



The sharp end of business

True leaders need to be both transformational and adept at the day-to-day, but achieving that is easier said than done. Here are three employers leading the way in leadership development

Business survey after business survey reveals that having technical and management skillsets is not quite enough for success at the next level. Many leaders find that a deeper knowledge in the following areas is required:

- powerful communication methods
- talent and change management techniques
- developing strategic direction
- driving innovation

Developing leadership capability and those accompanying skillsets is no easy task, yet it's not out of reach - as these three case studies prove.

Leadership development at Aegis Australia

When asked why many organisations struggle to find leaders within their own ranks, Christopher Luxford, president and country head of Aegis Australia, says it comes down to what he calls "the day-to-day". With senior people operating 14-15-hour days, Luxford says it's difficult to find time to simply think. "We think for a living, and most leaders today don't think because they just don't have time. They are constantly reacting to the pressures of the day-to-day running of the business. So leadership development takes a back seat to operational excellence and operational improvement."

Luxford, who is just two months into his role at Aegis, says one of his primary objectives will be to teach his people how to be great leaders, not just great managers.

"It's all about behaviours," he says. "How do they instil passion and energy in their teams? How do they create a dynamic environment in their group? To me leadership is not about what you do, it's about what you are."

To that end, Luxford is embedding in his organisation a set of seven behaviours - examples include having customer satisfaction at the centre of everything the company does, creating a learning culture (being able to criticise, debate, discuss), and operational execution.

"I want to build a series of leading indicators that we can build leaders around, so as we build our managers into leaders and as we build our succession plan, I want to be able to measure the behaviours those people are demonstrating in those seven critical areas. If we do that we can move them into pretty much any role because we're already doing what I call the explicit knowledge transfer; this is more about that tacit knowledge."

There are also specific initiatives Luxford is putting in place to groom the next generation of leaders. He's transformed what used to be the 'monthly business managers meeting' - essentially the 30 or so people who reported to the executive leadership team - into a 'business leaders summit'. "The key is it's their meeting and they are presenting to their peers," Luxford says.

For existing senior leaders in the company, Luxford is taking a different approach. He notes that these people, by their nature and the nature of Aegis (essentially five separate business entities),



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are generally pretty broad business leaders, almost like mini CEOs: they've got financial responsibility, people management responsibilities, product development and customer mandates.

"If you look at leaders at the top of their game, what you're trying to do is help them with their own evolution. Do they want to become an entrepreneur? If they're running a \$50m business today, would they want to run a \$500m business tomorrow? Are they looking to become a thought leader in a given area? Who are the best thought leaders in the world that they listen to?"

Luxford asks these leaders for their five-year goals, and then develops a path to achieve them. "The five-year goals are normally around getting them tapped into the world's best thinking in a particular area. Perhaps it's going to conferences and meeting some of their idols or mentors in the business world. We want to start to evolve their thinking."

He adds that while some executives may need to brush up on things like people management skills, these gaps in knowledge are easily closed. The real challenge is to change the mindset; to get them thinking like leaders. "I want to help them ratchet up their thought leadership level to a point beyond their peers in the marketplace. That helps us from a competitive advantage level, and helps them from a career development level."

Ultimately, Luxford is aiming for a 'balanced' leadership team. He's well aware of the criticism aimed at HR professionals for their lack of wider business knowledge but he refuses to single out that discipline. To demonstrate his balanced approach, he uses a triangle. Employees sit at the bottom left corner, investors or shareholders are bottom right, and customers at the top. He then asks people to map every business function against that triangle. The results are not surprising: typically HR would be placed with employees; finance would be with shareholders; sales would be with customers. "Who sits in the middle?" he asks. "Me. I'm the only one - so there is imbalance. My goal is to bring all of my leadership team into a better balance so they are across all three."

"For everything we do we need to be able to measure the impact on outcome. I need to see what the impact on outcome is for employees, for shareholders or investors, and for customers. If an innovation has some impact on all three of those, then I have no problem going ahead full tilt. The biggest challenge is getting people to that balanced perspective."

Leadership development at Altis Consulting

For John Hoffman, CEO of Altis Consulting, an information technology firm, the leadership challenge is providing opportunities for people to move through the ranks in order to keep them engaged with the company. "The senior management team is incredibly stable and there hasn't been much churn in that group," he says. "So we need to create opportunities for those individuals coming through to develop their skills. We also know that in stepping into these bigger shoes, they will make some mistakes. We're a peer consulting business so all our staff are externally facing. When you make a mistake dealing with a client it can have some reasonably sized repercussions for the business. Worst-case scenario is you can lose a client relationship."

