

The Review

INSIGHTS, IDEAS & INFORMATION

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White Maple is a strategy consulting firm. We aim to deliver results for clients that produce lasting improvements to performance through facilitating alignment between strategy, the market and brand, and the organisation's people, structure and processes.



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- Government
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Developing effective leaders: a tailored approach

BY LAINI MILLER

This article discusses how to develop an organisation's leaders. It reviews typical current leadership development practices and highlights some of their disadvantages. The focus of the article is to outline an alternative and more tailored process which can effectively develop leadership capabilities for tomorrow.

You will know of organisations that perform well, or poorly, because of the quality of their leadership. Research studies have also shown that effective leaders can directly influence the ability of employees to achieve outstanding levels of performance. Effective leaders are vital for an organisation to achieve its goals and objectives and therefore to be successful.

CAPABILITIES OF EFFECTIVE LEADERS

Much research has focused on ascertaining what are the common and differentiating capabilities of effective leaders. Some studies suggest that intellect and technical skills account for one third of the characteristics that differentiate effective leaders. Daniel Goleman (e.g. Goleman, 1998 – Working with Emotional Intelligence) and others argue that emotional intelligence accounts for two thirds of the characteristics that differentiate outstanding leadership performance. Also, as one moves up an organisation, emotional intelligence characteristics are said to account for an even greater proportion of leadership performance (up to 90%) where technical skills are of negligible importance. Emotional intelligence refers to our ability to understand ourselves and others and to manage ourselves and our relationships with others in order to work most effectively.

There seems to be a consensus that effective leaders have certain common capabilities. But there may be a different emphasis in different organisations. This means that an effective leader in one organisation may not necessarily be as effective in another one. For example, an effective leader in a regional law firm may need to apply different capabilities to those of a leader in a global consumer goods company. Likewise, a company with serious and urgent financial problems may demand different leadership characteristics to an organisation that is relatively stable and successful. It is important to establish what particular capabilities leaders need to have to be successful in each organisation and situation.

CURRENT PRACTICE

Many organisations' current practice is to adopt a blanket approach to the development of their leaders. This means that they assume that one leadership programme will be broadly suitable for all potential leaders in the organisation. Some typical features of current practice are as follows:

- Senior Management (or others) informally and subjectively identify the organisation's leadership requirements.
- Human Resources or an external service provider is then briefed based on this analysis.
- Human Resources or an external supplier use either an existing leadership development programme or design a new generic one to suit overall organisation needs. Often this is done without considering the requirements of specific individuals or units.
- The intervention is usually short term and the 'affected' individuals are rarely involved in the design process.

DISADVANTAGES OF CURRENT PRACTICE

The key disadvantage of interventions that are not tailored to the needs of the individuals and groups is that they are unlikely to have a long term impact. Other disadvantages can include:

- They are costly with relatively little reward.
- There is a lack of long term transfer of learning to the workplace.
- Individual and team requirements are not addressed.
- People with weak potential leadership capabilities may be included and vice versa.
- There is a risk of lack of individual and team buy-in to the process.

My experience evaluating the effectiveness of leadership development interventions at a major bank has showed that lack of buy-in from staff leads to poor

"GAIN LASTING IMPROVEMENT IN LEADERSHIP CAPABILITY."

WHAT ARE CAPABILITIES?

Various definitions of capabilities exist. For the purpose of this article, capabilities (or competencies) refer to skills, knowledge, social role, self image, traits and motives. They are underlying characteristics that are directly related to superior performance in a given role. Capabilities are observable and measurable; they are behavioural characteristics that can be developed; they are based on the business needs of today and tomorrow and are factors that drive superior performance in a given job. As a result, they provide greater clarity of what is expected of the individual and what represents success in their job. They also enable individuals to understand the difference between different jobs and therefore develop capabilities in advance of moving into a new role. Changes in these sorts of capabilities tend to be long lasting and to stand the test of time.

HOW TO DEVELOP CAPABILITIES?

There are many ways in which leadership capabilities can be developed. These can be both on-the-job and off-the-job. Leadership development is about more than just training programmes, although these will often be appropriate. There are a range of other options available. On-the-job options such as coaching and mentoring are particularly beneficial as they allow individuals and teams to achieve their personal development programme objectives whilst carrying out their day-to-day roles. Other options include working with intact teams to achieve leadership objectives.



learning and a lack of lasting behaviour change over the longer term. Interventions also had less impact when there was lack of visible commitment from senior managers, so the working environment to which participants returned did not facilitate lasting behaviour change and further development.

