionally work through a difficult personal issue. As

she sees it, her manager's decision turned into a benefit that keeps on giving and one that she passes along to others.

Leading others is not about having all the answers all of the time. In Rangster's story, we see a leader who learns to access others, expands the range of choices available when decisions must be made, and understands that the balancing point between competing priorities is often the fulcrum of an effective personal leadership style.

Transformation and Change

At various times prior to leading Lester Steel, Davion Marcon was chair and CEO of American Corrugated, CEO of Lamour Products, and a dean of the Wayland Graduate School of Business. He has had a stellar career across industries at the CEO and board levels, facing unexpected and trying situations several times, including the following:

- Early in his career, having to reduce a sales staff from 120 to 10 while maintaining prior sales levels
- Taking a company through bankruptcy and returning it to good health
- Having his company acquired by a business in a different industry and needing to bridge the gap in perspectives with new owners so he could return his company to a growth position

Marcon's career at Lamour Products exposed him to a variety of leadership challenges. Early in his career, he was tasked with turning around a poorly performing, rapidly deteriorating unit. It was widely understood that drastic improvement was urgently needed; inaction was not an option. The division faced imminent bankruptcy, and Marcon executed a massive and rapid restructuring.

First, he quickly gathered his direct reports and empowered them to develop a plan to stabilize the business. He told them that because they were the technical experts in the division with the greatest day-to-day depth in its operations, they alone could map out the necessary actions. Although he would make the final decisions, they would chart the course for his review. This strengthened the team's collaborativeness, ensured a viable plan, and gave key players a vested interest in a successful outcome.

Second, he took the full staff off-site to explain what was happening, the potentially disastrous outcomes they were facing, and the steps being planned. The all-staff session allowed him to initiate more open communications than had

previously existed in the company, express his confidence in their shared ability to turn things around, and directly and frankly respond to their questions. He shared his beliefs that while nothing endures but change, there was no going back to the familiar. It was essential to hold on to what was important (values, pride in self and company, and a belief in what they could accomplish together) and necessary to get on board with the new direction. He reiterated his core themes repeatedly, and his confidence that success lay ahead never flagged. The deeper meaning embedded in Marcon's message was that alignment and collaboration significantly improve the likelihood of success in the face of extraordinary and complex challenges. Going it alone makes progress difficult to achieve.

Marcon's approach created a workable platform of shared understanding and trust among the division's management and employees. Results were highly positive, and his star continued to rise within Lamour.

His next assignment, by contrast, presented a situation in which supreme diplomacy and finesse had to be meshed with clear, swift action. Marcon was positioned as second in command of a division that top corporate management considered its crown jewel, but one that was operating under growing competitive challenge. His orders from the corporate CEO were to bring about fundamental change "without breaking the china."

This new assignment was made all the more difficult because division management and employees sensed no emergency. As far as they could see, the profits they generated were the highest in the corporation. To them, nothing was wrong that wouldn't right itself with time, and they rejected headquarters' concerns. In addition, their culture was one of benign complacency. Employees, including senior managers, were content with the status quo and felt their market position was secure for the indefinite future. Division management operated in a maintenance mode, with a business-as-usual attitude. Even if profits were not up to expectations, the division still provided an essential revenue cushion to the parent company.

In light of these circumstances, Marcon decided to honor the positive aspects of the culture: respect for the division's heritage and loyalty to and pride in the company. He would work hand-in-glove with the division's existing leadership and avoid at all cost any appearance of a breach within division management or with corporate headquarters. He accomplished this latter goal by pledging to keep his division boss informed on an ongoing basis and promised no surprises. To his direct reports, he outlined his stretch expectations, privately shared his

concerns about individual performance capabilities with them, and committed to working closely and supportively with each of them to improve results. This was time-consuming, but vital to establishing trust and producing positive outcomes.

Simultaneously one of Marcon's top priorities was to dramatically upgrade the quality of communications within the division's senior ranks. Staff meetings were transformed from one-on-one serial updates to the boss in a group setting to goal-oriented, problem-solving discussions. No longer would bad news be buried or ignored. Rather, it would be shared and addressed promptly. Interactions with staff became more casual, and the gap between management and employees was progressively narrowed to expand openness and increase interaction and substantive exchanges.

