

Business Smarts

The right stuff

One mark of a great leader is the ability to spot future managers. Here's how some executives spotted the next head honcho.

by Jennifer Nycz-Conner Staff Reporter

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When Martha Schumacher was vice president of development at Defenders of Wildlife, a D.C. nonprofit where she led a staff of nine, she saw a small crisis produce a new leader.

Schumacher, now president of Hazen Inc., which provides consulting services for nonprofits, faced a situation at a large gala where some deep-pocketed donors were going to be playing musical chairs due to a last-minute shortage of seats.

While Schumacher was working with the chief executive officer to devise a solution, a young woman who had been putting in extra hours and showing a desire to acquire new technical skills approached and asked a very telling question. "She came to me and said, 'Can I help?'"

That was in the late 1990s. Today the woman -- who did acquire those technical skills -- is a director at a nonprofit leading all of its online fundraising efforts.

Senior managers face a shooting gallery of questions each time they step into the office or look at their BlackBerrys. But a question integral to a company's long-term development -- where is the next generation of leaders going to come from? -- is rarely asked.

How do you spot a potential leader in your ranks? What does he or she look like? Can the person be found through a checklist? Or is finding the next great CEO pure gut instinct?

According to many Washington-area executives, it's an intangible, artistic mix of all of the above.

Here are some of the markings of the future managers among us:

Making a list, checking it twice

Chris Phillip, an executive vice president at the D.C. office of public relations company Ogilvy, says that when keeping an eye out for management talent "I sort of have a mental checklist."

People that Phillip may someday consider for management spots must exhibit qualities such as a natural curiosity and desire to ask questions, an ability to take criticism well, a willingness to volunteer even when their own plates are full, a sense of humor and the confidence to challenge her.

Of course, that list is not all-encompassing. Five years or so ago, while at another company, Phillip crossed paths with a young staffer who demonstrated a kind of intellectual curiosity when going about his tasks.

He was not only looking for what's there, but what's not there," Phillip says. "He just had that sort of gift of going beyond."

Phillip is not the only one with a checklist for potential managers. Schumacher relies on one as well.

Her list includes being an active listener; seeing the big picture and the front-line details simultaneously; being a relationship builder, especially in marrying very different (or difficult) departments; having an interpersonal style that adapts to many personality types; and displaying a commitment to making their departments, their organizations and themselves stronger.

For Fred Singer, CEO of Internet video media company Anystream in Dulles, teamwork is at the top of his list.

And he doesn't mean just a person who plays nicely with others. He wants managers who have the ability to make the people around them better.

"There are people who are brilliant that don't really do that," Singer says.

He also wants to see employees who have the ability to innovate and can handle pressure well -- people who, when facing a deadline or challenge, "somehow find a way to get it done."

Balance background with action

When it comes to spotting management up-and-comers, technology company executive Thomas Bauer relies on the data.

"It's really not a gut thing," says the director of operations and senior vice president for Fairfax-based SoBran Inc., a biochemical defense contractor. "First and foremost, I value education."

Bauer is not just talking about someone sporting a master's in business administration from Harvard University. Managers must have a strong knowledge of both their company's subject matter and the mechanics of running an organization.

"Managers are responsible for profit and loss within an organization," Bauer says. "They have to understand the basics of Finance 101."

Search for clues about management potential in candidates' backgrounds, he says.

Bauer was looking for a tiebreaker a few years back when reviewing candidates for a new project that would require the person to be in Norway for much of a year. He ultimately bypassed more technically qualified candidates in favor of a person who once was stationed in North Korea with the Air Force and had taken the initiative to learn Korean. To Bauer, that demonstrated a certain zeal and drive to succeed.

One size does not fit All

Keep in mind that a wonderful manager in one industry could be a complete flop in another.

The best manager for the job is the one who best matches the people he or she will be supervising. A great information technology manager might make a lousy warehouse supervisor, and vice versa.

Smart, knowledgeable, loyal managers are only great "if you put them in the right slot," Bauer says.

"When you're trying to spot talent, you have to realize that talent is different at different companies," says Anystream's Singer. "It depends on the business. The newspaper business behaves differently from the software business."

Managers also must want -- get this -- to manage people. That may seem like total common sense, but if so, why do you hear about so many bad managers?

"The mistake that a lot of organizations make is they hire people as managers, or promote people to management positions, because they're really good technically," says Annette Homan, director of professional and technical portfolios at the American Management Association in New York.

As an example, she points out that the best salespeople often thrive because they love being soldiers on the front lines of business, not generals commanding others.

In addition, be on the lookout for different types of managers because as your company changes, the kind of manager you need will evolve as well.

"The leader you need today may be different than the leader you need in four years," says Linda Finkle, CEO of the Incedo Group, an organizational coaching and consulting company in Potomac. "Today you may need someone who is a change agent. Five years from now you may need someone who can take over your role."

Finally, the best managers have a degree of selflessness. They place the team ahead of their own personal success. They value the team and respect their peers.

Bauer has had success in hiring former military personnel as managers because of their dedication to the people with whom they work. They're often fiercely protective of the personnel and the mission.

"If you think about it," Bauer says, "there's not much more you can ask of a manager than that."

Executive ingredients

Randy Jayne, who works in the Tysons Corner office of executive search company Heidrick & Struggles International Inc., focuses on three specific competencies to make sure the executives his company places really have the right stuff.

"We don't just want the person to have had the experience," he says. "We want the person to have demonstrated competency in the area."

That means zeroing in on specific accomplishments and checking them out with colleagues, bosses, customers and the people who worked for them.

The competencies are:

- Leadership. How well do they influence people, both internally and externally? That means not only their employees but people outside the company, such as customers and suppliers.
- Subject matter know-how. They have to have relevant experience and accomplishments in the industry.
- Operational excellence. "We want people to be able to prove that they have actually led improved performance," Jayne says. How did they grow the business better? Did they deliver more shareholder earnings? Create more innovative products or deliver higher repeat customer rates? "When we compare what they did to people they compete with, they did it better," he says.

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