Leadership Development in Corporate America

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Leadership is critical both in formulating strategy and during the strategy execution stage. Firms' seek need to concentrate on strengthening their leadership team to enhance their competitive position. Leadership has the potential for being one of a firm's competitive advantages. A competitive advantage is a unique ability that enhances the competitiveness of a firm. As such, firm's need to focus on selecting individuals with leadership potential and develop these individuals to be successful leaders occupying influential positions throughout the organization. A recommended educational model offers a framework for organizations to pursue a proactive approach in developing effective leaders and more importantly, create a systematic process that ensures that leadership remains one of the organization's competitive advantages.

OVERVIEW

Too often, both the media and organizations focus on the CEO and the success or failures that result from the CEO's actions. An overlooked fact is that the leader of an organization is the titular head, with the body of the organization composed of a hierarchy of subordinate leaders. The successes of a leader, or the failures, are the successes (or failures) of this hierarchy. Leaders must recognize the basic fact that success is achievable only through the efforts of others. A leader's primary task, after creating the vision for the organization, is to mobilize the workforce to achieve the vision. Even the most charismatic leader can find the task daunting because of the complexity of the challenge (Kotter, 1990).

Some successful leaders give credit for their success to others-the team. More leaders need to recognize the value of subordinate leaders by initiating programs designed to create an effective leadership team. Most senior leaders think only of the small cadre represented by the senior management group. Actually, the leadership team's membership is more inclusive, with leaders occupying leadership positions through the organization's hierarchy.

The top leader acts as a role model, a cultural change agent who attempts to create a culture that supports the strategic initiatives considered vital to the organization's success. The leader model's attributes that demonstrate the type of leadership style used to influence organizational members. One key attribute is the way the CEO works with and through people (Bossidy and Charan, 2002).

The CEO must take the initiative in recognizing that leaders are necessary at all levels of the organization to be successful. Thus, leadership development becomes one of the cornerstones of the CEO's key strategic initiatives. Leaders, not managers, demonstrate a different set of attributes that set leaders apart from managers. This is not a criticism of people in management positions who do not act like leaders. The difference is that leaders push through the barriers, take risks, seek to get the organization outside it's' "comfort zone". Managers are maintainers, seeking to strengthen and support the systems and routines needed to keep the organization steady and focused.

Leaders can and do change the destiny of organizations. As such, the focus of this study is to create a better understanding of the importance of leadership development and the practical issues associated with creating a leadership development program within an organization. By taking a proactive approach that formalizes a leadership development program, the CEO is better able to recognize and develop talented individuals who will push change throughout the organization.

The study of leadership has a long history (Chemers, 1977). What makes for successful leadership? Who are successful leaders? What are the attributes of successful leaders? These are only some of the most important questions that influence our understanding of leadership. What this author hopes to accomplish is to identify and describe the important issues that leaders need to focus on to be successful and to describe a paradigm for showing how the organization can develop successful leaders.

HISTORICAL OVERVIEW OF THE FIELD OF LEADERSHIP STUDIES

The major leadership theories emphasize that people either are born leaders, created or arise from situational factors that inspire someone to become a leader (Kreitner, 2004). In the latter case, circumstances dictate who will demonstrate the appropriate leadership capabilities of the type warranted by the conditions. The key dimension that differentiates leaders from non-leaders is leader attributes. Leadership attributes are important because these help us to identify when someone is a leader or demonstrates leadership potential.

General Electric developed a complex system for identifying potential leaders through recruitment and identifying current employees who show leadership potential (Bartlett and Mclean, 2003). Once labeled as a potential leader, these individuals move to different career paths that involve active participation in a leadership development process. The overall goal of this process is the preparation of the next CEO.

The ancient Greeks provided the earliest traceable attempts at defining leadership
(Takala, 2006). Through the centuries people (Hamlyn, 1987) remained fascinated with the idea that a cookie cutter model for identifying and preparing leaders is achievable. Machiavelli's *The Prince* and Plato's *The Republic* represent serious attempts at identifying effective leader attributes and offering a framework for developing effective leaders. Since the middle ages numerous theories on the subject of leadership were developed (Chemers, 1977) to define and explain what is leadership.

