

Many of the organizations I meet are dealing with the same problem.

They became successful by solving a particular customer need and found a winning formula. Around that formula they developed a strong culture that was: technically expert, siloed and good at executing. But over time the environment changed and the problems the company faced became more complex and unpredictable. While the culture still had good aspects to it, it was not quite right for the new, uncertain future. The culture needed to evolve to be more; agile, innovative and cross functional. *The question is how does an organization make that shift?* 

For many years I thought I had an answer. I ran popular leadership development programs. The leaders told me they loved the programs, gained self-awareness and learned valuable tools. We were preparing leaders for a V.U.C.A. future. However, I noticed a problem.



When I followed up a year later and asked leaders what had changed, they often said, 'not as much as I expected'. I saw that while the individual leaders were growing and changing the cultures that they worked in were not keeping pace. The leaders learned about strategic thinking, collaboration and risk taking, but their cultures still rewarded tactical thinking, siloes and never failing.

My assumption had been that if you grew better individual leaders the culture would inevitably change. It didn't, at least not fast enough. The culture was like a bungee cord. The more the individual leaders pulled out ahead of the culture the stronger it pulled them back. In the end many leaders got worn down and either stopped stretching or cut the cord and left.

Leadership programs are incredibly valuable, and organizations should continue them (my next paper is about how to build a great program). But I came to realize that the biggest results came when the organization learned to grow their leaders and evolve their culture – at the same time. Not as two separate methods – organizations don't have time – but as one unified approach. Programs on their own might help individuals. But if you elevate the culture as well, the rising tide lifts all boats.

This approach won't replace leadership programs you already have: it will complement and strengthen them. In this paper you'll see the story of four organizations I partnered with to vertically grow their leaders and cultures. You'll hear directly from the CEO's and executives who went through the

When I look at organizations who have done this well, I see two consistent building blocks:

- 1. The leadership team recognized that the leadership culture must change and said "We'll go first."
- 2. They then used a 'Leaders Developing Leaders' approach to cascade this culture through the organization.

experience. They'll tell you what they did, what it was like and the results they got. It isn't a destination that they arrived at. Each organization would probably say they are still on the journey.

As you'll see it's not always an easy process. But trust me, it's not that hard either.....

"We are now seeing opportunities where we might have been fearful in the past."

"The result of all this? Faster and better decisions."

"We are having record growth. Our problem now is keeping up with it."

## The 4 Organizations



A Fortune 500 company and a conglomerate of 18 businesses. Masco is a global leader in the design, manufacture, and distribution of home improvement and building products.

CEO: Keith Allman

HR Leads: Renee Straber, Erin Swartout



One of world's largest ports. The busiest port in the U.S. in terms of foreign tonnage and the 16th busiest in the world.

CEO: Roger Guenther HR Lead: Jessica Shaver



A nationally recognized independent day school in Atlanta with 1,870 students. Its mission focuses on graduating young people who embody the school's focus on leadership and service.

**CEO: Keith Evans** 

HR Leads: Robert Ryshke, Thad Persons



A global leader in the supply of lime and limestone products. Professionally managed and family owned, the company has roots stretching back more than 70 years.

CEO: Stéphane Godin HR Lead: Rob Van Nus

Thanks to co-facilitators and staff who worked with me on these projects. In particular, thanks to John McGuire and Chuck Palus who are pioneers and great thought partners in this work.





## The 'Leaders Developing Leaders' Process

O.K. enough talk. What did the four organizations actually do? In the rest of the paper I'll share the six steps we helped the organizations take that had the most impact. The four organizations did not all do these steps equally nor linearly. We adjusted the approach according to the needs, culture and readiness of each organization. Think of these as the best practices I observed while helping all four of them grow their leaders and culture. It's the roadmap I'd recommend to any company wanting to do the same.

- 1. Map your leadership culture 'from/ to'
- 2. The Senior Leadership Team goes first
- 3. Gather face to face feedback and choose a backhand
- 4. Use the power of public learning
- 5. Apply new tools to real work challenges
- 6. Cascade: the leaders develop the next level of leaders

### **Step 1**: Map Your Leadership Culture 'From/To'

The CEOs all knew they had big issues to tackle: innovation, technological changes, talent. They wanted to create more leaders who had the skills and mindsets to implement the strategy. The question was how? The CEO's & HR partners describe the beginning of their journeys below.

