advantage management consulting

Premier Survey

Leadership Development Priorities
of
CEOs in the Okanagan

Survey conducted by *advantage* **management** consulting
Interviews conducted by Gil Davidson

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Focus of Survey:

The purpose of the survey is to understand how CEO's view the development of leaders in their organisations. It specifically looks at their approach towards the development of their organisation's pool of key leadership talent.

It exclusively covers Okanagan based organisations.

While we look broadly at all leadership development, the main focus is on the approach toward the development of *senior* leadership.

Only organisational heads were interviewed and the results reflect *their* perspective and priorities on the issue. The heads of the organisations interviewed carry various titles (such as CAO, MD, President, etc.), however, for our purposes, we are using CEO as a universal title for any organisational head interviewed.

Seven questions were asked and the results have been divided into 3 main themes.

Theme 1:
Value placed on Leadership Development & Methods of Delivery

Without exception, every CEO interviewed sees **the development of their leaders as critical to the success of their organisation**. All are intentionally engaged in developing their key players. Their approaches, however, differ.

Figure 1: Formalisation of LD

Corporate Leadership
Development Methodology
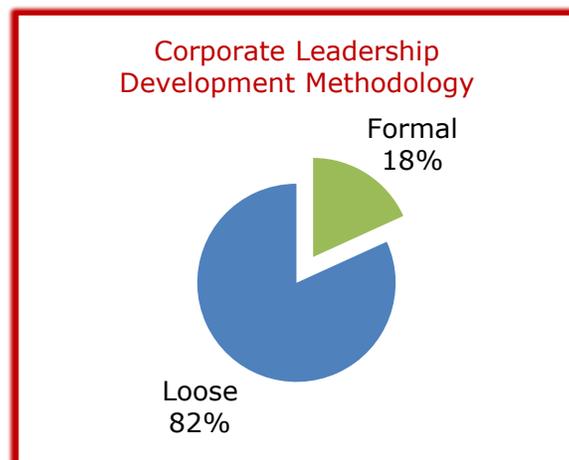
Formal
18%

Loose
82%

As can be seen from Figure 1 above, only 18% of the organisations have a strategic, formalised process for how they develop their leaders.

The 82% with a loose approach are also intentional, however, the consistency of their investment varies year-by-year and/or by individual.

How the focus is determined also varies, with one third currently working on further defining their process, one third having an existing strategic overview that provides focus and the last third adopting a 'gut feel' methodology without defined, strategic parameters for determining the focus of their development.

Question 1:
How are you currently investing in your key people?
There is a noticeable trend moving from relying heavily on external workshops towards using occasional external courses and conferences to supplement in-house, customised processes.

Investing in key leaders is seen, by all, as **broader than training and development**, and includes cognisance of salary, fit, relational and values connection.

Internal processes include:
1. Importance of Leadership Development   100.0%
2. Customised development,   100.0%
   based on business & individual need
3. A *broader than training* approach to development   100.0%
4. Use of external coaches   72.7%
5. Extensive use of experiences/projects beyond current scope   63.6%
6. Extensive use of peer learning & internal mentors,   54.5%
   (*some include use of internal coaches*)

