

Executive Leadership Development



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Report

EXECUTIVE SUMMARY:

Leadership development has undergone major changes in the last five years. Current practice has moved away from skills training for executives. Instead, those entering the upper levels are learning through structured discussions of major company policies, procedures, strategies and through the actual development of corporate initiatives.

Formal group work has become an opportunity to solve business problems, install cultural values, update strategy and develop executive skill simultaneously. Actual “how-to” classroom instruction is minimal. Participants get individualized feedback and coaching around their personal style and ability.

An additional benefit to this approach is that the highest levels of the company facilitate these discussions and strategy sessions providing reinforcement, communication and connection within the ranks of leadership.

The most effective programs include:

- Leadership model or competencies;
- Clear participant selection process with clear criteria;
- Pre-course preparation;
- Personalized 360 feedback;
- Use of multiple learning methods;
- Extended learning periods and multiple sessions employing action planning;
- Full organizational support systems after the formal learning sessions.

The study that follows includes a review of theory on leadership development, a description of current practice among companies that have stayed training-focused, example programs from companies that have moved to the new “action learning” model and finally two best practice examples: CCL and GE.

Leading edge leadership training:

- Focuses on taking abilities, traits and attributes and developing them into the behaviors associated with effective leadership;
- Engages participants in the key strategies internal and external that are current- or future-oriented;
- Uses structured learning to enable participants to analyze and recommend solutions to key company issues;
- Sharply differentiates leadership development from management training.

Section I: Research on Leadership Development

A large number of current leadership development programs are built on assumptions that have been superceded by more recent research.

THEORIES:

Despite years of discussion (about traits, “managerial grids,” “situational leadership,” contingency theory, principle-centered leadership, competencies, transformational leaders), there is still confusion about whether effective leadership behavior depends on the situation, especially the maturity level of the group, or is a constant with certain leadership behaviors consistently drawing better results.

Current research indicates that there are normative leadership behaviors. Successful leaders over and over again demonstrate a participative approach with high consideration for people and high attention to task.

More specifically, leadership behaviors can be broken down into categories. These include: challenging current processes (search for opportunities, experiment and take risks), inspiring a shared vision (look to the future, enlist support of others), enabling others to act (encourage collaboration, build others’ confidence), providing models (lead by example, create incremental victories), and building spirit (recognize achievement, celebrate accomplishments).

Additionally, current theory and research support effective leaders as having respected personal character and values. Accordingly, leadership begins with the self and, for the highest level of effectiveness, is morally based (defined as having integrity, trust, service, and participation).

Leadership is different from managerial behavior. Skills such as budgeting and planning are placed under the category of managerial or supervisory behavior, not leadership.

This theoretical base asserts that leadership can be learned but not necessarily taught.

APPROACHES:

Formal Executive Development has progressed through three key stages: 1. one time training courses, 2. a curricular approach and 3. action learning.

Initially, executive or management development focused on a course or courses that taught the fundamental skills required to lead and manage a company.

Then in the ‘90s, the field moved to a curriculum approach which prepared managers for advancement by a lock-step series of programs. In many companies, a quota of management education was established and referred to as “corporate university.” This approach was based on the conviction that the manager needed different knowledge at different stages of his/her career. The more sophisticated training programs involved methods that made participants apply their skills in simulations and other kinds of practice.

Current practice has moved from these simulations and focuses on having participants attack real problems and scenarios – even looking ahead to create and work with future possibilities. Managerial skills are frequently broken off as a separate, prerequisite topic.

Section II: Actual Practice

Many companies have kept in place formal classroom training for their executives and leaders. The next section focuses mainly on those companies and their approaches to executive leadership development.

Company examples used to examine formal training practices.

- Abbott Laboratories
- Prudential
- 3com
- Chevron
- Fortis Group
- Health First Inc.
- UPS

Traits

Of the companies benchmarked, the following were actually identified as traits that characterize a “leader.”

- Vision: ability to see where the company should go and to explain that direction to employees. This was the most frequently mentioned attribute.
- Admirable values and beliefs: high standards, credibility, principles, trusted.
- Skill at and a tendency toward teamwork and collaboration: an inclusive style, developer, coordinator, team builder, a person who seeks input.
- Business and technical knowledge: strategic thinker, knows the industry, intelligence, wisdom.
- Communication skills: ability to talk with all levels of the company.
- Personal attributes such as attentive, compassionate, courageous, empathetic enthusiastic and open.

Development

All of the companies surveyed used multiple methods for developing leadership. In larger companies there was a carefully planned mix and sequence of these activities. They included:

- Formal external education;
- In-house classroom training;
- Self-directed study;
- Career-pathing system;
- Succession planning;
- Team projects;
- On-the-job assignments;
- Challenging assignments;
- Mentoring;
- Community projects.

