

Leaders At All Levels

Deepening Your Talent Pool to Solve the
SUCCESSION Crisis

BY: RAM CHARAN

Rebuilding Succession and Leadership
Development from the Ground Up

Leadership is in crisis. Companies are in jeopardy as their leaders (CEOs) are failing quicker with more turmoil. There is a shortage of leaders and those that do exist aren't good enough. Charan (2008) explained that there is tons of talent, but we don't spot it fast enough, nor develop it. He stated we must STOP doing what we have been doing because it's simply not working. It isn't something that can be fixed. We must think NEW. This book is about that *new thinking*. It provides a model to re-invent leadership development and helps continue to develop current leaders. In order to fix this crisis, we must find the root cause, which is, our very thoughts about leadership itself and how to improve it.

**** It is the mission of this assignment to mirror the highlights of the thoughts, experiences, and expertise presented by Ram Charan in his book "Leaders At All Levels". The Implications section at the end of the summary are presented in order to apply his corporate knowledge to the field of education, in which lies my experience.**

Charan, R. (2008). *Leaders at all levels: deepening your talent pool to solve the succession crisis*. San Francisco, CA: Jossey-Bass.

The New York Times bestselling author of *Execution*

RAM CHARAN

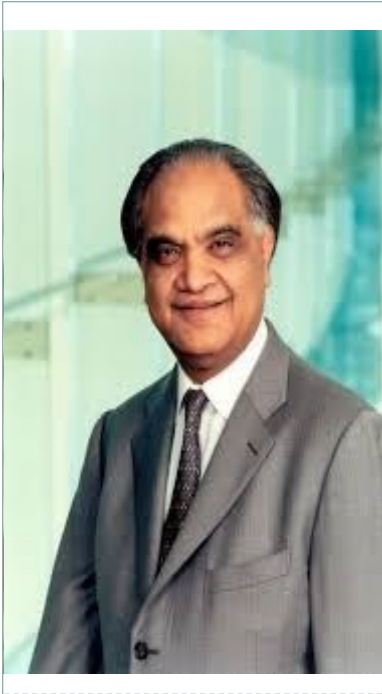


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ABOUT THE AUTHOR

Award-winning teacher and best-selling author Ram Charan has helped many companies (GE, Verizon, Dupont, Colgate) adopt best practices. *Fortune* magazine says he is, “one of the most influential consultants alive”. He is known as a veteran of CEO succession planning. His business life experience began in India as a teen working in the family shoe shop and he later

studied engineering. He was later adorned as a Baker Scholar while graduating from Harvard with Master’s and Doctorate Degrees in Business Administration. He lives in Dallas, Texas and is director of Austin Industries, Tyco Electronics, and Emaar Manufacturing in India.

RAM CHARAN

“Ram Charan has mentored more leaders than anyone else in the last two decades, Leaders at All Levels allows each of us to be his apprentice and to learn from him how to lead and to build leadership. This book is a marvelous mix of insight, experience, and wisdom, It will shape leadership succession for years to come.”

-Dave Ulrich

Charan’s fundamental beliefs:

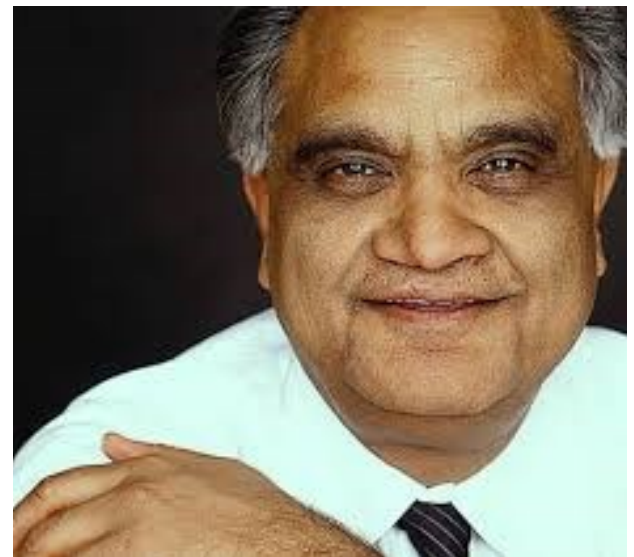
- ◆ Not everyone is leadership material.
- ◆ Leadership ability develops with practice and self-correction.
- ◆ Leaders’ (CEOs’) job requires evolved learning.

