

**LEADERSHIP INSIGHTS
FOR SENIOR LEADERS**

by

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Related Articles About Leading Leaders, Senior Leaders, and Experienced Leaders

For whom are these three articles intended? *Leadership Insights for Leading Leaders* was written for anyone with even one subordinate who, in turn, also has at least one subordinate. This provides a more focused approach than terms like “middle management,” which I feel is too broad.

Leadership Insights for Experienced Leaders is for anyone who has had subordinates and written performance reviews for at least three years. The value to experienced leaders (some of whom may also have leaders as subordinates) is for experienced leaders to keep learning how to improve their leadership impact. Many insights may seem familiar, largely because great leadership is anchored in common sense. And each of us can benefit from both reminders and new ways to see familiar situations.

Leadership Insights for Senior Leaders was not written for those who are simply nearing the end of their careers. Senior leaders, by definition, have significant responsibility to set direction for a business, a function, or the corporation overall. They may oversee functions and/or businesses in which they have not worked. They are influential in how corporate and business strategies are set and executed. Senior leaders have a voice in both priority setting and resource allocation.

Leadership Insights for Senior Leaders

I. Celebrate

- You’ve arrived. You got here by hard work. Clearly you have valued skills in leadership. These valued skills will include your earlier task expertise and your behavioral skills of leadership, especially your ability to develop others. Now you must successfully add strategic skills. These strategic skills are sometimes called “the vision thing.”

II. Compare

- How are senior leaders different from experienced leaders? Senior refers to position in the organizational hierarchy. An experienced leader has formally led subordinates for years. Experienced leaders report to senior leaders. Some but not all experienced leaders aspire to become senior leaders.
- Experienced leaders vie for resources to complete initiatives. Senior leaders allocate resources to experienced leaders based on the organization strategy in place. Experienced leaders explain the strategy and the team contribution to it

to their team members or to their subordinate leaders. Senior leaders develop, test, refine, and oversee implementation of strategy.

- With so much being said about strategy, just what is strategy? A strategy is a consistent stream of decisions that leads to a desired outcome. A strategy says broadly what will be the focus of the enterprise and its resources—what the firm will pursue. By implication, a strategy also says what the enterprise won't pursue. These guideposts help to align the thoughtful effort of all team members.

III. Caution

- Let's start with some things to be aware of at the senior leader level. These are presented early in this document in the spirit of knowing these tendencies can exist. Spend a bit of introspection time on the possible presence of one or more of these tendencies in your leadership. Keep their impact small. Your further success won't be found simply by avoiding failure. These few tendencies can keep you from achieving more.
- You're now in the expensive part of your career. That is, the firm pays you more per day than they might someone with perhaps 10 years less experience. **Don't give the firm an excuse such as bad leadership or resting on past accomplishments to ease you out. Innovation and thoughtful risk-taking are essential now.**
- At this career stage, senior leaders may over-rely on legitimate authority (your placement in the organization hierarchy) because you have so much of it. You'll get compliance, which is exactly what you don't want. You want passionate performance.
- And the younger generation resists legitimate authority by itself. The younger generation being led requires that you share your expertise with them, and that you build a relationship with them. Not comfortable with these two requirements? Consider leaving leadership soon. **Use authority a bit less and persuasion through questions a bit more.** This keeps you engaged, vital, and active.
- Find yourself advocating in meetings instead of inquiring? You're getting out of date if you're not inquiring. **Ask questions to which you don't already think you have the answer.**
- Ever hear yourself say, "Our customer wants..." or "Our customer needs...?" When was the last time you talked with a customer? With many customers? Beware if you use "customer" in the singular. It can mean you're seeing their needs uniformly. Mass markets are rarely mass anymore. Customer segments

today may have widely differing needs. One study of auto insurance customers found that its largest segment of customers defined exceptional service in ways exactly opposite from the exceptional service requirements of its most profitable segment of customers! **Develop the habit of engaging customers and really listening for what is changing since you were on the front line working with customers.**

