

Leadership Pipeline Overview

To get value from the Leadership Pipeline you have to understand its basics. This concise overview is meant to give you easy access to the timeless tool ideas, principles, and framework. It is the place to start if you want to build a pipeline of leaders that is full and flowing; the Leadership Pipeline is a timeless tool for business success. More in-depth treatment of the various elements is covered in subsequent chapters as well as some applications.

The Big Ideas

The Leadership Pipeline model is based on a set of ideas developed from assessments for over 1,500 leaders who were candidates for CEO, business general manager, CFO, and other C-suite positions in a wide range of industries. These assessments are composed of a four-hour interview tracing the person's career, achievements, and skill development. Findings are validated with the relevant boss and others who have hard data.

This assessment data has been combined with an applied ongoing research project, conducted since 2010. In structured workshops more than 15,000 leaders at different leadership levels have participated in discussions. These discussions focused on the challenges they faced when moving into a new leadership level.

In Chapters 3 through 6 we share the results of that research for each leadership role.

The model has proven to be universally applicable and able to withstand the test of time. We have seen very few organizations discontinue using the model once it has been implemented. Whereas most leadership models don't survive even one CEO change, the Leadership Pipeline model survives one change after another.

We have learned there is no such thing as the right organization structure for any organization. The Leadership Pipeline doesn't describe any particular organization or business and we certainly are not recommending that you use it that way. Rather, it is a framework that any organization or business can use as a starting point for building its own operating structure. Digitization is changing the way business works so flexibility is essential. If you use this framework, adapting to changing requirements is easier. The process for developing leaders becomes clearer, specifically, what must be developed, when to develop it, and whom to develop.

Five principles define the Leadership Pipeline model:

Leadership work must be clearly defined and differentiated by layer/role. Because there is so much leadership work to be done it has to be divided up to be sure everything required is assigned. Overlap is counterproductive. Today's challenges are like a magnet drawing everyone's attention. Working on the future suffers or isn't done at all.

The effectiveness of leaders is complex and must be understood in at least three dimensions: required skills, how time is applied, and the appropriate work values. A leader's job, like any other, is composed of a set of tasks. To accomplish these tasks basic skills are required. Knowing the skills required has been understood in at least general terms for 100 years. There is an important obstacle that hasn't been well understood. Even though leaders are skilled, they only apply those

skills when they truly start valuing leadership work and appreciate how they uniquely create value as leaders. Many leaders behave as if their leadership work comes on top of their job rather than being their job. Operational matters and doing things themselves dominate their time schedule. They struggle freeing up time for leadership.

When leaders change organization layer/role, a significant transition is required. The different leadership layers/roles are completely different jobs. Leaving behind the work values, time application, and skills required by the previous layer/role is necessary. Understanding and adopting new ones appropriate to the new layer/role is a difficult and critical condition for success. Doing the work of the lower layer/role while failing to adopt the requirements of the new layer/role is destructive to the organization and a leading cause of leadership failure.

For sustained business success a pipeline of leaders that is full and flowing is a fundamental requirement. The flow of leaders is critically important. There is never enough effective leadership. Many of the current business problems, such as quiet quitting, burnout, the Great Resignation, isolation, and so on, are leadership failures. When new leaders are needed for any reason, filling leadership positions quickly with high confidence is the most desirable condition. Flow matters but is hindered by many things. The worst impediment comes from those who work at the wrong level.

It is the collective effectiveness of all leaders that determines an organization's success, not the brilliance of a few. Many companies invest heavily in developing leaders but are not satisfied with the results. On examination, they are developing 50 leaders and ignoring 200 others. In our experience, there is little value in developing only the "stars." There is an interdependence among leaders that goes up, down, and

sideways. Common expectations about what leaders will do and how they will do it, supported with appropriate development, provide the basis for collaboration and teamwork.

If goods or services have to be produced and people are involved, a leader is necessary to keep production moving. That leader will set direction, engage the team, support team members, make decisions, allocate resources, and measure progress at a minimum. Therefore, Leadership Pipeline principles and ideas apply. All but the tiniest of organizations can benefit from using it.

With these principles in place, applying the Leadership Pipeline model will help you in the following:

- Mapping typical leadership roles and passages across the organization
- Defining the job to be done for these leadership roles across the organization
- Defining the critical transitions in terms of work values, time application, and skills that leaders face when moving to new leadership roles

The Core Leadership Passages

When you design your own Leadership Pipeline framework, you will benefit from using the five core leadership passages as the starting point. What makes them core building blocks is most organizations need at least three and probably four of them. Even small organizations usually have three of them. They are needed to cover both working on the present and working on the future. Furthermore, in most companies 95% of leadership roles are either exactly one of these five roles or they are a close variation/combination of the roles in some shape.

