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LEADERSHIP DEVELOPMENT:
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"There are almost as many definitions of leadership as there are persons who have attempted to define the concept." So wrote Ralph Stogdill only a few more than twenty years ago in his classic review of the leadership literature (1974, p.259). In 1997 we might be tempted to nod in agreement — certainly the many authors on leadership in these last two decades seemed compelled to provide their own definitions; but, agreement would ignore the dramatic changes in our views of leadership in organizations and how leadership development takes place. No more apt words describe those changes than a commercial popular at some time during that period: "You've come a long way, baby."

We will begin our review of the current state of the science, art, and practice of leadership development by taking a brief look at just how long ago twenty years was, trying to recreate what some of our assumptions were and what we didn't know then ("Remembering the Past"); we will then use four organizing themes to present our material: the <u>content</u> of leadership development; the <u>methods</u> of leadership development; the <u>learner</u> of leadership; and the <u>context</u> of development. In this last section we will speculate on what the current state implies for leadership development in the 2000s.

Remembering the Past

To set the stage and to put perspective on just how long ago 1977 was, remember some of the events of that year:

- Jimmy Carter was inaugurated as President;

- Elvis died (by most accounts) on August 16th; other deaths that year included Charlie Chaplin and Bing Crosby;

- the Apple II computer (Steve Job's "bicycle of the mind") was introduced;

- the movie <u>Star Wars</u> was released (for the first time);

- the television series "Roots" was aired;

- at year end, the Dow Jones Industrial Average stood at 871;

- Egyptian President Anwar Sadat was welcomed in Israel by Prime Minister Menachim Begin;

- Seattle Slew won horse-racing's Triple Crown;

In the world of leadership:

- Zaleznik's classic, "Managers and Leaders: Are They Different?", was published in the May-June *Harvard Business Review*, laying out for the first time a distinction that has become the basis for much of our thinking today. A related theme, the "transformational" and "transactional" functions of leadership was still a year away from publication by Burns (1978), and eight years away from Bass's book on the subject (1985).

- Two of today's most widely read authors on leadership had not yet written the books that made them the most widely read. John Kotter, a young assistant professor at the Harvard Business School was up for promotion to associate in 1977 (he made it) and he had not yet published <u>The General Managers</u> (1982); the first of Kotter's books specifically addressing leadership, <u>The Leadership Factor</u>, was eleven years away. Warren Bennis, having already achieved guru status for the first time because of his work on organizational change, was practicing leadership as President of the University of Cincinnati. His popular <u>Leaders: The Strategies for Taking Charge</u> (Bennis & Nanus, 1985), stimulated in part by that experience, would not be published for another eight years.

- If memory serves us correctly, IBM unveiled a new management development center about that time. In a visit to the Center in 1979, we could not help but be impressed at IBM's commitment to classroom training for its managers (40 hours/year) and also a curriculum focused on teaching managers "the IBM way." IBM's succession planning efforts at the time included a structured, 24-year planning horizon from entry to senior management, with (again if memory serves) about 100 administrative assistant positions that provided high potentials with high level exposure.

- Reg Jones was planning his succession at General Electric, but in his first cut in 1974 Jack Welch, arguably America's most influential CEO in the 1990s, wasn't even on Jones's list of candidates (Vancil, 1987). Crotonville was in place as the training center for the General Electric Company, where week-long classes might be a reward for loyalty and long service, not as a leadership development center central to the strategy of GE.

- The Center for Creative Leadership was a fledgling provider of leadership materials and programs — its staff of 39 people offered only four public programs that year, including one session of an intensive feedback program called the "Leadership Development Program" (LDP). Now a major provider of programs and research, CCL's staff of 459 offered 275 public programs and 115 sessions of LDP, not to mention all those offered around the world by its licensees or associates, in 1996. In 1977, <u>The Lessons of Experience</u> (McCall, Lombardo, & Morrison, 1988) was not even a gleam in the eye of CCL's three researchers.

- Harvard Business School's Advanced Management Program, 13 weeks long in both spring and fall sessions and still offering an additional split summer session, had little competition; its international Senior Management Program was held in Vevey, Switzerland, also with

spring and fall sessions staffed by a resident Harvard faculty. "Leadership" was listed on the curriculum of neither. Today AMP and ISMP have been melded in spring and fall sessions in Boston, are much shorter, and, of course, leadership is a key theme.

