MAKING A PARADIGM SHIFT IN
LEADERSHIP DEVELOPMENT

Over the last two years, leaders have faced enormous challenges. They have had to embrace reinvention and restructuring on a mass scale while maintaining motivation in a hybrid work environment and attending to their own wellbeing.

On 24-25th May 2022, CRF members gathered at IMD Business School to explore how organisations' expectations around leadership capabilities are shifting in this new work and business context.

We discovered:

- How the new context demands leadership capabilities that are different to those we have prioritised and valued historically.
- What steps we can take to improve the impact of leadership development.
- How to best prepare leaders to be effective in unforeseen circumstances.

These Post Meeting Notes summarise the discussions.

KEY TAKEAWAYS

1 **The fundamentals of good leadership** (such as the ability to set strategy and direction, motivate others, and communicate effectively) **have not changed.** Rather, themes around leadership that were present pre-pandemic were simply accelerated by it.

2 **How leaders set direction is changing.** It's more critical than ever to bring outside thinking in, and to develop an adaptable strategy anchored to purpose. Direction-setting now takes place in a more challenging context, in which leaders constantly have to make sense of complexity, including the complexities introduced by an age of activism.

3 **Leaders have to build the organisation infrastructure for rapid execution.** This includes both 'hardware' elements (structure and processes) and 'software' elements (a culture of learning and experimentation).

4 **There are new demands of leaders' relational skillsets.** Leaders need to hone their ability to lead remote and hybrid teams, while enabling others and fostering inclusivity and wellbeing.

5 The pandemic offered leadership development professionals the opportunity to be creative and try new things. This has provided a springboard for **continuing to experiment in the post-pandemic landscape.**

6 Organisation culture, leadership, and change are intertwined. Culture is constantly changing – one of the key tasks of **a leader is to try to influence the direction of that change.**

7 To put purpose at the core of strategy, organisations have to do more than craft and release a purpose statement. **They have to redefine their playing field, reshape their value proposition, focus on efficiency** in traditional activities, fight for market share in mature industries, and harness the impact of multiple stakeholders.

8 **Virtual learning is a new leadership tool** that is especially valuable for helping leaders with sensemaking, including emotional sensemaking. It is an inclusive tool that allows users to take on multiple perspectives and hone their team-working abilities.

9 **Outside-in learning** comes in a variety of formats, from immersive discovery expeditions to more modest design thinking projects and exploratory podcasts. Key to embracing outside-in learning is a willingness to tolerate ambiguity and relinquish some control.

MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

RESEARCH OVERVIEW:
THE LEADERSHIP CONTEXT
WITH GILLIAN PILLANS

GILLIAN PILLANS has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor. Gillian has written various CRF reports on subjects including HR strategy, organisation design and development, leadership development, coaching and diversity.

✉ **EMAIL**

▶ **CATCH UP OR RE-WATCH THIS SESSION:**
THE LEADERSHIP CONTEXT AND RESEARCH FINDINGS

Making a Paradigm
Leadership Development
25 May 2022, LAUSANNE

THE LEADERSHIP CONTEXT & RESEARCH FINDINGS
GILLIAN PILLANS, CRF & PROF. WINTER NIE, IMD

CRF's Gillian Pillans shared highlights from the research.

Post-pandemic, we are in a period of stock-taking. Nearly a quarter (23%) of respondents to CRF's survey reported that they feel leadership demands are fundamentally or mostly different today than five years ago, while 38% feel they are more different than similar. This general feeling that a lot has changed for leadership – and that we can't go back to where we were before – is reflected in another research finding: 43% of organisations have already updated their leadership profiles post-pandemic, while a further 38% are planning to do so.

However, while there is a popular perception that leadership is suddenly completely different post-pandemic, the fundamentals of good leadership (such as the ability to set strategy and direction, motivate others, and communicate effectively) have not changed. Rather, themes around leadership that were present pre-pandemic were simply accelerated by it.

CRF's **New Paradigms for Leadership model** shines a spotlight on the emerging trends we need to be taking into account in our strategies for leadership development.

HOW LEADERS SET DIRECTION

(from detailed top-down planning to scanning, envisioning and course-correcting).