The five roles are expressed as passages. Moving from one to the next is a major event in the life of a leader. It represents a

significant transition that can't be learned in a day or by taking a generalized leadership course. Our goal here is to help you become familiar with the work values, time application, and skills demanded by each passage. Once you grasp what they entail and the challenges involved in making each transition from one to the next, you will be better able to use this information to unclog your organization's pipeline and facilitate your own growth as a leader. The five chapters in Part II of this book will provide you with in-depth information, ideas, and tools for achieving full performance at all levels in your organization.

As you read about each passage, you will naturally apply it to your own organization and question how we define and divide each one. The odds are you will think of at least one (and possibly more) transitions in your company that has not been addressed in Figure 1.1. And this is exactly what we hope for. The purpose of detailing the passages is to equip you to work actively with the model rather than just applying it as it is. Each organization is unique, and each probably has at least one, and larger organizations two, leadership transitions with distinctive aspects.

As you become more attuned to each passage we believe you'll see how they apply to your own situation and organization. If there is a transition phase in your business or organization that doesn't fit this model, create your own definition and tell us about it. (Our email addresses are at the end of the Welcome.) It might be helpful to others. We illustrate our updated model in Figure 1.1.

Passage 1: Leading Others

New, young employees usually spend their first few years with the organization as an individual contributor. Whether they are in engineering or sales or finance their skill requirements are technical or professional. They contribute by doing the assigned work within a given time frame and in ways that meet objectives. By sharpening and broadening their individual skills they make increased contributions. They are then considered to be promotable. From a time

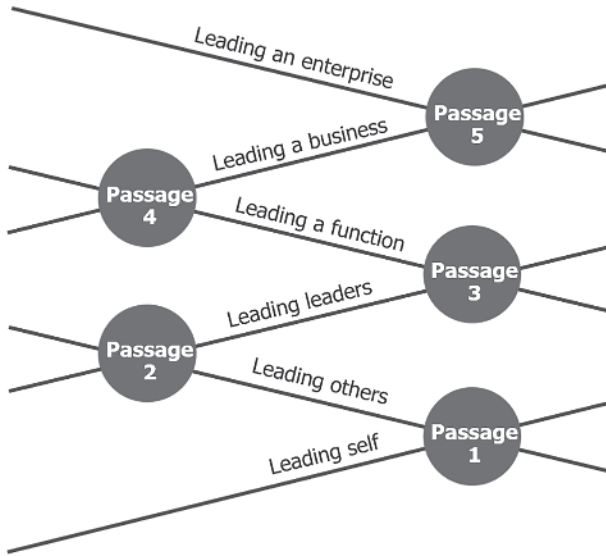


Figure 1.1. The Five Key Leadership Roles and Turns Illustrated.

Source: Based on Walter Mahler’s “Critical Career Crossroads,” revised by Stephen Drotter.

application standpoint, their learning involves planning so they can deliver on schedule, punctuality so they show up for work and meetings on time, and checking their work to ensure quality and reliability. The work values to be developed include accepting the company culture (values) and adopting appropriate professional standards. When people become skilled individual contributors who produce good results—especially when they demonstrate an ability to collaborate with others—they usually receive additional responsibilities or more complex work. When they demonstrate the ability to handle these new responsibilities and adhere to the company’s values, they are often promoted to the first line of leadership.

When this happens, they are at the beginning of passage 1. Though this may seem like an easy, natural progression, many new managers trip. The highest performing individuals are often reluctant to give up what they were doing. They want to keep

doing the things that made them successful. As a result, many first-time leaders take the new title, status, and money but don't make the transition. They become leaders without accepting the requirements.

The skills that new leaders have to learn include planning work for their team (not just themselves), choosing new teammates, assigning work, teaching new hires, monitoring progress, coaching, and measuring the output. First-line leaders need to learn how to allocate their time to help others perform effectively. They cannot allocate all their time to handling tasks themselves, putting out fires and taking advantage of opportunities. They must shift from doing work to getting work done through others.

