

“Every generation needs a new revolution”
— Thomas Jefferson

Developing Future Leaders — A Process or an Accident?

In no other area of endeavor is the A/E industry more lacking a coherent philosophy than how to meet the challenge of identifying and developing future leaders.

I. A/E Industry In Need of a Coherent Philosophy

In the 1990s, the paradigm gradually shifted: From an emphasis on getting the work, to emphasis on managing the work, but where are those who can lead?

By its own admission, the industry’s approach to developing leaders has been aptly described as hit and miss, and yet the industry has identified this challenge as a top priority in its Business Trends Survey 2000, as reported in ACEC’s fall issue of Dialog. The failure to grasp the essential elements for a comprehensive approach to meeting the challenge of identifying and developing future leaders is evidenced by the relatively low priority given to training and development in the budget allocation process of the majority of firms surveyed.

It reminds me of the gap between the commitment we make “to get in shape next year,” and the actual allocation of time and energy we put forth to achieve our lofty goal.

Something over sixty percent of the firms allocate less than one percent of their revenue to training, while something close to ninety percent pay lip service to its critical importance in their firm’s success equation, according to ACEC’s survey.

When we compare the “Best Managed Companies,” as reported by Fortune Magazine, we discover that GE, for example, allocates about three percent or almost three times the average A/E firm’s willingness to invest its money to train and develop “its most valuable resource.”

Do you think that there is some correlation between GE winning the most admired company award and its commitment to training and development?

The reasons the A/E industry seriously lags behind other admired and successful companies are as complicated as the voting laws in Florida. Yet at its core, the

problem is a failure to articulate the benefits in terms that an engineer or architect can embrace, i.e., something tangible like improved bottom-line performance.

Here are a few of the measurable benefits from making the “appropriate” investment in developing future leaders:

- ◆ Higher levels of performance from key staff members.
- ◆ Reduced level of turnover, especially among project managers.
- ◆ Higher levels of employee productivity and quality.
- ◆ Reduced levels of stress and strife internally.
- ◆ Higher levels of client satisfaction and repeat business.
- ◆ Succession planning that ensures success in the future.

II. The Logic Is Compelling, If Anyone Will Listen

A Take a simple example.

Assume that you have an office that has lost two experienced project managers because the office manager did not read the signals that these two valuable employees were unhappy. (The tangible and intangible cost of losing experienced project managers has been estimated at over \$100,000 each, when you consider the cost of replacing the lost relationships, knowledge, and productivity).

Now assume that you invest \$2,500 in training that office manager in communication and interpersonal skills for managing technical professionals. For the next three years the office does not lose any experienced project managers. If we attribute only fifty percent of the improved ability of the office manager to the training experience, you still get a whopping rate of return that would make any CFO shed tears of elation.

B Take another example.

Assume that the founder and major shareholder is going to retire in three years. He makes most of the major business decisions and has provided the direction for the firm for the past twenty years. Assume that you enroll the likely candidates for top management in an intensive and rigorous curriculum that introduces them to the essential skills of leadership and modern business management, requiring a commitment of one day per quarter to classroom training, combined with outside reading. Your competitor in the same situation fails to make any commitment to training and developing the next generation of leadership. What are the probabilities that five years from now Firm A wins? You figure.

C Take yet another example.

Clients consistently report that a lack of communication skills is their number one source

of dissatisfaction with a firm's project managers. Firm A commits \$10,000 to a comprehensive program to improve its project managers' communication skills with one day of classroom training every other month for six months. Firm B, in the same situation, says that it is too busy for training. Two years from now, what are the probabilities that Firm A has a significantly higher repeat business ratio than Firm B?

For some CEOs, the inability to prove with engineering precision the causal relationship between training and improved performance is enough to justify an under investment in training and development programs. Often times these are the same CEOs who will think nothing of investing thousands of dollars in golf lessons and equipment to lower their handicaps. Ummm?

III. $E=mc^2$ The Magic of the Professional Development Equation.

A Unassailable Fact No. 1

The number one challenge facing every firm in 2001 is finding good people, and the competition for experienced people is relentless. The firm that can show a candidate that they have a comprehensive Leadership Development Program that helps professionals achieve their career goals is at least fifty percent more likely to attract ambitious and motivated people than the firm that only uses money to sell candidates.

B Unassailable Fact No. 2

Firms that have their key staff enrolled in a comprehensive Leadership Development Program are at least fifty percent more likely to retain those people because

professionals are motivated by the opportunity to advance their knowledge and abilities; it provides tangible evidence that the firm cares and is willing to put its money where its mouth is. The failure to meet these dual needs is a leading cause of turnover among technical professionals.

C Unassailable Fact No. 3

When teams of employees are working together in a comprehensive Leadership Development Program over a period of months, they predictably improve teamwork and communication by building trust and confidence in one another.

Improved teamwork and improved interoffice and interdisci-

plinary communication are likely to translate into higher levels of productivity and improved profit performance. When people learn together, they tend to bond, and this bonding carries benefits for the firm beyond imagination.

For those schooled in the principles of organizational behavior, these alleged "unassailable facts" are self-evident, but to those schooled in mathematics and science, there may still be a lingering doubt. We would suggest you read the seminal work of Peter Senge, *The Fifth Discipline*, or the recent best seller, *First, Break All The Rules* by Marcus Buckingham and Curt Coffman.

