

Copyright © 1999, Linkage, Inc.

Do not share or reproduce this document without prior consent of Linkage, Inc.

---



# **Best Practices in Leadership Development Handbook**

**Case Studies • Instruments • Training**

---

*Foreword by Warren Bennis*

**EDITORS  
DAVID GIBER • LOUIS CARTER  
MARSHALL GOLDSMITH**

**Published by Linkage Press**

Copyright © 1999, Linkage, Inc.

Do not share or reproduce this document without prior consent of Linkage, Inc.

Copyright © 1999, Linkage, Inc.

Linkage, Inc., is a leading provider of organizational development and corporate education programs, services, and products designed to improve the efficiency, effectiveness, and productivity of individual employees and organizations. High-quality programs are developed to address specific organizational development topics, such as leadership development, team development, and coaching. More than 9,000 individuals, including employees of 80 of the Fortune 100 companies have attended these programs. Linkage's consulting services assist customers in evaluating and implementing individual and organizational performance improvement, often using tools, techniques, and methodologies introduced in its programs. Linkage, Inc., also offers stand-alone products such as tools and methodologies, assessment instruments, and publications that are typically derived from or complement its products and services.

# Table of Contents

---

## **PART ONE: INTRODUCTION**

ACKNOWLEDGMENTS .....	vii
ABOUT THIS BOOK .....	ix
HOW TO USE THIS BOOK .....	x
FOREWORD BY WARREN BENNIS .....	xi

## **PART TWO: LEADERSHIP DEVELOPMENT CASE STUDIES**

I. ABBOTT LABORATORIES .....	3
II. ALLIEDSIGNAL .....	39
III. ARMY MANAGEMENT STAFF COLLEGE .....	67
IV. BARCLAYS GLOBAL INVESTORS (BGI).....	105
V. THE BOSE CORPORATION .....	135
VI. BP AMOCO .....	161
VII. COLGATE-PALMOLIVE.....	181
VIII. GUNDERSEN LUTHERAN HOSPITAL .....	215
IX. IMASCO LIMITED .....	241
X. THE MATHWORKS .....	261
XI. THE MITRE CORPORATION .....	281
XII. MOTOROLA .....	313
XIII. PECO ENERGY.....	353
XIV. SIAC.....	371
XV. SMITHKLINE BEECHAM.....	397

## **PART THREE: CONCLUSION**

LEADERSHIP DEVELOPMENT TRENDS AND FINDINGS .....	427
LEADERSHIP RESOURCES.....	434



# **Part One: Introduction**

---



## Acknowledgments

---

### Linkage Team

---

David Giber  
Derek Smith  
Jonathan Lehrich  
Lori Hart  
Louis Carter  
Lynda Davey  
Melissa McLaughlin  
Susan Brady  
Taavo Godtfredsen

### Contributors

---

Alan and Deborah Slobodnik  
Antonia Pennisi  
Brian Anderson  
Bridgit Courey  
Candy Albertsson  
Cheryl Lazzaro  
David Giber  
Donna McNamara  
Elizabeth Haight  
Jay Conger  
Jean Patton  
John Ferrie  
June Abramson  
Lou Manzi  
Margaret Latif  
Marguerite J. Foxon  
Michelle Fellenz  
Mimi O'Donnell  
Pat Hurton  
Pat Sabine





## About This Book

---

The principal goal of this book is to provide you with a world-class cookbook of the best ingredients that go into successful leadership development programs. Through a case study approach, this book provides practical, easy-to-apply tools, instruments, training, and competency models that can be used as benchmarks for the successful implementation of a leadership development program.

Within each case study, you will learn how to:

- Analyze the Need for Leadership Development
- Build a Business Case for Leadership Development
- Determine the Competencies for Leadership
- Identify the Audience for Leadership Development
- Design the Leadership Development Program
- Implement the Design
- Evaluate the Effectiveness of the Initiative

# How to Use This Book

---

## **Direct Application**

Because this book contains actual forms, guides, training, competency models, and methodologies for implementing a leadership development initiative, you can immediately apply many of its parts directly to your job. Many of the evaluation forms, reference guides, and training exercises can be easily implemented and customized to fit your specific organizational needs.

## **Master's Degree or Executive Workshops and Seminars**

This book is ideal for a workshop or seminar on designing, implementing, and evaluating a leadership development system. The case studies can be used as actual examples of leadership development systems. For more information on Linkage on-site or public workshops on Leadership Development Systems, or to purchase a Leadership Development participant guide, contact Linkage Customer Service at 860-862-3157.

## **On-line or Virtual Team Learning**

This book can be shared with members of teams or students across long distances, who are not able to attend.