- **Outside-in thinking** – Businesses are operating in a highly dynamic world in which the pace of change is ever-increasing. Leaders have to respond quickly and flexibly, so it is critical that they are open to the outside world. It is now imperative that leaders regularly scan the horizon, ensuring they understand what's going on in the outside world and bringing it in to influence the business strategy and direction.
- **Adaptive strategy anchored to purpose** – The speed at which leaders need to develop strategic responses, adapt and course correct as circumstances change has greatly accelerated. But leaders are facing a polarity: they need to be ready to respond quickly to threats and opportunities, but at the same time they need a clear, consistent sense of vision and purpose. To avoid chaos, leaders need to define guardrails within which individuals can evaluate decisions against the broader organisation purpose.
- **Making sense of complexity** – Leaders are facing a series of paradoxes that they have to make sense of (for example, how to run daily operations with exacting efficiency while creating slack within the organisation to innovate and experiment). A key task of leadership is to help organisations make sense of these complexities, and to find a way to chart a path through ambiguity.

MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

- **Leading in an age of activism** – There is an ever-greater demand on leaders to be transparent and to take a stand on issues that historically they might not have. While public trust in the media and politics is decreasing, trust in business and business leaders is increasing. With this trust comes an increasing expectation – especially among younger generations – that business leaders will speak and act on social issues.

BUILDING THE ORGANISATION INFRASTRUCTURE FOR RAPID EXECUTION

(the tools, metrics, processes and underlying culture that enable experimentation, continual feedback and rapid execution).

- **Build capacity for agile execution** – This is the 'hardware' element; leaders need to be able to build the structure and processes that will increase the speed of decision-making and execution.
- **Develop a culture of learning and experimentation** – This is the 'software' element; leaders need to be able to build and maintain a culture that will support new business imperatives. This is easier said than done.

THE NEW RELATIONAL SKILLSETS

(how leaders develop, motivate, and inspire others).

- **Leading remote and hybrid teams** – As new ways of working embed, leaders have to learn how to lead remote and hybrid teams. For example, how do you as a leader show up online? How do you demonstrate accessibility and authenticity? How do you promote trust and fairness?
- **Leaders as enablers of others** – There is an increasing desire for leaders to adopt more of a coaching mindset; the direction of travel is away from telling others what to do and toward creating an environment where people can thrive.
- **Fostering inclusivity and wellbeing** – Inclusive leadership is not a new concept, but it has both been elevated and taken on additional nuances as a result of the pandemic. Leaders not only have to create and sustain an inclusive environment, but also do so in the context of hybrid working – which means, among other things, avoiding proximity bias. There is also a higher expectation now that leaders pay attention to the wellbeing of their teams.

Gillian closed her session by discussing the implications of the new leadership challenges for leadership development.

- Leadership development needs to support leaders' inner journey (through coaching, the way programmes are designed, by reviewing the capabilities of the leadership development function, and so on).
- Developing leaders' capacity to handle complexity is a priority. This includes understanding how adults develop the capacity for sensemaking and handling paradoxes.

- Leadership development professionals are rethinking experiential learning. There has been a great deal of innovation around technology and virtual learning for leadership development (virtual reality, virtual company visits, etc.). How do we bring unfamiliar situations to leaders without having to leave the office? What are the implications for inclusivity?
- The use of virtual and blended learning programmes is increasing. There is work to do to understand which approach is best, under what circumstances, and when and how virtual learning can be used to embed face-to-face learning – and vice versa.
- There is an increasing demand from leaders for intact team development.
- Leadership development needs to move from 'action-learning' to 'action-doing'. There is increasing focus on how organisations can bring real-life business challenges into the fabric of leaders' development journeys.

> *In sum, leadership development professionals have had to be creative over the course of the pandemic. It was a difficult time, but it offered the opportunity to try new things. This has provided a springboard for continuing to experiment in the post-pandemic landscape.*

DOES CRF'S NEW PARADIGMS FOR LEADERSHIP MODEL RESONATE?

Gillian posed a question to attendees: Does the CRF New Paradigms for Leadership model resonate? Where are the gaps? What, if anything, is being over-emphasised?

Here we capture some of the responses.

→ *"It feels like the qualities in the model are mutually reinforcing. But where do you start? Many organisations have aspirations to move toward this style of leadership, but there are gaps in pockets of the organisation, so do we start with culture, processes, leadership skills? It needs to be tackled in a whole systems way; the connection between leadership development and culture development needs to be very strong."*

→ *"There is tension in our organisation about where to start. We have aspirations to create a more empowered organisation, but we are also coming out of a period where leaders have had to be quite strong in direction-setting. This creates a real tension."*

→ *"At my organisation, we are doing all of these things, but in different ways. For example, every two weeks we have a leadership call on which we*

discuss emerging challenges in real time. We have also conducted a listening tour in Europe – one of the key themes from this tour is that the structure we have is for the business that was, not for the business that will be. For us, it's not sequential; we have to do all of it in different ways, as, when, and where it makes sense in the organisation."