IV. The Elements of a Comprehensive Leadership Development Program

Model programs are underway at five very different A/E firms. These programs are demonstrating the value of an “appropriate” investment in training and development of future leaders. The firms vary in size from under two hundred to over two thousand. They work in fields as diverse as designing schools to land development and design/build. The one thing they all have in common is a belief in the value of developing the knowledge, skills and abilities of their “most valuable assets.”

The model program is designed to be conducted over either a twelve month period, with meetings every other month or over an eighteen month period with meetings every quarter for six quarters in groups of about fifteen managers and future leaders.

Most firms have identified thirty people broken into two groups of fifteen each; combining this way results in cost savings by conducting modules back to back, including a Saturday.

A The Leadership Assessment Process

The opportunity to receive a professional assessment of your inherent strengths and weaknesses, in terms of leadership skills, is an integral piece of the Leadership Development Program and something that the participants highly value. For most, it is the first time they have ever received feedback that they feel is truly objective. The participants agree that our approach to providing objective and constructive feedback is far superior to the traditional “performance appraisal” currently used by most A/E firms.

The old Chinese proverb, “Man who diagnoses own ills, has a fool for doctor,” is the premise on which this element rests.

The Assessment Process is designed to help the individual understand which areas he or she needs to develop if they are to realize their full potential, and it provides the foundation on which to design and build a Career Plan.

The Assessment Process consists of two parts. First is a 360° Process, where up to nine people complete a questionnaire that assesses the individual’s level of achievement as a leader. The specially tailored questionnaire is completed by the boss, three or four peers, and three or four employees, all of whom have been qualified as familiar with the person and his or her work. The participant also completes the questionnaire which then establishes his or her self-assessment, along the same dimensions as the others.

Through this process, individuals are able to see how their perception of themselves matches against the perception of others. When there are significant variances, it usually points to an opportunity for some development or training.

The second part of the Assessment Process is the completion of a set of rather sophisticated instruments designed to measure the attributes essential to leadership success, such as critical thinking, personality factors (like the ability to relate to others), and emotional maturity.

A qualified consultant provides the individual with the feedback on the combined results of the Assessment Process and helps the individual zero in on specific areas for development. We work with a Ph.D.-level industrial psychologist to insure the integrity of the process and the information.

The benefits of the Assessment Process can be profound for indi-

viduals who are motivated to continue learning and growing and who are committed to helping contribute to the firm’s future success.

B Outside Reading Program

We have selected and assembled an ambitious reading list designed to introduce the participants to some of the most important books and articles in the fields of leadership and management. For example the books *Built to Last* and *First, Break All The Rules* are required reading for the module on management.

One of our clients has subscribed to an Audio Business Book series that provides his participants enrolled in the Leadership Development Program with audio tapes for listening while commuting and traveling. Most of the books on our reading list come in an audio version.

The objective is not only to prepare individuals for the training sessions, but also to create a reading habit in fields important to leadership success.

In The Classroom

The core curriculum consists of six modules. Each module is designed for presentation over a day and a-half, in groups of not more than fifteen. Each module is also designed for maximum interaction and audience participation. Furthermore, each module contains a case study built around real situations experienced in the firm. A committee of the participants works with the consultants to prepare the case study and, in most cases, senior members of the firm present portions of the program to bring it into the everyday experience of the participants.

Adult learning theory and practice is applied in every module. The participants are engaged and

active in solving problems which have a direct application to their work lives.

The core curriculum topics are:

Unit I

Leadership Principles and Practices

Unit II

Communication and Interpersonal Skills

Unit III

Negotiation, and Conflict Management

Unit IV

Management of Professionals

Unit V

Strategic Marketing Principles and Practices

Unit VI

Strategic Financial Principles and Practices

This curriculum is similar to what is being taught in leading MBA programs around the country, except we have adapted it to the A/E industry.

V. Continuous Learning and Lessons Learned

As someone has said, "This is not the end, this is not even the beginning of the end, but it is the end of the beginning." For us, the Leadership Development Program is the beginning of a new era in which the investment in human resources in the A/E industry begins to match the need.

Before someone shouts, "Physician heal thyself," we admit to imperfections, but we are out on

the front lines putting our theories into practice with a working model for a comprehensive approach to developing future managers.

In January we will report our interim results at the ACEC Human Resource Conference in Atlanta.

Of this we are certain: Individuals are energized by the opportunity to learn together; indi-

viduals are growing in their knowledge and skills to meet the new challenges that lie ahead and individuals who are participating in the programs are excited and motivated to learn more and to grow personally and professionally. We could not ask for more.

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ABOUT THE AUTHOR



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Since 1976, many of the world's most respected architects, engineers, contractors and consultants have entrusted Martin-Simonds Associates with assisting them in defining strategies they can pursue to maintain a competitive edge. Martin-Simonds' track record for results is impressive. A primary reason for this success is due to the integrated package of services which clients can choose from and tailor to their unique situation. The five basic services offered by Martin-Simonds include:

- ◆ Strategic Planning — Growth and Diversification Strategies
- ◆ Client Satisfaction Surveys — Assistance and Training
- ◆ Management & Project Management Training and Development
- ◆ Partnership Facilitation
- ◆ Leadership Development Programs

In addition, Martin-Simonds Associates offers sound, proven strategies which companies can implement in the areas of marketing, human resources, profit management, and employee surveys.

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