

# *Defining the path forward*

## Leadership development

*Advisory  
People and Change*

### **At a glance**

It's not enough for leaders to simply manage well

A multidimensional learning approach is required to develop leaders

Programs that are strategic, integrated, interactive and measurable have the greatest impact





## Introduction

*What's wrong with good managers? Nothing — unless you also need visionaries who can inspire others, team across the enterprise, and produce game-changing results despite organizational ambiguity. And these days, who doesn't need that?*

# Developing leaders in a dynamic world

Today's environment of near-constant change demands that organizations devote the right time, attention, and resources to leadership development if they want to remain competitive. Traditional, instructor-led training is all well and good if you're content with grooming good 'managers'. But our cross-industry research suggests that a multidimensional developmental approach delivers far more impressive results when developing future leaders.

### ***Achieving the visionary advantage***

In today's economy, every day seems to bring a lightning round of change — from nature's fury in Japan to unrest in the Middle East, from an evolutionary emerging market to a revolutionary regulatory environment and constant market turmoil. These days, public sector or private, you need more than 'a few good men'. You need a highly talented leadership team that can respond quickly and effectively to constant, complex change. And you need a leadership development strategy that delivers.

**The goal:** Deepen the competencies of senior staff and introduce skills to high-potential employees to position them for future leadership roles.

**The strategy:** Expose top talent to a broad array of learning situations to deliver meaningful, research-vetted leadership development training.

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This kind of ‘multi-modal’ approach increases the probability that current and future organizational leaders will have the competencies, judgment, and experience they need to effectively contribute to business performance in a highly charged, dynamic environment. Senior executives and middle managers representing several industries told us this strategy helps reduce the risk that the enterprise might face an evaporating talent pool.

While structured classroom experiences are clearly important, they represent only one mode of learning, beyond which lies a broad spectrum of effective methods for raising adult learner performance.

### ***Superstars ‘feel’ the game***

Let’s take an example from the National Basketball Association (NBA), where competence, speed, and agility mean winning or losing in the space of a few hours: Veteran interviewer Charlie Rose asked star NBA guard Steve Nash what makes a good leader on the court. After noting the importance of sound fundamentals, endurance, and a strong work ethic, Nash talked about tacit know-how, the elusive ingredient that can’t be taught in a drill.

The best leaders have a ‘feel’ for the game, he explained. They know when to let the game come to them, and when to take it over. It’s experience, he said, that gives veteran players an advantage over those who have played fewer games and have been exposed to fewer scenarios.

It’s no different in the office, where successful leaders are developed through meat-and-potatoes sound fundamentals enriched by a secret sauce of experiential leadership training.

Like a pair of NBA-worthy Nikes, these training methods are not one-size-fits-all. They must address the developmental needs of today’s midcareer executives while preparing less-seasoned, high-potential employees for their future roles. Therefore approaches should take into account inter-generational learning styles and viewpoints: those of more experienced workers and those of more recent joiners who might be more technologically focused, more globally mobile, and more likely to jump from employer to employer in the chase for challenge, opportunity, and compatibility.

### ***From concept to competency***

Traditional leadership development training gathers groups of 15 to 20 professionals to learn about critical leadership concepts through instructor-led sessions, often featuring simulated business scenarios, while giving participants a chance to meet and network with peers.

But looking beyond this approach, you'll find leadership development strategies that recognize the myriad ways adults welcome learning at work. Programs that introduce multiple modes of learning are more likely to help participants—from the executive tapped as a potential CEO successor to the fledgling finance director—translate theory to practice, building the leadership tools and experience they need to lead, no matter how challenging the business environment.

Our cross-industry research shows that organizations recognized for exemplary leadership development programs can thank a multidimensional learning approach for their success. And they typically build this approach on a foundation that links the organization's strategic goals and objectives to an enterprise-wide leadership competency model.

These organizations recognize that current and future leaders need a clearly defined competency model to understand existing role expectations and future requirements. They identify specific behavioral indicators and expected proficiency levels for each leadership competency to help determine where performance is on track and where additional development might be needed at the individual and organizational levels. Competency assessments help define proficiency gaps and related leadership development requirements.

When it comes to determining how best to grow top talent, these leading organizations know that the best developmental initiatives are flexible enough to be tailored to individual preferences and needs. They follow through by designing a portfolio offering a robust variety of instructional approaches. Figure 1 depicts the modes commonly used and perceived to be most effective.

