

A photograph of two hikers with large backpacks ascending a grassy mountain trail. The hiker in the foreground is wearing a black shirt and grey pants, while the one behind is in a red shirt. The background shows rugged, rocky mountain peaks under a bright blue sky with scattered white clouds and a sun flare in the upper right.

DEVELOPING THOSE

WHO LEAD FUNCTIONS:

*A Critical Leverage Point for
Boosting Organizational Performance*

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Overview

Business developments over the past generation have significantly elevated the value and influence of leaders who lead a function. Today, the function leader is a linchpin position that has arguably the greatest impact on overall organizational performance. Yet those who lead a function are too often “lost in the middle” in organizational development, with little to no investment made in their growth and development. Because of this, companies are missing a critical opportunity to improve their organizational performance and productivity.

As never before, companies need to develop leaders at all levels. Global expansion, rapid changes in markets and technologies, industry-changing innovations and the challenges of operating in an increasingly complex and uncertain environment put a premium on leadership excellence. The growing awareness of these factors, along with the post-recession recovery, has led to double-digit growth each year in U.S. spending on corporate training from 2011-2013 (Bersin, 2014). This trend is expected to continue. For example, in a 2014 study conducted by the UNC Kenan-Flagler Business School and the Human Capital Institute (HCI), a vast majority (85%) of senior-leader respondents said there was an urgent need to step up leadership-development efforts (Filipkowski).

Yet as overall leadership-development spending increases, the investment made by leadership level reveals interesting assumptions about the relative value of each of those levels, including a marked undervaluing of those with functional oversight.

Many medium- and large-sized organizations provide basic developmental support for new supervisors and managers in the form of assessment feedback, training and development initiatives. This is a defensible target given the sheer numbers at this first-line level and the considerable failure rate that often accompanies moving from managing oneself to managing others. On the opposite end of the leadership spectrum, companies often make significant investments in executive-development programs, strategic retreats and executive coaching to enhance the performance of C-suite leaders.

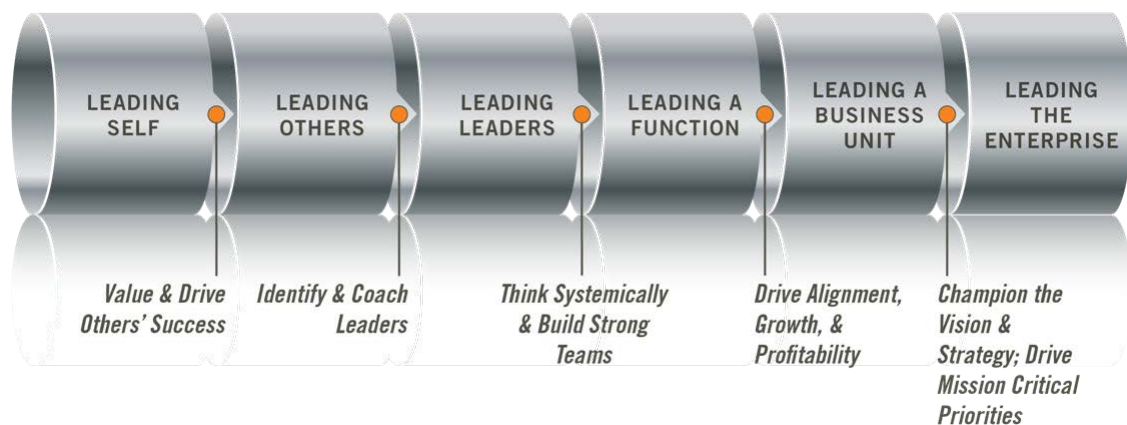
When organizations think about development in the middle, however, too often they bypass those leading a function and focus instead on accelerating the rise of promising, ambitious young leaders. In 2012, for example, the average spend per senior leader was \$6,016. It was even greater for those deemed high potentials, at \$7,116. Meanwhile, the training and development investment in those leading a function was just \$2,700 per head, a mere 38% of the investment in HiPos (Derler, 2012).

Development programs and experiences for function leaders are not only missing from internally developed programs, but also from the considerable offerings of corporate education providers, training companies and leadership-consulting firms. We believe this is a serious gap in developmental attention.

Our hope is to alert those tasked with leadership development to the central importance of investing in function leaders. This level of the leadership pipeline can be a critical point of leverage for accelerating organizational performance. By understanding the special value and contributions of function managers, we can design developmental experiences and supportive structures that can better serve this essential leadership level – and thereby ensure the greatest positive business impact.