- International communication in 1977 was a chore, at best. There were few if any flights non-stop from New York to Tokyo or Beijing (then Peking); and imagine a world with no e-mail, fax machines, or Internet!

Our assumptions then included:

1. Organizations needed management more than leadership, indeed MacGregor's (1967) farsighted classic book was entitled The Professional Manager. Management was learned in school and in the years of experience gained in a life-time career with one company. Succession planning systems with long time horizons would produce all the senior managers we would need.

2. Strategic planning was hot, and it worked because the future would be pretty much a linear extension of the past. Corporate strategic planning staffs confidently reported in weighty tomes on directions for the future.

3. We assumed that decisions should be pushed up to the highest level in multi-level bureaucratic organizations. The Harvard Business School video, "A Day in the Life of Fred Henderson," prepared by John Kotter in 1979, is an unforgettable portrait of the role of the manager in a giant American corporation (Xerox) at the time.

4. American management and know-how seemed destined to enable us to control the future in a stable, regulated environment. There really wasn't much competition from outside U.S. borders (or inside either, at least for airlines, the "phone company," railroads, etc.)

5. The arcane study of leadership was, with a few exceptions, largely an academic exercise preoccupied with "initiating structure" and "consideration," "path-goal" theories, and Fred Fiedler's contingency model.

We will not chronicle the myriad changes in society, organizations, and the economy that have brought us to the current state of affairs. Even a glance at a few of today's assumptions is enough to show how much things have changed over the last two decades:

1. The only certainty is change; linear projections of the future don't help much.

2. Leadership, not management, is crucial to effective change.

3. Leadership is learned from experience, where it is learned at all.

4. Leadership for large scale change is in short supply.

Although leadership development exists in a whole new world, that new world includes much of the old, some "old wine" bottled as new, and some of the new and truly exciting. Classrooms, business schools, and traveling gurus are still much in evidence. Competencies, now *de rigueur*, look remarkably similar to the "dimensions" and "KSAs" of old. Action learning, on the other hand, combines the old and the new by using a training setting to solve business problems: it represents an effort to move on-the-job experience into a systematic learning environment. Finally, some current practice is decidedly new: for example, the use of executive coaches, delivery of training via interactive media, and incorporation of world tours into development programs.

In that new world, leadership development — often still thought of in terms of "programs" and "training" — is expected to produce specific business results, from aligning leadership by communicating corporate strategy to increasing the numbers of available international leaders. This focus on business relevance comes with its goods and bads. On the one hand, investment in and visibility of leadership development activities have reached a high water mark. On the other hand, the hoped for "quick fix" cannot materialize if development alone is expected to solve the competitive challenges of the global marketplace.

In keeping with contemporary business philosophy, we chose a simple model for this overview of development. We consider four factors: content (what is being developed), method (how it is being developed), the learner (who is being developed), and the context (the setting in which development takes place). Each of these four elements reflects a shift in perspective driven by the changes in leadership demands in contemporary organizations. The content of development has shifted from the artificial, conceptual, theoretical models of the past to here-and-now problems and issues. The methods used to develop leaders have tilted away from universities, the traditional classroom methods, and simulations towards in-house, action learning, and real experience. The learner has moved from background to foreground: no longer assuming that "one size fits all," development is more sharply focused on feedback and development planning geared to individual needs; and, who gets developmental opportunities and what developmental opportunity an individual gets are much more carefully chosen. Finally, the changing context — organization structure, culture, policy, and practices that surround development — has proven yet again that systems and programs are part of larger wholes that have profound effects on the effectiveness of our leadership development efforts.

The Content of Leadership Development

The content of most current leadership development approaches can be broken down into three broad areas. The first consists of desired characteristics or attributes of the leaders themselves,

frequently labeled "competencies." The second area focuses on developing the individual's capacity to solve business problems. The third general area involves transmitting the organization's strategy, mission, or values.

Competencies

The content of leadership development today is most often shaped by a list of desired leader "competencies." What is a competency? McLagan (1994) writes, "People use the term to mean so many things that it is often not useful. The one agreement is that it is intended to describe people, not the work. But, when we examine how competencies are worded, we often find that they are outputs or tasks (statement of the work) stated as personal attributes, usually with the words, 'ability to' attached to them."

