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# Executive development – why successful executives continue to change

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## Keywords

Assessment, Development, Evaluation, Leadership

## Abstract

Postulates that successful executives are those who continue to learn and to challenge themselves throughout their careers, thereby extending their own careers as well as leading their organizations. Illustrates how a 360° evaluation of an executive's competencies and behaviors, coupled with professional feedback, can enable an executive to gauge his or her current effectiveness and point the way to beneficial career development strategies.

Why do some executives continue to be successful in managing their organizations well into their retirement years, while others are put out to pasture long before they reach retirement? Part of the answer is that those executives who continue to succeed in their roles also continue to change, i.e. they are continual learners who constantly strive for excellence and demand a great deal of themselves well into their later years. Many executives become unable to impact their organizations effectively because they do not see themselves as servants of their organizations. They no longer exhibit the combination of physical and mental agility, inquisitiveness, and energy required to leap ahead and outdistance their competitors. As Peter Drucker (1993) states and, in fact, illustrates, "People grow according to the demands they place on themselves, and successful executives continue to ask what is the most important contribution I can make to the performance of this organization?" This, in effect, asks, "What self-development do I need? What knowledge and skills do I require to make the contribution I should be making? What standards do I need to set for myself?" Successful executives do not take their success for granted; they realize the importance of continual change, so that they retain the ability to make contributions that count.

Why is career development critical for executives? Perhaps the most important reason, as Drucker notes, is "to help their organizations achieve the goals that are expected". Organizations change only when people change, and executives set the direction and model the behavior that others will follow. In short, executives who strive for excellence and continue to learn and stimulate others to do the same. This synergy exponentially increases the contributions executives can make to the performance of their organizations. It helps them gain

greater control over factors that affect their own performance as well as the performance of their direct reportees. Ultimately, this advances and extends their careers.

Where should the direction and standards for executive development come from? The direction is derived primarily from the needs of the business, and, just as we identify business goals and targets, we should also identify individual goals and targets for personal development. These goals and targets are inferred from the business strategic plan and the specific objectives that an executive is expected to achieve. Each executive should think broadly and ask Drucker's question, "What contribution should I be making, and what skills and knowledge do I require to be most effective in achieving the changes that the company needs for the future?" Other sources of information naturally include customers – knowing their present expectations and anticipating what their future needs will be. Boards of directors and the top company officers are specific sources of direction and performance expectations, although at the executive level, developmental suggestions are seldom specifically articulated. Typically, executives are left on their own to plan their personal development activities. One executive noted that each year he prepares a training and development plan for himself and requires everyone who reports to him to do the same. His superiors make no such demands nor do they comment on how he should develop himself to better serve the organization. He observes that most of his peers seem to think they have "learned enough".

Progressive companies today recognize that achieving business goals requires more of their leaders than good analytical skills and the ability to set appropriate numerical targets. Successful implementation is critical and "soft" leadership skills are equally, and sometimes more, important for reaching targeted objectives, especially in today's flattened organizational structures. Thus, a number of companies have found it helpful to clarify leadership expectations for



executives. An executive leadership competency model assists executives in benchmarking their skills and planning their development accordingly (see Table I for an example of a leadership competency model). A competency model is developed with input from members of the executive team, who first identify the important competencies needed for successful implementation of the business strategy. Specific behaviors are then selected for each competency. For example, the word “leadership”, no matter how well-defined, does not indicate the specific behaviors desired. In competency models, leadership is defined and examples are given that illustrate the behavioral expectations for leadership in the organization.

Gauging one’s effectiveness in light of an executive leadership competency model requires acquiring knowledge of oneself through outside feedback. Sometimes a trusted mentor or friend can provide helpful suggestions. Usually, however, more direct and objective feedback is necessary. This can be obtained through a 360° feedback questionnaire or interview program as well as the use of benchmark executive assessments. Correct feedback allows precious time to be invested working on the “right” things rather than being wasted in pursuit of wrong or unnecessary development initiatives.

The 360° evaluation involves having supervisors, peers and direct reports, as well as the individual himself or herself, rate the effectiveness of the person in a variety of behaviors. The 360° instrument is essentially a measuring device that can be customized from a competency model. The various groups fill out survey forms confidentially

(the boss obviously does not have the privilege of confidentiality) enabling the individual rated to understand how he or she is perceived by the other players. The specific gaps in leadership behavior that emerge can then be addressed.

The 360° feedback process has a resounding impact, and it helps to have a professional consultant counsel the person being evaluated. The consultant should be able to offer advice on personal development strategies to assist an individual to change where needed. The executive team’s 360° profiles can identify both individual and group training needs.

