

CREATING ORGANIZATIONAL EFFECTIVENESS WITH IMMEDIATE IMPACT

When leadership development enables a lean organization with increased execution power

by Kent Jonasen, Global CEO, LPI

The ongoing struggle of building effective organizations

Many organizational analyses in mid-sized and large organizations result in some of the following findings:

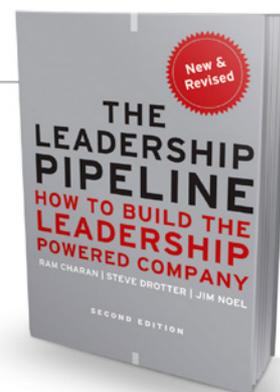
- Too many layers in the organization. A significant number of leaders have less than five direct reports.
- Lead time to impact for organization-wide initiatives is too long. Changes do not take place with the desired speed and often they never really reach the company's front-line employees.
- Lack of line of sight between the overall business strategy and the specific business objectives for different units and individuals.
- Too many decisions end up at too high a level in the organization. Powers reserved are not distributed in accordance with the business model.

These issues are frequently addressed by expensive restructuring or delayering exercises. These kinds of interventions certainly have their merits and a number of consultancy companies have successfully specialized in supporting organizations in this process. Nevertheless, it seems that only a couple of years after such interventions many organizations are back where they started.

The Leadership Pipeline Book

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The question we forget to ask

The fundamental reason for not achieving the desired long-term results is that we forget to ask the key question: “Why did the organization look the way it did in the first place?”

One answer will go across any organization: “Because leaders at different levels of the organization collectively accepted the situation and found meaning with things as they were”.

Appreciating this answer from the beginning encourages any restructuring and/or delayering exercise to be accompanied by an integrated approach towards leadership development. Creating sustainable organizational excellence does not call only for a two-month consultancy intervention. It calls for a mobilization of all leaders at every level of the organization.

As Peter Senge puts it in “The Dance of Change”:

“It is not enough to change strategies, structures, and systems, unless the thinking that produced those strategies, structures, and systems, also changes.”

We need to create a situation in which leaders at every leadership level truly appreciate their role as leaders within the organization and where each leader experiences that he/she is rewarded and promoted based on leadership achievements rather than just functional capabilities.

Coping with the player-coach challenge

Many coaches within football, cricket, basketball, etc. have been professional players themselves. Often, when they become coach for a team they continue to play themselves on the team. Some twenty years ago this was more the rule than the exception. It is, however, quite obvious that this is not an optimal solution. The coach will not be able to maintain the overview

of the game by being in the field. Being a successful coach requires the mindset of a coach whereas being successful in the field requires the mindset of a field player. You do not easily swap between these two mindsets minute by minute. If a certain player is not qualified, the role of the coach is to support the player in becoming qualified or recruit a replacement. It is not to step into the field and play himself.

The same goes for business. Many leaders were selected for their first leadership role based on being high-performing individual contributors. These leaders are thus inclined to continue the activities that made them successful in the past; or they may overpower their new direct reports with their own expertise – either because they enjoy the work or because they are dissatisfied with how their less experienced direct reports handle various assignments.

The intangible consequences are the same as outlined in the sports example. A more tangible result is that these leaders will tend to have fewer direct reports – often only 2-4 direct reports – compared to leaders who truly appreciate their leadership role. The consequence is severe. In an organization with 10,000 people you will find four layers of leaders between the CEO and the individual contributors if the number of direct reports to each leader is eight. If the number of direct reports to each leader in the same organization was only four then the number of layers between the CEO and the individual contributors would be six.

In order to create a lean organization we need to support leaders in making the difficult transition in mindset from being individual contributors to becoming true leaders. We need to support leaders in valuing their leadership role. If we can support leaders in an organization to fully transition into their leadership role with regards to how they spend their time and what they value doing then we have created the base line for a sustainable lean organization.