However they are defined (see Spencer, McClelland, and Spencer, 1990, for one attempt to define the term and a methodology), "competencies" have largely replaced dimensions, traits, attributes, or KSAs as the building blocks of models for selection, development, and performance management. "Competencies" or a "competency model" are the targets of the leadership development efforts in many organizations. Moses and Eggebeen (1998, Chapter Five) give a brief history of the evolution of the term, and Briscoe (1996) and Wofford (1993) describe a number of competency approaches.

Leadership competencies — our targets of development — have changed enormously over 20 years. In effect, what used to be seen as a single competency or dimension of management (only sometimes called "leadership" and sometimes not present at all) has blossomed into multiple leadership competencies. For example, in the classic Formative Years in Business (1974), Bray, Campbell, and Grant's assessment dimensions included only one leadership competency. It was called Human Relations Skills and was defined as "how effectively can this man lead a group to accomplish a task without arousing hostility" (p. 19). By 1982, the AT&T assessment definition of leadership had changed to "To what extent can this individual get people to perform a task effectively." Note two changes: "man" becomes "individual," and getting becomes more important than not "arousing hostility."

In the 1990s, AT&T, now a much different company with new leadership requirements, defined a "transformational leadership framework" with eight dimensions of leadership (Schaffer, 1994):

- Learns continuously
- Thinks Strategically
- Inspires a Shared Purpose
- Creates a Climate for Success
- Seizes Opportunities
- Transforms Strategy into Results
- Builds Partnerships
- Leverages Disagreements

In the AT&T model, these dimensions are applied to high potential development, as well as to selection, performance management, and career development.

Another example illustrates the evolving art of these "target" competency models (Sontag, 1996). Over a three year period, The Chase Manhattan Bank developed a set of leadership competencies in response to the question, "What does the customer want in the context of business challenges now and within 3 years?" The competencies "map to business challenges" and include behavioral descriptors for each competency. At the executive level, the leadership competencies are:

- Sets Strategic Vision and Direction
- Manages Complexity
- Drives for Results
- Champions Change
- Leads with Confidence
- Builds High Performance Organizations
- Builds Partnerships with Customers and Colleagues
- Promotes Shared Values

The similarities in the competencies of the AT&T and the Chase Manhattan models are notable. Whether that similarity is to be applauded or criticized depends on one's view of competency models, leadership, and large organizations. In any case, our point is that these reflect the state of the art in developing targets for leadership development.

These competencies also illustrate how much Zaleznik's distinction (Zaleznik, 1977) between leadership and management has become accepted practice. Both Chase and AT&T no doubt still have management training and development, targeted against their management competencies, but that is quite distinct from leadership development.

The widespread use of leadership competencies has not escaped criticism. These criticisms include: executive performance cannot be broken down into a small number of discrete pieces; so much energy is invested in building the competency model that little energy or money is left for leadership development; much of the competency model building is a waste of time and money because competencies are the same across organizations; the methodology inevitably produces competencies based on the past rather than on the future; the model once developed is static and cannot possibly adapt as quickly as leaders must to an uncertain future; there is more than one kind of effective leader, therefore a model based on one set of competencies is deceptive; and, despite efforts to the contrary, the model inevitably becomes the brainchild of the human resources function, not the line organization where real development takes place.

Despite the criticisms, competencies have become firmly entrenched as the primary source of the content of leadership development.

Business Problems

Although preoccupation with the leadership competencies theme consumes most of the development resources, organizations usually make some attempt to tie competencies to desired

business results. A more direct approach is to base the content of development directly on corporation's strategic directions or its current, pressing problems. For example, if a company's strategic thrust requires partnerships and joint ventures, the content of leadership development becomes whatever is necessary to perform effectively in creating and leading such organizational arrangements. Similarly, development content might be determined by identifying problems or opportunities and assigning them to trainees. Topics may be as broad as anticipating the needs of future customers in as yet undeveloped international markets, or as narrow as centralizing data processing. The outcomes can be as concrete as developing and then implementing a solution, or as abstract as exposure to ways of thinking about problems. Note that development has two goals: developing leadership capability <u>and</u> moving the business forward. Key issues in this approach are how the business problems are identified, how the problem solving process is structured, and what authority is given to the "trainees." For a fuller discussion of these issues, see "Action Learning" later in this chapter.