- · I was worried. Our leadership team was inexperienced and big retirements were happening.
- · We saw a lot of complexity on the horizon. Our leaders needed more capacity to deal with this.
- We had to move away from a command-and-control culture where people relied on just the senior people to make all the decisions. We needed to have more leaders at more levels.
- We needed to go through a cultural transformation to operate in a new way. We recognized
  that what our leaders needed to do to implement our strategy was stuff they were not good at.
- After we did all the strategy work, I could see that the development of leaders to execute that strategy was the missing piece
- It was then that we had the realization: "We need to work on the culture and leadership part."



The organizations identified a from/ to culture shift that they wanted to make. Some themes:

From (Current)	To (Future)	
Siloed Thinking	One Company	
<ul> <li>Narrow thinking: my team, my comfort zone.</li> <li>Hierarchical, fragmented, stay in your lane.</li> <li>What's good for my function/region?</li> </ul>	<ul> <li>What's good for the business as a whole?</li> <li>Broad minded: we, our company, enterprise mindset, not "I am just a marketing leader."</li> </ul>	
Tactical (Doers)	Strategic (Leaders)	
Very tactical.	Building capacity of ourselves and people.	
<ul> <li>Managers do the work.</li> </ul>	Pushing leadership down and out	
<ul> <li>Less engaged, short-term results focus, conservative expectations.</li> </ul>	Developers of people and improvers of the systems to get the work done.	
Closed	Transparent	
<ul> <li>Conflict averse, nice, kind, congenial, not telling people the truth, a lot left unsaid.</li> <li>Tight and guarded.</li> </ul>	<ul><li>Honest and candid discussions</li><li>Open and vulnerable.</li><li>Leaders of a cultural transformation.</li></ul>	

At C.C.L. we noticed that company cultures aren't static, they evolve through 3 stages (McGuire, Palus 2018). When the culture evolves so do the leaders. The rising tide lifts all boats.



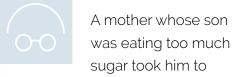
I meet many organizations that want their leadership culture to evolve up and to the right, from stages 1 or 2 to stage 3. The biggest accelerator to making that shift is if...

### Step 2. The Senior Leadership Team 'Goes First'

Many Leadership Teams (L.T.) want to see the leadership culture evolve but don't recognize that they are the ones holding it in place. If executives want to see a change, they must first embody the change. The L.T. holds the cultural bungee cord. They can either be holding the culture back or pulling it forward.

- We had a few leaders close to retirement who were not necessarily open to change. We were wondering if they should be doing development work at all. We questioned if we should invest in them or our high potentials. Why spend money on people who are near the end of their career?
- Finally, we said, "Some of our executives are the potential roadblocks. They are the biggest 'no' people. If the L.T. isn't modeling our desired leadership culture, this is not going to work."
- As CEO, I was so anxious to cascade this so fast.

  But we realized we needed to take the time to get ourselves doing the things we wanted everyone else to do before asking them to do it.
- People were watching to see how we behaved first.
- If you don't start from the top, you're not showing the organization you are committed.
- It also can't just be one heroic CEO. It must be a group going together.



the boy's hero, Gandhi, and said, 'My son respects you; would you please tell him to stop eating so much sugar.

Gandhi said to the boy 'Go away and come back in two weeks.'

The mother and boy returned in two weeks. Gandhi motioned for them to approach. He looked the boy directly in the eye and said, 'Boy, you should stop eating sugar. It is not good for your health.'

The boy nodded and promised he would not continue this habit any longer. The boy's mother exasperated turned to Gandhi and asked, 'Why didn't you tell him that two weeks ago?'

Gandhi smiled, 'Mother, two weeks ago I was still eating sugar myself.'

Start with a taster session – You might be thinking, 'But our senior execs are very skeptical of this sort of thing.' So were the execs at the four organizations. I've found that what works is to start with a taster for the senior leaders where they got to trial this approach for 2 hours during a conference or 2 days during an offsite. This is a low risk way for the leaders to experience the process and realize that it is both practical and impactful. They usually finish by saying, 'That was easier than we thought. All our leaders need to be doing this!'. 'Not so fast' I tell them. You need to go first.