Hoffman has developed key initiatives to minimise that risk. To broaden out the exposure to leadership challenges, he has expanded the leadership group, which meets via teleconference every three weeks and also once a year for a two-day facilitated workshop. The progress of participants is measured against a set of activities that have been delegated out to the leadership team; they range from new product/service offerings, changes to the performance management program, changes to social responsibility programs. "This is one opportunity to step up - it's tearing down the walls that have traditionally existed between senior management and the rest of the organisation," Hoffman says.

Originally from the US, Hoffman is an advocate of promoting people based on a willingness and aptitude to take on greater responsibility, rather than age and experience. "There's a difference in Australia in regards to age. Here it seems you must pay your dues before given the opportunity, versus the US where if you show the aptitude you are given more opportunity to step forward and be successful. So we're implementing that mindset here. Saying that, we do try to keep our experienced staff involved in a mentor capacity with individuals we believe have got significant opportunities in front of them."

In addition, for all of Hoffman's direct reports there is a leadership coach, an external party who assists in career guidance. For the 'upcomers' Altis uses a variety of soft skill coaching through third parties and internally through the company's own people and performance manager (a certified EI



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trainer). "We've implemented a custom-developed soft skills training program, which includes group and individual sessions. There's a strong concentration on how you handle some of those tough challenges leaders face: negotiation, how you deliver and accept feedback, managing conflict, and so on. They spend two days in workshops with their peers and then have one-on-one coaching on their soft skills."

There's also a belief at Altis that leaders need to be cross-skilled: they must possess project management skills, technical skills, business development skills, general consulting skills. The best way to develop those skills? Internal projects. "We're doing that very specifically to ensure people have career paths to become regional managers - they are people who manage profit and loss across a geography or a practice line - and they must have skills across all those areas. Everyone has a core competency that they concentrate on and are passionate about but we've been challenging them to participate in different areas to round out their skills with regard to their career development, and for succession planning," says Hoffman.

Leadership development at FedEx Express Australasia

FedEx has turned its succession planning and leadership development into the bedrock of its retention strategy. Kim Garner, managing director of FedEx Express Australasia, says that one of the important ways his company has managed to retain good talent is to promote from within - to look to its own ranks to fill key positions. More than half of FedEx's global management team has risen through the ranks of the company. In Australia, 82% of current management is promoted from within.

How has this happened? The aim at FedEx, Garner says, is to develop leaders as partners: "We have a specific plan for leadership development, separate from - but in line with - FedEx's overall talent management strategy. We've had a great deal of success with this. We also plan for leadership succession within the company and actively maintain a pool of potential future leaders. Seventy per cent of our managers in Asia-Pacific started their careers at non-management positions at FedEx."

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process that starts with the Growth, Opportunity, Leadership and Development (GOLD) Program, which prepares employees for potential succession into management. As part of the GOLD program, FedEx provides the opportunity for senior management to mentor FedEx frontline and professional employees who are keen to move to management. The mentoring sessions provide the employees access to the fundamentals of FedEx leadership from the senior management perspective.

"We have a very clear, defined roadmap and processes to identify, unleash and move people up through the organisation - both professionally and personally. It plots the various courses to be taken and when, and we are constantly working with employees to make sure they complete their goals and bring that new-found knowledge back into the workplace," Garner explains.

The journey to leadership positions does not end there. When FedEx employees move into management, these managers enter a two-year curriculum of management leadership training, a structured and systematic development roadmap. There are at least five different training courses that must be successfully completed - including the FedEx Leadership Principals course, which challenges leaders to think critically and deeply about management issues.

FedEx managers must also take a module called Managing and Coaching for Effective Performance within the first six months as a manager. This course provides interaction process, feedback, reinforcement, and coaching skills so that managers can manage and coach team members towards effective performance in FedEx's key philosophy: People-Service-Profit.

Although the HR function plays a critical role in developing programs that are aligned with that philosophy to recruit, retain and develop talent, FedEx does not compartmentalise HR in the way that many companies do. Instead the company ensures that every one of its line managers plays a crucial role.

"It's the line manager who hires and nurtures new employees, is ultimately responsible for people development, addresses performance issues, helps develop employees to their full potential, and works with employees on their career advancement," Garner concludes. **HC**