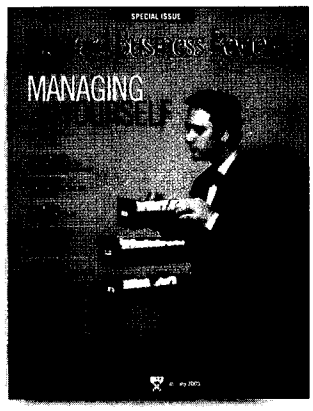
January 2005



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COVER STORY

Almost Ready: How Leaders Move Up

Dan Ciampa

Most designated CEO successors are talented, hardworking, and smart enough to go all the way–yet fail to land the top job. What they don't realize is, the qualities that helped them in their climb to the number two position aren't enough to boost them to number one.

In addition to running their businesses well, the author explains, would-be CEOs must master the art of forming coalitions and winning support. They must also sharpen their self-awareness and their sensitivity to the needs of bosses and influential peers because they typically receive little performance feedback once they're on track to become CEO. Indeed, the ability to pick up on subtle cues is often an important part of the test.

When succession doesn't go well–or fails altogether–many people pay the price: employees depending on a smooth handoff at the top, investors expecting continuous leadership, and families uprooted when jobs don't pan out. Among those at fault are boards that do not keep a close watch on the succession process, human resource organizations that should have the capacity to help but are not up to the task, and CEOs who do a poor job coaching potential successors.

But the aspiring CEO also bears some responsibility. He can dramatically increase his chances of success by understanding his boss's point of view, knowing his own limitations, and managing what psychologist Gerry Egan has called the "shadow organization"–the political side of a company, characterized by unspoken relationships and alliances–without being labeled "political." Most of all, he must learn to conduct himself with a level of maturity and wisdom that signals he is ready–not almost ready–to be chief executive.

Reprint R0501D

ORGANIZATION & CULTURE

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HBR CASE STUDY

Into the Fray

M. Ellen Peebles

"Psst, psst, psst." Talk of cost cutting and layoffs was already in the air in the New York offices of international beverage company Legrand SA. But now everyone is imagining the worst after the sudden and mysterious resignation of Lucien Beaumont, the company's president of U.S. operations. The rumors are flying fast and furious about what prompted his departure and, just as important, who will get Lucien's job.

Although Michael Feldstein is not one of the old guard at Paris-based Legrand – he joined the company as part of an acquisition two years ago – he's confident that he's a top contender for Lucien's job. Michael, the global category director for rums, believes his stellar brand results and strong track record might earn him the position.

Then, with a slight sense of paranoia, he notices Danielle Harcourt – the global category director for vodka and liqueurs and Michael's chief competitor for Lucien's job – networking with some of the Paris executives at a launch party for one of Michael's brands. She has also reached out to at least one of his direct reports. Before he can confront her, Michael gets a call from CEO Pierre Hoffman and a proposition – but not the one he's looking for.

In this fictional case study, Michael must weigh the advantages of taking an unexpected post in China against holding his ground in the politically charged New York offices of Legrand. Offering expert advice are Nancy Clifford Widmann, an executive coach, and Amy Dorn Kopelan, the CEO of Bedlam Entertainment, a conference management company; Fred Hassan, the chairman and CEO of Schering-Plough; Allan Cohen, the Edward A. Madden Distinguished Professor in Global Leadership at Babson College; and Gary B. Rhodes, a senior fellow at the Center for Creative Leadership.

Reprint R0501A

SELF-MANAGEMENT

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The New Road to the Top

Peter Cappelli and Monika Hamori

By comparing the top executives of 1980's *Fortune* 100 companies with the top brass of firms in the 2001 list, the authors have quantified a transformation that until now has been largely anecdotal. A dramatic shift in executive careers, and in executives themselves, has occurred over the past two decades. Today's *Fortune* 100 executives are younger, more of them are female, and fewer were educated at elite institutions. They're also making their way to the top more quickly. They're taking fewer jobs along the way, and they increasingly move from one company to the next as their careers unfold.

In their wide-ranging analysis, the authors offer a number of insights. For one thing, it has become clear that there are huge advantages to working in a growing firm. For another, the firms that have been big for a long time still provide the most extensive training and development. They also offer relatively long promotion ladders – hence the common wisdom that these "academy companies" are great to have been *from*.

While women were disproportionately scarce among the most senior ranks of executives in 2001, those who arrived got there faster and at a younger age than their male colleagues. Perhaps the career hurdles that women face had blocked all but the most highly qualified female managers, who then proceeded to rise quickly.

In the future, a record of good P&L performance may become even more critical to getting hired and advancing in the largest companies. As a result, we may see a reversal of the usual flow of talent, which has been from the academy companies to smaller firms. It may be increasingly common for executives to develop records of performance in small companies, or even as entrepreneurs, and then seek positions in large corporations.