Developing leaders is not a formula. It requires individually tailored plans requiring individual execution and support.

AN ALTERNATIVE PROCESS

An alternative approach involves tailoring leadership development interventions to suit the needs of individuals and teams. Key steps are as follows:

1. Identify the organisation's required leadership qualities

Extensive internal consultation and benchmarking are used to identify the broad range of leadership capabilities the organisation requires. This analysis should be strongly influenced by the capabilities and leadership styles required to deliver the organisation's strategy and success in the future.

2. Identify the qualities of leadership required by specific roles

People are consulted to identify the type and levels of leadership capabilities required in key specific roles for them to be able to perform outstandingly. Similar to (1) above, this analysis should focus on the capabilities and leadership styles required to deliver future success.

3. Assessment

Assessments against the required qualities should be conducted using trained and experienced assessors. Typically, this would include a structured interview looking in detail at career history, business achievements, personal strengths, preferences, motivations and aspirations. These can be complemented with information gathered through 360° feedback from people, such as peers, subordinates, managers and customers. Management style, cultural data and psychometrics may also be included.

Succinct executive reports should be produced for each key individual. Summary reports can then be prepared for teams, whole business units, functions and/or regions. A personal report should typically cover the following:

- a summary of career to date and aspirations;
- a profile of the individual's leadership capabilities, including benchmarking of suitability for current role and future potential;
- a summary of strengths, limitations and development needs;
- recommendations for development; and
- a summary of behavioural evidence to support the above outputs.

An overview would also highlight trends and general strategic issues that are identified.

4. Provide feedback and design the development programme

Specific one-to-one feedback is provided to individuals using trained and experienced people (ideally the personal assessors and/or supporting line managers). Feedback of this kind will help individuals assess their own capabilities and gain a greater understanding of their strengths and development needs within the context of the organisation.

Overall feedback should also be given to the organisation at team, business unit, function and/or regional level to identify specific and strategic issues and their implications for the business as a whole.

Development programmes should be designed with the individual and business units that are based on their specific strengths and development needs. Development objectives should be set that are based on the individual's, team's and organisation's strategic agenda.

5. Implementation

The organisation should work with individuals and teams over time to achieve the objectives set out in the development plan. This can be achieved through both on-the-job and off-the-job initiatives. A structured process for monitoring and measuring performance against those development objectives should be implemented.

Recent work with a large UK retail company involved a process similar to the one described here. An assessment and analysis of their second tier of leadership uncovered that specific (and many) individuals in this group lacked the capabilities required to perform effectively at the most senior levels of the organisation. The most important gaps were the inability to coach colleagues and subordinates, and to delegate effectively.

Using this tailored process, your organisation should be in a position to:

- Quickly evaluate the capability of your potential leaders.
- Identify strategic leadership development issues.
- Benchmark leadership capabilities across the business for succession planning.
- Gain lasting improvement in leadership capability and performance.

As a result, your people will be more empowered, committed and focused to manage their own careers and development in discussion with their managers and HR advisers. They will be significantly more likely to work effectively as leaders and to achieve outstanding levels of personal and organisational performance.

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SWOT: revision!

BY BOB EMPSON

SWOT analysis is a simple and commonly used tool for strategic analysis. This article first reviews the components of a SWOT analysis and then summarises its principal benefits. Some of the most frequent problems with SWOTs are discussed, along with some suggestions for improving the analysis.

SWOT stands for Strengths, Weaknesses, Opportunities and Threats. As a component of the strategy development process, SWOT is a tool for summarising the outputs of analyses of the organisation's external environment and audits of its internal resources and capabilities.

Analysis of the external environment evaluates key forces and future dynamics in the macro-environment (including political, economic, social, technological, legal/regulatory and natural environment dimensions). It also examines competitors (including potential new competitors and substitutes), customers and other stakeholders, suppliers and sources of supply. Internal analysis reviews the organisation's resources (e.g. financial, human, technological, products/services, intellectual property) in the context of, and relative to, the external environment. These analyses can be complex. The beauty of SWOT is that it summarises and simplifies complex situations to show where an organisation should focus its attention.

Strengths and Weaknesses are features of the internal environment. Strengths should focus on those resources or capabilities that give, and will give, the organisation competitive advantage. Weaknesses are the opposite; they may also include areas where the organisation lacks strength. Examples of strengths include:

- a strong brand;
- cost advantages;
- intellectual property;
- location.

