Deciphering the Code

I t happens almost every day in large organizations: an executive promotion is announced. And someone else from your company—not you—gets the job or a new executive is hired from the outside. The organization looks for winners and losers, and the rumor mill goes into high gear. Was the choice based on politics, or has the old-boy network reared its ugly head again? Your boss and human resource staff attempt to massage your ego. It's a matter of experience, they say, or "fit." "They were looking for someone with a little more" something. "Hang in there," they tell you. "Your time will come."

Perhaps you've experienced this situation personally. Unfortunately, in today's organizations, your career aspirations will often collide with the reality that companies offer few guideposts for advancing to the executive level. As predictable career paths have become more or less extinct in most organizations, managers committed to

career growth are often left to their own devices to determine how to advance their careers. Even in companies that devote considerable time to succession planning and talent development, the messages to aspiring executives are often vague and contradictory. Your boss may find it hard to articulate exactly what it is that is holding you—an otherwise top-performing manager—back from promotion. Or the issues affecting your ability to move up the ladder have been discussed and identified by your superiors, but they hesitate to provide direct feedback for fear of demotivating a valued manager the company doesn't want to lose.

Even more frustrating, perhaps, are those instances when—having been passed over for an opportunity—your boss or an HR staff member does provide feedback, but the messages are overly diplomatic and not especially valuable to you. Broad comments about "leadership" or "communication skills" can mask specific underlying concerns on their part. Certainly it is human nature not to want to hurt someone's feelings—and those who make executive placement decisions are justifiably concerned about wanting to retain solid performers. But avoiding direct and candid feedback leaves those who aspire to executive levels at a severe disadvantage in terms of managing their careers and accomplishing their career goals.

Politics, personal relationships, and even cronyism on occasion do play a role in executive placements. However, more often these decisions are made based on the decision

makers' sense, albeit intuitive, of whether a manager can succeed at higher levels within the organization. According to Susan Peters, vice president of executive development and chief learning officer at General Electric, a company widely recognized for its ability to develop strong leaders, "The reasons behind an executive's success or failure rarely relate to technical skills or specific experience. Rather, it's almost always the leadership, the soft skills."

This book seeks to decode these leadership criteria—the unwritten rules—that companies use to make decisions about who gets promoted versus those whose careers become stalled—or worse.[1] Although perhaps "soft" as opposed to "hard" areas of knowledge and experience, these unwritten rules are not purely stylistic. Rather, they are critical skills that relate to the fundamental tasks of senior leadership.

At the end of the day, promotional decisions are based on the level of confidence that you have been able to breed in your bosses—those who make the ultimate call. Although to some extent subjective, the critical factors that underlie such confidence can be identified. Outstanding job performance is important, of course, but success at one level of the organization is an imperfect predictor of the ability to succeed at higher levels of responsibility. Decision makers look for more.

Mike Peterson's story is a classic example of how outstanding performance was not enough to ensure career

advancement.[2] Mike was frustrated and extremely upset: his boss had just informed him that the company had decided to hire an executive from a competitor to take over as general manager of Global Technologies Company's Systems Group, exactly the kind of position Mike had set his sights on. In fact, this was the second time in three years that he had not been considered for a general manager position. Mike had joined Global Technologies eighteen years ago right out of college and had hoped to spend his entire career with the company. However, after this second missed opportunity, he was rapidly coming to the conclusion that he needed to contact the headhunters who had called over the years and alert them to his desire to look outside. Sadly, that seemed to be the only way he could achieve the career goals he had set for himself.

Mike thought of his years of hard work and the consistent record of results he had produced for the company. He was confident of his leadership skills and the level of his team's morale. Whenever the company conducted employee opinion surveys, his group always scored near the top, and he made a point of surveying his troops about his leadership style every two years. He prided himself on having volunteered to serve as the test site for virtually every major corporate initiative over the past five years, and each program had been implemented flawlessly.

Given the top performance reviews he received every year, Mike couldn't understand why he hadn't at least been

a candidate for these two promotions. He had tried on several occasions to get feedback on what was holding him back from cracking the GM level. Each time his boss and his boss's manager had assured him of his bright future with the company and that "his time would come" if he just continued to perform the way he always had. When he pressed for ways he could improve his chances of moving ahead, the response was always phrased in general terms: he needed to increase his communication skills and "executive presence" as well as exert leadership more broadly across the company. The feedback didn't make sense to Mike since his survey results always indicated that he was an effective communicator and strong leader of his people. He was even prepared to take a lateral move to a position at the same level within the company if that would increase his exposure to more senior executives and help him get where he wanted. However, at this point, he felt stumped and stymied. It looked as if it was time to find greener pastures outside Global Technologies.

