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NPTEL ONLINE
CERTIFICATION COURSE

LEADERSHIP AND TEAM EFFECTIVENESS

LECTURE – 24

Leadership Pipeline

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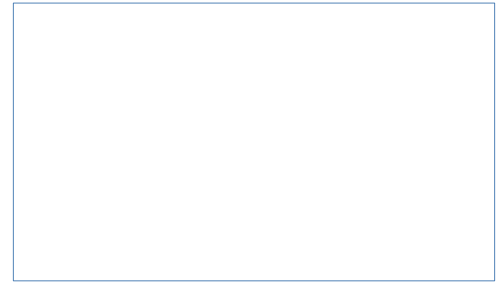


Competency Model: Hogan and Warrenfeltz Domain Model

Competency Models describe the behaviors and skills needed for organizational success. All organizational competency models fall into one of four major categories.

Interpersonal Skills - Interpersonal skills concern building and sustaining relationships. Interpersonal skills can be described in terms of three components: (a) an ability to put oneself in the position of another person, (b) an ability to accurately perceive and anticipate other's expectations, and (c) an ability to incorporate information about the other person's expectations into subsequent behavior.

Intrapersonal Skills – Intrapersonal skills develop early in childhood and have important consequences for career development in adulthood. Core components include core-self esteem, resiliency, and self-control. Intrapersonal skills form the foundation on which careers develop.



Competency Model: Hogan and Warrenfeltz Domain Model

Technical Skills (Business skills/work skills) - Technical skills differ from Intrapersonal and Interpersonal skills in that they are (a) the last to develop, (b) the easiest to teach, (c) the most cognitive, and (d) the least dependent upon dealing with other people. Technical skills involve comparing, compiling, innovating, computing, analysing, coordinating, synthesizing, and so on.

Leadership Skills - Leadership skills can be understood in terms of five components that depend upon intrapersonal, interpersonal, and technical skills. First, leadership skills entail an ability to recruit talented people to join the team. Second, one must be able to retain talent once it has been recruited. Third, one must be able to motivate a team. Fourth, effective leaders are able to develop and promote a vision for the team. Finally, leadership skill involves being persistent and hard to discourage.

Source: https://info.hoganassessments.com/hubfs/EL_Hogan_Comp_Model.pdf



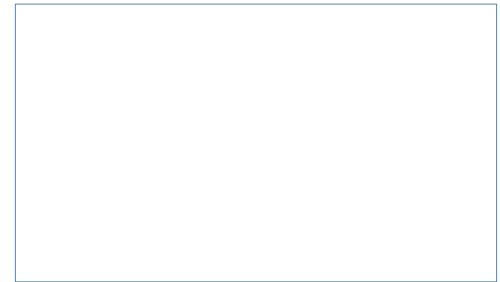
Brief about Leadership Pipeline

- A systematic, visible system of identifying employees for succession, combined with the processes for their development.
- This is having a pool of prepared leaders and not just a list of prospective candidates across all organizational levels to fill vacancies in key positions when needed.

The Leadership Pipeline



Image Source: <https://i.ytimg.com/vi/lRe5MN7cimc/hqdefault.jpg>



BUILDING LEADERS AT EVERY LEVEL: A LEADERSHIP PIPELINE

- The Leadership Pipeline model shows where leaders should spend time, what behaviors they need to exhibit, and what challenges are likely at different organizational levels.
- It outlines leader development through organizational levels from the first-line supervisor to functional manager to CEO.
- The pipeline offers a roadmap for individuals who want to chart their career progression.
- It provides a useful framework for considering how leadership competencies change as people are promoted through organizations.



