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Leadership Development In the Age of The Algorithm

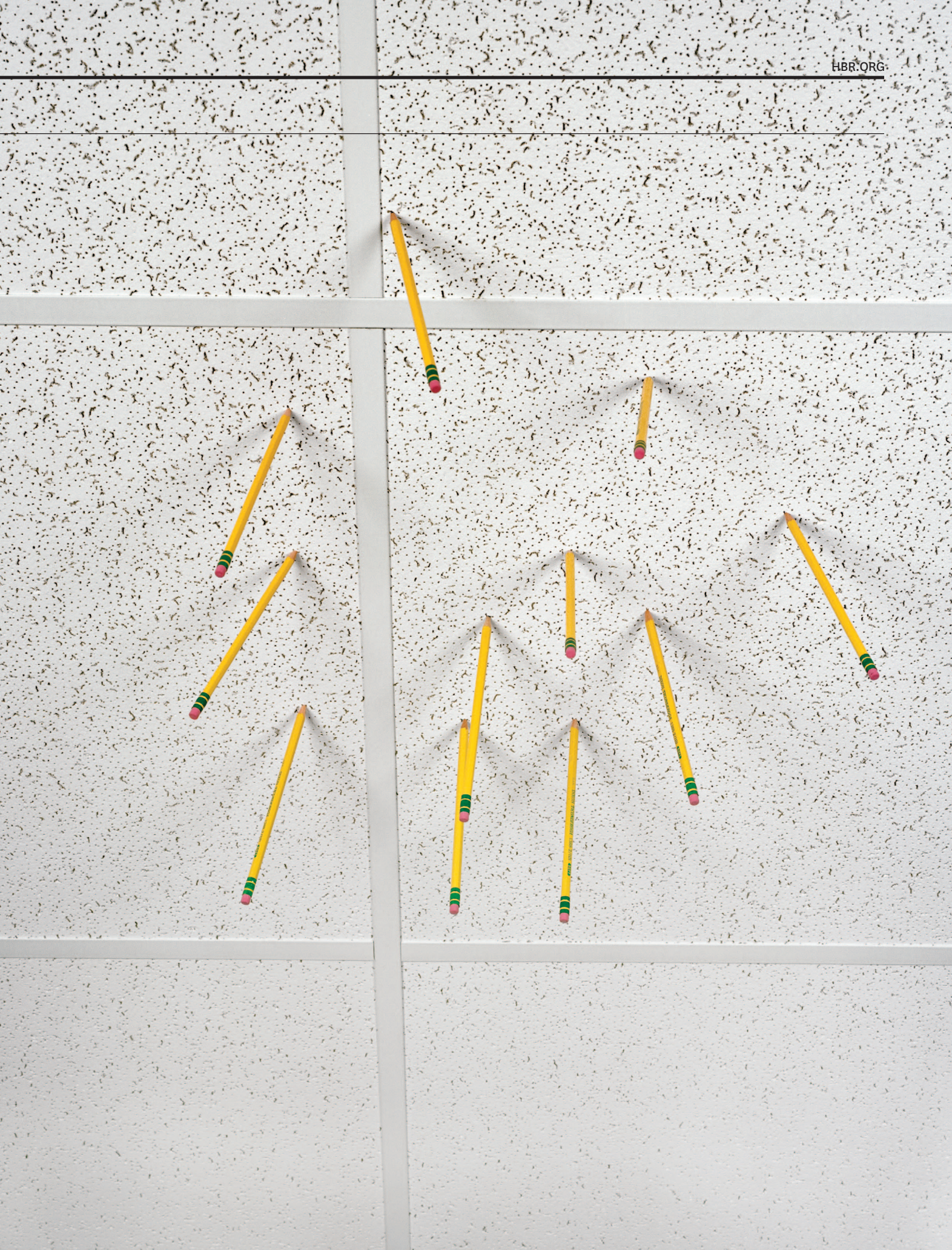
by Marcus Buckingham



Log on to your Facebook page, look at the column on the right, and you will see ads that seem uniquely relevant to you. Same for me: My page has an ad directing me to a site where I can check in on a particular high school graduating class from 1983. Why 1983? Because that's when I graduated. How does Facebook know this? Because I told it. Below that ad is one for Gordon Ramsay's Los Angeles restaurant. Why? Because Facebook knows that I live in the same zip code the restaurant is in—and, again, it knows this

because I told it. Facebook is an advertising powerhouse not because it has a standard formula for great ads, but because at the start it asks, "Who are you?" Then, guided by its understanding of your likes and dislikes, it delivers ads tailored to your profile.

