

PART 1 – Leadership Development for Organizations in Transition (Your Organization is Evolving – Is Your Leadership Team?)

When meeting with leaders of growing organizations I frequently hear two related comments: “It’s just not the same organization it used to be,” as well as, “I feel like I’m losing control.” The reality? They are usually right on both counts. As it has grown and evolved, by definition it’s *not* the organization it used to be, and if they’ve continued to manage as they did in earlier stages of their development, they *will* begin to lose control.

As an organization develops and gets more complex, individuals on the management team often start to get confused on who is responsible for what. There are a lot of meetings and sharing of ideas, but frequently a lack of execution on those ideas. As the organization evolves, so must the leadership team and management structure if the organization is to continue its successful development.

This is the first in a series of five articles that will address this challenge of *Leadership Development for Organizations in Transition*. What does a successful leadership team need to do differently as their organization grows and changes? This article will be a brief overview of the puzzle pieces necessary for their successful transition. Future articles will delve into the specifics around each of the four major pieces of leadership team development, which I’ve labeled:

Evolving Responsibilities – Efficient Structure – Effective Practices – Executing Plans

Setting the Stage

Let’s begin by defining what we mean by “leadership team,” and a “successful” team, as well as defining “in transition.”

No matter what type of organization - business, nonprofit, church – there is someone responsible to lead, and often it is a group of people. In some instances, it may be a combination of groups, such as the management team along with a board of directors. For our purposes, we will include *all* of these leadership groups as “the leadership team.” The leadership team of your organization may currently have only a few individual leaders, or may consist of various leadership groups.

What constitutes a “successful” leadership team? Again for our purposes, we will define success as keeping focused on their mission, and leading the organization to continual/acceptable progress toward their vision or desired outcomes. Using the acronym C-E-O as a simplistic reminder, they are also ensuring satisfied Customers (recipients), satisfied Employees, and satisfied Owners.

Finally, what is meant by an organization being “in transition?” Transitions occur regularly throughout the lifecycle of an organization. The one constant today is change – whether caused internally or externally, due to market changes, innovations to remain competitive, or changes in leadership. Often, the transitions are due to gradual, developmental growing pains as the organization gets more complex.

The requirements for a successful leadership team are equally relevant for all of these changes. Since the gradual, on-going changes an organization experiences during its growth cycle are the most neglected, we will focus on preparing leaders for these developmental challenges.

In essence, a successful leadership team in a transitioning organization:

1. Understands their role in the *current* stage of their organization's lifecycle, and how those responsibilities (and challenges) will change as the organization continues to evolve and grow.
2. Has an efficient management/governance structure in place that assures *clarity* of responsibilities, with established processes for communication and accountability.
3. Has individual leaders seeking to improve their *personal* leadership behaviors to enhance their effectiveness in the organization.
4. Is not only committed to a unified purpose and vision, but the team successfully *executes* on annual plans aligned with that mission and moves them toward their desired outcomes.

(1) Evolving Responsibilities

Organizations develop and grow much as humans do. They evolve through stages of development like infancy and adolescence, and actually may decline as they "age." These stages of growth and aging don't always relate to the actual age or size of the organization. The two factors that change as the organization develops are "flexibility" and "controllability." Less mature organizations are very high in flexibility and low in controls – and newer organizations often need to be! On the other end of the spectrum, an aging organization is very high in controls but very low in flexibility. An organization in its prime, seeks to balance the two. (*Corporate Lifecycles* - Adizes)

Why is it important for leaders to understand the *current* stage of their organization's lifecycle? Because leadership responsibilities will change as the organization grows/evolves. Problems that may be considered normal at one stage of development, could be signs of a chronic problem at another stage. Leadership teams need to distinguish between normal growing pains at their current stage (still to be dealt with, but normal), compared to problems that may lead to the organization's premature decline. The organizational lifecycle and evolving role of leaders will be discussed in our next article.

(2) Efficient Structure

Unfortunately, the management structure of many organizations doesn't change much as the organization changes. As an organization gets more complex, communication and accountability will not "just happen" as they may have earlier in their lifecycle. Different skills are also needed on the leadership team as the organization begins specializing by functions and establishing more controls to manage their growth. If a Board is involved as part of the leadership team, their role and structure may also need to evolve, eventually moving away from management responsibilities to pure *oversight*.

A simple but extremely relevant equation is *Clarity + Accountability = Results*. As organization's and leadership teams evolve, they often begin to lose clarity around who is now responsible for what, and which are the highest priorities to address. Informal communication is no longer adequate with more

people and possibly more locations. Formal processes are necessary for clearly understanding one's current role and responsibilities, and how they will be held accountable for expected outcomes. Of course, this also assumes you have the right leaders in the right seats on the leadership team - and each is equipped to engage in healthy debate to achieve the best outcomes for the organization.

(3) Effective Practices

Much has been written over the years about effective management skills and leadership practices. By definition, leaders require followers. Kouzes & Posner (*The Leadership Challenge*) define leadership as "The art of mobilizing others to want to struggle for shared aspirations." There are a lot of concepts integrated into that one statement. Leadership is an *art* to be practiced and honed, with the goal of *mobilizing others*, but in a way that they *want* to follow, and in fact are willing to work hard because they *share* the vision or aspirations of their leadership. Does that describe your organization?

In the same vein Max DePree states in *Leadership is an Art*, that "The first responsibility of a leader is to define reality. The last is to say thank you. In between the two, the leader must become a servant and a debtor." DePree's definition aligns with Kouzes & Posner's five *Leadership Practices* of: Inspiring a Shared Vision (define reality); Challenging the Process; Enabling Others to Act (servant); Modeling the Way; and Encouraging the Heart (thank you). Are the individual leaders on your team committed to improving their *personal* leadership behaviors to enhance their effectiveness?

(4) Executing Plans

"Plans with no action are just a dream – Actions with no plan may become a nightmare!" Some organization's do not have formal plans or strategies, since they are overwhelmed with day-to-day operations and the "crisis of the day." Of course, most organizations do have plans in place, yet very few will excel at *executing* those plans (often for the same reason of being consumed with daily operations). Yet, it is clear that documented plans and accountability to those plans have significant positive impact on an organization. So what are the basic building blocks for successfully executing a plan, among the daily "whirlwind?"

Top leadership teams must be committed to a common purpose, and a vision for the future. That commitment, or even passion for "what could be", is necessary to make the tough decisions and motivate the team toward meaningful progress. Plans should be kept simple but balanced, with only a couple clear "wildly important" priorities (many priorities, means there are no priorities!). A discipline of communication and accountability to those annual plans/priorities must be built into daily operations. (Ref: *The 4 Disciplines of Execution* by McChesney/Covey/Huling; or *Traction* by Wickman)

As organizations transition through their lifecycle, it becomes imperative for leadership teams to: understand their *Evolving Responsibilities*; ensuring the most *Efficient Structure* for their current stage; each learning the *Effective Practices* of leading others; while successfully *Executing Plans* each year. Watch for the next four articles which will elaborate on each of these building blocks.

Michael Wilkes & Company specializes in management consulting and leadership team development for closely-held businesses, churches, and nonprofit organizations challenged by the necessary leadership transitions due to growth or strategic change. For further information: www.michaelwilkesco.com