## **Getting the most from this book**

1. Read over the Introduction to get a feel for the book's landscape.
2. Skim over the table of contents for each chapter, mining for information on the types of leadership development initiatives, key features in each program, competency models, strategic objectives of programs, critical success factors, and evaluation methods.
3. Examine all of the exhibits.
4. Go back and choose specific case studies and read them over carefully
5. Work with a team of people and develop a list of the components in a few case studies that fit your organization and components that don't fit your organization.

## Foreword by Warren Bennis

---

Over the past few years, there has been an explosion of interest in leadership development. Companies have recognized the shortage of talented managers, the importance of building their bench strength, and the need to widen perspectives in order to compete globally. In 1998, Linkage, Inc., and I collaborated in completing a study of over 350 companies involved with leadership development. We found that:

- Nearly all respondents recognize the need to create internal bench strength, yet less than 44% have a formal process for nominating or developing high-potential employees.
- Companies that do successfully build their high-potential employees use structured leadership development systems.
- The programs that make a difference include some or all of three critical components: formal training, 360° feedback, and most importantly, exposure to senior executives including mentoring programs.

The programs shared many of the key features or components shown in the diagram on the next page. The different combinations of these components formed the critical ingredients for unique success in each organization.

**Most Impactful Key Features of Leadership Development Programs of Eight Major Manufacturing and Pharmaceutical Firms**  
*(by key feature in order of impact)*

1. Action Learning
2. Cross Functional Rotations
3. 360° Feedback
4. Exposure to Senior Executives
5. External Coaching
6. Global Rotations
7. Exposure to Strategic Agenda
8. Formal Mentoring
9. Informal Mentoring
10. Internal Case Studies
11. Executive MBA
12. Accelerated Promotion
13. Conferences

**Listing of Best Practice Case Studies,  
 by company, industry, # of employees, and gross revenue**

Company	Industry	# of Employees	Gross Revenue
Abbott Labs	Healthcare/Pharm.	20,000+	\$10B+
AMSC	Government	<250	N/A
Allied Signal	Aerospace/Chemicals	20,000+	\$10B+
BGI	Institutional Investments	501–2,500	\$10B+
Bose	Consumer Electronics	2,501–7,500	\$1B–\$10B
BP Amoco	Chemicals/Petroleum	20,000+	\$10B+
Colgate-Palmolive	Consumer Goods	20,001+	\$1B–\$10B
Gundersen Lutheran	Healthcare	2,501–7,500	\$251–500M
Imasco	Consumer Products and Services	20,000+	\$1B–10B
MathWorks	Software	501–2,500	N/A
Mitre Corporation	Federally funded R&D	2,501–7,500	\$251–500M
Motorola	Electronics	20,000+	\$10B+
PECO Energy	Utilities	2,501–7,500	\$1B–10B
SIAC	IT	501–2,500	\$251–500M
SmithKline Beecham	Healthcare/Pharm.	20,000+	\$10B+

## **Major Findings**

This year we talked to many of these companies to compile this book, and asked them to share the approaches, tools, and specific methods that made their programs successful. We wanted to obtain stories from a variety of industries and to include firms that ranged in size, age, and where they were in the business cycle. Perhaps more importantly, we chose companies that have succeeded in developing a “teachable point of view” (Tichy, *The Leadership Engine*, 1997) on leadership. These are the companies where leaders are “made,” though integrated, multi-mode programs that include the following features.

### ***Leadership Competency Model***

Almost all of these programs have an explicit leadership model, usually using behavioral competencies. These range from Smith Kline Beecham’s 21 competencies to the nine or fewer factors favored by Barclays Global Investors, SIAC, BP Amoco, Allied Signal, and others. Bose has three sets of leadership competency models for first line, middle, and senior management levels. These models frequently form the basis for 360° assessments, and often provide a focus to the flow of the program itself.

### ***Management Support***

The multilevel support of the program was critical. In fact, 100% of the case studies in this book stated that the support and involvement of senior management was critical to the success of the overall leadership development initiative. The CEOs at Bose, Barclays Global Investors, and Allied Signal endorsed their programs and others such as PECO Energy created explicit Management Development Committees. Successful programs were able to get their senior managers to act as “program faculty” and to actively participate in 360° assessment and feedback.

### ***More Than Just Training***

Virtually all of the leadership development efforts we examined took a systems approach, going beyond training to build skills through rotations, coaching and mentoring, and on-the-job training. The sponsors and developers took specific steps to ensure that educational components of the leadership system were reinforced and that the learning was transferred to on-the-job use.

### ***Action Learning***

Action learning has emerged as the “hottest” approach in the leadership field. Case studies from Motorola, Imasco, Colgate-Palmolive, and others highlight this dynamic approach. These companies, as well as others in the Bennis-Linkage leadership development study, have found that the fastest and most lasting learning is produced when people are engaged in finding real solutions to real problems.