At a Glance: Leading a Function

One of the most widely used developmental frameworks for organizing talent-management systems is the talent-pipeline model introduced in *The Leadership Pipeline* (Charan, Drotter, & Noel, 2001). This model identifies six levels or passages of leadership in a typical large organization, from individual contributor through enterprise leader, with each ascending level calling for different skills, knowledge and values to handle increasingly complex responsibilities. Movement up the pipeline involves developing the skills needed to transition through each passage to the next level.



MDA Leadership's Pipeline Model, a modified version of the original model presented in The Leadership Pipeline.

Many businesses continue to operate with traditional, functionally organized structures. We can easily identify their function leaders, who report directly to business leaders and hold titles such as vice president or director of operations, marketing, manufacturing, sales, finance and human resources. These leaders have management authority over an organizational unit, such as a department, and are responsible for how their employees work to meet functional objectives. We also use the term “function leader” to describe those in differently organized structures who lead distinct units such as geographic regions, product groups or customer segments.

The Rise of the Function Leader

The typical CEO's team has expanded dramatically in the past generation due to an increased reliance on function leaders. CEOs averaged five direct reports in 1986. Today, the average is 10 direct reports, "with nearly three-quarters of the increase attributed to functional managers..." (Wulf, 2013). Coinciding with the rise of these "functional chiefs," such as chief financial officer, chief technology officer, chief human resources officer and chief marketing officer, has been a decline in general managers, whose ranks have dropped by half over the same period. The authors interpret this trend "as an increasing centralization of activities in the hands of corporate-level functional managers, who coordinate activities across multiple business units to realize synergies."

What accounts for the rise of function leaders at the top of the house? A number of factors are likely. Increasing business complexity and the heightened role of technology in value creation appear to be important factors. A related factor may well be the growing maturation of functional areas like IT and human resources as they move beyond peripheral, administrative activities to more central, value-creating activities.

As CEOs increasingly recognize how, for example, talent management, migration to cloud technology or brand management contribute to corporate success, it's natural that they would want to invite the CHRO, CTO or CMO to the table. The move to flatter organizations may be another factor, as companies seek to break down verticals to gain the coordination and collaboration across functional boundaries and geographies that spur innovation.

Tomorrow's "functional chiefs" are learning their trade today in the multi-layers below the C-suite. They have significant spans of responsibility in large organizations. These are critical positions with special competitive value. As management consultant Tia Benjamin has noted:

Although the company's executives and top strategic managers seem to have a lot of power and influence, the functional-management responsibilities probably have the most obvious impact on the company's performance. Although the strategic managers determine the company's mission and direction, functional managers control the expenses, manage resources, make decisions about the specific projects that will be undertaken and drive the success or failure of each initiative.

In sum, today's function leader must possess deep specialized knowledge and work effectively across boundaries with the skills, attributes and business acumen of the traditional GM.

Another critical factor is the increasing importance of the networked organization, which is changing the very nature of work for those with functional responsibilities. Function leaders are at the nexus of that network, with the clearest operational lines of sight to the company's web of suppliers and partners. Their actions, for good and ill, can seriously affect overall organizational performance.

For example, Professors Kevin Hendricks and Vinod Singhal studied more than 800 supply-chain disruptions and concluded that the affected firms suffered significant economic losses: on average, a 107% drop in operating income, 7% lower sales growth, 11% increase in costs and a 13.5% increase in share-price volatility. Nor do firms recover quickly from these losses; most continue to operate for at least two years at a lower performance level after the incidents.

As Amit Mukherjee, author of *The Spider's Strategy* has noted, "the problems Hendricks and Singhal studied were those which are generally controlled by mid-tier function leaders. By the time the executive suite hears of these, the problem has become an existential crisis."

Several recent articles have lamented the lessening presence and influence of general managers, whose broader enterprise perspective is seen as essential to strategy formation and execution (Ashkenas, 2012; Adl, 2014). They voice legitimate concerns. Businesses would do well to cultivate leaders who possess the general manager's strong cross-organizational business knowledge and savvy, as excellence in the GM position remains utterly essential for the success of many organizations.