What must be done- according to Charan?

- Spot leaders early and put them in situations that cause rapid growth.
- Learn from doing (practice, feedback, correction, more practice)
- Give promising leaders opportunities to learn at the fastest rate possible (master then move on, master more and continue to move on)

What must be known?

- The talents of employees
- Line Leaders are critical in supervising future Leaders
- Everyone in the company must help develop Leaders





A NEW WAY TO FUND THE LEADERSHIP TALENT DEFICIT

One CEO who learned that better people make for better results is Daniel Vasella, CEO of Novartis AG, who knew that his company's growth depended on the quality of its people-particularly the leaders. His mission was therefore to develop the quality of the leadership pool. Novartis AG needed to establish the management style, culture, and leadership team of its newly merged organization. The pharmaceutical giant was growing rapidly and with increased complexity and so he knew that he needed leaders who were good with change. They needed to develop products quickly and the FDA's emphasis of caution over efficacy could certainly impact the company overnight. Future leaders would need to be able to grow and

adapt with the changing needs of today's pharmaceutical world. The typical way of filling leaders roles-listing the qualities needed and finding the person who had those qualities, was very different from their new outlook which was, to fill jobs with a person's potential qualities in mind. They were now filling jobs with 3-5 years in the future in mind, and for job openings that would be anticipated. This was *very new* thinking. Now Novartis AG was spotting the target job for an individual several years out and formulating a development plan to get them there. The question was, "what would happen if we put the person in the job right now?" and then the gaps between the two realities were filled.

Only 1 out of 4 directors believes her company is effective at developing leadership succession planning, and almost half of \$500 million companies have succession plans.

HOW TO DEVELOP A LEADER

-Spot leadership talent early.

"It is good business sense and practically a moral obligation to identify and unleash those talents" (Charan, 2008, p. 12).

-Mentorship is critical.

-Give opportunities for growth.

-Give quality feedback and coaching.

-Coaches should measure their own success by the success of their apprentices success.

CURRENT LEADERSHIP

There are many common misconceptions and myths about leadership and the following must be known to be true:

1. Only a few can actually become leaders, and therefore spotting leaders early is important.

2. Part of all leaders work must be to spot talent and to develop future leaders.

3. Performance reviews must be used as coaching opportunities.

4. We should be differentiating jobs to match talent and not vice versa.





"Leaders don't create more followers, they create more leaders" -Tom Peters

HOW APPRENTICESHIP TURNS POTENTIAL INTO LEADERS

By identifying **Leadership Talent** early and correctly, at the ground level, potential leaders will likely be approximately 25 years of age and just entering the work force. They will be gifted at their job and will need to be accelerated by acquiring new skills. These individuals display the drive to master new skills, absorb new knowledge, communicate these new skills and knowledge, build lasting relationships with others, and get others to get things done. They will learn their own job as well as their boss' job. **"It requires psychological fortitude to push young leaders ahead of you. Compensation should reward or punish leaders according to their ability to develop more leaders"** (Charan, 2008, p. 32). Plan for this young apprentice to **learn very quickly**. Each next job must stretch and challenge them. Development will happen faster when a mentor provides timely, insightful feedback and coaching. Leaders are not superior human beings and leadership isn't a reward, but rather it's a distinct job that not everyone can do. Once there are leaders at all levels, who all have the responsibility to identify and develop leaders' talents, a self-perpetuating leadership development machine has been created. HR can be viewed as the trustee of leadership development; bosses play the central role in developing leaders.

