



PART ONE

LEADERSHIP AND LEARNING

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CHAPTER 1

BEST PRACTICES IN LEADERSHIP DEVELOPMENT

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ABSTRACT

Organizations are facing mounting pressure to improve how they develop their leaders. This results from a confluence of recent trends ranging from a widely perceived dearth of good leaders to a demographic squeeze created by retiring baby boomers. In order to elucidate best organizational practices, the current article explores the academic and industry literature on effective leadership development. Eight best leadership development practices emerge from the literature: align with business strategy; align with talent management strategy; secure executive support; obtain manager support; utilize leadership competencies; tailor to level of leadership; measure and evaluate; and provide variety in learning formats.

Introduction

The consensus among executives on its importance is striking: leadership development is one of the most critical strategic priorities for organizations today. IBM's Global CEO Study (Sugrue, O'Driscoll, & Vona, 2005) found that 75 percent of CEOs believe that employee learning aligned to strategic business needs is critical

to their organization's future success. Recently topping a list of fourteen major business challenges, improving or leveraging talent was cited most frequently as a top business priority by 75 percent of leaders in a major industry study encompassing seventy-six countries, 192 organizations, and more than 1,400 HR professionals and 12,000 leaders (Howard & Wellins, 2008).

The present work draws from the author's more than twenty-five years of experience working with thousands of leaders and dozens of organizations around the globe, recent industry studies, peer-reviewed academic articles, books, and other published resources to identify the best practices in leadership development (LD). The first section of the essay presents an overview of the challenges that are leading organizations to invest heavily in LD. The second section presents organizational LD "best practices," highlighting the research findings and illustrating some of the practices with examples drawn from the real world. The third section presents a brief overview of specific best practice learning activities that organizations use to develop their leaders. The final section presents implications of findings for organizations today and for future trends in leadership development.

One major finding of this overview is that there is a great deal of consensus on what constitutes best leadership development practice. While terminology varied from work to work, the top LD practices fell into the following eight categories:

1. Aligning LD efforts to business strategy and providing learners with real-world business challenges;
2. Integrating LD into overall talent management strategies in areas such as performance management, selection, and succession planning;
3. Obtaining executive support and accountability;
4. Obtaining the manager's involvement, buy-in, and accountability;
5. Identifying relevant leadership competencies;
6. Tailoring LD to the specific target leadership audience;
7. Measuring and evaluating the effectiveness of LD efforts; and
8. Utilizing a variety of learning formats to improve effectiveness.

The Leadership Development Challenge

Over the past decade, developing organizational talent has become a priority that has increasingly captured the attention of executives. Weik (2005) reports that 57 percent of the executives participating in the Executivebench Study had been systematically developing their future leaders for less than three years. An industry study of thirty-seven companies found that outlays for leadership

training headed the list of training spending, increasing in both 2009 and 2010 (Daniels, 2010). In 2010, 74 percent of respondents made additional investments in leadership training, and 58 percent either “somewhat” or “totally” agreed that learning and development was a strategic investment for their organization (Daniels, 2010).

Even in the midst of a major economic downturn, organizations continued to invest in LD in 2009. ASTD estimated that a total of \$125.88 billion was spent on all employee learning and development in 2009 (ASTD, 2010). While exact expenditures on leadership development were not included in the study, executive development (at 4.39 percent) combined with managerial and supervisory training (at 10.35 percent) accounted for nearly 15 percent of all learning program content (ASTD, 2010). ASTD conservatively estimated that in 2007 \$2.8 billion were spent on executive development alone (ASTD/Booz-Allen Hamilton, 2009). As a point of comparison, the average 2009 overall expenditure on employee learning was \$1,081 per employee (ASTD/Booz-Allen Hamilton, 2009), while across all industries the average expenditure on executive development was \$12,370 per participant (ASTD, 2010). Manufacturing companies spent a whopping average of \$22,164 per participant on executive development (ASTD, 2010). Clearly, organizations see developing leaders as an important priority and are investing substantial amounts in leadership training and development.

A looming talent shortage coupled with concerns about existing leadership quality are major concerns expressed by executives and human resource leaders. The inexorable demographic trend that has resulted in low birth rates during the period 1965 to 1975 (the so called “baby bust” generation) coupled with the gradual retirement of the baby boom generation (born between 1946 and 1964) will lead to declines in workforce participation. Organizations will feel increasing pressure to find ways to retain and further develop existing leaders as well as to make wise decisions about how they can most effectively develop scarce future potential talent to keep their leadership pipelines filled. The following sections will explore these two challenges in greater detail.

