How Exceptional Leaders Develop

Knowledge and Common Sense Skills
Shared by Exceptional Leaders

ADVANTUS
Business Consulting

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The Bottom Line

The search for managerial excellence is not new; it is a hunt that began with the inception of the first modern business. Yet in our fast-paced, high-tech world, this pursuit for outstanding leadership has reached nearly quest-like heights, spurring countless publications and studies, all attempting to identify and measure the magical components of excellence within the corporate arena.

Does this mean that exceptional leaders are mythical beings to be relegated to the ranks of the Tooth Fairy and Easter Bunny? No. Exceptional leaders do exist and often direct highly successful, model corporations. However, if you ask exceptional leaders what factors led to their success, they would probably credit talent and luck rather than a specific cause or set of circumstances. This is because their practical knowledge and instincts - honed by experience - cannot easily be expressed in crisp, logical terms. Key concepts and experiences can be reduced to truisms, but they do not represent the set of guidelines and proofs necessary to lead successive generations to similar success.

Thus, leadership skills and the intentional development of exceptional leaders have been difficult to transfer. Those who capture excellence in practice are the least likely to be able to communicate it to others. Exceptional leaders don't have the time or the mission to translate their intuitive working principles into practical examples. They are too busy leading. Hence, we researchers write the books, but the practitioners set the real standards for success – which brings us to our study.

This report documents the knowledge and common sense skills shared by exceptional leaders. It is a step toward clarifying those truisms we hear so often and creating a workable, replicable technology for the deliberate development of exceptional leaders. Leadership development is often a vague and nebulous concept, but it is possible to focus on several concrete principles that directly affect the rate of a leader's development. (See Figure 1 on the next page) These principles emerged from six years of applied research in six different corporations. They provide the basic fundamentals for building an individually tailored leadership development program.

Figure 1: Top 10 Findings

1. Identifiable and measurable factors predict exceptional potential
2. Matching leaders to the right corporate roles determines their success or failure
3. Toughest challenge: maintaining short-term results while still creating lasting value
4. Seven primary skills are common to all leaders
5. Six key types of experiences drive development
6. Direct intervention does make a difference
7. There are four successive stages in development of leadership maturity
8. The process must be monitored and managed like any other function
9. Organizational culture determines whether exceptional talent should be "developed" or bought from the outside
10. Exceptional leadership skills can only be developed in true High Potentials

Start with the cascade (succession) process: Who do you have? Who's going to retire? Do you have a set of backups? What's going to happen to these people? Who are your strong ones, and how are you going to develop them? That gets the problem out on the table. You deal with it from several angles: it's obvious we have a bunch of vacancies that we have to develop people for; or, we have some people who are really old and gray and aren't going anywhere; or, we have some people who are real 'up and comers' and we've got to figure out how to provide them with a career. Or, we have a very quiet situation so we use the normal process of developing people and making them more enthusiastic. The important thing is to get the description of the problem out on the table so you can figure out where you are. I would always start with the evaluation, and go through that first. Then start working with people to solve the problem you have to deal with.

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Intentional Exceptional Development

Although leadership development is often used as a means of indirect compensation, or a means of rewarding leaders, it can be a practical, succession-driven focus meant to develop the few critically necessary leaders who will direct the corporate destiny.

Concrete Tools Measure Intangibles

During the research, tools were developed which were utilized to identify exceptional potential early in a leader's career. Softer and more difficult to measure elements, such as intelligence and motivation, were accurately and concretely assessed in conjunction with such obvious factors as visible performance and observable behaviors. In unison, these two approaches provided a means for targeting and selecting leaders with demonstrably higher potential.

Ability vs. Poor Fit

All high-potential candidates were not equally matched for, or capable of, filling every corporate need. For example, corporations sometimes need innovation and growth-oriented Project Managers; or they require stabilizing, profit-oriented Production Managers; and finally, they need a few Critical Leaders who are capable of maintaining the necessary balance of both preceding modes.

These three different profiles of exceptional capability provide a guideline of which types of candidates perform exceptionally in the three distinct corporate roles. Contrary to common dogma, individual competence does not always guarantee success, and failure is often not due to incompetence. A mismatch between leaders and corporate roles, however, quite frequently accounts for the sudden (and often permanent) stall experienced by many rising leaders.

Universal Skills

While these three functional roles are distinct, all exceptional leaders routinely utilized seven identifiable skills. (see page 21) Certain crucial experiences provided the practical opportunity to apply and then master these essential leadership skills.

Exceptional performance evolved gradually, as the leaders first tackled, then conquered, a sequence of progressively tougher barriers leading to leadership maturity. Exceptional leaders struggled to master these seven skills by applying them in specific practical situations. They also fought to overcome the hurdles to reach leadership maturity. This was a universal challenge for all exceptional leaders.

Exceptional Development Can't Be "Canned"

The actual process consists of twelve components which provide a guideline for potential development. There was no single correct pattern or fixed formula. The various development components were flexible and fluid; all or part of them may have sufficed. Their unique needs determined the process itself: which elements, in what sequence, and at what pace were all tailored to provide the best possible fit.

Targeting Investment

Business vs. Altruism

Not every good manager wants to be, or can be, an "exceptional" leader. The benefit of increasing a merely competent leader's potential by even ten percent is far exceeded by the actual cost in terms of the time, money, and energy necessary to ensure success. For both the individual and the company, the fairly typical approach of allowing the "cream" to rise to the top represents a tacit economic efficiency and a practical way for leaders to seek their own level of comfort and ambition.

While it may sound contrary to the American dream, it is far cheaper and far more valuable for the corporation to focus on, and invest solely in, the few potential superstars for exceptional leadership development. Such potential, when increased by ten percent, represents a far more significant payoff to the leader and the corporation in terms of short-term benefits and long-term profits. This process puts much less emphasis on developing or pressuring leaders who are competent in their natural niche, or who do not clearly feel that the additional struggle to reach the top is worth the eventual rewards.

The Bottom Line

From a representative group of the high potentials who have gone through this process, many have advanced dramatically within their corporation. Their salaries have increased an average of 100 percent over five years (after an adjustment for inflation). The staffs they supervise have grown by 500 percent and the average budget managed has expanded 300 percent (also adjusted for inflation). There is no hard evidence to suggest these leaders would not have progressed without this program. However, many who participated do credit this process for a significant part of their growth and consequent advancement. Their sponsor also rates the program as successful.

The process described here focuses on those exclusive few who represent true exceptional leadership capacity. It provides a means for identifying what exceptional capacity is; how it is obtained; a means for speeding growth towards this objective; and finally, specific results illustrated by leaders who participated in the process.

> If you (spread your resources) across the whole skirmish line, you are wasting them. You don't have enough time or money, so you have to be selective.
>
> ***Sponsor***

Identifying Exceptional Potential

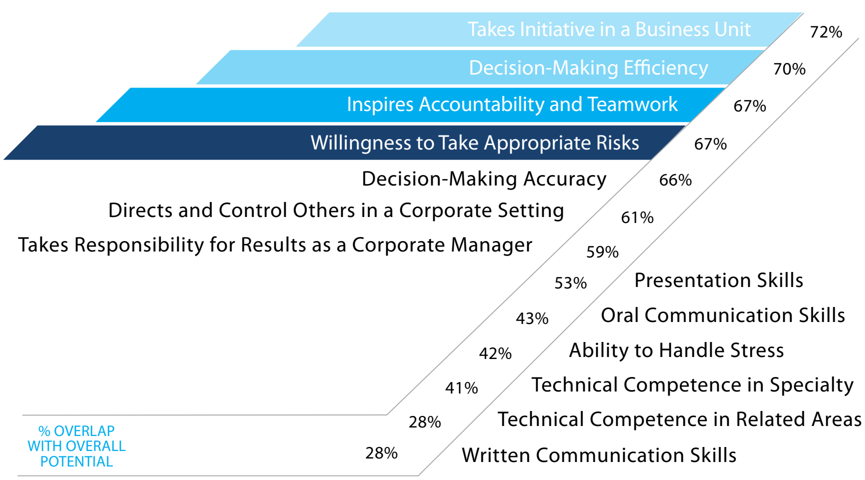
On a practical level, not everyone can, nor should, be an exceptional leader. For the corporation, this means development investment must be aimed at the right audience.