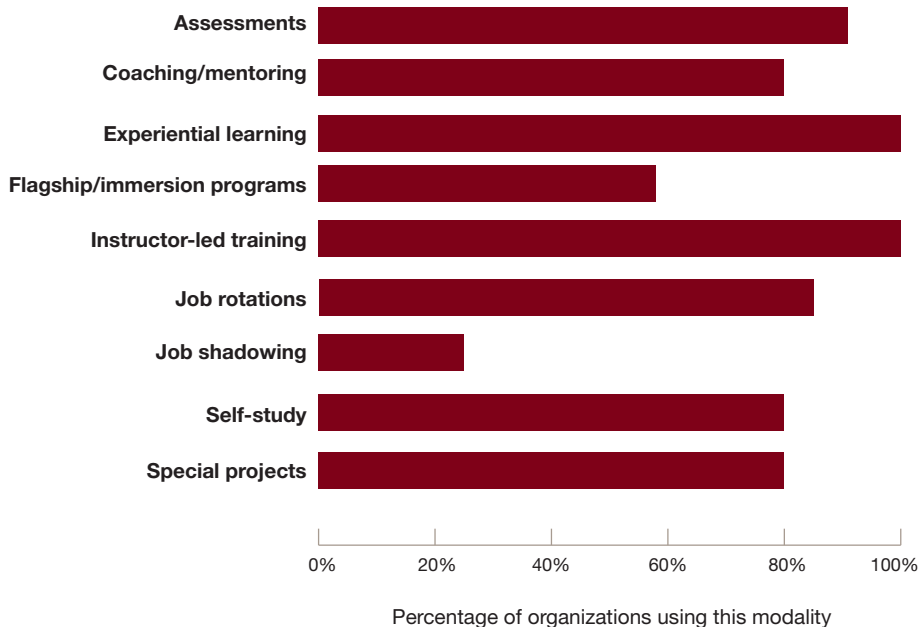
The key is the organization's ability to tune in to changes in business realities and enterprise strategy while also paying heed to what your proven and promising professionals need to be proactive, effective change agents.

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**Figure 1: Learning modalities in exemplary leadership development programs**



Source: Cross-industry research conducted by BearingPoint, 2007

For some, instructor-led training in a structured setting might be a good fit at a particular career juncture or in response to a skill shortfall. For others, working with a mentor might be the right next step. Still others might grow knowledge through self-study or by taking on a challenging project, combined with practical, on-the-job coaching. Job rotations, while sometimes challenging to manage, can provide professionals with a valuable cross-organizational perspective.

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<sup>1</sup> Source: *Point of View: Team-based learning*, PwC, 2010.

# What works best in a dynamic environment?

Most organizations elect to include some, but not all, of the learning modalities identified here. Factors such as workforce size, resources, available budget, and organizational culture can influence this decision. But recognizing the importance of providing a range of options that can be tailored to address various developmental needs will go a long way toward helping your organization create a high-impact leadership development program.

The most powerful and effective learning modalities for developing current and future leaders, according to our research:

## **Assessments**

Leadership competency assessments can enhance an individual's self-awareness and provide the organization with quantitative and qualitative data to inform the development process. For one financial services firm, for example, competency assessment work completed within

the lending division resulted in the development of sales leadership training that emphasizes office-based team leadership—an area of weakness across the firm's client-focused, sales-driven leadership team.

Many kinds of assessment, including competency, behavioral, cognitive, and personality, can be appropriate across professional roles. But it's important to apply tools that match the skills and competencies needed for specific roles in an organization. For individuals who have multiple direct reports, for example, our research and experience suggest that 360-degree assessments are one of the most valuable methods of gathering accurate performance data.

## **Coaching and mentoring**

Coaching and mentoring were frequently cited as highly effective ways to boost individual performance. Whereas mentoring focuses on providing career guidance to the mentee and often extends into non-job-related counseling, coaching typically places a greater emphasis on role-related performance feedback within the context of the organization. Both modes promote long-term relationships organized around a set of developmental objectives surfacing from needs identified by the individual, a supervisor, or leadership assessment data. In our research, organizations that have exemplary development programs stressed the importance of voluntary, less-formal mentoring relationships, and encouraged mentors and mentees to develop relationship goals and objectives together.

### **Experiential learning**

This learning mode creates opportunities for leaders to practice new skills in realistic, controlled situations and to receive performance feedback on their strengths and weaknesses. Participants have opportunities to practice skills in a variety of situations to learn the ‘feel’ of executing desired leadership skills. Particularly effective when tailored to industry- and job-relevant situations, experiential learning reinforces conceptual learning and enhances knowledge transfer to job performance. Case studies, scenario-based learning, and simulations emerged as primary experiential learning exercises in our study.

