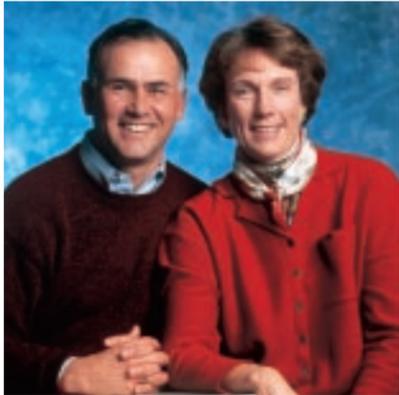


# THE CLARION CALL



Building the Capacity to Fly

The clarion, the ancient musical instrument after which our company is named, was a versatile tool. As a component of musical ensembles, it was used to entertain during the Renaissance. But the clarion did more than merely entertain. The descendent of warriors' horns, it was also used to alert communities, trumpeting the arrival of important news and information. Today we have retained an idiomatic homage to the clarion's significance in our communal past.



Bill McKendree, Executive Vice President  
Linn Ann Tyrrell, Executive Vice President  
The Clarion Group

Through our work with clients over the years, we've found an overarching truth that connects all organizations, regardless of size, market or geography. At the core, each is defined by three essential elements: its business strategy, its management infrastructure, and the collective and individual behavior of its people.

We've termed this triad of organizational imperatives the "operating model." And as we've pointed out in earlier editions of *The Clarion Call*, only when all three elements align can business objectives be achieved.

However, of the three components, behavior receives the least attention in business planning.

Organization behavior deals with the human side of the business equation. How must people act in order to support the business strategy? What values and beliefs are core to that strategy and hence must be integral to the organization's operating style? What capabilities and characteristics must be demonstrated by all levels of management?

This issue of *The Clarion Call* focuses on the "3Cs" of behavior – capabilities, characteristics, and capacity – which provide a framework to clarify behaviors necessary for business success. And, for our readers involved in dot-com enterprises, page 4 features a closer look at organization behavior at Web speed. We hope you enjoy this issue and, as always, we welcome your feedback.

# Building the Capacity to Fly

## Leading Into Uncharted Territory

Almost intuitively, business leaders know the importance of setting and communicating their business strategy. They establish management infrastructures and protocols to maintain focus and keep things running smoothly. Aware of the confusion and frustration that a poorly aligned management infrastructure creates in daily operations, they also understand the need to fix what's out of synch.

But, when it comes to describing the behaviors that are needed to support their strategic direction, leaders often find themselves at a loss. There are no hard and fast rules on how to approach the more human, and seemingly less empirical, considerations of business. To fill this need, competency models, feedback instruments, and value statements have emerged as means to spell out desired behaviors.

Leaders struggle not only at an organizational level in defining behaviors necessary for success, but also at a personal level. The demands of leading an organization into uncharted territory can make executives question whether they can pull it off. Failure often occurs when executives lack the capacity required in situations with no clear road map.

## Building a Success Profile

Organization behaviors define how people – especially leaders – need to operate individually and collectively in order to align with a particular business strategy and management infrastructure. Implicit in these behaviors are the values and beliefs that buttress business decisions.

Working with leaders to describe and select those behaviors most key to their business success, The Clarion Group has developed "The 3Cs," a pragmatic framework that aligns business challenges with individuals' capabilities, characteristics, and capacity needed in order to succeed.

- 1. Capabilities** are what people have learned to do. This is the realm of cognition and intellect. It involves how people think and their specific areas of knowledge, such as technical expertise and management skills. It is generally mastered through education, training, and/or hands-on experience. Example: One can master the *capability* to apply accounting principles.
- 2. Characteristics** are how people operate. They are a person's innate traits and styles. Characteristics may be strengthened or modified to a degree through awareness, coaching, and practice, but a person's essential nature is generally unchangeable. Most often, a person's characteristics become observable when he or she relates to others. Example: One can possess the *characteristics* of being helpful and supportive.
- 3. Capacity** is the resolve and stamina that enable people to give and sustain their best efforts. While not totally within one's control, capacity can expand or contract depending on the situation. For instance, people experience more physical and mental energy when their work aligns with their values, purpose, interests, and abilities. Conversely, people feel tired when they experience a mismatch between their work and what they can contribute as individuals. In addition, capacity at work fluctuates depending on variables such as the newness of the assignment, events outside of work, the balance of work and personal life, and the peaks and valleys of work demands. Example: One can demonstrate the *capacity* to handle ambiguity.

A look at the interrelated nature of a bird in flight provides the best example to consider the significance of the 3Cs. Each individual feather represents the skills, or capabilities, the bird needs for flight. When the feathers are joined and work together in unison as wings, the bird has the behavior, or characteristics, necessary to fly. However, only the living, breathing bird has the will, and therefore the capacity, to actually take flight.



## The Capacity to Fly

When considering an individual's potential for success in a given role, executives usually consider capability first. Does the individual have the expertise to do what is required?

If the person demonstrates the requisite skills for the job, then characteristics are the second, and often last, consideration. Generally viewed as less important than capabilities, desired characteristics – how one goes about doing the job – sometimes receives short shrift in deference to strong bottom line results. If a person achieves good numbers but has an overbearing manner, the tendency is to ignore the undesirable behavior and hope others will accommodate the individual's style, rather than address the person's inappropriate characteristics.

The aspect of capacity is often entirely overlooked when evaluating candidates and potential leaders. In doing so, executives miss an opportunity to gain insight into individuals' abilities for long-term success in an expanded role that require tremendous levels of physical, emotional, intellectual, and spiritual stamina as well as positive motivation.