In practice the content of a business-focused approach to development varies widely depending on the business needs of the organization. In one case, a corporation responded to competition and changing markets by restructuring to give considerably more autonomy to the business units. Their multi-part leadership development program began with a presentation by a well-known strategy guru who described in detail how a strategic business plan should look, then guided leadership teams from the business units in the development of their own detailed business plans. Presumably the participants not only learned a new discipline for crafting strategic plans but, in so doing, created a viable plan for their businesses.

Another organization's changing competitive demands dictated that technical professionals assume the leadership responsibilities for change, including dealing with unions, customers, and non-professional employees. Their development program was designed to expose the leaders to the new groups and their perspectives. It brought in a satisfied customer, a dissatisfied customer threatening to leave, and a former customer who had left because of shoddy service; a second session brought in union presidents who spoke candidly about their roles as elected representatives of union members who were threatening to strike.

A third organization used a training venue to create cross-functional and cross-business teams of senior managers, provided them with relevant content from university and corporate experts and coaching by more senior executives, and challenged them to come up with "big time" growth opportunities. The resulting ideas were presented to the senior executive team for action.

One of the most widely publicized programs aimed at resolving organizational issues was General Electric's "work out." Primarily designed with a business purpose — removing unnecessary bureaucracy — "work out" had direct leadership development impacts on both managers and their subordinates (Tichy & Sherman, 1993).

Instead of organizational issues, leadership development content may be determined by individual needs or issues. For example, a manager who has difficulty giving candid feedback may be assigned a "project" to develop and give detailed behavioral feedback to a problem subordinate. A

manager having trouble managing upward might be assigned to develop a presentation for a senior executive. Programs of this type are typically conducted on-line and over-time under the guidance of a coach, with support and suggestions coming from a team of peers in a training session.

The possible content areas opened up by business-centered thinking about development are almost limitless. The approach has the advantage of creating both individual learning and immediate business payoff, and that payoff makes approach appealing to senior management. There are limitations, however: after the exuberance of the first few rounds wears off, the projects chosen for development may become increasingly trivial or superficial; assigning important problems for development purposes may shift responsibility away from the decision makers who should be solving them; the development setting may diminish the apparent importance of the business issue; potential outcomes of the programs can be over-sold; and business issues vary in the extent to which they can be resolved in a program setting.

The particularistic nature of solving specific problems can result in equally particularistic development. Unlike a competency-based approach predicated on a model of an effective executive, problem-based development can be atheoretical to a fault. There may be no logic or order to guide an individual's cumulative development. In short, the approach at its best can pragmatically provide solutions, but it doesn't necessarily develop generic leadership skills or result in cumulative growth. Whereas competencies may be so generic as to lose usefulness, problems can be too narrow and evanescent. The best approach, no doubt, is somewhere in between.

Conveying Strategy, Mission, and Values
Instilling the values of the organization has long been one of the objectives of the management development process, more so in some companies than others, and most notably in strong-culture companies. The file notes from our late 70s visit to IBM's new Management Development Center read: "IBM management development has a heavy overlay of teaching the values and philosophy of the company." Awareness of a leader's role in modeling and conveying values grew, as did the recognition that corporate culture is a key element in organization performance (see Deal and Kennedy, 1982; Peters and Waterman, 1982; Schein, 1985; and more recently, Kotter and Heskett, 1992).

The recognition of the importance of values in organization life is now so widespread that the Wall Street Journal entitled a career advice article "Before Taking a Job, Ensure Your Values Match Your Boss's." (Lancaster, 1997). The leader's role in making values explicit and inspiring others to adopt them has become an accepted part of the curriculum of leadership development. Note that "shared" purposes and values appear in both of our example lists of leadership competencies.

Strategy and mission, also, have become key topics in leadership development (Bolt, 1989). As organizations pushed decision making down and out, as they aimed toward being "boundaryless," it became apparent that leaders at all levels had roles in finding strategies and missions for their units that supported the broader organization. It's no surprise that leadership development adds strategic thinking and determining a mission to its agenda, as well as our other competencies.

