

## THE LEADERSHIP PIPELINE HOW TO BUILD THE LEADERSHIP POWERED COMPANY

**Ram Charan, Stephen Drotter and James Noel, Jossey-Bass, Second Edition, 2011, pp.352(HB), \$29.95, ISBN-10:0470894563, ISBN-13:978-0470894569.**

Many careers hit a glass ceiling – employees who performed well at junior levels are unable to deliver equally stellar results as their span of control increased. Management is frustrated that the employee is not living up to the increased expectations at the new level.

Why does this ‘Leadership Deficiency’ happen? The authors claim that development of leadership per se is generally not considered as critical as, say, business strategy or managing operations. Hence, jobs/projects are taken as ‘work to be done’ rather than development assignments. The book, based on GE’s experiences, highlights distinct ‘Levels of Leadership’, each requiring a new set of *skills, priorities and value alignment*.

**Level 1. Managing Self:** The individual contributor stage of first few years in our career. The key skills required for success here are primarily:

- **Technical** – Subject matter knowledge, Quality of output, Consistency.
- **Professional** – Basic professionalism and discipline, accepting company values and norms, doing assigned work within given time frame.

But as we get promoted to the next level, a very different set of skills start becoming important.

**Level 2. Managing Others:** As we start having some direct reports, the older skills of technical competence and professionalism become a minimum requirement. Some very new skills start mattering:

- **Planning:** Breaking overall deliverable into smaller chunks and making a time bound action plan.
- **Assigning/Delegating Tasks:** Who will do what specifically based on interest and capability?
- **Recruiting team:** What skill sets are required and how to measure a candidate against each?
- **Motivating/Inspiring:** Seen as a charismatic leader who people look up to for inspiration.
- **Monitoring/Measuring the work of others:** Regular follow-ups on KRA and Action Plans.
- **Coaching/Enabling:** Giving specific feedback and tips, then following up to ensure improvement.

Unfortunately, 3 big mistakes happen here:

- The best performing people want to keep doing the activities that have made them successful so far.
- Hence, many people make the transition *without* making a real *behavioural* and *priority* change.
- Often the reward systems also reinforce only the results, instead of *how* results were achieved. A manager who works extra hours and himself completes the work of his subordinate is often

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celebrated ahead of the manager who takes time out to coach his subordinate and build long term capability.

**Level 3. Managing Managers:** At this stage, we have reportees who in turn have reportees. This level is perhaps the most critical in the execution process, since maximum number of contributors report here.

- Requires 'pure management' and a shift from "doing" to "getting done through others", therefore a change in paradigm that 'managing people' is as important as 'managing work'.
- Hence, priorities need to change. The time it takes to review operations, and key business indicators needs to be equaled with time taken to review and improve people capabilities.
- One key skill required is to decide who to promote at the manager level, and hence the ability to differentiate between those who can 'do' and those who can 'lead'.
- Another key skill is bridging barriers between departments and having a holistic picture, instead of having a 'union member' psychology.

**Level 4. Functional Head (e.g. Operations Head or Finance Head or Sales Head etc.):** As we start managing an entire function, three key changes happen:

- Even though a newly promoted Plant Manager's experience may be limited to managing shop floor operations, he would have Purchasing and Finance reportings. Hence, the need to listen empathically and quickly learn new skills. Unfortunately, many people get hardened and disinclined to learn eagerly.
- Talking to field workers requires penetrating at least 2 layers of managers, hence very advanced communication skills are required.
- Strategy or Business acumen becomes important. A view of business, beyond the function. A holistic picture of how company runs and how your function fits in? How profits are made?

**Level 5. Business Manager or P&L Owner:** We can now start seeing a clear link between our actions, and in-market success and failure. From looking at proposals functionally (can we do it technically) to a profit perspective (will it make money) and long term orientation (will it be sustainable). New skills required are:

- Balancing current and future needs, the urgent and the important.
- Balancing time between action and reflection/analysis, as decisions become complex.
- Valuing the contribution of staff functions (often regarded as adversaries before this role).

The book talks of 2 more levels – Group President & Company CEO – more relevant for large global MNCs.

How can we use this understanding of Leadership Development?

- Diagnose individuals who, while working hard, may be showing inappropriate leadership (e.g. doing work that their subordinates should be doing, thereby 'clogging' the leadership pipeline).
- Analyze 'what key leaders are doing at every level' (360 degree feedback, direct observation), compare with what they should be doing, and then identify the 'missing leadership skills'.
- Interventions – through training and mentoring – can be designed to develop those skills. This can help companies move from a general problem ("we lack leaders") to a very specific, action oriented, and measurable remedy ("in these people, these skills need to be developed").

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