



How Healthy Is Your **LEADERSHIP FUNNEL?**

The days of the “jack-of-all trades” Master Builder has been slowly replaced with a coordinated and compartmentalized specialist approach. This means that project managers are finding themselves jumping from project to project, site to site, and crew to crew. Couple this with the complexities of a construction project and there comes a great need for these professionals to go beyond “Project Management” and transform into an efficient and effective leader.

The drive for effective leadership doesn't just run company deep. Your clients are equally concerned about the lack of effective leaders in the construction industry. Owners are becoming more frustrated with having to write checks to pay for bills for shortcomings that the industry doesn't seem willing, motivate or capable to remedy.

In this article, we hope to raise awareness of this problem. Through awareness, construction companies like yours can identify how you can best fill the void your customers are asking to be filled. Having solid leadership that is effective and efficient is the first step for making your business a High-Performing Company.

Misunderstandings of a Leadership Development Program

Many companies we consult will tell us how they have a leadership development program. What they really have is an infor-

mal process to select a leader when they need one. And if they don't find one in their ranks, they can just hire one away from another company. This reactive approach is very common throughout the industry.

Simply putting your best employee into a leadership role -- because they can “do their job real good” and “being able to do the job is 90% of the battle”-- is a major problem. If the promoted employee is great at their job but terrible at leading, this is not a promotion at all. You may find you've actually “demoted” them from effective employee to ineffective leader.

Even without these misunderstandings and many companies searching for and developing good leaders, statistics show that we are still very much in the red with our leadership pool. Our industry must do better in getting more candidates into a leadership development funnel so they can be equipped and ready to go when called upon. What it comes down to is whether you are willing to create a “Leadership Development Culture” at your company.

The Importance of a Leadership Development Culture

A Leadership Development Culture is above all things a mind-set supported by varied activities designed to help individuals improve and exercise their leadership traits. Creating a culture allows you to systematize and standardize the process in which these

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Over the last few decades, the construction industry has seen a paradigm shift.

skills can be identified, honed, and demonstrated by potential leaders.

High performing companies always have a strong and deep pool of leadership talent. It's imperative to have these individuals to ensure the health and longevity of an organization. Having good leaders at various levels of development tend to increase the overall productivity of their groups, contributing positively to the financial and emotional strength of the entire organization. Project owners and other customers and clients have shown a strong willingness to do repeat business with these types of top performers.

Strong leadership pools additionally lead to strong profit statements as a culture of leadership development consistently show significant increases in productivity while minimizing employee turnover. By reducing jobsite and office expenses and avoiding replacing employees, top performing companies see top performing bottom lines. Not to mention, acquisition costs of new business and employees reduce in lockstep.

Finally, one of the most important reasons to have a culture focused on leadership development is because your employees will develop whether you have this culture in place or not. The question is: will you take advantage of this development -- or will your competitors?

Creating a Leadership Development Program

Your program's purpose is to organize, manage, and present leadership development activities needed to support the leadership development culture. Top management must have a strong vision of what that culture looks like and be able to articulate it to the downstream employees.

As you will find, creating this culture and then program is a simple concept but not an easy implementation. It takes commitment from all current leaders in terms of time, money, and execution. You may want to bring in outside experts to ensure the highest ROI on these expenses. The best programs usually have two very distinct phases.

The first phase is an Introductory Leadership Development Program. This first phase is usually self-driven by the employee that decides "I want to learn more about leadership and how I can improve my skills". These are usually more natural leaders, as it takes initiative on their part to "self-enroll" in a program. This allows you to determine who is worthy of future investment and who is doing it just because of peer pressure or because they think it is an "expectation" of



the company. Regardless of motivation, it will give you a better understanding of the current talent pool and identify cultural deficiencies within the organization so allowing anyone to enter Phase I is beneficial.

The Phase I program is concluded when a candidate finishes the program and meets company graduation requirements, potentially leading the candidate to being accepted and enrolled in Phase II, which is your Advanced Leadership Development Program. This is where most of your time, money, and investment will sit.

The Components of Your Leadership Development Program

The following components are vital to any program, yet the depth and use of these components will vary from company to company based upon several reasons like program vision, capability, management buy-in, etc. It is important to know that these components are vital to the success of the program, while many will be found in both an intro and advanced program, others may only be reflected in your advanced program.