### **Flagship or immersion programs**

A flagship or immersion program, typically viewed as a ‘rite of passage’ for high-potential employees, creates an experience in which all individuals at a given leadership level within an organization participate. In addition to focusing on the development of select, baseline leadership competencies, these programs help the organization establish a common language and a set of cultural norms for its leaders, typically by introducing common professional standards that guide performance and help leaders deliver consistently on the organization’s mission.

### **Instructor-led training**

Traditional classroom-based instruction with clearly defined objectives is generally most successful in building skills when it’s supplemented with additional learning modalities. For example, platform presentation skills might be the focus of an instructor-led session held one week prior to a large company meeting. The presentation skills session would help sharpen the communication skills of executives ahead of their presentations on the business’ strategic plan at the meeting. Alternatively, a half-day primer on the fundamentals of effective negotiation, combined with mock interviews, might provide solid preparation to executives heading for a session with union leaders.

These blended approaches provide realistic and relevant learning experiences and help give learners a feel for how best to transfer theoretical knowledge gained in the classroom to improve performance of actual job responsibilities.

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### **Job rotations**

Rotational assignments provide current and future leaders with opportunities to develop critical skills in new roles, including skills that might exceed the requirements of a current position. Rotations, which typically last from nine months to two years, expose the leader to one or more new functional areas, business units, and, perhaps, geographies in preparation for future responsibilities.

Job rotations also help leaders strengthen their internal networks and promote a collaborative environment that can break down silos within the organization. Obstacles associated with this learning mode, including resistance on the part of a leader's supervisor to relinquish a talented resource, can often be overcome with a growing awareness of the big picture and the plan's offer of long-term opportunities for the leader in question.

### **Job shadowing**

Organizations that deploy job-shadowing programs create networking and collaboration opportunities by matching a high-potential employee with a leader whose role aligns with the employee's career aspirations. This experience provides a realistic preview of a future role, associated responsibilities, and related competency requirements. Such learning experiences also provide a venue for one-on-one coaching throughout the process.

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### **Self-study**

Self-study programs help leaders develop or enhance competencies without the challenges posed by geographic or scheduling constraints. Many organizations incorporate self-study activities into traditional development offerings by assigning pre-read assignments or prerequisite e-learning. Self-study activities can also include researching relevant leadership or market trends, reading books and periodicals, and participating in external conferences and seminars. Organizations can empower their employees to take advantage of self-study opportunities by providing robust e-learning offerings on a learning management system, distributing recommended reading lists, and granting access to business libraries, conferences, and organized book clubs.

### **Special projects**

Special projects are often conducted concurrently with a leader's existing job responsibilities and frequently incorporated into a broader, team-based developmental effort. For example, a senior vice president of sales aiming to improve the analytical skills of top sales leaders might ask them to complete a rigorous competitive analysis as a team. This project, which can be completed relatively quickly, provides an opportunity for participants to boost their skills while gathering, synthesizing, analyzing, and reporting on information in support of the team's sales objectives.

# From plan to paper to practice: Making it work for you

Leadership development programs that are strategic, integrated, interactive, and measurable have the greatest impact on individual and organizational performance.

To build an effective leadership development framework, you first need to conduct a thorough examination of all facets of the leadership development approach to assess how well existing offerings support organizational goals. Well-informed enhancements can then be made to the leadership development strategy.

The most effective programs are distinguished by these practices:

## **Close links between organizational strategy and culture**

Our research reveals that leadership development programs aren't providing organizations with what they want and need. Lacking substantive executive commitment, they tend to be poorly aligned with the organization's strategy. Yet when leadership development is linked to the organization's long-term strategic agenda, the program gains enhanced visibility across the business, and its contribution to strategy attainment can be better recognized while instilling a culture that embodies and inspires ongoing learning and improvement.

The company can make important strides toward accomplishing its strategic objectives by embedding organizational priorities and emerging challenges or opportunities in the curriculum as instructional themes and through activities such as experiential learning cases and special projects. When programs are continuously revised to align with the organization's dynamic strategy and treated as a top leadership priority, program outcomes are significantly more successful.

Executive commitment isn't measured only by the dollars invested, but also by the amount of executive time dedicated and the extent to which an organization's top executives have a stake in outcomes. Many less traditional learning modalities can benefit from senior executive advocacy and active involvement. Leaders at the top should encourage those within the organization to attend courses, sponsor special projects, take advantage of job rotations, and identify and recognize coaches and mentors.