Leadership is not just leadership

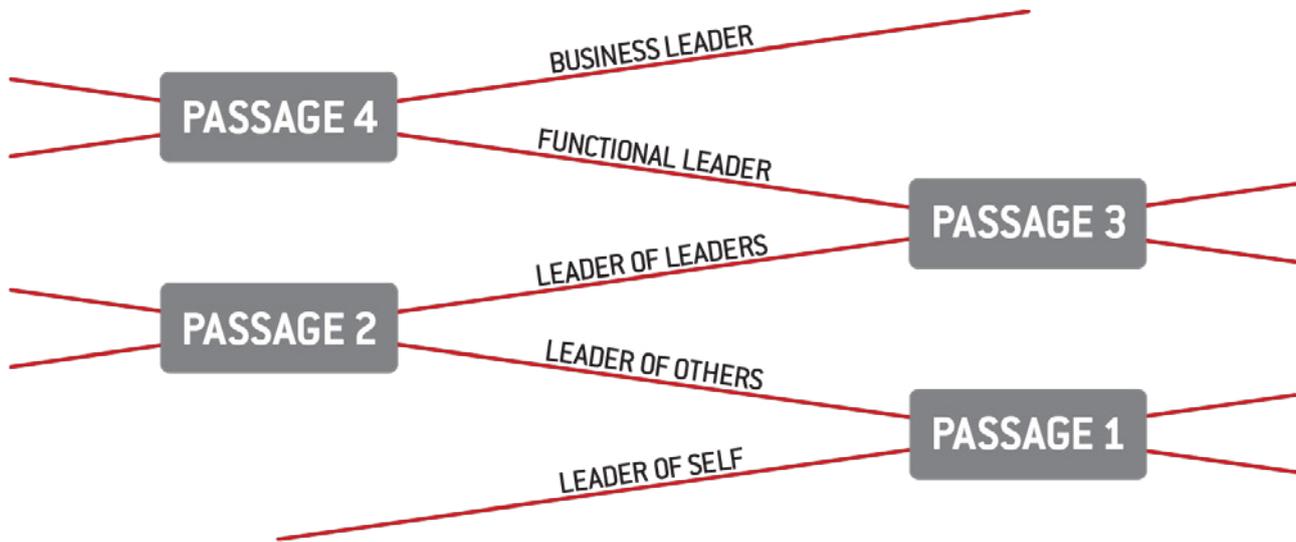
A frequently asked question during People Reviews and organizational reviews is: “Is he/she a good leader?” There is a subtle fallacy built into that question. The question itself assumes that leadership is just leadership. However, organizations are made up by a number of distinct leadership levels. Accordingly, the first thing to do is to acknowledge that leadership is not just leadership. Leaders at different levels of the organization play different roles.

Recognizing the distinctiveness in each of the leadership roles is a key initiative in designing an effective organization. By clearly defining the different leadership roles you create transparency about what is expected of leaders in the organization and you support the leaders in recognizing how they add unique value to the organization as leaders. Thereby, you shape the leaders’ way of thinking about themselves and this is key to organizational effectiveness.

Leaders in your organization should not increase the number of direct reports motivated only by a top-down order or an external consultancy intervention. They should do it simply because they enjoy being leaders and because the organization appreciates them as leaders.

Leaders in your organization should carefully break down the business strategy into objectives set at the right level for each layer of the organization. But the motivation should not be because of an external consultancy intervention but simply because they understand and appreciate their own role within the organization.

Leadership does not come on top of the job. It is an integral part of the leadership job. And when leadership development initiatives are designed around this core fact, organizations will begin to see sustainable change.



Leadership levels

Leader of Others

The role of the Leader of Others is focused on delivering results through people. This is done by setting objectives that are realistic, meaningful, and measurable. Furthermore, the Leader of Others enables direct reports to effectively deal with their responsibilities by sharing information and delegating both responsibility and authority. Selection and optimization of the team is a key task too and substantial time should be allocated to identifying and developing the right people.

Leader of Leaders

The role of the Leader of Leaders is focused on leading through leaders. This role may, at first glance, seem identical to the role of the Leader of Others. But selecting and developing leaders and leading multiple layers of people put great demand on the leadership capabilities of a Leader of Leaders. They tie the organization together. Whereas Functional Leaders spend most of their time working upwards in the organization and the Leaders of Others spend most of their time leading their team, then the Leaders of Leaders evenly divide their time managing upwards and downwards.

Functional Leaders

The role of the Functional Leader is to lead a function and contribute significantly to the development and execution of the strategy of the business unit. This requires a strategic mind-set and skill set – on the one hand contributing to the development of the overall competitive advantage and on the other hand driving functional excellence. Functional Leaders contribute to the development of the overall competitive advantage as full members of the business leadership team.

Business Leaders

The role of the Business Leader is to lead a business unit. They are responsible for developing and executing the business strategy and for the overall profit/loss of their business unit. This role is extremely complex, balancing short-term profit and long-term strategy, developing and executing the business unit strategy and building the organization to support this strategy.



Kent Jonasen is Global CEO and co-founder of LPI and is mainly focused on managing large international clients and building the international business.

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