→ *"It strikes me that the model could form the basis of a systemic diagnostic. For example, at my organisation the budget process acts against experimentation. Finance department deadlines squeeze the space for ideas and innovation. The organisational infrastructure hasn't shifted through the pandemic and we need to question whether it is fit-for-purpose. The model could help with this."*

→ *"The model is centred on action verbs but leadership is also about mindsets. We are trying to inject mindset into our leadership framework. There is a bias toward short-term, task-oriented things. Leaders are comfortable with this – they have been trained and are rewarded for this. So it's very difficult for many leaders to build those muscles the other way. With mindset, the earlier you select and start training leaders, the more opportunity you have to shape their mindsets."*

→ *"It is also about how you do what you do. For example, at my organisation a Finance colleague was trying to organise her thinking around costs, but this was disconnected from internal work others were doing on future planning. It's important to ask questions not when you are curious, but at the right time, such as around any intentional planning processes that are going on. How do we structure things to be just in time, to get the right results for the business with the least amount of friction?"*

Q **How can talent marketplaces support leadership development?**

A *Talent marketplaces are digital platforms that allow companies not only to advertise jobs internally, but to signpost other opportunities in the business, such as temporary, project-based opportunities. For example, a manager who needs someone with specific skills for two days a week for four weeks, can advertise on the talent marketplace. The marketplace can provide development opportunities and a way to get projects done. For example, one company uses a talent marketplace for its sustainability projects – matching projects with people and people with projects. This organisation has seen two benefits thus far: improved development of people, and an increase in energised groups of employees who are connected to the organisation's purpose.*

ENERGISING EVERYBODY EVERY DAY AT LEGO GROUP
WITH PROF. JOHN WEEKS

✉ **EMAIL**

PROF. JOHN WEEKS' unique approach to leadership, organisational culture, and change is reflected in his research, teaching, and over twenty years of working with executives worldwide. He helps leaders understand how they can manage themselves to lead others more effectively and to have a positive and intentional impact on the culture in their part of their organisation. In his book, *Unpopular Culture,* and in his writing in the *Harvard Business Review* and *Financial Times,* Weeks explains how, as leaders, we nudge culture every day – what people say and do when they think we are not looking – whether we mean to or not. As we get more senior, we are on stage all the time and the spotlight gets brighter. We are all role-models, for better or worse, even when we don't want to be. The essence of leadership is being your best self more often to have a consistent, insistent and persistent influence on the culture you want to create.

IMD's John Weeks offered insights into his work with the LEGO Group on redefining their leadership framework.

CONTEXT

Some companies had 'good' pandemics, while others did not. LEGO Group had a good pandemic. Their products performed well under the conditions of at-home quarantine. The company also performed better than its competitors, perhaps because it has a very strong brand as a healthy toy. This growth has created big strains on the organisation. While growing faster than expected has led to a good set of problems, it's still a set of problems. Leadership needed to modernise for this new context.

LEGO's CEO had previous experience of top-down processes for developing leadership frameworks. He was not satisfied with those processes, nor their outcome. He came to John with two questions:

• How should LEGO leaders be thinking about leadership?
• What is it that they should be doing?

and a parameter:

• That the process for developing the new leadership framework should be more middle-out / bottom-up than top-down, and inclusive.

MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

WHAT HAPPENED

A working group comprised of 18 people from different levels, functions, and geographies was brought together and sent to the IMD campus. IMD then facilitated a process to help the working group develop a definition of what leadership should look like in the LEGO group.

The process began by recognising and articulating how organisation culture, leadership, and change are intertwined.

- **What is culture?** It's what people say and do when they think you (the boss) aren't looking. This behaviour is based on an internalised set of values about what's important.

- **How does culture form?** Culture is the group level analogue to a habit. We do something for a reason at first (whether from external force or internal motivation), but after a while it becomes a habit. A habit is what we do when our 'boss' (our internal mind) isn't looking.