BUILDING LEADERS AT EVERY LEVEL: A LEADERSHIP PIPELINE Model

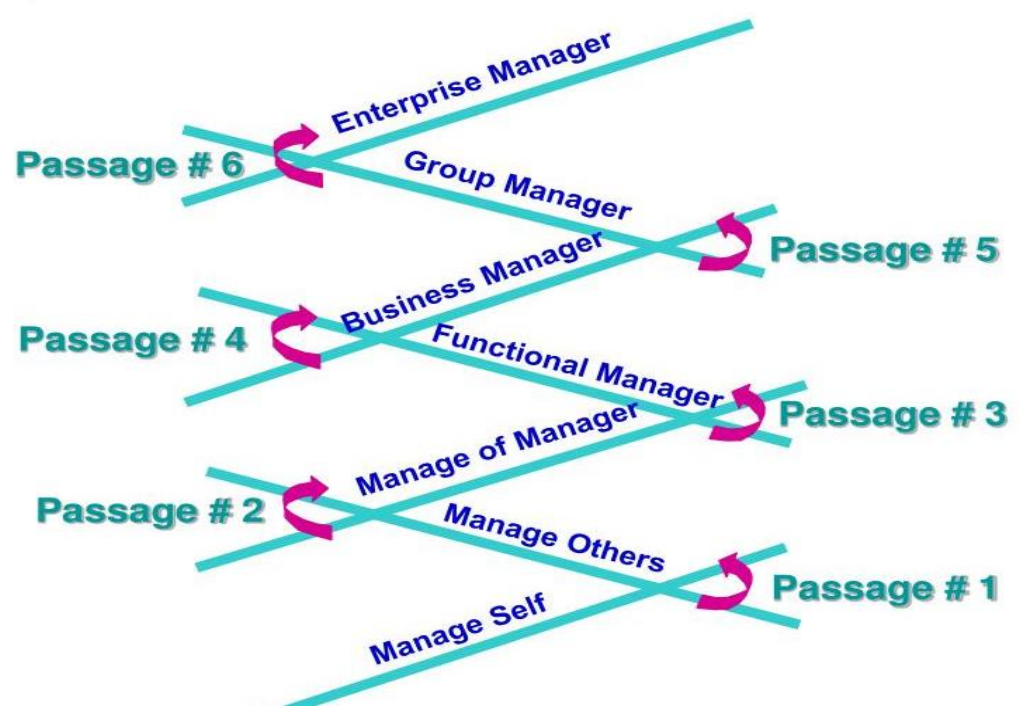


Image Source: <https://www.slideserve.com/cathleen-brown/the-leadership-pipeline-at-bnl>

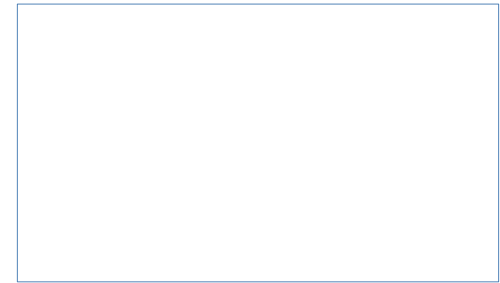
PASSAGE 1: Managing Self to Managing Others.

- First-time managers need to learn how to reallocate their time so that they not only complete their assigned work but also help others perform effectively. They must shift from doing work to getting work done through others. This is especially difficult for first-time managers.
- Part of the problem is that they still prefer to spend time on their old work, even as they take charge of a group. Yet the pressure to spend less time on individual work and more time on managing will increase at each passage.
- If people don't start making changes in how they allocate their time from the beginning, they're bound to become liabilities as they move up. It's a major reason why pipelines clog and leaders fail.



PASSAGE 2: Managing Others to Managing Managers.

- **Managers at Passage Two** need to be able to identify value-based resistance to managerial work, a common reaction among first-line managers.
- They need to recognize that the software designer who would rather design software than manage others cannot be allowed to move up to a leadership role. No matter how brilliant he or she might be at designing software, the individual will block the leadership pipeline if he or she does not derive satisfaction from managing and leading people.
- In fact, one of the tough responsibilities for managers of managers is to return people to individual contributor roles if they don't shift their behaviour and values.



PASSAGE 3: Managing Managers to Managing Functions.

