



## Growth Objectives Bring Challenges

### Overview

Family businesses planning significant expansion face several challenges. Not least of which are the decisions to be made on whom to trust in leadership roles.

In this case study we see how property developers, City & Country, recognised the need to add rigour to their leadership succession planning. And how the Consultants at Athena Professional helped.

### Challenge

City & Country, a family owned business founded in 1962, had typically operated in the South and prime markets around key cities in the UK. The business embraced change and evolved to become an award winning, market leading niche developer, specialising in the restoration and conversion of historic and listed buildings. City & Country had been one of England's fastest growing private companies and recognised in The Stock Exchange's 1,000 Companies to Inspire Britain.

They secured Joint Venture (JV) funding to meet the challenging target they had set for themselves: to double their turnover within five years. They sought support from Athena Professional specifically in addressing their needs to expand the Board. They intended to draw on internal and external talent to form an expanded, high-performing Board. The expanded Board would address their requirements to reduce individual workload, increase employee engagement and continue development of potential leaders. As Mark Fowler, the Finance Director, said at the time: "The biggest area was strengthening the Board in order to get production right... we couldn't achieve growth targets otherwise."

A group of five people within the company had proven their technical ability over time. Their contribution to the success of the company was well known. For some, there was a sense of entitlement. Historically, promotion had tended to follow. There was some dissatisfaction that this had not happened. The company was running the risk of losing key people, resulting in a loss of expertise and continuity in key roles, and the likelihood of a negative effect on turnover at a crucial time of growth.

However, these individuals' focus on technical ability in the past had resulted in a lack of breadth of managerial skills. Some people had "grown up" with the company, rising through the ranks without developing non-technical skills; others had come in from jobs outside which did not involve high-level management and leadership skills.

Unsurprisingly, technical skills, hard-work and enthusiasm were highly prized in this business which faced unique challenges on a daily basis, restoring heritage properties. Although respect and strong relationships were valued in this tough (predominantly masculine) environment, people were sceptical about the idea of "leadership skills."

The company knew what it wanted to achieve, but not how to achieve it. The pace of growth dictated urgency, however. And earlier efforts to appoint internally had mixed results.

The Consultants had to establish the value of developing leadership behaviours and investing in development. They proposed to design and deliver an Associate Director Development Programme (ADDP) to:

- Recalibrate expectations
- Equip people with the requisite knowledge, skills and attitudes to meet expectations
- Support and challenge potential Directors to transfer learning into action

When the planned ADDP was socialised, some felt that the goalposts had shifted. There was some concern at the changed criteria for promotion to Associate Director and that launching the ADDP meant that those wanting promotion would have to wait at least seven months before they could apply.

Adding complexity at the time was organisational growth that was creating the need for people to embrace new skills, whilst they were exceptionally busy. With sites across the country, people had demanding workloads. The ADDP needed to be flexible, accessible and also personal, so that organisational and individual needs could be met.

Finally, revised expectations about professional development needed to be established. Going forward, development would be ongoing – even after the Programme finished – as part of City & Country's commitment to continuous improvement.

## Approach

### Clarifying Role Expectations

First, a RACI-style Responsibility Assignment Matrix was created. (A RACI matrix refers to roles that individuals take in shared activities, identifying and recording whether individuals are Responsible, Accountable, Consulted, or Informed in any particular context. The RACI model was a straightforward tool which reduced confusion over roles and responsibilities.)

Three-way conversations between ADDP Participants, their Line Managers and the Consultants – using RACI analysis – allowed the group to develop rapport and deepen their understanding of the roles on a firm transactional basis. The behaviours and activities expected in Associate Directors, defined by this process, were endorsed at the very top, to make them valid and credible. From this point, with growing trust, the Consultants introduced behavioural tools and models as below.

