



A BOLD PARADIGM OF LEADERSHIP SUCCESSION

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ABC Architects is a thriving practice of seventy-five people strongly identified with two market sectors. The firm's most senior and influential principals are in their early fifties, and the other three partners' ages range from 36 to 46. The two senior partners are particularly good at initiating and sustaining client relationships. The three of the younger principals are talented project managers and designers.

The firm's strong track record and admirable financial performance are testimony not only to the founders' leadership skills, but also to the talented, focused staff that the firm has engendered and attracted over the years. Like most firms in their particular market sectors, the principals question the continuing viability of the marketplace, and consequently, geographic, project, and client diversification are ongoing topics. All in all, this is a very successful practice by the measures of most observers.

The Concern about Leadership

The largest internal concern has been the firm's future leadership in the absence of the founders. The current cadre of younger principals very likely has the ability to continue and perhaps even expand the practice when the founders decide to reduce their involvement. The nagging question revolves around the sense that some young people with strong leadership potential leave the firm because they don't see opportunities materializing soon enough. The principals are concerned that in some cases, they have not been able to recruit young people with leadership potential into the firm at all. Enter the bold move.

The principals, in an annual planning retreat nine months ago put clearly on the table a situation that at the same time is both invigorating and puzzling: Two young members of the staff, Elaine and Sam, 31 and 28 years old respectively, exhibit the mix of talent, insight, intelligence, dedication, maturity, and modesty that the principals feel will qualify them to play major roles in the firm's leadership in the future. The principals also acknowledged that stepping into a leadership role in a 75-person firm is considerably different and more demanding than stepping into a similar role in a 15-person practice. The understanding and demands require a long period of education and nurturing. The exciting aspect is that if the firm were able to commit to the leadership development of these two people, it may be miles ahead in 10 or 15 years when they are ready to play major leadership roles. The downside is that others in the firm, strong contributors to current success, may feel pushed aside and may envision limited opportunities for themselves if the firm commits to this developmental strategy. Even some of the existing principals were concerned that their own opportunities might be limited through the focused development of these two rising stars.

The Strategy

After extensive and candid conversation, the principals concluded that their obligations were to the firm's overall success— short-, mid-, and long-term, and that people with the profile of these two young members of their firm were few and far between. The principals decided to take the bold step of identifying these two as "principals to be", announce the strategy to the rest of the firm, and include the "principals to be" in principals' dialogue and decisions, and overall, to hope for the best response from the firm.

Upon returning from the retreat, the principals met with their entire staff, as they always do after such sessions and summarized the decisions made, including the one to accelerate the leadership development of the two "principals to be". To their disappointment, but not to their surprise, a key senior member of the staff resigned the next day, citing the limitations he saw to his own advancement. In talking with their consultant, the principals confirmed their belief that they were embarking on the correct strategy. To move away from this strategy because of the resignation would risk the longer term well being of the firm.

They decided to meet again with the disenchanted member of the staff to explain their view of the need for them to begin now on a strategy to assure the health of the firm after they themselves had reduced their leadership roles. The results of the ensuing conversations were gratifying; the individual retracted his resignation, and in the months since, has performed as well as ever, perhaps even better, as he, too, demonstrates commitment to the long term success of the firm.

The Progress

Elaine and Sam have participated in all principal dialogue, and they have contributed rather than only observe. In their exposure to such things as the firm's financial data, its marketing strategies, and acquisition discussions, they have continued to exhibit the traits that led to their identification in the first place; being on a leadership succession hasn't gone to their heads.

Key Lessons

- Leadership and management are different. The most effective leaders understand management and management issues, whether or not they function as managers.
- The larger the organization, the longer the period required to develop leaders.
- The risk of developing and then losing potential leaders frequently outweighs the risk of not developing them at all.
- Traits consistent with leadership effectiveness— talent, insight, intelligence, dedication, maturity, and modesty— evidence themselves early.
- While some in the firm may not like the idea of seeing some of their contemporaries anointed at such a young age for future leadership positions, most will realize the organizational wisdom of the decision.

- Leadership development happens best when both current and future leaders are involved in the process.
- With the right candidates identified, there need not be secrets within the ownership ranks; candor and complete information access enhance leadership development.