Beyond this, new life was breathed into the division's orientation toward customers. They would no longer be taken for granted. Presentations were orchestrated to explain the value of the division's products and services directly to the client, and they were positioned as a total system. The pace, focus, and energy exhibited in the division toward customers quickly changed with Marcon showing the way. Customers would no longer be kept at arm's length.

These actions reflect Marcon's belief that the best way to protect the profitability of the division and improve its market share was to keep morale high and renew and refresh relationships with its customers. The outcome was successful. The guiding principle that carried Marcon through the challenges he faced was a demonstrated commitment to being direct, honest, and empathic to others. To his mind, constructively engaging staff, especially during difficult times, increases trust and heightens the likelihood of success.

The mantle of leadership carries the responsibility of making difficult decisions. As Marcon's experience indicates, *how* a leader makes such decisions spells the difference. Transmitting trust and respect and engaging in robust communication figure into any leader's transformational efforts.

Creating a Sustainable Organization

Paul Richland has spent his career in a family business, Vita Health Pharma, watching his father and uncle build the largest pharmaceutical processing and distribution business in North America. Finding his own voice and differentiating himself and his leadership style from what had been successful for family elders became a key personal and professional challenge.

Vita Health had been growing nicely for years under the direction of his father and uncle, but in Richland's view, what had worked in the past would no longer suffice. The expectations of employees and demands of the marketplace were changing rapidly. A hierarchical structure, an autocratic though benevolent leadership style, and decision making largely restricted to the senior suite could no longer keep the company competitive and agile. If anything, these characteristics were becoming increasingly counterproductive.

Staff and customer loyalty were fading in spite of his father and uncle's sincere generosity (as described by Richland, "their big hearts and numerous beneficent deeds") over the years. Employees were now looking for a different kind of relationship with their employer, and loyalty was no longer a viable tool to ensure retention and increase productivity. In addition, the business had become far too complex to allow a few individuals in top positions to run everything.

Vita Health's success from the beginning had been attributable to the entrepreneurial foresight, business acumen, and sheer drive of Richland's father and uncle. But as the younger Richland took on assignment after assignment and tried to establish himself on his own merits within the company, he witnessed increasing friction between the founders. Family businesses are far from apolitical, and Paul Richland was coming to realize that he was being drawn into the center of a family power struggle, which added a personal level of pressure to already demanding assignments.

Richland's circumstances were exacerbated by his own style and way of expressing himself. He was demanding and critical of others and failed at efforts to win the trust and admiration of his colleagues. His way of operating was also of serious concern to the senior team running Vita Health and making succession decisions at the time. With hindsight, Richland now readily describes his early style as brash, blunt, judgmental, and impatient. He was quick to display frustration with others and did so frequently. He knew he was exceptionally smart, and he now realizes he operated under the assumption that he was smarter than everyone else.

As would be expected, these attributes were off-putting and worked against him. When the time came to select a new CEO, Richland was not the obvious choice. Fortunately for him, a senior member of the selection team recognized that as much as Richland's day-to-day style dismayed and upset many, he was also deeply talented and insightful about the business. Instead of rejecting his

candidacy out of hand, the selection team opted to have Richland participate in an in-depth coaching initiative tailored to expanding his leadership repertoire and moderating his style. Fortunately for Richland, he dove into the development experience, and the results have been highly positive. He has become adept at controlling his impatience, fosters collaboration and teamwork, crafts consensus, and works diligently to establish trust with others.

In effect, he has learned to leverage his strengths and address his weaknesses. Richland's brush with nearly losing the job he felt he had been raised for stunned him into addressing the aspects of his style that had alienated even his fans. Not only did he participate in the intense coaching experience, but when he returned to the office, he charged his colleagues with raising a flag whenever they saw a relapse in his behavior. In addition, he later returned for a follow-up coaching session when he felt a refresher was needed. One immediate indication of the value and impact of Richland's development is that his staff (some of whom had formerly been more senior to him and in some cases in line for his position) now herald him as an impressive and respected leader who has led the company to a dramatic increase in its size and stature.

