

**SPEED READ >>>**

# LEADERSHIP DEVELOPMENT – IS IT FIT FOR PURPOSE?

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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.

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Gillian Pillans, Report Author

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## LEADERSHIP DEVELOPMENT – THE STATE OF PLAY

Leadership development is at a crossroads. We live in a world of economic, social and demographic disruption – and it's making leadership harder than ever. Yet the way organisations develop their leaders hasn't changed much over the past 20 years. This is despite improved understanding of how adults develop, and significant advances in learning technology. Leadership development is a major concern for senior leaders, and top teams are devoting greater focus and financial resources to it. However, the results of this investment often fail to match expectations, and there seems to be scant link between the actions taken to develop leaders and business outcomes. So is leadership development fit for purpose?

In this Speed Read, we explore the state of play in leadership development. What do today's businesses need from leaders? What are current leadership development theories and practices, and are they delivering what organisations need today and in the future? How do we know that leadership development is working (or not)? We close with some recommendations for how organisations can improve their leadership development practices and align them more closely with business strategy and objectives.

For a closer look at other aspects of leadership development, see our full reports, [Digital Disruption – Exploring the Implications for Leaders and Leadership Development](#) and [Leadership Development – Is It Fit for Purpose?](#)

### What is leadership?

Is it a set of skills or traits, a position, a business outcome, a relationship or a process? There is very little consensus on the definition of leadership. In this Speed Read, we take a pragmatic view and focus on the people organisations are developing to run their businesses in the future.

The skills and capabilities required of leaders have changed substantially in the past 20 years.

- Increasing complexity and ambiguity, fiercer global competition and the accelerating pace of change mean leaders need to be strong adaptive- and systems-thinkers, agile learners, self-aware and comfortable with leading through uncertainty.
- The balance of power is shifting from West to East. The rising middle class in countries such as China and India is changing market dynamics, and successful businesses from these geographies are becoming globally competitive. The strategic context is changing rapidly.
- In spite of the huge amounts of data available today, there are many more 'unknown unknowns'. CEOs find it increasingly difficult to predict what is happening in their environment and the challenges they are likely to face. Leaders can easily be blind-sided by unexpected events.
- Power is also shifting from the collective to the individual, and this is profoundly impacting how leaders lead and what followers expect. Notions of hierarchy and positional authority are under threat. Leaders today need to be skilled in leading informal, network-based organisations and influencing across complex matrices and beyond organisational boundaries.
- Leaders need to build high-performing, innovative cultures, and effective teams.
- Leaders today – and their pay – are subject to unprecedented scrutiny. Social media and websites such as Glassdoor post no-holds-barred reviews of companies and their leaders. Reports of even minor transgressions reverberate around the world in seconds. Furthermore, trust in leaders is low. The 2018 *Edelman Trust Barometer* found that among the general public, trust in business is at only 52% globally.

It is difficult to develop leaders successfully without an underpinning theory of what leadership is, what good looks like, and how that might be developed. But many organisations shy away from being too theoretical about leadership. It is important that organisations identify a comprehensive leadership framework, aligned to the specific demands of their business context, in order to develop leadership effectively.

## WHAT DOES GOOD LEADERSHIP LOOK LIKE?

There is no widely accepted single definition of what good leadership looks like, and trends in leadership change over time (see our [full report](#) for a brief history). Fashions come and go, but it is clear that

- great leaders throughout history have had significantly different approaches
- no one style of leadership is effective in all contexts
- very few 'great' leaders have maintained their success over long periods of time.

Here are key trends driving how organisations view leadership and how they develop future leaders.

- **Leadership is increasingly seen as a process.** This can be a helpful way of viewing leadership in a world of complex distributed or matrix organisations, where leadership is enacted through a network of people rather than residing in one all-powerful individual or a rigid hierarchy.
- **Shared or distributed leadership is on the rise.** Many organisations consider leadership to be a key requirement of all their people, regardless of whether or not they are responsible for managing others. This may be a more suitable form of leadership for emerging, non-hierarchical and collaborative forms of organisation.
- **There is a growing desire for 'authentic leaders', who are trustworthy, genuine and consistent.** A key focus for leadership development today is helping individuals understand their own purpose, values and character and what that means for their leadership style.

## LEADING IN A VUCA WORLD

VUCA has entered the corporate lexicon, and organisations are increasingly feeling its effects rather than simply discussing it conceptually. So what are the implications of our rapidly changing world for today's – and tomorrow's – leaders?