Test results and performance data from 250 leaders tracked over a six-year period identified factors which linked directly with actual promotions and performance evaluations. This generates an approach that is both concrete and repeatable. Thus, the development "skirmish line" can be deliberately narrowed, while the potential for tangible, desirable results is optimized.

The First Cut: Visible Behaviors

The performance factors used to assess development candidates evolved from a focused interview process. Leaders were interviewed using a structured interview format, generating a wide variety of responses. Similar responses and concepts were then grouped together and categorized, leading to the identification of thirteen key performance factors. This process was repeated for each organization. Based on the findings, the legitimate selection factors could then be identified for each individual corporation.

Figure 2: Prioritizing Critical Skills



These percentages were derived by squaring the correlation between each skill rating and the estimate of overall potential. Squaring the correlation approximates the percentage of the overall potential factor accounted for by each individual skill or performance rating.

Performance

Out of the thirteen, there were four key performance factors that predicted potential as an exceptional leader. (See Figure 2) The factors were found by rating candidates on the thirteen performance factors. These ratings were then compared with measurements of a candidate's overall competence and potential.

These four performance factors clearly stood out among the various levels of potential. It was, therefore, sufficient to focus solely on these four factors when determining exceptional capacity. Ranked by order of importance.

These four performance factors clearly stood out among the various levels of potential. It was, therefore, sufficient to focus solely on these four factors when determining exceptional capacity. Ranked by order of importance, these factors were:

1. Initiative

2. Decision-Making Efficiency

3. Leadership Potential

4. Willingness to Take Appropriate Risks

Four Performance Factors Descriptors

1. Takes Initiative In a Business Unit

Active management was not enough; focused, *proactive* leadership tactics were demanded. High performance ratings went to those who anticipated and tackled problems before they erupted. Buckling down and doing the job thoroughly and systematically was essential. On any task assigned, aggressive leadership was expected from start-up all the way through completion.

2. Decision-Making Efficiency

The ability to distinguish and then focus energy on important issues was a key quality. The best performers delegated routine matters whenever possible, while consistently monitoring the delegate's performance. Such leaders insisted on being informed of all factors touching on their area of responsibility. They then used their own intuitive knowledge to sort through this information and formulate a decision. Subsequent actions were timed carefully to balance known obstacles against favorable conditions to achieve the greatest potential for success. Such leaders recognized that being 70 percent right today was infinitely more valuable than being 100 percent right when it was too late.

3. Inspires Accountability and Teamwork

Leaders' people skills were vital. High performers continuously motivated subordinates in the most efficient, effective way. Rewards and penalties were tied directly and clearly to both the employee's performance and personality. Such leaders worked to engender loyalty and commitment in their subordinates. Leadership status and power were earned instead of demanded.

4. Willingness to Take Appropriate Risks

The ability to make decisions effectively was not sufficient. Highly rated performers made decisions even when some influences were unknown. They avoided blind or impulsive risks by taking such actions only when tentative data could be backed by sound assumptions. Such leaders stretched past comfortable performance levels to seek both challenge and new success horizons.

Refocused Thinking

These four performance factors repeatedly marked exceptional capacity in developing leaders. This surprised participants who had believed that technical competence, communication skills, and presentation skills were more crucial to their success. These latter factors were not unimportant; rather they were nondistinguishing. At a high mid-management level, nearly all those assessed had sufficient technical competence. Communication and presentation skills simply did not correlate closely with the likelihood of executive success.

These findings also surprised top-level decision-makers. The process targeted the real factors behind their decisions to promote, while the indistinct qualities they believed to be the foundation of such decisions, proved to be less relevant. Their choices were predicted by the four prime performance criteria, even if they had never consciously made a promotion based on those four factors.

Impact

These performance factors introduced a means of controlling several hazy areas. Candidates for development could be more accurately identified, and hence, more effectively developed. Succession plans could be evolved to target leaders ready for advancement when the opportunity arose. Observable behaviors provided documentation and factual anchors for such decisions. Equally important, corporations that needed to "buy" talent from outside sources could utilize these factors to measure potential candidates' existing abilities and predict their future success.

These criteria served as the "first cut" in the selection of high-potential exceptional leaders. They were a quick and useful, yet comparatively inexpensive, tool. Furthermore, the four key performance criteria proved so significant that, practically speaking, all of the other performance elements could safely be ignored. They were sufficient criteria for the selection of outside talent or the decision to promote a leader.

What's more, these visible behaviors were driven by, and linked to, the internal factors of intelligence and motivation. Neither initiative nor intelligence could be created where it did not exist, nor could such be taught. Therefore, when faced with a candidate with low initiative ratings and high technical competence, the choice became clear. Technical deficiencies were correctable; the lack of initiative was not.

Yet, despite their effectiveness in predicting actual promotion decisions, these performance criteria could not completely predict the future success of leaders who were promoted. Internal forces and qualities had a real impact on such potential. Thus, performance assessments were combined with objective tests and measures to provide the most clear and accurate identification of exceptional potential possible.

> One of the biggest surprises was the performance reviews. You had them with your boss over the years … but for the first time, we saw a list of 13 things that are considered to be the more important attributes of a manager. That was quite a revelation.
>
> ***Participant***

Critical Skills of the Five Manager Types

Corporate Line Manager Skills

- Directs and Controls Others in a Corporate Setting
- Decision-Making Efficiency
- Decision-Making Accuracy
- Written Communication
- Inspires Accountability and Teamwork

Corporate Staff Manager Skills

- Takes Initiative in a Business Unit
- Takes Responsibility for Results as an Entrepreneurial Manager
- Profit Conscious in a Management Role
- Ability to Learn the Business
- Develops Technical Competence
- Management Ambition
- Teaching in a Structured Setting

Profit Center & Entrepreneur Skills

- Profit Conscious in a Management Role
- Takes Initiative in a Business Unit
- Develops Technical Competence
- Takes Responsibility for Results as an Entrepreneurial Manager
- Ability to Learn the Business
- Directs and Controls Others in a Business Unit

Individual Contributor

- Focused on Quantitative Results
- Takes Initiative in a Business Unit
- Develops Technical Competence
- Prioritizes Tasks
- Problem-Solving
- Attention to Detail

Sales Force Manager Skills

- Teaching in a Structured Setting
- Makes Joint Calls
- Directs and Controls Others in a Business Unit
- Profit Conscious in a Management Role
- Takes Initiative in a Business Unit
- Makes Formal Presentations
- Focused on Quantitative Results

Manager Types Descriptions

Corporate Line Managers

Top Line Managers usually have a production approach that focuses on measurable and near-term results and outputs. They emphasize efficiency, profit improvement, cost control, and the refinement of the processes and procedures that produce incremental gain. These managers may be innovative, but avoid visionary or theoretical changes that have not been thoroughly tested and proven. They minimize and control risk in order to optimize efficiency, and approach problem-solving from a planning and scheduling perspective. Production-oriented Line Managers usually step in after the start-up phase and refine and maintain the established systems at an efficient, effective level. Top Line Managers are usually not start-up or turnaround specialists.

However, we know, as a result of our continuing research, that a Line management position will occasionally require a project approach when a major but short-term goal, such as an acquisition or turn around, is required.

Corporate Staff Managers

Top Staff Managers usually have a project approach and focus on innovative or creative solutions to specific needs. These managers see improvement goals as a project or series of projects, each with distinctive beginning and ending points. They are more concerned with major improvements than incremental refinements. Project-oriented managers perform best in a start-up environment or in a true project capacity. They research, explore, and design or invent new technology or build new applications of known technology. In problem-solving methods, Project Managers often opt for an intuitive or deductive decision style and prefer to test new solutions by trial and error. They operate on a longer-term basis and prefer to function creatively within the general parameters of a specified goal.