The Demographic Squeeze and Leadership Development

As the large baby boom cohort (seventy-six million) continues to retire, the major concern for executives and human resource leaders is that, even with increased immigration, there will be inadequate numbers from the “baby bust” generation (forty-five million) to fill leadership ranks. The U.S. workforce was expected to grow at only 1 percent per year between 2004 and 2014 (Toossi, 2005). More recently the figure was revised downward to .8 percent per year for the period covering 2008 to 2018 (Lacey & Wright, 2009). This translates into even fewer

new workers entering the workforce than anticipated, and fewer individuals available to fill vacancies in leadership positions as they open up.

Today's workforce has the lowest proportion of under-twenty-four participation and the highest proportion of fifty and older participation in the sixty years that such statistics have been collected (Schramm, 2011). The U.S. Department of Labor estimates that, by 2018, individuals in the fifty-five and older age group are expected to comprise an astonishing one-fourth of the entire labor force, up from only 12 percent in 1998 and 18 percent as recently as 2008 (Lacey & Wright, 2009).

Adding to the sense of urgency U.S. corporate leaders feel about attracting and developing top talent, a 2008 report commissioned by Congress found that in 2005, forty-one to fifty-nine year-olds accounted for nearly 53 percent of all management positions (Levine, 2008). The Bureau of Labor Statistics predicts that 1.6 million new management positions will be created between 2006 and 2016 (Levine, 2008), potentially causing a major dearth of talent as boomer retirements from management ranks accelerate.

This picture is equally, if not more, gloomy for executive ranks. The Executivebench Study of 115 executives from nineteen industries found that one-half of the companies expected to lose 50 percent of their senior managers by the year 2010 (Weik, 2005). These inexorable demographic trends will exacerbate the challenges of attracting, developing, and retaining the best and brightest talent.

Filling Leadership Pipelines Is a Global Challenge

The United States is not the only nation facing major challenges of filling leadership pipelines in the face of a graying workforce. *The Economist* (2009a) reports that the median age of all countries will increase from the current level of twenty-nine years old to thirty-eight by 2050, and the percentage of the population over sixty will double from the current level of 11 percent to 22 percent by 2050.

This ageing trend is most pronounced in the world's rich countries, where it is estimated that one-third of the population will be retired by 2050. Canada, for example, will see up to two-thirds of its existing 2004 workforce retire within the next two decades, and a third within the next few years. At the same time, the prospective high potential candidate pool of thirty-five-to-forty-four-year-olds will shrink by 15 percent (Leskiw & Singh, 2007).

Not only will the world's rich countries be dramatically impacted, but so will China. The world's most populous nation will see its median age rise from today's thirty to about forty-five by mid-century (*The Economist*, 2009b). That in itself does not seem problematic until one realizes that, beginning around 2025, China will have more elderly dependents than children (*The Economist*, 2009b). In the words of Wu Cangping of Renmin University, China is "getting old before getting rich" (*The Economist*, 2009b).

Existing Leader Quality: A Cause for Concern

Another major concern expressed by executives is the quality of existing leadership. A DDI/Economist Economic Unit survey of 412 executives conducted in late 2007 showed that 55 percent feared that in the near future their companies' performance was likely or very likely to suffer as a result of lack of leadership talent (DDI, 2008). Among chief financial officers in the study, that number rose to about 70 percent, while two out of five respondents believed that having the wrong person in the wrong role was the greatest barrier to effective execution of strategy that their organization faced. Moreover, less than one-half of the leaders in the study rated their current leaders as very good or excellent and only 40 percent were satisfied or very satisfied with how quickly their organizations were developing leaders to meet their business needs.

The quality gap perceived by top leaders is echoed in another industry study of more than one thousand U.S.-based front-line managers. Erker and Thomas (2010) sought to understand the perspectives of front-line leaders, about 43 percent of whom had been in the position for less than five years. The authors found that a mere 11 percent had been developed to be leaders by their organizations. Forty percent of these managers were unhappy with the leadership development offerings of their organizations, and only 56 percent of managers in their first year felt they understood what it took to succeed.