- Succeeding in the **third leadership passage** also requires increased managerial maturity. In one sense, maturity means thinking and acting like a functional leader rather than a functional member.
- But it also means that managers need to adopt a broad, long-term perspective. Long-term strategy, especially applied to their own function, is usually what gives most managers trouble at this stage.
- At this level, effective leadership entails creating a functional strategy that enables them to do something better than the competition. Whether it's coming up with a method to design more innovative products or reach new customer groups, these managers must push the functional envelope



PASSAGE 4: Functional Manager to Business Manager

- **This passage represents a sharp turn:** A major shift in skills, time application and work values must take place. This is not simply a matter of thinking more strategically. Rather than consider the feasibility of an activity, a business manager must examine it from a short- and long-term profit perspective.
- For people who have only been in one function their entire careers, the position of business manager represents unexplored territory.
- Not only do they have to learn to manage different functions, but they also need to become skilled at working with a wider variety of people than ever before; they need to become more sensitive to functional diversity issues and able to communicate clearly and effectively.



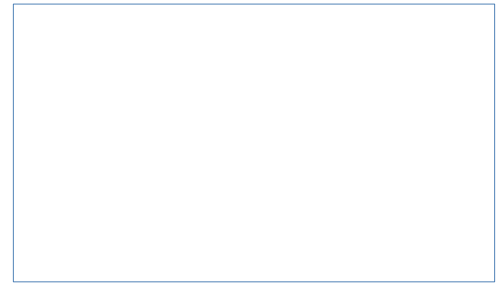
PASSAGE 5: Business Manager to Group Manager

- A business manager values the success of his own business; a group manager values the success of other people's businesses. The distinction is critical because some people derive satisfaction only when they're the ones receiving the lion's share of the credit. As you might imagine, a group manager who doesn't value the success of others will fail to inspire and support the business managers who report to him.
- Group managers must master four skills:
 1. Evaluate strategy in order to allocate and deploy capital.
 2. Develop business managers.
 3. Develop and implement a portfolio strategy.
 4. Assess whether they have the right core capabilities to win.



PASSAGE 6: Group Manager to Enterprise Manager

- **The transition during the sixth passage** is much more focused on values than skills. To an even greater extent than at the previous level, people must reinvent themselves as enterprise managers. They must set direction and develop operating mechanisms to know and drive quarter-by-quarter performance that is in tune with longer-term strategy.
- Enterprise leaders need to come to terms with the fact that their performance as a CEO will be based on three or four high-impact decisions each year. There's a subtle but fundamental shift in responsibility from strategic to visionary thinking, and from an operating to a global perspective.



A well-defined leadership pipeline delivers important benefits

1. By establishing appropriate requirements for the six leadership levels, companies can greatly facilitate succession planning, and leadership development and selection processes in their organizations.
2. Individual managers can clearly see the gap between their current performance and the desired performance. They can also see gaps in their training and experience, and where they may have skipped a passage (or parts of a passage) and how that's hurting their performance.
3. Leadership passages provide companies with a way to improve selection. Rather than basing their selection decisions on past performance alone, personal connections or preferences, managers can be held to a higher, more effective standard.



Cont.

4. A defined pipeline provides organizations with a diagnostic tool that helps them identify mismatches between individuals' capabilities and their leadership level. Therefore, remedying the situation or, if necessary, removing the mismatched person, which is more likely.
5. It helps organizations move people through leadership passages at the right speed. People who ticket-punch their way through jobs don't absorb the necessary work values and skills. The pipeline provides a system for identifying when someone is ready to move to the next leadership level.
6. It reduces the time needed to prepare an individual for the top leadership position in a large corporation. Because the pipeline clearly defines what is needed to move from one level to the next, there's little or no wasted time on jobs that merely duplicate skills.



