

Developing your C-Suite

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The success or failure of a company is often inextricably linked to that of its highest level executives. To ensure the success of a business, C-Suite leadership needs to adapt accordingly. This paper explores common C-Suite development areas, detailed development methods, and actionable recommendations for organizations cultivating key leadership positions.

From 1995 to 2001, CEO turnover in major corporations increased by 53 percent. The number of CEOs leaving because of the company's poor financial performance increased by 130 percent, and the average tenure of CEOs declined from 9.5 to 7.3 years. The tenure of CEOs who were ultimately dismissed for performance reasons declined by 35 percent—from 7 to 4.6 years (Booz Allen Hamilton). Life is getting tougher in the C-suite, which consists of the CEO and his or her direct reports with “chief” in their title, including the CFO, COO, CIO, CTO, CMO, and CPO.*

Decades ago, when members of the C-suite had more time to learn their jobs and perfect their craft, executive development may not have had the urgency it does today. But today's shareholders and boards have no patience with poor performance in the C-suite —especially after the scandalous conduct of CEOs like Tyco's Dennis Kozlowski, Healthsouth's Richard Scrushy, and Enron's Jeffrey Skilling, as well as the looming presence of Sarbanes-Oxley. The stakes are too high and boards themselves are undergoing increasing scrutiny from legislators and regulators who, for good reason, are seeking to put the corporate house back in order. In the super-scrutinized environment of today's boardrooms and C-suites, organizations cannot tolerate executives whose growth stalls once they achieve senior executive status. What makes complacency in the C-suite so dangerous are heightened investor expectations for corporate performance and the war for talent those expectations have spawned.

“Plato advocated a leadership program that took a lifetime, but we don’t have that luxury.”

Jay Conger

In McKinsey & Company’s book, *The War for Talent*, the authors argue that “talent is now a critical driver of corporate performance and that a company’s ability to attract, develop, and retain talent will be a major competitive advantage far into the future.” Furthermore, the authors believe that three fundamental forces are fueling the war for talent: “the irreversible shift from the Industrial Age to the Information Age, the intensifying demand for high-caliber managerial talent, and the growing propensity for people to switch from one company to another. Since these structural forces show no sign of abating,” the authors say, “we believe the war for managerial talent will be a defining feature of the business landscape for many years to come” (Michaels, Jones, and Axelrod 2001).

Increasingly, boards and CEOs are recognizing that one of their primary roles is to assess their executive talent and then do what they must to develop both the individual executives or high potentials and the executive team as a whole. In the past, boards have focused more on the strategic direction of the company and on the company’s financial performance, but they have come to realize that without the talent to drive a strategy successfully, no strategy has merit. The Roman poet Seneca said that if you don’t know which port you are making for, no wind is the right wind. He might have added that if you don’t have the talent to set the sails and steer the ship, then no wind, however great it might be, will take you to your chosen port.

Talent is any company’s most fundamental asset, and nowhere is that talent more important than in the C-suite, where, because of the power and influence they wield, executives’ capabilities and behavior have a disproportionately high impact on a company’s fortunes and future. It would be foolish to assume either that senior executives promoted to the C-suite arrive there fully developed or that their capabilities and experience will always be a match for whatever challenges they face as their company competes in a dynamic environment. On the contrary, virtually every executive in a C-suite position has developmental needs of one sort or the other, yet developing C-suite executives can be highly challenging for two reasons: the distorting mirror of personal success and the complacency bred by good organizational performance.

The Distorting Mirror of Success

The number of people who become “chief” of anything in a corporation is relatively small. The C-suite is the top of the pyramid and has only a few coveted senior executive positions. So business people who reach the C-suite are clearly among the most successful or fortunate of the much greater number of executives who aspire to the C-suite. They are also among the most powerful and highly paid people—not only in their company but in their industry and community. They are often lionized in the press, invited to join the most exclusive clubs, and courted by politicians, fund raisers, head hunters, and legions of suppliers, professional firms, lawyers, bankers, and others who want to do business with their companies.

“It’s what you learn after you know it all that counts.”

Anonymous

Consequently, C-suite executives often see themselves—rightly so—as among the select few, the special club of those who have reached the top, the best and the brightest. Moreover, family, friends, associates, employees, and the media treat them as though they are the most gifted and accomplished people in their field—the stars of the show, so to speak. This is heady stuff, and it can propel executives into a delusional “fun house” where their self-image is distorted by the success they have attained. If executives believe all the hype about themselves, they can fall prey to two disabling mindsets—the myths of attainment and infallibility.

The Myth of Attainment

The power, money, status, attention, and adulation senior executives receive can have a distorting effect on their sense of themselves and whether they perceive the need for ongoing development of their knowledge and skills. Many C-suite executives conclude—consciously or unconsciously—that when they reach this pantheon of business they have “arrived,” and, having reached the top, have nothing more to learn. We call this attitude the myth of attainment, and it occurs when people who have reached an exalted position conclude that they have attained this position because they are the masters of their craft.

In an essay called “Beliefs that Make Smart People Dumb,” Columbia University psychologist Carol S. Dweck notes that, “Many smart people become too invested in being smart. They think of smartness as something that they have and others don’t—as something that makes them special and worthy. As a result, they become too focused on being smart and

“The word *gifted* implies that some people simply have a gift that makes them able to do things that other people can’t: Things should just come naturally to someone who is gifted. Nowhere in this notion is the idea that these people still need to work hard to stretch themselves and fulfill their potential.”

Carol S. Dweck

looking smart rather than on challenging themselves, stretching and expanding their skills, becoming smarter. In other words, they focus on the trait of intelligence and on proving that they have it, rather than on the process of learning and growing over time” (Dweck 2002). In her research, Dweck distinguishes between people who believe that intelligence is fixed and those who believe that intelligence is a potential that can be developed continually. Executives who view themselves as smarter, more accomplished, and more successful than others sometimes attribute their good fortune to being gifted, which means that intelligence is fixed and they are blessed in having more of it than most other people. The consequences of this belief in one’s own giftedness can be paralyzing—especially if they believe concomitantly that they have nothing left to learn.