COMPONENT #1 | Direction, Oversight, and Commitment from Top Management

When we speak about top management, we speak of everyone within the C-suite and the few high-level managers just outside like essential VP's and HR. Without these crucial individuals in lockstep, the program will fail, making all efforts and

investment a colossal waste of time. Having this buy-in is particularly helpful in getting mid-level managers to buy-in as well.

COMPONENT #2 | Dedicated Management of the Program

Some companies are large enough to dedicate full-time staff to their program, but many construction companies lack that capability. It isn't a matter of full-time or part-time as much as it's a matter of having a group of people responsible and accountable to the C-suite for the nurturing and implementation of the program. These key people are tasked with managing the program but also receiving feedback on how to improve it.

COMPONENT #3 | A Selection Process

A successful program will have key indicators to determine where someone is within their development. As discussed earlier, your Phase I Intro program will have graduation requirements determined by top management. Conversely, Phase II admittance will come from a list of Phase I graduates. While the selection process may vary from company to company, a key similarity is that the selection process remains consistent, fair, and well-defined. Many successful selection processes usually entail an interview component, discusses with previous and current direct managers, a detailed review of the employee's history with the company, and has completed this next component.

COMPONENT #4 | Personal Leadership Development Plan

While much of the burden of this program falls on the company, this component lies squarely on the shoulders of the candidate. For a candidate to be considered for the advanced program, many top performing companies ask for them to develop an acceptable Personal Leadership Development Plan. This plan could be a topic all its own but for the purpose of this paper, this plan is a self-reflection of the employee. They can explain their strengths and weaknesses, how they could utilize strengths in a leadership role and how they hope to minimize weaknesses while interpreting what skills, knowledge, and beliefs they would bring the role.

COMPONENT #5 | Cross Training

Cross training is vital to both the intro and advance program and comes in various formats. This could be training the c-suite on how to build out this program while it could be to allow employees a chance to learn new job roles within the organization important to know as a leader, rounded out by being trained on leadership responsibilities, mentoring, and coaching of others.

COMPONENT #6 | Coaching and Mentoring

Going through a leadership development program can be an arduous task. Having consistent and on-going coaching and mentoring by other top leaders is vital at keeping employees engaged and on track. It allows the mentee to ask specific questions, ensure themselves they are on-track, and work out the finer details required



to be an effective leader. This also allows the mentor to determine “areas of opportunity” for the mentee to work on, filling voids in skill, knowledge, and ability. The coaching and mentoring sessions should be highly focused on 1-2 items, short in nature, and consistently scheduled with expectations for any follow-up meeting.

COMPONENT #7 | Community Service and Outreach

There is nothing more satisfying than serving the community in which we live and work. There is a positive for the individual involved and very beneficial for the reputation of the company. Your company should have a list of ways your future leaders can contribute to the good of the communities they live and work in, baking such benefits into the culture you’re building.

COMPONENT #8 | Monitoring and Feedback

Having an effective way to monitor the success of your program is vital to it working as designed. You need to be able to easily find wins as they happen, celebrate them accordingly, and quickly pinpoint areas that need refining.

Further, providing everyone in the program with feedback will keep engagement high. An employee should never feel like they don’t know where they are at in the process, what is next, or hear about successes happening consistently.

Component #9 | Rewards Program

There is an old saying that “what gets written gets done – what gets measured gets rewarded – what gets rewarded gets

stronger”. This is a great philosophy for your program. Since we want every person in this program to achieve their goals, a leadership development culture and supporting programs need a consistent rewards system. These rewards can be anything that fits in your culture.

One construction company had a 3-series painting called “The Journey” created. When someone graduated from Phase I, they got painting 1. When they graduated from Phase II, they got painting 2 and painting 3 was rewarded when they fulfilled their transition into a leadership role. This gave them rewards as they reached milestones in their journey and made the series incomplete until all 3 steps were achieved.

Is This Worth It?

By now I hope you can see the astronomical rewards associated with your company building this culture. Regardless of size and scope of your operation, not having a leadership development culture and subsequent program in place could be a very expensive decision for you company. Conversely, a company that has this in place has stronger employee engagement, reduced profit erosion, and has a recruiting and retention platform desired by most.

What could you do with an additional 25% increase in productivity? Most top performing companies that have one of these systems in place see that increase regularly. Try to implement a Leadership Development program for your company immediately. If you have struggles or questions, you can always contact someone like The Starr Group for help.



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