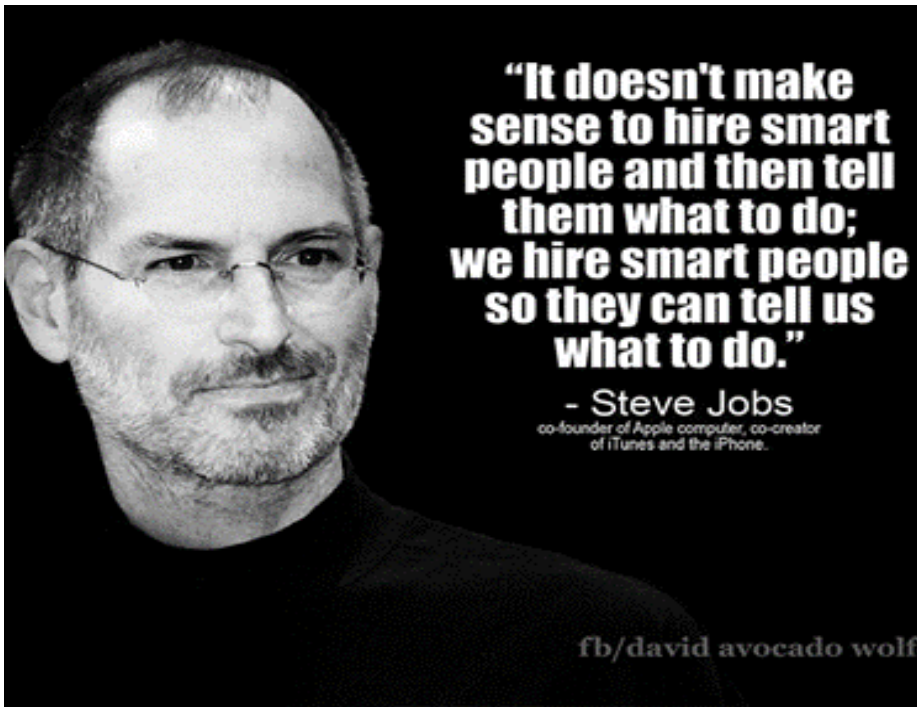
CHOOSING THE NEXT CEO

This should be a process that has foresight. It should be considered years before the job opens up. The next CEO may be quite young at the time they are potentially spotted for the job. Youth has advantages. It tends to drive change rather than adapt to it. Youth are usually open to exceptionally fast growth and welcome lots of different experiences. This ambiguity develops their mental framework and confidence.

The next CEO will take time to develop and therefore must be spotted well before they assume the position.

They must be afforded concentric learning with deliberate practice, and real-time feedback that is specific and constructive.





"Leadership is not a position or a title, it is an action and example" (Unknown)

HOW TO RECOGNIZE LEADERSHIP POTENTIAL

Talent is viewed in three stages: early talent (recognized early on in one's career, however relatively little experience has been acquired), more experienced talent (here multiple new skills have been acquired and new challenges seem the logical next steps), and long-term succession talent (senior leaders who are effective at leading and developing new leaders).

There are some standard, albeit obvious, look-fors when recognizing talent: **fluency in English** is essential and an **undergraduate degree** from a reputable university are must haves.

The next essential skill in a leader is that of **good people and communication skills**.



Leaders are **great listeners**, often learning as much, if not more, when they are listening as when they are speaking. They must be **constructive** when giving feedback, **articulate** when they speak, and able to **influence** others. Leaders **adapt well to change**. They are the kind of people you would walk through fire for. Observations of how well the potential leader operates in, and is an example of, the culture and values of an organization are important. Leaders must **value people**, have **personal integrity**, and manage with **respect**.

RESULTS are important, but HOW A LEADER GETS THEM is more important.