### Schedule for the ADDP Project

- Month 1: RACI assignments completed for Aspiring Associate Directors
- Month 2: 360° feedback collected
  - Support of this initiative was achieved by adjusting preconceptions of the 360° feedback process; so that it was seen as a development tool, rather than a means of assessment
- Month 3: Learning Needs Analysis completed
  - To establish development needs the Consultants drew on findings from the RACI analysis and 360° feedback
- Months 4 thru 11: One-to-one ADDP coaching
- Month 5: First workshop for the ADDP, followed by online module

- Months 5 thru 8: Development of Lumina Talent for ADDP
- Month 6: Second ADDP workshop, followed by online module
- Month 7: Third ADDP workshop, followed by online module
- Month 9: Fourth ADDP workshop, followed by online module
- Month 10: Fifth ADDP workshop, followed by online module
- Month 11: 360° feedback collected
- End Month 11: Associate Directors appointed

### Learning Needs Analysis

Initial feedback highlighted a range of learning needs (including RACI discussions and the 360° feedback process). These were prioritised for attention based on:

- Cost
- Programme
- Continuous improvement
- Fundamentals
- Leadership teamwork
- Communication

With learning outcomes clearly defined, these informed the design of a blended learning approach for the ADDP, including a range of tools and delivery methods.

### Business Psychology Applied

#### Social Learning

Social Learning Theory (Bandura, 1977) suggested new behaviours could be acquired by social observation and imitation. The Consultants used social learning in practical ways, including:

- Flexible, accessible learning using any device at any time
- Opportunities to reflect, share experiences and exchange ideas online
- Ideas over time, pre- and/or post-course
- Best use of face-to-face training time

#### Experiential Learning

According to American educational theorist, David Kolb, this type of learning could be defined as "the process whereby knowledge is created through the transformation of experience. Knowledge results from the combinations of grasping and transforming the experience." (Kolb, 1984.)

The Consultants used experiential learning methods to move people from intellectual acceptance into action including:

- Using actors in role-play activities, e.g. challenging conversations
- Team games, e.g. to build trust and raise awareness of the need to focus on team goals

- Lumina learning tools to do positional work on self-awareness and awareness of impact on others

## Business Psychology Applied in Design

Consultants used a range of psychological tools and models including Lumina Spark, Lumina Leader, Belbin, Tuckman and Kilmann.

- Lumina tools captured the complexity of the individuals, viewing them not as “human doings,” but as “human beings,” offering individuals a roadmap for improved communication, teamwork and leadership (Desson, 2017)
- The Belbin Team Inventory, a behavioural test, was devised by Meredith Belbin to measure individuals’ preferences for nine Team Roles. The model suggested that each individual possessed a pattern of behaviour that characterised how they may participate in a team (Belbin, 1981)
- Bruce Tuckman’s model described the stages teams may experience whilst maturing: Forming, Storming, Norming, and Performing (Tuckman, 1965) with Adjourning, added in the 1970s. Tuckman’s model suggested these stages were all necessary and inevitable in order for a team to grow
- Thomas Kilmann’s model identified response styles in conflict situations. The Thomas-Kilmann Conflict Mode Instrument (TKI) suggested which of five conflict management styles an individual may prefer: collaborating, competing, avoiding, accommodating, or compromising (Kilmann & Thomas, 1977)

The Consultants had to establish the credibility of their approach quickly with a group of people who were sceptical about Business Psychology. Participants had to be helped to see its value to their day-to-day work and for their own career progression.

The Consultants created an atmosphere of trust. As adults amongst adults, learning was an option, not something that could be demanded. Participants had to be won over.

## Coaching

Coaching was a crucial element in the success of the Programme. Most people had no experience of being coached. At an early stage the Consultants set up tripartite meetings with Line Managers to set expectations, establish ethical boundaries and facilitate communication around desired goals. They used simple, explicit language to help demystify the process, for example, “What will you notice about X if the coaching is successful?” or, “What does ‘good’ look like in this role?”