Netflix does the same thing. Before you stream a movie, the website gives you a "movie quiz," asking if you've seen various films and how you'd rate each one. On the basis of the results, it suggests only those movies that align with your past preferences. Even the venerable *New York Times* delivers different news to you than to others. If you have a digital subscription, part of what you see online is a list of articles from a recommendation engine that's



powered by a record of which articles you have clicked on in the past, along with which articles your friends have clicked on.

As the personalization of content delivery becomes increasingly pervasive, it might even be that you begin to notice it most when it is absent—when there is a setting in which you should be identifiable as an individual, yet the information presented to you is strangely undifferentiated. I’ve noticed such a setting: your leadership development program. Even a decade after leadership training began to recognize different styles and strengths, and even in organizations that have made cultivating high-potential talent a priority, the content served up is generic. Your leadership program tells you that you’re a vital part of your organization’s future, but it displays little understanding of *you*.

Best-Practice Leadership

Virtually every corporate and academic leadership development program is founded on the same model—we can call it the formulaic model. It tries to collect all the various approaches to leadership, shaves off the weird outliers, and packages the rest into a formula.

To those of us who toil in the field of leadership development, the model works like this: We convene top performers, pick their brains for their best techniques and practices, and codify those techniques into a leadership competency formula. We then use 360-degree surveys to assess other managers’ grasp of the competencies. We bake the formula into our performance appraisals and use it to mark the rungs on our succession-planning ladders. It gets coded into our talent management software and provides the building blocks of our online learning content and the titles of our corporate university handouts.

The notion behind all this is simple: The right way to lead is out there. A best-practice model exists. Once we discover it and turn it into a formula, development is just a matter of bringing you in line with that formula.

But could it be otherwise? Should leadership development instead be tailored to individuals? The answer is yes, as long as two things are true—if leadership is not generic, meaning that there’s no best practice, even for the majority; and if it’s feasible to build a system that delivers appropriately different training content to different types of leaders.

Perhaps the first of these concepts, that leadership might be idiosyncratic, seems obvious to you. You may have been assessed as a leader, found to have certain strengths, and been encouraged to run with them. Or it may be that you have seen enough successful leaders to know that they are not all from the same mold. If you haven’t realized this, meet Ralph Gonzalez.

A few years ago, while conducting a study of top-performing managers for the electronics retailer Best Buy, I interviewed Ralph. He was a star, having transformed one of Best Buy’s lowest-performing stores into a repeat award winner. On virtually every metric, from revenues to profitability to employee engagement, he had taken his team from the bottom 10% to the leading 10%. What had he done, I asked, to effect such dramatic change?

Ralph said that he had played on his likeness to the young Fidel Castro. He had called his store “La Revolución,” posted a “Declaración de Revolución” in the break room, and made supervisors wear army fatigues. As I was scribbling all this down, he told me about the whistle.

Because his team was at the bottom of every district performance table, he wanted to give people a way to celebrate the fact that good behaviors were actually happening in the store, and to make them aware that they were happening all the time. So he issued a whistle to all employees and told them to blow it whenever they saw someone do something

Even in firms where leadership development is a priority, the content served up is generic—it shows little understanding of *you*.

Idea in Brief

By now you expect personalized content—it's routinely served up by online retailers and news services on the basis of insights they've accumulated about you.

But chances are your company's leadership development program displays no such awareness of you as an individual. That should change.

Breakthrough work at Hilton Hotels and other organizations shows how leadership training can enter "the age of the algorithm." It's a five-step process: First, assess each person's lead-

ership type. Second, identify the most successful leaders of each type, and, third, discover practices that work for each. Fourth, deliver those practices as tips to developing leaders of the same type. Finally, make the system "dynamically intelligent," with user reactions sharpening the content and targeting of tips.

good. It didn't matter if the person they observed was their superior or worked in another department; if they saw anyone go above and beyond, they were to blow the whistle.

"Didn't it make the store incredibly loud?" I asked.

"Sure," he replied, with a wide Castro grin. "But it energized the place. It energized me. Heck, it even energized the customers. They loved it."

I was so taken with this innovation that I included it in a book I was coauthoring, *Now, Discover Your Strengths* (Free Press, 2001). But I didn't include what happened next.