Reallocating time is an especially difficult transition requirement for first-time leaders. Part of the problem is that many neophyte leaders still prefer to spend time on their "old" work, even as they take charge of a group of people. The pressure to spend less time on individual work and more time managing will increase at each passage. If people don't start making changes in how they allocate their time right from the beginning, they are bound to become liabilities if they move up. It is a major reason pipelines clog.

The most difficult change for new managers to make at passage 1 involves work values. Specifically, they need to start valuing managerial work, not just tolerating it. They must believe that making time for others, planning for others, coaching, and the like are necessary tasks and their responsibility. More than that, they must view other-directed work as mission critical to their own success. For instance, first-line leaders in the financial services industry find this transition extremely difficult. The industry values production and producers. New leaders must learn to value making their people good producers. Given that these values had nothing to do with their success so far it is difficult for them to make this dramatic shift in what they view as meaningful. Although changes in skills and time application are visible and measurable, changes in work

values are hard to assess. Someone may appear to have the right values when their boss is watching but they haven't really changed. Because changes in work values are hard to make, they frequently require upper management reinforcement.

Mindset has been a critical but undervalued performance driver. It gives the first-line manager the starting point for each day. Individual contributors should start each day with "delivering excellence" as their mindset. The desire to perform their tasks to the best of their ability today and every day sets them up for success. The first-line leader is the frontline for delivering results. It could be offense or defense that is needed; they have to deliver it. Changes conceived from on high could include cutting costs or speeding up delivery or becoming agile. These must be first delivered at the frontline. The required mindset is "take charge, help the team, and be flexible."

Passage 2: Leading Leaders

This leadership passage is frequently ignored compared to the previous one, where the transition requirements are more obvious. Few companies address this passage directly in their training even though this level is where a company's management foundation is constructed. Leaders in this second passage—leaders-of-leaders—select and develop the first-line leaders; some will eventually become the company's senior leaders.

Perhaps the biggest difference from the previous passage is that here leaders must focus on leadership work only. They are now two layers removed from delivery of products or services. As leaders-of-others they may well have had some production tasks to perform or teach through demonstration. Now they have to select leaders, people who are at passage 1. They have to assign leadership work to them, train and develop them as leaders, measure their progress, and coach for improvement. This is also the point where they start to think beyond their own unit and start to consider how best to connect with other units that support the overall business.

All of this is hard to do if they still value individual contributions and technical work to the exclusion of everything else. Too often people who are promoted to passage 2 have skipped passage 1. They were promoted to first-line leader but didn't change work values, time application, skills, or mindset. As a result they clog the leadership pipeline because they hold first-line leaders accountable for technical or professional work rather than leadership work. Because they themselves skipped the first passage and still value individual contribution above leadership results, they poison the leadership well. They maintain and even instill the wrong values in those individuals reporting to them. They usually choose high-achieving technical experts for first-line leadership positions rather than true potential leaders. They are unwilling or unable to differentiate between those who can do and those who can lead.

Leaders at passage 2 need to be able to identify values-based resistance to leadership work, which is a common reaction among first-line leaders. Leaders-of-leaders need to recognize that the software design engineer who would rather design software than lead others to develop software cannot be allowed to move up to leadership work. No matter how brilliant they might be at design, they become obstacles in the leadership pipeline if they derive no job satisfaction from leading people. In fact, one of the tough responsibilities of leaders-of-leaders is to return leaders-of-others to individual contributor roles if they don't shift their work values, time application, and skills.

Coaching new first-line leaders on how to lead is essential because so many new leaders don't receive any formal training. They are dependent on their boss for instruction on the job. Coaching requires time to go through the instruction-performance-feedback cycle repeatedly until the performance is evident. Some and perhaps many leaders aren't willing to allocate their time in this way. In many organizations coaching isn't rewarded and its absence isn't recognized. No wonder new leaders-of-leaders don't think it is mission critical.

Mindset has to make a major shift. The “take charge, help the team, and be flexible” orientation has some value at this level but there are bigger issues that must be the starting point each day. They make the work flow among units run by their direct report and between their organization and other parts of the business where their work comes from and where it goes. They also connect the bottom of the organization where the operating work is done to the strategic part of their business. Information from these connections enables them to create a context for their people. The required mindset is “connections and context.” The absence of connections and context makes organizations seem and feel chaotic in addition to being unproductive.

