From Dean's Desk:

Prologue

We are taking some chances with this article. As most of our readers know, we report on studies conducted by prestigious organizations on the state of leadership both nationally and internationally, private, governmental and non-profits. Our concern rests with the findings of these studies. Trends tell us that there is something very wrong with leadership development programs. At first, we thought it was methods, and we still believe that conventional methods must be examined. Recognizing that the overall issue is a complex one, we looked further, examined our programs, our successes and companies where the outcomes seemed to parallel the studies and trends. While we shot a few arrows in the general vicinity of the problem, we never really felt comfortable that anything would change. The 800-pound gorilla was still in the room. So, rather than dance around him, we thought we would tackle him. Enjoy.

Leadership - the 800 Pound Gorillas We Ignore

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Introduction

Through the years and issues of UPDATE, the Macris Group has been attempting to provide thought-provoking commentary on how to improve leadership. We have looked at many, many different aspects of leadership and will continue to do so in the future, but for this issue we have decided it is time to look seriously at some of the 800-pound gorillas that have been "in the room" for a long time.

Articles and studies continue to reveal the futileness of leadership skills and the ineffectiveness of leadership training. The June 2013 issue of Inc. Magazine stated: "$13.6 Billion is spent by U.S. companies on leadership training each year and yet 62% of businesses say their employees lack crucial leadership skills." This disparity should come as no surprise (apart from the $13.6 B) to readers of our newsletters. We have been citing such findings for years.

It is certainly not a trivial task to understand this dilemma.   We have spent countless hours seeking an understanding and an explanation. Further studies or research may yield some insight, but we tend to feel that additional studies will further support the same findings. Rather, we believe that observation and feedback from those who have attended leadership development training is key to gaining insights. These people, given a "safe" environment, can and will identify a number of issues that lurk in the shadows of corporations and organizations that sit there fermenting and affecting the development and growth of new-enlightened leaders.

The issues we have found include thus far include:
- A lack of true buy-in by senior management – even though they tout the importance of leadership development and training
- Senior management avoiding tough decisions rather than making them
- The Dinosaur effect – protecting those who are closing in on retirement or who cannot adapt to new technologies and methods
- Senior managers who are threatened by new thinking and/or fear of change

- Allowing subversive leadership to exist – other senior leaders who subvert the overall mission

We have grouped the above into two categories: Bad Leaders (no buy-in, no decisions, and subversiveness) and Dinosaurs (technology, change averseness, and new thinking). We have all seen examples of these issues and probably had to function in such a business environment. This article is going to look at each and challenge you to examine your organization and see if they exist and take action to address them and move your organization forward. We assure you such actions will not be easy but they will be necessary for the ongoing health of your organization.

Bad Leaders
No buy-in
Lack of senior management buy-in continues to be one of the major reasons for failure of leadership development. Though it sounds so obvious, it is still an ongoing problem. Despite all the examples of poor decision-making by executives, it persists. Be it an improvement initiative or a leadership development program, the leaders of the organization must be actively and visibly supportive, not just paying lip service to the flavor of the week. Companies proudly inform employees that they are the future leaders of the organization and they will be attending a leadership development program. They attend, and when they return to their "day job" with new and exciting ideas. They take their newly acquired skills and knowledge and formulate thoughts and plans to improve their areas of responsibility. However, so quickly the employee's boss says, "that's not the way we do things here" or, better yet, "that will never work," and the air goes out of the excitement balloon. Why bother to send someone to a development program if you don't want to see changes? It is hypocritical and only adds to the frustration of the newly-trained employee.

The situation is similar when a manager/leader approves an improvement initiative, but in reality, doesn't really want, or expect changes. This, equivocation, too creates frustration and becomes demotivating; some cases, the attendee questions the value of the time he/she spent in those classes, sending the message to all employees that this effort is not serious or important. All of which impacts the leader's credibility and creates an atmosphere of distrust and malaise within the organization.

Tough decisions
Regarding tough decisions, senior managers can typically handle operational type decisions; they have access to tangible, technical, or financial information or data with back-up numbers or documentation. When it comes to people, decisions, become more difficult. Measuring the direct and indirect impact of low performers or those obstructing culture changes is difficult. The point here is simple. Being a CEO or a senior leader of an organization is prestigious and carries benefits and rewards, but along with them comes the obligation to the organization to make tough decisions. The organization expects the tough decisions, even unpopular ones. If the decisions are consistent and in the best interest of the organization, generally and eventually they will be accepted. However, when leaders fail to make necessary decisions and allow issues to fester, it sends a message to the staff that either the leader is too aloof to recognize the issue, doesn't care about things that affect the staff, or is reluctant to address the issue and is therefore weak and ineffective. Not every employee will like every decision, but if the decision is made and enforced it will send a clear message.