Erker and Thomas (2010) further discovered that the largest challenges managers felt unprepared to meet included reprimanding an underperformer (204), firing someone (160), going from co-worker to boss (96), learning the ropes (75), and dealing with senior management (47). Over half the managers reported that they had learned their leadership skills through on-the-job trial and error, and about half felt their managers helped them develop their skills. Alarming, respondents who indicated they learned primarily through trial and error, but who did not indicate that they received significant support from their leaders, were more likely to report suffering a number of negative consequences in several key leadership competencies. In the areas of coaching, communication, decision making, delegating, gaining commitment, and planning and organizing, these respondents were more likely to feel overwhelmed, more likely to take longer to feel confident in their ability to do the job, less likely to feel they were receiving sufficient performance feedback, less likely to be positive about their leaders and their organization, and less likely to feel confident in their leadership abilities. Over one-third of this group regretted having accepted the promotion to leader. This confirms one of the findings of the present work: the importance front-line managers attach to having their leader support them as they develop skills to confront the leadership challenges of their jobs.

DDI's Global Leadership Forecast 2008/2009 found that only one-fourth of the global leaders had a high level of confidence in the performance of their

front-line leaders and 28 percent in their mid-level managers over the long term (Howard & Wellins, 2008). Only 37 percent rated the overall quality of their leaders as very good or excellent. In the same study, HR leaders reported that at all levels of leadership, over one-third of leaders fail. The top reasons cited for such a high level of leadership failure included lack of leadership and interpersonal skills (19 percent), lack of strategic or visionary skills (19 percent), lack of management skills (12 percent), and personality/personal style (9 percent). Additionally, the report noted that overall satisfaction with leadership development program quality had declined since 2005. Only 29 percent of HR respondents and 22 percent of business leaders rated their formal leadership development efforts as very good or excellent, while 49 percent of leaders rated them as fair or poor (Howard & Wellins, 2008). Interestingly, a related finding in another DDI study (Erker & Thomas, 2010) found that while 88 percent of front line managers rate their leadership skills highly, 89 percent have blind spots, areas where they feel they are better than others think they are. Clearly, large numbers of HR leaders, front-line leaders and executives believe organizations need to improve the quality of their leadership development efforts.

Finally, while top leaders stress the importance of leadership development for their organizations, there seems to be a wide chasm between beliefs and practice. The DDI/Economist study cited above found that only 27 percent of those surveyed said they were doing a good or excellent job in talent management (DDI, 2008). That translates to nearly three-quarters believing they were doing only a fair or poor job of talent management. This contrasts starkly with the 75 percent of executives who believed that maximizing talent was a top business priority (Howard & Wellins, 2008). This dissonance between perceived importance and action represents a cautionary fact for organizations: along with aligning LD efforts to business strategy and specific business challenges, strong executive support and involvement in leadership development is one of the most frequently mentioned best practice identified in the current essay.

Best Practices in Leadership Development

From the research overview, eight critical areas were identified as best practices in leadership development. Best practices were drawn primarily from industry studies, which included both original research Howard & Wellins (2008), DDI (2008), O'Leonard (2008), overviews of best practices from Yukl (2006), Fulmer, Stumpf, and Bleak (2009), and Hernes-Broome and Hughes (2004), and recent academic reviews of the literature, including Groves (2007), Leskiw and Singh (2007), and Amagoh (2009). Table 1.1 presents the best practices that were identified. The following section will discuss these best practices in greater detail.

First Four Business Practices Interlinked

Aligning leadership development with business and talent management strategy and obtaining executive and manager support are closely linked leadership development practices. HR needs to serve as a strong business partner to develop a coherent talent management strategy with the executive team, and HR's activities should be closely aligned to the overall strategic intent, mission, and values of the organization. In partnership with HR, the executive team and managers throughout the organization should be highly involved in such talent management areas as selection, performance management, talent planning, and succession planning.

