

# **LEADER DEVELOPMENT THAT CREATES OPERATIONAL SUCCESS**

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## OPENING QUESTION: WHAT PROBLEM ARE YOU TRYING TO SOLVE?

Because “Leader Development” is such a broad topic with different meanings for various audiences, it is important to ask the most basic question first. **What problem are you trying to solve?** How is the problem manifesting itself? Does it reside at certain levels in the organization? Does it include doctors and other providers? When people transition or are promoted to different roles? Certain skills? Does the organization broadly acknowledge the problem? Are you starting from scratch or in need of a complete reboot? Once you have identified the left and right limits of the problem, you can begin to sharpen your focus.

Most organizations have some level of a leader development program; few are truly pleased with the investment or outcome. Companies develop leaders for one reason: **for their business to succeed.** This commonsense perspective and operational focus make our leadership development approach unique.

Galloway is a performance improvement firm, helping organizations more effectively to organize, grow, and drive margin from operations through the execution of effective strategic and operational leadership. Effective leadership execution is a central core competency for any successful firm; some would say it is **THE** core competency. Leadership development training and investment should be focused toward those skills, attributes and competencies that make the organization grow, operate better and help individuals achieve their job level objectives.

The one-size-fits-all model of most corporate leader development training - while efficient to deliver - almost universally misses the mark. It fails to account for the nuances of the individual person and their journey in becoming a better leader – their skills, previous experience, comfort with digital learning, motivations and aspirations; it fails to consider the foundational components that must be in place for a healthy organization, that sets the groundwork for leaders to emerge and thrive. And it frequently lacks a specific tie to the operational components, job level objectives and performance goals that help execute business strategy.

A successful leader development program starts with understanding organizational strategy and key success factors, and then links foundational elements such as specific job level objectives, skills and competencies to an organization’s existing performance management plan.



***This paper will walk you through three main topics: how the best programs are designed; what elements differentiate high performing programs from others that waste time, money and talent; and the competencies that high performing leaders should display as a result of a well-designed program.***

## A COMPREHENSIVE PROGRAM

The successful, high performing leader development program includes eight core elements and is grounded against the internal and external forces impacting a company. It is respectful of the organizational culture, climate and current skill set of existing employees. It thrives when core

organizational elements are in place such as transparency, strategic clarity and high character leadership.

A high performing comprehensive program's elements support each other and should be continually applied. ***Just as software developers are never finished with their products – you get updates for software and apps all the time – you should think of your leader development investment in the same way.***

Each of these is outlined below in more detail.

### External Forces

Exponential Pace of Change  
Need for Innovation  
Business Competition  
Labor Market Competition  
Patient/Customer Expectations

### Internal Factors

Organization Culture  
Employee Churn  
Digitization Comfort Zone  
Learning Styles and Pace  
Corporate Immune System  
Varying Skill Sets  
Corporate Strategy

### High Performing Program Elements

Operationally Relevant  
Personalized  
Available On Demand  
Skill Appropriate  
Level Appropriate  
Delivered As Needed  
Self Ownership  
Change Management

### Organization Core Elements

Proper Organizational Climate  
Effective Leader Communication  
Strategic Clarity and Alignment  
Transparency  
Character of Top Management

## EXTERNAL FORCES

The five key external elements that impact any leader development program:

- ***Exponential Pace of Change*** Our world is changing rapidly including the creation and assimilation of new technology. Much of it is changing in relation to and according to the economic tenants of Moore's Law. This puts pressure on employees and managers to stay abreast, scan the horizon, continually learn and achieve a comfort level with new technology and their applications.
- ***Need for Innovation*** Without innovation in all elements of your organization – business processes, patient care, IT systems, outside partnerships – your competitive position erodes.
- ***Business Competition*** Margin pressures never end, and health care remains a dynamic market, regardless of location and size. The very real pressures and responses to the competition impact how your leader development program is focused.
- ***Labor Market Competition*** You are in competition for every employee and the investment you make – or don't – can have ramifications about how employees think you value their contributions.
- ***Patient/Customer Expectations*** Patient expectations are appropriately high and place pressures on your employees in multiple areas.