### ***A Learning Community***

The best of these programs, such as Colgate-Palmolive’s, build learning communities by training and enlisting graduates and company senior management as instructors and faculty.

## **A Leadership “Typology”**

As we began to review the case studies for this book, we thought about whether various leadership programs fit into a range or category. While a typology may enforce too narrow a set of characteristics for describing these programs, it seems to us that they can be differentiated by the focus chosen by the program sponsors and designers that directly led to the impact achieved. The major choice in designing a leadership program was whether to emphasize the individual, the team, or the organization and its strategy. Development professionals, who flexibly used the elements of the leadership system in ways that considered their relation to the organization’s challenges, culture, and maturity as a business, achieved the best impacts. They viewed leadership development as a strategic intervention and built a foundation from which to use their program to drive change.

The companies in this book present a grand tour of today’s corporate issues, which they chose to address through leadership development programs and systems. It is instructive to examine the recurring and particular areas on which they focused. These included:

### ***Globalization***

The challenge of managing globally is a focus of many of the programs. Not only are the participants recruited internationally, but the action learning projects and case studies drive right to the heart of the difficulties of global leadership. Barclays Global Investors, Colgate-Palmolive, BP Amoco, and others provide outstanding examples.

### ***Competition***

Abbott Labs uses their leadership program to create knowledge of the company’s current strengths. Imasco emphasizes the customer’s viewpoint and experience. Both aim to enhance strategic thinking and perspectives while building a competitive, customer-oriented perspective.

### ***Leadership Behaviors***

The programs in this book make trade-offs between their emphasis on the individual, the team, and the organization. Even if they begin at the same place, the equation is balanced differently. Many of the authors provide specific rationales for why they adopted certain learning approaches and chose to emphasize particular experiences over others.

While most of the programs put some focus on building an understanding of strategy, for some, the driving force is achieving measurable progress on a strategic issue through action learning teams. Here the leadership development issue is achieving organizational impacts. The basic assumption is that leaders learn by tackling real problems. These organizationally focused programs, like Motorola’s GOLD program, achieved organizational breakthroughs and built strong teamwork. They build credibility for the leadership effort by tying it to tangible business problem solving and innovation.

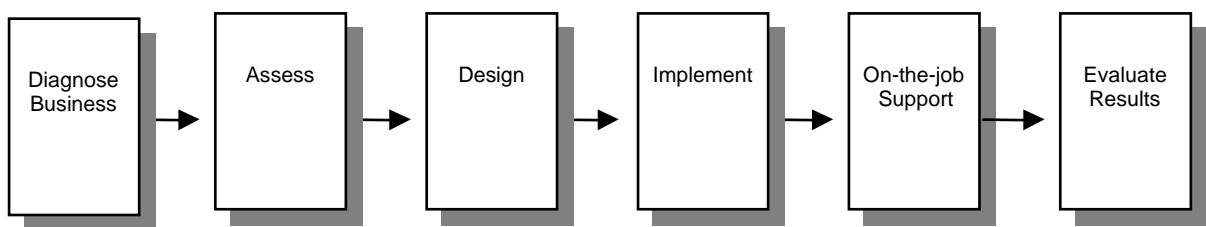
While almost all of these benchmark programs include an assessment process, several put a major emphasis on personal insight and change as a component of developing leaders. Programs like PECO's offer transformational learning experiences that alter individual styles, behaviors, and effectiveness. Certain programs like the Army Management Staff College's target specific leadership skills and behaviors that may close a critical gap or open up a new capability. Other programs invest more time and energy into building teamwork and team leadership and emphasize this aspect of leadership work over self-discovery. Gundersen Lutheran Hospital's learning teams are a wonderful example of creating teamwork that facilitates and supports individual learning and growth.

The key elements of the leadership systems are often the same. The difference may be in whether individuals, teams, or organizational change efforts are seen as the best vehicle for carrying the dual burden of driving learning and facilitating organizational change.

## A Leadership Development Approach

We have defined a six-phase approach to leadership development, which may be seen in most of the case studies in this book. The phases are listed below:

1. Business Diagnosis
2. Assessment
3. Program Design
4. Implementation
5. On-the-job Support
6. Evaluation



### *Phase One*

The first phase is usually a diagnostic step in which the business drivers and rationale for creating a leadership system are identified. Critical to this stage is creating consensus and a sense of urgency regarding the need for leadership development. A future vision that is supported by management is key. All of the leadership systems have some model as a focal point for their work. The best of these models capture the imagination and aspirations of the organization and its leaders. Designing the leadership system also leads to strategic questions. As taken from the Abbott Labs example:

- What are the company’s current strengths to be leveraged for future success?
- What are the “gaps” that must be bridged to avoid difficulty?
- What new skills or competencies are needed to achieve the intent of new strategy?