Subversiveness
We have written about the many dimensions of Subversive leadership for over 10 years. In the context of this article, it involves those within an organization who feel threatened who then, expecting upper management to be lethargic in their response, will openly subvert the efforts of senior management to improve the level of leadership in their workplace. Several things are happening here and can best be illustrated in a scenario:

Many of the companies we work with are large and diverse in their structure. This leads to divisional managers who run their divisions as their own fiefdoms, despite a centralized leadership group. While the scenarios described below is certainly not unusual, we will discuss a specific example we observed. A middle level manager from a geographically distant division, with a significant degree of responsibility is designated as a high potential employee, to be developed/groomed for a more senior position. The senior leadership of the company embarks on a leadership development initiative to begin the process with this person and several of her colleagues from other divisions in other locations. The senior leadership

knows there are several individuals who are within 3 to 5 years of retiring across these various divisions, and they want to replace them from within. The leadership development process begins and we urge our attendees to take what they have learned and begin implementing it in small doses in their workplace to build their confidence, as well as demonstrate the benefits of enlightened leadership skills. In the next class with this group, we always discuss their experiences between sessions; the good and the not so good. In this scenario this manager when she returned to her workplace, she discussed her intentions to implement selected learnings with her 'boss' and was told, 'that's not what we do around here' or 'while it may be a good idea, it won't work.' While the senior executive team made a commitment to leadership training, its ability to be institutionalized in the organization, was subverted in the workplace by a divisional manager.

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The impact of such behavior is far reaching – imagine this person at the next leadership class. How engaged will she be if he knows what she learns will not be accepted. Worse yet for the company, this person learns as much as she can, and then leaves the organization for another company with more enlightened leadership. There are no winners in this scenario except for maybe the company that hires the person who departed. If you commit to a leadership development program, make it clear to all levels of management that it is being done to groom new leaders and to bring new ideas into the organization to keep the organization moving forward and learning.

Dinosaurs
Technology
Some of the toughest decisions deal with individuals who are close to retirement and by virtue of their tenure and age find themselves as anachronisms within an organization, for a retirement package. The world is changing incredibly quickly today, and the balance between sage advice, and quick-on-your-feet thinking, accepting new technologies is a serious leadership challenge. Those who for so many years have served loyally

and performed well are being challenged by an aggressive 'know-it-all' generation of ambitious younger high potential employees. The leadership challenge is to keep the workforce vibrant, relevant, and competitive, while transferring knowledge and experience to the new wave of workers and leaders. This transition may require shifting some of the decision-making responsibilities to younger people while asking tenured people to maintain a watchful eye, utilizing their experience and knowledge. In some cases, if the tenured employee becomes disruptive or subversive then even tougher decisions must be made, but we submit that if leadership is doing its job all the time, situations should not deteriorate to the tough decision stage.

As the challenging economic situation persists, many older workers (and leaders) are working longer. That is making the "dinosaur decisions" more prevalent. The President of a division who refused to see how business was changing would not agree to new and needed technology enhancements. We know that his thinking was based on unwillingness to change, and a reluctance to spend funds, believing that those expenditures would affect perceptions of his performance and therefore his annual bonus. Meanwhile market share was shrinking and disgruntled employees began planning their exits to competitors. A small group of managers who cared about the survival of the organization met with the CEO to discuss business growth. In that meeting, they were able to paint a clear picture of how this division president's dinosaur thinking was driving the division to extinction. The CEO removed this president from a decision-making role and removed him physically from the division's building. He has not yet been separated from the company because "he is close to retirement". While this does not send as strong a message as termination the recovery has begun since he is not involved in day-to-day operations or visible. The recovery will take time, but while searching for a replacement, morale and commitment to the company has risen significantly. Clearly, the dinosaur was leading his organization to extinction.

Change Averseness
Human nature seeks stability. Stability can mean different things to different people, particularly with the pas-

sage of time. Expectations are different too. Young people know the workplace is not a stable place, but those whose work horizon is much closer seek not only stability until their time to retire arrives, but also a level of stability during their retired years that they have dreamt of all their life. So anything that threatens their last few years can become somewhat frightening. Insecurities can cause a leader to just freeze and resist any change. Some of the thoughts they ponder may include "this new technology will make me obsolete" or "these kids just don't understand how we do things around here" or "I've been around here for 25+ years and I know what got us to this point and it's good enough to take us forward" or "I need to work another 2 or 3 years to build up my retirement and maximize my Social Security so don't rock the boat around me" and a myriad of other arguments. If the leader feels the need to protect his personal turf then the organization will stagnate and customers will look elsewhere.