Not every senior executive succumbs to the myth of attainment, of course. Many recognize that they don’t know everything and that regardless of their position they need to continue developing their capabilities and knowledge. But the more adulation they receive, the more media attention they get, and the more certain they become about their conclusions and decisions, the more likely they will be to assume either that they have no developmental needs or that pursuing further development is inconsequential because they have already reached the position to which they aspired. Further, some executives who do admit to having developmental needs do so because they know that appearing arrogant is bad PR. In their heart of hearts, however, they don’t really believe it. We know this because they don’t seriously commit to the kinds of activities that would stimulate further development.

The Myth of Infallibility

Related to the *myth of attainment* is the equally deleterious myth of infallibility. People who have been successful and made good decisions throughout much of their professional lives can come to believe that they are infallible, and their status as C-suite executives can amplify this effect. Moreover, others in the company often treat them as though they are infallible, which may be more a tribute to their power than a recognition of actual superiority. The executives most likely to succumb to this myth are those who are already narcissistic to some degree.

In his discussion of incompetent managers, psychologist Richard K. Wagner describes narcissism as a “well-studied personality disorder that represents a combination of attitudes including feelings of entitlement, exhibitionism, expectations of special privileges, exemptions from social demands, feelings

of omnipotence in controlling others, intolerance of criticism, and a tendency to focus on one's own mental products, including viewing contributions of others as extensions of oneself" (Wagner 2002).

It's easy to see how some executives who reach the C-suite could become narcissistic. They are generally very smart people who have been successful in all or most of their endeavors. They were typically above-average if not superior students. They often had early leadership roles and have received numerous accolades for their accomplishments from parents, teachers, employers, and others throughout their lives. Most were told they were special and were treated that way. It would be astonishing if a number of them did not develop strong egos and a sense of entitlement. But, as Wagner notes, if narcissistic individuals appear to be self-confident, energetic, competitive, achievement-oriented, outgoing, and leader-like, there is a dark side:

Narcissistic individuals also tend to be egotistical, manipulative, self-seeking, and exploitive. Narcissists do not accept suggestions from others. Doing so might make them appear weak, which conflicts with their need for self-enhancement. Some narcissists have such an inflated self-confidence that they don't believe that others have anything useful to say to them. They also take more credit than they deserve, often at the expense of taking credit for the contributions of co-workers and subordinates (Wagner 2002).

Clearly, with so much invested in being infallible, these kinds of senior executives are unlikely to admit to themselves or anyone else that they have developmental needs. In fact, they are often openly disdainful of "training," although they may support it for others, and they typically avoid receiving feedback or participating in 360° assessments, which could expose the truth beneath the façade of perfection they project.

Life in a Fishbowl

We have been describing two of the more potent self-delusions (the myths of attainment and infallibility) that make developing C-suite executives challenging. However, life in the C-suite is strange even for the most psychologically balanced executives. In the C-suite, executives live life in a fishbowl. People are watching them constantly and closely, looking for signs of encouragement or danger. After all, when the leader is glum, it may foreshadow doom for everyone else. Conversely, when the leader is

“The CEO is often the most isolated and protected employee in the organization. No one gives him unfiltered information. Many people dissemble or conceal things from him.”

Kerry J. Sulkowicz

relaxed, confident, and happy, it signals good times ahead. On a more personal note, when a senior executive is aloof, distant, or seemingly displeased with someone, that person’s future may be in jeopardy, so people in organizations, especially those closest to the top, read their leader’s actions and moods carefully—the organizational equivalent of reading tea leaves to predict the future.

Because they live life in a fishbowl, many senior executives become hypersensitive to every word and gesture of theirs that may inadvertently send the wrong message. In the fishbowl, everything is amplified, and leaders know that they can create uncertainty, anxiety, and even panic if they show signs of weakness or doubt. This is the so-called “captain of the ship” syndrome. Everyone else on board the ship has someone to confide in, someone with whom to share anxieties and weaknesses—and receive counsel, or at least sympathy. But the captains of the ship don’t have the license to let their hair down. They have no one to confide in without the risk of unintended consequences. Their anxieties and weaknesses could sink the ship, so they can’t pull crew members aside and talk about their fears. What they tell anyone on board may soon be common knowledge because of lightning-fast grapevines.

Consequently, even if captains of ships or C-suite executives have doubts and uncertainties, even if they know they need help, even if they want more development, they are often reluctant to reveal weaknesses because doing so could sow the seeds of doubt, and with doubt come defections (who wants to remain on a sinking ship?), loss of confidence, and anxieties that get in the way of the real work to be done. In public corporations, senior executives who are too open about their development needs can even create doubts on Wall Street, which could negatively impact investor confidence and undermine the board’s confidence in the CEO and his or her team. The C-suite can be a paralyzing environment for executives who prefer openness and candor. Consequently, many C-suiters become very circumspect about revealing weaknesses or acknowledging developmental needs.

Life in the imperial palace

Life may also be strange in the C-suite depending on the personality and operating style of the CEO, who can be autocratic, intolerant of criticism, and narcissistic or be open, humble, collaborative, and inclined to delegate. In some organizations, the CEO may also avoid confrontation and conflict,

and so executives may not know where they stand. Moreover, if the CEO is openly disdainful of development for himself or herself, it can send the signal to all other executives that admitting the need for or interest in self-development may be the kiss of death. A healthy C-suite development environment depends to a large extent on what signals the CEO sends and on other C-suite executives' feelings of vulnerability. Is it OK to admit mistakes? OK to have developmental needs? If I'm a COO, is it OK to have a coach, or does having a coach suggest I'm somehow broken and need to be fixed? And if I'm broken, what does that say about my chances of becoming the CEO when the current CEO leaves?