Yet in many ways, the GM position has melded into the contemporary function leader in today's enterprise. Flatter organizations and matrix structures have eliminated many traditionally siloed functions. As we have noted, function leaders must operate through an expanded web of arrangements externally, as well as a greater number of interdependencies and cross-functional collaborations internally, to execute their goals.

High Hurdles for those Leading a Function

Summary of Function Leader Assessment Study

Reviewed all Leading a Function assessment reports from 2011-2012, coding each strength and development need based on MDA's Function Leader competency model

Data was coded for 413 assessments, including:

- 1,426 development need bullets
- 2,689 strengths bullets

Bullets were matched to a comprehensive list of MDA competencies and behavioral benchmarks

Three internal calibration sessions were conducted, during which all raters reviewed the same bullets to ensure coding alignment

The transition from managing a team or department to leading a function is a high-hurdles course, given the expansion of positional responsibilities, the increased complexities of the job and the necessary collaborations with disparate personalities. To best assist function leaders in this transition, we identified the critical roles or “hats” the function leader must wear to succeed, as well as the developmental areas where he or she tends to stumble most.

The five roles we discuss are drawn from MDA Leadership Consulting's analysis of function-leader assessment data. MDA Leadership's Talent Assessment practice, with 35 years of assessment experience, possesses deep, multi-instrument, multi-rater assessment data at the function-leader level, including insights gleaned from our “Leading a Function” assessment simulation. We reviewed all assessment reports for a two-year period at the Leading a Function level, coding each strength and development need based on MDA Leadership's function leader competency model. Coded data were matched to a comprehensive list of MDA competencies and behavioral benchmarks.

We combined our assessment data analysis with the expertise of our internal development coaches, who have coached hundreds of function leaders. They were asked to rank the function leader roles most predictive of high performance. Our focus was on roles performed rather than competencies mastered. Why? Given the increasing complexity of the position, a competency focus quickly devolves into a lengthy list. Roles, on the other hand, are distinctive realms of performance, with dense competency clusters. Leadership is the exercise of these roles for distinctive duties and purposes.

For example, the President of the United States exercises the role of chief executive by issuing executive orders, making numerous executive-level appointments and outlining legislative proposals for consideration in Congress. In contrast, the president must inhabit a very different role as commander-in-chief, requiring the exercise of very different capabilities, such as military-forces deployment and treaty negotiations, to ensure the defense of the country and safeguard peace.

In our experience, leaders more readily conceive of their work as exercising different roles rather than exercising different competencies. They can more clearly draw connections

between their roles and needed business outcomes. Roles also create a solid basis for development planning; the goal is to improve the performance of your roles in ways that directly impact the business rather than to improve your ratings on discrete competencies.

The results of our analysis highlight five critical roles that grow out of distinctive market and business forces acting upon today's function leaders. We also include the development imperatives within those roles. (See below: Function Leader Roles and Development Imperatives.) These five roles are critical for those who wish to successfully transition from leading teams to leading functions. They remain essential for the overall performance of seasoned function leaders as well.



The Role of Strategist

Paul is the vice president of sales and marketing for a major department-store chain, responsible for driving sales of more than \$150 million in one of the chain's top 10 stores nationwide. When he took the position two years ago, the store's performance was in a downward spiral. After a hard look at causal factors, he discovered the need to understand customers at a deeper level. Store demographics were "all wrong" he concluded, failing to capture recent major racial and ethnic changes in the composition of its shoppers. He discovered that Asian customers represented 60% of shoppers, and Hispanic shoppers had jumped to 15% and would continue to grow to 25% over those two years. He and his team needed to work hard to understand their diverse customers' needs, to segment and target. Some were price-focused and value-driven, responsive to promotions. Others sought higher-end fashion and viewed sales as "outdated."

Paul studied the store's competition. He insisted on learning about the customer and a taking a deep-dive look at vendors, sizes and the depth and breadth of offerings. "We need to understand what makes our customers excited to be here and cater to their needs," he says. Under Paul's leadership and strategic guidance, the store has thrived and continues to grow.

This is the reality of today's function leaders. While they traditionally assumed more of an internally focused orientation, today's function leaders must be strategists. Gone are the days of managers receiving marching orders from senior leaders, putting their heads down and driving toward the numbers. They must think strategically about the evolution of their function, especially as technology reshapes what's possible.