### Step 3. Gather Face to Face Feedback and Choose a Backhand

Traditional leadership development uses anonymous 360-feedback. While good for individual development if you want to shift the culture face to face feedback is 10 x more powerful. In this approach we ask leaders themselves to gather their own feedback — face to face. The development doesn't start in a classroom; it starts at work. The feedback gathering conversations are the development.

- Based on what our strategy required of us, we created a simple 1-page leadership profile of our new leadership behaviors. Each leadership team member gathered feedback on their strengths and weaknesses in relation to the profile. It was interview based, face to face, not an anonymous 360 survey. It was a real eye opener. It built a lot of trust right from the start.
- The CEO started by getting feedback from people. Then he said to all of us very publicly, "Here is my Backhand that I need to work on." That was a big deal for the rest of us. It was the catalyst for all of us to want to follow his lead.
- People were a little taken aback at first because it was not part of our culture to be open and give real feedback. But things changed quickly. The impact of that vulnerable approach from the executives who were seen as so powerful was amazing. It gave everyone else permission and inspiration to then ask about their growth areas.



# MASCO

#### "I am doing this and next I am going to ask you to do it." (Masco CEO)

The HR SVP: "I remember telling the exec team that there are no slides for the conference. You guys are just going to go on stage and tell your stories about what your backhand is (leadership area to work on) and how you chose it. I didn't realize that them doing this on stage would be that big a deal, but it was."

The CEO: "When I went on stage and shared the story of gathering my feedback and choosing my backhand, I could feel 150 sets of eyeballs locked onto me. It felt real. It was so counter-cultural that it seemed to get people on the edge of their seats. People realized that this ain't no B.S. It was like, "I am doing this, and next I am going to ask you to do it."

And he did. The leaders went into breakouts of 50 people where they: gathered live feedback, chose a backhand, made it public and gathered feedforward suggestions to improve.

The HR leader: "The amount of energy and conversation it created was startling. People were asking each other over dinner, "What is your backhand?" I got emails from leaders in the evenings saying "I can see that you are not asking us to do something that the executive team hasn't already done. They went first, now we are. It has made me realize that this is what we all need to do with our people."

The more counter-cultural the better - Most organizations I work with are anxious about asking leaders to gather feedback because it is not part of their culture. In my experience the more counter-cultural these activities are the bigger the positive impact. When people see their senior leaders being open and vulnerable for the first time it breaks down old cultural rules about being closed and guarded and creates permission for leaders to start to open up and talk honestly.



#### Step 4. Use the Power of Public Learning

To build the new leadership culture, the leaders required new ways of interacting with each other. This approach pushes leaders to practice "public learning" by being transparent about their challenges, growth areas, and ways of working together. We met with teams quarterly to help them practice. Each time they got more comfortable and more skilled.

- The public learning was difficult to start because it was not part of our culture. We did not discuss mistakes. But we really got into it and peeled it back to make sure we were doing it for real and not being superficial.
- It led to the breaking down of silos. It made us much more willing to collaborate and unlocked a lot of things in the team which had been stuck.
- This approach definitely keeps the heat on the leadership team. You can't just retreat back to your default behaviors and hope things will improve. It raises the stakes because you have to discuss your actual leadership behaviors with each other.
- When the CEO went first and told the team what areas he struggles in, everyone breathed
  out and realized it was okay to name their areas as well. Everyone's shoulders relaxed. We
  realized that it creates more anxiety to hide those things than to get them out there and start
  improving."





# Port of Houston Authority – "It looks like a top-down cascade, but it actually feels bottom-up"

One of our executives was viewed as a big, tough guy. He is a strong personality, a pretty tough executive. But he opened up for the first

time about how he grew up in a military family with 10 kids in the household and how this had shaped who he had become as an adult. He said, "I know I come across as intimidating, but that is not my intent. I'm working on it and you can call me on it in a meeting if I appear that way. I can change."

Him telling that story changed a lot of perceptions in the business. Before people were too scared to even approach him. Now people see him as much more relatable.

Another executive on the leadership team told a story about a big financial mistake from his past and what he learned from it. His humility and learning were enormous. People were riveted. It was very countercultural in our organization to open up like this. It set the stage for leaders starting to give feedback to each other.