In companies with developmentally minded CEOs who participate in development activities themselves, the C-suite environment is likely to be learning rich, tolerant of mistakes and criticism, and supportive of those who seek further development. Imperial CEOs, however, tend to stifle development and perhaps inadvertently discourage anyone from admitting that they need or want to have a coach, participate in a learning program, or otherwise strive to develop their knowledge and skills. Moreover, whether or not the CEO is imperial, other C-suite executives know that the CEO and board are watching them closely and are forming conclusions about their fitness in their current roles and their potential for advancement. Being too open about your developmental needs could inadvertently cripple your career prospects, so C-suite executives may be reticent to be candid about their self-doubts and their own assessment of what they need to learn or improve about their own capabilities and performance.

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Finally, the reality is that C-suite executives have less actual time for development. Unless they are developmentally minded and are strongly committed to continuing their own development, many C-suite executives don't feel they have the time for self-reflection and such development activities as executive coaching or education. There's just too much to do and too much at stake (or so goes the argument). The reality, too, is that what C-suite executives need to learn is generally so unique to their role, company, and competitive environment that the traditional means of learning and development are not feasible or practical for them.

The Complacency Born of Good Organizational Performance

In his book *Good to Great*, Jim Collins observes that good is the enemy of great, that when companies are performing well enough they don't push themselves to achieve even greater levels of performance. Good performance breeds complacency, and this is as true of individual executives as it is of the businesses they lead. When they are performing well enough, they may not perceive the need for more self-development.

Moreover, an individual executive's performance is obscured by the performance of the business unit he or she leads—and by the environmental factors that contribute to or influence that performance.

Through the 1980s and 90s, for instance, General Electric was one of the

highest performing companies in the United States. GE's success is usually attributed to legendary CEO Jack Welch, but was it his performance alone that caused GE's success? Or was it a talented management team? Or a superb workforce? Or the buoyant economy

Just as it is difficult to tell the dancer from the dance, we cannot look at individual executives and know whether the success or failure of their organizations is because of the executives or in spite of them.

of the 80's and 90's? Or luck? Or a combination of these factors? Clearly, Welch made decisions that shaped GE's destiny, but numerous factors contributed to GE's success. How then do we evaluate Welch's performance and consider whether he had any developmental needs as a CEO?

On a far less grandiose scale, these questions apply to C-suite executives in all organizations. Just as it is difficult to tell the dancer from the dance, we cannot look at individual executives and know whether the success or failure of their organizations is *because* of the executives or *in spite of them*. So it is frequently difficult to determine where, exactly, the executive might need to develop further. The raging economy of the mid-90s made many dot.com C-suiters look like geniuses, and when the dot.economy crashed, those same executives looked like goats. In retrospect, many of them (and the venture capitalists who gave them billions) overestimated not only their dot.company's potential but their own business skills and savvy as well. It is easy in heady times to give executives more performance credit than they deserve and overlook real developmental needs that may have devastating consequences when times turn bad.

In this discussion, we have not wanted to paint an impossibly bleak picture because many companies do successfully develop their C-suite executives,

but it's important to highlight the very real challenges and barriers in C-suite development. They exist in every organization in one degree or another and they do inhibit C-suite development in many organizations. In the next part of this paper, we will explore the developmental needs of senior executives and the five tools organizations typically use to develop their C-suite executives: on-the-job experience, peer interactions, education and action learning, mentoring, and coaching.

Typical Developmental Needs in the C-suite

Executives who reach the C-suite, particularly in large, public corporations, will almost certainly have endured years of apprenticeship as individual contributors and then as supervisors and managers. During these apprentice years, they will have mastered a number of foundational skills and dealt successfully with the kinds of management challenges that teach them how to handle people, communicate, manage change, and perform other such tasks effectively enough to continue to be promoted. Consequently, what C-suite executives most need to develop are capabilities that apply uniquely to C-suite executive challenges, such as these:

- **Knowing how to work effectively with external stakeholders, such as boards, banks, politicians, the media, and Wall Street.** Relationships with boards and Wall Street are particularly important for executives in public corporations. No matter how much experience senior executives have with boards and the financial community, relationships with such external stakeholders are critical, often precarious, and ever changing. It could be that one never truly knows how to work with all external stakeholders but rather that this is an ongoing learning challenge and becoming complacent about it can lead to disaster (as it did with former Coca-Cola CEO Doug Ivester when he lost the confidence of Coke's two most powerful board members, Herbert Allen and Warren Buffet, and lost his job after only two years in tenure). Similarly, even seasoned executives can fail miserably if they mishandle the media. Exxon's abject public relations failure following the Exxon Valdez oil spill disaster is a classic example of executive incompetence.
- **Developing or building their executive presence.** Some newly appointed C-suiters reached their position because of a generous amount of executive presence, but many are promoted because of their technical or business skills and may lack the degree of presence required in the most senior and visible positions in an organization.

We should be careful here to distinguish between executive presence and charisma, which, as Jim Collins notes in his book *Good to Great*, is not necessarily a prerequisite for C-suite leaders. Executive presence refers not to personal magnetism but instead to poise, self-confidence, articulateness, and the art of behaving appropriately in all circumstances.

- **Improving their communication skills, particularly with large groups.** Most people who reach the C-suite have good communication skills, especially one-on-one. However, we have worked with a number of C-suiters who do not have good large group communication skills. Although effective in small groups, they lack stage presence or can seem awkward, mechanical, and dull while speaking in public or, conversely, can come across as too scripted or slick. Achieving the right tone in public events is a skill many senior executives need help developing.
- **Building their media communications and presentation skills, including being interviewed for print and television and working with advertising agencies or PR firms.** Even the most accomplished senior executives occasionally stumble when they interact with the media, as we noted above, and they can inadvertently do considerable damage with a weak moment, an ill-considered response, or a pained facial expression. It would be fair to say that few people excel at dealing with intense media scrutiny without good training and coaching.
- **Developing a strategic perspective.** Surprisingly, a number of executives who reach the C-suite are not good strategic thinkers. Many have excelled in lower-level tactical management positions and are promoted to the C-suite because they have mastered operational management and are good problem solvers on the tactical level, but are not good at taking the long view and devising effective long-range strategies or making strategic decisions, especially when there are many uncertainties. One of the painful transitions executives need to make as they grow in seniority is moving from clarity to ambiguity and from predictability to uncertainty. Those who fail to make this transition typically become indecisive, unimaginative, risk averse, and too limited in vision.
- **Managing major organizational changes.** The scale of mergers, acquisitions, and divestitures and other large-scale organizational changes is such that many executives reaching the C-suite will not

have handled such matters themselves, although they may have been involved in them as lower-level executives. Still, as everyone knows, most mergers and acquisitions fail, so handling them is a critically important skill for C-suite executives, many of whom never get it right. Successful large-scale organizational change and restructuring is so complicated, in fact, that even seasoned senior executives generally require considerable outside assistance and personal learning to manage it successfully.

