

How to Grow Top Managers

**AND WHAT CAN TALENT TEAMS
DO TO HELP**

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Forward

Large organisations need a continuous pipeline of talent available for top management positions. This has always been hard to achieve. Now, with the changes in the organisational landscape as new business models and new career structures come to the fore, it raises the question of "Do we need a new way of looking at this challenge?".

One part of the answer, we believe, is the need for a clear model of how people progress from starting a career to becoming a top manager in a major organisation. A good model allows us to see what we need to change and gives explanatory power of why some things work and some don't.

Our experience working with major European corporates over the last 15 years is that this model is missing. When you ask talent professionals how top managers get to be top managers, they too often do not have a clear model. What you get is a mix of processes, leadership interventions or psychometric profiling: a list of tools not a model of how.

This article proposes a solution with a 3 stage model that characterises the journey to top management in large organisations from start to end. We propose a simple staged approach, offer some predictions from that model and suggest some sensible actions for talent teams in terms of what they should be focusing on.

This is specifically a model for top management success, which we see as a special but very important case, not a general career model.

WHY THIS IS AN ISSUE NOW?

Developing top managers has always been a tough leadership challenge and only a few organisations seem to have cracked it consistently.

Companies like P&G, McKinsey and JP Morgan stand out as having been top leadership factories over time and we can see their alumni running all sorts of major organisations today.

There have been a few other companies like ASDA, the UK division of Walmart, who at a point in time, the 1990s, and with a specific leader, Archie Norman, became talent factories, but the fact that they then stopped shows this was more a personal success rather than a systematic one.

But for most organisations how they develop top managers is an ongoing challenge and one that the senior teams are worried about. In a 2016 [Deloitte study of 7000 organisations](#), 89% of executives rated "strengthening the leadership pipeline" an urgent issue. The [2015 BCG Europe study](#) has managing talent as the highest priority for the future.

The leaders of today had their formative years in the 1980's and 1990's when careers, organisations and the corporate landscape were very different.

We know careers and organisations have changed. Tomorrow's top managers are developing in a new world

- *Firstly, there are changed expectations of work, characterised particularly by a change in the psychological contract from loyalty to transactional. People of all ages show a lack of patience if things are not going as they want. To make it harder people want to work for organisations with strong purposes. If people don't like it, they don't hang around*
- *Secondly, the impact of technology and internationalisation is increasing the payoff from specialisation. Organisations now value people whose skills are narrow and deep. They want specialists and they pay a premium for those specialists in the heart of the organisation. Not an old fashioned view of specialists in the sense of just being able to do one thing, but specialists in the sense of having deep expertise that they can bring to bear as part of a flexible team that delivers value.*
- *Thirdly, career options are changing, as freelance, associate, start-up and on demand labour models offer new routes that were not there, even 15 years ago. The competition is no longer just other big corporates, it is other business models. And there are the new big tech powerhouses like Google, Amazon and Facebook who have become the destinations of choice for so many of today's best and brightest.*

In this time of change it is more important than ever to have a clear model to help us