Scale Concepts, Not Techniques

Clearly, Ralph Gonzalez is one of a kind. Not everyone leads like him, or could. However, the typical leadership development paradigm would not make that assumption. It would try to incorporate Ralph's standout behavior into a competency model and spread it throughout the leadership ranks.

Sure enough, the whistle technique started down that path. Having been shared at a number of company gatherings, Ralph's story began to take on a life of its own. All of a sudden it was cropping up in districts and regions around the country. "Whistles for everyone!" There was talk of a whistle hierarchy: green whistles for store managers, white ones for supervisors, regular silver ones for frontline blue-shirts. There was talk of checklists: the 12 conditions when whistles may be blown, and the 20 conditions when they must never be.

What had begun as a vibrant expression of a particular leader's personality was fast mutating into a standard operating procedure. Fortunately, some wise Best Buy executives, realizing that the technique was almost entirely dependent on the presence of Ralph himself, killed the mutation before it could spread.

If this application of the formulaic model felt misguided to the executives, think about how it

would have felt to Ralph's peers and Best Buy's aspiring leaders. Many of us go through the motions of creating a formulaic model, but on some level we know the model is askew. It might work in the theoretical world of leadership formulae, but in the real world it's very rare to discover an excellent technique that can be effectively transferred to all leaders.

The problem has to do with authenticity. A technique that's perfectly natural when used by one leader may look forced, fake, and foolish when used by another. Richard Branson standing on the steps of a Virgin America jet brandishing a champagne bottle and surrounded by a coterie of comely flight attendants makes a bold, dashing image. Warren Buffett striking the same pose on one of his NetJets would not.

The story of Ralph's whistle reveals a fundamental organizational reality: Leadership excellence doesn't scale easily. Leadership *concepts* are scalable, because a concept is easily transferable from person to person. In Ralph's case, the concept is that the best leaders capture moments of excellence and reflect them back to the team. You can teach this concept to anyone who wants to grow as a leader, and she will benefit—just as you can usefully teach all aspiring leaders the concept that employee engagement drives customer loyalty, or the concept that your existing customers are your best prospects.

But in the hands of an individual leader, a concept turns into a practice, a sequence of behaviors, a set of techniques. There is a person involved, someone actually applying the concept—in other words, a Ralph. And a technique that works for Ralph won't work for people who lead differently from him. Again, by "won't work" I mean "won't look authentic." The borrowed technique will appear stilted and uncomfortable; the person trying to adopt it will find that his movements are disjointed and his instincts are off—he's a Franken-leader.

I f you're a leader, authenticity is your most precious commodity, and you'll lose it if you attempt techniques that don't fit your strengths.

No one wants to follow a Franken-leader. He's slow, he's dangerous, and—worst of all—he's not predictable. Predictability is a characteristic of people who operate according to their own internal compass; even when they venture into new territory, what they do is somehow consistent with what they have done. You know where they stand, and you know where you stand with them. A leader trying on behaviors that don't align with his compass displays no such consistency. One borrowed technique-of-the-day clashes with the next.

Nothing scares an employee more than a leader who lurches unpredictably from one technique to the next, sending unclear, inconsistent signals. We know this from research on groups of many kinds; we also know that the inverse is true. In 2002, when Jim Harter and colleagues at Gallup published a meta-analysis of employee engagement studies—covering the experiences of 310,000 employees on 10,885 teams, it was the largest such analysis to date—they found that the second most powerful driver of both engagement and turnover was an employee's answer to the question “Do I know what is expected of me?”

If you're a leader, authenticity is your most precious commodity, and you'll lose it if you attempt techniques that don't fit your strengths. This doesn't mean you can't learn from other leaders. It simply means you'll learn best from leaders whose strengths match yours.

The Algorithm of You

This brings us to the second question I raised earlier, when I suggested that leadership development should be personalized if two conditions could be met. The first condition involved whether leadership is truly idiosyncratic; I hope I've reassured you that it is. What about the second condition: Is it feasible for an enterprise training many leaders to accommodate all the variations in style?

Over the past couple of years, many organizations have begun doing just that. The effort at Hil-

ton Worldwide's focused-service brands—Hampton, Homewood Suites, Hilton Garden Inn, and Home2 Suites—is a good example. Like many top leaders, Phil Cordell, the head of these brands, had noted the inconvenient truth that his best leaders didn't all resemble one another. However, he and his leadership team also saw that their population contained several birds of a feather—leaders with similar styles, who might profitably learn from the same kind of training and from one another's practices.