- **Developing, articulating, and acting within an ethical perspective.** As the Enron, Tyco, WorldCom, Healthsouth, Qwest, RiteAid, Janus, Putnam Investments, ImClone, Martha Stewart, and other recent cases illustrate, it is appallingly easy and too common for senior executives to lose their way and begin acting in ways that are, if not blatantly illegal, at least unethical and contrary to the best interests of their shareholders, other investors, and the public. The disgraced executives in these cases are perhaps the best evidence that senior executives may need to continually reexamine the ethical and legal framework of their roles and ensure that they are acting from within a sound ethical perspective. Furthermore, as Enron and Worldcom illustrate, when CEOs rely too much on their CFOs (and occasionally on complicit board members) to make moral judgments, they may be receiving bad counsel. In areas of moral development, it is better to involve outside counselors who have no stake in the matter and are likely to offer more objective and ethically sound opinions.

In addition to these kinds of developmental needs, and despite their long apprenticeships before reaching the C-suite, we often work with senior executives who do need to improve some foundational skills, including the following:

1. Being a more inspirational leader
2. Understanding and better managing organizational politics
3. Building strong executive teams and assessing and developing the talent in their areas of responsibility
4. Managing internal communications
5. Driving and managing change

6. Building broader, more diverse networks within and outside the organization
7. Being a more collaborative leader or otherwise understanding and adapting their leadership style to the needs of their constituencies

It may be difficult for C-suite executives to admit that they have these developmental needs, and it would be even more difficult for most of them to attend educational programs they felt were too “remedial,” so helping them develop these skills is best done with mentors and coaches in a one-on-one developmental environment.

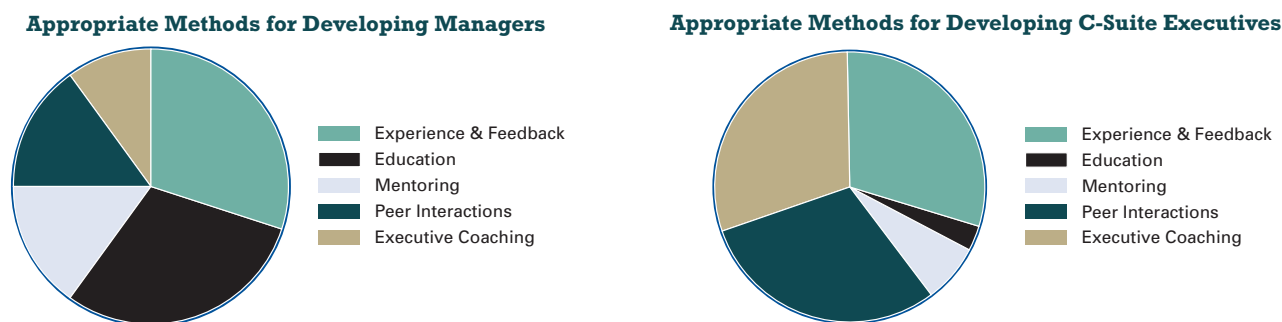
Finally, some senior executives reach their positions by virtue of their expertise or outstanding technical performance but lack the interpersonal or leadership skills necessary to lead large companies or business units. Studies of derailment reveal that most executives who fail do so because of poor interpersonal skills. Some C-suite executives may need to develop interpersonal skills as basic as listening, being sensitive to others, understanding others’ perspectives, handling conflict effectively, and building consensus. Executive coaches at Korn/Ferry indicate that in most coaching engagements they address one or more of these basic needs, which suggests that executives at all levels find interpersonal effectiveness to be an ongoing challenge.

Development Tools for the C-Suite

As organizations recognize the challenges facing their C-suite leaders today, what development tools are appropriate to help them build their leadership capabilities? Our experience shows that senior leaders benefit most from challenging experiences that stretch them in new and demanding ways, feedback and thoughtful reflection on how they are handling their current responsibilities, and exposure to mentors, coaches, or peers external to the organization who have successfully faced or are currently facing similar challenges and dilemmas. Formal educational programs, especially in-house programs, play a more prominent role early in executives’ careers. By the time they reach the C-suite, executives benefit more by serving as faculty or advisors on in-house programs but may still benefit by attending certain external programs.

Figure 1 shows the spectrum of development tools commonly used to develop both lower-level managers and C-suite leaders. It's worth noting that, except for the role of on-the-job experience and feedback, these development tools vary in their applicability as executives grow in seniority.

Figure 1.
Applicability of five development tools to executive at two points in their careers.



A 1992 study of forty-three *Fortune* 500 domestic and global firms showed leadership and communication as the primary topics for executive development, with 92 percent of programs focusing on it. The authors also note a trend toward longer in-house programs even for the most senior executives, one to three weeks being most common. They found that 98 percent of their respondents had participated in a university program, up 7 percent from a 1987 survey. However, job rotation and participation on task forces and special projects were the most common forms of executive development, at 58 percent and 56 percent respectively. External programs came in at 39 percent; coaching and mentoring at 28 percent (Vicere, Taylor, and Freeman, 1994). This study focused broadly on executive development, not on C-suite executive development, so the results are similar to the distribution of developmental tools shown in the left pie chart in figure 1. As executives reach the C-suite, educational programs generally play a lesser role in their ongoing development. Coaching and peer interactions play a proportionally greater role. On-the-job experience and learning are critically important in all phases of an executive's career.

Executive coaching and peer interactions are most applicable because they expose the senior leader to individuals who have or are currently encountering similar challenges outside their organization, bringing diverse views and independent perspectives. On-the-job experiences test their mettle and challenge them to successfully accomplish new demands.