New thinking

Think about the workplace in the past 200 years and how has it changed: from enslaved workers to an enlightened workplace. An educated workforce, coupled with significantly advanced research in human behavior, encourages a very different way of motivating and treating people. New thinking attempts to develop the best in people. The workplace is no longer a boss and his worker bees. The boss does not necessarily know the best way to get things done. The boss may know what problems he's had in the past and how he approaches those problems, along with the resultant outcomes. The boss should share that knowledge and experience and enable the younger workers to resolve problems with the benefit of a historical perspective. The younger workers should not directly or indirectly be a threat to a boss, because if bosses feel threatened they tend to revert to archaic leadership styles. This then demotivates those around them as well as dilutes any knowledge the younger workers or supervisors may have either learned in their schooling or through classes provided by the company.

Another leadership issue is communication in a technological world. General McChrystal presented a Ted.com talk on leadership http://www.ted.com/talks/stanley_mcchrystal.html that highlights many of these generational issues, new ideas and how to use new

thinking. Consider listening to his talk, particularly regarding leadership and communication methods. Communication methods that worked even a mere 15 years ago are archaic in today's world. So now, you have a person who is about a year or so away from retirement and we are essentially telling that person that all they know and have known for their whole professional/working life is really not applicable. I don't think anyone believes that is not scary. Plus the old adage that 'it's hard to teach old dogs new tricks' try telling a construction foreman he has to have more emotional intelligence!!! Words of caution however, don't just show the older folks the door because they aren't up to speed on new technologies. They do provide a "corporate history" that corporate knowledge should not be lost or its value diminished. In contrast, though, new thinking needs to be introduced into and embraced by the organization and its leaders.

Some thoughts

After all this discussion, we realize that it's easy to site studies and leadership statistics as presented in the Development Dimensions International (DDI) Global Leadership Forecast reports, the IBM Human Resource report titled "Working Beyond Borders" and the June 2013 Inc Magazine dedicated to leadership, plus several others. To continue the analysis of why a majority of companies feel there is a lack of leadership will most probably yield similar findings. The illusive challenge is to identify things that can improve the situation. We mean to expend significant energy exploring answers.

First – leadership development begins at the top. Senior executives at the highest levels must participate. Some of the barriers to their participation are resistance to endless PowerPoint presentations, jumping from rip lines; neither end of that spectrum entices senior management. Take them golfing? They do that anyway. Attending these high profile, highly-staged celebrity leadership forums typically has little appeal. Coupled with the belief that they don't need leadership development, the excuse that they don't have the time, and that they certainly are not going to sit through a session on conflict management or some other soft skill, all add up to senior managers not participating. We believe that executive leadership development is most effective when an executive believes that he or she can learn from a colleague or can provide insights to other colleagues who may be strug-

gling. This ideal format is less structured, less threatening, and provides a level of assurance that peers understand their struggles and challenges.   In this context, the interaction should be with their counterparts in other industries or companies. Then within an organization, the senior team convenes and shares some of the leadership lessons amongst themselves as applied to specific issues within their organization. While this approach may sound quite unstructured and informal in its implementation, the scheme is well planned and orchestrated with skilled assistance.

Second – succession planning. The concept we refer to as "Contextual Leadership" – see our UPDATE article Vol IV Issue 01-06, http://themacrisgroup.com/docs/Update_Oldsite/Vol_4_Issue_0106.pdf defines the dimensions of leadership to include Experience, Knowledge and Attributes, then overlays Context and Values. As executives reach the later years of their careers, their value to the organization is their experience and knowledge. Their detriment to the organization is their reluctance to change, fear and threats to their status and future benefits/retirement income, and tendency to not embrace new technologies or new ways of thinking. So typical leadership approaches are to keep these near-retirement people in place until their time runs out; as pointed out above, some are staying even longer.   Approaching the issue from a different perspective would be to establish a structure within an organization that capitalizes on the positives and eliminates the barriers caused by the insecurities and inherent liabilities of near-term retirees. One such structure might include a grooming period where the senior mentors a high potential subordinate (and this would work because the senior executive would be less apt to hold information and more willing to share his knowledge knowing that he will be secure until retiring). At an appropriate time, the subordinate would assume the responsibilities of the senior person and the senior person would move to an emeritus status on a special advisory board to the Executive Management, or assigned as an advisor to special projects. In this new capacity, the organization benefits from his experience and knowledge while allowing younger, more energetic individuals handle the actual operational aspects. The person on the Advisory Board retains a level of status, relevance, and influence to which he is accustomed while not being involved in the daily decision-making and

leadership issues.   Mentoring is a valuable tool at all levels but when structured to allow the new leader to work with the outgoing leader can be very powerful. Corporate history, key industry contacts, etc. can all be passed along. A word of caution – the new leader must be allowed to develop and use his own skills and not just become a carbon copy of the outgoing leader. The purpose is to move the organization forward, not keep it stuck in the present.