Weaknesses could be the opposite of these and also, for example:

- lack of a sales force;
- inflexible working practices;
- poor internal communications.

Opportunities and threats are external to the organisation. They emanate from the market and wider external environment. Examples of opportunities:

- new geographic markets;
- expansion in existing markets (perhaps due to weak competition);
- new products and/or markets resulting from technological developments;
- new markets being opened up due to regulatory changes.

Threats could include:

- a new competitor growing successfully;
- substitute products becoming available;
- legal changes that stifle operations;
- market shrinkage due to economic downturn.

BENEFITS

Key benefits of SWOT analysis are that it:

- simplifies complex analyses to define the current position of the organisation;
- helps with communication of key elements of strategic analysis to both internal and external audiences;
- focuses attention on key strategic issues;
- guides decisions on matching resources and capabilities to the environment in which the organisation operates.



COMMON PROBLEMS

Some of the most common problems with SWOT analyses are as follows:

Insufficiently specific. It is important that elements of the SWOT are as specific as possible. A frequently cited strength is, for example, "our people". But this is not specific enough. What is it about the organisation's people that will give competitive advantage? Which specific people or groups contribute to the strength? What is it about the people that is relatively strong: e.g. knowledge; specific skills; cost? Being specific can be hard; but it is essential.

Lack of focus. Long lists under each heading are often a sign of weak or complacent analysis. Long lists hide the critical strategic issues, leading to a lack of focus in the strategies and actions that emerge.

Weaknesses as opportunities. Frequently I find weaknesses that are classified as opportunities. Improving some aspect of the organisation's resources or service is often classified as an opportunity; for example: "improving our customer service". But, if the tool is being used as it should be, the analysis should probably have identified "poor customer service" as a strategic weakness in the organisation's capabilities.

Lack of analysis. This is the most common and significant problem with SWOT analyses. The danger lies

in the tool's very simplicity. A management team can in just a few hours throw up a SWOT analysis onto flip charts. All too often, significant decisions and resource allocations are made on the basis of an initial "quick & dirty" SWOT which has not been refined with more detailed analysis. The risks of doing this are obvious. There is no harm in a SWOT analysis being completed early in a strategic review (indeed, it can help to identify some tactical issues that need to be resolved and the process of preparing it may help to establish the team leading strategy development). However, SWOT should summarise detailed and objective analysis rather than replace it.

Lack of other perspectives. A SWOT analysis is bound to reflect to some extent the perspectives, bias and prejudices of the (usually) small group of people that develop it. The views of other stakeholders (e.g. staff) are frequently not gained. Wider consultation can also help to engender a greater sense of ownership of the resultant strategy and thus more commitment to implement it.

IMPROVING SWOTS

Suggestions for ensuring that SWOT is effectively developed and used appropriately include:

- providing training (and regular refreshers) on it for not only those producing the analyses but also for people who need to understand and use them;
- involving an experienced, skilled and independent person (e.g. non-executive director or a consultant) to facilitate its development, particularly to challenge underlying assumptions and to ensure its contents are specific and tested;
- involving and consulting stakeholders (beyond the planning team and senior management) with its development; this can also have the benefit of giving wider ownership in the organisation of this important analysis.

SWOT is a powerful tool that aids strategic analysis, decision making and communication. However, its very simplicity can also lead to mistakes in its development and use, with consequentially flawed strategic decisions. Training, consultation and independent facilitation can both help to avoid the pitfalls of SWOTs and also improve their analysis and use.

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WEBSITES

This issue's websites have been suggested by Nicholas Johnston, Strategy Development Manager at RNIB (www.rnib.org.uk). Our donation of £50 to charity has been sent to RNIB (if we publish a set of websites suggested by you, we will donate £50 to a charity of your choice).

alltheweb

www.alltheweb.com

Need an image for that important report or presentation? This search engine allows you to search by keyword for image files. Some images are copyright, and some are frankly bizarre (make sure that you click the "offensive content reduction" option), but thumbnails are provided so you always know what you are about to click into.

OVERALL RATING 

McKinsey Quarterly

www.mckinseyquarterly.com

Free registration gets you a monthly email newsletter, plus access to a superb archive of case studies, articles and research on a range of business topics. The archive is searchable by function (marketing, operations, finance etc) or industry (e.g. telecom, health care, public sector). Some articles require paid-for registration

OVERALL RATING 

FT.com Annual Reports

www.annualreports.ft.com

A free archive of hundreds of UK and North American companies' annual reports. Many are available as pdf files to view online; others will be posted to you on request. You can browse the archive by industry or search by company name.

