Developing Leaders at All Levels: A Key for Ownership Culture

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Jane was excited when her ESOP company announced its latest share price. Motivated by the positive news, she tried to do her part to keep the company moving forward by acting even more quickly and efficiently than before.

But Jane's enthusiasm caused her to behave in ways that ran contrary to what the company expected. She thought she was being efficient and decisive, but her colleagues saw someone who was becoming overly controlling and unwilling to listen to others. They saw someone who no longer valued collaboration.

In an ownership culture, we want people who feel responsible for our company and motivated to support its success. But we sometimes forget that we also need to help employee-owners like Jane learn practical leadership skills that will help them translate their motivation into effective action and positive influences.

Leadership

There are different ways to define leadership, but one that works well in the ESOP context is this: Leadership is the ability to influence, guide, or direct others toward a common goal.

Companies are most likely to succeed when they think about leadership development as a system: What skills and behaviors do employee owners *at each level* need to support the business and culture?

Generally speaking, there are foundational skills everyone should have, and more advanced skills that are required of supervisors, managers, and more senior leaders. A successful leadership system equips people with the skills they need as they grow within the company.

Almost every company can benefit from helping its employee owners develop foundational skills in areas such as these:

Emotional Intelligence. This includes the emotional and socials skills that help us understand and express our emotions, become aware of others' emotions, and guide our social interactions. Emotional intelligence is essentially about developing self-awareness and empathy, and building good relationships. Research shows emotional intelligence is a better predictor of success than technical skills or IQ.

Working across differences. Learning about our own personality style—and the styles of those around us—through instruments such as the Myers-Briggs Type Indicator, DISC, or Strengthsfinder (to name a few)

can help us recognize, value, and work effectively with those who are different from us. This type of training is especially valuable for companies with international staff, vendors, and/or customers, and can help employee owners more effectively work across both cultural and personality differences.

Communication skills. Equipping employees with communication skills—such as active listening, giving and receiving feedback, effective questioning, and managing conflict—builds a foundation for trust, transparency, and collaboration.

Building a System

Nearly all companies approach this type of skill-building with training, practice opportunities, deliberate follow-up, and integration into the company's operations. Here are examples from some ESOP companies:

New Belgium Brewery (~800 employees, brewery) trains all new hires—within the first year—on such skills as having challenging conversations and adapting their leadership styles to different contexts. Because everyone takes the training and a critical mass of people practice these skills, it is easy for new hires to begin applying what they learn each day on the job.

BL Companies (~240 employees, engineering and architecture firm) hosts a three-day training that introduces all new employees to the company's values, the concept of emotional intelligence, and basic leadership skills. To emphasize the importance of leadership and communication skills, senior leaders teach most of the material and share personal stories of success and failure.

Participants join groups—again, led by senior leaders—that meet monthly. In these groups, participants set personal development goals, and discuss their experiences in applying leadership skills. After the first year, the groups continue to meet and discuss leadership books and articles, or other topics.

BL also offers customized leadership development programs that teach progressively complex skills and concepts to team leaders, senior managers, and potential future executive leaders.

Wiley | Wilson (~140 employees, engineering and architecture) annually hosts an all-company employee-owner retreat where team-building and leadership development activities take place. Their most recent

meeting included training on building trust and giving and receiving feedback. While voluntary, nearly 90 percent of the company attends the retreat. The company also offers an online university with courses on technical and leadership topics.

Austin Industries (~7,000 employees, construction) provides an orientation for all new hires that includes key foundational stories about the company's values. The company also offers two advanced leadership development programs for people who supervise others, and for ascending senior leaders.

If these examples are overwhelming, just remember that each of these companies began in different places and developed a set of programs over time. Like them, you can begin anywhere, and with any program.

How Do You Ensure Success?

Three factors matter most for ensuring success: commitment from senior leaders, practice and application, and integration into the company.

Senior leaders play a critical role in modeling leadership behaviors. If a company leader faces no negative consequences for routinely treating people disrespectfully, it becomes challenging to teach emotional intelligence. In contrast, it is easier to get people to give feedback when senior leaders regularly receive and give it well.

If you don't have full commitment or consistent behavior from all senior leaders, it makes sense to begin working with the senior team first so they learn the skills—and experience the benefits—first-hand. Alternatively, begin with a department or a facility that is willing to learn.

Senior leaders also can support efforts by being visible at training, taking on training roles, communicating the importance of using key skills, and supporting their direct reports as they apply what they learn.

Supporting the regular practice of these skills, and integrating them into the fabric of the business, is crucial. Training that is disconnected from daily work often fails to change behavior.

Companies that successfully develop leaders reinforce expected practices through mechanisms such as annual refreshers, learning groups, and integration into annual performance reviews.

In essence, companies make it clear they will support, and hold people accountable for, the skills they've learned. As more people apply what they learn, these leadership skills become more visible—and more ingrained in the culture.

What Difference Does it Make?

Providing leadership skills training to most, or all, employees can produce a shared language at your company. The result can be a collective awareness that builds a culture of respect and transparency.

So it can become easier to give feedback because others know it is expected. And employee owners can more easily acknowledge differences in personality, and be better equipped to engage productively in conflict.

These leadership skills can help employee-owners beyond the workplace. Many employees find they develop better listening and empathy with friends and families. And having better and healthier relationships outside of work contributes to greater happiness, enabling employee owners to be more productive at work.

Our ownership culture lives in what our employee-owners do every day. Developing leaders at all levels of our companies builds a solid foundation for a successful and sustainable company.

The author reviewed this article with the Chair of the Advisory Committee on Ownership Culture, Debra Williams, GreatBanc Trust Company, Lisle, IL.