Coaching “held a mirror” up to the Participants and invited them to reflect, to gain perspective on their development needs and their progress on the Programme. The approach was responsive to individual need, and included:

- A “time management cake” looking at slices of activity and helping the Participant identify their priorities
- Working on values to identify enablers and barriers
- Positional work, e.g. to develop understanding of key stakeholder management  
Borrowing from Game Theory, the principle idea of Positional work was that the player recognised how each movement could cause others to concentrate their positioning in response (Feber, 2013)
- A range of conversational models and question-forming techniques

Coaching helped Participants to take responsibility for their own learning, set their own goals and consider how these aligned with their contribution to the organisation.

## Retaining Business Focus

Throughout the Programme the Consultants remained cognisant of the Participants' experience. Whilst working hard to engage them, they needed to be honest in addressing the changed reality; promotions had previously been expected to be "on the nod," i.e. by general agreement and without discussion. Consultants had to be sensitive and responsive to the Participants concerns, whilst remaining mindful of the Programme's purpose to serve a business need.

## Outcome

### Appointment of Directors

Future leaders were identified, and succession planning was implemented effectively, retaining and developing expertise within the business.

Participants of the ADDP took ownership of their own development and made a positive choice to step up to the new Associate Director roles. Notably, despite initial impatience, not everyone applied as soon as possible, because they recognised the need for continued development to evidence effective leadership skills. Those who did not feel they could meet expectations did not put themselves forward. One person resigned. The Managing Director confirmed, "the whole point was to sort the wheat out from the chaff."

Three Associate Directors were appointed, from within the company, within a year. The three individuals appointed put their learning into action, embraced their new responsibilities and flourished.

One of the successful Associate Director candidates outlines his view of the effectiveness of the ADDP in an interview available online at: <https://youtu.be/VMI5lmvhq70>.

Participants showed tremendous energy and commitment to engage with changing behaviour whilst meeting tough workloads. Whilst they were credited for their progress, the Consultants could be created with creating a blended learning Programme which offered opportunities to develop, reflect and move into action in a way that was flexible, engaging and sensitive to individual need.

### Client Feedback

The ADDP was an example of City & Country's commitment to improvement expanding beyond the build process to embrace leadership behaviours that supported organisational growth. Feedback indicated the ADDP was highly effective in:

- Developing new skills
- Engaging individuals in developing their own potential and their contribution to the business
- Challenging and supporting individuals to meet the demands of being leaders in a growing business

"It was a robust process that allowed people to change and develop and embrace the challenges and opportunities that the new role presented. It helped them to recognise that there are things that they needed to change, even though there was a lot that was already there... We have a settled Board and the best combination and level of skills and experience

we have ever had, enabling us to focus on future challenges with a shared vision of how we will achieve them.” – Helen Moore, Managing Director, City & Country

“Using the combination of tools, models, development and coaching made sure we really tested their capabilities; the promotion was not a given.” – Tim Sargeant, Chief Executive Officer, City & Country

“They [the Associate Directors] get respect from across the business, with team members regularly coming to them for advice and decisions.” – Mark Fowler, Finance Director

As part of a comprehensive People Strategy the business next decided to deploy a Management Development Programme using a similar model to the ADDP.

### Business Growth Achieved

Company growth continued on-schedule supported by the contribution of the senior leadership team as a whole. City & Country continued to win industry sector recognition for innovation, dynamism and commitment to excellence in heritage property development.

As mentioned at the outset, the company had aimed to at least double turnover in a five-year period. A snapshot of their results over a five-year period reflect their success at that time.

	Year 1 actual	Year 2 actual	Year 3 actual	Year 4 actual	Year 5 forecast
Unit sales	62	80	125	115	161
Turnover £	£19.0m	£26.0m	£49.0m	£52.0m	£56.0m
Earnings Before Interest and Tax (EBIT)	£3.6m	£4.8m	£11.6m	£16.1m	£17.7m
Net Profit	£1.6m	£2.1m	£8.3m	£13.3m	£13.6m

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