Leadership Pipeline: Potential/Performance Matrix

POTENTIAL	<p>1 Exceptional/Turn EXCEPTIONAL TALENT Exceptional performer ready to turn i.e. to move to the next passage or higher leadership layer Move now</p>	<p>3 Full/Turn TALENT Full Performer with turn potential. Do not ask them to make a leadership turn until they have significantly improved performance Stretch Performance</p>	<p>6 Not Yet Full /Turn POTENTIAL TALENT Recently (within last six months) moved /promoted to a new job. They require some time and experience Stretch performance wait and see</p>
	<p>2 Exceptional/ Growth HIGH PERFORMER WITH POTENTIAL Exceptional performer capable of continued growth along current path Develop for next layer</p>	<p>5 Full/Growth PERFORMER WITH POTENTIAL These persons should be considered for bigger jobs along current path if they can deliver better results Stretch performance</p>	<p>8 Not Yet Full /Growth POTENTIAL PERFORMER Performs parts of the job well, other parts poorly Get the whole job done</p>
	<p>4 Exceptional /Mastery HIGH PERFORMER These exceptional performers are likely to remain at current levels, but their contributions should be recognized Reward and recognize</p>	<p>7 Full/Mastery PERFORMER Full performer – not likely to grow beyond the scope of current position Stretch performance</p>	<p>9 Not Yet Full/ Mastery UNDERPERFORMER These individuals are frequently working at the wrong leadership level Performance manage and coach tightly for improved performance</p>
	Exceptional Performance	Full Performance	Not Yet Full Performance
	SUSTAINED PERFORMANCE		

Turn Potential
able to do the work at the next level in three to five yrs or sooner

Growth Potential-
able to do the work of bigger jobs at the same level in the near term

Mastery Potential
able to do the same kind of work, only better

Image Source: <https://slideplayer.com/slide/6191622/18/images/30/II.+Your+Tailored+Leadership+Pipeline.jpg>



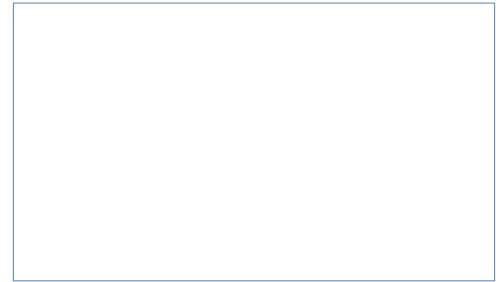
Five Leadership Pipeline Mistake

1: Not Building From The Bottom Up

When we built our pipeline we had the spots labelled and thought through but when we started filling out the pipeline we put people in place too fast. We knew we needed more leaders but we promoted people too fast.

2: Too Many Skills & Expectations

When we first started listing the different skills and expectations needed to be successful at each level we made the mistake of having too many, way too many!



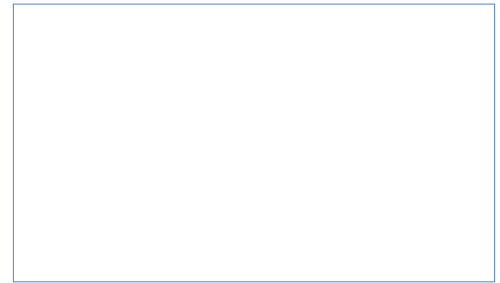
Five Leadership Pipeline Mistake (Cont.)

3: Not Resourcing Coaches Enough

The 2nd leadership transition in the pipeline is the most difficult. In this transition a leader goes from leading others to leading leaders. There is a shift in values, from doing ministry to getting ministry done through others. The leader also has to shift where they see their greatest impact in the ministry. Before their impact was found in their individual task but now their greatest impact is found in the relationships of those they lead.

4: Ignoring On-Going Training

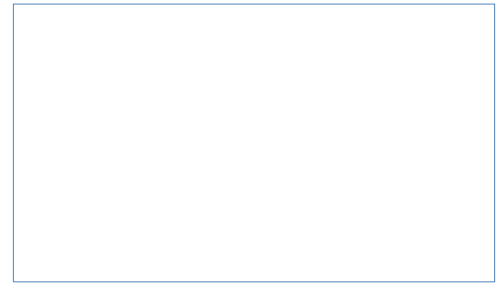
We built the pipeline with an unintentional focus on training new leaders (On-Boarding) but we did almost no training once they were on the team (On-Going).