“Ultimately, the companies that do the best job at creating leaders are founded upon a culture that values and rewards leadership. For the, training is a critical element, but only one of many mechanisms. Ideally, a company must support leadership development through challenging job assignments, outstanding bosses, effective mentoring, financial and promotion rewards, performance feedback, task force assignment and on-the-job training”

Jay Conger

Mentoring can be useful in specialized circumstances; however, the value of an internal mentor lessens as the executive moves into the C-suite. Finally, as we noted earlier, education and action learning are generally aimed at early and mid-level managers to build foundational leadership and management skills. However, some educational experiences can help C-suiters develop their perspective and capabilities, and the value of senior leaders acting as faculty in leadership programs is often overlooked. Leaders building leaders provides a strategic opportunity to model desired leadership behaviors, enhancing their own capabilities in the process. The old adage that you must deeply understand in order to teach applies here.

The cornerstone of all these development tools is assessment and feedback. Assessment yields the diagnostic data that pinpoints what a senior leader needs to learn. Feedback provides the opportunity to explore the data and understand the implications of it. How well am I actually performing? What strengths do I have that I can leverage? Where do I need to improve? How can I most effectively build these capabilities? What is my leadership style, and what are the implications of my style on the organization and its people? Assessment and feedback are intended to answer these questions and to encourage senior executives to engage in thoughtful reflection about themselves, their effectiveness, and their ongoing developmental needs.

Assessment data can be effectively gathered using a variety of methods. Online self-assessments of cognitive ability and personality, 360° ratings gathered from managers, peers and direct reports, and confidential interviews have all been demonstrated to provide valuable developmental assessments yielding rich diagnostics of leadership capabilities. Evaluative assessments gathered from managers, peers, and subordinates as part of a performance appraisal process provide useful data on performance on the job. Studies demonstrate that leaders receiving feedback from these types of assessments improved their performance compared to those who did not (Bernardin and Klatt, 1985). The lesson here is that *feedback matters* and should be a cornerstone of any development tool used by senior leaders.

Organizations that excel at developing leaders at all levels have two distinguishing characteristics. First, they create a feedback-rich environment in which people come to expect regular feedback and view it as an essential part of their ongoing development. Second, senior leaders know they have to “walk the talk” by demonstrating their willingness to participate in upward-feedback assessments and feedback sessions and to publicly work on their developmental needs over time. Moreover, they have to show that they are tolerant of mistakes, including their own and

those of their staff, while emphasizing the learning process necessary to keep those mistakes from being repeated. A number of authors, notably Peter Senge, have elaborated on the virtues of the learning organization. We would simply echo here that creating a rich learning environment is fundamental to developing executives at all levels, and that learning environment starts in the C-suite.

On-the-Job Experience

Leaders develop, first and foremost, from their experiences on the job. In the problems they confront, the plans they make, the challenges they face, the issues that arise unexpectedly, the results they see or don't see, and the actions and reactions of their customers and competitors, executives are constantly receiving feedback on their understanding of the situation, analysis of the issues, assessment of alternatives, handling of people, and efficacy of their solutions and decisions. Although much of their self-evaluation may be unconscious, it is fair to say that the living laboratory of their daily work is one of the most robust learning environments executives have.

If that learning environment is feedback rich and if the executives are reflective about what they are learning, their opportunities for development are immense. For organizations to fully capitalize on this learning opportunity, however, they should make the learnings transparent—both to the executives themselves and to their boss, peers, and subordinates.

The best practices we have seen here include (1) creating personal development plans for all executives and providing executive coaching on developmental issues, with progress and learnings shared with the relevant human resources partner and the boss and (2)

conducting periodic informal sessions where senior executives reflect on what they have learned and discuss how what they've learned could be used in other parts of the organization. The key points are that the learning should be both self-conscious and transparent.

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Job assignment rotation has also been one of the oldest and most powerful ways leaders develop. In fact, research studies show that many managers consider job experiences as the primary source of learning (McCall, Lombardo and Morrison, 1988). New positions give leaders the opportunity to learn by doing and by working on real problems and facing challenging dilemmas.

Using on-the-job experience as a developmental tool requires making deliberate choices about job assignments that will stretch and develop a leader's capabilities. This approach began in the 1980's and has become a key component of most formal succession planning programs.

General Electric and Citicorp are two organizations that have successfully used systematic job assignments as a development experience. GE assigns upcoming executives to "popcorn stands" outside the mainstream of the business where they can benefit developmentally from the experience (Sherman, 1995). Citicorp places high potentials in positions where they are no more than 60-70 percent prepared to move them outside their comfort zone and encourage new mindsets and behaviors (Clark and Lyness, 1991).

To maximize executives' development through job assignments, the assignments should present them with a variety of challenges of particular types. McCauley, Moxley and Velsor (1998) summarize their research on the five broad sources of challenge in developmental job assignments. Ideally, when executives are moved into new positions, they should experience the following:

1. **Job transitions:** unfamiliar responsibilities that are new, different or broader such as taking a temporary assignment in another function, moving to a general management job, moving from a line to corporate staff role
2. **Creating change:** developing new directions such as new vision, product or system, fixing inherited problems, resolving performance issues
3. **High levels of responsibility:** a high stakes corporate assignment, external pressure from the media, government, community, unions, foreign culture, large job with overload and business diversity
4. **Nonauthority relationships:** influencing without authority such as a top management proposal, internal project, community initiative
5. **Obstacles:** leading a business unit under adverse business conditions, working in a situation where there is little direction from top management, responsible for product line with intense competition

Executives who successfully confront these challenges in a series of assignments are usually well prepared for the C-suite, but even as they are promoted into the C-suite, senior executives generally face one or more of these challenges in their new role, and if they get regular, insightful feedback on their handling of those challenges, they have the potential for growth. As we noted earlier, feedback is critical for learning to occur from developmental assignments. Executives must receive clear, specific and periodic feedback on their progress, and this feedback should come not only from their boss but also from peers, direct reports, and customers. Jack Welch is famous for the handwritten notes he wrote to executives on his view of their accomplishments and needs for improvement, and in many organizations senior human resource professionals also provide regular feedback to the senior executives for whom they are responsible.