The "born a leader" theorists believe that a leader is pre-determined through an individual's genetic code and that this type of leader only needs refinement or education to enhance already pre-existing abilities. This model of leadership lost favor because proponents showed a bias towards societal elites who failed to meet expectations.

The socio-cultural definition of leadership next emerged. Put a person in the "right" family/peer environment and benefiting from the accepted education model and a ruling elite emerges. This school of thought lost credibility because too often these types purchased their way into the correct groups programs and emerged something short of leader types but who nevertheless were placed in leadership positions. Their failures led to the eclipse of the social-cultural leadership school as a dominant theoretical model.

As democratic societies started to emerge and the concept of meritocracy (Simon, 1965) become dominant, organizations sought leaders who demonstrated behaviors associated with the types of behavior people viewed as being exhibited by leaders. The problem confronting this school was the inability to develop a universal code of behaviors that were applicable in all types of situations. Thus, the influence of this school waned.

The Situationalist school followed. Situation proponents view leadership as something that emerges according to the circumstances (Kreitner, 2004). Accordingly, someone can be a successful leader in one situation but fail as a leader in a different set of circumstances. The major limitation of the Situationalists is that society's efforts to prepare situational leaders is problematic when only the circumstances uncover who is a leader and in that it lasts only as long as the situation lasts. Thus, a new situation warrants a new and potentially different leader. The fundamental issue is whether society offers universal leadership training or selective training for a limited few. The problem inherent with a universal approach to leadership development is that a focused approach is necessary because society cannot develop everyone as a leader. This is impractical on economic terms and for the simple reason that many people prefer not to be a leader.

Other schools, such as the transformational leadership theorists emerged (Burns, 1978) without offering the holistic perspective that fully captures what constitutes leadership.
We have yet to uncover the universal theory to explain leadership with all schools of thought offering some useful insights and hints of important indicators of leader attributes. We can criticize all views for obvious reasons. The search for the universal is like looking for the "holy grail" while other attempts at narrow definitions are criticized, as simplistic attempts that satisfy no one.

Unfortunately, while the theorists debate the issue, organizations require effective leaders. With more and more organizations emerging and the demands on organizations to improve performance increases, the need for effective leadership grows. Thus, an increasingly complex society and a more dynamic world require a greater number of effective leaders.

We can surmise intuitively that leadership is not genetically determined because there are many more leaders in today's world than in prior times. The probability exists that even if only some are effective, proportionate to the past this number is likely to be greater. We also recognize that for leaders to successfully lead requires preparation that the ancient Greek philosopher Plato (*The Republic*, 2003) recognized long ago. An individual must possess the capacity to lead but lacks the knowledge, skills and personality to lead effectively in designing a leadership development educational model that organizations can follow, we must first understand the importance of two primary dimensions, leader orientation and leader effectiveness. These dimensions are important to consider when designing a program because each symbolizes what constitutes an effective leader.

PHILOSOPHY OF LEADERSHIP DEVELOPMENT

Understanding the importance of leadership development programs to organizations begins through the realization that leaders demonstrate attributes that make them stand apart from non-leader types (Zaleznik, 1977). There can by many different styles of leadership, but there are common themes that cut across all styles. From the ancient Greeks, Romans, Italians up to the present, the philosophy associated with leadership development is that leaders in training must demonstrate certain basic attributes to participate in an organization's leadership development process.

A positive attitude is an essential attribute for a leader. Attitude allows leaders to see opportunities; attitude keeps a leader motivated even in the grimmest of times; attitude helps leaders find non-conventional solutions to problems. A positive attitude enables leaders to empower others to do the impossible. This occurs because a leader conveys the impression that obstacles are surmountable and success achievable. People like to follow winners.

Along with a positive attitude is the need for self-confidence. Leaders need to believe in themselves. A self-confident leader has the strength of their convictions and the insight of knowing what they can and cannot do. This is different from an arrogant leader who hides their insecurities by holding fast to the image of omnipotence. This leader cannot acknowledge personal limitations or seek out ideas from others because they fear failure from taking different, novel approaches that do not reflect past acceptable practices.