Figure 2: Current forms of Investment
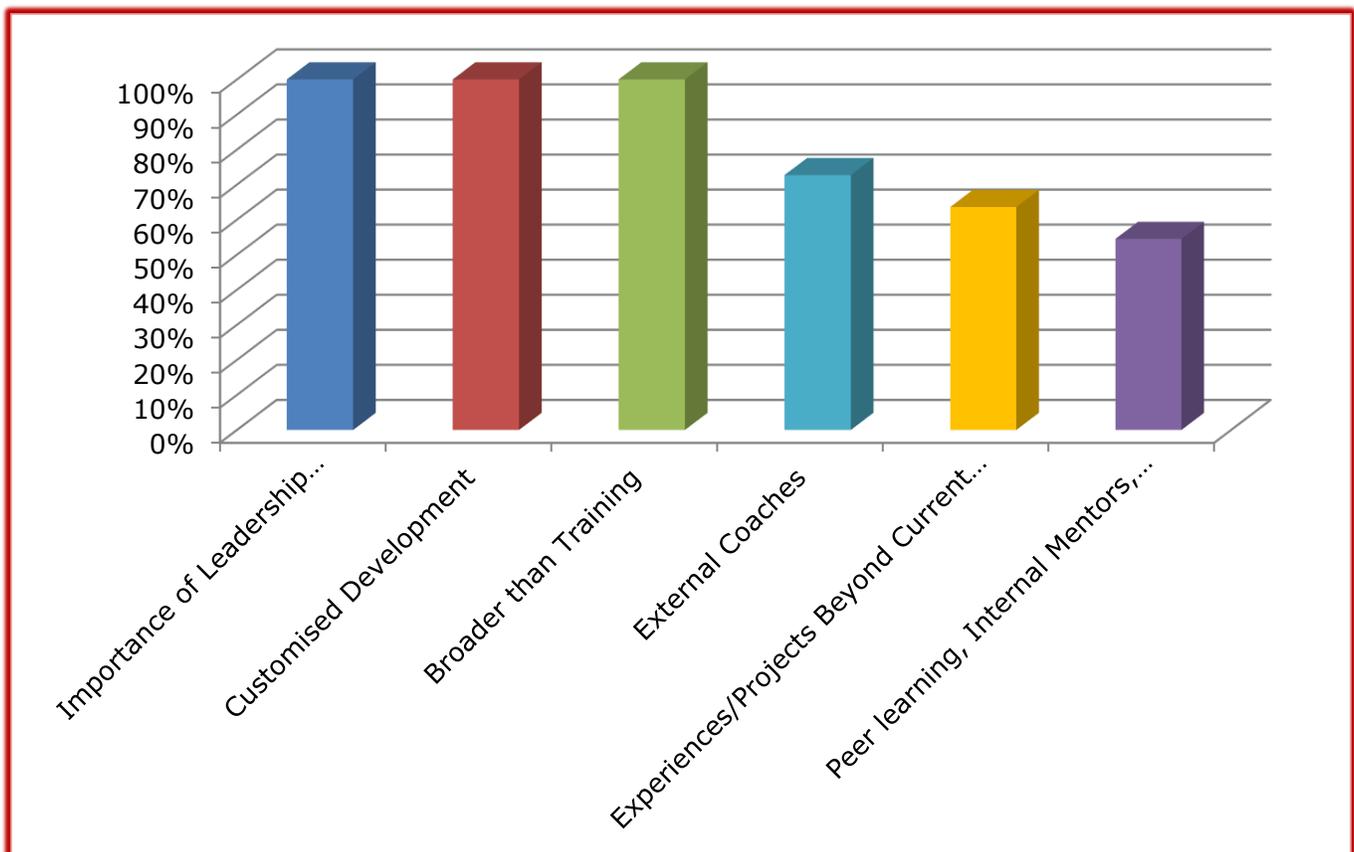
The importance of *learning-relationships* was clearly articulated by all CEOs. However, very different levels of structure and training were present to support the mentor, manager or peer investing in developing the leader - ranging from none to accredited coaching training.

External coaches are currently being used by 72.7% of the organisations. 90.9% have used external coaches in the past. The two reasons for the decline in the current use of external coaches are:

1. funds *and/or*
2. a greater use of internal coaches (trained and not trained)

Extensive use of experiences and/or projects beyond current scope together with customised development planning were widely used as a primary development tool at the senior levels.

Theme 2:
The role of relationship in development and connection

At the senior level, relationship with the CEO and fit with organisational mission and values were named as the most important factors that keep key people engaged and growing.

A **strong theme**, present in all the interviews, emerged around the *importance* **of** and *reliance* **on** the **relationship** between key people, the organisation, their peers and the CEO.