It looks like a top-down cascade, but it actually feels bottom-up since it's the executives who are being vulnerable and transparent. The mid-level managers get to start on the balcony and reflect on the inner world of their senior leaders.

## Step 5. Apply New Tools to Real Work Challenges

The teams started using new tools to help them work on real business problems in more effective ways. The tools are a vehicle for leaders to start modelling and creating environments for new mindsets and behaviors to emerge. We are looking for: increased psychological safety, growth mindset, discussions about failures and a shift from a heroic mindset to a team culture. You might call it more 'agile'.

We introduced tools to each organization that were the best fit for their needs.

Here's an overview:



Dialogue:	Foot on the Brake (Immunity to Change):		
A set of protocols that helps groups discuss organizational challenges through inquiry and open minds. Uncovers deeper assumptions people hold that are locking the problem in place.	Helps leaders see the underlying beliefs holding them back from making the changes they want. Can be applied on the individual, team, and organizational level.		
Degree of Difficulty: High	Degree of Difficulty: High		
Polarities:	Critical Friends Group:		
Helps leaders see that many challenges they face are not problems to solve but tensions to manage. Uncovers and maps tensions so leaders learn how to hold tension and leverage both poles.	A voluntary forum where leaders share an organizational challenge they're facing and get consulting help from peers to progress it.		
Degree of Difficulty: Medium	Degree of Difficulty: Medium		
Feedforward:	Getting on the Balcony:		
Drastically increases the amount of new perspectives that leaders are seeking. Is the opposite of feedback. Easy to learn and efficient to use.	Groups are prompted to step back from their conversation and take a more strategic look at the challenge, themselves, and the organization.		
Degree of Difficulty: Low	Degree of Difficulty: Low		
6 Box:	Each one, Teach One:		
Diagnoses the beliefs and behaviors leaders need to hold versus the ones they actually hold, thus helping them close the gap.	Each leader takes the tools and methods they are learning and is given resources to teach it to their team. Learners become teachers and development cascades.		
Degree of Difficulty: Low	Degree of Difficulty: Medium		
Leadership Strategy Canvas:	Resilience Assessment:		
Helps executives craft their leadership roadmap and outlines business strategy, current vs, required leadership culture, development strategies, milestones, and barriers.	Shows leaders how to avoid turning pressure into stress. Helps leaders be more present, focused on controllables, and objective.		
Degree of Difficulty: Medium	Degree of Difficulty: Medium		



We found the new to	ools extremely useful for	rus to look with	fresh eyes at our busir	ness challenges.
-				
In the past, everyone	e advocated their views a	and talked over	each other. Now peop	le from all levels

open up, get their perspectives on the table, and listen. It means we get better, faster decisions.

It took a lot of tension out of the business and gave us a new lens to look at our organization.

The tools helped people take a more organizational approach vs. "I only care about my department."

### Step 6. The Cascade: Leaders Facilitate the Tools and Methods Learned

Once the leadership teams embodied the mindsets and behaviors of the new leadership culture, we prepared them to cascade the process to the next levels of the organization. They co-facilitated the process in various forums (meetings, offsites, programs, etc.) so that next-level leaders could start to publicly practice new ways of working and leading.





- We worked as a leadership team for several months to embody the new leadership mindsets and skillsets we needed in the business. The approach was working for us, so we really wanted to spread this to more people in the organization.
- The fact that this approach scaled was very important to us. It had to go beyond just a small group of special leaders.
- The roll out to the BU's was fascinating. We got big insights about the leaders and the backhands they chose. Some tried to disguise their weaknesses as strengths. But there was nowhere to hide
- We used technology to amplify and support the cascade. All the tools, behavioral nudges and reflection questions were pushed through people's phones and laptops
- We tried to include as many leaders as fast as possible. We went from:
  - 8 executives
  - to 150 senior leaders
  - to 500 business units leaders
  - to 3,500 in the business units

Each of the organizations took a slightly different approach to embed the tools and practices into the rhythms of their everyday work and some are still in process. As one leader said:

"We created the structure, process, and practices but we let each business unit co-create how best to embed these into their business."