- Leaders must take into account the broader context in which their businesses operate. They must understand and stay abreast of the rapidly changing social, political, environmental, economic, and technological trends that impact their businesses.
- Leaders increasingly need to apply strategic thinking and judgment to ambiguous situations. As such they require intellectual breadth and agility to deal with complexity, along with the ability to resolve paradoxes and make decisions based on incomplete or conflicting information.
- Leaders need intellectual curiosity, and a broader perspective on where useful insights and information might come from.
- Systemic thinking (the ability to join seemingly unconnected dots and make sense of ambiguity) is a key skill, and one that many organisations are placing at the centre of their leadership models.
- Building networks will be a critical capability in a world where leaders need to get things done by influencing people outside their chain of command. The ability to build collaborative coalitions beyond the borders of the organisation will be vital.
- The notion of 'transformational change' is obsolete. Change is no longer a one-off event that happens every few years; it is continuous. Leaders therefore need to be adaptable, and design organisations that are flexible enough to cope. They also need to be able to handle the cynicism of followers tired of constant change.
- Globalisation is accelerating. In the past, global organisations were concerned with the best way to break into emerging markets. Today they also have to contend with competitors from these markets muscling in on *their* patch. Cross-sector competition is also on the rise.
- Leaders have to be ambidextrous in order to balance innovation with the need to optimise existing revenue streams.

Discussions around leadership should focus on how the business context is changing, the organisation's strategy, and the implications for **future** leadership needs. Leadership models built on what made leaders successful in the past may not provide the right answers for tomorrow's business challenges.

- Leaders cannot know everything that's going on in their organisation – which makes a command-and-control style of leadership impossible. Leaders have to develop ways of empowering their people to make the right decisions in the absence of perfect information.
- Leaders need self-awareness, interpersonal savvy and sensitivity.
- In the era of social media, where everything is transparent and attention spans are short, they must also get their message across in a compelling way.
- Leading in a VUCA world is exhausting and requires high degrees of resilience.

## LINKING LEADERSHIP DEVELOPMENT AND BUSINESS STRATEGY

A key leadership question is: 'Leadership for what?' To answer this requires a deep understanding of the organisation's strategy, how it is implemented, and the implications for the types of leaders needed to deliver the strategy. Factors that have a significant bearing on the type of leadership required include industry sector, stage of maturity – start-up or established – routes to market and geographical reach.

In terms of formal leader education, many organisations now build their development programmes around helping leaders make sense of the business strategy, having a dialogue with peers or the CEO/other members of the top team about the business strategy, and working out what the strategy means for them as an individual leader and how they might tackle implementation.

Some organisations are using leadership development as a platform for business transformation. There is a particular focus on building organisational agility, getting people to collaborate better, and moving from a product-driven to a solutions-driven strategy, which requires much better cross-functional collaboration.

### The importance of followership

An important but frequently neglected aspect of leadership is the changing nature of 'followership'.

- The balance of power between leaders and followers has shifted significantly over the past decade.
- This reflects general trends in society, principally a reduction in deference, respect and trust in leaders, and the growing power of individual consumers as a result of the transparency afforded by social media and the internet.
- Leaders have less authority and positional power and need to lead through inspiration and influence.
- Followers have lost trust and are cynical about the motives of leaders in both public and corporate life.
- Increasingly, leaders can expect to be challenged and held to account by those who work for them.

Consequently, the focus of leadership development has to shift towards defining a compelling vision, creating meaning and purpose, engaging and inspiring followers and being 'authentic'. A further issue is the complex web of stakeholders – such as NGOs, governments, community and environmental groups – that leaders have to influence in a highly interconnected world.

## CURRENT PRACTICES IN LEADERSHIP DEVELOPMENT

There is no consensus on the best way to develop leaders. Experts' views differ widely, and organisations implement the experts' ideas in different ways. Here we examine the theories and principles that underpin some of the most common approaches to developing leaders. Then we look at what organisations are seeking to achieve from investments in leadership development, and how they are designing programmes to achieve these objectives.

### LEADERSHIP PIPELINES

Many organisations link leadership development to key career transitions, crafting specific programmes to help people make the transition to first-line leader, or move from functional leadership to general management, for example. Charan, Drotter, and Noel's Leadership Pipeline is a frequently-cited framework for describing these transitions.