Passage 3: Leading a Function

This transition is tougher than it seems. On the surface both leaders-of-leaders and function leaders lead leaders and make connections with other parts of the business. Lurking under the surface are some major challenges. To communicate with the individual contributors they have to penetrate two layers before they reach the intended audience. New communication skills are needed. Inevitably this new layer requires the function leader to take charge of parts of the organization where they have little or no experience. Learning this new (to them) work and learning to value it at the same time can be a challenge. At the same time, function leaders report to business leaders and are part of the business team. Now, they have to take into consideration the needs, programs, roles, and challenges of the other functions. Two major transitional skills are team play with other functions and competition for resources based on business needs.

Perhaps the most difficult transition for new function leaders is moving from operational work to developing and implementing function strategy. Blending their strategy with the overall business strategy, with all the give-and-take involved, is a real challenge. From a time application standpoint, that means participating in

business meetings and working with the other functions, which takes away from their time for function work. In light of this time requirement, delegation of major function tasks to their direct reports is the only way to get everything done well.

This leadership passage requires an increase in maturity. In one sense maturity means thinking and acting like a function leader, not like a function member. It also means adopting a broad, long-term perspective. Long-term strategy requires state-of-the-art thinking, futuristic thinking for the function for understanding and building competitive advantage. It is usually what gives these leaders the most trouble. Function strategy that enables the business to do something better than competition may give the business a short-term advantage. Long-term sustainable advantage is the objective—not just a temporary edge.

The following case study illustrates the challenges new function managers face.

Case study

Six months ago, Tom was named director of plant operations. In this capacity he has five direct reports: four who run large assembly facilities and one who runs purchasing of components. Although Tom's experiences have helped him appreciate sales, finance, and other functions, Tom has trouble with planning beyond the function's immediate requirements and with keeping in touch with individual contributors who are doing delicate assembly of hi-tech products. Not only is it difficult for Tom to define the steps necessary for the facilities to become a more integrated assembly operation but also he has lost touch with technicians he knew from previous lower-level assignments. They had been a source of invaluable real-time information he could use in making plans.

At many organizations, a guy like Tom could muddle through and his strengths would compensate for his weaknesses, at least on the surface. But on closer inspection, we can see that Tom isn't a full performer at this new layer. For instance, it's important that Tom build skills in skip-level communication. He needs to know, without diminishing the authority of the plant managers who report to him, what individual contributors are working on and how well the processes are working. If he doesn't develop this skill, he will run the risk of alienating the plant managers and first-line managers. Luckily, Tom's company has an assessment program in place that identified his struggle with passage 3 and is providing coaching and the opportunity to attend a first-rate executive development program that will help him build the necessary skills for this leadership level.

Transitioning to passage 3 requires a "strategic leadership" mindset. Adopting that mindset is almost impossible without developing strategic planning and thinking skills. Clearly, strategy training from the boss or from outsiders should be part of any transition effort. Without it, success will be superficial at best. Promoting the "best engineer" to be the function leader of engineering has always been an iffy proposition.

Passage 4: Leading a Business

Most business leaders tell us this is their favorite of all positions they have held. They are usually given significant autonomy, which those with leadership and entrepreneurial instincts relish. They have all the key functions on their team and can see the results of their effort in the marketplace.

This transition is reported to be the most challenging of their career. This is a very sharp turn; a major shift in work values, time application, skills, and mindset is required. It's not simply a matter of becoming more strategic and cross-functional, though it is important to continue developing these abilities rooted in the previous passage. Now they are in charge of integrating the functions, whereas previously they simply had to understand and work with

the other functions. But the biggest shift is from looking at plans or proposals functionally (can we do it professionally, technically, or physically?) to looking at them from a profit perspective (will we make any money if we do this?) and to a long-term view (is the profit sustainable?). New business leaders must fundamentally change the way they think.

There are probably more new and unfamiliar responsibilities here than at any other level. For those who worked in only one function for their entire career a business manager position represents unexplored territory. They have suddenly become responsible for unfamiliar functions and outcomes. Not only do they have to learn to lead new functions but also they must become skilled at working with a wider range of people than ever before. They need to become sensitive to function differences; they must learn to communicate clearly and effectively with new audiences.

One of the most challenging aspects of this new layer is the balancing act between future goals and current needs—making trade-offs between short-term and long-term goals, and between the functions for resource allocation. Meeting quarterly (or monthly) profit, market share, product, and people targets while at the same time planning for goals three to five years into the future is a stretch. The paradox of balancing short-term and long-term thinking is one that bedevils leaders at this passage—and why one of the critical needs is having sufficient thinking time. At this level leaders need to stop “doing” and reserve time for reflection and analysis.