# Graymont – "We learned to become better leaders while we were improving the business."

- The leadership team sat on stools and opened up to the top 60 leaders about what each of us had personally been working on and had learned in the last 12 months doing this development work. We got feedback that the openness and vulnerability of the senior leadership team was the most powerful thing that got everyone else onboard.
- The senior leadership team then took the tools they had been using and over two
  days facilitated leadership learning on real business challenges we were facing as
  an organization. We learned to become better leaders while we were improving the
  business.
- We continue to use these tools in our everyday meetings and each year at our leadership conferences.



# Westminster – "That was the most impactful conversation we have ever had."

We used a simple three Questions on a Card Exercise:

- What does the organization need me to do to be successful in the next five yerars?
- What are things that get in the way?
- What am I going to do about it?
- One of our leaders was quite skeptical. She took a while to think about it before she tried
  it out with her team. Afterwards, she came into my office and said: "That was magic. That
  was the most impactful conversation we have ever had. That changed the whole tone of
  my team."
- After a few more experiences, she became an advocate. She now spends more time coaching and developing and her team has become a creative force. Twelve months later she says, "I am not doing any of the stuff that I used to be doing. My team is doing it!"
- Once people got a taste for public learning and the tools, they wanted to keep going and found it easy.





#### The Results / What's Changing

Each of the organizations are at different stages in the process. While Graymont has been on this path for a long time, Masco is now doing a second cascade to deepen the practices for everyday development. Regardless of their stage, each organization's leaders realize that these changes are a process rather than a destination. Leadership and culture development takes time, but the payoff is worth it. Here are some results and comments from CEO's and executives so far:



## **Business Impact:**

- We are having record growth. Our problem now is keeping up with it.
- We have successfully acquired and integrated four new businesses. They have all created value and we have been able to leverage the strengths of both our and the acquired companies.
- The strategic plan is going great & being implemented. The result of all this fast & better decisions
- There is a lot of change, but we go through change a lot faster and easier than we did in the past.
- · We are now thinking opportunities where we might once have been fearful.
- Things just seem to be firing on all cylinders.

# 200

### **Improved Leadership Team Effectiveness:**

- The leadership team were skeptical of this approach in the planning phase. The team was not very open with each other. Showing any vulnerability was not something we had ever seen.
- · Our senior leadership team is now way more open and honest than we used to be.
- There is a lot of trust in the team now. We feel safe to challenge each other.

• No one is apprehensive anymore to share about challenges happening in their functional group, or to challenge each other because it is not personal anymore.



## The Breaking Down of Silos:

- People are now working across boundaries with each other. The leadership team is not dictating that people work more cross functionally; these things are just happening. That is what we wanted.
- One of our attorneys said recently, "I really feel like we don't have siloes like we used to." I thought to myself, three or four years ago we wouldn't even have an attorney in the room for this meeting.
- It has broken down a lot of the old barriers for people.



#### From Managing Tasks to Leading People:

- We pushed the leadership of many meetings two levels lower than it had previously been.
- It got our leaders off the hamster wheel and freed them up to focus more on organizational priorities vs. "I only care about my department."
- Our leaders changed how they spend their time. Since they've focused on growing their people to solve problems, they all feel like they have more time.
- In one workshop every person talked about our need to bring through the next generation of leaders. That would never have happened in the past. People are excited about development now.



## An evolving culture:

- A CEO: I gave a speech recently and after one of my team members pulled me aside and said, "Here is what you did well and not so well." That never would have happened in the past.
   People are now willing to coach and be coached.
- The vulnerability and trust it built up in the culture set us up to have the fierce conversations we needed to improve as a business
- We now have more of a risk taking/ experimental approach. This approach helped us become
  open and to learn from mistakes.
- We've shifted to a coaching culture. We feel very proud of how the culture has changed.

I asked the CEO and HR execs what advice they would give to others considering taking this approach.

# CEO's advice to other CEO's considering this approach

- This is the approach to set the tone.
- It is complicated in that it is not just a training. But the value is greater because it is sustainable and because it is integrated into the rhythms of the business.
- If you get this leadership going just watch out. It takes off. It's transformative.
- But don't do it unless you really have a belief that it is going to make a difference. Don't waste your time if you are not all in. There is no half ass here.