- Physical stamina deals with the rigors of frequent domestic and international travel, long hours,

and little down time coupled with limited opportunities for exercise and difficulty in maintaining a healthy diet and schedule.

- Emotional stamina deals with the stress of developing and sustaining new relationships, facing constant public exposure, and learning to delegate and trust others to share candid information and judgments.
- Intellectual stamina is having the courage to probe where no clear answers exist and to operate comfortably in a world of unknowns. It takes a certain degree of intellectual fortitude to challenge other people's thinking, make judgment calls without complete information, and maintain quality thinking through long periods of controversy.
- Spiritual stamina involves knowing how one's professional life and business fit into a broader scheme, being able to let go at the appropriate time, and trusting that things will work out.
- Motivation is what drives one to succeed. For some individuals, it's the responsibility of managing people. For others, it's the challenge and thrill of taking risks that can produce enormous results. Conversely, still others find their greatest motivation in achieving financial and personal security.

A look at capacity can help determine a person's resolve in each of these areas and, therefore, ability to cope with the daily realities of business. In order to succeed, a person's capacity must match the business challenge and environment. For instance, somebody who prefers to operate with hard and fast guidelines may excel in a claims organization, but might lack the capacity to take charge of a new entrepreneurial unit.

In the analogy of flight, nature provides numerous examples of success. A bird, a dragonfly, a Luna moth, and a bat all have the capability and characteristics needed to fly. However, their capacities demonstrate vastly different levels of stamina, which enable each one to be especially suited to meet the challenges of their environment. Similarly, executives have varying degrees of stamina and motivation, which determine their capacity to succeed.

*In order to succeed, a person's capacity must match the business challenge and environment.*

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## Capacity in the New Economy

When you live in Internet time, it's a world of paradoxes and extremes. The potential for unimaginable success is constantly shadowed by the prospect of dire failure. Decisions must be made in the absence of complete information. Executives must be constantly on-call and personally accountable for work that is done collaboratively. And, while short-term goals are clear, the long-term picture is a gamble.

Unlike traditional organizations where hierarchy holds precedent, the opposite is true in a dot-com environment.

In fact, dot-coms are more like causes than businesses. People drawn to causes have a unique motivation, often one that does not fit with established businesses. As such, it matters less what job title someone fills than how their experience and expertise fits the current issue or problem. The person with the right mix of capabilities is the one who will be looked upon to make decisions for the group, regardless of his or her comfort level for decision-making on the fly.

To complicate matters, ambiguity is everywhere. Everyone involved in the dot-com enterprise, from executives to hourly workers, needs to be able to function, and in fact thrive, in uncertainty.

*A person with the skills to do a job but not the working style or stamina has little chance of success.*

For instance, most dot-com entrepreneurs have only a vague idea of their long-term business goals. They usually hint at such options as an outright sale, an IPO, or a strategic merger. People working in this setting need to have a significant level of spiritual capacity to let go and trust that whatever happens, they will land on their feet.

The dot-coms being built within existing companies face additional challenges as well. Most often, they are put in the difficult position of having to operate like a dot-com, but by playing within the rules of a much more traditional business. For these spin-off dot-coms, there are usually two choices – to build an internal structure that will eventually be integrated with the rest of the business, or to build a separate entity with its own rules and culture. No matter what the choice, it is much harder from a capacity perspective to build internal dot-coms as the stamina and motivation required run counter to that typically found in an established, traditional business.

In the current market environment, the shortage of high tech talent makes a discussion of characteristics and capacity seem superfluous. However, a person with the skills to do a job but not the working style or stamina has little chance of success. On the other hand, someone with the right characteristics and capacity can learn many of the skills necessary to contribute to a dot-com's growth.

## Building the Capacity to Fly *continued from page 3*

### Determining Capacity

More often than not, an executive's undoing is attributable to a deficit or mismatch in capacity. While he or she might possess the appropriate knowledge and experience, and even demonstrate laudable behaviors consistent with the characteristics for the job, it is the level of stamina and resolve that ultimately determine success.

While capacity cannot be quantified, there are probative questions that can help to determine if an individual is suited for a given position. The first step is to define the key capacity requirements inherent in the position.

For example:

- Does the position require periods of high energy or the ability to sustain effort over time?
- Does it require someone to drive hard to results?

- Is there much conflict inherent in the position?
- Will the person need to deal with constant ambiguity?

Next, by considering such questions as the following, you can gain insight into the individual's capacity:

- What purpose does work fulfill for this individual?
- In what types of situations does this individual excel? For instance, does the person work best in familiar or uncharted territory?
- In what situations has the individual experienced overload? How did the person respond? What was the outcome?
- Has this person ever had to make a high-risk decision quickly without complete information? What was the outcome?

The 3Cs provide a way to identify the behaviors most crucial for business success. Individual current skills and future development needs can be evaluated against the Success Profiles. To take it a step further, the Success Profile also can be applied to determine the collective skills and development needs of an entire group.

Business leaders everywhere are asking themselves, "How can we recruit, develop, and retain talented people?" And, "How can we leverage our people's strengths?" By clarifying the capabilities, characteristics, and capacity needed to meet specific business challenges, they are well on the way to answering their own questions.



*Our clients value what we offer them. Call us at 860-232-3667 so that we can discuss your needs and put you in touch with satisfied business leaders who have worked with us.*



The Clarion Group, LTD