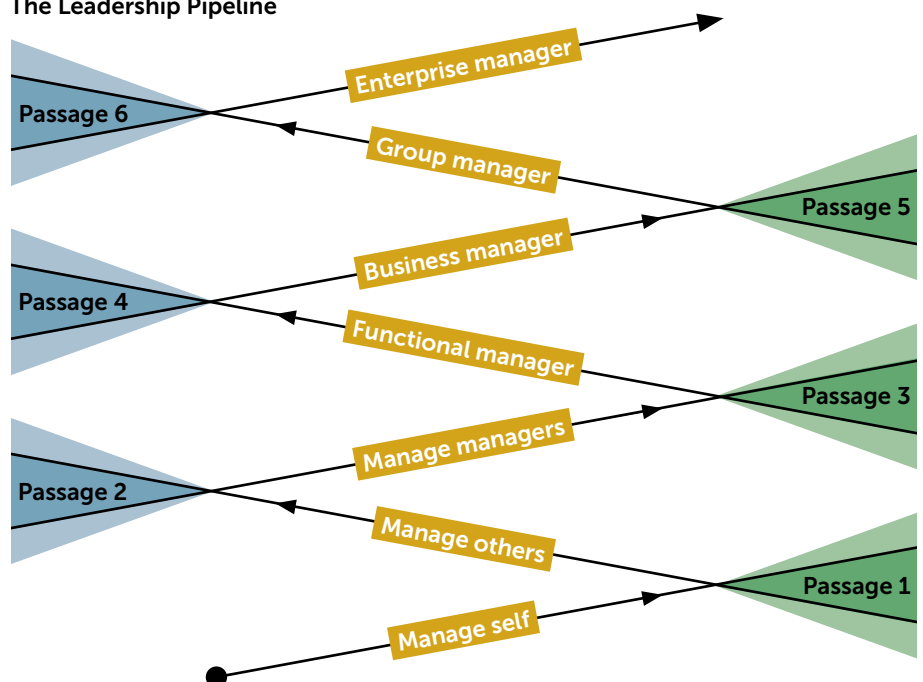
It is founded on the principle that there are different levels of leadership, and individuals need to make skill and value transitions at each level. This means both learning new skills and 'unlearning' other things that may have worked at one level but will hinder continued progress. One of the main reasons people fail when they are promoted to leadership positions is their reluctance to stop doing the things that made them successful in the first place. For example, on promotion to first-line manager, they may find it difficult to prioritise managerial work ahead of what they used to do as an individual contributor.

There are six key career passages in the Pipeline, and failure becomes increasingly expensive for the organisation the further an individual moves through them. Each passage represents a different level of complexity, and a major change in job requirements.

- **Skill requirements** – new capabilities are required to execute new responsibilities.
- **Time applications** – new timeframes govern how people work.
- **Work values** – what people believe is important and becomes the focus of their effort.

**FIGURE 1**

**The Leadership Pipeline**



Source: Charan, Drotter and Noel, 2011

**"At best, there is a loose coupling between the results a leader achieves ... and any specific set of behaviours and competencies."**

Jay Conger, Professor of Leadership Studies, Claremont-McKenna College

## LEADERSHIP COMPETENCIES

Many organisations have a defined set of leadership competencies and/or standards, principally targeted towards senior and middle managers (though they may not have a definition of leadership itself). Competency models are appealing, because they appear to provide clear answers about what leaders need to do and how they should behave. But there are numerous problems with competencies.

- The models are generally too complicated: many contain more than 20 different dimensions or behaviours, but most people struggle to develop more than one or two at a time.
- They presume that there is one best way of leading, and that this remains stable over time. Neither of these presumptions is borne out in reality. There is no such thing as a 'perfect' leader and leaders with very different styles can be equally successful.
- They tend to be backward looking, focusing on the attributes of successful current or past leaders, instead of reflecting how the business is likely to change in coming years.
- They focus on behaviour and/or activity rather than results, and often look remarkably similar from one organisation to another.

Competencies can, nevertheless, be useful in highlighting the values and behaviours the organisation prizes and those it considers unacceptable. They can also be used to build a common language about leadership, and can help people who are making the transition from one level of leadership to another to understand what they need to do differently at the next level.

## So what's the alternative?

Adult learning theory tells us that, although formal education and training can be useful, in practice leadership is largely learnt through experience on the job. McCall and Hollenbeck argue, in order for leaders to accumulate the right experiences over the course of a career, development needs to shift away from behavioural models towards enabling leaders to experience the right 'strategic demands'. They suggest the following approach.