When business leaders don’t make this turn completely the pipeline becomes severely clogged. For example, a common failure at this level is not valuing staff functions. Directing and integrating finance, human resources, legal, and other support functions are crucial business manager responsibilities. When leaders don’t understand or value support staff, these employees don’t deliver full performance. When the business leaders belittle or diminish their roles, staff people deliver half-hearted effort and become energy drainers. Business leaders must learn

to take advice, accept feedback, and trust the staff functions. Business leaders who do so find they have more time to think.

The required mindset is a major transition from the previous layer. In simple terms, an effective view of this role is “profitable leadership.” Every dollar spent should add value, so valuing one function over others leads to poor performance and decreases the return on salary. Exciting new projects must have a return on investment. Innovation often leads to increased profit. This mindset helps the new business leaders move away from activity and toward the bottom line.

Passage 5: Leading an Enterprise

The transition required for the fifth passage is more focused on values than skills. To an even greater extent, people making this transition must reinvent their self-concept as an enterprise leader. To be effective as the leader of the institution, long-term visionary thinking is required. At the same time they must develop operating mechanisms to know and drive quarter-by-quarter performance that is in tune with longer strategy. The trade-offs involved can be mind-bending, and enterprise leaders learn to value these decisions. In addition, this new leadership role often requires well-developed external sensitivities—and the ability to manage external constituencies, sense significant external shifts, and do something about them before they affect the enterprise. They value this outward-looking perspective.

Enterprise leaders need to come to terms with the fact that their performance will be based on three or four high-leverage decisions annually; they must set those three or four mission-critical priorities and focus on them. There’s a subtle but fundamental shift from strategic to visionary thinking and from a business to a global perspective. There is also a letting-go process that should take place if it hasn’t previously. Enterprise leaders must let go of the pieces (as in individual products and customers) and focus on the whole (as in the conception, development, production, and marketing of all products to all customers).

At this level an enterprise leader, commonly called CEO, must assemble a team of high-achieving and ambitious direct reports, knowing that some of them want the CEO job but choosing them for the team anyway. This is the only leadership position in the organization for which inspiring the entire employee population through a variety of communication tools is essential.

When the leadership pipeline gets clogged at the top, it negatively affects all leadership levels. A CEO who has skipped one or more passages can diminish the performance not only of the team that reports directly but also of individuals all the way down the line. Such a CEO not only fails to develop other leaders but also fails to fulfill the responsibilities that come with the position.

Preparation for the CEO role cannot be taken lightly. The role is one of a kind in the enterprise, so no direct preparation is possible. But a proven route is to take on a variety of positions that provide different challenges, both operational and strategic. Some accountability for external relationship building is also useful. Preparation has to start well beforehand, and several people have to be preparing simultaneously. The failure rate for enterprise leaders is higher than most other positions. Frequently, the new enterprise leader doesn't realize how significant the transition is, so they don't pay enough attention to their own development.

Defining the Job to Be Done

Understanding and addressing these transitions is critical for making leaders successful. We think it is also necessary to understand the job that must be done by each leadership role. We spell it out in this book for the five most common roles. Leadership work is not all the same, but many companies operate with one set of leadership competencies or principles or values for all leaders. That doesn't seem to work very well. Value creation by leaders varies as their roles get bigger or they have more resources to address. Therefore, the leadership job to be done is different. In addition to clarifying the work to be done for five leadership roles,

we also identify some likely activities or tasks required to be successful. Figure 1.2 provides a visual for leaders-of-others. (We revisit this in Chapter 3, where you'll see this figure again.)

The first column, **The Work**, defines the basic leadership work that is to be carried out by the leadership role. This template should be used to help leaders focus on the important job elements. Our choice of words is deliberate and consistent so we