PEOPLE AND BUSINESS ACUMEN

People Acumen:

-Leaders can't do everything so they get others to do things through managing, selecting and motivating the right people to work as a team for them.



-The best leaders clear goals, give feedback, and coach for actualization of goals.

-Their relationships are built on trust.

Business Acumen:

-Leaders who make money or profit for their company have business acumen.

-They understand the relationship between all of the variables intuitively.

-Leaders see the broader context, have drive and aggression, make sense and take action, analyze and synthesize data, have backup plans, make judgment calls daily, are life-long learners who are intellectually honest, and have integrity and drive.

WHAT'S IN THEIR DNA?

They are intelligent, they do have charisma, they make great presentations, and they have the drive to succeed, but we should look to their actions, decisions and behavior in order to reveal true leadership.

CUSTOMIZING LEADERS' GROWTH PLANS

ENVIRONMENT MATTERS

Leaders must be put into an environment that...

...allows them the freedom to set ambitious goals.

...allows for them to redefine their jobs.

...allows them to have the latitude to lead the team they inherit in their own way.

...allows them to make judgments about people and motivate them to achieve their goals.

...allows them the freedom to determine how best to balance the business's short-term and long-term needs.



Leaders will show themselves. We just need to be paying attention to who they are.

Once we know who they are, they must be given the right environment to take risks and embrace challenges.

The Apprenticeship Model chooses who the leaders are and what their job will be. Bosses must take risks and give jobs that stretch them.

The key is to **challenge** significantly potential leaders in order for rapid growth to occur. This allows very young talent to excel very quickly. These potential leaders when not challenged become bored and move on.

These young potentials may even be making the decisions for those who actually know more than them. "They need to learn to ask the right questions, to recognize talent, and delegate authority" (Charan, 2008, p. 64).

Success of potential leaders depends on the art of persuasion.

In the Apprenticeship Model the job is created for the person and not the opposite.

Any person with potential should be sure to be challenged.



DIFFERENT THINKING WITH THE APPRENTICESHIP MODEL

In order to continue to challenge leaders the best move for that individual may not be hierarchical, but rather lateral. A sideways move can give a different experience outside of the leader's current discipline. Horizontal moves occur frequently, but they must continue to **stretch** the leader.

If and when the 'perfect' next job doesn't exist, it must be created!



What does the Boss need to do?

- They need to be less of a boss and more of a coach and mentor.
- They must set goals and have incentives.
- They keep their leaders focused on a few things to practice in order to hone them and expand themselves.
- They give deliberate feedback. When this occurs leaders are sincerely appreciative of it and actively pursue the recommendations. This type of relationship is built on TRUST!
- They need to track growth to figure out where the leader should go next.
- Promotion isn't based on data alone—strong markets could promote the wrong people, and weak markets could allow the best leaders to slip through the cracks. The whole picture is critical.
- Dialogue elevates gossip, which is always present, to the level of many people contributing and therefore less bias to transpire.
- All those who dialogue should develop a 'positives' list about leaders. "If the positives aren't there the negatives don't matter" (Charan, 2008, p. 97).
- Create one-page summaries of leaders that are regularly updated.
- Emphasize the positives, but know when to take some leaders off the list.

THE CRUCIAL ROLE OF BOSSES

A significant percentage of a boss' work should be the role of mentor or coach, and of giving feedback. Bosses need to see what learning is happening. They must watch for the actions, decisions, and behavior and see what talents emerge. Where the talents those that were predicted, new ones, or non at all?

Annual reviews don't really help anyone. They are far too summative in nature. Charan (2008) referred to them like looking in a rearview mirror. This look at past performance either compensates the good work or punishes the bad work and has no influence on what could have been. Continental feedback and recalibration are required for growth of employees.



RECOGNIZING AND NURTURING LEADERSHIP AT ALL LEVELS=BEING A GOOD BOSS



WHAT MAKES A GOOD BOSS-MENTOR?