- **Culture, leadership, and change are lenses that continually intersect.** Change is at the heart of leadership – helping people to change their mindsets and therefore their behaviour. In other words, leadership is about trying to intentionally influence the direction of a culture. A leader's most important legacy is the culture he or she leaves behind in their part of the organisation.

  - **Leaders are on stage.** People are always watching them, and they take much more from what they see leaders do than what they say. In fact, people tend to take the most notice when a leader's actions don't match their words. Leadership requires a super-human level of consistency.

- **Culture is not difficult to change.** We think it is, but it's not. What's difficult is to preserve the parts of a culture that we want to keep as a business changes.

With this grounding, the working group began to redefine LEGO leadership. Four principles and three key questions underpinned this work.

PRINCIPLES

- **Work the task and build the team** – Group members participated in three 2-day workshops that required them to define leadership at LEGO ('work the task') but also build their team. Building the team was about investing in bonds and building trust so that group members could come to alignment later.

- **Divergence and convergence** – Working group members were assigned pre-work (to ask the key questions – see below- of ten diverse people). The purpose of this was to obtain a divergence of views; John didn't want the group to come to a conclusion too soon, without really thinking about all the different possibilities. But divergence had to be followed by convergence; this is where building the team proved its value – the team cohesion made it easier for working group members to come back to convergence.

- **Inside-out and outside-in** – Working group members were tasked to read, think, and speak broadly, including interviewing people outside the company and even speaking to children.

- **Talk-based and behaviour-based** – It is usually easier to behave your way into a new way of thinking than to think your way into a new behaviour. Therefore, success was defined not just by words, but by the definitions of behaviours that would change, and strategies for changing them.

KEY QUESTIONS

- Who counts as a leader?
- What should be done with previous leadership frameworks?
- What is the purpose of a leadership framework?

The working group was energised and positive. Members found that requests to interview people in other companies were positively received – people were willing to talk about their experiences, especially to a company with a powerful brand like LEGO, and these discussions were liberating. The interviews, like the process, were iterative. After each workshop, group members gave feedback to interviewees (sharing progress and explaining choices).

THE SOLUTION

At the end of the process, the working group set a very ambitious goal for LEGO's leadership: To create the space so that everybody feels energised every day.

The 'Leadership Playground' would be a place where LEGO leaders would feel free to explore, play, and innovate. The qualities of this space should include:

- Diversity and individuality (everyone has a leadership responsibility for the LEGO Group).

- Creating space and freedom to express leadership in the playground (it is a psychologically safe space where failure is ok).

- Energising people, thus allowing them to be brave (more willing to take risks), more focussed (on clear priorities such as performance, sustainability) and curious (with a focus on outside-in thinking).

- Observable everyday actions that make a difference in one's daily work.

What concrete structure and behaviours have helped LEGO to achieve its Leadership Playground?

- Leaders were helped to work on themselves. For example, leaders reflected on how they behave when they are not at their best (tired, impatient). This opened up space to think about how they might undermine the psychological safety they are trying to create.

- Structure was harnessed to support the playground. One LEGO 'playground builder' was identified for each team. In the first iteration, playground builders (who keep their role for 2-3 years) were not people leaders of the team. People had to volunteer / apply for the role – LEGO wanted people who wanted to take on the role. They were supported by a playground builder workshop.

- In terms of behaviour change, a number of strategies, termed 'LEGO Missions' were developed to support change. These missions were brought together into a deck of cards; team members could draw and practise a mission.

  - *Curiosity Mission:* Find someone with the same job title in a different part of the LEGO Group and arrange a 5-10 minute video call to talk with them about what they are working on.

  - *Curiosity Mission:* Think about a process you often do at work and consider, "What if I did this in a different way?" Try out a new way for a day.

  - *Focused Mission:* Put on headphones, set an out-of-office message on your email saying, "I'm in power hour and will reply after X o'clock," and then focus on a particular activity for that hour.

  - *Bravery Mission:* Wear your comfiest slippers in the office for a day and reflect on how it felt and if anyone questioned you about it.

  - *Bravery Mission:* Email a senior leader and ask them about their bravest moment.

- 'Campfires' were held to help everyone through the transition. In a campfire conversation, people reflected on how things felt, how they could expand the changes, and what should happen next. Initially, teams used an artifact to signal 'campfires' – to communicate that a different kind of conversation was being had. This artifact was a LEGO model of a campfire, each assembled by its team.