In partnership with my company, Phil's team used a five-step process to capitalize on that realization. The sequence, detailed below, will be helpful to any organization interested in creating an algorithmic model of leadership development.

STEP 1 Choose an algorithmic assessment.

Netflix has its movie quiz; the *New York Times* has its recommendation engine. Before implementing an individualized leadership development program, a firm needs a tool for identifying each person's leadership type. That type will then become the filter through which some, though not all, leadership development content will be delivered.

Organizations can use an existing personality metric, such as Myers-Briggs, DISC, or the Herrmann Brain Dominance Instrument, or they can create their own. For our work, we designed an algorithm within StandOut, our online strengths-assessment tool. StandOut is a situational judgment test, meaning that people indicate their likeliest response to a series of situations. By focusing on behaviors, this type of test captures how people come across to others better than assessments that ask respondents to rate themselves on a variety of traits. We built StandOut by surveying more than 430,000 individuals whose subsequent performance could be tracked.

Our analysis showed that the range of behaviors seen across those thousands of people could be divided into nine categories, which we call *strength roles*. These represent the most common ways specific strengths cluster and combine in individual leaders.

**SAMPLE TARGETED ADVICE
BECAUSE YOUR
LEADERSHIP STYLE
IS ADVISER, THIS
TIP IS FOR YOU**

**Help others
limit their
choices. When
talking about
a problem, say,
“Either do A or
do B.” This kind
of directness
works for you.**

STEP 2 Give the assessment to the company's best leaders. We administered StandOut to 150 people selected from among the top 10% of general managers in the Hilton focused-service brands. Contrary to the formulaic model of leadership development, we did not find that all leaders had one or two top strength roles in common; we discovered a broad distribution across all nine roles. This pattern is not an anomaly: We found a similar range among leaders at Microsoft, Kohl's, and Habitat for Humanity and among principals belonging to the National Association of Independent Schools. At Hilton, we identified a number of exceptional leaders in each category and set out to learn what fueled their success.

STEP 3 Interview a cross section of leaders to discover their techniques. Even though they had attained similar levels of success, leaders with different strength roles had very different approaches. Diana, who runs a Hampton Inn & Suites in Pennsylvania, says that the key is using a mascot to symbolize the behavior and attitudes she wants employees to exhibit and to get people to rally around. The mascot she's chosen is a turtle—"because you won't make any progress unless you stick your neck out," as she puts it. It's vital, she says, to imbue the workplace with "a personality, a purpose." It makes sense that she would say that: Her StandOut results reveal that she's a Stimulator, prone to creating energy, excitement, and drama.

Tim, the general manager of the Hilton Garden Inn in Times Square, is predominantly a Teacher. One of his techniques is to run a lending library for employees at the hotel. He asks every worker to contribute a book, fiction or nonfiction, each month. Like other teachers, Tim recognizes the value of constant learning. In a dynamic service-oriented business such as hospitality, employees encounter new kinds of problems every day. Through the lending library, Tim is sending a symbolic message that workers are empowered—indeed, expected—to share their knowledge of the hotel's operations with one another.

Melanie (lead strength role: Provider) believes in a bimonthly "paycheck lunch" for employees at her hotel in Wilmington, North Carolina. Its purpose is to allow team members to share stories and details of what they appreciate about one another, and Melanie leads by example. At the end of the lunch she distributes paychecks, which feel less like contractual compensation and more like a tangible expression of her gratitude.

**SAMPLE TARGETED ADVICE
BECAUSE YOUR
LEADERSHIP STYLE
IS CONNECTOR,
THIS TIP IS
FOR YOU**

Link your idea to the success of a colleague or customer, showing how your solution will increase her influence and control. Some people trying this would look manipulative. You won't.

**SAMPLE TARGETED ADVICE
BECAUSE YOUR
LEADERSHIP STYLE
IS CREATOR, THIS
TIP IS FOR YOU**

Leave silences—ones long enough to make the other person uncomfortable. He'll fill them with information that reveals his strengths and aspirations.

Then there's Steve, who's the general manager of the Hilton Garden Inn at the Toronto airport. It's unlikely that he could successfully implement Diana's, Tim's, or Melanie's techniques even if you begged him to try. For Steve, the approach to live by is "the law of three and two": Check guest feedback three times a day and respond to all comments, whether good or bad, within two hours. Steve is an Equalizer. His most effective techniques will always revolve around structure, rules, fairness, and making things right.