1. Identifies and helps employees grow. This is the main job of the boss.
2. Makes observations about people, reflects on them, and identifies talent.
3. Finds one or two things that would accelerate the leader's growth.
4. Is honest, respectful, and courageous when giving feedback.
5. Asks the leader hard questions to help them grow further.
6. Helps the apprentice to succeed even if they no longer are working for them. They are proud in their apprentice's successes. (Charan, 2008, p. 81)



MANAGING APPRENTICESHIP SYSTEMATICALLY

We need to be collecting data about our people as well as profits and gains. Leadership should be managed and measured too. HR needs to ensure the following:

- Bosses are giving timely feedback. That the feedback is specific, constructive and actionable.
- Bosses are looking beyond specialists and looking at other areas to develop leadership.
- Bosses promote people based on evidence.
- Bosses view leadership as a resource.
- Bosses must help leaders move from one position to another gaining new skills, thereby increasing their leadership potential.

LEADERSHIP
IS ABOUT MAKING OTHERS
BETTER AS A
RESULT OF YOUR PRESENCE
AND MAKING **SURE**
THAT IMPACT LASTS IN YOUR
ABSENCE.

There will be NO HOARDING of TALENT!!!

THE MOST IMPORTANT JOB OF A LEADER IS TO CREATE MORE LEADERS.

To recap, the steps necessary for leaders to emerge, develop and create succession in a company are:

1. Identify Talent
2. Give feedback
3. Coach/Mentor
4. Use dialogues
5. Provide different experiences

It is the job of bosses and HR to forecast vacancies and short list potential leaders. They must then commit to making it happen! Charan (2008) referred to how people deal with #5

(change or different experiences) as **CHANGE MANAGEMENT**. At Colgate, the retention rate goal is 90%. If someone of high-potential leaves there is an emergency retention plan that kicks in within 24 hours.

HR must monitor the leadership pool too-not just identify and develop it or they could lose their future CEO to someone else who is paying closer attention.



CHOOSING THE CEO

The CEO job is qualitatively and quantitatively different from every other job. The CEO has no coach nor mentor. There is no one to provide any encouragement, to give feedback, or give guidance. All CEO jobs are different. CEOs are people and therefore come with human flaws. There are however a few things that ALL CEOs must have; the non-negotiables.

The must haves for potential CEOs....

All CEOs must be good communicators. They must be confident without arrogance. They must be emotionally stable. They must be honest, integral, authentic, principal-centered, and have passion.



"Helen, you're the Team Leader, why don't you jump first?"

"[CEOs are] never part of the problem, but always part of the solution" (Charan, 2008, p. 127).

DIGGING DEEPER FOR THE BEST CEO

The great news is that several leaders may fit this above criteria. This is when the following personal qualities are to be considered desirable in the next CEO:

- Being someone who is inclusive
- Being someone who promotes diversity
- Being someone who is a political consensus builder
- Being someone who is an advocate of the company's viewpoint
- Being someone who is a role model, coaches and develops others
- Being someone who is a thought leader
- Being someone who is customer oriented

It is important to get to know this next CEO in both formal and personal types of settings. They need to represent what the company values, both at work and on the golf course. They are a reflection of the company and therefore their on and off the job behaviours are both grounds for dismissal and promotion.

Once a few potential CEOs are being considered it is important to act relatively quickly in order to not lose the next CEO to a competitor who also sees the potential leader as their own.



CHIEF EXECUTIVE OFFICER

LEADERSHIP
through sharing and learning.



ADOPTING THE APPRENTICESHIP MODEL

Several companies who have already adopted the Apprenticeship Model have built and developed a succession plan that will take them through change and into the future. Companies who have adopted this model include:

General Electric, Colgate-Palmolive, Novartis AG, Textron, and WellPoint Inc. What is your company doing to prevent the succession deficit problem from happening? Do you have leaders at all levels? Are you a leader?