Today's HR leaders, for example, must increasingly know how to use analytics to drive their human-capital decisions, while today's IT professionals must stay abreast of the latest data-security issues and cloud-based solutions. Like Paul, function leaders must consider industry, market, customer and competitor information to develop workable plans and to chart the future course of their functions. They must identify and advocate state-of-the-art practices that improve efficiency and profitability not just in their silos, but across the enterprise.

One of the most common findings from our Function Leader Assessment Study is the failure of leaders to do what Paul is doing: to see his function and the business challenges he faces in their larger context. Again and again, we see managers focus their lens on a smaller set of factors underneath their direct control, while failing to explore the many causal factors and interdependencies outside their areas of responsibility. The result is that their solution set is inadequate, leaving problems unresolved and opportunities squandered.

Developing as a Strategist

Developmentally, we have identified the following five areas in which function leaders most need practice and tools in order to improve as strategists:

1. **Long-term perspective:** Bringing a lengthened time perspective to planning and problem-solving.
2. **External focus:** Demonstrating a well-developed understanding of the external business environment.
3. **Strategic scope:** Considering the wider implications and impacts of their decisions and choices on the overall business.
4. **Growth orientation:** Creating ideas, platforms and strategies to expand the influence and contribution of their function to overall business success.
5. **Competitive advantage:** Promoting ways of doing things that increase differentiation in the marketplace.

Action learning, a development method that involves both taking action and intentionally learning, remains one of the best ways for function leaders to develop as strategists. In action learning, small teams of cross-organizational leaders at one or more levels below senior executives work on real business challenges or problems, aiming to generate recommendations and solutions. The problems are complex, multifaceted and strategic in nature, requiring the teams to move outside their individual areas of expertise. At several points along the way, participants must reflect on their individual and team learning. This balance of doing and reflecting is powerful, as is the exposure to complex problems and to senior leaders who act as project sponsors.

Mortenson Construction, a U.S.-based family business and one of the nation's largest construction companies, has committed to action learning as a major strategy for accelerating the development of its top talent. Mortenson has stable and committed senior leadership in place, yet recognizes the need to develop its pool of leaders for future officer and senior-leadership positions in order to fuel future business growth. Given the company's culture of execution excellence, an action-learning design that intentionally integrates business- and leadership-development efforts makes perfect sense. Expert external facilitators and Mortenson senior leaders coach participant cohort groups as they work through real-world business challenges. Mortenson has committed to action learning for six years running because it has experienced the dual reward of deepening the capabilities and commitment of top talent while reaping direct business benefits from the projects undertaken.

The Role of Talent Developer

Talent management is the integrated process of ensuring that an organization has a continuous supply of highly productive individuals in the right jobs, at the right time. Increasingly, function leaders recognize that talent management is not solely an HR responsibility – it's their job, too. In their roles as talent managers, function leaders must identify, deploy, develop and retain talented team members and trust them to lead and manage.

The role of talent manager is critical for function leaders, as it represents a real transitional challenge from more tactical, individual coaching. Function leaders still need to retain their coaching skills, but they must layer on the deeper, more strategic work of assessing talent needs for the future, conducting regular talent reviews to identify and promote top talent, and mentoring key individuals who will be successors and major contributors to the organization's future. If they fulfill this role with excellence, it may well be their most important legacy.

In our assessment and coaching, a hallmark we see in those who have successfully transitioned from “team manager” to “function leader” is the development of a talent mindset. They tell us that as team leaders, they knew that “people are our most important asset,” did their best to make good hiring decisions and proactively stepped up to provide coaching and feedback to individuals. As function leaders, they learned to take it to another level. One of us recalls a director of sales who described his role as akin to the GM of his favorite football team:

I'm evaluating the talent I have for this season while I'm thinking about the team I'm trying to build for next season and the season after. And I need bench strength too, like a coach needs his depth charts. In football, they might be lost to a knee injury. I might lose someone to a competitor. If I do, who's going to step up?

At heart, a talent mindset is that deep-seated belief that having better talent at all levels allows your company to outperform its competitors. It's the recognition that better talent pulls all the other performance levers. A critical challenge for leadership development efforts is to instill this shared talent mindset in all function leaders.

Talent Developer Role at Different Leadership Levels

Transitioning from manager to function leader to senior executive requires individuals to exercise key components of talent management in different ways.