None of the techniques I've just described can be found in any manual of standard operating procedures. And telling everybody to employ them would be a mistake. But there are *some* managers who could benefit from using *some* of them or who might be sparked to create effective variations of their own. The challenge is to convey successful leaders' practices to the developing leaders who have similar strength roles.

STEP 4 Use the algorithm to target techniques to the right people. Companies should assess all developing leaders and feed each one practices derived from excellent leaders who have the same top two strength roles.

Our algorithm draws on a constantly growing database of concepts, innovations, and practices and pushes them out to leaders as a series of techniques they might try. Because the suggestions reflect only what has worked for others who "look like" the recipients, they accelerate creativity without eroding authenticity.

Results may show up quickly. Kevin, a Hampton general manager in Atlanta, found that this was the case for one of the hotel's key metrics, a measure of guest satisfaction known as SALT (Service and Loyalty Tracking). Soon after assessing individual strengths on the management and front-desk teams and targeting suggested techniques accordingly, the hotel saw the SALT score for front-desk helpfulness rise by 4.8%, while the overall service score rose by 3.7%.

New knowledge evaporates if it isn't reinforced. Realizing this, Phil Cordell charged us and the Hampton brand team with sustaining the learning at Hampton's 1,850 hotels by developing a web application for laptops, tablets, and smartphones (it's little surprise that Phil's lead strength role is Pioneer). Twice a week the app feeds new techniques, in video and text format, from top-performing general managers to other leaders.

When devising the app, we relied on certain principles. We wanted every communication to be:

- *Short.* Each technique is delivered as a staccato burst. Some commentators believe that society's fascination with alerts, updates, and tweets is harmful, raising levels of distraction and shortening attention spans. We think the causal arrow points the other way: People like alerts, updates, and tweets precisely because the brain is built to pay more attention to short, frequent stimuli than to sustained input.

- *Personalized.* Although the algorithm ensures that most of the techniques someone receives come from leaders whose strengths match his, occasionally the app delivers techniques from leaders with different sorts of strengths, both to add surprise and to avoid the echo-chamber effect.

- *Interactive.* After receiving a technique, an employee can either "ditch" it or "bank" it. Those that are ditched disappear, and those that are banked are stored in an ever-growing idea vault of the leader's own making, where they can be organized and "favored" for later use.

If you're a Hampton team member, every Tuesday and Thursday the app delivers a new tip to your inbox, and you decide how to react. You might put it into practice right away. David (lead strength role: Adviser) recently received this tip: "Cultural differences are never an excuse for not getting along. People will default to culture to explain rocky exchanges. More often than not, the issue is tied to something far simpler and more pragmatic. Get people back to the table to work it out. You will excel at this kind of pragmatism." As it happened, David had been avoiding a sensitive issue within his team. The tip jolted him to step up as a leader and give the team suggestions about how to come together and move forward.

The tip might even resonate so strongly that you'd wish to have it tattooed on your forehead. Jean (lead strength role: Stimulator) received this tip: "Your presence fills a room. If you're having a good day, everyone feels it and is buoyed by it. If not, the opposite happens—you drag your people down. On those days, don't fake it—they won't buy it. Instead, take a break and get out of the office, or stay in your office and shut the door until you've rekindled your energy." Jean's reaction? "I banked it and keep watching it," she says. "First thing in the morning, I flip it on. I need constant reminding of the emotional impact I have on my people."

STEP 5 Make the system dynamically intelligent. Intrinsic to the notion of a personalization

SAMPLE TARGETED ADVICE
BECAUSE YOUR LEADERSHIP STYLE IS PIONEER, THIS TIP IS FOR YOU

Look for obstacles you can remove. You're at your most effective when showing colleagues how to cut through corporate roadblocks.

SAMPLE TARGETED ADVICE
BECAUSE YOUR LEADERSHIP STYLE IS PROVIDER, THIS TIP IS FOR YOU

Point out any elephants in the room. Because you're highly attuned to how others receive information, you're able to do this gently, in a way that doesn't feel like a "gotcha!"

algorithm is that it must get to know you better over time. With every interaction, the app adds detail to your leadership profile. As you rate the effectiveness of the techniques you receive, the system tracks your reactions and becomes smarter about which techniques to feed you. As the sample size of leaders, techniques, and reactions grows, this two-way communication channel should become as good as the very best consumer recommendation engine at offering content that is relevant to you.