Training Topics

Topics frequently included in formal training include:

- Teamwork;
- Communication;
- Financial skills;
- Coaching;
- Change management;
- Vision;
- Values;
- Performance management;
- Business Skills.

Only about one third surveyed provided actual training around visioning despite the fact that it had been identified as the most important characteristic of a leader. This corresponds to findings by Watson Wyatt (a consulting group) and ASTD studies in 1994, 1996 and 1998. More than 2000 companies were included in this research.

Measurement:

Relatively few companies have formal measures of the success of their leadership and the company's leadership styles. Those that do identified as the most important variables used:

- Profitability;
- Customer satisfaction;
- Employee attitudes;
- Sales revenue increases;
- Company reputation.

Again, despite its identification as a key attribute, visioning as a characteristic to be viewed as a measure of success was placed much lower. This is supported by a Saratoga Institute study (1998) which established that of 11 potential variables, visioning ranked 11th as a measure that companies actually used to evaluate leadership.

Innovation in Training

Training topics that companies self-selected as "new and innovative" in their training included:

- Candid conversations;
- Competitive positioning;
- Conflict management;
- Understanding and developing culture;
- Getting comfortable with risk;
- Inclusive management;
- Global effectiveness;
- Loyal dissent;
- Relationship building;
- Innovation.

Section III: Characteristics of Leading Programs

Many leading programs focus on self-discovery. They deal with “finding your voice,” credibility and authenticity, and learning about and developing individual guiding beliefs and assumptions. Therefore, they start off 360 feedback, interviews and various other kinds of feedback.

They are a mix of learning experiences, lectures, case studies, experiential exercises, and simulations.

The most effective programs include:

- Leadership model or competencies;
- Clear participant selection process with clear criteria;
- Pr-course preparation;
- Personalized 360 feedback;
- Use multiple learning methods;
- Extended learning periods and multiple sessions/action planning;
- Full organizational support systems after the formal learning sessions.

Training/Action Learning Hybrids

ARAMARK

ARAMARK sponsors a nine-month Executive Leadership Institute consisting of four program modules and an action learning experience:

- Module One: Introduction: Leadership Through Teamwork, Managing the Cycles of Change, The Challenge of Service Excellence, Market Analysis (Chairman), Business Development Plans and Programs, System Thinking, Action Project, Summary. Project Work.
- Module Two: Organizational Alignment, Financial Management, Action Projects.
- Module Three: Projects, Presentations.
- Module Four: Project Updates, Exploiting Changes for Market Leadership.

Johnson and Johnson

Program characteristics are shaped by the Johnson and Johnson “Credo” and philosophy of decentralization.

The leadership program was designed through a project called “FrameworkS.” It examined and clarified key issues facing the firm such as U.S. health care reform, global consumer health care opportunities and organizational changes.

It is a multilevel program. First-level managers take one module focused on “Credo” and what it means to individuals in basic management jobs. This module is delivered by line executives and supported by CBT and web-based technology. This minimizes time away from the job. Middle management takes a similar course but the technology is replaced by classroom instruction. Managers of Managers again take a “Credo” unit plus examining their impact on regional leadership challenges.

Organizational leaders take a program named “Standards of Leadership.” It involves personal leadership including 360 feedback. In the “Credo” unit for this group senior executives facilitate discussions about the J&J statement of values. The group then moves to action learning projects.

Section IV: Action Learning

Action learning is the leading edge technique for executive development. It has participants work on a real solution to a real business problem. The solution is presented to a group of decision makers who decide on implementation and provide feedback on the recommendation itself.

Major components include selection of issues and participants, building participants into a team and orienting them to the business issues, data gathering by the participant team, analysis of data and development of a recommendation, presentation to business heads, debrief and reflection and follow up on recommendation by senior management.

Citibank Model

Section V: Conclusion

Leading edge leadership training:

- Focuses on taking abilities, traits and attributes and developing them into the behaviors associated with effective leadership;
- Engages participants in the key strategies internal and external that are current future oriented;
- Uses structured learning to enable participants to analyze and recommend solutions to key company issue;
- Sharply differentiates leadership development from management training.

APPENDIX I

Center for Creative Leadership (CCL)

Leadership Development Program (LDP)®

Focus

A program designed to offer middle-level to upper-level managers an opportunity to stimulate a process of growth to help them become more successful and productive in their work and personal lives and more effective in leading others to do the same. One of the most effective and popular programs of its kind in the world, drawn from the Center's nearly 30 years of research and experience in individual development.