	Managers	Function Leaders	Senior Executives
Talent Assessment	Makes good hiring decisions.	Identifies, hires, or promotes top talent to achieve the organization's objectives.	Routinely assesses the organization's talent to meet current and emerging business demands.
Stretch Assignments	Assigns challenging tasks that help people learn and grow.	Provides relevant stretch assignments to develop others' leadership skills.	Provides stretch assignments to develop others' leadership breadth.
Development Culture	Encourages people to develop themselves and others.	Holds leaders accountable for developing talent.	Helps leaders see the value of talent development as a strategic lever.
Feedback	Actively coaches reports on their performance.	Provides feedback to strengthen leadership skills in others.	Creates a culture that supports open exchange of feedback.
Succession Planning	Identifies and develops leadership potential in direct reports.	Conducts regular reviews of leadership talent.	Champions the need to build key talent bench strength across the organization.

Transitioning function leaders often acutely experience this shift to talent developer. Said one vice president of marketing, "I went from a smaller team to suddenly having 70 managers – a big jump. I had to spend the first couple of months really assessing the quality of my managers to ensure we had the right people in the right jobs." Michelle, a director of operations for a home-services company, reflected on the challenges of the current war for talent: "Staffing is a huge issue. There is such a shortage of people in our industry that it's non-stop – we advertise heavily all year and it caused us to develop a good training program to get our inexperienced staff up to speed." She must work more closely than she ever thought she would with her human-resources department, and has put in place key performance indicators around how many recruiting events, how many interviews and how many hires they are making in her area.

The Role of Change Leader

To thrive, organizations must continually remake themselves. While an organization's core mission, vision and values should remain largely or wholly stable, all else is subject to reshaping, redefinition and even wholesale change. Function leaders are critical players in this ongoing work. They often have a clearer line of sight to changing customer demands than do more senior leaders, see firsthand the failures and efficiencies of core operational processes, are directly implementing new technologies and procedures, and control the resources on a vast number of small and large projects.

In their prior positions further downstream in the organization, function leaders were likely to have been exclusively order takers, recipients of change directives from above. Now, with broader spans of authority comes the opportunity for function leaders to both receive and give directives. They must continue to receive and translate many cascading changes. In addition, they need to identify and initiate substantive changes in their own areas of authority, as well as influence upstream change that can have broader effects outside their areas. This is a significant transitional hurdle, as we discovered in our study of function leader assessment data. The competency most frequently cited as a development need at this level was "leading courageously," which includes the behavior "uncomfortable leading out-front; prefers more behind-the-scenes roles."

Paul, the VP of sales and marketing for a major department store chain discussed earlier, is a clear case in point of what we mean by a courageous "change leader." He saw that his store was failing to understand its core customers, properly segment them, and provide for their differentiated needs. He needed to enlist his team, create dissatisfaction with the status quo and build a sense of urgency to make fundamental changes. Co-equal with aligning his team around this new approach, he had to persuade the larger organization to invest in new analytical tools and to empower him to investigate new vendors and a new mix of product offerings.

Changing the status quo in an organization is never a simple process, nor should it be undertaken lightly. All change initiatives have one thing in common: if they are well-led, they usually succeed. If they are not well-led, they are doomed to fail – or at least result in a longer, more costly road to implementation. Function leaders often learn their hardest lessons around sponsoring and leading change. Most underestimate the time and skill required to implement and sustain change.

Developing as a Change Leader

How can function leaders best develop what it takes to drive successful change? We're believers in developing a process orientation to help implement change. While a sound change process does not guarantee success, it significantly reduces the error rate in change implementations. But which change model to use? There are many available, such as those proposed by Kotter, Nadler, Cummings and Worley. Each model offers a set of steps or sequence of actions designed to address common problems and avoid predictable obstacles in change implementations.

Thankfully, these models share much in common. Our experience tells us that the particular model chosen is less important than using a shared framework for organizing and carrying out change. Research appears to support this, as well. In a forthcoming chapter in *Consultation for Organizational Change Revisited*, our colleagues Robert Barnett and Nancy Weidenfeller surveyed 250 executive change leaders and found that the typical problems and obstacles the various change models seek to address are real and experienced with some frequency. Further, they conclude that “[c]hange consultants should have some confidence that the models of planned change have correctly identified and described many of the threats to success and effectiveness of planned change initiatives.”