The finding that aligning LD to leadership strategy is a critical success factor is consistent with prior academic research. Charan, Drotter, and Noel (2001),

TABLE 1.1. LD BEST PRACTICES IDENTIFIED IN THE RECENT LITERATURE

	Industry Studies		Academic Reviews		Leadership Development Strategy	
	Howard & Wellins, 2008	O'Leonard, 2008	LDI, 2008	Groves, 2007	Leskiw & Singh, 2007	Amagoh, 2009
Align LD to business strategy/real challenges	×	×	×	×	×	×
Integrate/align with HR/talent management	×	×	×	×	×	×
Obtain executive support	×	×	×	×	×	×
Obtain manager's support	×	×	×	×	×	×
Identify leadership competencies	×	×			×	×
Tailor to level/selection of audience	×	×		×	×	
Measure, evaluate	×	×	×		×	×
Utilize a variety of learning formats	×	×	×	×	×	×

Hughes and Beatty (2005), McCall (1998), Conger and Fulmer (2003), Lombardo and Eichinger (2001), Hernes-Broom and Hughes (2004), and Fulmer, Stumpf, and Bleak (2009) have all argued that leadership development needs to be linked to business strategy. Industry studies mirror the academic findings. Leskiw and Singh (2007), Erker and Thomas (2010), DDI (2007), and Daniels (2010) underscore the importance of linking leader learning to business strategy in order to achieve long-term organizational success.

Companies that fail to align LD to real-world business challenges and talent management efforts suffer from lack of strategic focus. Haphazardly sending managers to training, executive MBA, or executive development programs, no matter how prestigious they may be, is no substitute for determining what the greatest business challenges are to an organization, then developing a leadership development strategy best suited to filling that organization's talent pipeline. While well-designed efforts quite often incorporate such learning activities, they should be tied to leadership skills needed to execute the organization's strategy. Groves (2007) studied fifteen best-practice organizations that successfully linked leadership development and succession planning. The CEOs and HR executives interviewed in the study reported that involving managers at different levels to create mentoring programs, involving them in identifying and selecting high-potentials, and having them teach leadership workshops were all important elements in their success.

Groves also cited the importance of creating and continually reinforcing an organizational culture that supports leadership development. In the best-practice organizations explored by Groves, this alignment was accomplished through CEO involvement and support, providing leaders with developmental assignments and business-related action learning projects, integrating and reinforcing the desired leadership behaviors through the performance management system, and carefully linking LD to succession planning.

Leader Involvement: Hallmark of Best Practice Organizations

Many organizations widely recognized as best-practice companies, such as GE, Pepsi, and Allied Signal, have long enjoyed strong executive support of leadership development efforts. Jack Welch, celebrated past CEO of GE, frequently taught at the company's training facility in Crotonville, New York. Roger Enrico (ex-CEO of Pepsi-Co), Larry Bossidy at Allied Signal, and Andy Grove at Intel were strong advocates of leadership development in their organizations and also were active in their classrooms (Tichy & Cohen, 1997).

This trend of leader involvement in learning continues in best-practice organizations. Ingersoll Rand University (IRU) has developed a "ladder of

engagement” model created to ensure alignment between learning and business strategy (Smith, 2009). IRU has also created a governance board comprising leaders from different management levels, including the CEO. The board meets quarterly to set strategic learning priorities. Additionally, leaders at Ingersoll Rand work on design teams with subject-matter experts (SMEs), make sure programs are business relevant, conduct “fireside chats” during learning programs, and co-teach some of the programs (Smith, 2009).

InterContinental Hotels Group, ranked number one in the American Society of Training and Development’s (ASTD) Very Best Learning Organizations of 2010, created “the wheel” to help ensure alignment between employee and company goals (Harris, 2010b). The wheel, which incorporates measures from four key areas, “financial returns,” “guest experience,” “our people,” and “being a responsible business,” is used by managers to assess individual performance. In its efforts to improve leadership development, InterContinental created the “leaders lounge,” an intranet portal used by managers and directors that contains areas to practice skills, insights on leadership, access to shared practices, leadership tips, videos, and an area that seeks input from leaders on company strategies (Harris, 2010b).

Another top ten company in ASTD’s Very Best Learning Organizations of 2010 was Genpact, a large Indian technology management firm spun off from GE in 2005 (Harris, 2010a). Genpact created an intensive eighteen-month “global operating leaders program” (GOLD) for high-potential front-line managers that focuses on operational excellence, a key strategic area for the company (Harris, 2010a). The program incorporates classroom sessions, interactions with leaders, and rotational assignments through which leaders work through three functional or regional assignments. Genpact, Ingersoll Rand, and InterContinental Hotel Group are companies that strive to incorporate the first four best practices, aligning LD to business strategy, integrating LD with talent management practices, obtaining executive support, and ensuring manager support.