A second outcome is more serious: it concerns Richland's handling of a contamination problem that surfaced after a Vita Health product was shipped to drugstores. This serious challenge highlighted Richland's values, professionalism, and leadership savvy during a harrowing crisis. Dozens of customers were sickened, and several died as a direct result of the contamination, and an investigation determined that the source of the contamination was an overseas supplier that had provided one of Vita Health's key additives. When he learned that the additive had slipped through Vita Health's safety regimen, Richland immediately issued public statements taking personal and organizational responsibility, expressing profound regret, committing to strengthening safety practices, and promising to quickly work with the victims or their families to address damages. His rapid response and subsequent follow-up have been widely recognized as extraordinarily open, sensitive, and ethically responsible.

In the parlance of the investment industry, "past performance does not indicate future success." Every organization is at some measure of risk from competition, internal stagnation, and external and uncontrollable forces. Those risks don't disappear, and new ones inevitably arise. A leader who stands on core values without wavering and learns to temper strength and not wield it irresponsibly earns the trust that's necessary for guiding organizations over the long term.

Leaders Are Learners

Remy Toulous has a long and stellar career in higher education and in leading positions in professional associations. The roles she has held demand that she connect with highly independent and naturally skeptical intellectuals who often resist, to their core, being managed or led.

Her sense of how to succeed with faculty and administrators is to engage them on an intellectual level about the challenges confronting their part of the university and its academic goals and administrative challenges. She draws synergies across ideas and brings people together on an intellectual level where their ideas intersect. She works hard to create a spirit of collaboration. By doing so, she believes she's communicating a deep appreciation for their opinions, concerns, and needs, and she gradually wins their trust. The respect of colleagues and staff for her academic credentials was a given, but willingness to accept her leadership was something to be gained and regained on an ongoing basis. Her ability to listen, interpolate, and connect ideas has been powerful. She has been able to clarify and frame issues in a way that engages critical others.

One way Toulous demonstrates respect for her staff and retains her balance is to request their feedback. Is she keeping her priorities in balance—or stumbling over herself to ensure her next success? She knows she has a tendency to wonder after each success whether she'll be able to achieve additional successes going forward. Her openness about this has helped build a sense of team with her staff.

The role models who influenced her early in her career are renowned academic leaders. While training under them, Toulous experienced both their hard-headedness and their soft touch. She contrasted this with the relationship she had as a child with her mother. Toulous's mother was a full-time businesswoman who had little time to spend with her daughter or listen to the details of her life. While Toulous readily credits her as having been a good mother, she missed sharing the little everyday things that are part of life and grew up appreciating how important these moments are.

Lessons from all of her teachers have had an impact on Toulous as a leader and as a mother in her own right. She believes her style is businesslike and firm, but with a warmth that helps her connect with others and establish a shared comfort level. One example is her socializing with her school's board members as a way of relaxing and getting to know one another informally. She holds that this nurturing and collegial style has significantly contributed to her effectiveness

professionally and with her family. Being clear, available, and warm with her sons and grandchildren has also provided enormous personal satisfaction.

Collaboration is in high demand, but leaders face the risk of appearing weak if they seek too many voices and make no stand of their own. One approach, as Toulous demonstrates, is to synthesize varied perspectives into a singular vision to which everyone in the organization can aspire. Leaders should not confuse collaboration with cacophony or consensus. Everyone can have a voice, and respectful listening creates common goals and actions.

Building the Adaptive Leadership Network

Paxar is a leading global reinsurer. Earlier in his career, Jerry Holland was president and chief operating officer of Foremost Specialty Insurance Group (a primary insurer and a Paxar subsidiary). He has moved rapidly into ever more responsible positions within the insurance and reinsurance arena throughout his career. These moves have been based on his deep technical expertise and acuity, a nonstop work ethic, and an intuitive ability to relate authentically to others.

Holland learned his values in childhood, watching family members work in their neighborhood bakery. Hard work, reliability, and turning out quality goods were their guiding principles. Later, while attending university, he held internships in several small to medium-sized businesses. These positions gave him opportunities to observe the presidents of modest-sized companies invest their spirit, hard work, and heart in their enterprises. He also learned the importance of rolling up his sleeves and working with the team.