In fact Mike had been seriously considered for the last two GM openings. Although he was in many respects highly qualified, there were genuine reasons he did not get the nod. Behind the feedback he had received regarding "exerting broader leadership" were concerns about his ability to work with peers in other parts of the company. Although routinely described by those in other groups as a "nice guy," he could be overly competitive. As a

result, conflict with corporate groups tended to last too long and get in the way of major cross-functional efforts. In addition, although people enjoyed working on Mike's team, there were concerns that he hired good but not great staff members and that he tended to cover for mediocre performance on the part of some direct reports. Over time he had earned the loyalty of his people in part because working for him was comfortable. However, he didn't challenge members of his team to become top performers. These were issues that had never fully surfaced in the leadership surveys he had conducted over the years since he surveyed members of his group—who liked his somewhat undemanding style—and neglected to get input from peers and senior managers across the company.

Behind the feedback about executive presence lay question marks regarding Mike's strategic abilities. Unquestionably Mike was considered rock solid in his ability to implement major new initiatives within his organization. However, the CEO and head of human resources had not seen Mike's ability to generate breakthrough strategies that could help the company leapfrog its competition. Mike was a master of continuous improvement. Nothing was ever good enough, and he enlisted his team in constantly ratcheting up performance in every existing business activity. However, the CEO had never seen Mike come up with big, new ideas and drive the kind of large-scale change that would produce a significant jump in performance.

There was no doubt that he was a valuable player who could have a long career in a number of roles at Global Technologies. The CEO had spoken to Mike's bosses over the years about Mike's abilities, and although there was tacit consensus regarding his shortcomings, they were concerned about providing feedback that was too specific for fear of demotivating a key contributor. Besides, what were the chances that Mike could develop strategic gears at this point in his career? Mike had enjoyed a positive working relationship with his current boss for several years, and they made a great team. His boss was acknowledged throughout the company as a visionary leader who could create effective strategies, and Mike was seen as the classic number 2 person who made sure that each new strategy was fully implemented. Their unit was producing terrific results, so why break up a winning pair?

According to the CEO, Mike exemplified the broader executive development challenge confronting Global Technologies. Based on the head of HR's analysis and given expected retirements, the company faced attrition at the senior executive level of at least 50 percent over the next five years. There was no doubt that Mike was an important manager to hold onto. However, he and too many of his peers lacked the vision and boldness to succeed as senior executives—especially given the growing complexity of the company's business and new entrants into the

industry. The only solution seemed to be gearing up the company's external recruiting effort.

THE UNWRITTEN RULES: AN OVERVIEW

Mike Peterson was a victim of insufficient feedback from his superiors. He was not aware—or hadn't been made aware—of the unwritten rules, the too-often-unspecified criteria that companies use to determine who gets promoted to the executive level. As Mike's story suggests, while in certain situations promotions to the executive level are made for specific business reasons (for example, maintaining continuity with key customers or promoting someone with experience in integrating a new acquisition), more often such decisions are based on a set of abilities that collectively breed confidence on the part of decision makers concerning an individual's ability to succeed at the executive level.

Companies such as Global Technologies often create leadership models that list important leadership requirements—such as customer focus, teamwork, and collaboration—they are looking for in their executives. Such models are typically reviewed in a company's management training programs and are often reflected in 360-degree feedback surveys such as the one that Mike Peterson conducted. Although these models are useful for general performance feedback, they rarely zero in on the

critical selection factors used for C-suite-level placements. They include a number of "nice to haves": leadership skills that are certainly valuable but not those most critical to success at the executive level. Equally important, they neglect to distinguish between the aspects of leadership that are fundamental at the executive level and those that are important at lower levels within the organization. For example, Mike's ability to create team morale and a sense of cohesion within his team is highly valued by most companies at the middle management level. However, at the executive level, the ability to spot and attract talent is viewed as the key to building management strength, and this is a skill that Mike has yet to demonstrate.

Mike's story—the lack of sufficient feedback about where he stood in terms of his company's unwritten rules of advancement—is all too common in most organizations. Most senior executives are aware of the frustration that people like Mike feel, but they figure that the Mikes of the organization will "get over it." While executives such as Global Technologies' CEO bemoan their company's lack of leadership strength, too many miss the fact that this lack of specific feedback has a significant negative impact on the company's ability to develop leadership talent for the future. Although they don't show up on a company's income statement, the costs to organizations of not making

explicit these unwritten rules of executive advancement are real nonetheless. They include

- The hard dollars spent on recruiting unnecessarily from outside the organization. According to a number of studies, the failure rate of new employees at the middle management level and above approaches 50 percent at many companies.[3]

- The soft-dollar costs of slowing the career growth of upwardly aspiring managers at the same time that organizations in a broad range of sectors (business, health care, and nonprofits) express concern about an impending leadership gap created by the number of baby boom–era executives in the process of retiring compared to the size of the age group poised to succeed them.[4]

- The unwanted loss of potential leaders to other companies due to ambiguous signals regarding their career prospects. Such departures not only result in an immediate loss of productivity within the company but also trigger a vicious cycle of expensive and relatively high-risk external recruitment.