1. Identify strategically relevant leadership challenges, not a list of individual competencies.
2. Use the strategic challenges to identify critical developmental experiences that can prepare a talented person to take those challenges on.
3. Identify people who can make the most of the experiences offered, not those who can already do what the experiences would teach.
4. Find ways to immerse people in the experiences they need, rather than just selecting people for jobs or sending them on training programmes.
5. Help people learn from their experiences rather than leaving them to sink or swim.

## WHAT'S HAPPENING IN PRACTICE?

Thirty years ago leadership development for front-line and middle-level leaders consisted largely of formal training courses run by specialist training businesses or in-house training departments.

By the late 1990s, leadership programmes had become much more customised to the specific needs of organisations, often with an underlying goal of shaping the views and behaviours of cohorts of executives, or promoting organisation change. Little has changed since then. Technology has improved, coaching has become

**“There’s lots of ‘noise’ around technologies such as virtual reality, which sound quite exciting, but it has yet to be proven whether they actually make a difference to the quality of learning.”**

Peter Casebow, CEO, GoodPractice

more widespread, and there’s a greater focus on simulations and experiences, but the underlying objectives are very similar. In this section, we highlight current trends in the approaches organisations take to leader development, and consider what’s new.

- **Greater focus on supporting strategic change.** There’s a trend away from generic programmes focused on individual skill development, towards programmes designed to drive a new strategic direction, to inculcate corporate leadership values or to support change. Leadership programmes can be a critical tool for creating dialogue and building consensus around a new corporate vision and how it should be implemented.
- **Wider rollout of leadership programmes.** The trend for using leadership development as a vehicle for strategic change – which requires buy-in across the organisation – has led to many programmes being rolled out more widely than has been the case with traditional development aimed at a small cadre of future leaders or top tiers of management. These programmes also tend to **bring leaders together in cohorts** to tackle focused learning objectives, often underpinned by action-learning projects based on real-life business challenges. So they also play an important role in strengthening the informal networks that are needed to make change happen in today’s highly complex organisations.
- **Greater focus on personal qualities.** In line with the desire for authentic, emotionally intelligent leaders, programmes increasingly centre on helping leaders build insight into their character as a leader, and develop specific personal characteristics. Many programmes now begin with a 360-degree assessment, psychometric testing and feedback from a professional psychologist. See our [full report](#) for a discussion of the limitations of taking a personal focus.
- **The use of leaders to teach leaders.** It is valuable for learners to debate issues such as strategy, leadership, purpose, vision and values with the most senior leaders in the organisation. Some of the best developers of future leaders operate an ‘apprenticeship’ model where a key part of the leader’s role is to develop their successors through role-modelling and inculcating company culture and values.
- **The learning journey is getting longer.** Modular programmes running over anything between six and 18 months, sometimes longer, are common. Shorter bursts of classroom time (two to three days instead of five to ten days) are spread across the programme, with other activities such as action learning and coaching woven through, allowing people to practise what they’ve learned.
- **Combinations of learning strategies are used,** including lectures, case studies, experiential exercises, and simulations underpinned by feedback or coaching. This can help address different individual learning styles.
- **Coaching is widely used.** Increasingly this is peer-based or delivered by internal coaches, making it more cost-effective and accessible to a broader population.
- **Information that might previously have been delivered face-to-face is now accessed online or covered in pre-course assignments.** Face-to-face time is more oriented towards practice, discussion, reflection and feedback.
- **Action and immersive learning are increasingly popular.** Action learning programmes, if well-designed, are especially effective in utilising learning principles to develop complex leadership skills. See our [full report](#) for an in-depth look at action and immersive learning.
- **Business schools – particularly those which primarily offer open programmes – have become less popular in recent years.** Companies are increasingly reluctant to send busy leaders away for weeks at a time, or to incur the associated expense. See our [full report](#) for a more detailed discussion of the strengths, weaknesses, and latest trends associated with using business schools for leadership development.

Technology seems to offer many exciting possibilities for leadership development, but traditional methods are unlikely to disappear anytime soon, because so much leadership development requires face-to-face connections. The direction of travel is clearly towards more technology-driven and blended learning, but organisations need to exercise a degree of caution. Certain technologies will no doubt be passing fads. The way to benefit from innovation in this area is to be clear about your objectives for learning, and how technology-driven approaches can meet those needs more effectively.