Identify Leadership Competencies and Tailor Leadership Programs to the Appropriate Level

The current article supports earlier academic literature suggesting that identifying competencies and tailoring programs to the appropriate level of leadership are two important additional best practices in LD. Conger and Fulmer (2003) underscored the importance of focusing on the development of skills needed to solve business problems and provide growth opportunities. With their “five rules for effective leadership development,” they define the importance of these critical areas. The rules include identifying key positions; making sure to develop bench

strength for those positions; making the process transparent by giving feedback on where the individual stands in the leadership pipeline; measuring progress regularly; and keeping succession planning and leadership development efforts flexible to accommodate changing organizational needs.

Two of the three recent industry studies (Howard & Wellins, 2008; O'Leonard, 2008) and two of the three academic studies (Amagoh, 2009; Leskiw & Singh, 2007) reviewed stress the importance of identifying critical leadership competencies to meet organizational needs. Many large organizations have a sophisticated process for identifying job-related leadership competencies, including an array of tools such as interviews, observations of incumbents, the use of focus groups comprised of leaders, using surveys, and performing statistical analysis of the data. Organizations must focus their search for competencies on existing skills, knowledge, and attitudes required for success in the current organization, but should also be able to ferret out some of the competencies that will be needed by leaders to navigate their organizations through future challenges.

Tailoring LD to the appropriate level and selecting leaders to participate were also mentioned in four of six of the primary studies reviewed (Amagoh, 2009; DDI, 2008; Groves, 2007; Howard & Wellins, 2008; Leskiw & Singh, 2007; O'Leonard 2008). As mentioned earlier, efforts to identify potential leaders and design leadership development strategies require executive support and active participation of managers, along with careful alignment with business and talent management strategy. Such customization helps avoid one-size-fits-all approaches. Early career high potentials (HiPos) have very different developmental needs from seasoned executives.

Identifying and developing HiPo prospects was also mentioned frequently in the literature (Amagoh, 2009; Groves, 2007; Howard & Wellins, 2008; Leskiw & Singh, 2007; O'Leonard, 2008). Unfortunately, only 39 percent of organizations in a recent DDI study had programs in place to accelerate development of HiPos (Howard & Wellins, 2008). While organizations believe this is an important element of leadership development, most organizations can do a much better job of grooming HiPos for future leadership positions. As is the case with leadership development as a whole, HiPo development should be linked to organizational strategy and talent management systems, especially succession planning.

Research also stresses the importance of effective learning for new leaders as they are promoted into new positions of organizational authority. This underscores the importance of identifying different competencies for different levels and targeting the LD approach to these diverse levels. Several authors have recognized that, while certain leadership competencies remain consistent over time as an individual is promoted through the ranks, the leader must continue developing

new skills as the challenges change at different levels (Charan, Drotter, & Noel, 2001; Lombardo & Eichinger, 2001; McCall, 1998).

Based on their experience with General Electric and several other organizations, Charan, Drotter, and Noel (2001) outline six career passages: (1) from managing self to managing others; (2) from managing others to managing managers; (3) from managing managers to functional manager; (4) from functional manager to business manager; (5) from business manager to group manager; and (6) from group manager to enterprise manager.

At each passage, or “leadership turn” as the authors refer to promotions to each leadership level, organizations must help leaders understand how their new jobs are different in terms of what the individual is leaving behind and what he or she must learn. The authors break this down into three areas: skill requirements, time applications, and work values. Like other researchers mentioned above, Charan, Drotter, and Noel argue that effective leadership development efforts need to be combined with succession planning. They also cite the importance of leaders understanding how the changes in leadership level change what they do (skills), where they focus their time and efforts (time applications), and what they value most. Identifying critical leadership competencies and tailoring efforts to the appropriate audience are important keys to effective leadership development.

Measure and Evaluate Results

Measuring progress and evaluating results are frequently mentioned in the overall LD literature as a best practice, and by five of the six studies reviewed in the current paper (Amagon 2009; DDI, 2008; Howard & Wellins, 2008; Leskiw & Singh, 2007; O’Leonard 2008). Not surprisingly, DDI researchers found that companies that measure LD results had programs that were twenty times more likely to be rated as very high quality by executives and HR professionals (Howard & Wellins, 2008). In ASTD’s study of the value of training evaluation (2009), companies indicating they use learning measurement to a high extent were far more likely to have experienced positive business results.

