Leveraging Your Organization’s Leadership Resources

Is your organization realizing its full leadership potential? Senior leaders of companies that invest in the development of managers and executives are sometimes puzzled when the expected organizational impact fails to materialize. The reason it does not is often that the organization has failed to build in systemic support for the continued development of its leaders. Here’s a first look at how your organization can provide the means, support, and systems to optimize and further its leadership.

In today’s increasingly complex world, leadership is crucial to organizational survival and success. But how can an organization ensure that it has enough leadership—and the proper kind of leadership—to meet the often unpredictable challenges it will face?

One tactic is to send managers and executives to leadership development programs. The increasing popularity of such programs over the past two decades and the ever-growing number of providers of such programs are indications that organizations are interested in attaining the best from their leaders. Their methods of achieving that goal, however, are limited. Many organizations defeat or impede their own aims by overlooking one of the key ingredients of effective leadership: systemic organizational support for the continued development of the leaders in whom they have placed an initial investment.

The fact that many organizations drop the ball when it comes to providing systemic support for leadership development is apparent in a number of ways. When participants in leadership development programs return to the daily grind of their jobs, for instance, the question that is foremost in their minds is how they can translate and implement what they have learned—for themselves, their teams, and their organizations. All too often these participants—from the neophyte manager to the seasoned CEO—later express frustration at not having been able to find the means, support, and systems in their organizations to optimize and further the investments in their development.

In the classroom, participants commit to development goals and yet are realistic about the roadblocks they will face trying to achieve those goals. They can get past some of these road-

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blocks on the strength of their own willingness and ability, but many of the barriers can be overcome only through the collective efforts of the organization. When participants are left to their own devices in pursuing development goals, their individual leadership capacity and the overall leadership capacity of their organizations are not fully leveraged.

Senior leaders in organizations often recognize that they are not getting the return on investment from leadership development initiatives that they had expected. They made the investment to achieve an organizational impact, but that impact hasn’t fully materialized. One reason is frequently that the organization has neglected to build in ongoing systemic support.

To build sustainable leadership capacity, organizations must pay attention not only to development but also to the context in which development takes place. This context is day-to-day organizational life—both the aspects that are plainly apparent and those that may be less obvious, hidden beneath the surface.

### TARGET AREAS

The following look at the situations of three leaders in a hypothetical company raises questions about the company’s ability to build sustainable leadership capacity at the individual and organizational levels. By asking themselves these questions, leaders might uncover areas for improvement in their own organizations.

**Marinelle** is the executive vice president of marketing of a wireless communications company that recently was spun off. Her new job is a big promotion, and her main challenge is to get up to speed on the core business issues as quickly as possible. She just graduated from a weeklong leadership development program in which she gained perspective on her strengths and weaknesses and how they relate to her new leadership role. The company’s CEO, board members, and other executives have all expressed support for participation in formal learning experiences—provided they don’t interfere with one’s responsibilities.

Having arrived back from the development program late Friday, Marinelle decides to go into the office on Saturday to check on a few projects and read her e-mail. She leaves her children with her husband and heads to the office, feeling a little guilty. (Ironically, one of the goals she set during the program was to achieve a better balance between her work and her personal life.) At the office, Marinelle finds two projects heretofore unknown to her to review, along with hundreds of e-mails. In addition, during her absence the company announced a new change initiative with which she must become familiar by Monday, and there’s a note from one of her direct reports, who intends to file a sexual harassment charge against a co-worker. “Looks like it’s going to be a long weekend,” Marinelle says to herself, and a flash of doubt passes through her mind about taking on this new career challenge.

**Michael** is in the process of setting the company’s executive development strategy for the next fiscal year. He has two main objectives: to enhance the organization’s ability to retain top talent in an industry characterized by frequent executive turnover, and to demonstrate that investments in leadership development have had a positive influence on company effectiveness.

Michael believes the company’s senior leaders when they say they support development initiatives, because he knows they see such initiatives as a way to keep talent on board. But he is less sure where leadership develop-
ment stands as a priority. Before the company was spun off, he had noted that it emphasized long-term expectations for executives but then gave the bulk of its rewards for short-term accomplishments. Michael wonders what specific indicators of return on investment in leadership development would not only be valid but would also help convince the company's top leaders that such investment should be more of a priority.

Michael’s dilemma raises questions typically encountered by those responsible for an organization’s leadership development efforts:

- What is the organization’s leadership agenda?
- Which competencies and perspectives are critical to the company’s success and yet are lacking?
- Do the company’s executives know what is expected of them in regard to developing the competencies and perspectives that are lacking?
- Do the company’s senior leaders know what factors influence leadership effectiveness or the lack thereof?
- Do people at all levels of the organization have any shared sense of what effective leadership looks like in their company?

Finally, the situation of the company’s CEO brings up further questions about the company’s perspective on and approach to leadership:

Raoul is in the process of setting the new spin-off’s organizational strategy and vision. He already has a strong sense of the core business plan, so now he has two main challenges: deciding what kind of organizational environment would best enable achievement of the plan’s goals and convincing those who hold a stake in the company to support the investments needed to bring the strategy and vision to reality.

Raoul believes that the alignment of talent in the new spin-off is a result of a careful matching of tasks to skills. Nevertheless, he must skillfully leverage his available resources to get the company off to a good start and win the confidence of the shareholders. But how can he do that?