However, a Staff management position will occasionally require a production approach when the function's primary outputs are repetitive and volume, quality, and consistency are the major requirements. (Examples - Manager of Accounting, Manager of Statistic Process Control)

Profit Center Managers and Entrepreneurs

Profit Center Managers and Entrepreneurs (sometimes called intrapreneurs or entrepreneurs without portfolio) are distinguished by their close, hands-on control of all the key functions that contribute to the bottom-line. They avoid layers of management between them and the key actions or decisions that need to be made. They make a point of knowing all their subordinates personally and motivate one-to-one. As a result, bureaucracy and red tape do not slow decision-making.

Individual Contributors

Individual Contributors typically manage their own results or serve as a team leader. They are committed to staying current in their field so they can be seen as a valued resource. They manage projects to ensure timely and accurate results, and they use their own expertise and process management skills to achieve overall goals. Additionally, they hone problem- solving skills and pride themselves on their willingness to continuously update their technical skills.

Sales Force Managers

Sales Force Managers are more responsible for building the quality and productivity of their salespeople than for any one customer. The most effective have a narrow span of control (4-5 salespeople) with whom they work. They coach and develop each of them one-on-one on a regular (often weekly) basis. The least effective have a large span of control and focus most of their time on traditional administrative tasks including sales projections, facilitating problem resolution for salespeople, and other administrative tasks.

Where Exceptionals Fail - or Succeed

Understanding where specific managers can be used most effectively proved vital. Describing exceptional managers from three perspectives helped clarify why some good managers failed and others succeeded.

These exceptional managers were:

- Project Managers - who innovated and initiated new developments and growth
- Production Managers - who strived for stability, efficiency, and profit
- Critical Leaders - who balanced growth and profits to reach their vision of the future

An accurate match between managers' innate talents and their organizational roles generally led to success. Failure was traced to good leaders who were operating in the wrong role.

For example, a Project Manager filling a Production need would often change and innovate system breakthroughs when system refinement, stability, and predictable results were required. Such managers had ability, but their areas of strength did not match the demands of their role.

A Three-Part Team

The skills, personal motivation, and capacities of Project Managers and Production Managers are quite different, and only a rare few Critical Leaders were capable of "switch-hitting."

Both the Project and Production Manager roles were crucial for the organization. A comprehensive assessment of the corporation's needs determined which role was more essential at a specified time. The need to stabilize operations had to be weighed against the need for innovation; the need for improving quality had to be compared to the need for growth.

Each leader contributed more significantly and more effectively in one set of circumstances over the other. As corporate needs shifted, the balance of the Project Manager vs. the Production Manager also needed changing. Critical Leaders continuously balanced and rebalanced, based on the corporation's needs. For example, the Project Manager was vital when the need was to develop the corporation's technical excellence or creative capacity. The Production Manager, on the other hand, remained focused on retaining and improving quality, cost effectiveness, and efficiency. Critical Leaders fully appreciated both orientations. By not over-committing to either, they could provide the necessary direction to vary both.

Each profile exhibited distinct and measurable values, loyalties, motivations, and career orientations. Assessment tools were developed which helped identify an individual manager's inclination for one role over the others. These evaluations have helped to clarify and define the "hunches" that companies have often relied on.

Project Manager

New and Unique
Designs Technology
Bored With Repetition
90 Percenter
Flexible
Builds Capability
Personal Skills & Reputation
Creative Motivator

Critical Leader

Directs The Balance
Growth vs. Profit
Short-term vs. Long-term
Developmental vs.
Maintenance Needs
Process vs. Results

Production Manager

Standard and Reliable
Applies Technology
Frustrated with With
Constant Change
99 Percenter
Controlled
Builds Results
Position and Rank
Expert Director

Project Managers

Context

Both Project Managers and Production Managers maintained and improved ongoing systems and implemented new ones as the need arose. The Project Manager, however, performed best in a start-up environment or in a true project capacity with a beginning and end.

The Project Manager researched, explored, and designed new technology or services. The most distinguishing feature of the Project Manager was the need to design or invent. This creative aspect spilled over into problem-solving methods.

Project Managers preferred an intuitive or deductive decision style. Creating by instinct or insight, they tested new solutions by trial and error. They operated on a longer-term basis, and functioned innovatively to reach a specified goal (e.g., a new product to be launched). They demonstrated technical expertise and specialization in a field they greatly respected.

Organizational Niche

Project Managers were found in market research, project management, project engineering, advertising, and product development. Due to their innate project orientation, they tended to move to another position when the inventive possibilities of their current role were reduced. Project Managers also played an essential role during the start-up phase of a production facility. In spite of the apparent contradiction in terms, a start-up was still a project, and it required the special drive and capacities of the Project Manager. (See Figures 3 & 4)

Flat Spots

Unfortunately, Project Managers often stalled when a start-up moved into a production stance. They were reluctant to routinize, refine, or stick to repetitive tasks. They enjoyed the new and innovative, and tended to ignore the stable or repetitive tasks critical to profit and efficiency. They saw a need for continuous growth and further experimentation, but overlooked the need for attention to routine details, methods, and sustained systems. Project Managers, quite simply, forgot to feed the "cash cows." They were too busy building and pursuing one great dream after another.

Figure 3: Primary Operating Methods

	Project	Production
Personal Strengths	• Creativity • Innovation	• Reliability • Productivity • Cost-awareness
Standards	• Excellence • State-of-the-art	• Efficiency • Practical standard of "good enough"
Skill & Personal Interests	• Individual Capability • Education and training	• System effectiveness • Relevant on-the-job experience • People and control skills
Psychological Rewards	• Position and status from peers • Professional recognition	• Position and perks • Public or general business recognition
Loyalties	• More loyal to profession or field of expertise than general results	• More loyal to practical goals and results than any particular field or area of expertise
Breadth	• More likely to be specialists	• More willing to be generalists
Expectations from Others	• Expect to be appreciated for their skill or degree of effort	• Expect to be evaluated for their results
Political Style	• Justify growth through the need to expand capability • Rate self according to degree of growth/ capability reached	• Justify authority according to profitability • Rate self according to degree of position/control acquired
Preferred Climate	• Opportunity to be on the cutting edge of technology • Promotion of their field	• Opportunity for increased compensation • Authority with autonomy and independence

Figure 4: Primary Management Roles

THE JOBS	PROJECT MANAGER	PRODUCTION MANAGER
Distinguishing Feature	• Unknown design • New technology • Pure (must invent)	• Standard design • Standard technology • Practical (must apply)
Planning Method	• Trial and error • Systematic hypothesis • Testing	• Contingency planning • Flexible scheduling • Prepared to apply new technology
Purpose	• Developmental • Design, create	• Maintenance & volume • Quality production
Time Constraints on Payout from Results	• Longer term	• Shorter term
Driving Forces	• Goal directed • Costs spent as necessary	• Cost directed • Efficiency • Profitability
Elements Measured (Evaluation)	• Process (how well it was done)	• Results (whether it works) • Met goals
Area of Respected Resource	• People capacity • The expertise of highly-skilled specialists	• System capacity & reliability • Consistency regardless of the people manning the system
Example	• New product development • New product campaigns • R & D • Start-ups	• Manufacturing • Accounting • Assembly Line • Field Sales

Production Managers

Context

The distinction between a Project Manager and a Production Manager was marked. Project Managers tended to specialize in one area, and had little interest in dealing with pragmatic issues. Production Managers had a depth of practical experience but often lacked the technical expertise or skill to tackle intricate areas of specialization in the business.

Focus

Production Managers focused on practical applications, like efficiency, rather than on innovation or technology. Satisfied with a standard of "good enough," they achieved effectiveness at a reasonable cost. They minimized and controlled risks in order to optimize efficiency, and approached problem-solving from a planning and scheduling perspective.

Repetition was valued. It offered the opportunity to fine-tune the system, optimize profitability and efficiency, and refine the operational learning curve. System capacity was the main concern, and they evaluated performance on results.