Simulation exercises offer leaders a great opportunity to experience complex change. Robust simulations give function leaders the chance to work through the process, flex their skills and learn from their missteps without damaging the company. To help leaders become accustomed to the typical leadership requirements of change initiatives, we have found especially effective an expert-guided change-management simulation called ExperienceChange™ that provides participants with practical experience applying a proven change framework. From analysis to planning and implementation, the simulation delivers the essentials of a year-long change journey in less than a day. Immediate feedback on decisions, both good and bad, reinforces learning without putting company resources on the line.

Change scars are inevitable. But too many organizations simply choose to let their function leaders – their organization's true change champions – take their lumps, often to the point of disheartenment and disengagement. As a result, such organizations are living with a change failure rate much higher than what's possible using proper change management processes and training. With the proper developmental support, function leaders can more quickly learn to implement change initiatives with both confidence and competence.

The Role of Internal Influencer

Karen is the Group VP of global business partners for a North American manufacturer. Her role is to grow new revenue streams through non-traditional distribution channels. She has focused on putting in place processes and procedures to gain efficiencies in her business, and she has devoted significant time to developing a talented team that can act as true strategic partners with their new channel contacts. She is also committed to evolving the strategic value and contributions of her function. As she explains it, “My job is to help the broader organization see the larger possibilities and opportunities of our function, and how it can help grow multiple parts of our business. I need to look across markets and geographies, see the bigger picture and then sell what we can do to the larger organization.”

Karen is exercising what we call the “internal influencer” role. Her success in this role is a critical component in her overall effectiveness as a function leader. She must persuade and motivate key players both inside and outside her function, and build commitment one-on-one, in teams and in larger groups. She must be an active and energetic educator of peers and superiors about the value her function can provide to the business overall.

Success in the internal influencer role requires strong conversational competence. Effective influencers are adept at establishing trust with others and at turning transactional conversations into transformational conversations. They are approachable and considerate. They effectively elicit the right information from others. They listen as much as they talk, and demonstrate a respect for different perspectives and contributions.

This interpersonal effectiveness is combined with purpose and skilled intention in effective influencers. They are intentional in their approach, preparing for critical interactions and approaching conversations with a specific purpose and an intended outcome. They want to make something happen, ideally by focusing on overarching goals and mutually beneficial solutions. In this way, they are able to advance their agenda through a variety of direct communications with various stakeholders, across multiple functions and through multiple layers of the organization.

Among the most common developmental behaviors uncovered in our Function Leader Assessment Study were several related to effectively influencing, including “rarely offers ideas that influence peers or superiors,” “is distant or impersonal in his/her interactions with others,” and “does not share thinking with others or engage and collaborate with coworkers in solutions.”

Failure to skillfully influence internally at the function level can have major business repercussions. Consider Bertrand, a regional category brand manager for a global consumer goods company. Newly arrived in his position in the French office, he was directed by upper management to customize the firm's CRM system. He defaulted to the vendor preferred by his French colleagues, despite his own qualms. "I didn't think this vendor was the right choice for us, but I was the new guy and I wasn't able to make the right arguments," he says. The outcome was "a bad fit – they were arrogant and unresponsive." The result was also "six months of hell," requiring lots of coaching and training for himself and his team, and draining energy and attention away from key priorities. The CRM system remained inadequate for more than a year afterward.

Developing as an Internal Influencer

In our experience, seasoned leaders know how to hold the difficult conversations required to work through differences and influence others. Just as they know how to structure and run an effective meeting, they also know how to shape an effective conversation. Studying what effective leaders do in these high-impact conversations led to the development of MDA's High-Impact Conversations model. It outlines a structured set of steps that help leaders in a conversation clarify their intent, gain understanding and alignment, explore options and confirm action steps.



Improving as an internal influencer, like developing as a change leader, requires much practice. Introducing a conversational model and practicing critical conversations in a safe space with peers and/or coaches pays off. Function leaders can also be directed to focus on the "before" and "after" of their critical conversations. They should come to understand that good preparation leads to good results. For instance, they would never "just wing it" in a conversation with their boss about a salary increase. The same applies to many important workplace conversations directly related to advancing their strategic agendas.

Function leaders should also be encouraged to do a bit of mental debriefing or written reflection following their many critical conversations. They can ask themselves where they struggled, where they were successful and what they might do differently in the future to improve results.

Our experience is that function leaders recognize the vital importance of their influence skills to their overall success. As a result, they are very open to coaching and guidance in this area. Those who consciously prepare and reflect on their key interactions often see significant improvements.