Over the past thirty years, I've observed hundreds of executive placement decisions in a wide variety of organizations. I've served as a consultant to some of the largest and best-regarded companies in the world and have been

responsible for succession planning and executive development at two major companies. As a consultant, I've advised CEOs and boards of directors on succession planning and executive selection, assessed and coached scores of senior executives and high-potential managers, and participated in numerous executive promotion and placement decisions. In addition, in preparation for writing this book, I conducted candid, off-the-record interviews with the heads of human resource and succession planning at twenty large corporations with excellent reputations for the strength of their leadership talent. In the interviews, I asked each person to zero in on the factors that are central to decisions in their company about who gets promoted to the C-suite level.

Along the way I've witnessed the good, the bad, and the ugly: talented executives who emerge from the pack and take on significant executive responsibilities; "can't miss" future executives whose careers have stalled unexpectedly and in some cases flamed out; and ambitious managers who, when their careers hit the wall, became frustrated, marginalized in terms of impact, and consigned to backwater assignments.

In the process I've observed that in the great majority of companies, the factors used in deciding on promotions to the executive level fall into three categories:

1. *Nonnegotiable factors*—those capabilities you must display to even be considered as a candidate

2. *Deselection factors*—characteristics that prevent you from being a serious candidate

3. *Core selection factors*—those capabilities that, after all the discussion is over, are most critical in decisions about who advances to the executive level

Taken together, these factors comprise the unwritten rules that govern executive advancement in most companies.

Clearly, certain factors are nonnegotiable. You won't be considered if you haven't developed a strong, consistent track record of performance or if there is a concern about your ethics, integrity, or character. Also nonnegotiable are a strong work ethic and the drive to assume higher levels of responsibility—as well as a willingness to deal with pressure and be held accountable for results, both good and bad. A final nonnegotiable is the drive to lead. Many managers say they aspire to senior-level positions because of the rewards and prestige that come with them. However, only a relative few truly desire to be ultimately responsible for the kinds of decisions that determine business success and affect the livelihood of people within the organization. And this willingness to make difficult, often unpopular decisions and be held accountable for the outcome is the true test of leadership.

Beyond these nonnegotiables, certain deselection factors will prevent you from even being considered for an executive-level position in most organizations. Although

having excellent interpersonal skills won't guarantee success at the executive level, truly weak interpersonal skills or treating others insensitively or with abrasiveness will impede the ability to lead others. We've all seen our share of difficult and even toxic personalities in leadership positions, and some companies tolerate them more than others do. However, in organizations that are increasingly reliant on highly professional knowledge workers, extremely weak interpersonal skills are typically cast into high relief when someone is considered for promotion to the C-suite level. You are also unlikely to advance to the executive level if you hold a narrow, parochial perspective on the business and the organization. Such parochialism typically plays out in one of two ways: a selfish desire to see your unit succeed at the expense of other parts of the organization and a lack of understanding of how your decisions affect other parts of the company—for example, making a purely financial decision to improve profitability in the short term while ignoring the negative impact on the level of service provided to key customers.

The last deselection factor, putting self-interest above the company good, relates to a fine but important line. Those motivated to advance to the executive level are most often driven by a complex set of motives: a desire for power, prestige, financial gain, and sense of achievement. Most company's compensation programs are carefully crafted to stimulate a manager's performance and ambition. However, when you lose a sense of balance and put

your personal agenda above the best interests of the orga-nization, your credibility deteriorates, and the seeds of an ethical issue are sown. For example, if you are seen as shading information to look good in your current job, this creates a red flag for senior-level decision makers con-cerned about a more serious ethical breach should you advance to a position of greater authority and control of resources.

But the fact that you, a potential candidate, have all of the nonnegotiables and none of the deselection fac-tors doesn't ensure success either. In most companies that is considered table stakes—the required minimum to be in the game. At this point six core selection factors come into play:

- *Demonstrating strategic skills:* the ability to generate winning strategies, create a sense of direction for the organization, and engage others behind that vision of the future

- *Building a strong management team:* the ability to identify and attract talent and create an adequate level of team cohesion

- *Managing implementation:* the ability to move from strategy to execution without being pulled too deeply into the details of implementation

- *Exhibiting the capacity for innovation and change:* the ability to depart from the status quo and lead large-scale change when circumstances require it

- *Working across organizational boundaries:* the ability to work with and through others across the company to get things done

- *Projecting executive presence:* the ability to establish your credibility as a leader quickly

These factors represent the five fundamental leadership tasks of the executive and a sixth capability, projecting executive presence, that are imperative for a senior leader to lead effectively at the executive level. These are the factors that in most companies determine whether you will or will not succeed in advancing to the executive level. Table 1.1 summarizes these unwritten rules.