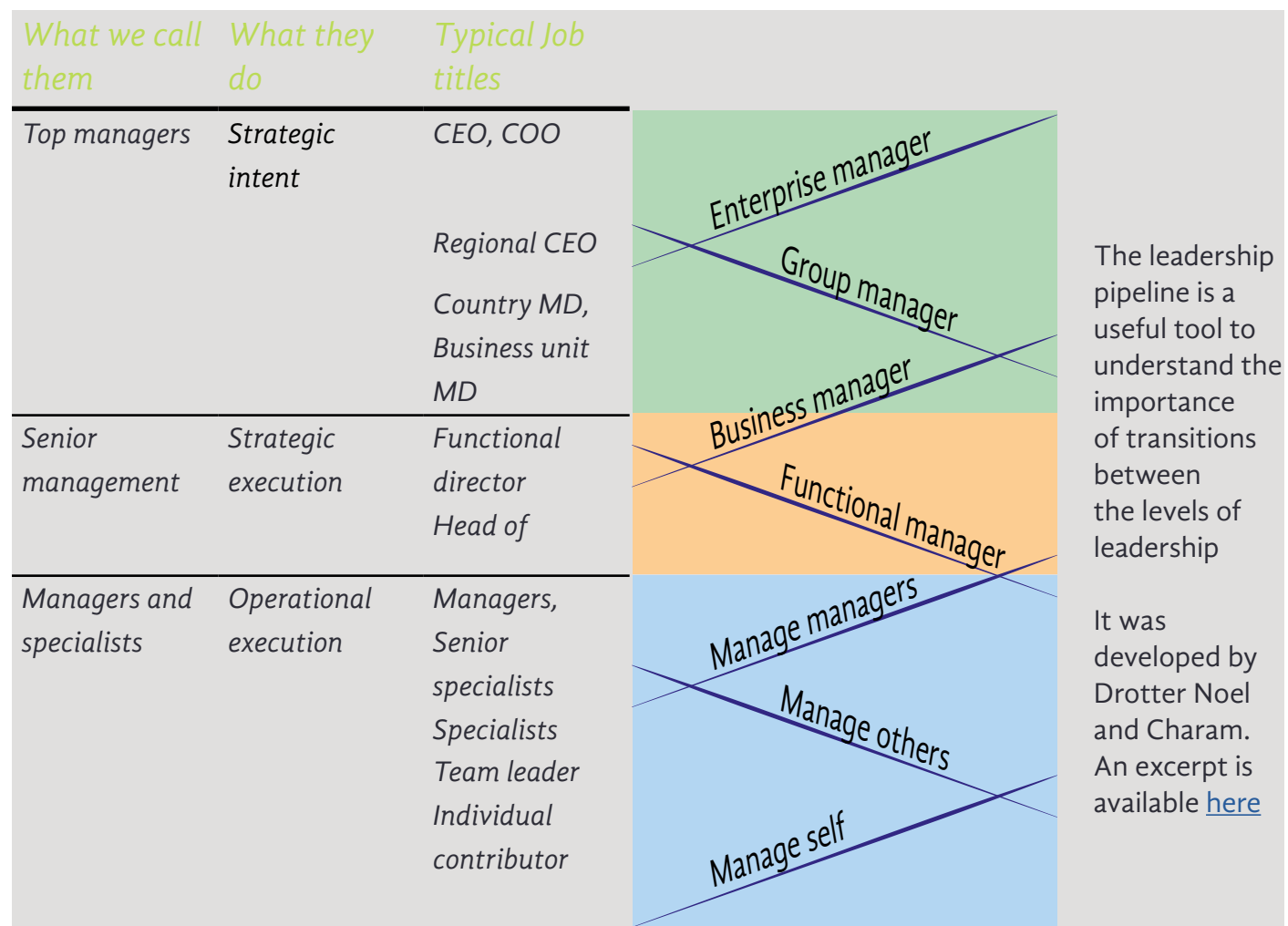
understand which parts of this matter or not.

WHAT DO WE MEAN BY TOP MANAGEMENT?

At its simplest this is the CEO and the main operating board. For very large companies there will be at least two levels of CEO and their corresponding teams. These levels, the green area on Figure 1, have strategic and operational accountability for the organisation or large chunks of it.

The input to this level is what we call senior management in this paper. These are typically business heads of small operating areas or head of

Figure 1 - What we mean by Top Managers against the leadership pipeline model.



roles with accountability for strategic execution in a function or a business unit. They are the orange level in figure 1.

The input to this level are the managers of managers and below, the blue. This begins with people at the start of their career as individual contributors.

The model seeks to explain the end to end journey from the perspective of a person, not just one stage, and of the entire leadership pipeline from the perspective of the organisation.