Five Leadership Pipeline Mistake (Cont.)

5: Not Building Future Development Into The Pipeline

At first we were focused on quality control, building in ways to ensure that each ministry would be run well in our absence. After a few years we had built a system that had a high bar of execution but we weren't reproducing leaders. We were doing things well but our leaders were burning out! So we had to tweak our pipeline.



Source: <https://www.ministrylibrary.com/5-leadership-pipeline-mistakes-hope-youre-not-making/>

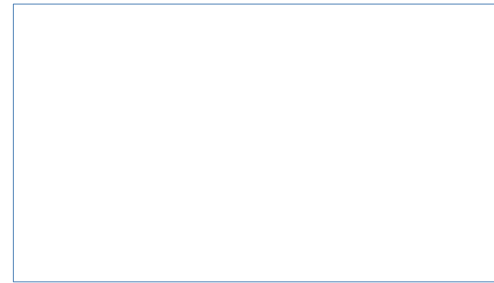


Rules for Developing Leadership Pipeline: HBR Study

Five rules for setting up a succession management system that will build a steady, reliable pipeline of leadership talent.

Rule One: Focus on Development

The fundamental rule—the one on which the other four rest—is that succession management must be a flexible system oriented toward developmental activities, not a rigid list of high-potential employees and the slots they might fill. By marrying succession planning and leadership development, you get the best of both: attention to the skills required for senior management positions along with an educational system that can help managers develop those skills.



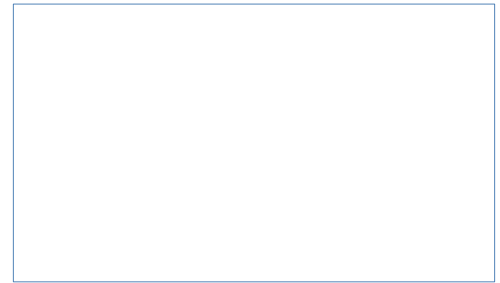
Rules for Developing Leadership Pipeline (Cont.)

Rule Two: Identify Linchpin Positions

Succession management systems should focus intensively on linchpin positions—jobs that are essential to the long-term health of the organization. They're typically difficult to fill, they are rarely individual-contributor positions, and they usually reside in established areas of the business and those critical for the future.

Rule Three: Make It Transparent

A transparent succession management system is not just about being honest. Employees are often the best source of information about themselves and their skills and experiences. And if they know what they need to do to reach a particular rung on the ladder, they can take steps to do just that.



Source: <https://hbr.org/2016/03/the-most-important-leadership-competencies-according-to-leaders-around-the-world>



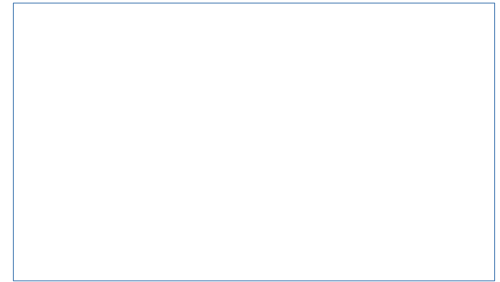
Rule Four : Measure Progress Regularly

When you meld leadership development and succession planning—and thus move away from the “replacement” mind-set of the past—measuring success becomes a long-term matter. No longer is it sufficient to know who could replace the CEO; instead, you must know whether the right people are moving at the right pace into the right jobs at the right time.

Rule Five: Keep It Flexible

Old-fashioned succession planning is fairly rigid—people don’t move on and off the list fluidly. By contrast, the best-practice organizations we studied follow the Japanese notion of kaizen, or continuous improvement in both processes and content. They refine and adjust their systems on the basis of feedback from line executives and participants, monitor developments in technology, and learn from other leading organizations.