A third attribute is risk-taking actions. Leaders recognize the need to kick off new initiatives because leaders realize that pursuing new and novel business approaches helps an organization evolve successfully. Actions that extend beyond conventional approaches reflect a "can-do" attitude and self-confidence that success is more likely than failure. New approaches represent a risk because new approaches might not work as do conventional, established practices. However, if unsuccessful, these leaders assume there are another day and a new opportunity to rectify the situation.

Finally, a leader demonstrates a pragmatic approach to leading. Pragmatic actions are not theory based. Pragmatic actions occur through consideration of the circumstances and assessing the likely outcome. High probability of success determines the choice of actions to take. Risk taking initiatives occur because of careful consideration of the issues and the pursuit of risk reducing actions that increase the probability of success. Thus, a leader's "can do" attitude encourages a search for new solutions while self-confidence provides the faith with oneself along with the understanding that no individual is infallible. Pragmatic risk-taking actions are common behaviors demonstrated by successful leaders.

STRATEGIC OPERATIONAL CONSIDERATIONS

Leaders must focus on the big picture because subordinates need to know that what they do fits within a greater purpose. This requires an ability to look forward by creating a vision of the organization's future and develop a roadmap for achieving the vision. In addition, a leader must understand the linkage among all the important issues (i.e., systems) affecting the organization by first identifying these issues and then providing the connection between these issues. The conventional wisdom is to develop a vision that describes a future state of being for the organization. The end is the vision defined through specific long-term goals. As the organization begins to achieve the goals the vision changes as do the goals to fit the conditions at the time.

A leader's understanding of operations involves knowing how to link a strategic focus with the execution requirements of the organization's strategy. Operational issues represent the myriad of day-to-day problems and issues that confront an organization. For a leader, the key is to address the significant operational issues and problems associated with achieving the strategy. We determine significance by the degree of impact on the organization's performance. By preparing leaders, early on in understanding and working to overcome major operational problems leaders' learn to execute strategy effectively. Starting at an early stage in a leader's development is essential to begin to develop this ability further.

For training purposes, we can envision a hierarchy of learning objectives associated with the hierarchy of objectives throughout the organization. This hierarchy of objectives reflects the organization's attempt to create focused objectives linked to the strategic goals. Thus, at each organizational level and within each unit there are objectives to accomplish. The learning objectives focus leadership development on what to learn and achieve as the individuals work to achieve their unit's objectives.

Commencing formal training early in a leader's career is important because training provides a frame of reference that keeps the trainees focused and attuned to the importance of learning essential lessons important to the success of the organization and to the development of the individual. Starting early with a well-developed training program provides the critical building blocks that support later, more advanced training.

Operational problems ruined the careers of numerous leaders. What is both difficult and challenging for leaders is to keep the strategic vision in perspective without entanglement in the details associated with implementing the vision. This is a difficult and daunting task because of the complexity of keeping focused on each issue as well as the linkage between vision and operations. However, the requirement helps to separate leaders from non-leaders. I refer to this as "seeing the forest from the trees." The most challenging aspect of keeping this perspective is that operations present multiple dilemmas. First, leaders need to know how to recognize operational issues (and problems) directly associated with strategy from secondary operational problems that only indirectly affect strategy implementation if at all. Often, dealing with the major issues successfully resolves the other problems. Equally important is that solving what I call strategic operational issues helps to move the organization forward in achieving the strategic goals.

Second, operations in today's world constantly change for a variety of reasons. Organizations frequently seek to gain efficiencies and improve effectiveness; match competitive challenges; incorporate new technologies; pursue new opportunities. Operations represent a dynamic process craving for stability. A leader must balance operational stability to minimize disruptions to the workflows while changing the operations new requirements.

Leaders must be adaptable to changing and challenging circumstances. A "rigid" one-way only approach leads to failure for the individual and the organization. The personality of the leader is critical. Though there is not likely to be "one best personality type," clearly not everyone has the mental agility to shift positions in response to changing circumstances. Thus, intellectual flexibility enables leaders to change positions and avoid dogmatic approaches in confronting problems while attempting to achieve the goals.