The system should also become smarter about itself. As usage data accumulate, it should be able to answer a host of important questions: Do the most effective leaders bank more tips than others, or fewer? Which sorts of tips tend to be favored—video, audio, or text? Do the answers vary by strength role—for example, do Pioneers love video, while Equalizers respond better to text? As we write this, the StandOut web application has delivered more than 12,000 personalized tips. From the responses, we know that the Teachers in the group bank the most tips, the Influencers the fewest. Such data points are invaluable to ongoing research.

We've described how the steps work at Hilton. We're now applying the model at other organizations, where we move quickly to step five. At this stage, interviews with the very best leaders add raw material for the ongoing tip feed, and each leader's reactions to the tips continually refine her leadership algorithm. We're finding, as you will if your organization adopts this model, that step five feels like a start of its own. The power of a dynamically intelligent system that draws on peer-to-peer sharing wholly overturns the prevailing model of leadership development.

Unbounded Leadership

That old model of leadership development, the formulaic model, has an appealing simplicity, but it runs afoul of two realities: Each leader leads differently, and the techniques used by one don't necessarily translate to another.

The old model also ignores the extra engagement that we know results when people feel recognized and valued for what they bring to the table. In the Gallup meta-analysis we described earlier, employees whose strengths were called on every day were 38% more likely to be on high-performing teams, 44% more likely to have top customer satisfaction scores, and 50% more likely to be in the low-turnover category of employees. And when leaders are taught

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ompanies should assess all developing leaders and feed each one customized tips—tips drawn *only* from outstanding leaders who have similar strengths.

how to apply their strengths, their level of engagement increases. In a recent study of senior district managers and district managers in a retail company, average scores on an engagement index jumped 25 points in the nine months after the firm adopted a strengths-based leadership development model. At Hampton, an analysis of recent performance showed that the revenue per available room generated by the most-engaged general managers was six and a half points higher than that of less engaged managers. The potential difference in revenue from the two groups is hundreds of thousands of dollars per hotel.

We need a new model—one that is scalable but accommodates the uniqueness of each leader's techniques; one that is stable enough to permit the training of hundreds of leaders at once but dynamic enough to incorporate and distribute new practices and other innovations in real time.

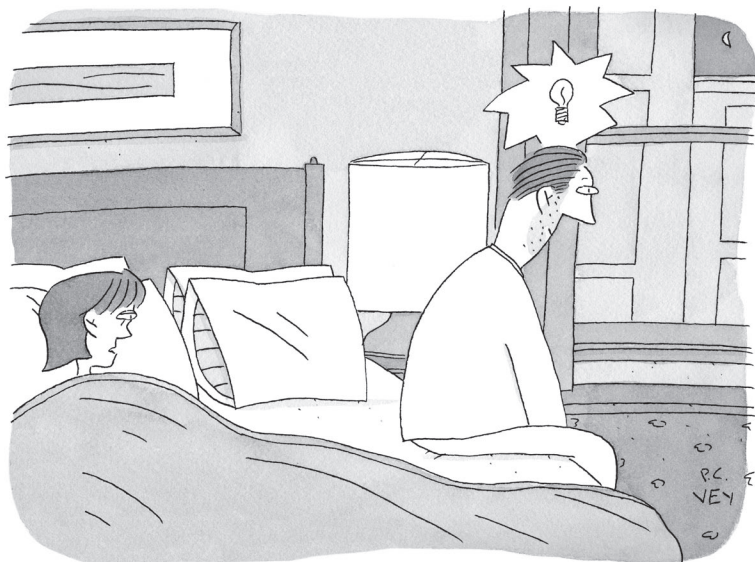
Happily, prototypes of that model are all around us. Content creators of every type have realized

that they must make their content relevant, and the most effective route to relevance is to filter content through the Algorithm of You.

Of course, it's inevitable—and desirable—that the new model will quickly break through organizational boundaries. Soon there will be a place, somewhere in the cloud, that continually gathers the best techniques, tips, and practical innovations from high-performing leaders around the world; sorts them according to each individual's unique leadership algorithm; feeds you the techniques that fit you best; and refines its filtering as it learns how you react to those techniques. It will be your own personal leadership coach, powered by the top leaders who are most like you.

It will not turn you into a Richard Branson or a Warren Buffett, a Steve Jobs or a Sheryl Sandberg. It will do something much more valuable: help you become the great leader that is *you*. ♥

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"Come back to bed—they don't even make those anymore."

CARTOON: P.C. VEY

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