Reprint R0501B

SELF-MANAGEMENT

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The Best Advice I Ever Got

Daisy Wademan

A young manager faces an impasse in his career. He goes to see his mentor at the company, who closes the office door, offers the young man a chair, recounts a few war stories, and serves up a few specific pointers about the problem at hand. Then, just as the young manager is getting up to leave, the elder executive adds one small kernel of avuncular wisdom – which the junior manager carries with him through the rest of his career.

Such is the nature of business advice. Or is it? The six essays in this article suggest otherwise. Few of the leaders who tell their stories here got their best advice in stereotypical form, as an aphorism or a platitude. For Ogilvy & Mather chief Shelly Lazarus, profound insight came from a remark aimed at relieving the tension of the moment. For Novartis CEO Daniel Vasella, it was an apt comment, made on a snowy day, back when he was a medical resident. For publishing magnate Earl Graves and Starwood Hotels' Barry Sternlicht, advice they received about trust from early bosses took on ever deeper and more practical meaning as their careers progressed. For Goldman Sachs chairman Henry Paulson, Jr., it was as much his father's example as it was a specific piece of advice his father handed down to him. And fashion designer Liz Lange rejects the very notion that there's inherent wisdom in accepting other people's advice.

As these stories demonstrate, people find wisdom when they least expect to, and they never really know what piece of advice will transcend the moment, profoundly affecting how they later make decisions, evaluate people, and examine – and reexamine – their own actions.

Reprint R0501C

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Overloaded Circuits: Why Smart People Underperform

Edward M. Hallowell

Frenzied executives who fidget through meetings, lose track of their appointments, and jab at the "door close" button on the elevator aren't crazy–just crazed. They suffer from a newly recognized neurological phenomenon that the author, a psychiatrist, calls attention deficit trait, or ADT. It isn't an illness; it's purely a response to the hyperkinetic environment in which we live. But it has become epidemic in today's organizations.

When a manager is desperately trying to deal with more input than he possibly can, the brain and body get locked into a reverberating circuit while the brain's frontal lobes lose their sophistication, as if vinegar were added to wine. The result is black-and-white thinking; perspective and shades of gray disappear. People with ADT have difficulty staying organized, setting priorities, and managing time, and they feel a constant low level of panic and guilt.

ADT can be controlled by engineering one's environment and one's emotional and physical health. Make time every few hours for a "human moment," a face-to-face exchange with a person you like. Get enough sleep, switch to a good diet, and get adequate exercise. Break down large tasks into smaller ones, and keep a section of your work space clear. Try keeping a portion of your day free of appointments and e-mail.

The author recommends that companies invest in amenities that contribute to a positive atmosphere. Leaders can also help prevent ADT by matching employees' skills to tasks. When managers assign goals that stretch people too far or ask workers to focus on what they're not good at, stress rises. ADT is a very real threat to all of us. If we don't manage it, it will manage us.

Reprint R0501E; HBR OnPoint 8789

SELF-MANAGEMENT

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What's Your Story?

Herminia Ibarra and Kent Lineback

When you're in the midst of a major career change, telling stories about your professional self can inspire others' belief in your character and in your capacity to take a leap and land on your feet. It also can help you believe in yourself. A narrative thread will give meaning to your career history; it will assure you that, in moving on to something new, you are not discarding everything you've worked so hard to accomplish.

Unfortunately, the authors explain in this article, most of us fail to use the power of storytelling in pursuit of our professional goals, or we do it badly. Tales of transition are especially challenging. Not knowing how to reconcile the built-in discontinuities in our work lives, we often relay just the facts. We present ourselves as safe–and dull and unremarkable.

That's not a necessary compromise. A transition story has inherent dramatic appeal. The protagonist is you, of course, and what's at stake is your career. Perhaps you've come to an event or insight that represents a point of no return. It's this kind of break with the past that will force you to discover and reveal who you really are. Discontinuity and tension are part of the experience. If these elements are missing from your career story, the tale will fall flat.

With all these twists and turns, how do you demonstrate stability and earn listeners' trust? By emphasizing continuity and causality–in other words, by showing that your past is related to the present and, from that trajectory, conveying that a solid future is in sight. If you can make your story of transition cohere, you will have gone far in convincing the listener–and reassuring yourself–that the change makes sense for you and is likely to bring success.

Reprint R0501F

SELF-MANAGEMENT

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How to Play to Your Strengths

Laura Morgan Roberts, Gretchen Spreitzer, Jane Dutton, Robert Quinn, Emily Heaphy, and Brianna Barker

Most feedback accentuates the negative. During formal employee evaluations, discussions invariably focus on "opportunities for improvement," even if the overall evaluation is laudatory. No wonder most executives–and their direct reports–dread them.

Traditional, corrective feedback has its place, of course; every organization must filter out failing employees and ensure that everyone performs at an expected level of competence. But too much emphasis on problem areas prevents companies from reaping the best from their people. After all, it's a rare baseball player who is equally good at every position. Why should a natural third baseman labor to develop his skills as a right fielder?

