

by making sure they are in positions where they can contribute the most.

However, Drucker's work on strengths theory pre-dates Buckingham and Clifton's by half a century. In 1954, Drucker urged managers to focus on people's strengths in *The Practice of Management*. In that work, Drucker asserts that nothing hurts the morale of an organization faster than focusing on people's weaknesses. He stated unequivocally that the biggest blunder an organization can make is to "try to build on weakness." A decade later, Drucker explained that organizations must be built in such a way that matches a person's strength to his or her specific work assignment.

To their credit, Buckingham and Clifton credit Drucker's ideas on building on strengths. However, it is still a case of Drucker getting there first.

**5. Build innovation into the fabric of the organization:** Peter Drucker told me that while he had been thinking about innovation for years, he was not ready to write about it until the mid-1980s with the publication of *Innovation and Entrepreneurship* (1985). He also told me that, out of all the books he had written (38 in all), that was one of the six most important.

Since then, there have been many other books on innovation, but few better than Clayton Christensen's *The Innovator's Dilemma* (1997). He argues that successful companies often get blindsided by a new or what he called a "disruptive" technology. That's because success tends to breed complacency. One way to innovate, he wrote, is to set up a separate, distinct operating unit that can get enthusiastic about even minor accomplishments, and set more realistic goals that are in line with their size and scope.

A decade earlier, however, Drucker made the same point when he wrote that "babies" should not be put in the living room—they should be put in the "nursery." He argued that it is dangerous to trust new concepts and ideas to existing operating units.

Drucker got there first on many key management and leadership concepts. However, he hardly appears at all in today's textbooks. That's because he did not adhere to the traditional rules of the academic elite. Perhaps that will change, as the scope of his accomplishments are measured and studied. LE

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**ACTION:** Apply Drucker's five core ideas.

## Developing Leaders

*Get creative on a tight budget.*



by Steve Arneson

**L**EADERSHIP DEVELOPMENT (LD) has long been the centerpiece of the learning budget. LD has become a multi-billion dollar industry, as companies pour resources into assessment tools, leadership programs, executive coaching, and leadership training.

When revenues and profits are down, you may cut back on LD. Effective LD, however, doesn't have to cost millions of dollars; in fact, several best practices require little or no budget.

**LD is first and foremost a mindset** (not a program). Companies that excel at sustaining a leadership pipeline establish a *culture of development* and reinforce it at every level. They expect leaders to pass on their experience. They spend valuable time sponsoring, supporting, and leveraging LD because they make it a priority and "ground" LD as a core element of their culture. And much of what they do to develop leaders doesn't cost a dime.

### Six Best Practices in LD

You can excel at LD, on a low budget, in six ways:

**1. Get your CEO and senior execs into the game.** Look for ways to engage your CEO and other senior executives in developing leaders. Establish a *CEO Leadership Lunch*, where a few mid-level leaders join the CEO. Set up an *Executive Speaker Series*, where senior executives share their leadership journey and lessons learned. Invite your leaders to serve on Boards for local charities or non-profits (and to share their experiences). Set up lunches with leaders at other companies to share best practices. Work with leaders to design and deliver leadership content in meetings.

**2. Leverage leaders as teachers and mentors.** A company-wide commitment to LD is often sparked by leaders serving as teachers and mentors. VP leaders are more accessible, as they work closely with directors and managers to execute the strategy. Help them connect with emerging leaders by establishing a mentoring program. Set up *Leadership Workshops*, where leaders develop and

deliver a session for managers on such topics as leading change, building teams, and coaching. Serve as a cross-functional "talent broker" by making it easy for leaders to schedule visits to each others' team or meetings to talk about their area. Ask senior managers to serve as "buddies" for incoming executive hires. Create informal book clubs to spark dialogue on hot topics.

**3. Profile leaders on your web portal.** Use your intranet to spotlight and profile leaders. Interview leaders about their philosophy and ask them to share leadership lessons. Describe where they work and what they do. Document how they stay current, and let their enthusiasm and passion shine through.

**4. Explore action-learning projects.** Find senior leaders who have a passion for development, and help them coordinate action-learning projects. These small-group experiences, often found in formal LD programs, can be implemented at any time. Help the leader start the process—choosing individuals to come together as a team, giving them a choice of projects, providing feedback and support, and showing commitment for decisions.

**5. Create your own 360-degree feedback tool.** Design a 360-feedback tool based on your leadership competencies, and set up a schedule and process for implementing the tool and facilitating feedback sessions. Target your top 100 leaders, and pace and sequence the process to collect feedback on 12 to 15 leaders a month. Enlist HR partners to help you debrief the feedback reports.

**6. Develop a rigorous talent review process.** Develop leaders by giving them various leadership experiences and having a twice-annual talent review process where the CEO and senior executives meet to talk about talent. Create the data and metrics for making informed movement and developmental decisions based on assessment results, leadership potential ratings, attrition risk analysis, and bench strength or replacement planning charts. Make movement an outcome of these sessions, and then help facilitate the leader's move with a *New Leader Assimilation* process.

By involving everyone in LD, you create a great leadership culture. LE

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**ACTION:** Create a leadership development culture.