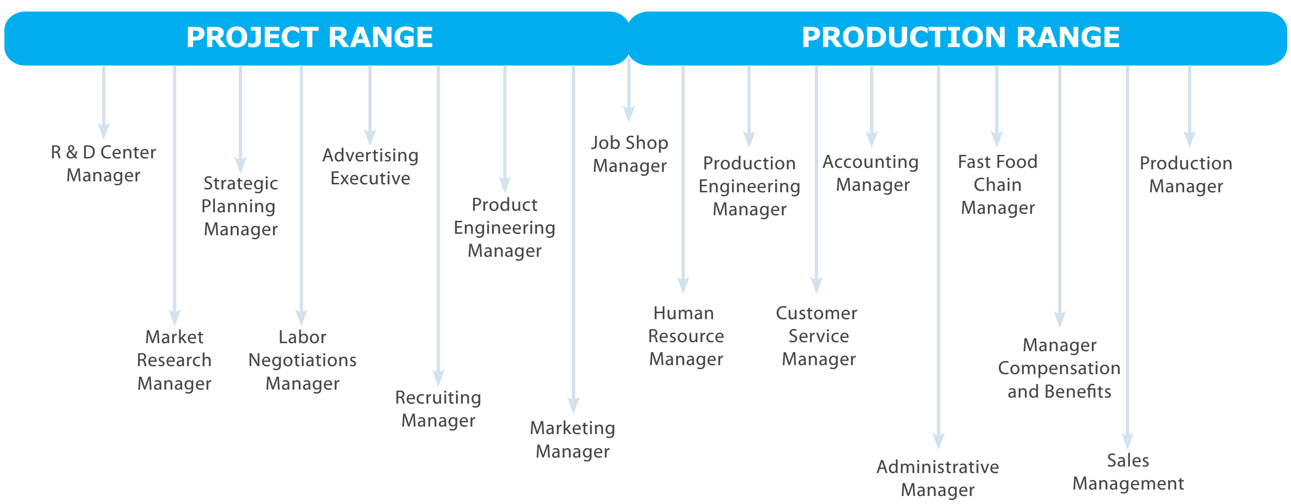
Organizational Niche

Production Managers thrived in production engineering, accounting, plant management, and sales management. (See Figure 5) Such leaders found their production-based niche and remained in their position as long as their output generated sufficient rewards. Project Managers may have starred during the start-up phases of a production function, but Production Managers were needed to refine and maintain the established systems. Results were the primary focus. They were most comfortable with functions that were concrete, measurable, and controllable.

Flat Spots

Production Managers shone when a system or a function needed to be perfected. However, they tended to resist change when the organization needed creative expansion. They balked because the need for change was not readily apparent. The opportunity and need for continuous refinement and profit were still quite evident to them. In contrast to the Project profile, Production Managers always remembered to feed the "cash cows." They had one dream, to fine-tune the system, and they saw no need to build another.

Figure 5: Typical Focus of Positions



Critical Leaders

Context

Critical Leaders understood and stood up for the bigger picture. They were able to build a guiding vision and then funnel money from the "cash cows" to fund this dream. Such managers had enough of an overview to go against the logical arguments of good people, who were correct at the moment, but who could not conceptualize the long-term requirements. Critical Leaders could envision, create, and maintain systems which would provide long-range value to the corporation.

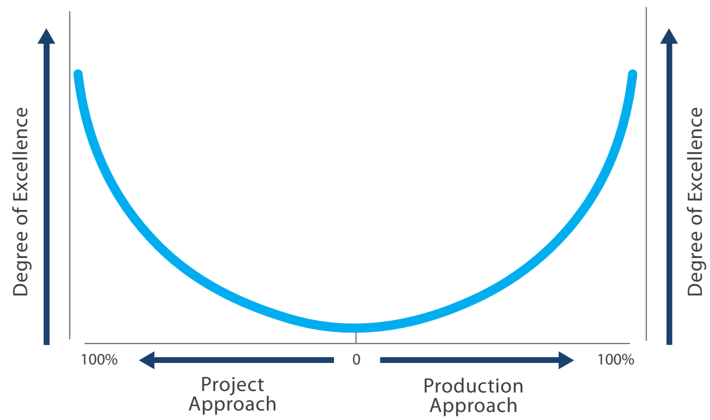
Most simply, the Critical Leader was the corporate advocate of the future. They planned ahead without sacrificing the present. Decisions were grounded in fact but based on intuition.

Focus

Neither specialist nor generalist, Critical Leaders were multifaceted in outlook, breadth, and depth. There was the specialist's commitment to innovation and growth, as well as the practical need for stability and profit. These two poles were not blended. Rather, Critical Leaders leaned strongly toward one orientation and only borrowed the core traits of the other profiles. The perspectives of the Production and Project orientation were sufficiently balanced to optimize excellence. (See Figure 6)

Excellence Increases at the Extremes

Figure 6: Exceptional Leaders Tend to Adopt the More Extreme Position



Contribution

Critical Leaders had the ability to create visions and take risks. They took a stance against the institutional tradition of the moment. Often, Critical Leaders could not easily express the logic to justify a decision or vision, since it was based on a variety of factual and intuitive knowledge. Therefore, they had to take responsibility for the consequences of such decisions and have the strength to risk being proved wrong. The quality of their decisions and the ability to install systems of lasting value were direct measures of the Critical Leaders' capacity.

Balancing the Profiles

Corporate Need

Different combinations of leaders were required during different phases of evolution. In a growth mode, an organization needed Project Managers to conceive and design the technologies and expertise the company marketed. During periods of stabilization and maturity, they required fewer Project Managers and more Production Managers to maintain profit-making technologies and systems.

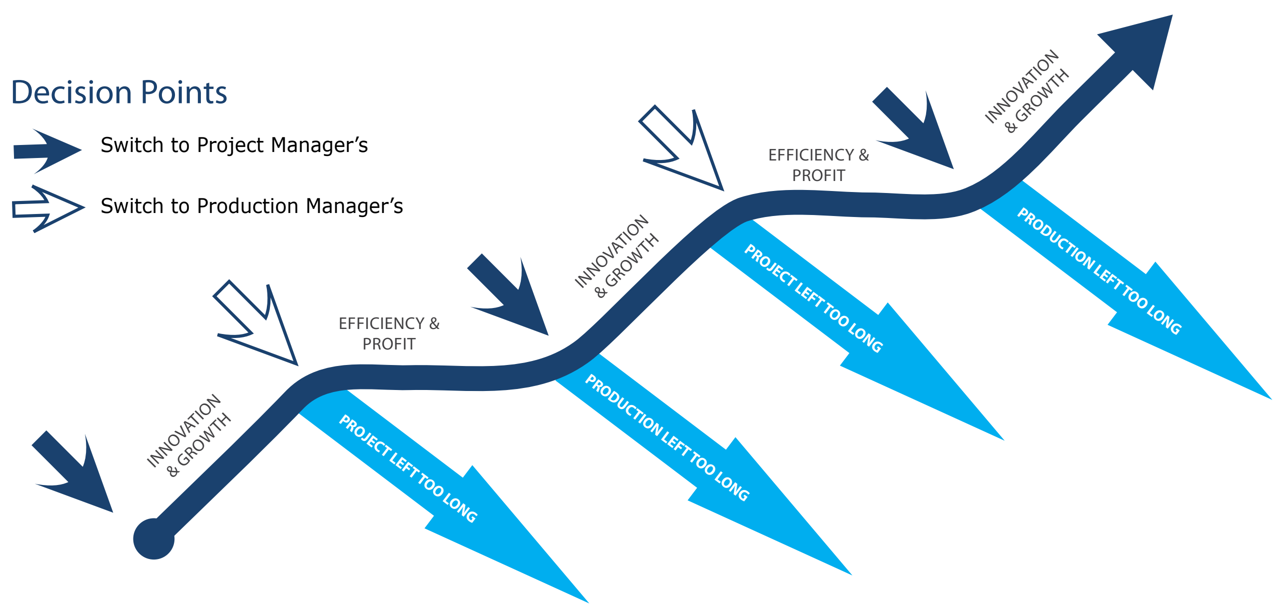
In a mature company, division, or department, the need for Production Managers initially increased. They reduced costs, streamlined systems, and maintained quality standards until a new and innovative change was required. Those managers who were lucky enough to be matched in profile to the present needs of the organization found their stars shining. Those who weren't, found their prospects had dimmed, yet often they did not understand why.

Hazards

Organizations that left a Project Manager in a place too long suffered the pains of too much growth and change. Similarly, an organization that relied on production efficiency too long eventually lost a competitive edge.