- Are you mentioning your organization's competitors too often? You are if your most important measurements are overall industry rank or market share. The measure that matters most is employee satisfaction. The role of your satisfied employees is to delight your customers at low cost. Delighted customers are repeat customers. It can cost five to 20 times as much to replace a defecting customer than to keep that customer. **Teach your employees the economics of customer retention. And teach your employees to tell you how to keep the customers you want to keep.**

IV. Grow To Fit Your Senior Leader Responsibilities

- **Recognize how much your work has changed.** You are competing with peers for resources of larger scope and impact. Everything you and your peers do provides visible messages to subordinates even in each other's departments or divisions or businesses. Multiple functions, including those in which you have not worked, may now report to you. Resource allocation is a task shared with others. Your day has even more meetings in it than when you were an experienced leader. You review more presentations about both ongoing results and proposed initiatives.
- **It takes new skills to prosper in senior leadership.** The skills required for success here are both strategic and behavioral. If you paid attention to developing your strategic skills as an experienced leader, you'll now only need to experience the setting of organizational direction in concert with peers and your mutual boss or bosses. The behavioral skills needed here are very much anchored in questions. For example, in a senior level meeting where one or more experts from the experienced leader level advocate an initiative, they'll also advocate a course of action and justify this choice with numbers. Your most powerful inquiry doesn't come from numbers expertise. It comes with a simple question for the advocating experienced leader is, "What alternative do you consider closest to the one you chose and why didn't you choose that one?" You want to hear their analysis of alternatives in more than projected profit terms. You want to hear their passion. Passion matters because it supports the advocate's drive to have the project succeed. Above all, at this level you're counting on people to deliver results.
- **Be careful what you ask for.** Because you're now in a senior position, your statements, comments, even your jokes can take on meaning you don't intend.

“I wonder how much we’d save if we had only three colors instead of the dozens we have now” can lead to a cost study and resources consumed. Don’t accidentally launch anything.

- **Become more external in your scanning, exposures and viewpoint.** Get to know capital suppliers and what they need to know. Understand how they analyze things. Recognize that capital suppliers don’t operate your business (but they do operate their businesses).
- **Get to know your counterparts in other companies and other industries. Pay particular attention to their frameworks for decision-making.** For example, Southwest Airlines has no Human Resources executive. She is Vice President for People. When it comes to selecting new employees who can delight customers, she makes the strategic decisions. Prospective flight attendants are interviewed in groups of six with a minimum of two Southwest flight attendants leading the session. Why? Teamwork and sense of humor are vital to the job. Interpersonal competition is the kiss of death. Real interaction among candidates wanting a career with Southwest provides the best selection circumstances.

It is the way Southwest stands uniquely from its industry practices that make its performance hard to imitate. Twenty-minute gate turnaround times are the Southwest goal in an industry with a one-hour standard. Forward price hedging of fuel supplies in an industry that often buys a significant fraction of its fuel at spot prices is another unique factor. So is having only 737 aircraft in an industry where competitors may have seven to 15 different aircraft types. Not using hub-and-spoke connections in an industry dominated by hub-and-spoke arrangements is also unique. Likewise, lack of seat assignments makes Southwest nearly unique domestically. **What can you do to make your company’s offers to the market place at least distinctively valuable if not uniquely valuable?**

- **Have frameworks for understanding how your firm will succeed.** The customers Southwest wants would drive instead of fly in many markets. This makes low fares a key that Southwest must offer. Flight frequency is a close second. On-time performance is third. Customer delight is fourth (note that delight provides repeat business and free word of mouth advertising). Every thing Southwest does is aimed at these four outcomes. What are the interrelated key outcomes for the customers you seek to attract and keep? **These key outcomes will describe your aspiration.** Aspiration leads to vision, which in turn leads to strategy. From there come goals, plans, and measurement. Celebration of interim successes must be frequent to keep energy up and the vision alive for employees, who will make all of this possible.