OVERALL RATING 

Word2Word Language Resources

www.word2word.com

There are lots of online translators, but this index site is easy to use and more comprehensive than most. Many free online translation services are listed.

OVERALL RATING 

Book Reviews

Given recent global business scandals and current geopolitical issues, trust in leaders is a highly topical subject. This edition's reviews include one book which focuses on how leaders can develop trust within their organisations and another which looks at the role of followers both to support and also to confront when leaders' actions threaten the organisation's well-being.

The Trusted Leader

By Robert Galford & Anne Seibold Drapeau

"Over the long term, trust may be the single most significant determinant of a company's success," assert Galford & Drapeau. The Trusted Leader is about the creation of a trusted leadership that can develop trust at all levels within an organisation. Three kinds of trust are identified:

- Strategic: trust that an organisation's leaders make the right strategic decisions.
- Personal: the trust that people have in their own managers (e.g. to treat them fairly).
- Organisational: trust in the organisation itself and the ways things are done (e.g. decision making).

Ten benefits of trusted leadership are identified. These relate to, for example: lower costs; improved recruitment and retention; improved quality of work; and other less measurable factors such as "fuels passion", "frees people" and "provides focus".

The book goes on to provide a quantitative Trusted Leader Self-Assessment (don't worry, "if your numbers are low, please don't interpret them as indicating you are not cut out to be a trusted leader"). Credibility, reliability, intimacy and lack of self-orientation are identified as indicators of your trustworthiness (unfortunately these are presented as a mathematic equation!). The "SEEKER" model is presented for building trust. Regarding how trusted leaders work, the authors introduce the concepts of "being whelmed" and "calibration targets". Later on you will read of the "Prism of Lost Trust".

If you can put up with its Stateside style and some pseudo-academic assertions and models, you will surely gain something from this book. However, you may prefer just to read the authors' associated (well-edited!) article "The Enemies of Trust" in the February 2003 edition of the Harvard Business Review.

OVERALL RATING 

The Free Press, 2003. \$25 (Amazon £13.87)

The Courageous Follower

by Ira Chaleff

As Chaleff says: "to think of leaders without followers is like thinking of teachers without students"; but this is the only book that we have come across that focuses on followers. Many people are uncomfortable with the term follower (Chaleff suggests that it conjures a sense of docility and weakness). The Courageous Follower will have none of this. The book and its title promote a concept of followership that has 5 dimensions:

- 1 The courage to assume responsibility (for themselves and for the organisation).
- 2 The courage to serve (with no fear of the hard work required).
- 3 The courage to challenge (voicing discomfort when leaders' and the organisation's actions or policies conflict with their sense of what is right).
- 4 The courage to participate in transformation (championing the need for change, and sticking with the leader through the struggle).
- 5 The courage to take moral actions (knowing when to take a stand that is different).

To enable our self-assessment as followers, an important resource is the model of styles for relating to leaders. This is based on Chaleff's view of the two key dimensions of courageous followership: the degree of support given and the willingness to challenge.

This valuable book does, as it intends, give many insights and guidelines to enable us to be courageous followers. It also provides ideas for leaders (and those involved with governance) to create a culture that supports followership.

We are all followers at some time. If you are interested in enhancing your capabilities and influence to be an effective and courageous follower, this book is a must.

OVERALL RATING 

Berrett-Koehler Publishers, 2003. 2nd edition. \$18.95 (Amazon £10.51)

WHITE MAPLE NEWS

WEB RESOURCES

A resources section has now been added to our website (www.whitemaple.net/resources/html). This contains: a series of articles/essays on various management topics; links, including more than a dozen useful search engines; copies of The Review (in pdf format); and details of a government call-off contract (see also the next piece in this section).

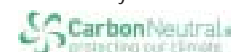
GOVERNMENT CONTRACT

White Maple has been awarded a 5-year call-off contract with the Department for Transport. A wide variety of consultancy services can be provided using this contract. The contract is also available for use by other governmental organisations. For more information,

please either visit the resources section of our website or email us on gov.contract@whitemaple.net

CarbonNeutral®

White Maple has been designated a CarbonNeutral® company. To offset greenhouse emissions and to reduce impact on the environment, trees have been planted on our behalf by FutureForests (see www.futureforests.com).



ISSUE 1

Backcopies of Issue 1 of The Review are available on request. A pdf version is also available on our website in the resources section.