Q **How deliberate were you about the composition of the group of 18? At my organisation, we had a similar exercise but it was a consultant-driven process and did not have the impact that LEGO appears to have had. How did you select the group and was it catalytic to the results?**

A *LEGO had criteria for diversity which we met. Beyond that, we asked leaders from different parts of the organisation for recommendations. Who would be excited by this work? Who would be a natural champion? We were explicitly not looking for cynics. Of course, getting convergence was difficult because of the passion people brought to the group. With a different group of 18, we would have had different results. But the key was that the group knew its solution had to reflect LEGO, to touch and energise its people.*

PURPOSE AT THE CORE OF STRATEGY: HOW LEADING COMPANIES ARE REDEFINING THEIR BUSINESS WITH IVY BUCHE

IVY BUCHE is Associate Director, Business Transformation Initiative at IMD. She works with faculty on organisation transformation projects for large companies. With over 12 years of experience as a researcher and case writer, her specialisation is in the subject areas of Strategy, Leadership and Organisational Behavior. She has published over 50 business case studies on companies across diverse industries and geographies. In 2017 she received the Best Case Writer award for the *Hot Topic – Big Data, Opportunities and Challenges from The Case Center, UK.*

✉ **EMAIL**

IMD's Ivy Buche discussed her research into how companies are creating purpose-led strategies.

We are familiar with strategy formulation and strategy acceleration, but recently there has been an uptick in businesses seeking to build a purpose-driven strategy. What sorts of companies are taking this approach? Typically, they are large, successful companies (not coming from a crisis), led by a new CEO, that are facing disruption.

However, developing a purpose-led strategy can be a challenging journey. Many people are sceptical about purpose. Asked, 'Does purpose matter?', respondents to Ivy's research fell into three categories:

- Those who say, 'no'. This group is characterised by sentiments such as 'we are a business not a charity', or 'purpose is just marketing words on a wall'.

- Those who say, 'maybe'. This group is characterised by sentiments such as 'it's good PR', 'it makes people feel good', or 'if I have the time, I will get to it'.

Ivy identifies purpose statements as part of the problem behind such scepticism. Purpose statements are too often vague or overly specific, riddled with buzzwords and lacking in authenticity.

- Those who say, 'yes'. This group believes that purpose-led strategy is the key to growth, able to help organisations redefine where they operate, reshape what they do, and recreate how they win.

Ivy walked attendees through a case study of how a multinational company developed and executed a purpose-led strategy. Redefining its purpose enabled the company to expand its playing field, open up new markets and create opportunities for acquiring businesses in adjacent markets.

MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

A scientifically based co-creation process is essential to framing purpose and developing a purpose-driven strategy. In the case that Ivy shared, data collection included listening exercises, workshops, and in-depth interviews with senior business leaders, customers, and external stakeholders. Data was analysed and triangulated to increase validity.

Ivy left attendees with a number of key takeaways. When trying to build a purpose-led strategy.

DON'T

- Run strategy formulation and purpose as two separate processes; integrate the two.
- View purpose as the long-term ambition and financial performance as the short-term priority; instead, use purpose to reshape what you do today, and as the seeds for tomorrow's performance.
- Hire an advertising firm or use closed-door discussions with the top team to define purpose; the best answers come from within an organisation, so defining purpose should be a ground-up, inclusive process.

DO

- Put purpose at the core of strategy by redefining the playing field, reshaping the value proposition, focusing on efficiency in traditional activities, fighting for market share in mature industries, harnessing the impact of multiple stakeholders, and managing interactions.

Q **What is the difference between purpose and 'mission' or 'vision' statements?**

A *The terms are often used interchangeably. That said, purpose is the 'why': why do I exist as a company, and if I don't exist tomorrow, what difference does that make for the world?*

PERSPECTIVE TAKING AND OUTSIDE-IN THINKING
WITH JIM PULCRANO

✉ **EMAIL**

JIM PULCRANO is an IMD Adjunct Professor of Entrepreneurship and Management. His current projects include teaching in Lausanne, London and Silicon Valley, research on disruption, and various strategy, networking, customer-centricity and innovation mandates with multinationals in Europe, Asia and the US. Jim joined the management team of IMD in 1993 as Director of Marketing and during his 20-year career at IMD, has had direct responsibility for clients across the world, was a founding member of the Executive MBA teaching team, created and ran IMD's annual startup competition and had responsibility for IMD's worldwide alumni network. Jim stepped down from IMD in 2013 as Executive Director. He is the former Chairman of UNICON, an association of the world's top business schools.