Finally, a leader's commitment to the ideal of "best practice" is important because this type of commitment reflects a dedication to ongoing improvement. There is no one best way, but there is an ideal that symbolizes a dedication to constant operational improvements to resolve or

prevent problems. Execution problems represent the most prevalent types of problems confronting leaders and which often contribute to an organization's failed strategy.

MANAGING KEY OPERATIONAL PROCESSES

There are three primary management processes within every organization. Leaders need to leverage these processes to successfully implement strategy. Utilizing these processes effectively requires an understanding of how these processes function. The three processes include decision flows, workflows and information flows (Mintzberg, 1990).

Decision flows represent both the formal and informal sequence an organization follows in making decisions. These include both vertical and horizontal sequences; specifically, between management and operational levels and between and within departments. Knowing how decision flows work helps leaders leverage the flows to achieve the goals and to make changes to the decision flows that can help in achieving these goals.

Work flows represent the formalized way(s) work gets done. By understanding how the organization structures the process for converting inputs into outputs, the leader learns how to utilize the existing system as well as identifies ways to improve the system of work flows.

Finally, information flows are critical in support of the decision-making flows and work flows because information provides the critical knowledge about internal and external factors that affect the organization's management flows and how these flows respond to these factors. Command of the information flows helps leaders enhance the effectiveness of these flows. Leaders use formal and informal information flows to get the message out, to stay current, to learn about problems, and to shape the conduct of work and the way decisions are made. Informal information flows represents a critical and often misunderstood processes whereby knowledge circumvents the formal processes because of sensitivity issues. To move through the formal information flows requires a sanitized version that obfuscates the key issues.

FOCUSED ACTION LEARNING

Learning how to best train individuals to become a leader and to move into leadership positions is an essential issue. Focused action learning is the key (Lawson, 2006). Focused action learning refers to the creation of structured learning activities that have a specific focus. Instead of generic type learning activities, such as "leadership preparation," the designers of leadership programs must identify the important leader attributes in developing leaders. For example, if knowing how to focus on the long-term is critical, activities designed with this intent must be a central component of training. If thinking strategically is important, activities must stress this focus. The key is to know which important issues to develop and linking training activities with these issues. The intent of focused action learning is to maximize the benefits of each training activity.

Focused action learning differs from active learning in that active learning examines past practices. Focused action learning differs from action learning because focused action learning involves creating learning activities around current problem-solving practices where the trainee works.

ESSENTIAL LEADER SKILLS

Identifying critical leader skills is an important issue to answer before attempting to design an actual leadership-training program. Knowing the important leadership skills enables senior management and training program designers to identify the optimal learning methods to incorporate into a leader development-training program. This author considers the following skills as essential to emphasize in training leaders and would-be leaders.

- Social Skills: The ability to work with and manage others successfully in teams.
- Communication Skills: The ability to present ideas through written and oral means and thereby maximizing understanding of the message by the audience.
- Organizing Skills: The ability to stay focus on the myriad of execution issues associated with strategy implementation.
- Time Management Skills: The ability to mange the clock by staying focused on the key issues.
- Goal-Setting Skills: The ability to set realistic and measurable goals to keep focused and assesses performance.
- Detail-Oriented Skills: The ability to stay focused on the daily operational issues that can confound strategy implementation and lead to a failed strategy.
- Benchmarking and Problem-Solving Skills: The ability to create a system to monitor progress towards achieving goals and to solve problems that can impede successful goal accomplishment.
- Self-Improvement Skills: The ability to build self-confidence, which leads to a willingness to take risk oriented initiatives.

COMPETITIVE ADVANTAGE THROUGH LEADERS

What makes leaders a potential competitive advantage is their uniqueness (Dranove and Marciano, 2005). A successful leader is hard to replace, difficult for competitors to find an equal, and remain essential in the formulation and implementation of a firm's strategy.

Firms create a strategy based on their competitive advantages because these advantages contribute directly to the firm's current and future successes. Continuing to rely on these advantages during the strategy formulation stage is prudent because the approach maintains the continuity with prior successes.