Question 2:
What keeps your key people loyal and engaged?
1. Belonging/part of a team   90.90%
2. Fit – Values, Vision, Culture   72.70%
3. Interesting & challenging work   63.60%
4. Ability to influence   54.50%
5. Meaningful work   54.50%
6. Sense of ownership   36.40%
7. Acknowledgement   27.30%

Figure 3: Loyalty and Engagement Factors
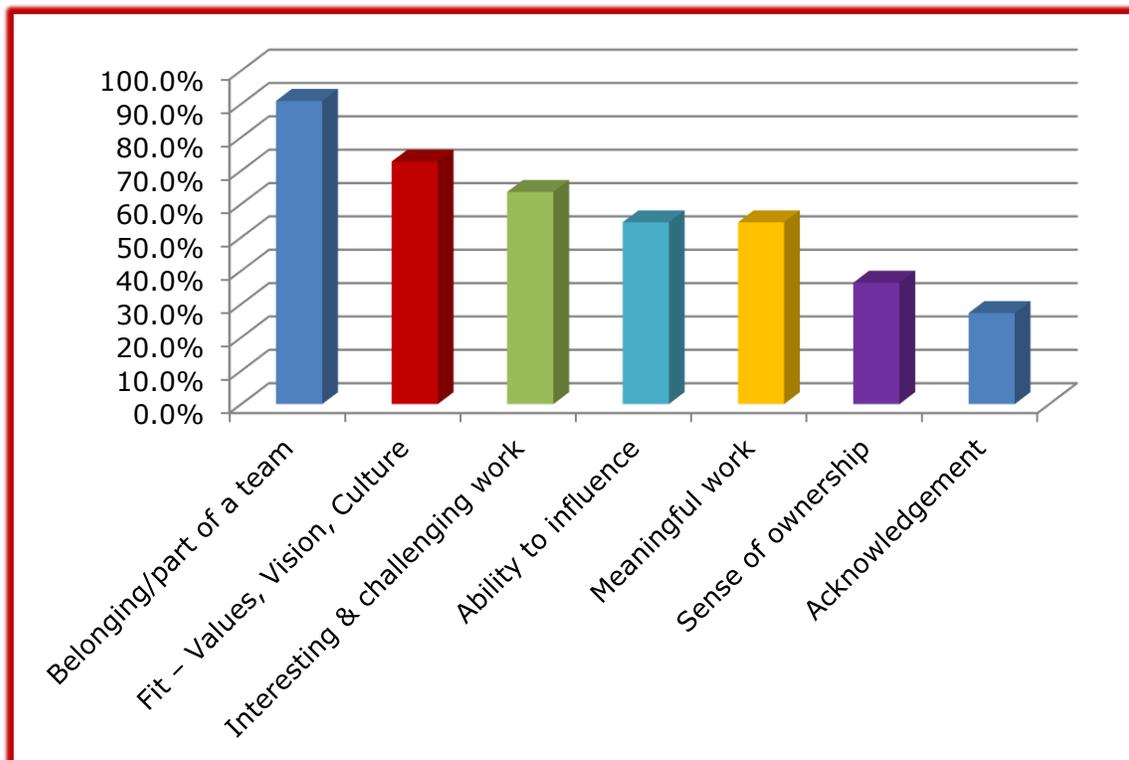
As would be expected, many of the factors that keep people loyal & engaged are the same as the factors that connect them to the organisation. However there are some differences. The most notable difference is the positioning of the importance of relationship. Relationships and a sense of belonging trump all other factors connecting them to the organisation when it comes to loyalty and engagement. Alignment or fit, interesting work (work that taps into their creativity) and ability to influence are also very important.

Question 3:
What connects them to the organisation?
1. Company vision & values   63.6%
2. Social impact of company   63.6%
3. Interesting, meaningful work   54.5%
4. Relationship with peers and others in company   54.5%
5. Relationship with CEO   45.5%
6. Clear connection with how they make a difference   36.4%
   and how they fit in the company
7. Opportunity to influence – internal and external impact   27.3%
8. Pay relative to local market   18.2%