In the C-suite, developmental experiences may involve leading special assignments for the board or projects of strategic importance for the organization. Senior executives should consciously seek out and volunteer for these types of challenging assignments to further develop their repertoire of leadership skills and capabilities. The greatest learning laboratory they have is their current job assignment, but learning will occur only if they are open to exploring their leadership style and performance, reflecting on their strengths and weaknesses, and continuously learning how they can do it better. Of course, if they think they have “arrived” and have nothing more to learn, their egos and attitudes will prevent real learning.

Peer Interactions

Very little research exists on the role of peer interactions in developing executives’ capabilities, but it is clear that developing executives learn much from discussing their experiences, problems, and challenges with other executives. Peer teams are a common feature in external executive programs, such as those at Harvard Business School, where participants discuss case studies during the general sessions and work in case study teams to do small group work on the program content and case studies. Some companies take this concept a significant step further and form long-standing peer cohorts in which developing leaders meet to share ideas and experiences, discuss their leadership and management challenges, and help each other learn. Sometimes, peer cohort members share their personal development goals and take responsibility for helping each other

When a young executive at IBM lost the company \$30,000 on an experiment that did not come off, he expected to be fired. But Thomas Watson, the company’s founder, had different ideas. “Why would I fire you?” he asked. “We’ve just spent \$30,000 educating you.” Some leadership lessons do not come cheap.

The Economist
October 2003

“I just feel more confident that I’m not alone in facing these issues.”

Jeffrey Beir
Cofounder, eRoom Technology

“It’s a time when I know I won’t be in reactive mode, putting out fires. I’ll be looking at the long term.”

Linda Hutchinson
DEO, Syntha Corporation

develop. Generally speaking, the more formal such programs are, the more developmental value they have.

However, peer cohorts work best below the C-suite, where there are more peers at equivalent levels and where participating executives feel more connected with their peers because they face similar challenges, face less pressure to appear perfect, and are less competitive with their peers. For the most part, executives at lower levels know what to expect from the leadership challenges they face, but this is less true of executives who are new to the C-suite. Few senior executives are truly prepared for the changes that occur as they advance to the most senior executive level, where many feel lonely and disconnected from the organization (Cooper and Quick, 2003). Overcoming this loneliness requires experiencing real human communication and contact with one or more people who understand the stresses and challenges of the senior executive role.

Peer interactions are a powerful tool for senior executives to receive this communication and contact. Some executives are fortunate enough to have friends in similar positions in non-competing organizations with whom they may confide. These confidants can play a valuable role in exploring issues, solving problems, handling tough situations, and, perhaps more importantly, dealing with the emotions that accompany these challenges.

For others, organizations that foster peer exchanges can play this role. The Young Presidents Organization (YPO) is one such organization. Founded in 1950 by Ray Hickok, the YPO was established to help young men who found themselves leading organizations at a very young age and to provide them with the experience necessary to feel comfortable moving forward on their own. Today, YPO is an international organization offering both men and women an opportunity to learn from each other and to share experiences. The mission of YPO is to create better leaders through education and idea exchange worldwide. Through membership, individuals can tap into the personal experiences and ideas of others in similar situations to help them address the problems and concerns they face.

Other such CEO peer groups are springing up, typically organized by consulting firms or nonprofit organizations (Fusaro, 2000). For example, Jeffrey Beir cofounded eRoom Technology, a company that creates virtual workplaces on the Web. He joined a peer group of eight CEOs who run software companies in different sectors of the high-tech industry. They meet once a quarter for a two-day session to discuss challenges they all confront—everything from managing fast growth, to preparing for IPOs, to hiring talent. Over time, says Beir, they have come to trust one another.

They candidly discuss their insecurities and concerns, which, he admits, is not always easy when you're sitting at the top of an organization.

Linda Hutchinson, CEO of Syntha Corporation, a maker of software for the power plant industry, received valuable advice and feedback on a new business development plan for her company from a group of ten female CEOs from high-tech, business-to-business startups. "I work in an industry that is dominated by males," she says, "so it's refreshing to sit at a table with women leaders only."

Peer exchanges are not just for young leaders or entrepreneurs. As the pace of change picks up, even the most experienced leaders face problems outside their expertise and experience. Peers can help in staying abreast of market and technological shifts and provide ideas and perspectives on current challenges and dilemmas. And, perhaps as importantly, they can make life at the top much less lonely.

Educational Programs and Action Learning

As figure 1 illustrates, formal educational programs are less applicable to executives in the C-suite, but they may still play an important role. In his study of executive development, Jay Conger pointed out several important trends:

- There is growing interest in in-house faculty who do the training. This is not without risk since it tends to be very inward focused and loses the value of outside perspectives.
- Attending graduate business school programs is still popular but is leveling off in favor of in-house programs. Seventy-five percent of executive education dollars go to customized programs. The emphasis here is on long-term partnerships with professional development firms who can help the company create programs targeted toward specific organizational needs.
- There is a shift in focus on individual leaders to the senior manager team as a whole. Consequently, programs for developing intact executive teams are growing in attractiveness.

In the C-suite, formal educational programs are less common for several key reasons. First, there are relatively few C-suite executives in any

“The mark of a leader isn’t so much your own functional capability but your ability to motivate, influence, teach, and inspire others to proactively do the right things right.”

Linda Simmons

organization so in-house customized educational programs are usually not cost effective. Second, educational programs are most effective when they address specific developmental needs at specific points in executives’ careers—at what might best be described as prime “learning moments” in an executive’s development. Generally, such moments occur when executives assume new responsibilities, face a difficult or uniquely challenging situation, or need a learning experience to shock them out of a mindset or perspective that has become too ingrained. Executives may also benefit from educational programs when they need to train for competencies needed in a new position or operating environment.