## INTERNAL FACTORS

Several internal elements affect all leader development programs:

- ***Organization Culture*** It all starts (and ends) with culture. Having a proper gauge on employee engagement, the organization's health, and how its values are embedded in day to day actions are the building blocks for any leadership development program.

- **Employee Churn** Every organization has turnover and often it is healthy but too much is expensive and disruptive. Why and in what areas you experience churn is important to understand so those areas can become focal points.
- **Digitization Comfort Zone** Each employee has a different level of comfort with digitization that can impact how learning is delivered and retained.
- **Learning Styles and Pace** Each employee has a different way they like to learn that can impact how learning is delivered and retained.
- **Corporate Immune System** It lurks inside every organization. No matter how well run or aligned, ready to pounce and snuff out change and innovation, a strategy to engage and overcome the immune response is vital.
- **Varying Skill Sets** Each employee has a different skill set, which means standardized, group learning is often misplaced.
- **Corporate Strategy** Your business strategy, tied to your competitive operational environment, should steer your leadership development plan.

## ELEMENTS OF HIGH PERFORMING LEADERSHIP DEVELOPMENT PROGRAMS

For a program to prosper, these eight characteristics must be present:

- **Operationally Relevant** The program should be centered around company strategy and the departmental and individual goals that cascade from it; the program nests with the performance management program in the company.
- **Personalized** Designed with the individual need and learning style in mind.
- **Available On-Demand** Able to be provided digitally or remotely and at time and place of one's choosing.
- **Skill Appropriate** Skills taught does not equal skills mastered; one must have a method of assessing over time the retention and usefulness of the program; reinforcement is needed, even of topics that have previously been addressed.
- **Level Appropriate** As one ages and advances up the ladder, soft power becomes more valuable and cannot be assumed to be mastered.
- **Delivered as Needed** Content provided as needed, indigestible chunks in various formats.
- **Self-Ownership** Recognition that the employee also owns their own development and must do their part both inside the company and on their own time.
- **Change Management** And the skills needed to overcome the corporate immune system that snuffs out innovation and change.

**Common Challenge: Promote Internally from Within.** A large jump in scope, scale and responsibility is common in healthcare for line or clinic leaders proficient at their technical job. Yet many times, organizations do not support these promotions with the training needed in Growing Skills and Influence Skills - that are essential for the effective journey from tactical leader to strategic leader ... or for someone who is already at that level and needs improvement. Our program maps individuals inside the model, locates where weaknesses occur and then in a targeted way, creates a specific program to correct those areas.

Obviously, not all programs incorporate every facet to the appropriate degree. **A summary of the high and low performing practices for a Leadership Development Program** are shown below on the following page.