Third – Get Leadership Development Training real. Not necessarily real in the context of ropes courses and scavenger hunts, but real in the context of organizational challenges with interactions and activities designed to address those challenges. Yes, there is basic leadership knowledge and skills, and they need to be taught, but the conventional ways of teaching those basics leaves quite a bit to be desired. In reality, not much conventional content provides cognitive challenges. With some creative instructional design, much of the basic content lends itself to self-study lessons. This approach works because there is an interactive, real world component that will develop from the self-study learning. The real world portion can take on any number of designs depending on the audience, the specific issues, and the culture of the organization. Taking this model and applying it in the workplace yields positive results. Once again, context is what it is all about – leadership development is not a cookie cutter exercise. A case in point, a research scientist with a PhD attended a military-based leadership class as part of a professional development endeavor. The outcome from that class was an elaborate notebook with countless handouts and lessons on leadership – of course, as the context was military. This scientist was then left with the challenge of contextualizing what had happened in that class to her world. Not an easy task; and one that allows an inordinate amount of opportunity to misunderstand the application. After some discussion with this scientist, she revealed that while interesting, the class had very little impact on her day-to-day or long-term leadership acuity. No wonder the majority of companies report a lack of leadership skills.   The training must have an applicable context that can be readily translated to the organization and industry of the participant.

Fourth – How do you deal with the millennials? The millennials or Generation Y people are those in their

20's and early 30's. Much is being written about Gen Y and their attitudes and views on the world. The future leaders of your organization will be drawn from their ranks. Do you deal with them completely differently from the others in your organization? The simple answer is NO. But you need to understand who they are and how they think. A new study by Millennial Branding and American Express ([http:// millennialbranding.com/category/blog/](http://millennialbranding.com/category/blog/)) focused on Gen Y workplace expectations shows that Gen Y believes that managers can offer them experience (59%), wisdom (41%) and a willingness to mentor (33%). Managers have an overall negative view of Gen Y employees saying they have unrealistic compensation expectations (51%), a poor work ethic (47%) and are easily distracted (46%). There is much more to this cultural divide that should be discussed and will be in a future UPDATE article.

Closure

It sounds like we are painting a bleak picture, and in some ways we are. The studies show that the majority of businesses say their employees lack crucial leadership skills while at the same time; a huge amount of money is spent on leadership development and training programs. There are many reasons for these disconnects and we have tried to focus on some of them in this article. We challenge you to look at your organization and see if there any 800-pound gorillas sitting in the room. If so, what are you going to do about it? If you have dinosaurs, we encourage you to deal with them as gracefully as possible. Take a hard look in the mirror and at your leadership team and plot a course to reach your organizational goals by dealing with the gorillas who are blocking the way for the future leaders who think differently. Are you willing and able to make the difficult decisions?

One additional thought. There always is the 'do nothing' option. Let it ride out. Before taking that easier, less bumpy and curvy road, think about what the impact and consequences. We said early in this article that as leaders, your people are watching you. They can see indecisiveness, lack of commitment and lackadaisical attitudes. They also see strong leadership that, if fair and gracious, is powerful and sets the tone for how the company culture develops. We suggest that the strong, fair, and gracious road is one that will improve employee engagement, demonstrate the type of leadership subordinates will want to emulate and result in a healthy organization across the generations within the company.

We have covered a lot of ground in this article but as always our goal is to create discussion and thinking about these issues which impact many, many organization. Please give us your feedback and send us examples that either confirm or refute our thinking.

A BOOK TO CONSIDER

"The End of Power: From Boardrooms to Battlefields and Churches to States, Why Being In Charge Isn't What It Used to Be" by Moises Naim. Inc magazine says:

Weaker at the Top
Leadership is shakier than it used to be.

The Premise:
Whether you're a prime minister, a general or a CEO, you probably face more competition and have less job security than did you predecessors, argues global affairs pundit Moises Naim in The End of Power.

Why's That?
Strong centralized leadership made sense for the hierarchical bureaucracies of the Industrial Age. In today's world, smaller and more nimble players can often outflank big institutions and their seemingly all-powerful leaders.

Takeaway for Entrepreneurs:
You picked the right career. Now go forth and perpetrate some disruptive innovation.