Figure 4: Importance in Creating Connection to Organisation
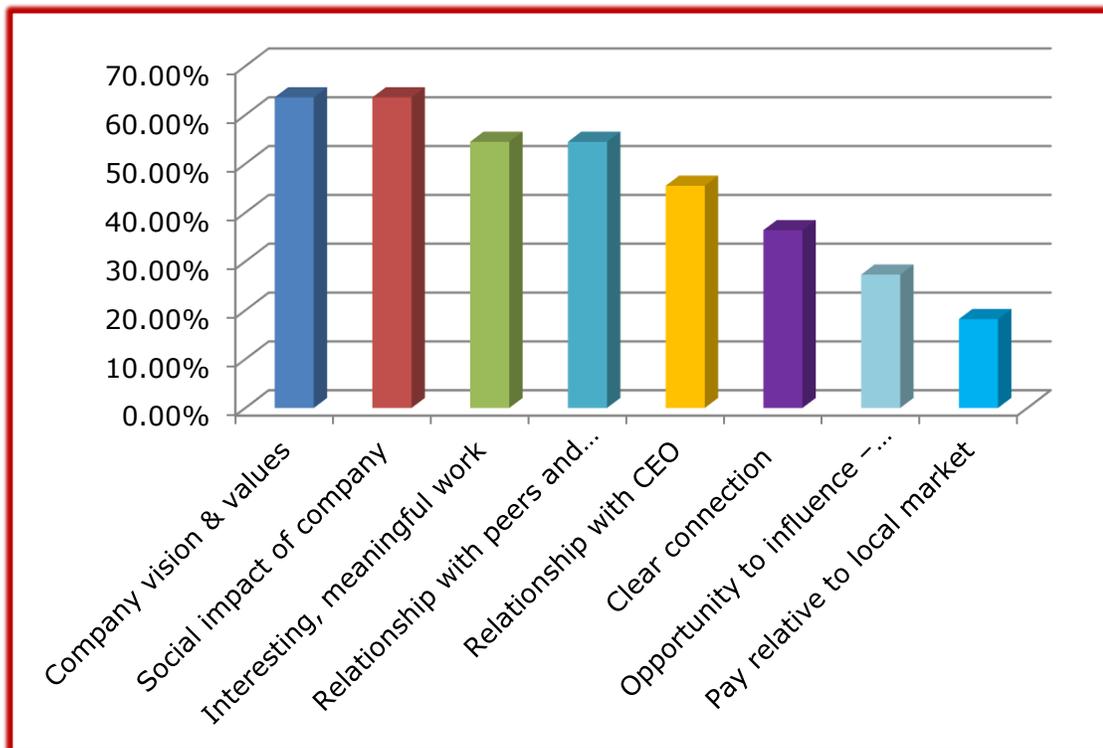
Alignment of personal and organisational vision and values, together with interesting, meaningful work and social impact – the top three factors - are all *purpose* related. They cannot be significantly influenced, but rather it points to the importance of recruiting for alignment of values and purpose. It also highlights how important it is that leaders regularly highlight the connections between the work, its impact and peoples' values.

What is also notable is that, while pay is one of the top eight factors, it is only number eight and not the most important factor in creating connection or retention.

Figure 5: Factors that Increase Connection with Organisation

Question 4:
What would increase their connection with the organisation?
1. Fit – values and strength based   36.4%
2. Connection between individual and organisational purpose   36.4%
   – linking their influence/impact on outcome
3. Stronger connection to community & social impact   27.3%
4. Greater recognition   18.2%

Figure 5: Factors that Increase Connection with Organisation
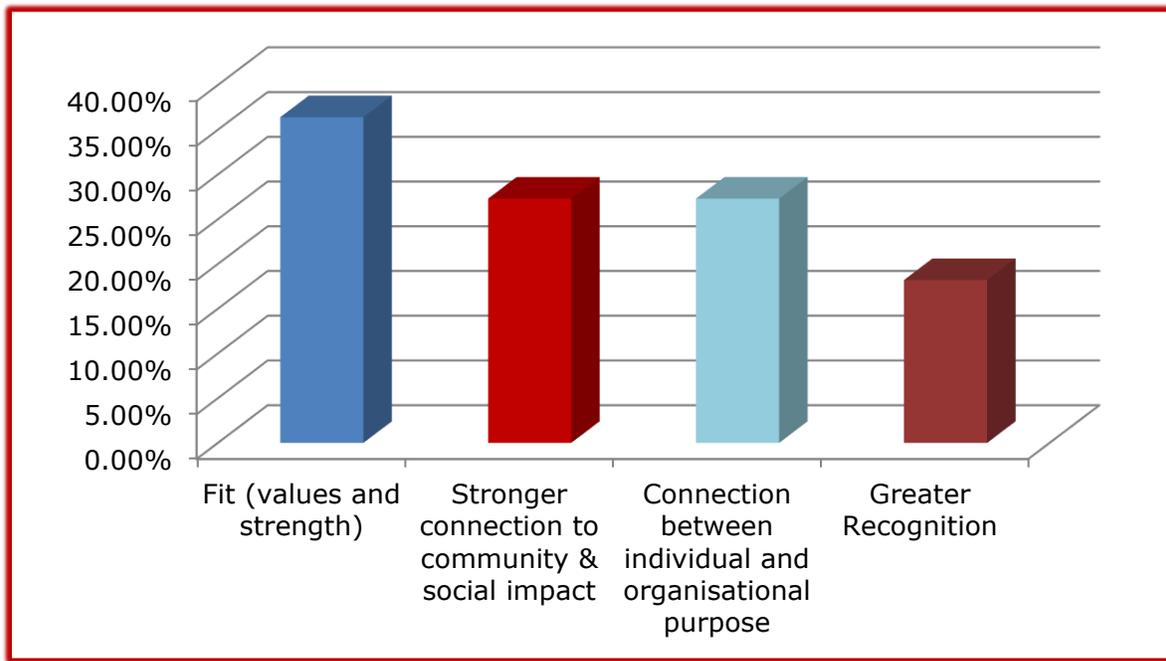
The factors mentioned here were many and varied, however, Figure 5 shows the main factors that CEOs believe are important to pay attention to. This again highlights the importance of alignment of values and core purpose in what motivate employees.