## THE ROLE OF TECHNOLOGY IN DEVELOPING LEADERS

Leadership development has tended to lag behind more generic training and development in the way it uses technology. But that is changing due to a number of factors (see our [full report](#) for an overview), and emerging technologies such as virtual reality are increasingly being used to create rich, immersive development experiences. There is a lot of hype around learning technology, so it's important to determine which innovations are capable of delivering a better learning experience or better learning outcomes. The following are key trends.

- **Scalability and mass customisation.** Short-hit learning is on the rise, so it's easy for leaders to access just-in-time materials that are relevant to an issue they're dealing with at that moment. Increasingly, in the same way that Amazon can predict what you might like to buy, learning technology will be able to suggest relevant materials.
- **Freedom from place and time.** Increasingly, content can be consumed on-the-go, from anywhere. Individuals are in charge, setting their own pace and repeating content as needed.
- **Building learning communities.** A large part of leadership development is about building networks. Social media is increasingly being deployed to establish virtual communities of leaders, or to extend the live network built up within a cohort beyond the end of the formal programme.
- **Using technology to create learning experiences.** Simulation-based learning, gaming, virtual reality, and artificial intelligence are all being used to create rich, experience-based leadership development experiences.
- **Analytics.** Organisations are starting to use 'big data' to shape strategies for talent management and leadership development – by, for example, looking at talent movement data to see which job experiences and backgrounds produce the best leaders. However, we are in only the early stages of exploiting its potential. See our [full report](#) for an example of how one business is using analytics to inform leadership development.

We distinguish *measurement* through looking at quantitative data, which is of limited impact, and *evaluation*, which looks at whether leadership development has achieved the desired results.

### PRACTICAL CONSIDERATIONS FOR EVALUATING LEADERSHIP DEVELOPMENT

1. It is important to assess performance using the same measures before and after the event, so you are comparing like with like.
2. You need to think carefully about how long to wait before conducting a follow-up. Behavioural change takes time to become embedded, so results may not be seen for some time. Three months is probably too soon; one year may be a better bet.
3. No one measure is likely to give a definitive answer, but by triangulating assessments and metrics from different sources, you can build up a picture of impact.
4. Following up with participants also allows you to check whether they are continuing to learn by putting into practice what was covered on the programme.

How effective are current approaches to leadership development, and what's the evidence the vast sums of money companies spend on them every year are making a difference to business performance? Unfortunately these questions are almost impossible to answer.

- Cause and effect between leadership development and business outcomes can't be proved.
- We don't know what would have happened if the programmes had not taken place. Organisations don't run control groups, or adopt different techniques with different populations to compare outcomes.
- There is little, if any, robust objective evidence to tell us which techniques work better than others.

There are also few examples of organisations that systematically evaluate their investments in leadership development. The most commonly cited evaluation model is Kirkpatrick's four levels of evaluation, which dates from the 1950s, and has limitations. For example, it misses the connection between business objectives and learning outcomes.

We suggest designing an approach to evaluation that includes the following steps:

1. **What role do we expect leadership development to play in delivering the strategic objectives of the organisation?** You need to start by thinking about the outcomes you want to achieve, and work backwards from there to determine what actions are required.
2. **Have we conducted an analysis of needs?** Given the organisation's strategic intent, where are the critical gaps in terms of leadership capability? Where does effort need to be focused? What's the right sequence of activity?
3. **How will we evaluate whether the desired results have been achieved?** It is critical to consider this at the outset. Most organisations don't give this sufficient thought until activities are already underway. Think about how you will know the desired change has been achieved and where you will look for evidence. Which stakeholders need to be involved? It's important to focus on outcome measures such as the percentage of key leadership positions filled internally, leader turnover rates or speed of promotion for programme participants versus non-participants. Also, consider triangulating a number of different measures to see if they provide a consistent picture, and use multiple methods and data points. What's the payoff in terms of cost of data gathering versus usefulness of the data obtained? Are resources available for data gathering and analysis?
4. **What's the performance baseline?** It's important to be clear about what you are measuring against.
5. **What are the key objectives for each aspect of the leadership development programme?**
6. **How do we know the strategy and approaches adopted for leadership development will actually deliver the objectives?** What's the underlying theory and is it robust and evidence-based? Have other organisations used similar approaches and what results have they achieved?
7. **After the event, did the activity do what it was supposed to do?** Were key objectives met? Are there opportunities to improve?
8. **Who needs to know about the results of the evaluation?**

**"Is leadership development fit for purpose? You have to start by defining what that purpose is. From my point of view, the purpose that should be central is first whether it actually helps the leader develop their own capabilities and second whether it helps them support the development of other people's capabilities. In most cases, existing forms of leadership development don't seem to be addressing this purpose."**

Professor Robert Kegan,  
Harvard Business School

What would fit-for-purpose leadership development look like in today's fast-paced business environment? Here we offer some recommendations.