Experienced industrial psychologists who consult and coach at the executive level can assist in benchmarking executive skills and competencies for development. With objective assessment data and other feedback such as 360° interviews and questionnaires, specific developmental initiatives can be undertaken to make an observable difference in an executive’s performance. It is important for executives to seek out credible objective feedback sources, as many people are not comfortable giving candid feedback. For the best results, most executives choose outside consultants who have both the experience and the research data at the executive level in a similar industry. Experienced industrial psychologists typically combine objective testing of cognitive skills to ascertain reasoning and verbal skills as well as behavioral skills, which include work motivation, leadership skills, people skills, and political savvy. An individual’s performance is compared with that of similar executives in a benchmark database. These assessments are often combined with behavioral event

**Table I**  
Executive leadership competency model

<i>Executive leadership competency model</i>	<i>Leadership</i>
Leadership	Using effective strategies and interpersonal styles to influence and guide others toward accomplishing identified goals;
Ethics	modifying one’s behavior according to the situation
Open communication	
Business understanding	
Teamwork	<i>Behavioral indicators</i>
Internal/external customer satisfaction	● Delegates authority and responsibility to others, allowing them to use their abilities and talents effectively
Continual improvement	● Takes responsibility for things that go wrong in the work groups he/she is responsible for
Employee development	● Holds self and others accountable for achieving established performance expectations according to plan
Global awareness	● Modifies one’s behavior and management strategies according to the circumstance and situation
Strategic marketing	● Empowers others through directing, coaching, motivating, delegating and supporting
	● Serves as a role model to others, demonstrating commitment and the vision of challenging goals and objectives

interviewing, career and leadership experience reviews, and 360° interviews or questionnaires from colleagues who know the individual well. This combination of information allows for a very complete executive assessment that provides the necessary basis for targeted, impactful executive development planning.

Ideally, these feedback avenues give the executive personal insight and awareness, as well as indicating direction for change. Acquiring personal commitment to change, however, is perhaps the most difficult hurdle for an executive. In the best cases, the CEO models the desired personal development behaviors and offers guidance for the senior executives in the organization. However, executives must take personal responsibility for their own development, even if they are provided only limited organizational guidance.

Executives committed to development need to distinguish between short-term and long-term learning requirements. A short-term learning need may be obtaining information that affects one's industry or functional area, such as a change in tax laws, whereas long-term learning may require improving one's listening skills or developing one's leadership and social presence. These require great commitment and involvement over a long period of time.

Executives naturally need to be alert to changes occurring in the marketplace in both their industry and in other industries that might ultimately affect their organization. This is why reading and networking within and outside one's field and industrial sector become increasingly important at the executive level. Just as no man is an island, neither is any industry an island in today's marketplace. Truly, as the butterfly flaps its wings in China, the breeze is often felt in our steel industry in Pittsburgh. Today's executive, for example, needs to be knowledgeable about the international economy; this may require reading publications such as the *Wall Street Journal*, the *Financial Times*, *The Economist*, the *New York Times*, etc., networking with those who are experts in the area, and traveling outside the USA for first hand experience. We live in the information age, and executives need to seek out channels of information that shed light on issues that may influence their organization and industry. Becoming familiar with the Internet, reading, listening to books on tape, attending conferences, and networking will help executives keep their knowledge up to date and provide further direction for development.

At the executive level there is often resistance to development. Some people feel that

they have arrived and do not need further development. Many have the misconception that what they have done in the past will also work in the future. Some fear that acknowledging weak areas will lessen their stature. Many believe that they will learn as they go through on-the-job training. More often, executives believe that they have more important use for their time. As Douglas Hall (1986) points out, executives are typically in their mid-life and have established a career routine that is very functional. They tend to be disinclined to change, often viewing change as disruptive. This view, of course, can be very shortsighted and may lead to catastrophe later when their company undergoes the excruciating changes of merger or major market decline. Executives more often are short-term focused, with incentives tied to achieving short-term results and very few incentives for long-term personal development. With this many barriers, executives, understandably, do not seek out developmental opportunities.

Company cultures too often do not encourage development at the executive level. There are few opportunities for corrective feedback, and there often exists a reluctance on the part of human resources personnel, peers, and subordinates to provide any corrective feedback. The CEO may lack performance management skills to provide direction as well. Human resources personnel are tentative about making recommendations for executive development, and the CEO is often focused elsewhere and lacks guidance on what to recommend, assuming that individuals at the executive level will figure it out on their own. A great deal is left to chance, and it is no wonder that good executive development programs are the exception rather than the rule. A significant message is conveyed to others in the organization when executives do not support or model development: personal development is not important. The company thus becomes ill equipped to respond to change, much less to anticipate change.

The CEO and the vice-president of human resources both have important roles to play in executive development. The CEO is responsible for succession and for preparing both his eventual replacement and executive personnel. The CEO must ensure that the existing executive team continues to develop the skills required to lead the company into the future. CEOs need to drive the process.

Human resources expedite the executive development process by:

- 1 providing personal feedback opportunities;

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Career Development  
International  
4/4 [1999] 240–243

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- 2 facilitating development assignments for learning purposes; and
- 3 recommending specific programs such as those offered by the Harvard Business School, PSP Human Resource Development, the Center for Creative Leadership, etc.

Human resources executives also need to model the process and base their recommendations on the business strategic plan to gain the attention of senior executives.

With the CEO and the vice-president of human resources and other senior executives all modeling personal development, a company culture is created that values development and anticipates change, reinforcing continuous improvement and continual learning. As a result, executives will successfully adapt to changing conditions, and achieve the outcomes the company needs to prosper.

Executives who continue to change will not only impact the bottom line and extend their careers, but also develop the next generation of leaders, preparing their organization for success in the future.

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