One specific method for measuring results discussed in the literature is to employ Kirkpatrick’s/Phillips’ well-known five-level model: reaction (Level 1); learning (Level 2); behavior change (Level 3); business results (Level 4); and ROI (Level 5). This model was the most commonly used metric in their study (ASTD, 2009). The report also found that Level 3 and Level 4 (behavior change and business results) were believed by 75 percent of study participants to be of high or very high value, indicating that evaluation was viewed as an important element of LD by organizations. Nevertheless, while most study participants viewed behavior change (Level 3) and business results (Level 4) as valuable measures, Level 3 was

only used by about 55 percent and Level 4 by about 37 percent of these organizations. This gap represents another area that separates best practice from average organizations.

Newer methodologies such as evidence-based human resources (EBHR) are also beginning to be utilized by organizations (Howard & Wellins, 2008). EBHR seeks to align strategy with talent management by identifying key performance indicators (both financial and performance measures) in order to guide the development of human capital strategies that will have the highest probability of achieving desired organizational outcomes (Howard & Wellins, 2008).

Examples of Best Practice Organizations That Measure Results

McCormick is an example of a “teaching” organization that integrates many of the best practices from the literature into its leadership development, including measuring results (Frattali, 2009). The company’s leaders focus on promoting shared values, aligning LD to company business plans, and ensuring that LD focuses on business results. Many leaders at McCormick actively model the importance of learning by teaching, and executives often participate in first-line leadership programs and new employee orientations. Rick Frattali, McCormick’s director of learning and development, describes how the process of creating teacher-leaders has been formalized: “At a fundamental level, all McCormick managers are evaluated yearly against fourteen competencies, one of which is ‘attracting and developing talent.’ That competency includes active participation in the growth and development of people and effective coaching and mentoring of others” (Frattali, 2009).

Other best-practice organizations in measuring and evaluating leadership development include Colgate-Palmolive, Ingersoll Rand, and Caterpillar. In its leadership development efforts, Colgate-Palmolive evaluates not only leader perceptions of effectiveness, but also behaviors learned through solving a business case, observation of on the job performance, and evaluating the leader’s business results (Leskiw & Singh, 2007). Ingersoll Rand University (IRU) has developed a format for leadership development investment requests that includes important organizational metrics. In an article written for *Training & Development*, Rita Smith, VP of enterprise learning at Ingersoll Rand, describes the process: “We calculate expected benefits, one-time versus ongoing costs, per participant cost versus comparable external programs, penetration rates for target audiences, and shelf-life of our learning products, among other measures” (Smith, 2009). Caterpillar, in addition to employing best practices mentioned earlier such as expecting leaders to serve as teachers and the creation of learning plans aligned with its strategy, also uses metrics to ensure that learning delivery is timely, convenient, and cost-effective (Bingham & Galagan, 2009).

Best Practice Learning Activities for Leadership Development

Once relevant leadership competencies have been identified by the organization and leaders selected to participate, the starting point for individual leadership development should be an assessment of a leader's existing strengths and developmental areas. Ongoing feedback from leaders in the form of coaching or mentoring is critical for success in development efforts. In order for leaders to grow, they must seek feedback, identify strengths and developmental areas from the feedback, and then put the feedback to work by developing a plan of action. Jacobs (2005) reminds readers "leadership is intellectually simple, but behaviorally complex. As many executives 'manage in the moment,' actionable feedback helps them interpret what they see . . . real change will only occur if there is both a cognitive and emotional need to do so" (p. 4).

As Luthans and Peterson (2003) note, increased interest in leadership development has seen a concomitant increase in interest in the use of multi-rater feedback instruments, more commonly known as 360-degree feedback, as a means to help managers enhance their self-awareness and increase their leadership effectiveness. Yearout and Miles (2001) add that many leaders, such as famed former chief executive officers Jack Welch of General Electric, Bill Weiss of Ameritech, and BAE Systems chief Dick Evans, were all enthusiastic advocates of 360-degree feedback.

When utilized in the context of leadership development, 360-degree feedback has been shown to improve performance, as well as serve as a catalyst for individuals to make behavioral changes (Bradley, Allen, Hamilton, & Filgo, 2006; Chappelow, 1998; Green, 2002; Smither, London, & Reilly, 2005). In his study of nineteen CEOs, COOs, and other senior leaders, Green found significant improvement in individual, team, and organizational performance after leaders had received 360-degree feedback. Evidence also shows that combining 360-degree feedback with coaching can further enhance leader effectiveness (Luthans & Peterson, 2003; Thach, 2002).