The Role of Results Driver

The art of getting things done in complex organizations is important for leaders at all levels. But the truest test awaits those who are leading a function, where so much of a strategy's success depends on the execution of core processes and specialized tasks that require function expertise. Function leaders typically need to ensure clarity of roles and responsibilities down two levels or more within their functions. They also must make the linkages between various functional priorities and the overarching business strategy clear to their direct reports.

Function leaders with a results orientation keep the organization's goals and results visible for their teams. Some use the popular metrics framework advocated by Robert Kaplan and David Norton in *The Balanced Scorecard: Translating Strategy into Action*. Many more scorecard or dashboard tools and templates to track progress are available online. Still other leaders post simple, updated measures in the workplace. The point is to ensure that all performers can clearly see their progress toward key goals and their performance against defined measures of success. It should be an important team effort to select, create and agree upon those measures and then to periodically update and review them.

Performance Scorecard Example

A straightforward example of a performance scorecard, used to identify key measures and track actual results

20XX Operating Metrics	Q1	Q2	Q3	Q4
Financial Performance Indicators				
Example: Total Revenue Goal	\$1,250,000	1,300,000		
Actual	1,376,000	1,261,000		
Operational Performance Indicators				
Example: Average daily production volume	162 units	165 units		
Actual	177 units	145 units		
People Performance Indicators				
Example: % Employees w/ Development Plans	75%	75%		
Actual	44%	69%		
Other Meaningful Performance Indicators				

Key to Color Coding of Actual Results	
Below 90% of Goal	
90 to 100% of Goal	
Above 100% of Goal	

Brett is vice president of sales and marketing and a member of the executive team for an American manufacturer of snowmobiles, motorcycles and commercial vehicles, with revenues of \$2 billion. Like the best results-driven leaders, his focus is on setting priorities, defining results, measuring and following through. It's essential to "understand the outputs for each department and put tools in place to manage that," he says. All of his function's priority projects in sales and marketing are managed on the cloud.

All directors under Brett and all team members throughout his functional area can track the progress of these deadline-driven projects with a color code of green, amber and red, providing a quick visual of progress. Critical metrics like dealer penetration and key leads are reviewed with each line manager on a weekly basis. Brett reviews the overall dashboard every day and can quickly dive into anything that concerns him, down to the dealer and customer level.

As vice president of logistics for five distribution centers for a major national department-store chain, Husein makes sure that "even our hourly employees have metrics and know how other DCs are doing. We create a healthy competition going that way." Husein works to keep his function connected to the overall strategy so that his direct reports have a clear understanding of how their roles contribute to the bigger picture. All employees see the latest marketing brochures and key campaigns, helping them understand the impact if there is a delay getting products into stores on time. Rather than simply "pick and pack," they understand their place in the chain and how they help everyone in the business win.

In the end, leaders are paid to consistently deliver desired results. Since the bulk of critical organizational initiatives and projects are delegated to specialized functions, those leading functions are essential to effective execution. They establish clear goals and set aggressive timelines for meeting objectives. They drive results by helping others clarify and understand their roles, responsibilities and outputs. They establish the measures of success, keep them in front of all who execute the work, review actual results with their teams on a regular basis and intervene when necessary to remove obstacles. Frequent follow-through and follow-up is needed. It is far from glamorous work, but these function leaders know it is essential to ensure positive results.

Conclusion

Organizations too seldom provide support for leadership development at the function level. Our research and practice, corroborated by client input, confirms that organizational performance is increasingly tied to the performance of those who lead functions. Leadership-development efforts focused on these function leaders can have a major organizational payoff. This level of the leadership pipeline is arguably the point of greatest strategic leverage for mid-size to large organizations.

To be successful, function leaders must be adept at numerous roles. By highlighting several of the most challenging roles required for success in leading a function, we hope to give leadership-development professionals clear targets for development efforts. Targeted developmental experiences, such as assessment, experientially based formal learning programs structured around leadership roles, cross-functional action-learning projects designed to exercise those critical roles, and mentoring can better equip function leaders to maximize their development and contributions.

With the proper developmental focus, we can reduce the failure rates of those transitioning from leading teams to leading functions. We can also increase the effectiveness of established function leaders who are taxed by the expanding scope and complexity of their responsibilities. The five roles we have identified and illustrated can help function leaders make greater strategic and operational contributions and better prepare themselves for even greater leadership opportunities.

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