Rich learning experiences typically involve applying newly learned skills to actual leadership and organizational challenges (which is why action learning is often advantageous), using actual feedback from the executives’ business units to shape the program and measure success, and reinforcing the learning through multiple experiences. Case studies outside the executives’ industry are usually beneficial because they can help them see problems from diverse perspectives.

As noted above, formal educational programs often including a project-based action learning component are the most common tools used by organizations to build their bench-strength, widen the perspectives of their high potentials, and enhance their skills. For example, Warren Bennis (2000) completed a study of eight major manufacturing and pharmaceutical firms with a definitive perspective on leadership. His findings show that leaders were “made” through integrated, multi-mode programs that included:

- A leadership competency model defining behavioral competencies
- Management support with strong involvement from senior management
- Systematic training where educational programs are reinforced through transfer on-the-job
- Action learning involving finding real solutions to real problems
- A learning community using senior management and graduates as instructors and faculty

For C-suite leaders, educational programs provide an opportunity to model leadership for the organization and demonstrate their commitment. These opportunities include serving as a faculty member for a leadership

development program, being an executive sponsor for an action learning project, and providing executive briefings for participants in educational programs. Unfortunately, all too often senior executives abandon their direct reports to educational initiatives without taking an active interest. This approach reduces the executive's capability to effectively coach their direct reports on the targeted leadership skills, as well as reduces morale. In one recent educational program, we heard a participant observe, "If it's so important, then why isn't the CEO staff in here with us?"

By teaching leadership, senior leaders also deepen their own capabilities. Karen Spear, a researcher at the Korn/Ferry Research Institute, has done an extensive review of the research on professional development (Spear, 2001).† She presents a five-stage model of development. The fifth stage, most relevant to the C-suite, is Organizational Leadership and Giving Back. Leading educational programs provides an opportunity for senior leaders to master many of the key competencies in this stage including using oneself as an exemplar of excellent and ethical standards of practice, being willing and able to articulate a philosophy of practice, achieving buy-in and inspiring one's vision, defining oneself as a leader, being able to display candor and expose personal vulnerabilities to build relationships, developing deep levels of trust in others, giving credit to others, maintaining openness to continued learning from junior associates, providing high-level leadership by conveying passion for work, and practicing effectively a full range of influence approaches.

We encourage senior leaders to take an active interest and role in educating others in their organization. We also urge actively soliciting feedback from participants and other faculty, as well as careful attention to faculty evaluations. These assessments provide the feedback to enhance learning and growth from the teaching experience.

Finally, although C-suite executives rarely participate in internal leadership programs as students, they can attend leadership and related programs at Dartmouth's Tuck Graduate School of Business, Harvard Business School, Stanford Business School, Wharton, and similar academic institutions. These "open enrollment" programs are advantageous in many ways: they give senior executives access to some of the most current thinking; they provide an arena outside of their current organization in which to explore business and leadership issues; they can promote a vigorous exchange of ideas with graduate school professors and fellow senior executives; and they offer a rich opportunity for networking. Whether as participants in graduate leadership programs or as leaders and faculty in internal leadership programs, education remains an important part of C-suite executive

"Teaching is a very important part of our leadership."

J.T. Battenberg
CEO, Delphi

“Mentors are more important than hard work, talent, and intelligence.”

Sheila Wellington
President, Catalyst, 2003

“I don’t know how CEOs without mentors can succeed.”

Bruce Chizen,
President and CEO, Adobe Systems

development. Education may be less a factor in developing C-suite executives than it is in developing more junior executives, but it remains a critical piece of the picture.

Mentoring

When we normally think of mentoring, we think of the more senior executives mentoring the less senior executives or managers, and indeed mentoring is a development tool that allows C-suiters to transfer their organizational knowledge and experiences to others in the organization. As mentors, they can help protégés gain knowledge and skills, understand company culture and politics, obtain new opportunities and contacts, and, ultimately, achieve greater career success. Mentoring can occur formally through programs structured by the organization or informally where the mentor and protégé choose each other outside the bounds of a formal program.

An ideal mentor brings several qualities to the relationship: 1) successful achievement of a level of responsibility and recognition that the protégé wants to achieve; 2) knowledge, skills and expertise that the protégé needs; 3) influence in the organization or field; 4) respect, admiration and trust; 5) willingness to invest the time in mentoring; 6) strong listening skills to understand other points of view; 7) ability to help and encourage others to achieve their goals (Barton, 2002).

Formal mentoring programs usually select those executives whose skills, work habits, and personalities are in sync with the corporate methodology and culture. At New York’s Bristol-Myers Squibb Company, General Counsel Linda Willett says that mentors are picked because management regards them as “good role models” (Kanarek, 2001). Informal mentoring starts with selecting a mentor by researching the person’s background. Sometimes mentors may be known or may be introduced through a mutual friend or acquaintance. After requesting help, the mentoring relationship involves meetings, follow-up and ongoing contact.

Unfortunately, mentors become scarcer as executives move up the hierarchy, especially in the C-suite. As available mentors within the organization become fewer and fewer, finding external mentors becomes more necessary. A Wall Street Journal article (Lublin, 2003) describes how Melissa Dyrdaahl, Senior Vice President of Corporate Marketing and Communications and Bruce Chizen, President and CEO at software maker Adobe Systems have gotten wide-ranging assistance from multiple mentors.

Ms. Drydahl's best mentor is Mr. Chizen. They met 15 years ago at another software company before he became her boss when she joined Adobe. Because they know each other so well, "I'm brutally honest with her" says Mr. Chizen. "If she wasn't interested in feedback, mentoring would be impossible." Mr. Chizen himself seeks insights from higher ups: Co-Chairmen John F. Warnock and Charles M. Geschke who founded Adobe and handed leadership to him in 2000. He says the founders continue to teach him how to preserve the company's unique culture by hiring people smarter than he is and practicing open-door management.

Mentoring can also play a powerful role in nurturing and protecting individuals outside the mainstream such as mavericks, women, and people of color. For example, Cheverton (2001) observes that mavericks can be potent forces for fostering innovation and corporate renewal. However, mavericks need a mentor to protect them from the immune system of the organization ("bureaucratic antibodies whose job it is to seek and destroy misfits") and help them navigate the organization's politics and structure.

