

# Aligning Leadership Behavior to Drive Business Results



## TALENT DEVELOPMENT

### HCI White Paper

By DBM & HCI

February 2011



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## Executive Summary

Significant shifts in market needs have created swift and complex changes in organizational business models, strategies and goals, driving a need for new leadership behaviors. However, many leaders are not prepared to meet current challenges and are unable to bridge the skills gap on their own.

What's at risk for organizations? Nothing less than their ability to effectively execute the strategy and achieve performance goals. How do you ensure leaders have the behaviors, skills and competencies needed to drive real business results? In this article, you will have an opportunity to learn how Cisco Systems, Inc. successfully addressed major change and complexity and transformed talent development into a tool that drives organizational sustainability and accelerates business outcomes.

This article draws on the expertise of Peyton Daniel, Senior Managing Director and Coaching Practice Leader for DBM in North America and Karen Lemire, Director Strategy, Planning, and Operations for the Financial Services Segment of Cisco Systems, Inc. DBM partnered with Cisco to implement and support a comprehensive talent development initiative to align their Client Directors — Cisco's most senior sales leaders — with Cisco's overall organizational performance goals. The initiative included in-depth research, training and coaching.

In this article you'll learn:

- How Cisco accelerated the development of each leader
- How they leveraged leadership strategy to drive sales performance
- How they developed leaders commensurate with the pace of change
- How they have achieved results that the organization values
- An inside view of an effective business-driven high impact development framework

## The Business Context

In 2009, Cisco faced various challenges: dealing with competitive changes, having too many business models, transitioning from selling “boxes” to selling architectures, multiple market transitions, changing from a functional organization to a collaborative operation, while undergoing the largest strategic transformation in the company’s history. The talents and capabilities that took the company to where it was in 2009 were not going to sustain it on the next part of its journey.

So, company leaders asked themselves: Do we understand what capabilities our leaders currently have and what needs to be developed? Cisco’s CEO decided that if the company was going to change the business, they had to change how they developed their leaders and what capability sets leaders had to bring to the table. The challenge became defining that new capability set.

After nine months, Cisco had its talent development endeavor up and running. This nine-month period consisted of brainstorming, research, and validation of that research. During this time, Cisco’s leaders looked at the roadmap and where the company was on its journey. “Looking back,” Lemire says, “it was a pretty stale approach.” It was ad hoc, meaning the company would do something one year and then shift to a new approach the following year with no foundational basis or continuum. If Cisco fundamentally believed that leadership was a key ingredient in changing the company for the better, then it had to create a living document for company leaders and one to which its employees could anchor.

## Transforming Leadership at Cisco

Cisco leaders researched behaviors that had to be added into the company’s core leadership competencies and those that needed to be removed. They wanted to deepen their pipeline of next-generation leaders. They agreed upon five themes for the behaviors/roles of a leader. Their main goal for leadership: building leaders with capabilities that can absorb, translate, and integrate globally.

### Behaviors of a Leader: C-LEAD

- Collaborate
- Learn
- Execute
- Accelerate
- Disrupt

### Role of a Leader

- Set vision and strategy
- Operationalize strategy
- Build strong, diverse organization
- Communicate executive messages
- Operate with executive maturity

Once Cisco established the five themes, it became an exercise to fill in the competencies and behaviors that would fit into the company. “This piece of the strategy,” Lemire says, “is a playbook. It is not meant to constrain your business, but to become rules of engagement. The playbook helps you identify certain behaviors that move the business and create great leaders.”