| The Work | Required Activities |
|---|--|
| Set direction | <ul style="list-style-type: none"> Clearly define the roles and priorities of direct reports. Create a clear understanding of how direct reports' personal business objectives tie into overall team and business-unit objectives. Engage direct reports in establishing personal business objectives. |
| Empower | <ul style="list-style-type: none"> Enable direct reports to deal effectively with their responsibilities. Delegate necessary authority to enable direct reports achieving their objectives. Support direct reports in their work without taking direct ownership of their specific work. |
| Develop direct reports | <ul style="list-style-type: none"> Set specific development objectives for direct reports. Provide constructive and fact-based feedback. Continuously include coaching as part of their leadership style. |
| Follow through on performance of direct reports | <ul style="list-style-type: none"> Regularly initiate check-in conversations to support the direct reports in their work. Frequently review work progress and performance of direct reports. Respond in a timely manner to individual performance challenges and do not let performance challenges escalate. |
| Select team members | <ul style="list-style-type: none"> Select qualified team members who contribute well to overall team performance. Make the tough decisions and proactively replace team members who consistently fall short of delivering their objectives. Select team members who hold potential to develop into other roles too. |
| Build the team | <ul style="list-style-type: none"> Create an inclusive environment where teamwork and collaboration are valued. Build a high level of engagement. Create an open and trusting environment that encourages people to speak up. |
| Integrate upwards and sideways | <ul style="list-style-type: none"> Keep the direct manager informed about progress. In due course share anticipated obstacles. Proactively coordinate work with relevant colleagues. |

Figure 1.2. Leading Others: The Job to Be Done.

Source: Copyright Leadership Pipeline Institute.

don't confuse readers. The model should be used to help leaders focus on what is really important in their role.

The second column, **Required Activities**, makes the model hands-on and action oriented. This column answers questions such as "What do I do to set direction and empower and build the team?" Activities will differ from company to company; *some activities will change in the same company as the business progresses*. We expect all companies to base activities on their unique business needs. We are trying to give readers a starting point for thinking this through, not tell them what to do. We also expect leaders to phrase statements using their own language and terminology. Some organizations operate with "check-in" sessions, others operate with "one-on-one" sessions, though the purpose and content of the conversation is the same.

Figure 1.2 uses very simple language. We have seen again and again that using simple language to define what is expected leads to better understanding and more success. People go to work to do their best. But they often need to be shown what "best" looks like in a way that makes sense and in language they understand.

One of the key roles for leaders-of-leaders as we discuss in Chapter 4 is to develop leaders-of-others and assess their performance. The eternal challenge in completing assessments as described by leaders-of-leaders is that they are not always sure what to look for and how to make it fact based. If you define the leading-of-others role as in Figure 1.2, you not only support the leaders-of-others doing their leadership work but also you support the leaders-of-leaders doing their leadership work.

Finally, most businesses understand the importance of building a "leadership bank"—meaning creating leadership bench strength. You need to have confidence that all leaders are assessed on the same job to be done and that assessments are fact based. This very hands-on and job-to-be-done approach will also help focus on what's needed and minimize gender and cultural biases as well as unconscious biases, hence, support building a diverse organization.

In the chapters to come, we have illustrated what this can look like for some of the most common leadership roles across organizations.

Understanding the Transitions

Getting full value from the Leadership Pipeline requires a deep understanding of the transitions required as people move into a new leadership role. We want to make clear what these transitions involve. As we have discussed (and hopefully have made clear), stepping into a new leadership role demands a complete change in how the leader adds value. Some will be successful at making the transition one, two, or perhaps three times to new layers/roles. Others will struggle to make one, the transition to leading others. They all will need help.

Transitions are composed of three primary elements:

- **Work values:** what people believe is important and so becomes the focus of their effort and gets the highest priority
- **Time application:** the new job to be done requires time be allocated to these requirements and not to the old ones
- **Skills:** the capabilities required to execute new responsibilities

These three areas of transition constitute the **transition triad**. This triad gets more complicated as roles get bigger. The transition from one leadership layer/role to another does not happen unless these three things change appropriately. As we spell out, each passage requires that leaders acquire a new way of leading and leave the old ways behind.

Let's take a closer look at the transition triad by exploring a couple of fictional case studies.

Case study

Bob is at passage 1—leading others—having recently been promoted to be leader of his team. Previously, Bob had proven to be a crackerjack engineer, the best problem-solver in the department, and his superior technical skills earned him his promotion. As a leader, however, Bob relied on a hands-on, problem-solving approach that had worked for him as an individual contributor engineer over the past seven years. It is work that he enjoys and is comfortable doing; his work values dictate that he find the engineering solution himself. But it is also what prevents him from building and demonstrating leadership capability. Typically, Bob ends up competing with his own direct reports when a new assignment comes up. He keeps the hardest parts for himself because he believes he can do them better and faster. This leadership style suffocates the team and they end up just asking Bob for answers instead of fixing the challenges themselves. Though now in a leadership position, Bob still values technical work more than leadership work.