CATEGORY	DEFINITION	LOW PERFORMING PRACTICE	HIGH PERFORMING PRACTICE
<b>Operationally Relevant</b>	The program should be relevant to the company strategy as well as the departmental and individual goals that cascade from it.	Program allows for excessive customization to the point where it cannot be reasonably linked to company strategy and performance.	Program is documented and understood throughout the organization. It has clear objectives, ties back into the broader organizational strategy and vision and includes an understanding of time horizons and goals. The program nests with the performance management program in the company.
<b>Personalization</b>	The program is designed with the learning style in mind.	Much of the content is generic or delivered in ways that do not relate to the learning style or interest of the individual.	Content is designed with the learning style of individuals in mind, as well as the business needs of the organization. As such, there is a tight connection between the two.
<b>Availability</b>	When the content is delivered.	Much of the content is generic or delivered at times that are inconvenient, "once a month" or in ways that are not conducive to the work and life pattern of employees.	Content can be provided digitally or remotely and at the time and place of one's choosing. There is a maximum use of technology to take advantage of scale and cost.
<b>Skill Appropriate</b>	The effectiveness and appropriateness of various skill-based training	Much of the content is generic without a recognition that soft skills and hard skills can vary depending on the job, supervision and leadership skills needed.	Content approach is highly customized with a recognition that functional, influence, strategy and growing skills have various levels of importance, depending on the position.
<b>Level Appropriate</b>	The effectiveness and appropriateness of various training based on one's level in the organizational hierarchy.	Much of the content is generic without a recognition of the need for differentiated specific skill training based on the hierarchical level in the organization.	Content approach is highly customized with a recognition that the position and the level inside the organization will impact the amount of operational and strategic leader development training that is appropriate.
<b>Delivery Method</b>	How content is provided.	Much of the content is generic or delivered in ways such as lecture style, excessive use of PowerPoint.	Content takes full advantage of technology, virtual/remote delivery so that scale and learning styles are maximized.
<b>Self-Ownership</b>	The program is designed with a level of personal accountability for self-development of certain program elements	There is little to no expectation that development activities take place outside of formal work hours. Employees look internally for development and believe that the company is solely responsible for leadership development.	Employees widely understand that the organization provides part of their leader development program but that ultimately, they own their own development. As such there is purposeful investment in outside activities such as boards, education or volunteer work designed to add to one's development and create a well-rounded leader.
<b>Change Management</b>	The ability of the organization to incorporate the management of change into its leader development curriculum	Little to no training that recognizes that change and innovation will provoke the corporate immune system; change management strategies to succeed are ignored.	Organization raises awareness and heightens a sense of urgency as to the need for innovation and change and this is reflected in the leadership development curriculum.

## ORGANIZATION CORE ELEMENTS

Regardless of how you design, implement and scale your program, for it to succeed these organizational elements must be in place:

- **Proper Organizational Climate** An engaged, vibrant and positive culture.
- **Strategic Clarity and Alignment** An understanding throughout the company of the organization's vision, mission and aspirational goals.
- **Transparency** A willingness to share wide and deep, even when not everything is working perfectly.
- **Effective Leader Communication** The ability to harness transparency and clarity.
- **Character of Top Management** It starts at the top, with leaders the organization respects and whose behavior can be modeled throughout.

**Common Challenge: How to Teach Character and Judgement.** The uncertainty of business requires that all leaders are capable of sound, independent, discretionary judgments. Character is also such an important quality in a leaders because the actions of the leader influences how other people behave, which in turn, impacts team trust and cohesion. Judgment is the capacity to make thoughtful decisions and come to prudent decisions. Individuals develop judgment intentionally through overt attention to the deliberate side of thinking. These two elements are best taught by group thinking exercises and the experience of watching senior leaders emulating the right conduct and holding each other accountable.

## SKILLS REQUIRED TO BUILD GREAT LEADERS

Let's pivot and discuss **the content** of the leadership development program. In designing program content, you should consider **two factors: the various skills needed and the level of strategic versus tactical vision required in each job.** We have developed a 16-factor model, outlining those critical skills needed for each leader, regardless of the level in an organization that a manager resides or the degree of strategic or tactical impact in their job. This model guides you through both elements. The skills categories are as follows:

### Technical Skills

- Resource Management: the ability to effectively manage resources for that level of management.
- Technology Capitalization: the ability to appropriately leverage technology.
- Functional Knowledge: competence in one's functional field and general management ability.

### Growing Skills

- Team Dynamics: the ability to leverage talent inside and outside one's core team.
- Development Approach: one's talent at building other leaders.
- Self-Development: the depth and breadth of one's ability to self-develop.

### Influence Skills

- Influence Approach: the ability to use indirect persuasion and influence to achieve goals.
- External Impact: leverage that one has outside the organization with impactful stakeholders.

**Common Challenge: Training Experienced Senior Leaders Who've "Seen it All".** This can be tricky. The most self-aware senior leaders recognize their learning journey never ends and continue to develop and challenge themselves. The method of delivery should be customized and includes more one-on-one time with trusted advisors, confidants and mentors, often outside of the organization. Senior leaders often learn from their peers and so purposeful networking and short term, week-long thinking courses are critical.

- Communication: ability to persuade across, up and out with impactful stakeholders

The model shown on the next page shows the specific skills sets tied to each type of position based on its strategic, operational or tactical impact in an organization. Each exists on a spectrum, moving from tactical to strategic, as the position requires a broader impact across the organization.

