




# The Power of a Development Plan

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# The Power of a Development Plan

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oped. It has to include job assignments that build leadership skills. And it has to be supported by the organization and integrated into a development philosophy that views planning documents as the beginning of the development journey, not the end.

In 2001, the Corporate Leadership Council published its much-awaited study of the most effective leadership-development strategies. Entitled *Voice of the Leader*, this study closely examined 17 different development interventions. The two most influential development actions turned out to be 1) the amount of decision-making authority a person was given, and 2) the existence of an individual development plan.

That the existence of a development plan would be named as the second most important stimulus for development may seem surprising. What is so important about having a development plan? Why is it so powerful? How could line and staff executives give such weight to a simple document?

The answer is that a good development plan is not a simple document. To be powerful, it has to be built around a development model grounded in real-world experience. It has to be carefully crafted to fit the needs of the person being developed. It has to include job assignments that build leadership skills. And it has to be supported by the organization and integrated into a development philosophy that views planning documents as the beginning of the development journey, not the end.

Individual development plans are a critical part of any effective leadership-development system at two levels. At the organizational level, these plans ensure that the next generation of leaders will have the skills and experiences required to define and implement the corporation's strategies. At the personal level, they force future leaders to focus on what needs to be done in order to grow. When done right, the individual development plan becomes a contract future leaders make with themselves and the organization about the things they want to do or to become. The plan creates discipline and a good plan creates motivation.

Two recent best-selling books on leadership highlight this point. Bossidy and Charan (2002) looked at the investments made by major corporations in their people processes, including the identification and development of leadership talent. The most successful development strategies emphasized building plans that focused on the skills and behaviors needed to execute the company's strategy. Even when organizations identify the correct activities in their development plans, they frequently fail to implement them effectively. This same failure was noted by Collins (2001). It turned out to be one of the factors differentiating "good" companies from the "great" ones.

What does a good plan look like? How does it

create discipline and motivation? In order to answer these questions we need to explore how leadership development happens—not in a theoretical way, but in the real world.

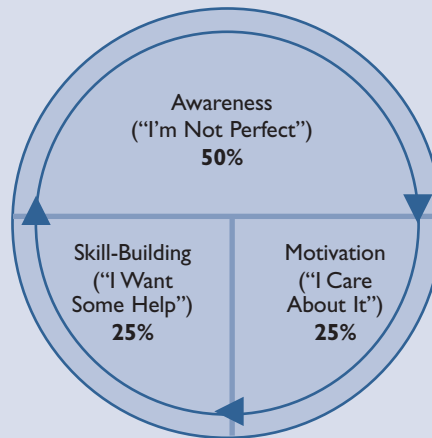
## How Leadership Development Happens: A Real-World Model

Our experience—over a combined total of almost 50 years of consulting, executive coaching, and leadership training—tells us there are three major components to leadership development: awareness, motivation and skill-building. But many "old-fashioned" development plans are almost totally focused on skill-building and pay little attention to awareness-building or motivation. As illustrated in Exhibit 1, these three dimensions must be sequentially engaged in order for a person to learn.



### EXHIBIT 1

#### How Development Happens



Because creating awareness of the need to develop is the number one priority, "awareness-building" must be the dominant theme of any good development plan. In reality, it is generally forgotten or overlooked.

Motivation is also a missing ingredient in most old-fashioned approaches to development planning. The typical leadership-development plan assumes the executive "gets it" and wants to change. Yet, Leslie and Van Velsor (1996) point out in their study of executive failure at the Center for Creative Leadership that most derailed executives, even in the face of strong contrary data, are confident that what worked for them in the past will continue to work in the future. They

simply were not motivated to alter their behavior. The ability to work through this denial frequently differentiated the executives who got back on track from those who failed. Many high-potential managers know they have weaknesses but simply do not believe they need to fix them.

Only when there is sufficient and ongoing awareness of the need to develop, and clear and continuous motivation to develop, can future leaders effectively focus on building those skills most valued by the corporation.