# Analyzing Competencies in Cisco's Executive Talent



## Does Leadership Matter in Sales?

C-LEAD Competencies	Protecting Legacy	Managing For Today	Horizon Leadership
Works Across Boundaries	Yellow	Green	Green
Engaging Others	Yellow	Yellow	Green
Earning Trust	Green	Green	Green
Developing Self	Yellow	Green	Green
Developing Others	Yellow	Yellow	Green
Demonstrating Passion	Green	Green	Green
Empowering Teams	Yellow	Green	Green
Achieving Results	Yellow	Green	Green
Shaping Strategy	Red	Yellow	Green
Building Capability	Red	Yellow	Green
Promoting Innovation	Yellow	Green	Green
Leading Change	Yellow	Green	Green
ePM Rating	E	E+	X
Average Attainment	101%	108%	149%

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The group wanted to test whether or not corollaries existed between the C-LEAD Competencies and the performance and outcomes that employees in a particular community of the company were driving. They wanted to gain clarity on which competencies they could directly align to outcomes. If they could determine that, it would give them a laser focus on how to build a blueprint and the ability to scale this strategy worldwide.

The leaders decided to start with their client directors community—a group of 55 employees that are responsible for Cisco's largest accounts. Client directors drive 35%+ of the company's overall revenue every year. So, getting it right with this community was important to the company. If they could discover any meaningful corollaries in this group, they would be significant in finding consistencies in lower parts of the company as well.

Cisco studied this group of employees, using the competency model along with annual employee performance reviews and individual performance results. From this research, Cisco compiled data showing there were competencies and skills that could combine to put employees at the top of their staff rank and lead them to outperform the rest of the community. Once they had this data, Cisco's leaders had everything they needed to build a strategy to execute. They monetized the impact of what it would take to invest in these areas, and they developed a business case to take to Cisco executives.

In 2009, when the economy and the world around the company were crashing, Cisco was very public in stating that it really wanted to preserve people. The company took out every possible operating cost in the business that it could at the time. In the midst of this economic turmoil, the leaders at Cisco had a business case and were asking for funding to drive a fairly significant commitment to talent development. "Having data in a business case to make a talent development request made all the difference in the group receiving a green light from Cisco executives," Lemire says. Also, there was recognition on the part of the senior executives that in the toughest of times, it is important for the company to be there for its customers and its leaders.

The first phase of the plan brought client directors together in groups for training to discuss competencies that had impact on the business. The training was intensive and had value, but Cisco's leadership wondered what would happen after they left the training and the client directors had to implement these competencies. They decided to augment the training with one-on-one coaching. Cisco selected DBM as its partner to execute the coaching phase.

## Coaching for Cisco Client Directors

The program involved targeted, high-impact coaching. With 55 client directors at Cisco, the solution had to be efficient and scalable. DBM looked at the objectives and the role of the coach, which needed to be specific, grounded in the day-to-day realities of the client directors, and measurable in terms of how the leadership behavior showed up in the business results. The foundation was Cisco's C-LEAD high-impact behaviors. The DBM coaches' objective was to help the client directors gain a deeper mastery of those behaviors. They knew that success would depend on holding Cisco client directors accountable in their day-to-day actions to become better leaders.

From there, DBM developed the role of the coach. First, the coach had to act as a valuable sounding board. Second, the coach needed to be a catalyst for change and inspire the client directors to act. And, last, the coach needed to be a true adviser and guide the directors as they practiced some of these new behaviors.

DBM had to create a very thoughtful coach-matching process. They had a limited amount of time to cultivate the trust necessary to begin to drive action and change. The matches needed to be strong from the beginning. DBM was consistent about the coach qualifications globally. Coaches have to be highly credible with extensive business experience and executive savvy. All coaches are experts, experienced working with the most senior leaders at organizations and, most importantly, coaches have a track record for gaining trust quickly.

### Objectives and Role of the Coach

- Identify development focus: specific, realistic, and measurable
- Accelerate deeper mastery of C-LEAD high-impact behaviors
- Drive accountability
- Act as a sounding board, catalyst, and adviser
- Help realize strategic transformation

The client directors were located in 16 different countries. Cultural considerations required that coaches be based in the same local geographies to ensure a good match. Cisco provided DBM with extensive background information about each client director. This allowed DBM to select coaches who brought a deep understanding of the client director's focus. The client directors also played a role in the matching process, overseeing selections and approving recommendations. Once the match was complete, Cisco and DBM worked together to prepare the coaches and client directors to ensure alignment on the purpose, objectives, and process of the initiative.