As an example, the ability to manage resources manifests itself differently for the strategic leader (prioritizing budgets across competing strategic demands) versus the tactical leader (how do I maximize the efficiency of the budget I have been given). Communications skills range from the ability to conceptualize and deliver the message during time of high stress and political consequence (strategic) to the ability to provide concise and direct feedback to motivate a team (tactical leader). The strategic leader operates on a time horizon that is months and years (in addition to the day-to-day decisions), weighing the known unknown factors that can impact a business; whereas the important tactical leader is executing against only known goals and conditions.

### The Foundational Elements

The foundation includes seven elements universal to every organization:

- Vision: the ability to set the aspiration and achieve shared understanding.
- Values: how standards are set, and behavior modeled throughout the organization.
- Mission: the ability to conceptualize and execute, depending on your level.
- Executing Approach: the ability to blend strategic and operational elements to get things done.
- Management Span: the ability to manage from enterprise to team level.
- Time Horizon: appropriate ability to think, plan and act in a time appropriate basis.

Even the most junior leader should understand their organization's values, vision and mission and be able to tie it to their position and goals.

The well-developed leader can successfully map themselves across all the dimensions. Where there are imbalances (operating as part strategic and part tactical) or certain key elements underdeveloped, there is an unevenness of leadership skills which will impact how an organization performs. This can manifest itself in lower profits, increased turnover or poor organizational dynamics.

**The culmination of the skills model is our Leadership Approach.** Galloway has a High Performing Practice library for Leadership Approach and it consists of **28 specific competencies and attributes which again varies depending on the level of strategic impact. If the skills outlined in the model are mastered, the leadership competencies will be present.** These can be found at an Appendix at the end of this paper and were largely created by my colleague Dr. David Galloway.

**Use Case: High Performance/Low Respect Internally.** This individual, called David, performed well each year, receiving excellent marks for operating performance and was identified by many division level executives as likely to compete for a C Suite role soon. An organization network analysis survey showed a significant disconnect between the perception of senior leadership and how David's peers and organizational subordinates viewed him. An analysis of the fifteen dimensions showed several that were under-developed, given the strategic role required. Galloway's intervention included face to face coaching, assigning him to lead a cross functional team and then monitoring his leadership of it. It also included having crucial conversations with David where actual feedback was provided (de-identified) to David. He remains a work in progress but is a more self-aware individual and rebuilding relationships with his organizational peers.

## THREE LEVEL LEADERSHIP DEVELOPMENT PROGRAM SKILL MATRIX

Domains	Focus Areas	Strategic Leader	Operational Leader	Direct Leader
<b>THE FOUNDATIONAL ELEMENTS</b>	Vision	Creates the Aspirational Vision	Executes the Aspirational Vision	Execute the Plans
	Values	Set Standards and Models Behavior	Models Behavior and Reinforce	Teaches and Monitors
	Mission	Conceptualizes, Articulates the Desired End State	Operational Goals and Scaled Execution	Executes at the Job or Department Level
	Time Horizon	Months and Years	Days and Weeks	Hours and Days
	Executing Approach	Drives Strategic Orientation and Priority Efforts	Execution Inside Strategic Elements	Doer
	Management Span	Team of Organizations	Team of Teams	Individuals
<b>TECHNICAL SKILLS</b>	Resource Management	Allocates Across Enterprises	Executes and Monitors Functions	Executes Resources
	Technology Capitalization	Visualizes How to Capitalize Across Functions	Expert Inside my Function	Developer/User of Technology
	Functional Knowledge	Integrates/Manages the System of Systems	Knowledge of Multiple Systems	Expert in Details
<b>GROWING SKILLS</b>	Team Dynamics	Aligns All Elements of Organizational Design	Works to Reduce Silos	Team Leader
	Development Approach	Purposefully Creates Strategic Leaders	Builds Teams	Counsels and Coaches
	Self-Development	Expands Outside Industry; Constant Self-Assessment/Awareness	Functional Expert	Expands Knowledge Base
<b>INFLUENCE SKILLS</b>	Influence Approach	Fosters Collaboration, Dialogue and Alignment	Indirect Persuasion and Management	Direct Communication
	External Impact	Leverage Impact Across Organization, Community, Country	Across Departments	Inside my team
	Communication	Persuasion; Thematically - Down, Across, Up and Out	Down (40%), Across (40%) and Up (20%)	Down (70%) and Up (30%)
<b>LEADERSHIP APPROACH HIGH PERFORMING PRACTICE</b>		Balances People and Mission/Reality/Vision	General Management	Execution and Supervision