Shortly after graduation, Holland signed on to work in his home state's insurance commissioner's department and was quickly promoted to head an auditing unit. Approximately forty seasoned auditors found themselves reporting to a twenty-four-year-old newly hired boss. At the time, Holland recalls being completely confident that his technical skills would stand him in good stead, but he also understood that as the *kid* in the department, he needed to learn the leadership side of his role, gain the respect of his team, and learn from those more experienced. He quickly decided that his job was "to observe, learn, and be adaptive" as he went about shaping an environment in which "everyone rowed in the same direction and understood they'd be rewarded for doing so."

A few years later, Holland was recruited by Foremost Specialty as CEO. Within his first six months, he became acutely aware that the company was in deep economic distress and on the verge of collapse. He followed his instinct and drew

on the senior staff to develop a comprehensive turnaround plan for survival. His earlier experience working with others rather than solving problems on his own worked well.

One element of the turnaround strategy strained the entire senior team professionally and personally. For the economics of the plan to work, half the company's employees would have to be laid off. The company's environment was unaccustomed to layoffs. Turnover had historically been low at the company, and many of the employees had worked together for decades. Their families often socialized with one another and did volunteer work together. Holland recognized that in such a climate, he had to address the layoffs on an emotional level for the plan to succeed, not just present the business case. As he put it during our discussion, the employees had always taken great pride in the company and had devoted themselves to it for many years. It would come as an ugly shock to discover that the business model, which had guided their efforts over time, had neither allowed the company to be successful nor created a financial structure to protect their jobs. Holland's challenge was to downsize while recognizing the work of all the employees, maintaining the dignity of those leaving, retaining the trust and commitment of the survivors, and sensitively transmitting optimism that the changes would prove effective. Again, like Amberg and Marcon in their respective organizations, Holland believed that the way a leader treats those asked to leave sets a tone for how well that leader can work with those workers who remain.

The sensitivity Holland and his team displayed throughout the process allowed Foremost Specialty to successfully implement its turnaround plan and return to a firm footing. Its success and strength were soon noticed by Paxar Reinsurance, a top global reinsurer, which subsequently acquired Foremost. Paxar understood the value of a strong, disciplined, and highly dedicated professional team. Holland continues as CEO at Foremost and has become a highly regarded senior executive within Paxar's global operation as well.

In each new role or position, leaders face the task of creating the right network of resources that will bring positive results. In some instances it's a case of proving leadership mettle every day. Holland created a base of support not by stacking a team using the authority granted to his position, but by weaving the interests of team members into a cohesive web. A web's strength comes from its flexibility and its links between strands. Faced with uncertain times, those are two leadership elements that infuse sustainability.

LEARNINGS FROM THE SIX

The stories of these six executives reveal clear, pronounced, recurring patterns of leadership in spite of their varied backgrounds and profiles. Of course, many competencies and factors influence leadership effectiveness, but the core themes expressed in the interviews with these leaders communicated some key messages. Let's look at seven skills and propensities:

- Authenticity
- Relational skills
- Building networks
- Joining the give-and-take
- Translating complexity
- Collaborating and deferring
- Showing confidence

Authenticity

All six executives felt strongly that being authentic is essential to connecting meaningfully with others and gaining their trust. Translated to practice, *authenticity* includes the following:

- Knowing yourself and who you are
- Remembering where you came from
- Remaining grounded
- Staying true to the values you hold most dear
- Knowing your strengths and creatively enlisting resources to address or compensate for shortfalls
- Reflecting on the stresses and circumstances that affect you and how you're responding

Each leader enacts authenticity in his or her own way, but the power of being true to oneself and working hard to relate genuinely to others is centrally important in their efforts to build, mine, and sustain vibrant relationships. They would agree with Warren Bennis's statement that becoming a leader means becoming yourself—that simple and that hard (2003).

Relational Skills

An allied set of communication and connecting, or relational, skills surfaced in each interview as a platform on which to persuade, mobilize, and motivate others. In the view of our executives, robust and persistent communications were must-have and must-use skills. These executives described effective communication and relational skills as persuasive and empathic. Although all six are hard-headed, no-nonsense professionals, all emphasized without hesitation the importance of demonstrating an understanding of the issues at hand and of being empathetic about the concerns of key constituencies. Showing sensitivity and speaking compellingly while offering credible, timely information to back up their positions were part of the mix. I'd add that crafting and following a communication plan can provide rigor, clarifying key messages and increasing the likelihood they'll get through.