The inclination toward either a Project or Production profile was firmly entrenched long before the managers came to the business arena. A role could be tailored to fit the managers' inherent orientation or managers of the alternate orientation could be brought in to replace them. With few exceptions, such managers could not alter their natural focus effectively enough to be able to succeed in the opposite role.

Figure 7: Critical Leader Decision Points and Actions



The Role of Critical Leaders

At each stage of development, a Critical Leader was needed to integrate, guide, direct, and plan for the corporate future. (See Figure 7) Only two to five percent of all potential top managers needed to be Critical Leaders, but these few were essential. They insisted on a high degree of facts and detail, yet understood the more non-tangible and difficult-to-measure factors which impacted the corporate environment. The Critical Leader alone had the broad perspective necessary to determine the proper blend of Project Managers and Production Managers.

There was not a single path to becoming a Critical Leader. With enough effort, both Project and Production Managers could escape the restrictions of their role. However, the transition was easier for Project Managers because they were often exposed to more functions within the corporation. This diversity of experience was an absolute prerequisite to Critical Leader capacity.

All Critical Leaders exhibited an inclination toward one focus over the other but this leaning was balanced by an appreciation of the other profile. Not all managers were willing or able to undertake this challenge. At most, only five out of every one hundred *exceptional* managers became Critical Leaders.

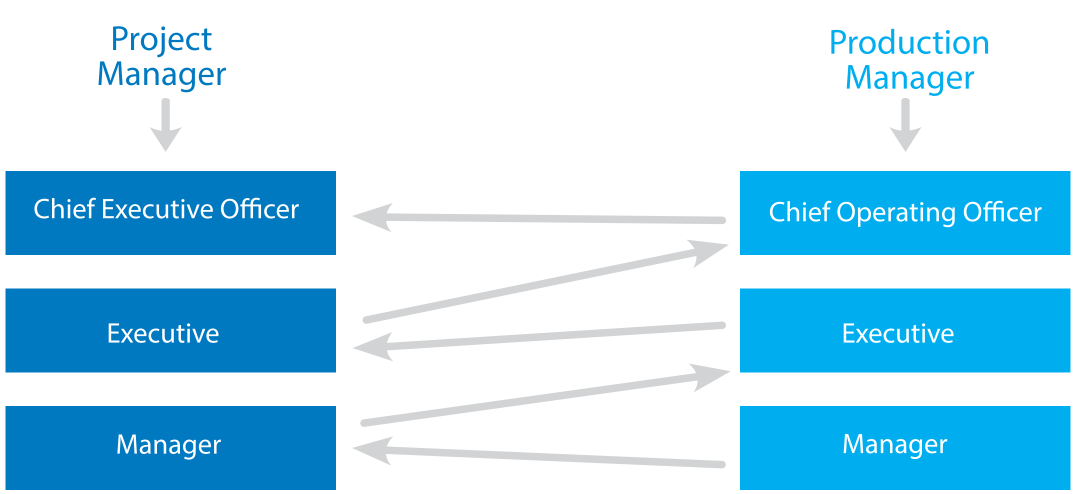
Pick a Winning Team

Most successful corporations maintained a mix of the two manager profiles at top levels. (See Figure 8) The exceptional manager who evolved from a Project orientation contributed the qualities of innovation and flexibility, plus a desire to explore new avenues of technology application and understanding. The exceptional manager who evolved from a Production orientation contributed consistency, reliability, a high degree of cost consciousness, and a results focus.

As a working unit or team, these two profiles were a powerful combination. The strengths of one offset the shortcomings of the other, and vice versa. Together they provided the essential balance of leadership motivations and capacities: innovation and growth, plus sustained efficiency and profits.

The obverse was also true. Where two exceptional managers of like orientation were matched at top levels, each manager exhibited similar strengths and similar flat spots. Companies lead by such combinations excelled in either creating new products, services and goods, or in maintaining existing systems and profit return. They rarely excelled at both essential perspectives. As a result, the company often survived sufficiently during initial growth spurts, but it lacked the core resiliency to prosper during severe business fluctuations.

Figure 8: Strong Organizations Typically Develop Leadership Balance



Their First Insight: Lasting Value

The tough leadership challenge is to build a better system than what existed. Exceptional leaders ultimately measure success by the longevity of the systems they have built. It is the duration and dependability of the light, not the intensity of the flash, that is the relevant standard of the lamp.

Considering how much easier it is to measure, feel good about, and get rewarded for short-term outputs, it is not surprising that most emerging leaders focus on what needs to be done now. The intangible factors that contribute to the overall worth of a corporation are much more difficult to measure. Nevertheless, leaders who do gain the insight of creating lasting value pass the first test of becoming exceptional.

Realistically, business solutions or systems can only exhibit relative permanence. This permanence depends on well designed, refined methods which are thoroughly communicated to all users. Only systems that are comprehensive, stable, and resilient enough to prosper through varied business cycles can attain a degree of permanence. Such systems personify lasting value. In recent times, the concept of lasting value has become trite. Nonetheless, it is a vital and legitimate part of exceptional capacity. Leaders who grew to understand lasting value stood apart from the crowd.

Such leaders learned to distinguish between short-term functions, such as hands-on supervising, and the broad-based, long-term ramifications of managing. They differentiated between actually doing tasks and planning and installing systems that can perform such tasks effectively over the long-run.

Dual Accountability

Only exceptional leaders understood the need for and built, or further developed, systems that had long-term value. They routinely balanced two distinct levels of accountability: that of the doer/producer manager and that of the planner/builder manager. The doer/producer manager role produced short-term results. The planner/builder manager created systems that produced greater long-term capacity. (See Figure 9)

Figure 9: Management's Dual Role

	DOER / PRODUCER	PLANNER / BUILDER
Focus	Short-Term Results	Long-Term Results
Benefits	Generates Profits	Builds Assets
Budget & Resource Allocation	Efforts Are "Expensed"	Efforts Are Invested
Purpose	Protects Survival	Stimulates Growth
Emphasis	Solves Problems Maintains Capacity	Builds Permanent Solutions Improves Capability

Doing Protects Profit and Survival

The doer/producer manager made decisions that produced short-term results. These efforts were valuable but consumable. Other than the immediate profit generated, nothing of greater or residual value remained for their efforts. Their efforts were essentially an expense item for that company.

The doer/producer manager role protected and maintained existing systems which contributed to corporate viability and profit. In times of crisis or instability, when cash flow was critical, this role was particularly valuable. Managers who were primarily focused on short-term results merely fulfilled the most basic requirement for corporate survival. They did not actively contribute to the corporation's capacity to sustain long-run success.

Building Creates Future Value

The exceptional leader was committed to the planner/builder manager role. While the doer/producer manager focused on short-term results, the planner/builder manager created lasting value for the corporation. Productive systems were constructed or redefined to provide expanded corporate capacity. These systems could be either tangible or intangible but in either case, they became an additional asset to the corporation.

Integrating Accountability

The planner/builder role demanded discipline and conscious control. Excessive short-run distractions were avoided or ignored so that the bulk of the managers' resources could be invested in key areas. Many leaders settled into the doer/producer manager role simply because it was easier and more comfortable. Hence, recognizing the concept of lasting value was not enough. They had to be willing and able to make the necessary commitment.

In times of crisis, greater emphasis was placed on the doer/producer manager role. In times of growth, the planner/builder manager mode prevailed. For the exceptional leader, these shifts were automatic and intuitive. They instinctively acted in the role which would provide maximum value to the corporation at that time.

Balancing Dual Roles

The need and ability to create systems of lasting value distinguished exceptional leaders from all others. Nonetheless these exceptional leaders still retained some innate bias toward either growth or profit, project or production. Few were able to overcome this bias effectively enough to attain the optimum mix of both.

Those exceptional managers who best blended these dual roles were Critical Leaders. "Critical" because they were able to achieve a balance between growth and profit, which is the most difficult balance to achieve. "Leader" because, unlike most managers, they did not allow their natural bias to upset this equilibrium. They successfully elicited the cooperation and effort of subordinates of both preferences.