Case study

Maria, a former sales manager, is now the head of a business unit; she's at passage 4—from function leader to business leader. Over the course of her career Maria has aggressively pursued new customers and relishes the supplier-customer dynamic, spending a great deal of time in one-on-one customer interactions. She's been highly innovative with her service ideas and has consistently hit or exceeded sales targets for her group because of her approach. As the head of a business unit, Maria is encountering a number of new challenges.

She's finding it difficult to communicate with people in functions other than sales and hasn't been able to create a business model that her people can understand and relate to. She doesn't understand why engineering and manufacturing are always in disagreement and why deliveries are so late on new products. Frustrated by her inability to do what's required, Maria decides that she can "bull" her way through by relying on her strength. By focusing on deepening old and securing new customer relationships, she is back in her comfort zone. Unfortunately, that's only one of many things she needs to do in her current leadership position. This is the first time Maria has ever headed a multifunctional team, and she doesn't value the contributions of each function or understand their contribution to the success of the business. She has failed to become more strategic and less transactional. To be an effective business leader she needs strategic skills and she needs to value all functions.

Work Values

The phrase *work values* refers to the work you think is important and how you experience creating value on the job. Work values are, without doubt, the most important element in transitions and the most difficult to achieve. We can train people in skills and create schedules and systems that control where their time goes, but in reality, adjusting work values is more powerful when moving from one level to another.

The principle of work values being the most fundamental part of a transition is illustrated well in Bob's case. What makes a good day for Bob now is fixing a problem. What should be a good day for Bob is his team fixing problems based on how he has coached and developed them. In general, if work values are not adjusted, it is unlikely that any behavioral change will occur.

In Maria's case, her passion for customer activities, where she could bring her professionalism into play, was clearly evident. She didn't have the same enthusiasm when it came to integrating functions and taking a strategic approach to the business. It could easily be argued that she had not even fully transitioned into her function leadership role prior to becoming business leader. At this level it is not just about visiting customers and closing deals. She needs to value working with all functions on creating an even better customer value proposition as part of a business strategy.

Time Application

As leaders progress from one layer to another, they will find that the key to success is mostly about making other people successful.

Bob needs to set aside time for leadership work. It is not that he does not do any leadership work at all. When we looked at his calendar, we found that most check-in sessions with direct reports, performance reviews, and budget follow-ups were booked outside normal working hours. All the leadership work seems to come on top of the job instead of being the job. Bob knows that he is supposed to conduct quarterly structured performance reviews with each of his direct reports, so he might as well put them in the calendar 12 months ahead. Same with budget input. He knows it will take place in September. He might as well enter these events in his calendar early as a reminder.

Maria needs to spend time with all functions to get to know how they truly add value to the business and how each interacts with the other functions. She has to replace herself as sales manager with someone she trusts to run the function and let them do so. Unfortunately, what we often find is that newly appointed business leaders spend way too much time with the function they came from. This is the function that makes them feel comfortable and that they have enjoyed for many years. Initially they know much more about the function than their successor and hence they feel they create more value meeting

with that function versus meeting with other functions. Business leaders will eventually run into significant challenges if they do not dedicate time to all functions. They can't build an effective business strategy until they understand how the functions create competitive advantage.

Skills

It is evident that each new leadership role requires new skills. Developing leaders' skills is usually the easiest of the three transition elements. It cannot be neglected just because it is evident.

In Bob's case, he needs to stop relying on his technical skills and learn to plan the work that needs to be done, select good people to do it, set objectives, hold people accountable for results, and offer feedback. This first turn is where he'll acquire people leadership and team leadership skills—skills that will be essential for him if he pursues future passages.

Maria clearly runs short of some key business leader skills: functional integration, execution, and creating a business system/rhythm. Even though skills development is the easiest part of the transition, the skills needed at the function leader and business leader levels are not for everyone. As we previously suggested, Maria did not fully transition into the function leader role before becoming a business leader. It is too tough for most people in business leader roles to catch up on skills missing from previous roles while acquiring the new skills. This is unfortunately the reason we see many business leaders fail over time.

Interdependency

It is important to recognize that work values, time application, and skills are interdependent. You cannot master a transition by adjusting one and not the others. For instance, work values guide how you spend your time, because most people will tend to do first the things that are most important to them. Skills also guide how people spend their time. If you are good at stakeholder management,

you tend to embrace that part of your job. People like doing what they are good at especially if they have previously earned recognition. Accordingly, a key to successful transitions lies in the dedication to become good at what is now required. This will support the shifting of work values. Leaders will start to appreciate what they need to do and find it easier to spend time doing it.