Building Networks

Building, nourishing, and sustaining vibrant and diverse networks were also considered instrumental to gathering useful information and fine-tuning intuitions. While data are absolutely necessary for sound decision making, they are not sufficient. A clear sense of the situation is required for context and texture.

Joining the Give-and-Take

Complementary to networking is a willingness to dive into an ongoing give-and-take with others. Being extroverted and displaying an always cheery, upbeat persona are not required; rather, being seen as truly interested in and respectful of the perspectives and contributions of others is what is needed. Being articulate is the baseline requirement, but listening to the many nuanced messages that fly in and around organizations is an absolute necessity. Amberg and Marcon observed that they needed to be and be seen as present, avoiding at all cost appearing detached or unreachable.

Translating Complexity

On the substantive side of communication, translating complexity into understandable and compelling messages gave these executives an extra edge. It demonstrated that they could be relied on to be straight with others. It allowed them to cut through the noise, capture attention, and mobilize the resources that otherwise might have remained resistant or on the sidelines.

Marti Amberg, Davion Marcon, and Jerry Holland all noted that as they led through crisis, they knew they were being judged on how well they presented issues in clear, credible terms. Holland added that the success of the turnaround he led depended on both exquisite clarity and how well he demonstrated an emotional understanding of the situation and its impact on others (again, the empathy factor).

An intuitive and empathic sense of the situation helped guide these executives and those around them through the morass of turmoil. It also helped others become more comfortable with and more open to how these leaders interpreted the situation and the plan of what had to be done (Goleman, 2000). A CEO I worked with some years ago often said the hairs on the back of his neck stood up when he knew something was wrong but could not quite put his finger on the problem. He had become adept at sensing emerging issues and reading cues. His network provided the signals, and his hair-spiking moments focused his attention on finding out what was going on.

Collaborating and Deferring

Given the range of diverse responsibilities senior executives carry routinely and the insistent expectations by boards, shareholders, and others that senior leaders be on top of *everything* at *all times*, our executives also mentioned that collaborating with others and deferring (for content rather than ultimate decision making) to those with greater expertise in particular arenas were underappreciated but especially important skills.

Showing Confidence

Finally we heard several times during these interviews that leaders need to display realistic confidence that a satisfactory outcome will result from the actions they plan. Exuding a sense of confidence helps to stabilize uncertain situations.

SOFT SKILLS VERSUS HARD

A mix of so-called soft skills allowed the executives we interviewed to stand prepared and deal with current circumstances while minimizing the risk of becoming isolated or missing relevant information. These soft skills have been highlighted for decades as key competencies, and their value is increasing as the world becomes even more interconnected and uncertain and technology becomes

more pervasive. Technology makes data more readily available, but it does not simplify and clarify issues, and it can never build openness, trust, or collaboration.

In contrast with the soft skills they displayed and discussed, it was surprising to hear our executives raise no concern at all about deficits in technical skill as possible future threats to executive readiness. Our executives assume that high performers and high potentials have the required technical depth to be able to fill knowledge gaps quickly.

That position meshes with what I have heard in numerous discussions about talent and succession planning. Hard skills are, almost offhandedly, considered comparatively easy to develop, while relationship and communication shortfalls are believed to be much more difficult to master and sustain under pressure. In fact, gaps in soft skill proficiency far more often put a candidate's next logical promotion at risk, while shortfalls in hard skills (like financial acumen, or strategic thinking) fell into a grouping of manageable developmental steps (Bunker, Kram, and Ting, 2002).

When asked how they had developed key soft skills, several of our interviewees volunteered that they had learned their best and most lasting lessons about authenticity, relationships, and communication during childhood. A few felt these skills came naturally to them or they learned them by observing others. Others in our group realized as working professionals that they needed greater proficiency in, comfort with, and reliance on solid interpersonal skills. In this regard, they all mentioned the value of working with coaches or mentors, or both, to build the requisite skills. With time, they learned that they had to be disciplined about practicing their newly acquired skills, especially when under stress.