- 1. Start with the business strategy.** Be clear about the purpose of leadership development. Is there an underlying change agenda? Are the requirements of leaders changing?
- 2. Conduct a proper needs analysis,** so that you can customise your approach to exactly what the organisation needs at a given point in time. This will help answer questions such as: "Should we invest a little bit in everyone or focus resources on a small number of key roles or people?"
- 3. Be clear about your underpinning theory of leadership** and what you expect leaders to do. How do you differentiate between leaders and managers? Where are the greatest skills gaps? Concentrate on what leaders will need in the future; don't just 'bake in' what makes leaders successful today.
- 4. Link strategy and purpose to action.** There are many different approaches to developing leaders, so it is important to choose those that are most likely to deliver on the stated purpose. Pair classroom training with work experiences that solve real organisational problems. Make sure the design of development interventions reflects key principles of adult learning theory.
- 5. Be clear about roles and responsibilities.**
  - a. The overall strategy for leadership development should be owned and championed by the senior leadership team. Effective leadership development is difficult work and requires the support of people with political clout and resources. The organisations that are most effective in developing leadership talent consistently over the longer term are also very clear that senior leaders are accountable for developing others rather than simply delivering short-term business results.
  - b. The L&D function needs deep expertise in leadership development solutions and adult learning theory. It also needs a thorough understanding of the business strategy in order to translate business direction into leadership interventions. L&D should also build strong vendor selection and relationship management skills so that it can manage relationships with business schools and other partners effectively. L&D specialists need to be skilled in designing interventions that closely link development with practice on-the-job and maximise the opportunities for learning from experience.
  - c. HR's role should be about providing expertise and facilitating rather than running the show. It plays a key role in connecting leadership development and talent management/succession planning, which are siloed in many organisations. Succession planning and leadership development should work together to define both *what* skills future leaders need and *how* they can be developed.
  - d. Line managers need to be equipped to support their teams' development. This includes understanding what experiences are covered on programmes, and how the learnings might be reinforced in practice or reflected in the individual's objectives. The organisation should encourage and reward managers who support development.
  - e. Individuals need to be given responsibility for managing their own development. But organisations should educate them about potential career paths and development opportunities and teach them how to maximise their own learning.

**“There is scant ... objective evidence, to confirm that this massive, expensive, 30-plus-year effort has paid off. ... Much more often than not, leadership development programs are evaluated according to only one, subjective measure: whether participants were satisfied with the experience.”**

Professor Barbara Kellerman, author of  
*The End of Leadership*, 2012

- 6. Make sure the organisation context supports rather than quashes the acquisition and application of new skills.** Nurture line managers who are skilled talent developers; where possible, match emerging leaders with talent developers who can enhance their development. Don't let people 'sink or swim'.
- 7. Build processes for learning from experience.**
  - a. Starting with the business strategy, identify specific leadership challenges that can be used as development opportunities. These might be defined career paths, permanent positions or short-term assignments or projects.
  - b. Build processes for getting people with leadership potential into the right experiences at the right time in their career. This can be incorporated into existing talent and succession processes.
  - c. Rethink development plans to focus on building relevant leadership experience.
  - d. Make sure the mechanisms are in place to support learning – such as mentoring or training – and help people maximise learning from these experiences. The executive needs to understand why they are being given the opportunity and what they are expected to learn, and they need to be given sufficient space to balance performance in the role and learning on-the-job.
  - e. Build line manager capabilities in having good career conversations and supporting development. Reward and promote line managers who are good people developers, and penalise managers who hoard talent.
- 8. Don't overlook evaluation.** Work out before you start what information key stakeholders will need and how you will gather that data. Design the evaluation before you start delivery. Make sure the objectives for the development programme are clear, and check after the event whether they have been delivered. Establish a baseline to measure against.



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