New Ways of Looking at Careers

As you become familiar with each leadership passage, you'll find yourself thinking about careers, development, promotions, and performance from a fresh perspective. What is more significant, this new perspective will provide you with the insights necessary to keep your leadership pipeline filled and flowing. Not only will it help you structure the right process to get the right leader in the right job on all levels, it will also enable you to ensure that they're working at the right levels and delivering appropriate value.

However, when you look at Figure 1.1 it is important to keep in mind that it is not a visualization of how to plan a career. Very few leaders enter the function and business leader roles; most leaders remain in leading-others roles. There are many ways of making a career—it's not just about moving to a bigger leadership role. It can be equally and for many people much more rewarding to stay in one type of leadership role and then make lateral career moves into other functions or geographies. Some leaders also skip leadership levels—even though it is not recommended. You may experience a leader-of-leaders who wasn't previously in a leader-of-others role. If they then move to a leader-of-others role, they still need to go through a transition. Likewise, you also see leaders-of-others or leaders-of-leaders moving into key specialist roles rather than continuously pursuing new leadership roles. A career these days can be a coat of many colors; having a good definition of requirements and accountability makes for a better discussion and plan.

If you keep the metaphor of a pipeline in mind, you can see how things might become clogged at the turns. Imagine a company where more than half the managers at each turn are operating with work values, time application, and skills that are not appropriate to their level; either they've skipped a level and never learned what they need to know or they're clinging to an old mode of leading that was successful for them in the past. In some companies, at least 50% of the people in leadership positions (usually at lower layers) are operating far below their assigned layer. They may have the potential to perform the job to be done, but that potential is going unfulfilled. In short, they're clogging up the system. Career planning for any organization can focus on proper placement.

Promoting people is a business decision. It is like any other investment decision. Applied the right way, the Leadership Portraits provide you with the facts you might require in any other business decision. It significantly increases the level of certainty in promotions.

As you reflect on the Leadership Portrait concept you will realize why operating with leadership competence models as the backbone of leadership assessment, leadership development, and succession planning is doomed to fail. Leadership competencies are input, but it is just one input out of three important ones. Also, the output part in terms of the job to be done is missing. Competency models have their merits, but not as a backbone system or an overall leadership framework.

The portraits play a key role in the development of leaders. Let's say you're asking yourself questions such as, "What is inhibiting this leader's performance?" "How can I help the leader perform even better?" Or, "Why has this leader not created development plans for their direct reports?" Most often the answer is that the leader lacks the right work values, has ineffective time management, or lacks skills. Accordingly, you need to design leadership development based on the entire transition triad and not just the skills.

When assessing whether a leader-of-others has potential to move into a leader-of-leaders role, determine if the leader in question has fully transitioned into their leading-others role. If they have, then you can compare the leading-of-others portrait with the leading-leaders portrait and ask yourself, “Has this leader-of-others demonstrated anything on the job that indicates they are ready to succeed as a leader-of-leaders?” “Have they demonstrated potential in relation to the required work values and skills?” In the absence of Leadership Portraits, you will most often find that discussions of leadership potential become very abstract.

Going Forward

No matter what type of organization you are in or your level of leadership responsibility, we trust you will find the information in the following chapters applicable in your environment. The Leadership Pipeline model is a very flexible model that organizations can adapt to their own situations and concerns. It’s also a model designed with changing leadership accountabilities in mind. The traditional notions of what a leader needs to be and the extensive use of competence models are no longer the answer to the fundamental questions related to succession planning, leadership development, and performance management. The current business situation and other factors we have discussed previously are creating new requirements at all leadership levels and new types of leadership roles. We will address the broad variation of new leadership roles in Part III of this book.

To use the leadership pipeline approach effectively, you need to challenge traditional notions of leadership. Though you cannot hold leaders accountable for leadership unless you have a clear definition of the job to be done, you cannot develop leaders effectively unless you have an accurate development target. And you cannot have a meaningful discussion about leadership potential unless you base it on facts related to the relevant

passage. Once you start developing leaders with this new reality in mind it will be that much easier to be successful on the human side of the business. In the following chapters, we will describe some of the most common leadership passages that the majority of leaders will experience one way or another.

Finally, we would like to warn you away from a mechanical implementation of the Leadership Pipeline concept. Each organization has to capture their company culture, unique organization structure, and business model. At the same time, you need to stay agile and ready to adjust. In other words, avoid three-ring binders and the paper exercise mentality that comes with them.