DBM delivered five targeted coaching sessions over a four-month period. To accelerate the process and improve efficiency, most sessions were conducted virtually using streaming video technology. In the first session, the coach and client director validated the goals and the development plan. As an outcome of the first session, the client director was responsible for reporting back to his or her manager and sharing goals. The second session focused on discussing key challenges and action strategies. The third and fourth sessions were all about tactical coaching to help with the day-to-day job responsibilities of the client directors. The final session was a wrap-up where the coach outlined a sustainability plan.

During the coaching process, DBM tracked all sessions and activities in an online coaching management system. This then allowed Cisco to confirm that certain milestones were being achieved.

At the conclusion of each coaching engagement, Cisco had the option to extend the number of sessions, if desired.

## Cisco's Results and Feedback

Cisco conducts full 360° analyses of its employees in 18-24 month intervals. During intervals, the company implements a mini-360° assessment tool that is focused specifically on C-LEAD competencies. This enables Cisco to sample specific behaviors so that they can continue to measure whether the investments they are making are having the desired impact.

"The company received very strong feedback from the participants about the leadership development initiative," Lemire says. "Client directors told company leaders that this was the best investment they had made with them, ever. The endeavor really impacted how employees at Cisco felt about being in the business in the toughest of circumstances."

A vital part of the initiative was the coaching process. It was critically important that this project delivered constructive, meaningful and purposeful coaching that truly pushed the client directors and held them accountable for meeting the commitments they'd made at the onset of the engagement. The coaches were not "cheerleaders." They were business partners, which proved to be one critical success factor.

Managers, as well as Cisco's customers, began to notice a difference in the behavior of the client directors. One customer was so intrigued and impressed by what Cisco was doing with its leadership development and the results they'd achieved that he actually adopted a similar strategy for his own corporation.

Cisco's C-LEAD talent development program taught their leaders that it is good to challenge yourself, admit when you don't have the right strategy, and be brave enough to take some risks and start over. From there, Cisco was able to create a new and forward-looking approach to leadership that is meaningful and has real and measurable impact on the future of the organization.

## Conclusion

Talent development was not always linked to the business strategy. When Cisco's own research showed the significant correlation between leadership behavior and business results, they embraced a new strategic focus on talent development and made it a high priority. Given the breakneck pace of change within the organization and the competitive marketplace, Cisco recognized that a key weapon to winning the competitive battle would be to accelerate the performance of their leaders through a formal development program. Company leaders carefully assessed where they were, where they wanted to go, and what behaviors would get them there. On this research, Cisco then built a comprehensive leadership development program that would drive the performance needed to achieve their goals.

Cisco's leaders approached talent development in the same manner that they would approach any other strategic initiative. The company monetized the initiative's impact and return on investment. Cisco developed a model, trained a core group of the company's leaders, and partnered with DBM for a one-on-one coaching process. From there, they continued to track and analyze their leadership development and have achieved results that the organization values.

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### About DBM

DBM ([www.dbm.com](http://www.dbm.com)) is a leading global outplacement and talent development firm. For over 40 years, DBM has been helping organizations and individuals deal with the events and challenges of transition. With unparalleled industry experience and leadership, DBM provides career transition and talent development solutions to the individual and the organization — ensuring successful transitions and tangible improvements to business performance. DBM has 200 locations around the globe serving 85 countries and has partnered with 70 percent of the Fortune 500 and 80 percent of the Global 500 companies.



### About the Human Capital Institute

HCI is the global association for strategic talent management and new economy leadership, and a clearinghouse for best practices and new ideas. Our network of expert practitioners, Fortune 1000 and Global 2000 corporations, government agencies, global consultants and business schools contribute a stream of constantly evolving information, the best of which is organized, analyzed and shared with members through HCI communities, research, education and events.