For all the valuable lessons learned, the senior executives we spoke with appreciate that along with their strengths, they grapple with shortfalls that could potentially jeopardize their effectiveness. Several shared that they easily become impatient and highly critical of themselves and others because of the extremely high expectations they set. Two others mentioned that they at times allow themselves to be deflected onto small matters and procrastinate about dealing with big challenges.

To prevent these tendencies from derailing them, they have routinely turned to trusted colleagues, coaches, or mentors for reliable feedback. This support, in addition to self-imposed discipline, helps them remain focused. In spite of their best efforts, though, they know they are not always successful and that defaulting to autopilot is a risk they dare not take.

VIEWS ON PREPARING YOUNG EXECUTIVES

Readying young professionals (whether we label them Generation X or Y, millennials, or some other name) for future leadership is an ongoing challenge and very much on the minds of the six executives. Their observations on the problems and opportunities of developing future talent were consistent.

Entitlement

Although they recognize that recruits over the past five to ten years have remained impressive for their intelligence, spark, curiosity, and exposure to international settings at a younger and younger age (as a result of overseas schooling and travel), entitlement has surfaced prominently as an obstacle. (The comments that follow are not intended to describe an entire generation; rather, they highlight an increasingly significant characteristic that should be considered when planning development strategies.)

This entitlement phenomenon has been described extensively in the past dozen years by many observers. Specifically, many young high potentials no longer accept the standards of the past (such as paying dues, gaining knowledge and practical experience over time, patiently working for promotions, and making personal sacrifices along the way). Loyalty to companies is dead (or close to it), and frustration that formerly prompted an employee to dig deeper into himself or herself and the assignment at hand now often leads to complaints or a leap to another organization.

Young professionals often show palpable impatience with traditional development processes. New recruits and high potentials operate on a different time line than many managers are accustomed to. Often they expect rapid growth, attention, recognition, visibility, and assignments that provide fulfillment, substantive growth, and accelerated career progression. As Jerry Holland notes, “They’re not willing to wait until we’re ready to develop them.” To give just one extreme example, I recall hearing a new recruit in an elite financial services training program say, without humor, humility, or apparent self-doubt, that his goal was to become CEO within five years. And, by the way, he believed it was the company’s obligation to prepare him. In sum, the expectations and behavior of young recruits is notably different from those of their predecessors and sometimes results in a conflict of perspectives between generations (Bennis and Thomas, 2002). Time will tell if the financial crisis of 2008 will have any impact on such views.

Working in a context of aggressive competition for top-flight young recruits and in market conditions that stretch and stress organizations, current managers frustrated by the entitlement factor often find they have to press ahead developing new recruits quickly—even when those managers remain somewhat skeptical about reliable outcomes. Not only does not moving forward on development risk a lack of organizational competitiveness in the marketplace, but it tempts high potentials to jump to any competitor who promises more.

Several of our executives commented that they had been alarmed in managing development for some high potentials who persistently pushed hard for plum assignments even when they were aware that the work was likely well beyond their capabilities. Meredith Rangster, in particular, warned that these developing stars risked moving up well ahead of their readiness and could find themselves unprepared for large-scale challenges when they erupt. She was also concerned that organizations might mistakenly assume that they had capabilities on hand that they did not actually possess.

In a similar vein, Davion Marcon strongly expressed the vital importance of keeping rising stars in a position long enough to experience the impact of what they have put in motion. He worries that moving them from one position to another ahead of outcomes could mask gaps in capabilities and diminish learning. As he said, “There’s no substitute for [the] experience of going through good and bad times. Give people time to get bruised, recover, and gain insight about themselves.” Real learning comes from doing, feedback, and reflecting on the outcomes.

Filling Key Positions

Another theme relates to the selection of outsiders for leadership roles. When companies conclude they do not have internal candidates to fill key positions, they often turn to the outside for rising stars—in some cases, the very people who may have moved ahead of real, substantive growth in their former organizations. Hiring teams frequently see top external candidates through rose-colored glasses, anointing them with a halo effect and anticipating that once on board, they will be ready to roll right away. Too often impressive résumés and interview skills can overplay what can and will actually be delivered. The costs of these exaggerated expectations can be very high.