IMD's Jim Pulcrano provided an overview of the 'discovery expedition', which is one leadership development tool for bringing the outside in.

WHAT HAPPENS?

A discovery expedition is a structured, months-long project that culminates in a visit to a specific location (such as Silicon Valley or Singapore), where intensive and immersive learning takes place.

For example, a discovery expedition to Silicon Valley includes the following elements.

- Each participant (EMBA student) is assigned a tech start-up to work with over a 3-4 month period before the site visit. During this period, participants get to know their start-up through coaching and collaboration.
- Participants and their entrepreneurs go to Silicon Valley together. Embedding the entrepreneurs into the site visit is an important aspect of bringing in outside-in thinking, because the entrepreneurs do not resemble the EMBA students.
- Once on the ground in Silicon Valley, participants are taught how to think and act like an anthropologist. Meeting with an actual anthropologist, they learn how to apply an anthropological lens to their work. The idea is to make participants a little bit uncomfortable while also giving them a loose framework and fresh mindset for learning.

- Participants then set out onto the streets of Palo Alto to practise applying their anthropological lens. Each participant has a scenario-based assignment that involves figuring out something about how this new environment works (for example, with respect to transportation or healthcare). They have to talk to strangers, find answers to their questions in the form of photos, quotes, and artifacts, and then bring back to the group what they learned.

- Next, participants have sessions with their start-ups. In these observation sessions, they learn how entrepreneurs run their company and how they make decisions. Participants are tasked with observing who is in the company, whom they meet, who speaks, and equally who isn't there or doesn't speak.

- Learning also takes place at large, established companies. The learning typically becomes a bit more difficult at this point. Participants often find the large companies 'boring' compared to the exciting world of the start-ups. Still, they are tasked to observe these companies in the same way they observed the start-ups – how are decisions made, what is the environment like, what can be learned from them? For some participants, the learning is easier, if less exciting, because these companies are similar to their own.

- After these organised visits, participants then have to set up their own visits and meetings. It is left up to them to decide how to approach this. Will they make visits individually, in pairs with their entrepreneur, or as a team? Will the meetings be around their personal interests? Professional interests? Directly tied to their start-up assignment? Each participant is free to customise according to his or her needs. This is so they can learn how to discover a place, and test their networking and sales capabilities. By leaving some aspects of the experience unscripted, space is created for serendipitous learning.

- Finally, participants pitch their tech start-up to Silicon Valley venture capitalists. The entrepreneur is in the room, but the programme participant does the pitch and fields the Q&A. This gives the participant the experience of being in the shoes of their entrepreneur.

Jim closed his session by sharing a number of questions leadership development professionals should ask themselves as they design outside-in learning experiences.

- Is there something to learn?
- Will the learning experience be exploration-based or prescribed?
- Scripted or loosely scripted on the go?
- Is the goal 'learning about XYZ' or 'learning how to learn'?
- Can you give up control?
- How much ambiguity are you willing to accept? How much is the participant willing to accept?
- Will you let the learner leave the programme without a perfect answer? Will the organisation accept this?
- How much real world, real learning, real impact do you want?

Q Do companies that are part of discovery expeditions present themselves authentically?

A *Not always. Sometimes they present a polished 'communications package', which is a learning about the company in and of itself. We try to avoid those companies, and have in fact removed some from the programme. Inauthenticity is less of a problem in start-ups than in big companies. It's ideal to find the 'engine room' people who really know a company. Can they talk to how the company exists in its ecosystem? But navigating authenticity comes down to participants as well – how good are they at learning? Can they ask a provocative question in a way that will get an answer?*

Q What is the proportion between reflection time and experience time on a discovery expedition?

A *There is almost zero time for reflection during the first half of the expedition (though we do have debriefs). This is deliberate. We explicitly choreograph the programme to keep pushing the pressure higher and higher, and then hit a relaxation point. Reflection time comes during the last two days.*

Q How do people make their learnings from a discovery expedition into habits?

A *The pace of the expedition means that habits have started forming by the end of the week. Additionally, participants typically go on two additional expeditions to other locations, which further reinforces these new habits.*

Q Is Silicon Valley too idealised a destination for a discovery expedition? Perhaps it's useful to go to a
A place that isn't so impressive, where there are things to fix. Other places might be more realistic to their learners' environments?

