Competing for leadership talent: accelerate learning!

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Abstract

There is a perceived lack of leadership talent in the international business world. To deal with this lack a company can improve their value proposition and recruitment strategies. It can also provide accelerated learning for leadership.

Leadership is learned on the basis of on the job experience. There are seven key learning experiences for leaders: personal trauma, mission impossible, set backs, role models, conflicting norms and values and dealing with sub-ordinates and the political arena. Though not all successful leaders are top learners, top learners are successful leaders. The accelerated learning process can be described in four steps.

In this article we will argue that this best in class leadership development is the sustainable way forwards to deal with increased competition for leadership talent.

Introduction

Finding leadership talent is more urgent than ever for multinational organizations. Leadership talent seems to have become scarcer: commitment to leadership jobs is shorter term and demographically the segment that supplies future leaders (25-40 year olds) is decreasing (Michaels et al, 2001). Furthermore the demands placed on leadership have increased which decreases talent pool even more. The competencies required for a managerial job are increasing as globalization, deregulation and rapid advances in technology change the game in most industries. Professional knowledge is not enough; there is an increasing focus on technological know how, financial leadership, customer orientation and personal leadership.

To deal with this lack of international leadership talent a company can improve their value proposition and recruitment strategies. It can also provide accelerated learning for leadership practices. This is the sustainable way forwards to deal with the increased competition for leadership talent.

In 2001 we embarked upon a research program called learning for leadership. The goal was to find ways to increase the return on investment of leadership development in the Netherlands. Learning was defined as a relatively stable behavioural change based on experience (Bass and Vaughan, 1966). The research was focussed on two questions: How do leaders learn to lead? How can leadership development be accelerated?

The first question was explored using critical learning interviews amongst people identified as leadership talent in five multinational companies in the Netherlands such as Unilever, EMI

Music, ASML, Heineken and Shell (see de Kleer et al, 2002 for more information on research method). Analysis of best practice international leadership development offered many insights to answer the second question.

Defining leadership talent

One of the interesting questions that arose as we were preparing our research was actually how do we define leadership talent? The trend on how to identify leadership talent has changed over the years from innate ability to leadership competencies.

Most people talk about leadership talent as if it is a unidimensional fixed competency. Leadership however requires many complex skills and there are usually several equally effective ways to achieve the desired outcomes. Leadership talent is a multidimensional concept.

Secondly, leadership talent is comprised of inherent and learned abilities, developed through accumulated experience. It changes over time though one can say that there are early markers to identify leadership talent (McCall & Hollenbeck, 2002). Some of the markers identified are:
1. actively seeks opportunities and feedback to learn
2. acts with integrity despite situational pressure
3. open to (cultural) differences
4. committed to making a difference
5. brings out the best in others
6. has courage to take risks
7. takes responsibility for mistakes and shares succes with others

Thirdly leadership talent usually has value within a specific cultural and strategic context. The cultural context for instance determines *how* business needs to be done, not necessarily *what* needs to be done. An international context provides greater opportunities to learn but also to fail, for instance with regard to family stability, support and monitoring from base company, working for boss from different culture. Leadership talent is a contextual concept.

Fourthly leadership strengths can turn into weaknesses when over-used within a changing situational context. For instance a track record in one specific area becomes a burden when moving to a general leadership position or professional commitment can turn into a liability if it means losing perspective of the whole picture. In other words leadership talent is a relative concept.

Lastly the point of identifying talent is to increase the effectiveness of organizational leadership However, effectiveness is determined by two factors, leadership talent x acceptance by others. In other words leadership talent is a relational concept.

Because leadership talent is multidimensional, inherent and learned, contextual, relative and relational one could argue that it is not scarce at all, and that the perceived competition *between* companies for talent is actually an illussion. Regardless there is a need to accelerate leadership learning *within* companies because the rate of change in the context is faster than the speed at which we can develop leadership in traditional ways.

Accelerated development through key learning events

When successful leaders are asked how they learned to lead, most of them will say they learned through on the job experience. Research confirms that on the job experience contributes significantly more to learning than knowledge or skills oriented training (Tannenbaum & Yokl, 1992). Learning in this artcile is defined as a change in behaviour. But what experiences contribute most to their learning?

Morgan McCall cs. have done a lot of research which shows that there are five key learning events that leaders recall time and again (Lindsey, Holmes and McCall, 1988): Mission impossible, Set backs, Role models, Conflicting norms and values and dealing with sub ordinates. In our research program we also identified dealing with the political arena and personal experiences as key learning events (de Kleer, Van Poelje, v.d. Berg, 2002).

