

Leading Lights

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and Michael Donovan

More than 70 years ago English novelist Aldous Huxley said:

"Experience is not what happens to you, it is what you do with what happens to you that is important."

This quote has never had more relevance than in the first decade of this millennium. Pundits predict that by 2010 up to 45 percent of current business leaders will have retired, leaving behind their positions of influence – the senior executive ranks, CEOs and company directors.

Business managers who are 'in waiting' to replace them will generally succeed to leadership roles in corporations with 15 years less management and leadership experience than those leaving.

This fact is both exhilarating and at the same time deeply concerning. Yes, this shift may deliver a burst of new corporate energy, but it also raises the question, where will the new corporate regimes get their wisdom from?

The paternal system where the leader had a nominated successor or 'understudy' is gone. Downsizing and de-layering of organisational structures have resulted in faster promotion, but less time for new executives to observe and learn how their leaders do the job. This has been recognised in efforts to rejuvenate succession planning – incorporating talent management – but for the most part this has been done poorly.

In the current climate, business leaders face increased pressure for results. Evidence of improvement is expected within months of their appointment to a senior role. This pressure has led to increasingly shortened job tenures for executives, evident in the executive recruitment market.

The unleashed talent of leaders whose values are in tune with the corporation is more important today than it ever was. Buying talent solely through high monetary rewards is not the key to success. A talent acquisition strategy can be easily replicated by any competitor and gives only a temporary advantage.

How do corporations acquire, retain and reward the best people and create a leadership culture that is genuine and relevant to the under 35s who are speeding upwards, while still accommodating the needs of the over 40s?



It is unrealistic to expect the corporation itself to provide all the intellectual and experiential support that is needed to ensure that new leaders perform to their potential. Yet, Australian corporations must start to treat talent development as an integral part of both business competitiveness and risk management.

Australia is behind the UK and US in providing coaches and mentors to corporate leaders. If corporations have a programme in place at all, it is in most cases ad hoc. But it is clear that those corporations that have planned programmes gain the most benefits. Like most aspects of business, initiatives that have structure, clarity and high-level endorsement get the best uptake and results.

An Integrated Approach to Coaching and Mentoring

Experience with both coaching and mentoring programmes has shown that an integrated blend of the two gives the most chance of success. Each process can lead to the other, and an experienced practitioner will know when one or the other is appropriate. But confusing the two can result in a poor outcome that taints what should have been a growth experience for the participants.

Tailoring the approach to align with corporate values can help to achieve consistent, measurable results across your succession pool. By fostering the development of a corporation's potential leaders, from which the business can reliably choose the best talent to meet its needs, the effects of changing demographics on succession can be reduced.

The balance between coaching and mentoring will vary according to a particular situation, but both approaches must be in play simultaneously or sequentially in order to achieve the best outcomes for all stakeholders.

What is the distinction between coaching and mentoring? Well, it is generally held that the previous view of a mentor as an older, internal role model is outmoded and not as relevant today. Effective mentors can be external to the corporation, as can corporate coaches. The two stand beside each other in support of the candidate.

Think of coaching as working with leaders at mid-level and higher, to enhance their effectiveness and performance within a specific corporate context. This may include assistance with required leadership mindsets and behaviours as well as the development of specific skills and knowledge. It has been well expressed by some that coaching is about the imparting of 'formal' knowledge and skills – changing what a person does.

Think of mentoring as a deep, trust-based relationship between two leaders that enables a unique level of frank and open discussion. The purpose is to provide self-guidance and alternative direction by accessing and sharing the mentor's broad, senior-level business experience. The individual is challenged intellectually and emotionally to explore and integrate new perspectives or mindsets. Through this exchange, the individual develops towards his or her full potential.

Coaching and mentoring work together to develop the individual's capacity for higher performance. The realisation of leadership potential bears fruit in leaders who can ask for and get great things from invigorated and keen staff. Business results will follow naturally as the corporation demonstrates its greater competitiveness.

An effective coaching and mentoring programme can deliver both quantitative and qualitative benefits. An extensive study of coaching and mentoring by Manchester Partners Research, which examined 10,000 interventions, found:

Quantitative benefits:

- Productivity up 53 percent.
- Organisational strength (resilience) up 48 percent.
- Quality of enterprise output up 48 percent.
- Customer service rating increased 39 percent.
- Reduced complaints by 34 percent.
- Talent pool retention increased by 32 percent.
- Cost reduction of 23 percent.
- Bottom line profitability up 22 percent.
- Top-line revenues up 14 percent.

Qualitative benefits:

- Improved direct-report relationship (less friction) 77 percent.
- Improved stakeholder relationships 71 percent.
- Improvement in teamwork (interdependency and functional) 67 percent.
- Improved peer-to-peer relationships 63 percent.
- Improved job satisfaction 61 percent.
- Reduced conflict 52 percent.
- Increased organisational commitment 44 percent.

"The business environment today is shaped by the aging of the workforce and the fact that competitive advantage depends more than ever on the qualities of leaders.

Coaching and mentoring offer the most practical and effective ways of developing the next generation of leaders who have the right blend of commercial savvy and interpersonal skills."

Glenn Martin

Business writer on human resources and training



Are you getting gains of this order from the programmes you currently run? Corporations undertaking industry bestpractice are looking to coaching and mentoring as the means to achieve such gains.

Coaching and mentoring are not medicine to be taken when a corporation is in crisis. Taking the initiative, establishing a structured programme, and endorsing and supporting it from board level downwards, is the approach that will make a difference.

It is sometimes said: "If we did a better job of listening, history wouldn't repeat itself." A structured programme of mentoring and coaching applied to succession planning and talent management creates the opportunity for a new conversation to occur with upcoming leaders. They get the chance to listen to experience and learn from it, and they likewise get the chance to express and test out their own ideas in safety.



CASE STUDY

A female executive was enticed to join a national financial services firm with prospects of becoming the Australian divisional leader within three years. She soon realised that the 'boy's club' wasn't going to allow her to gain sufficient status with the CEO to allow her to be seriously regarded as a credible candidate. She engaged a former CEO as mentor to experience the ways of 'the club'. Within a year she had neutralised three opponent candidates for the role, gained the support of her future 2IC from a fourth and challenged the fifth headon for the job. Her mentor then changed functional role and prepared her for being the new MD and the rigours of reporting to the board.

Three companies that recognise the complexity facing businesses in this decade are Amazing Results, Stolmack Group and iMentor-pro. Each is really serious about developing its people for survival and competitive strategy. The three businesses have an alliance to offer their clients a unique, comprehensive approach to business leadership development whose results are measurable. The approach is scalable and national in scope.

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Margaret Stolmack is Managing Director of Stolmack Group, a coach consortium offering Australia's only fully integrated coach-to-mentor leadership development programme. Stolmack Group specialises in building business-wide talent pools from which the best can be identified and developed.

Michael Donovan is Managing Director of iMentor-pro, a collective of former senior executives, CEOs and company directors who work with the next generation leaders in a business-mentoring role towards providing whatever experience the new executive needs to undertake their complex and pressured function.

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