The concept of lasting value was among the first, most difficult major insights with which young, high-potential leadership candidates struggled. Commitment to lasting value marked a turning point in their growth toward becoming exceptional leaders.

Seven Key Leadership Skills

Exceptional leaders effectively chose the one or two major contributions which had the greatest impact on corporate success. Seven skills formed the backbone of their plans for building and then maintaining the key systems.

Exceptional leaders who made the most of these skills avoided failure and achieved personal and corporate goals. The process was planned and conscious, as well as unconscious and intuitive. The skills seemed simple yet were complex to apply. The seven skills are outlined below:

The Seven Skills

1. Developing an Overview
2. Creating a Vision
3. Identifying Critical Success Factors
4. Objective Self-Assessment
5. Selecting Champions
6. Establishing Monitoring & Follow-Up Systems
7. Maintaining Leadership Focus

1. Developing an Overview

What added values are most basic, most desirable, and exceed other alternatives?

Exceptional leaders determined what actions would add the most value to the corporation. They focused on factors which would contribute to continued growth or provide a guaranteed minimum return on an existing product or service.

The analysis was practical and concise: What would best serve both corporate goals and user needs? Could the corporation satisfy these needs? What alternatives were available to the user or consumer? To the corporation? How could the corporation become the most durable and valuable supplier of a particular good/service?

The analysis encompassed the interests of all concerned, from customers and stockholders through all levels of employees. Through this analysis, the exceptional leaders identified potential areas for enhancing corporate value and factors critical for success. It was the first step to installing selective changes that provided real added value to the corporation. Without this analysis, incomplete or inappropriate systems were often implemented and corporate resources and energies were misspent.

2. Developing a Clear Vision of the Goal

What solution satisfies our company's and our customer's needs most competitively?

Exceptional leaders built a mental blueprint which became the guiding vision. Born from instinct, it was simple, logically-grounded, and benefit-based. The focus was adding lasting value. The vision enhanced existing technologies or corporate strengths instead of displacing them. It defined the parameters for corporate goals. When effectively communicated, it described the path for others to follow. It provided purpose and direction. When poorly conceived and articulated, the leader could not fully implement change or add essential value to the corporate system. A competitive edge was often lost.

3. Identifying Critical Success Factors

Exceptional leaders focused on the vital factors that could maintain their desired competitive stance. Their decision-making was as likely to be soft and instinctive as concrete and data-based. They evaluated specifics: What systems/technologies were needed to prevent negative results? What systems/technologies were needed to ensure that key benefits were produced for the customer and the corporation?

For a company developing leading-edge technology under government contract, a critical success factor might have been installing a sophisticated security system to ensure privacy and confidentiality. This would be a preventive critical success factor. Similarly, corporate divisions might be restructured in order to increase efficiency in new product design and development. This would be a proactive critical success factor. Finally, the company might reinvest some profits back into the corporation. This could serve as a preventive or proactive factor – or both.

Once these few critical success factors were identified, the organization could focus on the elements vital to the larger vision. This often led to a reorientation in the corporate value system, since critical success factors and existing values sometimes conflicted.

Identifying the critical success factors allowed the leader to concentrate on the pivotal elements that maintained the corporation's competitive edge. Failure to carefully define critical success factors resulted in a diffused focus. Energy and resources might be expended on non-differentiating factors. Neither the leader nor the corporation could succeed as a result.

4. Objective Self-Assessment

How good are we at the critical factors?

Exceptional leaders applied the bulk of available resources to the critical success factors, and diverted resources away from less valuable areas. They focused on the specific data and facts needed to monitor capacity. System and human performances were scrutinized to identify strengths that would support the critical success factors and weaknesses that would obstruct them. Strengths were then emphasized and weaknesses minimized.

Likewise, exceptional leaders ruthlessly evaluated their own capacity to contribute directly and actively to the factors. As the vision creator, the exceptional leader was the nucleus for success. The knowledge or expertise of others was relied upon to supplement or complement the leader's shortcomings. When not available internally, important information and required talents were brought in from the outside. A comprehensive, skilled team was crucial to the vision.

5. Selecting Champions to Drive the Critical Success Factors

Exceptional leaders selected a few key champions to manage existing systems and develop future ones. Their purpose was to guarantee or protect critical success factors. These champions were often given significant operational autonomy.

Exceptional leaders determined which talents or traits would provide the optimum contribution to their vision/solution. Candidates who fit this model were developed for future contribution to sustained success. Evolving corporate needs for Production Managers vs. Project Managers were assessed and the mix was balanced accordingly. If time permitted, such managers were groomed in-house; if not, the essential skills and abilities were recruited elsewhere.

The exceptional leader was the nucleus of the vision, yet it was the champions who carried out the components that comprised that vision. At best, the absence of appropriate champions constricted the potential for success. At worst, corporate survival could be at risk.

6. Establishing Monitoring and Follow-Up Systems

Is the organization doing what we expect or what we inspect?

Monitoring systems ensured that resources reached areas where they were most needed. Such systems provided both feedback about progress and served as a check and balance. The best systems were subject to minimal interpretation or dilution from support staff. They were self-sufficient, producing their own data. Exceptional leaders insisted that reporting managers were guided by the data rather than manipulating the data to coincide with projections or expectations.

Exceptional leaders did not rely completely on staff or data input as the sole barometer of progress. Thus, monitoring systems were often as simple as the "walk around" check. In addition, these systems were designed to be visible to all to whom they were pertinent, yet simultaneously protect some areas of information. This was a particularly difficult balance to achieve.

7. Maintaining Leadership Focus

What is the focus and how do we communicate and motivate all toward that focus?

One key to effective leadership was the creation of a common focus or identity. Exceptional leaders communicated goals, directions, and ideas clearly and concisely throughout the organization. Goals and themes could become blurred without continued attention. Thus, communications were repetitive and consistent. A simple idea would be heard 40-50 times to be infused through all levels of the organization.

Motivation and reward systems were installed or refined to maintain both direction and momentum. Where possible, rewards were directly tied to individual contributions and performance. Negative rewards were instituted to direct poor performers away from undesirable contributions or behaviors. Energies were thus channeled to the best effect, preventing the fragmentation of the organizational identity.

Common Mistakes

Leaders with exceptional potential developed at widely different rates. At times, they became so bogged down they never realized their apparent full capacity. A number of common mistakes were isolated that characterized such developing stumbling points. (See Figure 10)

For example, the leaders sometimes failed to fully explore and then integrate their boss' perspective into their initial overview. As a result, their focus was off target from the start. They would, on occasion, choose champions on the sole basis of personal chemistry. By ignoring the special abilities these key champions possessed, developing leaders virtually guaranteed that their vision would remain unrealized.

Such mistakes proved to be a very practical developmental issue. Some leaders actively sought feedback from a variety of observers (superiors, peers, and service-users). They were then able to focus corrective actions more precisely. Less effective leaders either did not solicit such feedback, or they obtained it from well meaning, but less than candid, sources. These leaders could not progress as fast as their peers.

Few exceptional leaders continued to make these mistakes. The ability to elicit essential feedback could clearly hamper or hasten developing leaders' proficiency in the seven skills.