1. Mission impossible
These are seemingly impossible assignments which have to be completed under pressure (time, money resources) but eventually lead to success. Examples are multi disciplinary projects, switching from staff to a line leadership job, managing large virtual teams.

One manager recounted having to lay a pipe line through the desert, while having to deal with the fact that the local population kept dismantling the pipes to make water reservoirs. This situation forced the manager to reassess his usual linear engineering approach. He had to call together a multi-disciplinary team including the chieftains of the local population to solve the proble. This was so succesful that he has been working that way ever since.

2. Set backs
Mistakes and failures, demotions or missed opportunities are all examples of set backs in business that can lead to key learning.

One manager told of his career move within the music business from a small to a large label, where he became one of a large number of managers and staff. He learned the hard way that being a manager was not half as much fun for him as working with the artists, and applied successfully for his old job. He learned that fulfilling his passion was more important to him than hierarchical position.On the basis of his passionate way of working he later did become the CEO of the company.

3. Role models
During the research we categorized different types of role models. The sponsor and the guide are positive examples; the regent and controller are negative examples (de Kleer, Van Poelje, v.d. Berg, 2002). Both positive and negative role models have an important effect on learning leadership. At an early stage of their career leaders tend to copy or reject a complete leadership stereotype (e.g. "whatever I do, I don't want to become like him"). More senior leaders choose specific characteristics of their role models that they want to copy e.g. I like the way she gives feedback".

4. Conflicting norms and values
Situations were the personal values conflict with business interests are cited as key learning events.

For instance one young female manager had to get a deal in a country where it was quite common to pay bribes to officials. The core value of the company was integrity. This manager learned to take a stand for her own values while negotiating a way to accommodating the national way of doing things. She said she learned that whatever the local cultural values it was more important to keep her personal integrity. This proved to be one of the core reasons she later got promoted so quickly within her company.

5. Dealing with sub ordinates
Young leaders often cited managing their first team as a key learning event. Dealing with performance issues came up time and again.

For instance one manager told of an employee who had stolen from the kitty to pay for a colour television. It was the week of the world championships football. Because the man had been with the company for over 30 years and had always performed well this manager decided to negotiate a deal whereby the man had to pay back in instalments. Meanwhile the television was put in the canteen for all to enjoy. The manager said he learned to be flexible in his approach to sub ordinates, but hard on the task because of this event.

6. Dealing with the political arena
Many professionals who became leaders talked of politics as a key learning event.

One manager was responsible for the introduction of a new international product line in food and beverage. During his market research he discovered that introduction of this product was a bad investment in the Netherlands. Despite the fact that it was the Dutch CEO´s baby, he argued his point in the Board. He learned that it would have been wiser to lobby for his point beforehand instead of being seen to be in a publicly conflicting stance. He said that he never forgot this lesson and always involved stakeholders beforehand from then onwards.

7. Personal experiences
Many leaders spoke of the death of a close family member or the birth of their first child as key learning events. Interestingly formal training programs were not mentioned as key learning events, except when accompanied with personal coaching or confrontation of individual behaviour.

One manager spoke of the fact that his mother said on her deathbed: "If I look back on my life now I am only sorry I didn't grab all the chances I got. Why are you always so careful and calculating son? Sometimes you just have to take chances". After she died he found a new job, got married and bought a house. This manager says he learned to take risks and trust people's process much more because of his mother's last words.

Do all leaders learn through key learning events?
The good news is that learning in the sense of changing behaviour proved possible for many leaders in our research program. However, though most leadership behaviour is learned through key learning events, not all key learning events lead to learning. Think about it: many people actually experience impossible assignments, setbacks, role models. Not all people change their behaviour because of these experiences.

So what differentiates learners from others? Leaders develop patterns of behaviour when they are young, and confirm these in later life on the basis of rewards and sanctions, like

everybody else. In our research we called these patterns succesformulas, because they proved successful in surviving childhood and later also apparently created enough credit within organizations for these people to be promoted to leadership positions.

In our follow-up research we investigated differences between learners and non-learners and found that the following concept of the internal learning process helps to understand the difference between learners and non learners (see also: van Poelje, 1992; Schiff, 1971; Mellor, 1975):

Figure 1. Key learning process

Learners go through a whole process of accounting for the situation, problem, options, responsibility and resources, whereas non-learners tend to discount. The process is interactive; under pressure people can switch from accounting to discounting during the event. The main difference between learners and non learners are: interpretation of the event in terms of fear or excitement and taking responsibility.