Strategy implementation is all about the utilization of a firm's competitive advantages and strengths. Thus, a successful leader is central in the orchestration of the firm's resources to continue to remain successful. In fact, the leaders' prior successes can enhance their skill set, leading to a stronger competitive advantage.

However, firm's can waste their advantages or in the case of a leader, the individual can lose their focus or in some way undercut their position. For example, becoming egotistical and arrogant often causes a leader to be less pragmatic, undercutting the personal attributes that contributed to their success.

Recognizing a leader is a competitive advantage is the challenge for any organization. A strong case can be made that an individual is a leader type because the person continues to outperform at each position held in an organization during the promotion process. Another litmus test for identifying leader types is to select those individuals who were successful at former employers.

Not all successful leaders will succeed in any organization. There needs to be an appropriate fit. Once the leader is found and proven, the individual becomes critical to the ongoing success of the organization. This makes the person a competitive advantage. Once a leader becomes successful, companies offer individual's incredible compensation packages to remain.

LEADERSHIP DEVELOPMENT PROGRAMS

Mid-size and large companies need to make leadership development programs an essential component of their self-improvement process because an increasingly competitive environment requires leaders that are more competent throughout the organization. Competition represents a maelstrom of competitive forces surging from all directions; this is a challenge that confronts all organizations.

Meeting these challenges requires the collective efforts of the leadership team. The thrust of any leadership development program is to enhance the capabilities of leaders who can "think outside the box" in finding successful solutions to problems and then work on strengthening this ability.

Four overarching concerns in the design and management of a leadership development program include:

- Hastening learning on the job.
- Improving trainee adaptation skills.
- Emphasizing training that helps trainees differentiate between strategic from operational problems.
- Developing leaders that can function in a de-centralized environment.

These four points reflect the practical conditions of the current work environment for many organizations. Time is a key element of most of the points. Leaders must make quick decisions in response to changing circumstances if the organization is to remain competitive. Leaders must strive to avoid being mired in day-to-day issues. Dramatic cuts in all levels of management to streamline the organization puts added pressure on leaders to succeed under less direct supervision.

Speeding up learning on the job is important because organization's need productive leaders who can contribute to the firm's performance. Whether public or private, firms must perform well in this age of intense competition.

Improving the adaptation skills of leaders is critical in helping leaders respond to new circumstances imposed from external factors outside of the direct control of the organization. The type of personality of the leader contributes to developing adaptation skills. Some people are more flexible than others in their thinking. This makes the selection process important. Specific skills are teachable and leaders can learn these skills to remain flexible. However, an openness to learn new approaches is an important personality attribute.

Leaders today are responsible for addressing many issues. Partly because of organizational cutbacks of middle managers and support staff, an increase in responsibilities requires more from leaders. Because of time constraints, leaders need to avoid tunnel vision and look at strategic issues, much as a doctor must see beyond the symptoms to identify the real problem.

Finally, management cutbacks along with firm expansion require leaders to function more autonomously. Lean organizations are important in keeping costs contained and allow managers in close proximity to customers to respond quickly to customer needs. Leaders need a work ethic that encompasses a commitment to a code of ethics, commitment to the organization's

mission, organizational skills, and loyalty and commitment to an organization's commandments for good customer service, self-motivation and motivating others and a commitment to quality management principles. These requirements are necessary because leaders work more independently. Thus, organizations require focused, loyal and skilled individuals.

CONCLUSIONS

A successful leader's impact on an organization is often worth a huge compensation package. Too often, the media highlights enormous severance packages awarded to unsuccessful leaders. This creates a distorted view because organizations benefit enormously from a successful leader. However, no leader is successful individually, but relies on others to promote and execute new initiatives throughout the organization. The organization needs these types of individuals. Finding, training, rewarding and promoting leaders throughout the organization are essential to the long-term health and success of the organization.

Once an organization creates programs for identifying and training leaders, and ensuring that the systems that make up these programs work, the organization achieved a significant accomplishment, the development of three important competitive advantages. First, the recruitment and selection process finds leadership candidates. Second, training and development creates a steady flow of well-qualified and successful leaders. The leadership team becomes another competitive advantage through the leadership development process.

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