

Leadership Development – is it fit for purpose?

“The ultimate purpose of leadership development is to deliver strategy over the long term. Fit-for-purpose leadership development needs to be thoroughly grounded in business strategy, and based on a robust analysis of needs. It also needs to be designed in line with how adults learn, which primarily means learning from experience rather than in the classroom.”

Gillian Pillans, Report author.

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Executive Summary

“Learning from experience needs to have a good foundation. Too often we see that ‘on-the-job’ learning is actually ‘on-your-own’ learning. Leaders prefer developmental assignments, but this needs to be linked to core skills development within a framework of formal learning. The two need to be closely interconnected.” **Evan Sinar, Chief Scientist, DDI**

1. Spend on leadership development has increased since the economic crisis that began in 2009, and is now an estimated \$50 billion globally per annum. Surveys show that building leadership talent is one of the top concerns of CEOs. Yet it is clear from both our survey and other reports that levels of satisfaction with the quality of leaders and the effectiveness of leadership development are low. Less than one-third (31%) of respondents to the CRF leadership survey rated their overall ability to develop leaders as ‘Good’ or ‘Excellent’. There is also little evidence that investments in leadership development lead to improved business performance.
2. This report reviews current practice in leadership development, asking whether it is fit for purpose today and how it can be improved.
3. We consider the current context for leaders, best characterised by the term VUCA – volatile, uncertain, complex and ambiguous. The pace of change is increasing, global competition is fierce and the balance of power is shifting from West to East. We also explore the change in ‘followership’ – positional authority is waning, followers seek engagement and involvement, and leaders are under unprecedented scrutiny. We find this results in a call for a different style of leadership, based on
 - ability to align others around shared purpose and vision
 - strong adaptive and systems-thinking capability
 - learning agility
 - self-awareness and authenticity
 - leading through collaboration and influence
 - ability to build high performing innovative cultures and effective teams
 - confidence to lead through uncertainty.
4. Leadership development needs to be closely connected to business strategy. This is easier said than done, and many organisations fail to make the right connections. It is also essential to focus on the needs of future leaders rather than relying on what has made leaders successful in the past.
5. We consider briefly what leadership is and find that there is little consensus. For the purposes of this research, we take a pragmatic view and focus on the people organisations are developing to run their businesses in future. We contrast leadership and management, finding that leaders need to employ both skill-sets. We also highlight a third element – direction – which is crucial for successfully implementing a strategy, but is often confused or neglected.
6. We discuss the implications of adult learning theory for the design of leadership development activities. We find that neuroscience is beginning to shed light on ways of designing learning in line with optimal brain function. The main conclusion is that traditional, classroom-based teaching alone is not the most effective way of learning. The features of well-designed leadership development include the following.
 - Building in space for reflection, discussion with peers and senior leaders, and practice.
 - Making content, experiences and exercises as relevant as possible to the real work of leaders.
 - Engaging different senses and emotions, through, for example, stories, video and hands-on experience.
 - Recognising that leadership is a skill that requires years of practice to develop, rather than being teachable on a five-day programme.
 - Making sure that the context in which leaders work is receptive to the new skills they are developing and allows them to put those skills into action.

A key recommendation is to make learners aware of how they learn, teach them how to reflect on what they have learned and how they can apply it in practice, and to make line managers responsible for supporting their learning.

“We’re still trapped in the traditional model where leadership development is training-led. We’re trapped in the notion that development is episodic, rather than a continuous life long process. And we’re still overlooking the critical influence of the boss.” **Jay Conger, Professor of Leadership Studies, Claremont-McKenna College**

7. We find that the 70:20:10 model of learning has become a key feature of how organisations approach leadership development. This holds that approximately 70% of learning results from on-the-job experience, 20% from learning through others, and 10% from formal training. In one sense this is positive: it encourages L&D to focus on extending learning beyond the classroom and creating opportunities to learn from experience 'on the job'. However, there are concerns that the model is being used too prescriptively, or that L&D focuses only on delivering the 10% formal training and assumes that the remainder happens automatically. Both on-the-job and formal learning need to be better integrated.
8. We explore current practices in leadership development. Although we find that the core approaches have not changed substantially in the past 15 years, we identify the following key trends.
 - Formal development is increasingly linked to key transitions, particularly as described by Charan’s Leadership Pipeline.
 - Programmes tend to run over longer timescales these days (typically from six to 18 months) and combine teaching modules with feedback from 360-degree assessments, action learning, coaching and e-learning.
 - Use of online, virtual and blended learning is increasing.
 - There is increasing availability of 'just-in-time' resources such as mobile apps to help leaders tackle specific day-to-day issues.
 - Coaching and mentoring are widely used; peer and internal coaches are making coaching more widely accessible.
 - Experiential methodologies such as simulations, immersive experiences and gaming are becoming more popular.

Leadership competency models remain popular, but we find they have limitations: they tend to be backward-looking, overly complicated and present an 'idealised' view of leadership that is rarely borne out in practice.

9. Research suggests that leadership development happens largely through experience. We discuss Morgan McCall’s work, which identifies the most critical development events for forming leadership skills. McCall finds that the experiences with the biggest impact are challenging, high stakes, high pressure and complex. This framework is useful for thinking about career planning, developmental assignments and job rotations to help leaders build relevant experience over the course of a career. In practice, however, this can be difficult for organisations as it means taking risks, such as giving valuable development experiences to those most likely to benefit from them, rather than to tried-and-tested performers. Sadly, we find many organisations are predominantly focused on formal development, and planning for learning from experience is neglected.
10. In conclusion, we consider some of the key features of fit-for-purpose leadership development.
 - Clear definition of purpose and objectives.
 - Linked to business strategy.
 - Expertly designed to reflect how adults learn, building in opportunities for reflection, practice and learning from experience.
 - Grounded in good theory and evidence.
 - Clearly defined roles and responsibilities: commitment from the top, a skilled, professional leadership development function with good business understanding, and a high degree of involvement from line managers in making sure learning is put into practice and leaders build the experience required to learn.
 - Proper evaluation of outcomes.

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