Other factors mentioned include; greater room for advancement, greater influence, equipping leaders to be resilient and flexible, fun, stronger connection with organisation's core purpose, greater stability in political priorities/environment, unified culture across geography/divisions - one identity and expanding coaching to support broader life purpose.
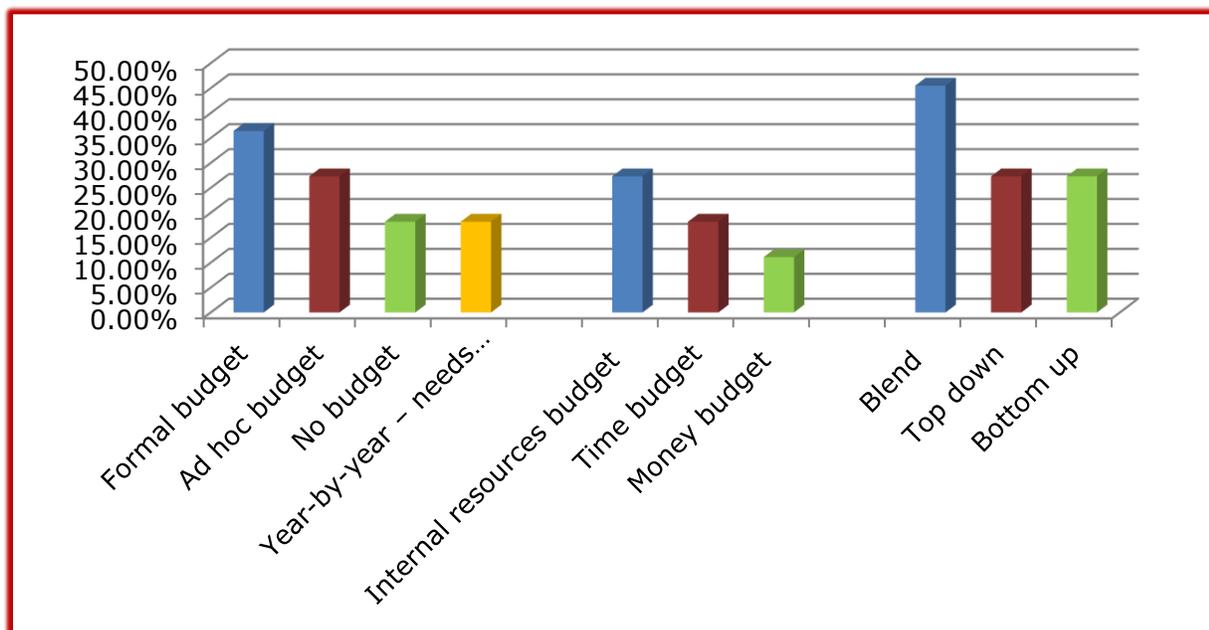
Theme 3: How development is decided

How is your development budget determined and allocated?