We use the terminology "manager" rather than "leader" throughout which in no way implies that we do not see these people as leaders or in need of leadership skills.

THE PROPOSED 3 STAGE MODEL

Our model of getting to be a top manager is simple but has clear implications and powerful consequences for how you identify and grow talent.

- 1. Your first 10 years are spent building sufficient expertise demonstrating you can be trusted to run something at scale*
- 2. Your second 10 years are spent learning how to run something at scale and showing you can deliver in different contexts.*
- 3. For the few who succeed, the next 15 years are spent applying what you have learned in running an organisation.*

In other words, 10 years progressing up rapidly, 10 years gaining depth in leadership with slow upward progression and then you are in line to be selected as a senior executive.

We see that this 3 stage model is a good predictor of top manager success. We do not say it is the exclusive route to top management. There will be some who follow a different path such as founders.

And we are not saying this is the only valuable career route. Of course, most people, even if they want it, will not make it to top management in a big organisation. The journey is too hard, they get tired of making the trade-offs around their personal life, or they are just unlucky. They are still valuable just differently valuable.

STAGE 1 ACCELERATING EXPERTISE

Progression is driven by developing outstanding expertise and the ability to manage teams and functions in your area of expertise. Speed of progression is what matters. Future top managers are seen as rapidly rising stars at this point.

In their first 10 years future top managers demonstrate their ability to deliver and rapidly move up to a "head of" level, sitting on the management team for a large division, a territory or a business. By 10 years in, the organisation is trusting them to be running something large.

Rapid promotion through these levels is about an intangible mix of trust, performance, skills, reputation, the right political support and demonstrating the motivation to succeed.

This is an organic process which relies on middle managers understanding what they need and who can do it. The sheer numbers at the early levels, over 95% of the management population makes this so.

In our experience, management teams are pretty good at spotting the stars at this stage as they are so visible.

If they are not spotted, rapidly rising stars are good at forcing the pace. If they don't see progression opportunities they leave.

A rapidly rising star will likely have 4 to 6 roles, moving upwards every 2 years. Their progress does not have to have been in one company. What matters is regular fast progression to higher

levels of responsibility and trust.

To do this, they normally have a strong functional sponsor who accelerates them through the levels.

It also matters where their expertise lies. It helps if it is in an area of a business that is seen as critical to business success and is growing fast.

This combination forces this area to take risks on promoting people quicker to higher levels, breaking through the normal organisational inertia of “dead man's shoes”

Being critical to business success means that the business notices the person and it is likely that they are well resourced to get the job done.



I ONCE MET THE HEAD OF LEADERSHIP TRAINING FOR THE RAF WHO TOLD THE INTERESTING STORY THAT THE RAF IS ALWAYS RUN BY PILOTS FROM AIRCRAFT THAT WON THE LAST WAR. SO IT WENT FROM HARRIER PILOTS FROM THE FALKLANDS WAR, TO TORNADO PILOTS FROM GULF 1, TO APACHE PILOTS FROM AFGHANISTAN AND IRAQ. THESE WERE THE PILOTS WHO WERE PUSHED UPWARDS RAPIDLY BY THE DEMAND FOR THEIR SKILLS AND MORE RAPIDLY THAN THEIR PEERS ON OTHER AIRCRAFT TYPES, INTO LEADERSHIP POSITIONS THAT THEY WERE THEN ABLE TO BUILD THEIR CAREERS FROM.



STAGE 2 BROADENING TRACK RECORD TO DEEPEN LEADERSHIP CAPABILITY

Progression is based on moves at the same level which deepen and broaden leadership track

record, practising what it takes to run something significant. By this stage the numbers are far smaller, moving to around 4% of managers.

Critically these jobs build leadership track record and experience covering different business contexts.