Source: <https://hbr.org/2003/12/developing-your-leadership-pipeline>



RESEARCH PAPER



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Leadership competencies across organizational levels: a test of the pipeline model

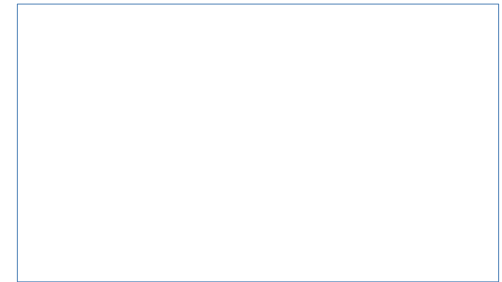
Guangrong Dai, King Yui Tang and Kenneth P. De Meuse
Korn/Ferry Leadership & Talent Consulting, Minneapolis, Minnesota, USA

Received 12 February 2010
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Accepted 28 July 2010

Purpose

The leadership pipeline approach for leadership development will help organizations improve their succession systems. Leadership competencies have become widely used by organizations, and competency has become a common language when talking about leadership skills.

This paper aims to test the pipeline model of leadership development by investigating how the competency profile change across position levels.

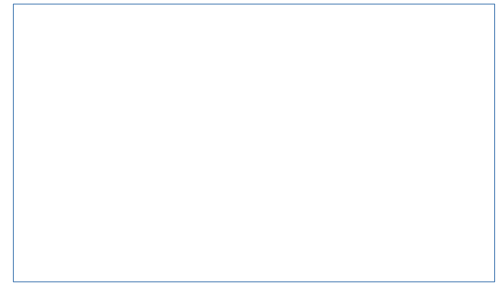


Design/methodology/approach

The skill and importance ratings in leadership competencies were compared between four position levels. The data were from an archive 360 degree feedback (n=770). Six SMEs were also employed to rate the importance of the competencies.

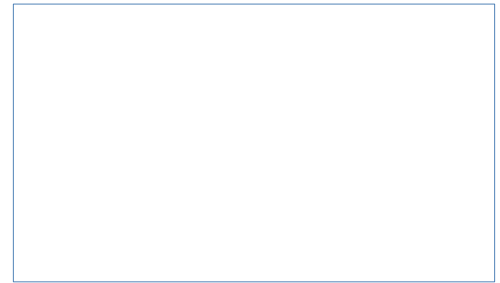
Findings

The study found that the difference between two positions in terms of the relative importance of the competencies increases as the organizational hierarchical distance between the two positions increases. Comparing the skill ratings yielded similar results. Further, the correlation between the skill and importance ratings for the same position level was higher than correlations of the two types of ratings for different position levels.



Practical implications

- One of the essential tasks in a succession system is to clearly define critical leadership skills at different levels of management. By defining the leadership pipeline, companies will be able to get their best people the right developmental experiences to help them transition from one position level to another.
- Knowing how people develop certainly will help organizations in designing their succession system and leadership development pipeline. By identifying the crucial leadership competencies for different position levels and matching these competencies with the right developmental experiences, organizations can reduce the time needed to prepare an individual for various management positions, because there is little or no wasted effort on jobs that merely duplicates skills.

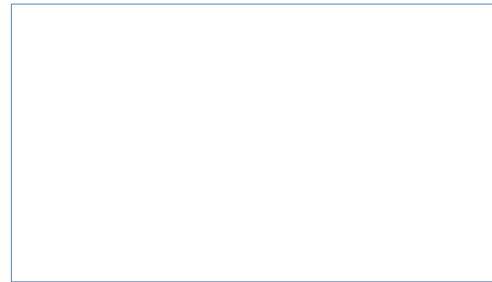


Case Study: Indra Nooyi

- PepsiCo is commonly acknowledged as having one of the best leadership talent management systems in the world. Pepsi's talent management systems make extensive use of competency models, 360- degree feedback tools, personality and intelligence assessments, in-basket simulations, and unit performance indexes. One of the people who has benefited from this in-depth assessment and development is Indra Nooyi.
- Nooyi is currently the chief executive officer of PepsiCo and is ranked by Forbes as the twelfth most powerful woman in the world and the second most powerful businesswoman in the world.



