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For Workplace News

*In recent surveys, 70 percent of CEOs say that what keeps them up at night is a concern for finding leaders from among current employees. The answer, it would seem, is to create leadership development workshops. But as anyone who has ever proposed building such a workshop discovers, entering that discussion leads to a labyrinth of twists and turns....*

The CEO called her brain-trust together. "I have a grave concern about our next generation of leaders. With the pending retirement of the baby boomers and the lack of twenty-somethings entering the workforce, what can we do?"

The members of the CEO brain-trust nodded their heads in agreement. "Where will we get our leaders from?" one asked. Another suggested, "Perhaps we can develop our high potential middle and senior managers."

It seemed like a good idea. The VP of marketing mentioned a leadership seminar his previous employer sent him on. "Great

resort. Loved the seafood and golf. Learned a lot." The VP of operations concurred and mentioned a rural leadership campus at a secret location in the Appalachians. "We used to send people there years ago. I learned a lot about my personal attributes and what I could do to gain the trust of others. I used to be a snake in the grass. Now I'm everyone's friend."

The CFO chimed in. "Wait a second. Those programs are expensive. They usually last a week or two. You've got tuition, travel expenses and time off. While I'm sure you benefited, can you guarantee that would transform our current crop of managers into capable leaders? We need to come up with something more cost-effective and meaningful." He went on to remind the group that it would be difficult to justify an expensive program to shareholders because the company had already committed to an aggressive plan of increased annual returns.

The CEO suggested that the head of Human Resources should make a presentation at the next brain-trust meeting in one month. The head of HR wasn't in the room, but the CFO promised to pass on the message.

At the next meeting, the head of Human Resources stood before the group. Many in the room

were surprised to see him there. Then they remembered the CEO's urgent concern about leadership development. "What have you got for us?" the VP of operations asked.

HR began by referring to the programs the VP of ops and marketing had previously attended. "They're great programs," he said, watching the two VPs nod in agreement, "and your interest in them shows a real commitment to leadership, but those programs focus on behaviours that have nothing to do with the culture of our firm." The two VPs checked their blackberries.

"So, what else have you learned in your research?" the CEO asked.

HR said he met with a number of leadership thought leaders, and sent a few of his people to leadership conferences. In addition, he'd spoken with each member of the brain trust individually, and now he knew the answers. Everyone perked up in anticipation.

"The thought leaders suggest that we need to develop leaders not for today but for tomorrow. All of you spoke about the need to ensure the continuity of our firm's values. Since everyone in this room has probably five to ten years to go before retirement, this means we've got a good time frame to build the

future leaders we need in-house." He then asked a series of puzzling questions:

- Since the learning objectives of any leadership development program depend on your strategic business plan five to ten years out, what's your strategic business plan?
- Since the basis of a correct strategic business plan is the vision of the organization, what are you doing to align your strategy with that vision?
- Since a vision is based on the organization's values, how come we've been acting contrary to our values in a number of recent decisions?

"Wait a second," the VP of operations said. "We're talking about the future here. Those were decisions made to survive a crisis."

But the head of HR said, "Living our values gives our learning objectives integrity. Without that foundation, our leadership program will be a house of cards. The high potential people we invest in won't stick around long enough to realize our investment."

"What do you mean?" the VP of marketing said. "All of our in-house surveys say that employee engagement numbers are fine. We didn't take a hit when we laid off the advertising group."

HR said, "Of course, the numbers look good. But that's because everyone who answered the survey knew what answers you wanted to get. When the brain-trust says one

thing and does another, people know that the future is shaky."

Everyone was silent and grim. But HR had some good news, "We have very consistent leadership values demonstrated by this group. We just need to capture those, determine whether we will need the same values in five to ten years, and begin working to develop those in our high potentials."

"That sounds expensive," said the CEO. "Can't we just buy an off-the-shelf product?"

HR shook his head. "Off the shelf will not be meaningful because it won't promote the success factors that work for us. We need to develop a customized program specific to our real values. We need a repeatable process good for all potential leaders not just individuals. Out of that we can develop feedback tools and coaching and mentoring programs, not to mention hiring and promotion approaches."

There was a long pause, and no one knew whether to nod or grimace. Then the CFO said, "So what would be the ROI of such a program?"

HR shrugged. "The ROI is based on something that is intangible. It's measured in the stability of the organization, higher morale, less turnover, lower training costs, and a greater sense of commitment to the organization."

The CFO's face turned red and his voice was steely. "When I hired you, I thought I was getting a business partner, not some touchy-feely HR type. How can you suggest a huge investment in developing

leaders without having a tangible ROI?"

There was an uncomfortable silence. The CEO turned the floor over to the CFO who moved on to the next order of business.

"I don't see leadership development as an urgent priority. After all, we've got five to ten years before any of us retire. So, as part of our cost-savings, we're going to outsource recruitment and organizational development. Three of our competitors are already signed up with this hot new outsourcing consulting firm. I say we get on board before it's too late. What do you think of the idea, HR?"

HR nodded. "I think it's a good deal," he said, and added under his breath, "for the outsourcing consulting firm."

Later that week, the HR was approached by a head-hunter representing an outsourcing firm that was planning on bidding for the work. And so it goes.

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• *The Talent Edge: A Behavioral Approach to Hiring, Developing, and Keeping Top Performers* (John Wiley and Sons, August, 2001)

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