It is the building of this track record that drives promotability from this stage. Examples of the different contexts are

- *Stages of market development – developed versus developing,*
- *Different product types – luxury versus mass*
- *Different geographies –small versus big, overseas versus home market, market leader versus challenger*
- *Business life cycle - start ups, rapid growth, turnarounds*
- *Different management roles – staff versus line, sales unit versus product unit*

The ability to demonstrate this track record becomes the bedrock of the CV for the top manager job. It is what the head hunter looks for as the ticket to play.

By the end of this stage, out of those who started as a functional specialists, the successful ones will likely have had a stint as a general manager of a unit with a P&L.

This is particularly important for functionally organised businesses, where there are few opportunities to run a P&L.

The second purpose of this stage is to demonstrate underlying high potential capability.

A successful senior manager demonstrates learning agility, adaptability and relationship

building flexibility. You cannot succeed across multiple contexts, roles and geographies without learning, adapting and flexing relationship style.

During this stage a person's sponsorship moves out of the specific function or business unit up through which they rapidly progressed.

It moves to a wider executive team sponsorship, so a person can build broader awareness and trust and gain access to the wider set of opportunities they need.

This stage involves 3 or 4 roles which are predominantly within one organisation or one sector. It is a tough winnowing out stage.

Organisations may be tolerant of one perceived "non perform" in a role but not two. Be perceived to fail twice and you are unlikely to stay at that level in the same company. Many do not make it and revert to being a specialist functional manager or to being perceived as a solid performer without a route to the top.

STAGE 3 THE RELATIONSHIP STAGE

The first thing to note, is that there are not many top managers in any organisation. Around 1% of all managers. These are rare jobs which matter.

At this stage progression is about personal relationships, fit and is highly contextualised to the executive team you are working in.

For the few who do make it, the following years are about being a top manager at increasingly scale.

Depending on the structure or size of the organisation this may involve going from MD of a business area to managing the group. For large international groups this can either follow the

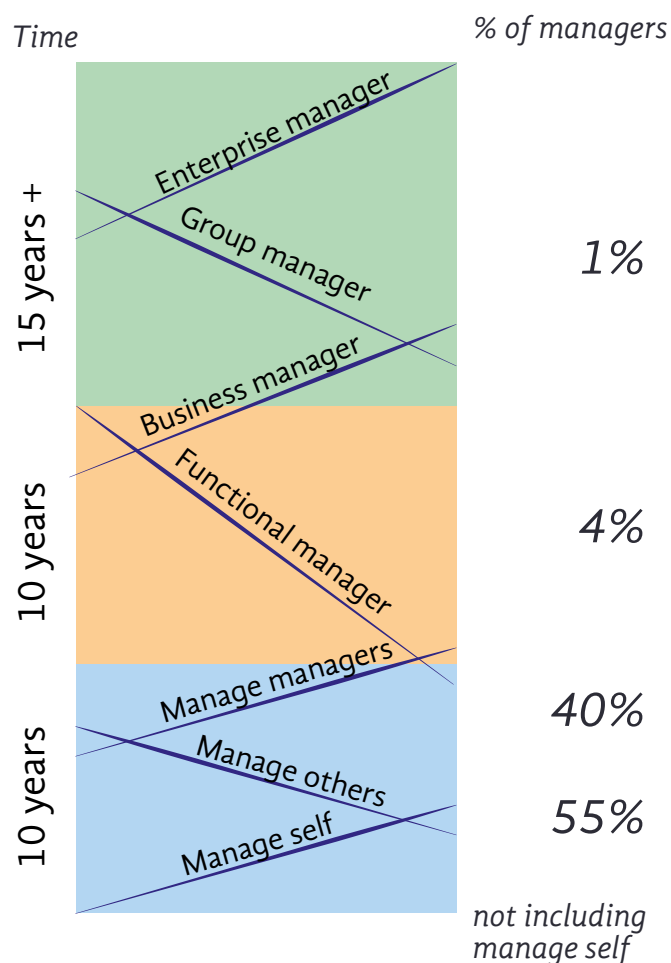
territory, region and group path or the head of a product group to GM to CEO.