## OUR APPROACH - COMPREHENSIVE PROGRAM DESIGN ASSESSMENT

Each client's need is distinct, and the approach is customized at some level. For an assessment of the current program or the launch of a new one, our approach would look like this:

### STEP ONE: DISCOVERY SPRINT

Our approach strives to make a subjective topic as objective as possible through rigorous, structured interviews, focus groups and surveys. Our Discovery Sprint is designed to be quick yet thorough and starts at the top with a review of how strategy, performance management and leadership development are linked. We look to understand the organization's top 2-4 operational priorities and how they nest into incentives, performance management and assignments. We conduct an analysis of the foundational elements (see model) that includes the attributes and characteristics of the top leaders and how that behavior is being modeled. Often, we will conduct an Organizational Network Analysis, a survey instrument and analysis which allows you to discover the individual energizers and connectors in your organization so they can be groomed and identified for further training/investment.

### STEP TWO: GAP ANALYSIS

The Diagnostic Sprint allows the organization to "confront reality" as it relates to their program and how it matches up with what is desired and best in class. A review of the Diagnostic Sprint results allows us to decide on the next steps and segment action plans. Often, we will conduct Individual self-assessments and optional peer assessment of where managers are on the "three level spectrum" (see three level model on the previous page) as well as identifying general weaknesses individually. If the gaps are narrow, we can frequently move quickly to targeted, narrow interventions.

### STEP THREE: INTERVENTION

The Intervention can take many forms; sometimes it is specific, localized training on specific subjects. Sometimes, it provides a range of comprehensive

**Use Case: *Promote from Within and a Substantial Increase in the Scope of Responsibly.*** The executive, Susan, was the Chief Administrator for a single hospital and was promoted to a COO role, now encompassing multiple hospitals and leading people that were formerly peers in the organizational structure. Galloway's Diagnostic Sprint included interviews with Susan's former peers, a self-assessment and feedback from the CEO, and identified three domains lacking in Susan's skill set: influence skills – the ability to now accomplish work through the management of others, without directly doing it; development approach – how she leads and develops people that are managers, versus individual contributors; resource management – how to decide to allocate and manage resources across multiple departments versus simply being an executor of budgets in her previous role. Galloway used case studies, role playing, group exercises and didactic training in resource allocation to highlight these areas and drive home the new skills needed in this role. A year later, operating performance was improved, hospital star ratings increased, 8 of 10 subordinate managers were still in place and all reported improved levels of satisfaction and engagement.

**Use Case: *Leadership Development activities Without a Link to Operational Goals.***

The organization sponsored numerous programs each quarter, usually provided in a group setting and with topics that ranged from emotional intelligence, time management, strategic communication and future technology trends. While attendance was strong, employees felt that the sessions were not tailored enough for their needs or relevant to their situation. Further, financial performance began to deteriorate yet none of the training was linked to operations – financial training, goal setting, performance feedback, crucial conversations. Galloway's Diagnostic Sprint identified these issues in a few interviews and focus groups and redesigned the program to focus on five core operational skills, with a combination of individual and group work

program designs with dozens of specific training subjects, events and the like. This all ties back to the core question: what problem you are trying to solve - combined with the results of the Discovery Sprint and Gap Analysis.