## Plans that Work: Characteristics of Effective Development Plans

If Exhibit 1 describes how development actually happens in the real world, how do you use this framework to create individual plans that really work? What do they look like? What features do they have? Although there is no preferred format or template for an effective leadership-development plan, all good plans share certain characteristics:

### Highly Personalized (and Personal) Plans

We have asked successful leaders over the years about the major influences on their development as leaders. Not surprisingly, the vast majority do not mention books they have read, seminars attended, or consultants who have coached them. Instead, they talk about jobs they have had, people, and relationships. Often they talk about a leader who was their boss, or someone they observed, or a particularly stressful experience. They may describe a heartbreaking failure, a great boss, or a horrible boss, but their image of success is based on a real experience and a real person. Effective development plans capture that imagery and describe aspects of the ideal leader in terms that make sense for the individual. This kind of highly personalized development goal cannot be imitated or copied from another plan or another person. Nor is it represented in the typical leadership competency model, unless that model is carefully tailored to individual situations and needs. It applies only to the individual who starts from one place (with an acknowledged set of strengths and development needs) and wants to end up at another.

Personalization starts with pinpointing a person's unique set of development needs. We are always amazed by the number of development plans that are not based on even a cursory assessment of the individual. It's as if the doctor takes a patient's word he has pneumonia without ever using the stethoscope, or worse, assumes all her patients have pneumonia. A good development plan should be based on a systematic assessment of personal strengths and weaknesses, and it should include development actions that uniquely apply to the person involved.

### Plans Focused on Specific Development Needs, Not Just Summary Issues

Where most development plans fail is not in their inaccuracy but in their tendency to deal only with the surface symptoms rather than what lies behind or beneath the observed behavior. Unless

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the plan pulls together the known information in a specific way that has meaning for the individual, the development actions are likely to fail. For example, if the issue is that the manager is not "letting go," the typical development plan will suggest increasing delegation. That is fine as far as it goes. But a good development plan should dig beneath the surface and deal with why the individual cannot delegate. Is he afraid of change? Does he have such a large ego that he believes that no one can do the job better? Or is he a realist and accurately understands that his subordinates are not up to the task and will fail? If the development

plan does not address the real issues and consider these issues in terms of current and potential future circumstances, it will miss the mark.

### Practical Plans

There are many different dimensions to practicality, but the one to focus on is what will actually work and be meaningful for the future leader. While a plan that has 20 critical issues to address might win points for comprehensiveness, it will not motivate a person or create disciplined action. Most of us, if we are lucky, can work on a maximum of one or two things at a time. We can agree to "lose weight," "improve our disposition," "ask questions rather than tell people," "delegate responsibility and authority." But chances are we are incapable of doing all of them at once.

## Plans Relying on On-the-Job Learning Experiences

Leadership is learned by doing or by watching someone doing. Morgan McCall, in his book *High Fliers* (1998), repeatedly documents the developmental impact of work experiences. He points out that job experiences that are challenging, risky, stressful and visible—where success and failure are real possibilities—are the most developmental. Michael Lombardo and Robert Eichinger, in *The Leadership Machine* (2001), emphasize that people learn most of the skills they need on the job and list four kinds of experiences that teach the most: 1) key jobs, 2) important other people, 3) personal hardships, and 4) training courses.

Formal training programs that emphasize awareness-building and teach skills that can be immediately applied to a person's on-the-job situation are the most valuable kinds of courses. This explains the success and popularity of training built around 360-degree feedback.

## Plans “Owned” by the Person Who Wants to Develop

Unless the development plan has complete commitment and buy-in from the individual, it is likely to become a file folder—just another tracking mechanism for Human Resources.

Without agreement and ownership, the probability that the plan will ever be followed is low. On the other hand, future leaders who helped create the plan will understand and accept the issues the plan deals with and will feel more responsible for taking the actions the plan spells out.

## Living Documents

A good development plan places the future leader in business situations that provide learning opportunities that address development needs. These opportunities cannot be experienced by reading a book or attending a seminar. Good development plans include a wide array of on-the-job experiences, task force assignments, “working with” assignments, and high visibility opportunities to try out new skills. Leadership development is about learning emotional limits, tolerance for risk and innovation, and ways to get beyond who you are and what you do well today. They are living documents because they have to be lived in order to work.

The best development plans are called “living” for another reason: They are dynamic, not static documents. They are “alive” and not made of stone. If new skill requirements are identified, if circumstances change, or if unplanned-for opportunities arise, a good development plan will be modified to acknowledge and take full advantage of the new situation.