For many successful top managers in mid sized organisations, this stage involves moving to a larger company.

Selection into this level is the world of Executive search. If you want a fascinating insight into what really happens in this world Douglas Board's book shows how much is down to feel and fit rather than an in-depth analysis of a persons' capability or skills. [A chapter is available here.](#)

The key to staying at this level is a combination of delivering great results, meeting investors expectations and not falling out with the boss or their boss.

Figure 2 - What the leadership pipeline looks like when time and volume is taken into account.



WHAT THE MODEL PREDICTS

Any good model needs to be able to predict outcomes and be proved wrong with data . This model fulfils those needs

We have worked to develop a set of predictions that we can go and test

Our initial findings, looking at organisations we work with, do fit these predictions well which give us some confidence we are on the right track. LinkedIn offers great insights into career paths that were not available only a few years back.

Table 1

<i>Positive predictions to test</i>	<i>Negative predictions to test</i>
<i>Most top managers were managing something big 10 years into their career and had risen 3 major organisational levels</i>	<i>Most senior managers who do not make it to top manager jobs were slower in getting to their first senior manager job.</i>
<i>Most top managers added identifiable breadth to their leadership capacity in the second 10 years of their career by moving across contexts</i>	<i>Most Senior managers have stayed focused in their area of expertise, geography or business and have not moved into top executive roles</i>
<i>People who were managing something big 10 years into their career and had risen 3 major organisational levels and not had a significant career break in their 30's are significantly more likely to be top managers than similar peers who did not take the career break</i>	<i>People who were managing something big 10 years into their career and had risen 3 major organisational levels and then had a significant career break in their 30's are significantly less likely to be top managers than similar peers who did not take the career break</i>
<i>Organisations who succeed in allowing people to progress fast in the first stage of their career and do get a continual stream of people to Senior manager level by their 10th career year, will have more top managers promoted internally</i>	<i>Organisations who do not succeed in allowing people to progress fast in the first stage of their career and don't get a continual stream of people to Senior manager level by their 10th career year, will have more top managers promoted internally</i>

The key implications for talent management that emerge?

Talent and potential systems need to work differently at the 3 stages. One-size-fits-all will not work, each stage needs a different approach. Applying the wrong approach to each stage will make things worse.

STAGE 1 – TALENT AS STAR SPOTTER

The key role is to see who is emerging and to allow them to emerge. Let the core business make its decisions. Add rigour where needed and trust it to promote the right people.

What you are looking for are the people who have progressed quickly up at least 2 levels into manager-of-manager levels and are knocking on the door of Senior management in less than 10 years. What makes this harder to track is that these moves are not necessarily in one company.

Talent identification becomes a function of speed. Track the people rising fast and you have your potential pool for the next stage.

The implication for talent management is almost to get out of the way. This stage is not about planning people's progression but seeing who has what it takes to make it. Technical and personal development need to be available as needed to fill gaps, but not as structured career maps or paths.

Two interventions that are useful are

- *Transition support between management levels. How to help people get on top of the management aspect of their new role quickly and effectively*
- *Sponsor spotting. Most people who progress fast at this stage do so with the support of a strong functional or business line sponsor. If the sponsor leaves it is important to spot that gap and fill it so your fast rising star does not lose momentum at your organisation and leave*

STAGE 2 – TALENT AS CHESS MASTER FOR CRITICAL EXPERIENCES

The people who have risen in stage 1 have been right for where they have got to, experts in a specific area or function, with local sponsorship.

However, they will be narrow in capability and in experience type. Their speed of progression will have excluded breadth.

To be successful at the next level requires a rapid de-clutch and gear change. Success is no longer about rapid promotion in a narrow field. The shift to stage 2 is about being able to demonstrate leadership success in different contexts over time.

This shift to building leadership track record at the same management level over time is a major change in mindset. The organisation needs people to show that they can deliver in more than one context before it will take the risk of putting them up for consideration for top management roles.