- **Communicate directly with large populations of employees on a regular basis.** Be prepared to answer unexpected, uncomfortable questions. Be aware when the room thinks, “Yes, I wanted to know that, too.” Know when the audience doesn’t support the question asked of you or the person who asked it. Such access and candor build the relationship before you need it. Eventually you’ll need this goodwill when business changes are necessary. You can develop such awareness by first looking for these audience thoughts before you become the senior leader. And a trusted staff member in the audience can signal you during or after a session what the audience is feeling and needing when you are that senior leader.
- **Provide meaning and importance to employees’ work.** Most people want to contribute to a purpose larger than themselves. Help them elevate their perspective to include the positive impacts of their work. An auto insurer had thousands of operations employees who entered data into a computer. These were operations people. Once they learned that auto insurance prevents liability judgments against a driver that can cripple a family’s future, they began to see their work in a nobler manner. They were protecting homes, college tuition, and retirements with accurate policy data input.
- **Provide recognition in ways employees prefer.** Some group cultures call for not singling out individuals for recognition in front of peers. (More latitude may exist in this in American business culture.) But it is best to ask employees. Larger organizations that are struggling with organization performance are often stingy with providing both RECOGNITION and MEANING.
- **Have multiple mechanisms for soliciting feedback.** Lead by walking around. Take a subordinate or peer with you when you do—she/he is your second set of ears. As you debrief what you discover, your subordinate learns by doing how to lead by walking around. Leadership is a web of conversations with purpose. It is the accidental conversations in parking lots, hallways, and cafeterias that give texture to direction-setting decisions. Ask your subordinates what they’re hearing. Do so in meetings to signal that concerns expressed informally are important input to leadership. Keep your contacts from prior roles. Add protégés to your portfolio. (See *Leadership Insights for Protégés* and *Leadership Insights for Mentors*.) Solicit protégé input on the future of the organization, what concerns their fellow employees are expressing, and how you can improve your own leadership. Conduct employee surveys, online or otherwise. But you must report results periodically, and especially address issues of concern. Don’t forget to communicate what is going well.
- **Lead the functions you haven’t worked in but are now responsible for from the strategic perspective.** Let them teach you about their fields. Ask quality questions to which you don’t already know the answer. Use questions

to shape how they'll improve their function. Provide balance: You can neither favor the function in which your career began nor ignore it. Drop the pretense of expertise in your field—that was years ago.

- **Avoid the misconception that you know what customers want or what is good for them.** Whole industries (steel and auto, just to name two) are paying the price for having senior leaders who clung to this belief.
- **Teach your employees how to discover what customers want and how to tell you.** This requires frameworks for inquiry, like customer segments. Demographics are not the only way to segment. Customer behaviors tell much more. But members of a given segment are harder to identify.
- **Teach your employees your organization's business model.** If low cost is your goal, every initiative and decision that doesn't support that low cost strategy should not be pursued. If superior service is your goal, your employees and you must know the elements that customers value. Trustworthiness, convenience, service after the sale and many more are areas for inquiry.
- **Teach your employees to identify the customers you want, the customers you don't want, and how to handle each group.** It is possible to teach customers how to behave so that they're consistent with your business model. Southwest Airlines teaches customers how to board an airplane when seats are not assigned (not assigning seats contributes to the low cost business model).
- **Teach your employees mutual respect, collaboration, and how to have fun.** Working for a successful enterprise, employees can have more of all three. If you're not succeeding in your industry, examine these three. Culture is central to all three. Do you have a telling culture? A top down culture? An obedience culture? You're building sustainable success if you do. An inquiring culture, built on questions in a context of respect builds collaboration and the fun of discovery and success.
- **Teach humility.** Not knowing is more valuable than having the answers if you have frameworks for inquiry. For example, most companies waste their complaint stream. Standard letters of response, especially if they imply the organization is right, are anything but helpful in retaining customers. Satisfy the customer, then fix the underlying problem so as to prevent recurrence. Recurring problems will drain profitability.
- **Focus on employees so that customers will be well served.** Get employees to tell YOU how to serve customers, then celebrate most of what these great employees do. Emphasize performance, not peer-to-peer competition.