In order to advance to the executive level, you need to demonstrate the core selection factors and nonnegotiables to senior-level decision makers while avoiding the deselection factors that will knock you out of the running. Those who make the ultimate decisions must clearly see in you the capabilities critical to advancement so they can feel comfortable about your ability to succeed as an executive. It is not enough for you to possess these abilities or for your boss to vouch for them to others. They must be seen and acknowledged by the key decision makers.

Table 1.1 The Unwritten Rules: Key Factors in Executive Career Advancement

Core selection factors: Most critical abilities in executive selection	Demonstrated ability to
	Think strategically: generate winning strategies; establish a sense of direction; engage others behind a vision of the future
	Build a strong management team: identify and attract talent; establish an adequate level of team cohesion
	Manage implementation: ensure predictable implementation of priorities and initiatives—without undue involvement at too low a level of detail
	Create the capacity for innovation and change: depart from the status quo; manage change
	Work across organizational boundaries to get things done (lateral management)
	Project executive presence: establish credibility as a leader quickly
Deselection factors: Characteristics that prevent one from being considered as a serious candidate	Weak interpersonal skills
	Insensitivity, abrasiveness
	Putting self-interest above the company good
	Narrow, parochial perspective on the business and organization
Nonnegotiables: Foundation factors for any candidate to be considered for an executive position	Consistent track record of performance and results
	Ethics, integrity, character
	Drive to lead; to assume higher levels of responsibility

YOUR CHALLENGE

For those of you who, like Mike Peterson, aspire to move up in the organization, the challenge starts with taking steps to understand the unwritten rules of advancement within your organization. Based on my experience and recent conversations with the HR heads at a number of large companies, the nonnegotiables and deselection factors are pretty universal. In all likelihood most, if not all, of my six core selection factors apply to your organization, but you may find one or two selection factors that are different due to the particular nature of your industry or your company's history.

A parallel challenge is to tease out from others where you stand in terms of those factors: what capabilities are viewed as your strengths and which you need to develop and display to the satisfaction of your company's key senior-level decision makers. Given that senior leaders typically have an aversion to providing this kind of feedback, you'll need to take the initiative to find out what people at senior levels think of you. In a persistent yet effective way, as described in the next chapter, you need to discover the deep-seated set of perceptions that superiors in your company have about your skills, experience, and leadership style. Right or wrong, this set of perceptions strongly affects how you are viewed in the organization and the kinds of positions you will be offered.

In this book, I strip away the curtain that in most companies obscures the reasons that aspiring executives like you do and do not advance to the executive level. I identify the skills and capabilities you need to develop and demonstrate in order to reach that level. In doing so, my objectives are fourfold:

1. To equip you to develop and display the key capabilities most often required for advancement to the executive level

2. To help you cut through the vague and unconstructive feedback you may receive in order to ferret out the deeply seated perceptions others have of your leadership abilities

3. To encourage organizations to be more explicit about the factors that are truly critical in determining promotions to the executive level—because otherwise you are pretty much in the dark about what's most important for you to work on developmentally

4. To encourage you and other managers in your company to have more candid and probing career discussions with your direct reports and to provide pivotal feedback about how your people are perceived within the organization, especially if those perceptions undermine executive decision makers' confidence in their ability to succeed at higher levels

In Chapter Two, I explore the obstacles you face in getting the candid feedback you need and the techniques you can employ to dig beneath vague or superficial comments to stimulate the "feedback that really counts." In Chapters Three through Eight, I delve into each of the six core selection factors, first defining each factor in specific terms and then highlighting what you can do to develop and demonstrate the required capability to others. Throughout I share the stories of managers I've assessed, coached, or observed directly. Some were successful in sharpening their leadership capabilities. Others struggled and failed to achieve their career goals, a fate I try to help you avoid.

In Chapters Nine and Ten, I offer you additional guidance on managing your career and preparing for success at the executive level. Finally, I conclude with a look at what managers—including you when you find yourself in the position to supervise a group of employees—can do to make the unwritten rules more explicit and, in the process, achieve a win-win outcome: a win for aspiring managers who will be able to exert greater control over their careers and a win for companies interested in finding productive ways to build executive talent while at the same time reducing unwanted attrition.

The journey I'm proposing for you isn't always easy. Teasing out where you stand in terms of your organization's unwritten rules typically requires some skill and

creativity. Harder still can be responding to feedback that may seem inaccurate, unfair, or arbitrary to you. However, being armed with an accurate sense of how you are viewed by those who make executive placement decisions has one important benefit: it puts you in a position to take greater control of your career success and change the perceptions of others to your advantage. And that's my hope for you.