The challenge for talent at this stage is how to get this emerging group into position to demonstrate their ability as successful leaders in broad contexts.

Talent becomes about the careful management and use of critical organisational experiences to create breadth of experience and to demonstrate capability, moving people into key roles and onto projects as they emerge.

This does not happen organically. If there is no

deliberate intervention this group of emergent leaders will stay narrow.

And then when the selection choices are made for the next level of leadership the exec team will go outside to get proven professionals. Fast rising stars quickly cool and their promise is lost.

In our experience senior managers are not good at managing this stage without assistance and it requires active intervention from the talent team to make it work.

Senior managers hoard talent. They over value technical skills compared to the value of leadership. They tend to be conservative and like having someone who has already done the job before rather than take the risk of using a vacancy to develop a managers' breadth and depth of experience.

STAGE 3 – TALENT AS CONFIDANT

At this stage we are talking about a small group of senior executive leaders, all of whom are known to each other and all of whom have direct relationships with each other.

This is no longer about a systematic approach to talent or potential but around talent operating as a political confidant and advisor to power. Sharing insights and observations about how the team is working, who is succeeding and who is not.

A focus of this will be on personality driven derailers and helping top managers finding strategies to cope.

Talent becomes the fixer for managing executive succession, hiring new executives and managing people out the door.

ACTIONS AND ACTIVITY FOR TALENT TEAMS BY DEVELOPMENT STAGE

The model allows us to understand how a talent team can have most impact for each stage

Table 2 - Key talent actions by stage




	Stage 1 <i>Accelerating Expertise</i>	Stage 2 <i>Deepening leadership through breadth</i>	Stage 3 <i>Personal relationships and fit</i>
<i>What indicates success for the person?</i>	Speed of progression up management levels	Track record of successful leadership experiences across contexts	Relationships with the key players
<i>What indicates success for the organisation?</i>	How many fast rising stars you have across the business	The numbers of successful leaders with breadth of leadership experience	Succession cover for top management roles
<i>Sponsorship</i>	A functional sponsor	A broader executive group	The CEO or Chairman
<i>The role of talent management teams</i>	Star spotter and accelerator to allow stars to emerge	Chess master deploying talent in the right roles for them and the organisation	Confidant to the key players to offer feedback and ensure rigour
<i>Critical interventions in acquiring talent</i>	Focus entry level programmes to allow, merit-based and fast progression Attract fast risers from other organisations. Get good at spotting the difference between job hoppers and fast risers	Look for evidence of fast progression from the first stage of people's career Look to understand how they have developed their depth of leadership in different contexts	Succession planning and continuous market mapping for top management talent
<i>Critical interventions for developing talent</i>	Have a system to track fast risers Transition support as people move up management roles	Central management, with exec sponsorship, of the career paths of this talent group against experience based development needs	Personal support and coaching
<i>Critical interventions for retaining talent</i>	Allow people to progress as fast as the organisation wants them to Remove policies that constrain promotion or earnings growth to time served	The right sponsorship and mentors Actively manage on a six monthly basis how you are aligning this talent to opportunities	Executive coaching Board coaching Team coaching
<i>Key interventions to impact D&I</i>	Keep an eye out for rising stars, they can be anywhere, not just high profile entry programmes Manage entry points to fast growing departments and areas. As these are fertile areas for rising stars' they matter the most	Focus on managing the deployment of women, who come back to work after career breaks. It needs to be the right job, not any job. Be aware of people's energy and aspiration levels. Allow people to go slower and then pick it up again	Seek out unconscious bias. Be careful of macho behaviours and culture at board level Structured high quality interviews

WHAT GOES WRONG IF A SINGLE APPROACH IS APPLIED?

Each stage has very different dynamics and very different approach. Applying a single approach to talent across the 3 stages has predictable negative outcomes. Segmented talent thinking is essential and talent teams need to be flexible enough to apply different approaches and behaviours for each stage. Table 3 shows what can go wrong when this happens.