One Dutch leadership trainee told us of her experience during an international assignment in Zaire which illustrates the learning process and the switch from discounting to accounting: I was told to set up a new customer support office in Zaire. Soon I discovered that the local population was very segregated from the community of expatriates and that there was a learned helplessness and dependency between the expat leaders and the local workforce. Coming from the emancipated background I grew up in, I immediately set out to change the culture (discount of own situation). I spent my evenings with my African friends and ignored the expat community. And at work I set up a leadership rotation program with the locals (discount of aspects of the problem). This created so much unrest that I was unable to realize the goals I had been contracted for. The situation escalated to a point where I was summoned to leave Zaire altogether. I realised that the behaviour I had learned when I was a child may have worked in that situation, but it was counterproductive in my new home (switch to accounting and taking responsibility). I changed my behaviour, engaged with my fellow expats and realized that they had gone through a whole process that I could learn from. I also realized that changing the leadership style in Zaire would need patience, and tenacity the next three years I learned different ways to realize my own goals and the project goals. This has changed my way of leadership completely.

Sustainable leadership development

To increase the return on investment of leadership development two paths present themselves: decrease the investment and increase the learning result. Our research showed that leadership is learned from experience and learning is enhanced if all steps of the described learning process are fulfilled.

Steps in setting up sustainable leadership development are:
1. Identify the type of leadership talent needed. Remember leadership talent is multidimensional, inherent and learned, cultural and strategically contextual, relative and relational because dependent on acceptance by others.
2. Make sure your identified talent is actually capable of accelerated learning, and not just a one trick pony.
3. Identify where leadership talent can be placed in the company to experience key learning events.

4. Increase the rate and quality of feedback on performance, both positive and negative, preferably through specially trained key learning coaches.
5. Make sure all HR systems point in the same direction e.g. change reward systems to include reward for learning besides reward for performance

Though companies can do a lot to accelerate leadership development, it is important to remember that responsibility for learning ultimately lies with employee, regardless of whether an organization supports them. This is a true mark of leadership talent!

Best practice accelerated leadership development

To increase the results of LD any leadership development program should be based on matching talented leaders with key learning events, coaching them for learning and creating a supportive community. Traditional knowledge and skills training can be introduced, to support the learning, but should not be central to leadership development.

In the company I worked for as director of learning and development we put this theory into practice. Central to the three internal leadership development programs are action learning projects, job rotation programs and international assignments. The projects are chosen and assigned by the Board of Leadership. They are real projects, anchored in the organizational strategy. After completing the projects the results are presented at a company wide conference.

All participants get a leadership mentor and a project coach. The mentor helps them align their project with the organizational development effort. The project coach is focussed solely on supporting learning. To support the participants further a virtual learning community has been created, where everyone can exchange their learning experiences with each other and turn them into best practices for the company.

There are modules on offer, directed at transferring knowledge and skills, necessary to contribute to the bottom line within the company. Examples are modules on leadership, technological innovation, customer relationship leadership.

Conclusions

There is a perceived lack of leadership talent in the international business world. To deal with this lack a company can improve their value proposition and recruitment strategies. It can also provide accelerated learning for leadership.

When identifying leadership talent it is important to keep in mind that talent is multidimensional, contextual, relative and relational. Because of this we could also speak of an abundance of leadership talent rather than scarcity which has to be competed for. Nonetheless leadership talent does have to be developed in a more effective way.

Leadership is learned on the basis of on the job experience. There are seven key learning experiences for leaders: personal trauma, mission impossible, set backs, role models, conflicting norms and values and dealing with sub-ordinates and the political arena. Though not all successful leaders are top learners, top learners are successful leaders. The accelerated learning process is based on the key learning process. This is the only sustainable way forwards to deal with increased competition for leadership talent.

The author

Drs Sari van Poelje is an internationally recognized coach, manager and consultant and a Teaching and Supervising Member of Transactional Analysis. She has been working on the interface of people and organizational development for more than 20 years, in a variety of roles and companies a.o. Shell, ASML, KLM, Transavia, Berenschot, EMI. Her current role is that of managing director of Intact, International Training and Consultancy. Intact is active as a provider of executive coaching, coaching and consultancy training and interim management in more than 10 countries.

Sari has published many books and articles on the interface between personal and organizational development and has been a key note speaker at many international conferences over the years. She is a member of the International and European TA Associations, the International Coaching Federation and the NOBCO, and the ROA (Council of organizational consultants). Recently Sari has set up the European Foundation for Coaching to develop international research into the effectiveness of business coaching (www.efc.com). For more information go to: www.intact1.com.

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Figure 1. Leadership learning process