## STEP FOUR: IMPROVEMENT

Regardless of scope, improvement requires sustained investment. If you find yourself saying, “we led training in that three years ago, what’s the problem?” then you are missing the point. Developing leaders requires consistent effort along the entire spectrum of an employee’s career. How that development gets done can take many forms but should be customized for the individual. Galloway can deliver many of the group or individual development modules you will need. We use individual coaching, group case studies, individual exercises, digital content, and we partner with other firms that have niche specialties.

## SUMMARY

Any firm successful in the long term, can trace its success back to effective, sustained leadership in depth. Leadership development training and investment should be focused toward those skills and competencies that make the organization grow, operate better and help individuals achieve their job level objectives. This perspective and operational focus makes our leadership development approach different. By adopting it, firms will discover operational improvement, employee growth and a sustained positive impact to the culture.

## MEET THE AUTHOR



**Boe Young** is the Chief Operating Officer and Executive Vice President with Galloway and has personally led new CEO/senior executive transitions in five private and public-sector organizations. He was a Major General in the US Army Reserve where he commanded the Army’s largest organization for training senior leaders and their teams to perform in a cohesive and effective manner and served as the Reserve’s senior human resource executive, responsible for leader development policy and programs for over 200,000 individuals. He commanded a battalion in combat in Iraq and was the founding leader of the Army’s Innovation

Command, designed to accelerate private sector innovation and technology into the military. He has worked with leading healthcare organizations on organizational restructuring, strategy implementation, governance, coaching and executive leadership.

### Note from the author

My views on leadership development have been influenced by numerous people over my career, various colleagues from Galloway and the Army, as well as thought leaders in the field. They have helped shaped the ideas in this paper. The leadership development skills matrix was influenced by Kevin Kruse. The High Performing Practice construct is Galloway IP. I thank them for their support, efforts and expanding my thinking.

## LEADERSHIP APPROACH - HIGH PERFORMING PRACTICES

VISION	Strategic	Operational	Tactical
An articulated vision for the future. "Who are we and what do we do?"	X	X	X
History of casting and recasting the vision. "Redundancy"	X		
Connection of the work of the organization with deeper purpose. "Mission"	X	X	X
A developmental sense of where the organization is. "What time is it?"	X	X	
Cultural awareness of now and the future. "Understanding the 7Ss Model"	X	X	X
Ability of the leader to maintain proactive thinking. "Meta-perspective"	X		
A steadiness of leadership. "Non-anxious, confident presence"	X	X	X
REALITY	Strategic	Operational	Tactical
Performance targets clearly delineated. "What do we measure?"	X	X	X
Relentless pursuit of performance improvement. "All in!"	X	X	X
Accountability culture is present and accepted. "Can you lose your job?"	X	X	X
Commitment to discover root causes. "Digging at the Root"	X	X	X
Passion for context. "What's on the Horizon?"	X	X	
High performance teams with multiple views. "Diversity of Perspectives"	X	X	X
Awareness of core competencies. "What are our strengths and weaknesses?"	X	X	X
TCB – TAKING CARE OF BUSINESS	Strategic	Operational	Tactical
Conceptual framework for driving change. "How does change happen?"	X	X	X
Clear sense of the roles necessary for successful change. "Sponsorship"	X	X	X
A clear and believable plan for moving through this time. "Winsome Plan"	X		
A willingness to drive change. "Pain Management"	X	X	
Anticipation of resistance to any change. "Surfacing Resistance"	X	X	X
Ability to tie change to wins in the past and the future. "Anchors and Dreams"	X	X	
Commitment to build architecture of cascading change. "Cascade"	X	X	
TCP – TAKING CARE OF PEOPLE	Strategic	Operational	Tactical
Structures in place to monitor the organization. "Listening Posts Present"	X		
An evident passion on the customer. "Who are they and what do they value?"	X	X	X
Evidence of a culture of collaboration. "Is Collaboration a Value?"	X	X	X
Leaders consistently seek differing perspectives. "Perspective taking"	X	X	X
The teamwork shows a style of appreciative listening. "Appreciative listening"	X	X	X
An awareness of the value of emotional intelligence. "Understanding"	X	X	X
A deep commitment to people. "A culture with a deep purpose of service."	X	X	X