In addition to feedback, research suggests that experiential learning (learning by doing) that is linked to work and life experiences leads to quicker, more effective learning for leaders (McCauley, 2006). The same corpus of research also indicates that a greater variety of experiences leads to greater self-awareness and provides learner insights from those experiences that leaders can apply to different settings. Center for Creative Leadership researchers have also found that the level of challenge inherent in developmental activities affects the speed and quality of learning that takes place (McCall, 1998).

For actual behavioral change to occur, leaders must be willing to invest the time and energy required to affect change. McCall (1998) discusses this point in his seminal work on leadership development:

“If one lesson is to be drawn from the research reported in *Lessons of Experience*, it is that significant change is not a matter of New Year’s resolutions. It comes from putting oneself in situations like those described in Chapter three and creating an environment in which learning is a prerequisite for achieving something important. . . . Catalysts in this domain could include coaching or training in how to learn.”

According to McCall, the three catalysts for development are improving information in the form of feedback in order to improve performance, providing incentives and resources to implement the goals, and supporting the change effort while a leadership plan is being implemented.

The industry and academic literature offer several other specific developmental activities that organizations frequently include in their LD efforts. Allen and Harman (2008) identified twenty-seven sources of learning and organized them under Conger’s four approaches to leadership development: personal growth (examples include group reflection, individual reflection, and team building); feedback (such as executive coaching, instruments); conceptual understanding (including degree programs and classroom); and skill building (including developmental assignments, simulations, and action learning).

In a recent industry study, leaders viewed the single most effective LD stand-alone method special projects within the job (Howard & Wellins, 2008). This was followed by other methods in descending order of importance: special projects outside the job; move into a new position; formal workshops; using internal and external coaches; assessments; computer-based learning; and finally, reading. Consistent with the earlier cited research, activities rated the highest were ones that allowed participants to apply their learning.

The same authors found that organizations that used a greater variety of methods were rated most effective at leadership development (Howard & Wellins, 2008). Unfortunately, they also discovered that 39 percent of HR respondents indicated that development needs were not a factor in assigning leaders to special projects. As have other studies, Howard and Wellins found that providing real-world opportunities to practice behaviors was essential.

Assigning action-learning projects where leaders have the opportunity to develop and practice new skills was viewed in the literature as one of the most effective developmental tools. O’Leonard (2008), Leskiw and Singh (2007), Amagoh (2009), Allen and Hartman (2008), and Yukl (2006) all mention using action-learning projects involving real-world business issues. Two strengths of an action-learning approach are readily apparent: (1) it is experiential in nature and (2) it requires leaders to diagnose and develop solutions to real-world business problems facing the organization. Coaching or mentoring, job assignments, classroom

sessions, and feedback are also mentioned as important sources of learning by these authors. Rotational assignments and simulations were also frequently mentioned in the literature.

Feedback intensive programs (FIPs) incorporate several of the best-practice methodologies. These programs often include classroom lecture, 360-degree feedback, self-assessments in areas such as personality preferences and decision style preferences, individualized coaching, team-building activities, action-learning projects, and presentations by business leaders. A major strength of such an approach is that it typically weaves a number of learning methods into the fabric of the program. Table 1.2 summarizes common methods utilized in leadership development, listing their strengths as well as potential drawbacks.

TABLE 1.2. COMMON LEADERSHIP DEVELOPMENT METHODS

Learning Method	Strengths	Potential Drawbacks
Rotational Assignments	Experiential, linked to organizational goals.	Challenging logistics, expensive, time-consuming to implement.
Action-Learning Projects	Experiential, linked to organizational goals.	Expensive, requires active management participation and careful planning.
Developmental Assignments	Experiential, should be linked to organizational goals.	Need to choose assignments that provide developmental challenge.
Ongoing Manager Feedback	Powerful impact, relatively easy to implement.	Poor managers give poor feedback.
360-Degree Feedback	Relatively inexpensive, fairly easy to administer, high potential impact.	Must be administered effectively; participant must be willing to put feedback into practice.
Coaching or Mentoring	Effective, relatively inexpensive.	Effective mentoring programs are notoriously difficult to set up, quality dependent on rapport with coach/mentor.
Feedback Intensive Programs	Effective, engaging, high impact, opportunities for networking.	Expensive, need to ensure content relevance to organizational goals.
Workshops/Team Building	Engaging, opportunities to develop knowledge, networking.	Need to ensure content relevance to organizational goals.