The input from our executives about how they personally developed and what they recommend going forward harkens back to breakthrough research conducted at the Center for Creative Leadership and later work by Morgan McCall (McCall,

Lombardo, and Morrison, 1988; McCall, 1998). There's agreement that leadership readiness is significantly bolstered in these ways:

- Accumulating diverse experiences in one's repertoire (but not too rapidly)
- Allowing time to develop and practice the necessary skills
- Openness to feedback and input
- Taking time to reflect on one's experiences and responses to them
- Readiness to adjust one's style and behaviors as needed

Ongoing Tensions About Young Talent

The pressures of organizational realities today often amplify tensions between executives' expectations and assumptions as they evaluate and develop young talent and young talent's avid quest for growth. The combination can raise leadership development hurdles. Our executives posed a number of questions about whether highly talented young managers will have the emotional depth and durability to lead effectively in ambiguous and threatening conditions. For example, will young recruits rising to senior positions:

- Have a realistic grasp of what they do and do not know, or will they expect their limited and possibly superficial repertoire to be adequate? In effect, will intelligence and ambition be enough?
- Be interested and patient about trying to understand the perspectives and cultural sensitivities of others?
- Build diverse, vibrant, and sustained relationships across a range of stakeholders within and outside their organizations?
- Direct their primary attention to bettering the organization and meeting its goals versus tending to their own careers?
- Reach deep within themselves or reach out to others for assistance if the challenges outstrip their readiness or expertise?
- Create an environment in which colleagues, staff, or other relevant constituencies can be quickly and effectively mobilized to tackle issues?

From my own practice arises a related question: In increasingly dispersed workforces that afford managers limited face-to-face time with their reports, will they have adequate opportunity to directly observe up-and-comers in action and so be able to accurately judge their abilities?

As the crisis events of 2008 show, the world can lurch in unexpected directions. We should expect that traditional evaluation and assessment methodologies will have to be rethought and adjusted for the conditions of the future. We can only wonder at this time whether executives who developed and progressed up the hierarchy in a different world will readily adjust their lenses, consider the circumstances in which younger talent is operating, and relate successfully to the perspectives and values they bring to the workplace.

MORE IMPLICATIONS FOR THE FUTURE

Good current common sense has not outlived its day, but leadership development will need to change in several respects.

Tried and True

Time and again our executives reiterated the commonsense wisdom of connecting well and often with others. I'm reminded of the truism that common sense is often not common practice. The good news is that the tried-and-true methods available to human resource professionals and their clients already highlight relational and communication skills and are generally well regarded. For example, the executives we interviewed were uniformly enthusiastic about the feedback they had received through the years, with several saying they wished they had had greater access to feedback earlier.

Based on this, I'd expect a number of current standard development resources to remain in wide use, albeit in need of periodic rejiggering to keep their content timely. Among them are coaching and mentoring opportunities, appraisal input, survey instruments, the growing range of assessment tools, and development experiences blended with action-learning assignments on priority business issues. Selection interview processes for internal candidates can also be strengthened by requiring feedback to those offered a position about the strengths they presented in the interview and capabilities they might further develop to maximize success in the new role and what those not given an offer can do to prepare for increased responsibilities. Too often these messages are left unspoken, with development opportunities missed.

More Aggressive, More Tailored

The key message from our executives about how development needs to change in the future is that the processes will have to be far more aggressive and far

more tailored than in the past. While today's systems and processes present a reasonable base, more attention needs to be paid to meeting individualized needs. One size fits all and quick, facile judgments about the competencies of candidates will waste opportunities and resources. Those assessing candidates need to be able to observe their behavior numerous times before drawing conclusions about performance and potential. Numbers and measures are essential, but knowledge of how employees achieve results will differentiate those organizations that simply meet their immediate objectives from those that also build organizational strength in the process.

In dispersed organizations, executives managing staffs located around the world may be reluctant to offer critical judgments about performance or development needs for fear of weakening individuals' motivation and potentially risking both bottom-line results and the possible loss of key people. To address this, such organizations should establish a strong development culture that carries the expectation of performance feedback, development planning, and input. Organizations need well-stated and widely shared statements about the organization's development philosophy, and managers need to demonstrate their own active commitment to those views. These are essential pieces of the development puzzle. Technology certainly enables, but it can never substitute for direct one-to-one interaction and endorsement. Otherwise, for the listener, too many assumptions about intent, politics, and cultural overlays will interfere.