Mentoring is also a tool for assisting women and people of color to succeed in the corporate world. Banking giant J.P. Morgan Chase has successfully used mentoring programs to retain and promote minorities. Pat Carmichael has mentored hundreds of executives over her 30-year banking career. She advises minorities to ask for tough assignments and feedback. "Minority employees have to take the initiative and say to their bosses, "What do I need to do to grow?" she says (Fortune, 2001). One of her protégés, Dinah Moore, a senior vice president in one of the bank's technology groups, has experienced the value of Pat's mentoring through the expansion of her network. "Pat has increased my access to other African Americans in senior roles such that I don't ever need to make a cold call. Mentoring has been one of the components that has kept me at Chase," she says.

Beyond acting as mentors for others, senior executives should also be alert for mentors of their own who can bring them perspective and experience. However, they should avoid looking for the single, ideal mentoring relationship that will carry them through their career. Relationships are dynamic, their needs change, and multiple perspectives are important. Actively seeking feedback from multiple mentors is the best way to further their development.

"In the world of work, very few individuals receive frequent feedback and participate in training activities designed to improve their performance reviews, the majority of which are exceedingly general. Learning that results in improved performance usually happens informally in the form of learning from one's own experience.

Richard, K. Wagner
2002

Coaching

Lastly, executive coaching has proven to be one of the most effective ways for C-suite executives to continue their development—if they can find the right coach. External coaches offer a number of advantages:

1. Good external coaches can be more objective than internal coaches and typically have no agenda except to be helpful. Coaches from inside the organization generally have to bring too much baggage in the form of existing opinions, differing political agendas, and their own need to position themselves with the executive being coached. And when the CEO coaches other executives in the C-suite, the executive being coached can never be certain that he or she isn't being evaluated and judged while the coaching is taking place. It is very different for internal coaches, especially those in the chain of command, to differentiate between developmental and evaluative responsibilities.
2. External coaches can coach confidentially and provide a higher degree of safety. They can discuss many topics, including personal life issues, that internal coaches could not reasonably discuss with C-suite coachees. Moreover, good external coaches are trained to be nonjudgmental. They can listen to and be helpful with a wide range of issues without executives feeling that they are being judged— or that the information about these issues will linger in “organizational memory,” which might be the case if they are receiving internal coaching.
3. Trained and certified external coaches are generally more adept at accurately diagnosing a senior executive's developmental needs. Coaches with graduate degrees in psychology or counseling who are certified to use certain assessment tools, like the Leadership Balance Sheet™, can use such validated tools to provide accurate insights into the senior executive's leadership style, strengths, and weaknesses.
4. External coaches can provide individual attention from a skilled helper. Because C-suite executives generally face unique challenges, coaching is usually a more targeted and effective development intervention than educational programs, no matter how good such programs are. A good six-month coaching program with a skilled coach will be far more effective in individual development than even the best graduate school program from Harvard.

To be effective, coaching programs in the C-suite should adhere to certain basic principles. First, the coach and the senior executive should both be held accountable for achieving results. To ensure results-based accountability, individual coaching programs should be limited in scope and duration. Six months is typical, and the coach and executive should agree to measure the results of the engagement at the mid- and final points in the engagement.

At the outset of every C-suite coaching engagement, the coach, the executive, and the company should set clear expectations regarding the goals of the program, the process to be followed, the extent of confidentiality, the executive's change needs, the time frame for the engagement, how progress will be measured, and how progress will be reported. These expectations are usually set with a core group of "stakeholders" in the executive's development, including the executive, the coach, the relevant human resource professional responsible for the executive, and the executive's boss. In the case of CEO coaching, the "boss" may include members of the board of directors.

Of course, getting the right coach is essential. During the recent economic downturn, thousands of displaced executives and professionals hung out their shingles as executive coaches, and many of them are untrained, unscientific in their approach, and a danger to the people they are coaching, especially when serious psychological problems are present.† Perhaps the most important factor is the chemistry between the coach and the senior executive being coached. Chemistry is one of those difficult-to-define concepts although most people know what it means. Beyond operating style similarities or compatibilities, chemistry often also means that the executive finds the coach credible because of the coach's education or experience. Coaches who have worked at the executive's level and understand the challenges the executive is facing are generally more helpful than those with limited exposure to the executive's real world.

Finally, the coach and the coaching process should be adaptive to the executive's needs. Executives have a limited amount of time available for development, so it's imperative that the coach be flexible and responsive to how the executive wants to work.*

Conclusion

Developing executives in the C-suite is uniquely challenging because of the nature of the C-suite and the people who inhabit it. Skill building in the traditional sense may not be what C-suite executives need. What they need more is a way to accurately assess their own performance, learn how to work most effectively with their counterparts, and explore alternates for understanding and dealing with the myriad of issues they face, some of which they may never have encountered before.

Because their environment is complex and the challenges more complex and uncertain than they may have faced before, what C-suite executives need to learn is how to adapt, know what they don't know, trust what they do know, prioritize, and translate knowledge to effective action. The development tools available to help them include on-the-job experience coupled with robust feedback, peer interactions, formal education programs (as participants and/or faculty and leaders), mentoring, and executive coaching. Smart companies use the right combination of these tools, usually crafted in the right proportions for each executive, to ensure the continuing development of their executive talent in the C-suite.

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* Respectively, these are the Chief Financial Officer, Chief Operating Officer, Chief Information Officer, Chief Technology Officer, Chief Marketing Officer, and Chief Procurement Officer. Essentially, the C-suite consists of the CEO and the CEO's direct reports, whether or not they have "Chief" in their title. The C-suite is the pantheon of business executive leadership.

† This research report is available from Korn/Ferry International. To receive a copy, call (800) 866-5548.

† See Steven Berglas, "The Very Real Dangers of Executive Coaching," *Harvard Business Review*, June 2002.

* For a thorough exploration of this approach to coaching, see Terry R. Bacon and Karen I. Spear, *Adaptive Coaching* (Davies-Black Publishing, 2003).

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