### **Integration at individual and organizational levels**

An integrated program ties together multiple learning dimensions to achieve one or more individual development objectives. For example, a leadership competency assessment

might indicate that a high-potential employee needs to improve conflict management skills, which can be developed through an instructor-led course, then supplemented by experiential opportunities that enable the employee to demonstrate newly learned behaviors.

At the organizational level, leadership development should be closely aligned with other talent management processes. Examples would include the input of competency assessments into a succession planning framework, the marketing of leadership development in recruiting efforts, and the accountability and evaluation of leaders through performance management

### **Thinking outside of the classroom box**

Leaders must be tested and instructed in multiple contexts, including those that might take them outside of their comfort zone. While it's a long-held tenet that adults learn best in 'safe', comfortable environments such as classroom settings, it's crucial that leaders be exposed to interactive situations, introducing a healthy degree of tension that more closely simulates on-the-job realities.

### **Measure success**

Is the organization doing a better job of retaining high performers? Are senior leaders being promoted from within more frequently? Has employee feedback improved? As the requirements and desired outcomes for effective leadership development shift, so, too, should the metrics used to determine their success. Companies should assess how closely the metrics for the evaluation model are tied to program objectives and the extent to which they support organizational strategic results and individual performance improvements.

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## ***Your next steps***

Here's how you can get started on your game-changing approach when your organization is ready to embrace multidimensional leadership development:

### **Analyze your strategic environment**

The strategic environment will serve as the foundation upon which the leadership development strategy will be built. Your organization's leadership development strategy must be aligned with its mission, strategy, goals, and culture. You'll need to consider future business needs, labor trends, and succession planning; the degree of alignment between your business strategy or mission and its overall people strategy; and the maturity of integrated talent management initiatives.

### **Assess leadership development program effectiveness**

Conduct an assessment to understand the maturity of your leadership development strategy and the effectiveness of your offerings. This starts with an inventory of leadership programs, including basic information such as objectives, competencies developed, course or program length, number of participants, cost, frequency, and instructional and evaluation methods. You should then conduct a more in-depth review of curriculum content, instructional delivery, and evaluations to determine how well the offerings enhance performance among participants.

Knowing the effectiveness of your offerings with regard to individual and organizational performance improvement will help indicate your organization's leadership development return on investment.

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### **Identify development needs and delivery gaps**

Analyze your entity's workforce capabilities and future requirements. Your organization's leadership competency model should lay out observable and measurable knowledge, skills, and behaviors, with workforce assessments on these competencies conducted annually; many learning management systems and talent management applications offer standalone competency assessment tools that can be integrated with performance reviews. Summary reports should be reviewed to focus on enterprise-wide gaps between actual and targeted proficiency ratings. These findings can serve as a needs assessment for training and help identify which departments or business units have deficiencies. The design and creation of future leadership development offerings should target those gaps.

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### **Develop a multidimensional strategy**

Once development needs have been identified, organizations should plan to launch the leadership development strategy by building a portfolio of leadership offerings that represents a blend of learning modalities. To stimulate high performance across leadership levels, this step should ensure that the designed offerings for each modality follow the ADDIE (Assess, Design, Develop, Implement, and Evaluate) instructional methodology.

### **Evaluate your new approach**

To evaluate the effectiveness and impact of your organization's leadership development strategy and related activities, it's important to review individual offerings, along with individual and organizational performance improvements. Target outcomes should be established early on in the strategic planning process. Associated individual and organizational performance metrics should be set and tracked over time. Only through careful monitoring and continual enhancements can an organization realize lasting success and increase the impact of its leadership development strategy.

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# Your leadership: A winning team or risky business?

In today's complex, ever-changing global business environment, it's not enough for leaders to manage well. They must be able to inspire and manage change while also igniting in their people the drive to create change of their own that will bring the organization to new levels of achievement and competitive advantage.

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When it comes to developing leaders who can make it happen, our research and experience suggest that organizations that have effective leadership development programs understand these connections. They know that talent is a competitive asset. And they invest in a multidimensional approach to groom the talent they need to meet enterprise goals.

If your organization's leadership development efforts are delivering lukewarm results, it's time to revisit your talent management strategy and the design of your leadership development program. You'll need executive-level support and engagement to help your program deliver against your organization's strategic requirements. Otherwise, inactivity, inattention, and inadequate investment can carve into future results and introduce risk—at which point, the entity will be constrained by reactivity, rather than empowered by proactive, strategic direction.

You need more than good managers. You need change agents who can move with and ahead of the times and inspire the kind of change that will help your organization meet its goals. The path is clear: Multidimensional leaders are groomed through multidimensional development.





***To have a deeper discussion  
about developing leaders at your  
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