Figure 10: Common Mistakes of Developing Leaders

Developing an Overview	• Not taking boss's goals fully into account • Assuming vs. asking what's needed (too much of the wrong kind of help) • Failing to ask • Relying on the perspective of their own discipline
Creating a Vision	• Focusing only on short-term results (crisis management) • Not finding true models of excellence to use as a frame of reference • Forming a private vision incompatible with corporate objectives
Identifying Critical Success Factors	• Not looking for underlying causes • Reading only intuitive issues • Reading only data and hard issues • Not willing to take a stand (risk taking)
Objective Self-Assessment	• Not creating an environment to get candid feedback • Not verifying their own impressions of their skills • Not identifying the corporation's standards of excellence
Selecting Champions	• Not seeking and developing good mentor models • Selecting on chemistry alone • Ignoring chemistry and the style of subordinates
Monitoring Systems	• Relying on the data that's easiest to get • Putting too much confidence in thin evidence • Not finding the time to establish and review controls
Maintaining Leadership	• Failing to reinforce one or two themes repetitively • Expecting others to be self-motivated • Under or over utilizing negative motivators

Mastering the Seven Skills

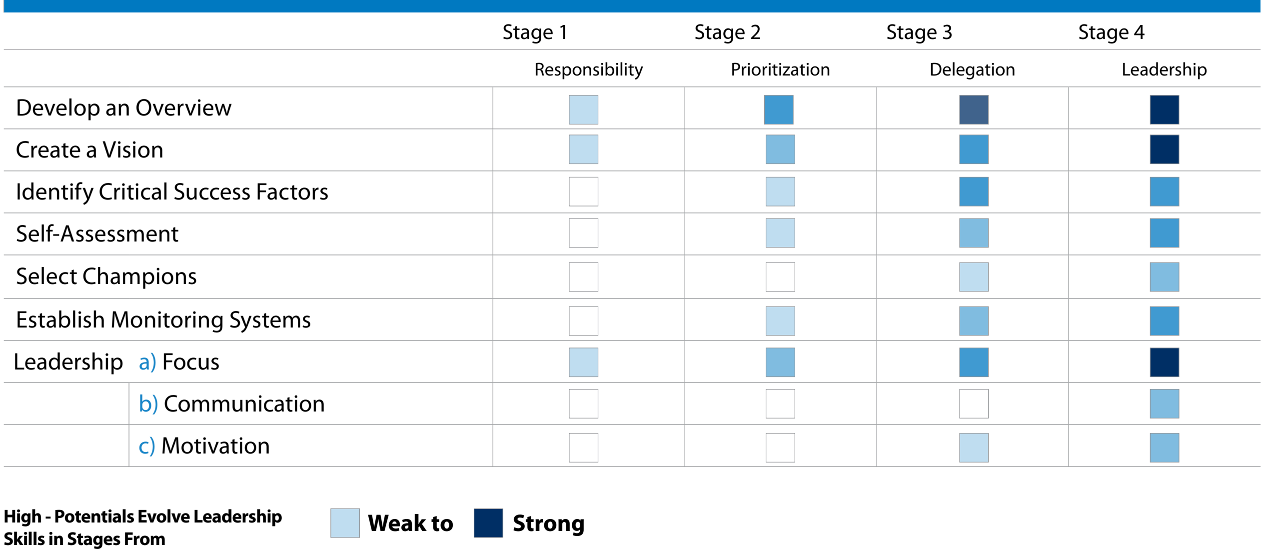
There is a logical sequence to the seven skills, and the quality of each sets the limit for the next. In real life, exceptional leaders seldom used a step-by-step approach. More frequently, each component evolved at a different rate, and often several components were addressed concurrently.

The mark of an emerging exceptional leader was the capacity to effectively handle all these skills. They moved through four sequential learning curves as they grew. First, they developed self-responsibility, then prioritization, delegation, and finally leadership. These stages of self-development governed their ability to integrate, balance and apply the seven skills. (See Figure 11)

Leaders who were still struggling with the issue of self-responsibility had fewer personal resources to contribute when they were trying to develop an overview or create the vision for their organization or work unit. The ability to develop a comprehensive overview was one of the last skills fully developed, since it was closely linked with the development of leadership capacity. The leaders' ability to identify critical success factors or establish monitoring systems did not begin to emerge until they had evolved to at least the second stage of self-development; i.e., prioritization. The degree of mastery attained in the seven skills was interdependent with their actual degree of leadership maturity.

Neither Project nor Production Managers were as capable of addressing divergent issues as the exceptional manager who had evolved to Critical Leader stature. Project Managers tended to focus on intuitive or creative success factors and neglect the essential systems which supported those factors. Conversely, Production Managers often found such broad perspectives to be too revolutionary or just plainly unnecessary. They tended to emphasize data and tangible, measurable issues, sometimes to the detriment of the larger perspective. Only exceptional leaders fully translated the seven skills into a unified and workable whole.

Figure 11: Mastering the Seven Skills



Essential Practical Experiences

The biographies of exceptional leaders who succeeded in their own advancement and those who participated in development programs were analyzed. Six common critical experiences were found. (See Below) Exceptional leaders typically stumbled into these experiences by luck. They were crucial to development, since they presented the opportunity to both learn and apply practical skills. They were the infamous “school of hard knocks” to which so many successful leaders refer.

Once the experiences were identified, they could be consciously controlled. Instead of waiting for luck or fate to step in, these experiences could be utilized to assess the readiness of candidates prior to a program. Likewise, where certain critical experiences had not occurred yet, the corporation could provide the opportunity.

Most Valuable Practical Experiences

1. Rotation of the key functions within the organization
2. Guaranteed initial success in the first series of assignments
3. Access to a mentor
4. Availability of internal corporate sponsors
5. Interaction with a “den mother”
6. Previous work before coming to the organization

1. Rotation Through Key Functions

Most exceptional leaders had an opportunity to rotate through as many as five diverse assignments and job functions within their corporation. This exposure was crucial to their ability to maintain an overview and comprehend complex problems facing the corporation. It reduced the natural bias toward one functional area or point of view, and enabled them to conceptualize the organization as a whole.

For example, a leader who started in the accounting field initially believed that the accounting function was an effective way to explain the corporate world. Upon being transferred to a different department, it was discovered that accounting was not the sole factor for corporate success. The leader also learned that the new function (for example, marketing) had one or two valuable additions to contribute. The successful leader was now able to see how some concepts of accounting could be usefully applied to a marketing problem.

By the time the leader was transferred to a third or fourth function (for example, manufacturing or production) the leader had become aware that neither accounting, nor marketing, nor production provided a complete interpretation of the environment. Each provided both positive contributions and liabilities as the leader learned to direct and plan for the total corporate perspective.

This rotation needed to occur relatively early in a person’s career in order to attain the variety and depth of experience crucial to Critical Leader status. Otherwise, a narrow experience range would set the bias of sound exceptional managers in either a Project or Production orientation.

2. Guaranteed Initial Success

Early failure was a lasting stigma. Exceptional leaders had experienced initial success in their work assignments. Such success had two results. First, it instilled confidence. Second, it provided real experience within the corporate environment, yet avoided tarnishing the new managers with the image of failure.

Initial success in first assignments was so vital that corporations not willing to protect this element should probably forego developmental efforts. Neophytes who failed were marked with the organization. Their potential was better realized if they went to another organization and started over.

> Without this process, I think I wouldn’t have nearly as much organizational sensitivity. I think I would have probably become more and more isolated, more concerned about my numbers, my output, and maybe less concerned about the whole. But I have had, in fact, a chance to expand and broaden through the process.
>
> ***Participant***

> I think in the beginning I honestly did not think much of participative management. Here at the end, I have a better understanding of the pitfalls and the worth of participative management. People take one of those (management) styles and promote it through their lifetime or oppose it. Our process forced us to sift out the right things and reject the wrong things. You learn from it.
>
> ***Sponsor***

3. Access to a Mentor

Nearly all exceptional leaders established relationships with a mentor. Often, a consecutive series of mentor relationships characterized their developmental path.

Ideally, the mentor was two levels or more above the leader in the organization or even in a different organization. This provided a necessary degree of remoteness from the protégé during day-to-day operations. The mentor could remain passive and understanding of errors, while still providing valuable insight and accurate feedback.

A rewarding mentor relationship required extended periods of private time away from the job. The relationship generally occurred when the leader and mentor discovered they shared a vision or common goal. Mentor relationships evolved with different key leaders over a period of time. When commonality was reduced, or the protégé began to outgrow the capacity of the original mentor to provide valuable insight and direction, the relationship faded.

4. Internal Corporate Sponsors

Corporate sponsors played a different role from that of the mentor. The sponsor/protégé was less personal. The sponsor was usually unknown to those being sponsored. Also, sponsors were generally several levels above the protégé in the hierarchy.

However, the sponsor acted as an advocate of activities and professional endeavors pursued by the leader. They provided the protégé (whether knowingly or unknowingly) with someone who supported their achievements at top levels where they had no direct access.

5. "Den Mother"

The role of the den mother was both delicate and subtle. The den mother was an individual (either female or male) who was familiar with the unspoken, inner workings of the organization. Den mothers were mature, experienced, and supportive secretaries or staffers who took new leaders "under wing." Den mothers provided support to them and taught them tacit organizational rules. High potential leaders often could not thrive without them during the initial years in the organization.