### EXHIBIT 2

## Two Successful Uses of Full-Time Jobs to Develop Leadership

Several years ago, Pepsi-Cola Company implemented what was considered one of the world's best leadership-development programs. Pepsi regularly assessed future leaders using a customized list of “Pepsi Success Factors.” High-potential individuals were then rotated through a series of two-year assignments. Pepsi valued a success factor called “leadership impact.” This competency involved the ability to make an immediate and positive impact on others—a combination of self-confidence, communication, and presentation skills. High potentials who needed to develop this success factor spent time in Pepsi's New York headquarters. These stints were filled with high-visibility projects where individuals made numerous executive presentations, were exposed to senior management, received lots of personal feedback and coaching, and generally were “sized up under fire.”

Another organization known for its people-development programs is Citigroup. Citigroup's leadership-development strategy was closely linked to its long-term business strategy. The bank identified a group of high-potential future leaders and labeled them “corporate property.” Corporate headquarters orchestrated these men and women's careers. Citigroup made sure its future leaders progressed through jobs of increasing responsibility and complexity. It carefully arranged for younger high-potential managers to be stationed outside of their country of origin—when possible for four years and in two separate assignments—before they were in their early 40s. This aggressive use of full-time jobs to develop future leaders is why so many ex-Citigroup bankers run major financial institutions around the world.

## A Case in Point

The case of a general manager candidate with an explosive temper (call him Paul) illustrates how the characteristics of an effective leadership-development plan can come together.

Although Paul's outbursts had lessened over the years, they occasionally emerged during his quarterly business reviews with his boss. His boss and the COO believed Paul had great potential, but both were uncomfortable not knowing when (and whom) his temper might strike next. They were doubly concerned about the GM's temper because one of the company's espoused core values was respect for others, and Paul was not viewed as "walking the talk" when it came to this value.

To address this issue, Paul's manager, Lee, informed him about his strengths and weaknesses, they worked together to create a personal development plan, and the company hired an executive coach to work with him on his temper. As part of the development plan, Lee gave Paul short-term assignments that required him to be calm and statesmanlike. Lee provided Paul with regular reviews with personal feedback, and senior management was briefed about his development needs and his plan. The plan, and the coaching that went with it, had to be carefully balanced. Paul had significant strengths. He was intelligent, highly motivated, and had a strong record of turning around failing businesses. On the other hand, his temper threatened to undermine all of his positives. The development plan—combining increased levels of personal feedback, highly visible attention by his manager and by senior leadership, a meaningful array of stressful situations that required Paul to be level-headed, and an external coach—had the desired effect when put into action. Within 10 months, Paul demonstrated he had learned to manage his temper and avoided having his career derailed.

### Plans that Strongly Emphasize Coaching and Personal Feedback

Most individuals need someone to talk with about what they are doing, what is working, and what is not working. Good development plans should include one or more "sounding board" and coaching relationships. In our experience, one of the most powerful stimuli for leadership development is this kind of personal coaching.

Referring back to our real-world framework for development summarized in Exhibit 1, clearly one of the most critical aspects of a coaching relationship is awareness-building. Future leaders need to stay grounded in reality. They need someone to provide them with honest feedback. Unfortunately, as studies at the Center for Creative Leadership (Kirkland & Hart, 2001) have shown, the higher you progress up the management hierarchy, the less likely you are to receive candid feedback about your leadership style and its impact on others.

### Creating Good Plans: The Power of the Process

Creating good development plans requires time and effort, and high degrees of sensitivity and collaboration. Along with the right characteristics or

features, the process companies use to build development plans makes them work. In our experience, there are six process steps to follow:

1. *Start with the highest-potential future leaders.* While everyone can develop new skills, start building good development plans for a limited number of future leaders—those judged to have the highest potential. This will not only maximize the company's return on investment, it will make the entire development planning process more manageable.
2. *Use multiple assessment techniques.* Do not count on only the manager's assessment of a person's strengths and development needs. Utilize a wide range of data and assessment processes to zero in on the specific behaviors or attitudes that need to be improved or changed, including self-assessment, peer assessment, independent third-party assessment, and instrumented assessments. There are many useful assessment instruments, including customized 360-degree surveys, standardized personality tests, intellectual capability screens, and web-enabled tools. These instruments can analyze almost any imaginable attribute or skill. The challenge is not in collecting the data, or even in collecting the right data, it is pulling all of the



assessments together in a way that makes sense to the person being assessed.