Image Source: <https://www.beveragedaily.com/Article/2018/10/03/Indra-Nooyi-Five-lessons-I-ve-learned-as-PepsiCo-CEO>



Case Study (Cont.)

- Nooyi grew up in India and received an undergraduate degree from Madras Christian College and a postgraduate diploma in management from the Indian Institute in Management. She also has a degree from the Yale School of Management. While in college Nooyi fronted an all-female rock band, and she is refreshingly funny and candid when speaking in public.
- Before emigrating to the United States in 1978, Nooyi was a product manager for Johnson and Johnson and the textile firm Mettur Beardsell in India. Her first job after graduating from Yale was to work as a consultant with The Boston Consulting Group. She then took senior leadership positions at Motorola and Asea Brown Boveri before moving to PepsiCo in 1994. While at Pepsi Nooyi played a vital role in the spin-off of Tricon, which is now known as Yum! Brands Inc. (Taco Bell and Kentucky Fried Chicken are some of the franchises in Yum! Brands Inc.)



Case Study (Cont.)

- Nooyi was promoted to chief financial officer in 2001 and to the CEO position in 2006. As the head of PepsiCo, Nooyi heads up a company of 300,000 employees that generate \$66 billion in annual revenues through the worldwide sales of products such as Pepsi, Mountain Dew, Tropicana, Gatorade, Aquafina, Dole, Lipton, Doritos, Ruffles, Lays, Quaker Oats, Life cereal, and Rice-A-Roni.
- Under Nooyi, Pepsi has developed new products and marketing programs through the liberal use of cross-cultural advisory teams and now manages 22 brands that each generate over \$1 billion in annual revenues.
- Given Pepsi's global reach and emphasis on brand management, Nooyi's background seems well-suited for a recent leadership challenge. In 2006 a group of individuals in India claimed that both Coke and Pepsi products were tainted with pesticides. Later investigations disproved these allegations.

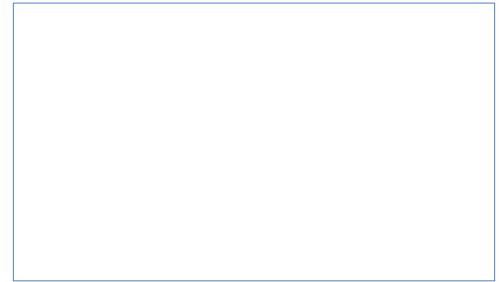


Case Study (Cont.)

- But the surrounding publicity damaged Pepsi's brand in a large, developing market. Nooyi worked hard to restore the Indian public's confidence in the safety of PepsiCo's products and has more recently spent time developing healthier beverages and snacks.

Questions

1. How do you think Indra Nooyi's career matches up to the Leadership Pipeline?
2. What lessons do you think she learned as she travelled through the Leadership Pipeline that help her be a more effective CEO for PepsiCo?



http://www.forbes.com/lists/2006/11/06/women_Indra-Nooyi; <http://www.Pepsico.com/PEP>; <http://www.businessweek.com/investor/content/aug2006/pi20060814>; <http://www.hoovers.com/pepsico>.