What we often see is that talent teams have a stronger hand where they are comfortable with one approach above the others and then apply it across the board.

Table 3 - The risks of applying the wrong strategy

	Stage 1 - Accelerating Expertise	Stage 2 - Deepening leadership through breadth	Stage 3 - Personal relationships and fit
<i>Talent approach</i>			
<i>Star spotting</i>		Over focus on identification of potential. Same succession gaps appear every year. Under-invest in the real potential of people learning the craft of leadership with lateral moves	Resources wasted on expensive assessments which the exec decision makers never use
<i>Chess master</i>	Resources invested in wrong people Expensive graduate and HiPo programmes which aim to build breadth but work at the wrong level		Lack of political smarts to understand the real dynamics. Frustration that moves never happen as planned
<i>Confidant</i>	No process. Favouritism and anointment of the chosen few who “look right”	Lots of ineffective conversations which become anecdotal with lots of references to vague qualities like lack of gravitas. lack of presence	

FINAL THOUGHTS

Developing a pipeline of top managers is hard to achieve. To date there have only been a few organisations who get it right on a consistent basis.

Instinctively, we all know that creating top managers is about more than a leadership course or an annual succession process, but too often this is what is offered up.

It is too important a challenge, which offers too much value to the organisation, and the people in it, to leave it like this.

The model we propose is simple enough to be understood and be used at all levels of the organisation.

It allows us to see which stage of the journey to top Management a person is at. It allows us to have a better view if people are on track. It allows us to know what we should do next as an organisation or as an individual.

It is powerful enough to define the appropriate talent strategy and actions and to show what to do and what not to do.

When the question is asked of “How do we as an organisation develop our top managers?” we believe you now have a good answer.

USEFUL REFERENCES

A series of reports on how executives see the challenge for HR
[Deloitte Human capital trends](#)

On how some bosses have become notable builders of talent
Sydney Finkelstein "Superbosses"

On the leadership pipeline
R Charam, S Drotter, J Noel "The Leadership Pipeline. How to build the leadership powered company"

On how senior executive selection really works
Douglas Board "Choosing leaders and choosing to lead: Science, Politics and Intuition in Executive Selection"



WILL JODRELL

In 2002, we met at a coffee shop as old friends who wanted to do something to help organisations get better at growing the leaders they need.

Both of us had worked for big corporates in management roles and noticed the same thing: Large organisations were struggling to deliver on the promise of their graduate and future leader schemes. They took on the best and brightest but something then went wrong. The tried and true tactics from the past of rotational graduate schemes developing leaders of the future simply weren't effective anymore.

So this is where we decided to start, to create business that would deliver better graduate programmes.



RUPERT ANGEL

And it worked. We had the opportunity to help graduates get closer to their true potential in banks, commodity brokers, retailers, law firms, engineers, utilities, consumer goods and technology companies. But there was a problem. It didn't matter how good a job we did at helping the graduates develop, if there was no strategy for talent or a coherent end to end talent system, it was in vain! It felt like, too often, we were pushing water up hill.

So after much thinking, and working with some great clients who allowed us to try out new things and expand our approach we came to the simple observation:

It is the system that is broken not the people. Talent needs to catch up with what is going on in the real world if it is to be relevant going forwards and deliver on its promise of having the right people, with the right skills in the right roles.

TALK TO US TO FIND OUT
MORE ABOUT HOW WE CAN
HELP YOU GROW TALENT
FIT FOR YOUR FUTURE

It was time for us to move beyond graduates and to engage with the real challenge of getting the end to end system to work. Time to help our clients see where the ways of thinking that worked 10 years ago are being challenged by changes in technology, expectations and career paths. Time to find solutions for the challenge that organisations can only grow if the people in them are growing too.

WE CALLED IT, THE **GREENHOUSE** PROJECT.

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