Formal budget	36.4%
Ad hoc budget	27.3%
No budget	18.2%
Year-by-year (needs based)	18.2%
Money budget	11.1%
Time budget	18.2%
Internal resources budget	44.4%
Top down	27.3%
Bottom up	27.3%
Blend (most)	45.4%

Figure 6: Approach to Budget Determination and Allocation

As can be seen in Figure 6, there is no real consistency in how budgets are determined or allocated.

The trends that were highlighted are:

- Allocating a **time budget** of internal resources, specialised HR resources as well as mentors and peer-learning groups and internal coaches. (Two organisations specifically identify a percentage of each leader's time they expect to be made available for *relational-development* and hold them accountable to it.)
- Greater **customisation** of budget spent with individuals given more scope to define their need, with less than one third of the organisations adopting a strictly top-down approach.

Due to significant overlap in the answers to Question 6 & 7, they have been combined.

Question 6:
What are next steps for your key leaders' individual development?

Question 7:
What specific skills/expertise do they need to develop for the next level of their responsibility?

Business development skills	27.3%
Communication skills	27.3%
EI (Emotional Intelligence)	36.4%
(Interpersonal skills/Self-managing)	
Humility	18.2%
Strategic thinking	18.2%
Corporate thinking	36.4%
Finance Management	27.3%
Leadership	63.6%
Project Management	18.2%
Decision Making	18.2%

Figure 7: Priority of Specific Development Needs Most Identified
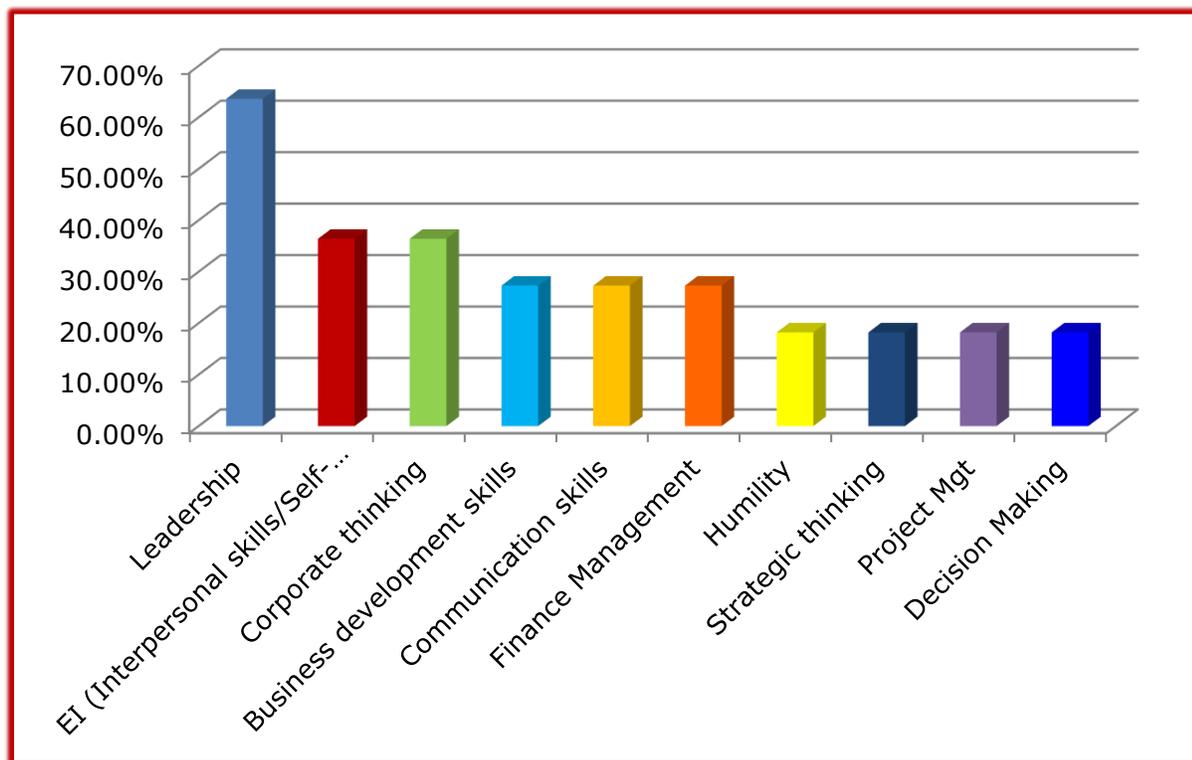
We were not surprised to find that only two of the most identified development needs for leaders are technical skills (Finance Management & Project Management). The balance (*eight of the top ten*) are what is traditionally called 'softer' skills. If leadership is both an *art* and a *science*, they are the *art* of leadership.