This article presents a tool to help you understand and leverage your strengths. Called the Reflected Best Self (RBS) exercise, it offers a unique feedback experience that counterbalances negative input. It allows you to tap into talents you may or may not be aware of and so increase your career potential.

To begin the RBS exercise, you first need to solicit comments from family, friends, colleagues, and teachers, asking them to give specific examples of times in which those strengths were particularly beneficial. Next, you need to search for common themes in the feedback, organizing them in a table to develop a clear picture of your strong suits. Third, you must write a self-portrait–a description of yourself that summarizes and distills the accumulated information. And finally, you need to redesign your personal job description to build on what you're good at.

The RBS exercise will help you discover who you are at the top of your game. Once you're aware of your best self, you can shape the positions you choose to play–both now and in the next phase of your career.

Reprint R0501G

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Do Your Commitments Match Your Convictions?

Donald N. Sull and Dominic Houlder

How many of us keep pace day to day, upholding our obligations to our bosses, families, and the community, even as our overall satisfaction with work and quality of life decline? And yet, our common response to the situation is: "I'm too busy to do anything about it now." Unfortunately, unless a personal or professional crisis strikes, very few of us step back, take stock of our day-to-day actions, and make a change.

In this article, London Business School strategy professors Donald Sull and Dominic Houlder examine the reasons why a gap often exists between the things we value most and the ways we actually spend our time, money, and attention. They also suggest a practical approach to managing the gap. The framework they propose is based on their study of *organizational* commitments – the investments, promises, and contracts made today that bind companies to a future course of action. Such commitments can prevent organizations from responding effectively to change.

A similar logic applies to *personal* commitments – the day-to-day decisions we make about how we allocate our precious resources. These decisions are individually small and, therefore, easy to lose sight of. When we do, a gap can develop between our commitments and our convictions.

Sull and Houlder make no value judgments about the *content* of personal commitments; they've devised a somewhat dispassionate tool to help you take a thorough inventory of what matters to you most. It involves listing your most important values and assigning to each a percentage of your annual salary, the hours out of your week, and the amount of energy you devote. Using this exercise, you should be able to identify big gaps – stated values that receive little or none of your scarce resources or a single value that sucks a disproportionate share of resources – and change your allocations accordingly.

Reprint R0501H; HBR OnPoint 8770; OnPoint collection "Managing Yourself" 8762

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Managing Your Boss

John J. Gabarro and John P. Kotter

In this classic HBR article, first published in 1980, Gabarro and Kotter advise readers to devote time and energy to managing their relationships with their bosses. The authors aren't talking about showering supervisors with flattery; rather, they ask readers to understand that the manager–boss relationship is one of mutual dependence. Bosses need cooperation, reliability, and honesty from their direct reports. Managers, for their part, rely on bosses for making connections with the rest of the company, for setting priorities, and for obtaining critical resources. It only makes sense to work at making the relationship operate as smoothly as possible.

Successfully managing your relationship with your boss requires that you have a good understanding of your supervisor and of yourself, particularly strengths, weaknesses, work styles, and needs. Once you are aware of what impedes or facilitates communication with your boss, you can take actions to improve your relationship. You can usually establish a way of working together that fits both of you, that is characterized by unambiguous mutual expectations, and that makes both of you more productive and effective.

No doubt, some managers will resent that on top of all their other duties, they must also take responsibility for their relationships with their bosses. But these managers fail to realize that by doing so, they can actually simplify their jobs, eliminating potentially severe problems and improving productivity.

Reprint R0501J

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Managing Oneself

Peter F. Drucker

Throughout history, people had little need to manage their careers – they were born into their stations in life or, in the recent past, they relied on their companies to chart their career paths. But times have drastically changed. Today we must all learn to manage ourselves.

What does that mean? As Peter Drucker tells us in this seminal article first published in 1999, it means we have to learn to develop ourselves. We have to place ourselves where we can make the greatest contribution to our organizations and communities. And we have to stay mentally alert and engaged during a 50-year working life, which means knowing how and when to change the work we do.

It may seem obvious that people achieve results by doing what they are good at and by working in ways that fit their abilities. But, Drucker says, very few people actually know – let alone take advantage of – their fundamental strengths.

He challenges each of us to ask ourselves: What are my strengths? How do I perform? What are my values? Where do I belong? What should my contribution be? Don't try to change yourself, Drucker cautions. Instead, concentrate on improving the skills you have and accepting assignments that are tailored to your individual way of working. If you do that, you can transform yourself from an ordinary worker into an outstanding performer.

Today's successful careers are not planned out in advance. They develop when people are prepared for opportunities because they have asked themselves those questions and have rigorously assessed their unique characteristics. This article challenges readers to take responsibility for managing their futures, both in and out of the office.

Reprint R0501K; HBR OnPoint 4444; OnPoint collection "Managing Yourself" 8762