*“Treat employees like they make a difference and they will.”
-Jim Goodnight*

Do you think you can be a **leader** or have leadership potential?

You need to take ownership of your own leadership development as all organizations are still operating from old thinking and this old thinking perpetuates less and less succession.

You need to...

CREATE LUCK.

How?

Seize Opportunities and Know your Talents. This way you can **Create your Own Luck!!**

WHAT CAN A LEADER DO?



Steps for Success for Self-Identified Potential Leaders...

- 1. Identify your talent.*
- 2. Nurture your potential.*
- 3. Identify things that could derail you.*

Know what questions to ask...

- *Expand Relationships*
- *Experience New Situations*
- *Practice Diagnosing and Resolving Problems*
- *Seek feedback-DON'T WAIT FOR IT!*

Ultimately, the organization's culture must be right for you!

BUILDING BLOCKS OF THE APPRENTICESHIP MODEL

For the individual:

- #1 Experience and Feedback
 - correct weaknesses
 - expand capacity (the what)
 - expand capability (the how well)
- #2 Work on 1-2 items and PRACTICE!!
- #3 Age 40-50 is a great age to try Senior Leadership
- #4 Produce Great Leaders
- #5 Have an improvement plan



*“Do not wait on a leader, look in the mirror it may be you”
-Katherine Miracle*

For the company:

- #1 Create a deep leadership pool
- #2 Identification and Development of Leadership is part of Leaders' jobs
- #3 20-25% time given to observe and give feedback
- #4 Create a smooth process
- #5 Think differently
 - Don't Think-Who is the right person for an open job?
 - Do Think-What's the right job for this talented person?
- #6 Experience the work instead of reading about the work. This increases growth and speeds up that growth acquisition.



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IS CHARAN'S BOOK
LEADERS AT ALL LEVELS
A RECOMMENDED READ?

Almost every organization requires succession and every organization requires talented leaders. If you are involved with organizations that are hierarchical in nature this is a great read.

Thinking differently about leadership, leaders' roles, and leaders themselves is important in education today. There is a responsibility, perhaps even a moral obligation to reduce the succession crisis in schools. There is an imperative for our future generations' success to develop talent in the school environment.



School Administrators can certainly benefit from understanding and implementing Charan's Apprenticeship Model in order to Grow and Develop in their own Leadership...

1. Principals and Vice-Principals must identify potential teacher leaders.
2. Principals and Vice-Principals must develop these talented teachers and discover their gifts.
3. Principals and Vice-Principals must put them in positions where their talents can be shared and appreciated and also where they will grow and acquire new skills.
4. Principals and Vice-Principals must provide real-time feedback to their teachers.
5. Principals and Vice-Principals must dialogue with teachers and review performance regularly.

**EDUCATION IS
THE MOTHER OF
LEADERSHIP.**

Wendell Willkie
PICTUREQUOTES.COM

IMPLICATIONS FOR EDUCATION SYSTEMS

How does this relate to education?

If we actually analyze things, there are multiple 'CEOs' at work everyday in our school systems. There are 'CEOs' in central office-known best as directors or superintendents, there are 'CEOs' in schools (a.k.a. principals), as well as in classrooms-known as the classroom teacher, and even some student leaders themselves. WE NEED LEADERSHIP and LEADERS at all levels in each and every one of our buildings for the better good of society, and we need leaders once the current ones are gone. Succession of leadership must be a top priority!

As the vice principal of an elementary school, I now see more clearly my critical role –in deepening the talent pool in my school; both with my students and my staff. I need

leadership inside my classroom (from my students) and outside of my classroom (from my teachers and support staff). It is my responsibility to recruit, retain, and help succeed the best teachers possible. By choosing teaching, a person is choosing leadership. Teachers really are all leaders-like it or not. Developing that leadership potential is among the most important parts of my job. Those who do not choose administration are not lesser leaders than classroom teachers they are simply different kinds of leadership roles. In successful schools we indeed have

leaders at all levels.