(continued)

TABLE 1.2. (Continued)

Learning Method	Strengths	Potential Drawbacks
Simulations	May be tailored to business, flexible format, experiential, engaging.	May be expensive to develop; need to ensure content relevance.
Behavior Modeling with Practice	Very effective at demonstrating skills, practice reinforces skills.	Negative behavior models likely to encourage negative behavior.
Computer-Based Learning	Just-in-time application, convenient, may be tailored to company.	Expensive to develop, limited interaction with others, limited impact on skills development.
Lecture	Quick, commonly practiced around world, leads to wide acceptance	Limited largely to cognitive abilities, knowledge growth rather than skills.
Personal Growth Programs (United Way, Jr. Achievement, etc.)	Experiential, engaging, seem to have high appeal to Generation X, Generation Y.	Not usually tied to organizational goals other than social mission.

Summary: The Future of Leadership Development

There is a great deal of agreement among industry and academic studies about best practices in leadership development. Aligning leadership development to business strategy and talent management efforts, obtaining executive and manager support, identifying the relevant organizational leadership development competencies, utilizing a variety of learning formats, tailoring efforts to the appropriate level of leadership, and finally, measuring ongoing efforts and evaluating outcomes were found to be the most important best practices.

The research also shows that, while the great majority of executives stress the importance of developing a solid leadership pipeline, for most companies, there is a gap between aspirational visions of excellence and actual organizational practices. Moreover, most of the practices are utilized primarily by large multinationals. This may be a result of a belief among leaders at small and mid-sized organizations that some of the best practice learning activities may be too expensive (such as organizing FIPs with action-learning projects) or impractical (rotational assignments are harder to come by in smaller organizations).

All eight major best practices outlined in this article, however, should be within reach of all but the smallest companies. Aligning LD with business and talent management strategy, obtaining executive support, securing management support, taking time to tailor programs to the right leadership level, and utilizing a

variety of learning formats primarily require forethought, ongoing planning, focus, and leadership will, rather than outsized capital outlays. Determining leadership competencies accurately may represent a greater expense for smaller organizations, but one that would seem to merit the expenditure. How can organizations hire the right talent if they do not know what skill sets they require to achieve success?

Measuring the impact of learning may also represent a greater financial hurdle for smaller organizations. Evaluating LD impact at Level 4 or Level 5 is often eschewed by many organizations for reasons of cost. Interestingly, while most organizations do not evaluate at Level 5, regardless of size, the ASTD study on evaluation found that smaller companies are more likely to use Level 5 (ROI) than larger organizations (ASTD, 2009). In any case, smaller businesses and the great majority of large and mid-sized organizations still have work to do to adopt a majority of these best practices.

Future trends in leadership development will likely include greater use of technology, such as web-based training, blogs, discussion boards, and social networking. As globalization continues apace, future best practices will incorporate a stronger focus on global leader development and international business.

Seldom emphasized in the current literature, the one study that did delve into global leadership development found that, while nearly 20 percent of the leaders worked on assignments that required considerable collaboration across borders, only about 34 percent had programs to identify multinational leaders (Howard & Wellins, 2008). Only 25 percent of the organizations had leadership development programs for multinational leaders in place. Moreover, the majority of multinational leaders reported that their preparation to work in a multinational environment was only fair or poor (Howard & Wellins, 2008). Nearly half the leaders had negative views of the support they received from their organizations. Given the struggle for developing and retaining talent discussed earlier, neglecting the development of global leaders is a trend that will likely be reversed.

Some organizations, such as Colgate, Pepsi, and Siemens, already focus on developing global talent. Caterpillar, with an ever-growing share of its market based on exports, has focused LD efforts on many of these “future” areas, creating programs that are global in scope, developing web-based training, creating virtual classrooms, and encouraging knowledge sharing (Bingham & Galagan, 2009). As more companies “go global” and the costs of travel continue to escalate, organizations will need to focus on leveraging communication technology while making more concerted efforts to prepare their leaders to work across cultures.

If companies are to thrive in an ever-globalizing world, they can ill afford to neglect the development of their leaders. Executives and HR leaders have the responsibility for charting a clear LD course for their organizations, a course that must clearly be linked to their business strategy. The eight best practices identified in the current study provide a framework to help guide them in their efforts.

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