6. Previous Work Experience

Exceptional leaders rarely started and finished their careers with the same organization. The majority had at least one working experience in another organization early in their career. Previous working experience produced a base of maturity, confidence, and direction. It also illustrated an enhanced real-world perspective, due to the different exposures received in the alternate organization(s). Finally, those with such experience exhibited a level of self-responsibility and accomplishment that was often absent in those who had no previous work experience in another organization.

Key Experiences

The most successful exceptional leaders stumbled into most of these experiences by accident. But the strength of the planned development process was that they could be exposed more systematically to these experiences.

Some only needed one or two of them. Through accident or sheer initiative and drive they had already encountered several. No development candidate lacked all six key experiences. Those corporations which were fully committed to the integrated process guaranteed the candidates had these experiences, which formed a practical laboratory for acquiring and applying the seven exceptional skills.

The Evolution of Exceptional Leaders

The leaders' ability to provide lasting value to the corporation evolved over time. They navigated vigorous learning curves with several plateaus. They shifted from just doing or reacting to thinking, planning, and building. They moved from applying known technology to planning and envisioning future directions. They switched from relying solely on logic and data to trusting their intuition and experience.

At early levels of development, leaders were capable of dealing with predictable, easily measured elements of their job. As they matured, they strived to build long-term systems, even in soft and more difficult to measure areas, such as attitudes toward quality or productivity.

Both strong personal motivation and innate intelligence proved to be prerequisites. The further a leader progressed, the more exceptional they became. Sufficient time and experience were also important factors.

When planning a development process, it was important to determine what level of maturity individual leaders had attained. Those at different levels of maturity could not be developed in the same group, since levels of capability and interest differed greatly.

The four plateaus, therefore, represented the natural or incidental evolutionary process. The rate of maturity depended on both innate ability and motivation and the experiential opportunity to develop skills.

Plateau One:

Developing Self-Responsibility

Leaders learned to accept responsibility not only for their job, but also their own self-development efforts. This marked a distinct commitment to the tasks performed and also to the overall goals of the company and/or the boss. These commitments were demonstrated by observable levels of self-motivation and self-initiative.

At this plateau, they were totally involved in their job. Self-responsible leaders assessed their own efforts from the vantage point of their boss, seeking feedback and scrutinizing shortcomings. They initiated on-the-job learning experiences in order to optimize exposure to as many facets of the job and the corporation as possible. Some even pursued formal education. "Leadership" remained primarily a concept at this stage.

Plateau Two:

Learning to Prioritize

At this level, leaders began to establish a focus. They learned that key long-term priorities cannot be sacrificed for short-term results. They recognized that more than one or two primary objectives could not be tackled simultaneously without losing focus. They began to differentiate between routine duties which contributed to day-to-day operations, and those few major objectives which would also contribute to long-term goals.

This was also their initial foray into a risk-taking mode. They learned to ignore short-term tactical (but non-critical) interruptions in order to maintain the primary focus on major priorities and objectives. They truly began to manage their time. Lesser activities and goals had to be relinquished, since the list of “worthwhile” activities was invariably too long.

Plateau Three:

Learning to Delegate

As leaders moved from the second to the third plateau, efficiency became more crucial. They trained others to perform the less exclusive aspects of their jobs. This cemented the realization that the mission is to accomplish through others.

This stage represented a move to active leadership functions. The leaders monitored and assessed subordinates in order to optimize their unit’s efficiency. Assessment took place in two ways: 1) the subordinate’s talents were evaluated so tasks could be assigned most effectively; and 2) strengths and shortcomings were assessed so rewards and controls could be most accurately applied. The leaders retained overall accountability. They assigned tasks to the appropriate subordinates, monitored progress, and developed the subordinate’s capacity to handle expanded duties in the future.

The leaders recognized the need to prioritize the most productive application of their own energy without sacrificing lesser objectives. They acquired efficiency in both doing tasks through others and deciding which tasks should be tackled.

Plateau Four:

Learning to Lead

Leadership constituted genuine personal commitments from subordinates and peers. Those at this level learned to elicit cooperative energy from subordinates, colleagues, and even from superiors. Earlier, they had learned to accurately assess an employee’s capacity. Here, they began to understand the principles that influence all employees.

The leaders actively and consistently differentiated among employees. They established systems that rewarded those who performed effectively and limited the rewards of those who fell short of expectations.

This differentiation among employees was a distinguishing mark of the leader. Good performers were more satisfied than poor or mediocre ones. Through the effective use of reward differentiation and other motivational techniques, subordinates could be influenced to focus on the appropriate priorities.

Leaders also understood the capacities and limitations of the corporate environment. They were cognizant of how fast it could change and how far it could stretch. Therefore, they led others with an appropriate balance of both urgency and patience.

Exceptional Capability

Few leaders completed all four plateaus prior to the age of forty-five. However, as they progressed, they demonstrated an increased ability to address pertinent corporate issues.

The four plateaus represented a useful tool. For succession planning, the characteristics determining readiness for promotion were more quickly identifiable. Observed strengths and weaknesses clarified which leaders had evolved sufficiently to handle responsibilities at a higher level. Progress through the plateaus indicated the motivation and rough potential of management development candidates.

Finding the Right Plateau

Each plateau was more demanding – both in time and energy – than its predecessor. Hence, few completed all four stages. Many good leaders stopped at the second or third phase. This was usually of their own accord. For some, time had simply elapsed. They had started the process too late or each stage had consumed too much time. The organization still benefited. These leaders often exceeded the doer/producer role, even though they could not attain Critical Leader capacity. They served as important resources for the few who did evolve through all four plateaus.

All exceptional leaders broached the fourth learning plateau. Few purely Production or purely Project managers integrated the last, most difficult stage to become Critical Leaders.

Critical Leaders effectively balanced the dual roles of managers. They developed the ability to constructively mesh a growth perspective with profit and stability. They also created and built holistic systems that ensured lasting corporate value. Hence, Critical Leaders were distinguished by the breadth, depth, and intensity of their growth process and the degree to which they had internalized the complex lessons of the four plateaus.

> The development programs are immensely important. If nothing else, it's the productivity issue of having people perceive issues bigger than just the rivets crossing their desk.
>
> *Participant*

Leadership Development Progression

Level 1	From These Deficiencies	To These Strengths
First Line Supervisor (Leads Individual Contributors) Plateau One: Developing Self-Responsibility	• Trying to be right rather than find out what IS right • Tends to withdraw or get defensive • Hasn't developed own vision plan or goal • Reacts to input of others	• Sees self as champion in an area or project • Initiates plans to boss for agreement • Doesn't depend on direction entirely from boss

Level 2	From These Deficiencies	To These Strengths
Middle Manager (Directs Supervisors) Plateau Two: Learning to Prioritize	• Spends time on tactical issues: risks long-term goals to cover short-term risks • Systems depend on major personal effort: won't operate without it (doer, not manager) • Focuses on problems not solutions • Doesn't understand the difference between survival, maintenance, and growth modes	• Does right things, not just does things right • Capable of ignoring low level interruption • Sticks to building major priorities • Manages more than does tasks

Level 3	From These Deficiencies	To These Strengths
Senior Manager (Heads Functional Business Unit) Plateau Three: Learning to Delegate	• Assigns tasks but abdicates responsibility • Doesn't account for strengths and limitations of delegate • Expects employees to be self-motivated on manager priorities • Managers step in and do it themselves	• Assigns critical but lower level priorities • Reviews progress and accepts accountability for results • Understands the capacity and limitations of others

Level 4	From These Deficiencies	To These Strengths
"C" Suite Executive (Develops Vision and Strategy) Plateau Four: Learning to Lead	• Doesn't focus on 2-3 primary organizational competitive strengths • Doesn't simply, clearly enhance the corporate focus on these strengths • Hasn't develops champions • Is not the organization's chief spokesperson, motivator, or salesperson	• Influences others to focus on priorities • Elicits cooperative effort of others (subordinates, peers, supervisors) • Understands the rewards that influence

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