It's true that Silicon Valley is a bubble. There are some advantages of being in a bubble, and certainly the businesses we visit like the opportunity to be exposed to outside-in thinking. Going into a bubble is a learning in and of itself. That said, discovery expeditions typically come in sets of three, and other locations, such as Peru, Singapore, and Brazil, provide a deep contrast in experience.

MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

IN CONVERSATION
WITH GILLIAN PILLANS AND WINTER NIE

DR. WINTER NIE is Professor of Leadership and Change Management at IMD. She has a deep understanding of how people at different levels of an organisation react to change and how leaders can effectively manage resistance and organisational dynamics. Her work focuses on the inherent tension between centralised power and localisation, mature and emerging markets, technology push and market pull, internal and external focus, as well as short-term financial performance and long-term survival. The role of leadership is not to eliminate but skilfully navigate through these tensions into the future.

✉ **EMAIL**

In a virtual session, Gillian Pillans and Winter Nie discussed highlights from the research (see page 2) and other aspects of leadership development. In this section, we summarise the discussion and Q&A from the session.

WHAT IS OUTSIDE-IN LEARNING ABOUT?

- IMD noticed a trend, pre-pandemic, of companies wanting leadership learning and development experiences outside the traditional classroom setting. This desire initially manifested as, 'can you take us to China?'. IMD initially thought top leadership simply wanted to know more about the business context in China, but it became apparent that what businesses were really seeking was an outside-in perspective.
- It's difficult to get an outside-in perspective while sitting in a classroom, and/or while in your comfort zone.
- Companies often say they want an outside-in perspective (learning from other industries, geographies, etc.), but then also want relevance. Leadership development professionals have to be prepared to challenge the company on what they really want. Can they let go of the desire to control all the variables around learning (after all, it's the spontaneous moments or when something goes wrong that learning really happens)? Are they prepared to embrace learning about how one learns in uncomfortable situations?

WHAT IS NEW AND/OR EXCITING ABOUT VIRTUAL REALITY AS A TOOL FOR LEARNING?

- Companies want senior leaders to make sense of an unknown world. How do we teach sensemaking? Virtual reality is proving to be one useful tool for doing so.

- There are two aspects of sensemaking: cognitive and emotional. IMD's virtual reality experience allows experimenting, learning and doing simultaneously, perspective taking, and leveraging team diversity. The team members must learn how to communicate and piece together myriads of information to achieve their goal.
- Virtual reality is helpful for emotional sensemaking because it puts participants into vulnerable and uncomfortable situations in which failure is likely. How do your emotions impact your actions? Are you willing to keep experimenting? Does frustration stop you?
- Virtual reality offers learning at multiple levels, and helps it stick. For example, the virtual reality game that attendees played had the following elements.
    - It provided an emotional experience, through which players learned something about themselves and their own reactions to an uncertain environment.
    - The game was structured so that participants played different roles over several iterations; putting them into different perspectives helped with sensemaking.

WHAT IS NEUROSCIENCE TEACHING US ABOUT THE INTERSECTION OF ANXIETY AND LEADERSHIP?

- Anxiety is the mind and body's reaction to stressful, dangerous, or unfamiliar situations. It's the sense of uneasiness, distress, or dread you feel before a significant event. Humans have always had to deal with anxiety. Some anxiety alerts us to danger. As Rollo May said "we are no longer prey to tigers and mastodons but to damage to our self-esteem, ostracism by our group, or the threat of losing out in the competitive struggle. The form of anxiety has changed, but the experience remains relatively the same." The challenge today is we face the real threat, anticipated threat, and imagined threat, coming from all places. It is relentless. We never give our body a chance to breathe, repair, and recover. The repeated triggering of negative thoughts and moods can begin wearing grooves in the mind. For example, some people genuinely believe that if they worry enough over their unhappiness they will eventually find a solution. Research shows that brooding reduces our ability to solve problems and it is hopeless for dealing with emotional difficulties.
- Once anxiety is triggered, it is difficult to reverse the process of reaction.
- Anxiety presents a challenge for leadership development professionals. They need to be empathetic towards leaders and the challenges they face, ensuring the right support is in place.
- In practice this means developing programmes that include these elements:
    - An understanding of how the body works and how it reacts to anxiety.
    - Exercise.
    - Mindfulness.
    - Transparency and openness around having conversations about anxiety.

MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

Q How have you seen organisations take the first step to enabling senior leaders to push themselves outside of their comfort zones into a challenging unknown scenario that may fail and how is this embraced (rather than managed in a less positive way)?