- **Know that you're working in a fish bowl.** Each of your actions, decision, even intentions will be examined by people in your organization and by those in organizations led by your peers. Your personal ambitions will show even if you don't want them to. You're competing for resources and for promotion. Focus on the first by making best use of the resources you have. Don't get caught up in the second.
- **Go external.** Nothing improves your direction setting work like external perspective. This is the time to serve on the boards of other companies. Working through their issues is a great source of insight for your own company's issues. If a company board is not yet available, serve on the board of an industry association. Let others know you're seeking a company board appointment. The company on whose board you serve does not have to be publicly traded.
- **Plan your exit strategy.** It is so easy to get caught up in this strategic job that we lose sight of the point that this career of ours will only last a limited number of years. And recent business trends have reduced remaining career years suddenly for many, many leaders in senior positions. Plan for what you'll do next. Will you consult? Will you enter a new field? Continue to work full time? Volunteer for a charitable organization? Teach? Run for public office? Start one or more businesses? Pursue a hobby that has been deferred. Share your experience with younger professionals? You should begin serious work on what you'll do next at least three years before you actually leave. And who can predict when they'll actually leave? Such events are rarely delayed, and very often occur before they're expected. Too many senior leaders think the organization will beg them to stay. Find a leadership coach to help you through these decisions. Talk to those who have recently retired. Build a success team of people whom you admire to help you do well in this "second half of life." In 2008, nearly 10,000 Americans will retire every business day! The number leaving their current job and current employer is much higher! Be prepared to succeed.
- **Don't be afraid to work after you retire!** Even if the next job or role is humble compared to your senior leader responsibilities, you'll want the structure and meaning in your life. Give the money away if you want to. You're about to become more purposeful with your life than ever before.

About the Author

Ken Graham is a consultant, author, lecturer, and leader. He has more than 25 years experience leading groups up to 131 people, teaching leadership to experienced leaders, and coaching individuals and groups of leaders.

Ken's favorite professional activities include working with leaders individually or in groups, and speaking at conferences. See www.getenergyevent.com for Ken's contributions at the Dubai 2007 event and London 2008 event.

Ken experienced command and control leadership in a steel mill, where being alive and uninjured at the end of a work shift was an accomplishment. He experienced leaders who serve and leaders who teach early in career. Becoming a better leader and helping others do likewise are the focus of his work. He finds the ground for such growth especially rich in the developing world. Ken has visited or worked in 85 countries.

Current and recent clients include Shell, Nigerian National Petroleum Company, Technological University of Delft (The Netherlands), Boeing, Bury and Partners, IBM, Motorola, and Intel.

Ken's Ph.D. is in Strategy and Logistics from Penn State University, where he led Penn State Executive Programs. He has served as Vice President for Allstate Insurance, and most recently as Head, Global Leadership Development for Royal Dutch Shell Exploration and Production in The Hague, The Netherlands.

Ken has addressed conferences for GetEnergy, Limited, in Dubai (2006, 2007) for Management Centre Europe (2004), for Petroleum Training Journal in Abuja, Nigeria (2006), and for Southern Africa Development Council (SADEC) in Johannesburg (2007), and GetEnergy London (2008).

Ken became a single engine airplane pilot at age 20, and is an active pilot today. More recently he added floatplane flying to his license. Adventure trips have included Alaska, Yukon Territory, and Northwest Territories (to the Arctic Ocean). He owns a new type of short take-off and landing aircraft called a Savannah, which performs especially well in off-airport operations (think pastures, roads, etc.). See www.skykits.com for examples.

Working With Ken

Do you serve on a program committee for either a professional group or for an internal conference? If leadership is an appropriate subject for such a conference, I'd be pleased to be considered as a speaker. References are available.

Need to design an internal leader development session or program? Please call on the experience that my associates and I have.

If you're seeking an external coach, contact me at kengraham8@msn.com.

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