# HR advice to other HR leaders considering this approach

- Plan but not too much. Just get moving.
   You can't know everything that will work ahead of time. Don't feel like you need to be perfect.
- Take on a mindset of creating experiments in order to gather data and find what works best.
- Find yourself a great external partner and leverage his or her experience doing this work with other companies. But don't outsource it to them. Become true cocreators together.
- HR's role is to bring the best ideas and approaches to the CEO. You must synthesize all the best thinking out there so that the CEO can start 9/10th of the way along the path.

## Final Thoughts

The Leaders Developing Leaders (L.D.L.) method may be a little intimidating to HR buyers and senior executives at first. That makes sense — it's a distinct approach that turns some of the conventional wisdom about leadership development on its head. But that's what I am seeing happen across a wide range of industries: game-changing disruption accompanied by growing pressure and competition that mean you can't stand still.

Leaders at the 4 organizations above — despite their diverse industries, locations, needs, and size —realized that riding out the storm without a plan to change isn't an option. More and more leaders like them are starting to use the L.D.L. approach. It's okay if it takes some time to digest or to get the right people on board, because changes that have an impact are worth doing right.

You've heard directly from CEOs, executive team members, and HR buyers about how this method has benefited their organization. Most of them were skeptical at first, and took some time to warm up to the idea. Each organization is at a different stage in the process, and has tailored the approach to their specific needs. Other organizations I work with who now use this new approach are doing the same.

One of the strengths of the method is that it's designed to draw out the inner strength of your leaders that's already latent within them. L.D.L. gives those strengths and talents an opportunity to come out that would never arise otherwise.

If you're ready to shake things up and advance your organization's leaders and culture, reach out below. You may be surprised at how quickly things take off once your leaders have their first experience and we create an exciting roadmap. Bring an element of humanness back to the workplace by helping your people open up, come together, and forge a new path.

Learn more about the LDL approach or get in touch today.

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### **FAO**

#### Why would a CEO and executive team want to take this approach?

You may have heard the term 'Culture eats strategy for breakfast'. Executive teams often create great strategies which could produce amazing results, but if the leadership culture (risk averse, siloed, complacent) can't execute the strategy nothing is going to happen. The teams I work with are highly motivated to see the strategy implemented and use this approach to align the culture with the strategy.

#### How do we know if our organization and senior leaders are ready for this approach?

I've found that an organization needs 4 ingredients to implement this approach and have big shifts:

- A business need requiring a new type of leadership culture
- A sophisticated CEO who is prepared to role model
- A trusted HR partner for the CEO
- · A leadership team prepared to learn quickly and eventually publicly

#### How do we start the work? Where do we begin?

All four of the organizations in this paper began with a taster session for the executive team. Three of the teams had a one day offsite where they tried out some of the tools and methods as a group and one of companies did the same during their 'Top 150' leadership conference. This gave all of them the confidence and motivation to take the next step.

#### Does this method replace our current curriculum and programs?

Not at all. The organizations I've worked with have used this as a way to complement their existing curriculum. This approach tends to reach higher levels of the organization and make sure that what happens in existing leadership programs is also modeled by the senior executives.

#### What if you don't have access to the top executives? Can we start from lower down?

Yes. I've often helped organizations start by building great leadership solutions for the hi potentials. Based on the success of this it created a pull for the senior executives to do development work themselves. From there we worked with the leadership team and began the approach described in this paper. So just start from where you have the opportunity.

## **About Nick**

Nick Petrie helps organizations prepare for the future by creating cutting edge leadership development solutions that help leaders be more adaptable, resilient, and strategic.



His clients include Google, Walmart, NASA, Kellogg's, Wells Fargo, Delta, Salesforce and Comcast. He has worked globally across industries including engineering, tech, banking, pharmaceuticals, energy, law, accounting, construction, and television.

Nick was a senior faculty at the Center for Creative Leadership for seven years. He's beaten three bouts of cancer, giving him a new perspective and making him committed to living a purposeful life.

His specialty areas are leading in complexity, Leaders Developing Leaders, and resilience under pressure. He partners with clients in various roles — designer, deliverer, or advisor — depending on the needs of each client.

Nick holds a Master's degree from Harvard University and two undergraduate degrees from Otago University in New Zealand. He is the author of the book <u>Work Without Stress: Building Resilience for Long-Term Success</u>. He lives in Austin, Texas with his wife and boys.

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