A *I see a big gap between saying and doing. Every company says 'we want to be more innovative, we encourage mistakes', but in reality, one mistake could impact your career. So to overcome these perfectionist tendencies, we have to address specific elements of a leader's personality profile – the specific barriers for each as an individual (people tend to listen when it's about them). The skill level of facilitators is also important; they need to be able to act somewhere between a coaching and a therapeutic approach.*

Q As we begin to emerge from the pandemic many companies (and their senior leaders) seem to want to revert to the 'tried and tested' they are comfortable and familiar with (such as return to office) as opposed to learning from the forced experiment, or practising the perspective-taking you describe. We hear a lot of talk about wanting to 'get back to how things were' rather than learn the lessons. Any ideas on how to address this / things you have seen work well to encourage this experimentation and learning? How do we deal with old guard leaders who are set in their ways and don't want to evolve their ways of working?

A *We hear this a lot. These leaders make a rational argument: 'the pandemic is over, face-to-face is more productive because otherwise I don't know if you are working'. It's hard to convince people who have already made up their minds; usually, some kind of compromise emerges. But there is now a groundswell of employees who want to work differently; there is increasing dissonance between leaders (in favour of the old ways), and employees who generally are not. Will the old guard be pushed out over time, or will they have to compromise, against the pressures of the Great Resignation, talent shortages, a tight labour market, and so on? Yes, probably they will. It's difficult to stand against the times.*

Q Any tips on measuring impact? Is it 'just' about behavioural change, or is there something more we should be focusing on?

A *This is a million-dollar question. There are three common ways of measuring impact. Personal assessment (did you make the progress you wanted to make?); 360-feedback, which is more effective when a small number of measures are followed up at different points over time, and simply having a conversation with your manager. Engaging a line manager is important for impact. They need an understanding of the experience the learner has had, how the learner might be different when they come back, and how they can help align the learning with the larger team's work and context. In general, it's important to be really clear about learning objectives – we can't know if progress has been made if clear objectives weren't defined up-front. Ultimately, you can't look at one measure in isolation. Instead, focus on triangulating different measures.*

Q During the pandemic, companies canned leadership development or moved to virtual leadership development. What are the do's and don'ts on virtual leadership development?

A *There has been lots of excitement, but then fatigue with virtual learning. That said, overall, to people's surprise and low expectations, it's not bad. A few things we have learned are to keep sessions to 90 minutes – longer sessions are more difficult and not optimal for learning. When people started coming back for in-person learning, we had to figure out how to include people who still can't be physically present. We thought outside the box and tried hybrid learning solutions. Some people are present, others join virtually. This was a big mistake. It's a terrible experience for virtual learners unless everyone is virtual. Back to the positive side, we can do lots of experiential learning virtually, and it is often more inclusive in the sense that more people can attend.*

Q Should we measure leaders against their ability to build trust-based relationships? If so, how?

A *Yes, we should. There is a lot of talk about psychological safety, but few set out to measure it. I have measured for psychological safety in my work with intact teams and they have been shocked by the results. See link to the survey instrument [here](#).*

FURTHER READING

Slides from the Sessions and Masterclass are available upon request.

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Weeks, John and Lisa Duke. 2021. **The LEGO Group Leadership Playground: Energizing Everybody Every Day (A).** https://www.thecasecentre.org/products/view?id=174839

Weeks, John and Lisa Duke. 2021. **The LEGO Group Leadership Playground: Energizing Everybody Every Day (B).** https://www.thecasecentre.org/products/view?id=174844

UPCOMING EVENTS

IN-PERSON AND ONLINE:
Summer Lecture: The Misuse of Data
9th June, 17.30 BST, Central London
9th June, 18.00 BST, Online

IN-PERSON AND ONLINE:
Organisation Design for Agility
29th September, 9.00 BST, Central London
29th September, 10.00 BST, Online

IN-PERSON AND ONLINE:
The Future of Learning
10th November, 9.00 GMT, Central London
10th November, 10.00 GMT, Online

CRF ATHENS
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Trading in the New Business Landscape

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This programme takes a business-centric approach to enhance your understanding of how HR delivers value. It will improve your capability in planning, implementing and evaluating HR initiatives and support you in managing key organisational relationships. You will develop the skills to drive conversations that go beyond 'what do you want HR to do?' to 'how HR can best deliver value to you'.