The top three development focuses (Leadership, EI and Corporate Thinking) are particularly multifaceted and complex, requiring longer periods of intentional, relational investment and practice to develop.

These skills are unlikely to be learned at a course, but rather through apprenticeship, mentoring, *stretch*-projects, peer-coaching and executive coaching. To excel in any of these skills requires a clear understanding of self, others and context. To learn them requires a particularised, relational approach. The shift, identified earlier, away from courses and towards a relational approach to learning, shows recognition by the CEOs of the need for a relational approach.

What has surprised us is that, in spite of the clear emphasis on *relational-learning*, only one of the organisations interviewed provides training for the mentors, sponsors, managers and peer coaches on how to set up effective peer learning or how to be an effective coach or mentor.

Summary and Comment:

We are encouraged by the level of awareness, of *all* CEOs interviewed, around the importance of investing in their key leaders. Ironically, in spite of understanding the importance of investing in their key leaders, many felt a reluctance to invest in themselves. As in the aeroplane safety video, we encourage them to give themselves permission to 'put the oxygen mask on themselves first so they are better able to help others'.

The clear understanding of the importance of alignment of purpose, values and fit appears to be working itself out in the customised approach to development, especially at the senior levels.

We see executive coaching as a very powerful tool for the type of complex, customised learning required to develop the 'art side' of leadership. Extensive use of executive coaching shows that CEOs agree and are tapping into it for their key leaders and, in some cases, themselves as well.

Our experience also substantiates the value of the internal forms of relational-learning (such as; coaching as a management tool, mentoring, peer-learning groups and peer coaching) we see taking root in the organisations interviewed. It is encouraging to see the growing use of these strategies. However, without properly equipping the internal peer coaches, mentors and peer learning facilitators, there is a danger that their effectiveness will be limited. Experience has shown that untrained coaches and mentors can result in a negative impact.

We strongly recommend that relational-learning methodologies are enhanced by providing mentors, peer facilitators and managers with relevant training. The training may be from an in-house or an external source, as long as those providing the training are equipped to do so. We have a range of excellent tools to support these internal processes we can share with you if you don't already have a *train the trainer* process in place.

Another validation of our thinking, that was pleasantly surprising, is how clearly CEOs stated the critical importance of paying attention to; alignment of purpose, opportunity to contribute creativity (influence), connection and belonging. We are currently developing a unique leadership development program that describes these very dynamics as *inalienable forces for leaders to pay attention to*. Paying attention to the *inalienable forces* (the force 'To Purpose', 'To Create' and 'To Belong' plus 3 more), and how they shape things, is at the heart of the development program. The program's goal is to build leaders' capacity to make *decisions in ambiguity* and to become more *organisationally agile*. Your input reinforces that we are on the right track.

A core motivation for this survey was to see if our development approach and the services we offer are in-line with the priorities of the Okanagan's mid to large organisations. The results validate what we see as important and have helped us refine where we put our energies. This has been very valuable for us and we thank you for your time and insight. We trust that these survey results, and the interview itself, have added value to you as well.

In summary, we have an "over-time" approach to developing leaders that incorporates reading, reflection, relational learning (such as peer discussion, executive coaching, mentors, sponsors), workshops and project learning. We also have a philosophy of building components to the learning process that draw on resources internal to the organisation and extend beyond our involvement with a program. The survey clearly tells us that we are on the right track.

Participating Organisations:

We are pleased with the sample of organisations we were able to interview, especially with this being our first survey of "Leadership Development Priorities of CEOs in the Okanagan".

The organisations that participated came from the public and private sector, for-profit and not-for-profit.

We thank them for the gift of their time and openness in sharing their priorities. The information has been both encouraging and enlightening.