3. *Feed back assessment results and discuss career paths.* A person's strengths and weaknesses should not be kept a secret. Results of the assessment should be shared with the individual. If multiple assessment techniques are used, it is even more important to give the person an opportunity to understand and accept the results. The best source of feedback and advice is the person's manager, assisted, if necessary, by a trained counselor. Feedback meetings must include a frank and candid discussion of the "so what" question. What are the person's career ambitions? Where does he/she want to go, and how fast does he/she expect to get there? What career options are available (today and in the foreseeable future)? These kinds of conversations are critically important and should precede and then become a part of each person's development plan.
4. *Collaboratively design six-month, one-year, and three-year development actions.* The future leader, his/her boss, and Human Resources all need to collaborate to create a series of development action steps and options that make sense to the company and to the individual. The plan should contain a few immediate actions, as well as intermediate and longer-term activities.
5. *Agree on a reconnect-reassess-and-re-plan timetable.* No matter how complete or sophisticated the original development plan turns out to be, it will have to change. Development is not predictable, and the future leader deserves and should expect regular "touch base" sessions with his/her manager. In some companies, development-planning timetables are integrated into a twice-yearly people review process.
6. *Be prepared to run interference for the future leader.* Development happens when future leaders are trying to do things they have never done before. Risks must be taken, but these risks must be mitigated and managed. Wise supervision of the implementation of a good development plan may involve running interference—creating an environment that is more accepting of mistakes, more understanding, and more supportive. The possibility of negative personal consequences is a large part of the learning process, but development should be more than an act of survival. Ongoing coaching, mentoring, and involvement

on the part of the boss will help ensure the success of a good plan.

## Leadership Accountability: Developing Future Leaders

We have left out one of the most important guidelines companies should follow to build powerful individual development plans: *Hold bosses accountable for the development of their direct reports.* Line managers must play an ongoing and central role in the leadership development process. Good leaders develop future leaders.

How can they do this? What are the most important day-to-day actions leaders can take to support leadership development and make good development plans work? We strongly recommend they go back to the basics outlined in Exhibit 1. The action implications of this approach are summarized in the following checklist of leadership "to do's."

### Leader Actions to Create Awareness

Building and maintaining awareness of the need for development is often the most important action a leader can take to develop the next generation of leaders. Potential leaders need to know how they are performing on the job and what their strengths and weaknesses are. No development-planning document can spell out all of the opportunities for awareness-building, so leaders must be proactive. The following seven actions each let a person know he/she "is not perfect" and needs to change and develop:

#### Creating Awareness of Job Performance

1. Provide objective feedback on performance (that is, feedback that is independent from subjective observation or comment).
2. Give personal positive performance feedback.
3. Give corrective performance feedback.
4. Arrange for the person to get confirming feedback—either from another credible person within the organization or from customers, vendors, or external sources.

#### Creating Awareness of Skills or Competencies

5. Give personal feedback on strengths and weaknesses and important skills that are in need of development.
6. Arrange for expert assessment of the person's strengths and weaknesses.
7. Arrange for other assessment opportunities (e.g., participating in a training program with feedback, a 360-degree assessment process).

## Leader Actions to Motivate Change

Often people are aware of the need to develop, but are not motivated to change. They have not answered the question: “Why should I change or learn new skills?” A good development plan will answer this question, but the boss must continually reinforce the message. The following five actions help to build a motivational fire under people:

1. Establish and communicate clear and measurable standards of what constitutes outstanding performance.
2. Establish and communicate clear criteria for promotion to a higher level job and career advancement in the organization.
3. Communicate how valuable he/she is to the company and the company’s performance expectations, including the consequences and career implications of poor performance.
4. Arrange for similar kinds of conversations with those in positions of higher authority or members of the HR function who might be perceived as having special expertise or an influence on the person’s career.
5. Provide significant financial and non-financial incentives to motivate the person to learn and develop new skills.