As Don Kraft of Abbott also points out, the program design must also consider “career transition” skills or needs. Where are individuals making difficult leadership transitions (e.g., from functional to general management) and what is happening during those transitions? A well-thought-out diagnostic phase is usually connected to an evaluation of the desired business impacts in Phase Six.

### ***Phase Two***

Assessment is also a commonly shared element. Clearly, our industries have taken to heart the idea that leaders need to know themselves “from the inside out” (Cashman, *Leadership from the Inside Out*, 1998). Assessments are delivered to both individuals and to teams, resulting in development plans and actions. Assessment has become a norm for business—the question is how we use the assessment to drive change in our businesses and ourselves. Individual coaching often accompanies this assessment. This coaching has been extremely successful for such firms as SIAC, PECO, and others.

### ***Phase Three***

Phase Three is program design. These outstanding programs have several unique elements, which deserve noting.

- Colgate-Palmolive uses a learning journal to help its participants capture the immediate application of their learnings, especially in dealing with client accounts.
- Assessment centers and simulations have made a comeback at such companies as PECO, BP Amoco, and Abbott Labs. These assessment centers use highly interactive simulations. These simulations help participants experience the leadership dilemmas of the next level.
- The Army builds a perspective on leadership while simultaneously teaching about key aspects of how the Army manages, operates, and deploys its resources. The Army also has participants choose class leaders, further formalizing the role of leaders in the session.
- Several programs work hard to build in customer perspectives. Barclays Global Investors reports two unique prework assignments, including completing two “client audits” to determine their client’s overall satisfaction and how they can help their client meet his or her goals. Imasco actually visits their operating companies to “field test” both customer and employee issues. Imasco participants truly see strategy in action.



- A few of the programs have a unique emphasis on building a sense of community, both internally in the company and externally in the world outside. Abbott Labs began with providing basic physical labor at a community agency. They evolved these community service projects to allow greater interaction with agency staff and clients building to a social event (baseball game, picnic, etc.) by the third encounter. This stretching of the community projects turns it into a genuine opportunity to experience diversity and cultural differences.

#### ***Phase Four***

The fourth phase is program implementation. In several outstanding leadership systems this includes creating action learning teams which tackle significant business problems and projects. This is the second biggest trend in leadership development after assessment and coaching. The popularity of action learning raises the issue of whether leadership development programs can become too tactical if they are attached to specific projects. These top programs leverage action learning, using it to build insights and provide a growth challenge in themselves. Programs must answer such questions as:

- What is a “doable” project that still expands thinking?
- How do we set senior management’s expectations for the business value that the learning will produce?
- How do action teams stay together as “learning groups” over time?

Many programs have outstanding structures for learning teams; MathWorks, The Mitre Corporation, Gundersen Lutheran, Imasco, and Motorola are true standouts.

#### ***Phase Five***

These benchmark programs reach beyond the classroom and provide on-the-job reinforcement and support. Work in this phase defines the follow-up support that determines whether the learnings of the program will generalize and transfer to the job. In several of the programs, the support system outside of training is one of the most salient elements of the leadership system. Allied Signal and Smith Kline Beecham have successfully built multisource feedback into their performance and career progression systems. The Army and SIAC map their management curriculums based on the leadership models and assessments.

Coaching is another major trend in leadership development. Key questions around these coaching and mentoring systems may include:

- What are the critical skills needed to coach most effectively?
- What are the best coaching tools and methods for developing competencies in others?
- What do the best executive coaches do?

- How can we build coaching into our performance management system?
- What does it take to initiate an effective mentoring program?
- How can we measure success in both individual coaching and an overall system?

### ***Phase Six***

Evaluation is the capstone—the point at which the organization can gain insights on how to revise and strengthen a program, eliminate barriers to its reinforcement and use in the field, and connect the intervention back to the original goals to measure success. Perhaps the outstanding example of this is Motorola’s GOLD Program, which achieves measurable bottom-line impact. Yet, all of these programs are concerned with a longer-term, multiyear approach to creating leaders. Many report lowered turnover among participants and greater numbers of people ready for development. Colgate-Palmolive reports that sales directors and account managers perceived a direct relationship between the program and sales results.

## **Conclusion**

Should companies invest in leadership development? The authors, passionate champions all, would argue yes. While more data on business impacts are needed, the programs in this book have made significant influence on the culture of the organizations. The shift in culture may have eased an important organizational transition, helped anticipate pressures of globalization, or toughened an organization to compete. The value of the shifts, in terms of improved decision making, more attractive recruiting, or better solutions, needs to be understood and tracked.

Clearly, there are prominently shared views and approaches across these various industries of what is needed to address the challenge of developing leaders. The formula for leadership development remains an important goal, which companies need to keep as an asset. We look forward to tracking these and other companies as they continue to write their leadership stories.