Top Leaders Must Own Development

Development efforts are more successful when the top of the organization not only owns but demonstrates interest and ongoing involvement in talent identification, succession planning, and development. This is the case in several notable organizations with solid reputations for developing talent, but it is not yet the norm. Time and again, managers and HR take on the lion's share of responsibility for getting the right talent ready for the right positions, and this diminishes the viability of results. High potentials and high performers interpret senior involvement (or lack thereof) in development and succession issues carefully—not just for the obvious personal reasons but also as a signal about the importance and value of the process to the organization. The most critical responsibility of senior leadership is to ensure that the top positions in their organizations are filled by those ready to lead effectively (Sorcher, 1985; Welch and Welch, 2007).

Paul Richland's practice at Vita Health exemplifies these standards. He is exquisitely and emphatically clear about what it takes to make effective development processes work well and about how critical he feels they are to building a strong, resilient and competitive organization. He expects all managers at Vita Health to consider development a business imperative and to spend the time necessary to develop capabilities and leadership capacity. To him, development is a core business process, not a sideline. He has positioned HR professionals to guide and support the process. In his words, "If you have time to do a budget, you have time to develop your staff." He accepts no excuses.

The essence of his message rang through other interviews as well. At Hostin and at Greentown National, for example, development is a core responsibility of line executives. It is ongoing and facilitated by a senior HR professional. There is organizational recognition that the stakes are high regarding talent, and significant time is invested observing, evaluating, and developing staff. Feedback is an everyday occurrence, not a once-a-year appraisal.

In recent years, HR professionals have increasingly acted as partners with their clients, transmitting that they too have a stake in the process and are not operating solely as third-party counselors. Our most admirable and effective development colleagues work smartly to help design development plans that are highly relevant to the needs of the organization. In addition, they are seen as honest brokers who offer sensitive but direct feedback to those being developed and to their managers. They do not merely monitor from the sidelines but mesh their professional expertise and business knowledge with influence skills to advance development.

Criteria for Judging Future Leadership Development Work

Beyond the knowledge already in place about what defines a robust development process, experience teaches that evaluating the processes on the following criteria will prove useful and boost their impact:

- *Simplicity.* Complexity frustrates busy people and usually adds nothing to the results.
- *Intuitiveness.* Development processes should make sense to both line executives and those being evaluated. The key messages about what the organization is looking for and how it measures effectiveness should be explicit and ring out loudly.
- *Objectivity.* The process is as objective as possible.

- *Clarity.* The objectives, process steps, and ground rules are understood by all involved.
- *Communication.* Messages about development and succession planning are separated. Mixing the two confounds the process and creates unrealistic and possibly unmanageable expectations.
- *Necessity.* Individual development experiences are tailored to address the business needs of the organization (action learning to generate real and needed business results) and the individual's professional growth.
- *Oversight.* An HR professional stays connected with the individuals being developed and with their managers, adjusting plans as necessary.
- *Credibility.* All development plans include credible measures (bottom-line results and qualitative judgments about behaviors) to assess progress and organizational impact.

The magic of leader development depends less on the processes or details within them (assuming they are generally well conceived) than on how well the details are communicated, managed, and linked to the priorities of the organization's strategy and long-term needs. Classroom learning does not have the same impact as working on substantive business issues important to the life and success of the organization. And the inclusion of structured opportunities to reflect, interpret, and recalibrate while working on complex issues in ambiguous environments augments learning and growth. That is how to set in motion good habits for the future—habits, as Rangster notes, that keep on giving.

CONCLUSION

The common sense resonating from these six highly talented executives has helped them lead through turmoil. Although there were certainly some magical moments in their careers, they found no silver bullets or quick fixes to facilitate or guarantee their ultimate success. Based on their comments, they do not expect their successors to find a silver bullet either. Leading, as well as developing leaders, is complex, hard, and often subtle. Discipline and persistence are needed, especially during stressful times, and the guidance and support of development professionals as partners smooth the way.

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