

Building Up the Leadership Team

How can you ensure you've got the strongest leadership team in place? CEOs, chairs and executives tell **Dawn Murden** the questions they would pose in order to assess and strengthen the capabilities of the leadership team





Should the leadership team shift every time an organisation encounters change? It's a question many CEOs and boards grapple with, because it's certainly not clear cut. One thing we do know is that every business needs a complementary team of individuals to lead it to success.

Of course, the context will differ for each company and will also constantly evolve. Indeed, over half (53%) of respondents to a Criticaleye [survey](#) said that they are either going to replace members of the senior leadership team or overhaul it entirely.

Here, a number of executive and non-executive directors reveal four questions to pose when assessing the leadership team:

1. Do you understand what's needed?

It would be futile to evaluate the leadership before you know what mix of skills you require to execute the strategy.

Robin Murray Brown, Partner at executive search firm Tyzack Partners, comments: "The most frequent strategic error, in my view, is failing to anticipate future leadership needs. All too often, organisations tend to think about what has worked in the past, or to try to correct current weaknesses rather than working out what leadership qualities are required to deliver their strategy."

According to **Howard Kerr**, CEO at UK business standards company BSI, the chief executive and the board must look at strategy, structure and people – in that order – to assess what's needed.

"If you're not clear what leadership capability you need to support your strategy, you will fail," he adds, frankly.

“Just because someone has reached the higher echelons of their career doesn't mean they should stop learning”

"The strategy has to be absolutely pinned down and clear. Not just from a design point of view, but also execution. Who do you need to make it happen?"

2. Is the CEO driving it with the right support?

Effectively assessing the senior executive team calls for a number of constituents. It must be led by the chief executive, while the support of the chairman, board and HR director will be critical.

Anne Stevens, Criticaleye Board Mentor and former Vice President for People & Organisation for Rio Tinto Copper, says the most challenging aspect of strengthening the team can be persuading the CEO of its importance. "You have to coach and support them to take an objective look at their team, their attributes and where to develop them. The HR director has a key role to play in making sure the CEO is comfortable with the approach and prepared to take action where required."

For **David Parry-Jones**, Vice President and General Manager for Northern Europe at software company VMware, the HRD and chairman should both act as agitators, pushing the issue to the forefront of the CEO's mind.

He explains: "CEOs can sometimes get wrapped up in quarterly reporting or annual cycles of the business and lose sight of stuff that may help them in two or three years' time. The chairman's role is to look over the horizon to see what's coming."

The chairman's role is also fundamental in assessing the CEO. **Alison Carnwath**, Chairman at Land Securities, says: "A non-exec chairman of a Plc should require that leadership capability assessment and development be brought to the board regularly for discussion, but only the chair will really assess the CEO."

3. Can the leadership team be developed?

If the path or direction of the business changes, the leadership team must be reviewed; it may then become apparent that there are gaps. The question is whether you change the team, develop them, or apply a combination of the two.

But ambitious leaders need to feel they can progress. "There needs to be more focus on development," argues **Jamie Wilson**, Managing Director at Criticaleye. "Just because someone has reached the higher echelons of their career doesn't mean they should stop learning."

On that point **Kevin Barrett**, Operations Director at Howden Joinery Group, notes: "The CEO should demonstrate ➤



their own personal skills and outline what's missing around the table. They should then ask: Do we buy those skills in, or does someone want to put their hand up and develop them?"

It's down to the CEO to lead by example. "I sit down once a quarter with a coach for half a day and talk about my leadership strengths and weaknesses. I'm very reflective and get a lot of feedback from people," **Howard** says. "That makes it harder for people to push back on their own development."

Unfortunately, some leaders may feel they are beyond that. **Anne** notes: "I found a clear link to those who were keen to learn about their own strengths and development and strong employee engagement. The more resistant leaders, typically, were the ones who needed the most development."

Reticence may lead to difficult exit decisions. **Chris West**, Vice President for Commercial Operations at Asda, comments: "It's better to address things quickly than hope they will get better over time. Focus on what's probable versus possible."

4. Are you over-promising on succession?

Every company should be preparing internal talent for future roles, as well as providing continuous development. However, you should think twice before committing anyone to a specific role too early, such as the CEO role.

"That's a mistake organisations make, they lock themselves in and feel they can't go back," **Anne** continues. "Inevitably, if the business does take

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a different direction or adopts a new strategy, you end up having to manage a very difficult conversation and the subsequent fall out."

According to **Kevin**, there's a fine line between leadership development and succession; they need to be in balance. It might be more effective to develop someone, rather than bringing in the next person. "You can get sucked into succession planning, so much so that you do it at the expense of leadership development," he says.

One suggestion for avoiding this pitfall is to focus on a much broader set of leadership skills, rather than being driven by roles. "If you're specifically developing someone for an 'as is' type of role there is a high chance of failure," **Howard** says. "You should be preparing people for the 'to be' state."

That's why the whole leadership team – plus another 100 employees – at BSI have been through a leadership challenge programme. It's based on methodology developed by the CEO, HR and an external facilitator. It studies an individual's strengths and weaknesses related to three elements: strategic thinking, relationship building and operational execution.

"My philosophy for leadership development is to build, rotate and change," **Howard** says. "You've got an organisation stuffed full of really smart, ambitious people who want to learn and develop, give them opportunities, don't let them atrophy." ■

This article was inspired by Criticleye's recent Executive Breakfast Briefing: [How to Strengthen the Leadership Team](#)

Featuring Commentary From:



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