Results

Through the program, participants:

- Explore three critical questions:
- How do my co-workers perceive me as an individual?
- Who am I in relation to the work groups in which I'm involved?
- Who am I in relation to my organization?
- Acquire a better understanding of their strengths and weaknesses, improve their ability to give and receive constructive feedback, and assess and develop a leadership style and its effectiveness;
- See the connection between their individual impact and effectiveness and that of their work group and organization;
- Leave the program with a plan for transferring their new skills into actual practice.

Special Features

- Blends coaching, change management, activity-based learning and individual feedback to help participants develop their capacity for total leadership.
- Post-program feedback regarding behavior change is an integrated part of the program experience for continued learning over time.

Leadership at the Peak

Focus

A program that gives top executives a rare opportunity to join a small, powerful group of their peers in evaluating and building leadership skills at the highest levels. It is one of the most highly regarded programs of its kind in the world. Open only to top management, such as CEOs, presidents, senior executives, COOs, chairpersons and elected corporate officers.

Results

Through the program, participants:

- Gain an accurate picture of themselves as leaders and the impact their leadership has on others;
- Acquire new ways to increase their effectiveness;
- Learn more about the reasons for success and failure at the executive level;
- Gain new insights on topics important to them and their organizations, such as executive selection, communicating a vision and fostering teamwork.

Special Features

- Intensive, personalized feedback from peers and direct reports, delivered by Center professionals.
- A simulated television interview session that focuses on public image, to help participants improve communication skills.
- The new Center simulation which replicates the leader selection process.
- An opportunity for on-going coaching with Center professionals.
- A fitness evaluation, used for considering the relationship between fitness and leaders.

Awareness Program for Executive Excellence (APEX)®

Focus

An intensive program delivered over time to help senior-level executives successfully meet their leadership challenges, to be more effective and satisfied as a person and leader, and to widen feedback channels for long-term successful development.

Results

Through the program, participants:

- Develop a “whole life” understanding of themselves gained through a heightened awareness of basic aspects of personality and needs, as well as through a personal and family biography;
- Identify issues involving strengths and development needs in both professional and personal areas that will let them more effectively address responsibilities and challenges;
- Design and put into effect a long-term development plan based on intense involvement on the part of the executive, who works with a team of Center staff to discover and then paint a portrait of the history, current status and future possibilities for the individual.

Special Features

- Employs psychological and behavioral instruments and extensive interviews with coworkers, family members and friends to generate detailed information.
- Involves individual coaching with Center staff – from three months to a year – to help the executive establish, achieve and monitor goals on the job.
- Takes place primarily at participant’s work site and home.

APPENDIX II

GE Executive Development Model

The objective of GE Executive Development is for successful leaders to perpetuate their talents among a select group of potential future executives. This creates a talent pool of people who are prepared to sustain GE's business success in the future.

Program structure

- Executives go through two training programs
- Global Business Management (Global BMC) and Executive Development (EDC)
- Classroom training is avoided. Each program is a two- or three-week intensive action learning experience
- Classes are broken into smaller work groups to facilitate networking and to form linkages among the future leaders of the company
- Participants are being tested on their flexibility and ability to deal with ambiguity.

Curriculum

- All programs include an appropriate level of skill development based on GE's key initiatives – finance, legal, six sigma quality, globalization, innovation, teaming, cross-cultural awareness, facilitative leadership, change acceleration, e business and services.

Global BMC

- Global BMC gives participants a GE case study of a real current business issue.
- Participants travel worldwide for almost three weeks studying the problem.
- Class groups formally present their analyses and recommendations to the Management Committee at the conclusion of the program.
- Participants are expected to maintain their new network after returning to their business units.
- Past participants meet with the group to share what happened to them after they attended the course.

EDC

- Two-week course taught by the top officers of the company. For this reason, the class does not travel.
- The foundation of the program is one action learning case, with summary presentations made to the Executive Committee.
- In addition, each day the class meets with two officers of the company who talk about their business successes and failures.
- GE makes sure the networking experiences for this high level group are worthwhile. They invest in this group.

Content Development

- Full time Program Managers are responsible for keeping the content relevant.
- Input on content comes from business leaders, key university professors, and from Jack Welch.
- Program Managers are rotated about every two years to keep the ensure that the content does not become stale.

Instructors

- Current leaders and retired leaders teach.
- Jack Welch instructs the highest level groups twice a month.
- When someone has been trained in leadership, they are expected to formally train others EDC participants are assigned a team coach. One coach serves about eight students. Coaches are strategic experts, usually from a top university.

Participants

- Executive development is limited to the top 1% of employees.
- Participants are nominated by CEO and head of HR.
- Although some executives attempt to opt out, these programs are not optional.