Raoul’s quandary illustrates the challenges that many senior executives face in leading complex enterprises:

- Are the proposed strategic goals realistic in light of an objective assessment of the company’s talent and the way the company operates?
- Do people in the organization understand the gap between its strategic intent and implementation?
- Is this gap—which in essence creates a further set of challenges—a motivation or a frustration for the company’s most talented individuals and teams?
- What do the senior leaders need to do to ensure that the company’s human capital is understood as well as its financial capital?
- What messages—intentional or unintentional—is the CEO sending out to the organization regarding leadership?

THE BIGGER PICTURE

In enlightened organizations, addressing the questions that arise from these three scenarios would typically drive change at the individual or team level. But these examples also highlight the overarching issue of whether an organization has practices and systems in place to build sustainable leadership capacity:

- What perspectives, assumptions, and biases does the organization—or any part of it—have about leadership and leadership development? Are they evident in the behaviors of those in the organization? And what are the implications of these perspectives, assumptions, and biases: do they encourage or restrain the growth and enactment of leadership?

For example, a company may pride itself on selecting its senior executives from its own ranks. Consequently it never considers outsiders. At the lower levels it hires people who fit the company mold. The end result is an organization made up of nearly identical players and lacking alternate perspectives. Such an organization is not realizing its full leadership potential.

- How are leaders developed in the organization and toward what end? In the wireless communications company, Marinelle is confused because the organization sent her to a leadership development program but is now failing to support her continued growth. The members of the senior executive team must support such development if the organization is to achieve organizational sustainability in the long term. High-potential individuals at all levels who are sent to development programs must then have their experiences integrated into their work, and there must be clear expectations for acquired skills and competencies.

- Is there a link between an organization’s leadership development beliefs and practices and its business strategy? For example, a company whose short-term strategy is to increase its global presence will need leaders with strong critical thinking skills, broad systemic awareness, and
an understanding of cultural ambiguity. If the company places little emphasis on developing its leaders, its chances of implementing this global strategy will be diminished. However, if the company believes that development of its leaders is critical to global success, it will provide them with a variety of learning experiences. It will emphasize that learning is a process that takes time and that mistakes and mishaps are part of that process. This will enhance its chances of successfully implementing its strategy.

**FURTHER ALONG**

In the July/August 1999 issue of *Leadership in Action*, the article “Systemic Leadership Development” discussed the long-standing idea of development as a process that is affected by organizational systems. Since that time, CCL’s research and reflection have further clarified the elements and interactions that are part of building sustainable leadership capacity in organizations. The work of the SLC group, which was formed last year, is based on a series of propositions that correspond to the challenges today’s organizations face:

- Organizations operate in an environment of hypercompetitive global markets and diverse workforces. In this environment, leadership tasks have become more complex, requiring the building of greater leadership capacity.
- In this environment, organizational success factors have become more difficult to define and measure.
- Organizations vary in the importance they attribute to leadership as a component of organizational success.
- To a large extent, success requires simultaneous learning and application. Leadership capacity is a function of how an organization’s systems and culture affect both leadership development and leadership enactment.
- Leadership development and enactment are assisted or impeded by many types of systemic forces, which can work together or at cross-purposes.

SLC’s research aims to identify and better understand the fundamental forces that influence an organization’s ability to leverage its leadership potential. These forces exist within and across the various systems of an organization, either drive or restrain the effectiveness of those systems as supports for leadership and leadership development, and may prevent or encourage the optimization of developmental resources. SLC is studying three fundamental forces:

- **Alignment.** The extent to which leadership development beliefs and practices are linked to and integrated with organizational strategy.
- **Intentionality.** The extent to which leadership development beliefs and practices are deliberate and purposeful.
- **Multidimensionality.** The variety, reach, and continuity of leadership development beliefs and practices.

Each of these forces, individually, has an impact on an organization. In combination they can play a major role in determining the future of an organization through their influence on each of the organization’s primary systems: core work, rewards, information and communication, and learning. We will look at these primary systems in a future installment of this series.

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**Tell Us Your Story**

One of CCL’s newest areas of research and practice deals with building sustainable leadership capacity in organizations. The Sustainable Leadership Capacity (SLC) team is focusing directly on how organizations can best provide systemic support for leadership development. The team seeks to understand the specific ways that organizational systems and cultures contribute to or hinder the enactment of leadership. Enactment refers not only to the accomplishment of key tasks but also to the process of accomplishment. Leadership refers to the perspectives and actions of not only individual leaders but also an organization’s collective leadership.

You can gain preliminary insight into how well your organization is building sustainable leadership capacity by answering the following questions:

- What is the status of leadership and leadership development in your organization? Are they seen as genuinely important, or is the priority they are given superficial? Either way, why do you think that is? Is leadership viewed as different from management?
- How are leaders developed in your organization? Is there organizational support for their development, and if so, are there systems in place to provide this support? Do leaders in some parts of the organization receive more development than those in other parts?
- What aspects of your organization’s culture, systems, and practices boost the growth of leadership and which ones restrict that growth?

The SLC team is seeking organizations that would like to participate in its research on building sustainable leadership capacity. We invite you to send us your responses to the three previous questions or otherwise tell us in detail what steps your organization has or has not taken to build sustainable leadership capacity. E-mail your organization’s story to Kevin Liu at liuk@leaders.ccl.org or Patricia M. G. O’Connor at oconnorp@leaders.ccl.org. Please tell us your organization’s size, type, and industry and include your mailing address.