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## Leader Actions to Build New Skills

People who are aware and motivated still need to acquire new skills in order to grow and be successful. People learn new skills mostly by doing. They also learn by watching and working with people they respect. Such skill-building options should be spelled out in the development plan, but leaders can play a vital role in making the plan happen and ensuring the future leader gets as much learning as possible out of each developmental assignment. Based on our research on leadership, the following eight actions are effective ways to enhance a person’s skill-building experiences (see Stringer, 2002).

1. Provide personal coaching—focused on giving the future leader helpful tips or alternative ways of doing the work, including “how to” guidelines.
2. Arrange coaching from others—either inside or outside of the organization.
3. Have the future leader work with a role model—a person who possesses the skills

that need to be developed—and then periodically discuss what is being learned from the role model.

4. Arrange for the future leader to engage in new and different on-the-job experiences that do not involve a job change—such as task-force assignments, serving on a committee, or working on a “fix it” project. After each of these assignments, have the person describe what he/she thought was the most valuable aspect of the experience.
5. Have the person work on a project that requires a highly visible “deliverable”—one that will be evaluated and has clearly identifiable consequences—then sit down privately to go over what went well and what did not. Be absolutely candid in your assessment.
6. Proactively work to move the person to a new job that is clearly outside of his or her comfort zone—one that is a significant stretch. Meet two or three times with the person during the initial 90 days on the new job. Be a sounding board. Provide practical advice and counsel during the transition to reinforce the value of learning new skills and meeting new challenges.
7. Arrange for the future leader to attend internal or external training.
8. Be a friend. Whenever you become aware the future leader is under stress or going through a personal hardship experience—either on or off the job—be a source of stability and wisdom. Help the person put his/her experiences in perspective. Offer occasional advice, but, more importantly, offer your friendship.

The best way to ensure the success of a company is to invest in its future leaders by developing the skills and attitudes of people who have leadership potential. There are hundreds of actions a conscientious leader might take to develop the next generation of leaders. Start by building a few good individual development plans. The focus on individual plan-building, rather than dramatic or expensive development programs or company-wide initiatives, will make the task of leadership development more manageable and rewarding. If these plans are supported by enlightened line and staff management, we guarantee they will produce results.

## Biographical Sketches

**Robert A. Stringer** is a partner with Mercer Delta Consulting, LLC, and a member of the firm's leadership capabilities group. He is the former president of Sherbrooke Associates, Inc., a consulting firm that provided strategic planning and executive development services. And previously as senior vice president of Harbridge House, Inc. and of The Forum Corporation, he was responsible for the design, development, marketing, and delivery of management and leadership development programs and services.

Bob has extensive experience in the design and implementation of management development programs in the United States and abroad.

As a principal of Louis A. Allen Associates, he supervised development contracts with major U.S. corporations and financial institutions.

He was also on the faculty of the Harvard Graduate School of Business Administration. Bob has co-authored four books: *Motivation and Organizational Climate* with George H. Litwin, *Men in Management* with J.B. Kassarjian, *Strategy Traps and How to Avoid Them* with Joel Uchenick and *Leadership and Organizational Climate*.

He received a bachelor's degree (with honors) from Harvard College and an MBA (with distinction) from Harvard Business School.

**Randall S. Cheloha, PhD**, is a partner at Mercer Delta Consulting, LLC, a management consulting firm. He works in the leadership capabilities practice, where he consults on leadership development and organization development. He is experienced in executive assessment, succession planning, and coaching. He has worked extensively during his 15+-year career with a number of CEOs, board directors, and senior HR professionals on CEO succession.

Randy's clients have included Aeromexico, American Electric Power, Best Buy, Carey International, Dover, HON Industries, International Paper, Marsh & McLennan, McCormick Spice, Nebraska Public Power, Pep Boys, Progress Energy, SAP America, Siemens Medical, Unisys, and Xerox. He has delivered workshops and presentations on leadership development and succession planning for national audiences at HR and industry conferences. He has published articles on leadership development, job satisfaction, and CEO succession planning.

Randy holds an MS in industrial/organizational psychology from Pennsylvania State University and a PhD in clinical psychology from the University of North Dakota. He is a licensed psychologist in Pennsylvania, Maryland, and Connecticut.

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