BOOK RECOMMENDATION:

The Leadership Pipeline: How to Build the Leadership Powered Company

- **Authors:** Ram Charan, Stephen Drotter, & James Noel
- **Publisher:** Jossey-Bass; 2nd edition (January 11, 2011)
- **Language:** English
- **Paperback:** 352 Pages
- **ISBN:** 0470894563

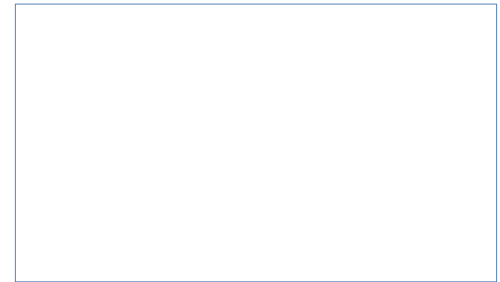
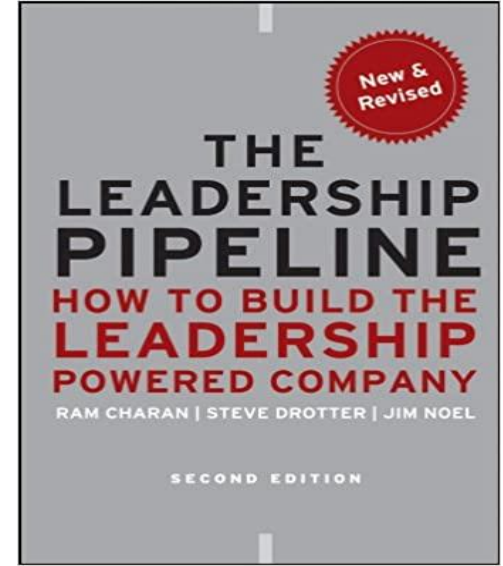


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BOOK RECOMMENDATION:

In business, leadership at every level is a requisite for company survival. Yet the leadership pipeline –the internal strategy to grow leaders – in many companies is dry or non-existent. Drawing on their experiences at many Fortune 500 companies, the authors show how organizations can develop leadership at every level by identifying future leaders, assessing their corporate confidence, planning their development, and measuring their results.

New to this edition is 65 pages of new material to update the model, share new stories and add new advice based on the ten more years of experience. The authors have also added a "Frequently Asked Questions" section to the end of each chapter.

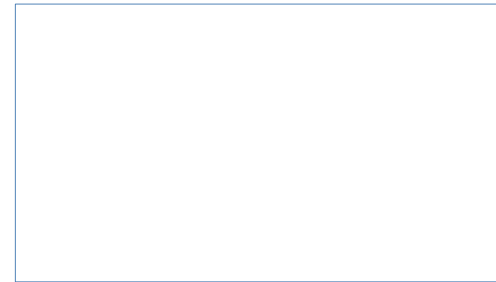
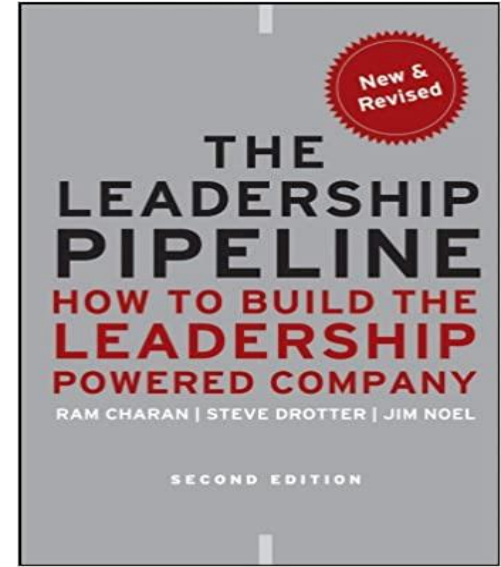
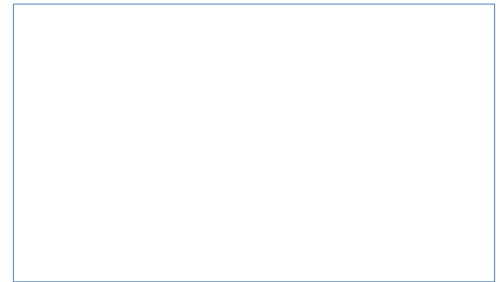


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Thank You