The emphasis upon leadership, in contrast to management, brought into focus the personal side of leadership. The leadership challenge (Kouzes and Posner, 1995) today is to get "ordinary people to do extraordinary things;" that challenge leads to the recognition that effective leaders must know who they are (personal values) and what they are about (personal missions). The continued "best seller" popularity of Covey's "7 Habits" (Covey, 1989) and related personal/leadership programs reflect the growth of "personal leadership" as an important part of a leadership curriculum. With the recognition of the motivational value of a clear personal mission, both for leaders and followers, exercises in defining oneself have become an accepted part of the leadership development process. This admittance of "personal leadership" into the curriculum transcends the boundaries of academia, organizations, and public leadership development programs — few are the programs that do not touch upon the topic.

Methods for Leadership Development

Some things never change, and in leadership development, as in other things, the medium is the message. The methods most frequently used today to develop leadership, like the content, are a mixture of the old and the new. In this section we will review six methods: 360 Feedback (a new version of an old idea), coaching (a new version of an old idea), action learning (both old and new), on the job learning (a new twist on a very old idea), high tech (definitely new), and formal educational programs (mostly old in search of a new angle).

360 Degree Feedback

360 Degree Feedback has come of age — we no longer need to define it in conversations with executives; most have themselves participated one or more times in a 360 process, either as feedback giver, receiver, or probably both. Books have been written about it (Lepsinger & Lucia, 1997; Tornow & London, forthcoming), special issues of journals have been devoted to it (Tornow, 1993), conferences argue its pluses and minuses, consulting firms offer 360 as one of their products and/or services, and most of the popular business press have carried articles describing it. Few HR tools have become so popular so fast. At a recent conference of I/O psychologists a participant was heard to say, "360 Feedback is the most important innovation in the field in 20 years." (Ask the question "how many of you have heard of 360 Feedback?" at our local Lions Club or Rotary Club, however, and you will find that "360" is not as widespread as we like to think.)

What is 360 Feedback? 360 Feedback [also called simply "360," but also called multi- rater feedback, MSA (multi-source assessment), and upward feedback] refers "…to the practice of involving multiple raters, often including self-ratings, in the assessment of individuals." These "others" typically include the individual's co-workers, subordinates, and managers, as well as customers" (Tornow, 1993). The assessments are typically gathered from at least three and up to a dozen or more (even 20+) of a leader's associates via a questionnaire that includes both ratings of leadership behaviors and "write-in" comments concerning what the leader should "keep doing," should "quit doing", and should "start doing." The summary of these ratings, the 360 Feedback, is usually a written report showing how the leader rates him or herself compared to how others rate, and listing the written comments, verbatim and anonymously.

Although an extension of the attitude survey work on the HR scene since the 1960s, using 360 Feedback to inform and/or evaluate leaders in organizations is a measure of how much organizations and leadership have changed over the last 20 years. Dunnette (1993) begins his overview of the articles making up a special "360" issue of Human Resource Management recounting an experience of "some years ago" when he had recommended that subordinate ratings be included in a performance appraisal process. His proposal included even that the rating could be collected via computer. Seeking feedback himself when he got no response to his very compelling proposal, Dunnette recalls that the Human Resources Manager "…chose his words carefully, but the message was, nonetheless very clear. The idea…was undoubtedly one of the most stupid things he had ever seen." He repeated one phrase over and over: "The power structure around here would never stand for it." (Dunnette, 1993, p. 373)

No longer operating in organizations where how a leader gets results can be as important as getting the results; where spans of control may literally span the globe; where both organizations and individuals struggle for even a slight "competitive advantage;" and where "leadership development" may supplement, if not replace, upward mobility as a career motivator; leaders see 360 Feedback as a useful tool.

How is the 360 process used? Hollenbeck (1992) identified three models of 360 that companies were using. In the "better management" model, the focus of the 360 process was on generally agreed upon management or leadership practices that someone thinks would make the individual a better manager. These universal truths are usually defined by a standardized feedback instrument (Van Velsor & Leslie, 1991, provide descriptive reviews for sixteen commonly used "better leadership" instruments). The "Job Performance" model keys on current, job related behaviors that will impact immediate or short term job performance with a development plan tied directly to the individual's performance management plan; the 360 instrument is often "home- made" with informal, interview-type feedback provided. Companies using the "Strategic Leadership" model were striving to change executive behaviors to fit a desired set of competencies for their organization of the future. Feedback and development was tied to company strategy through definition of a vision and/or core values and through executive behaviors that support these definitions. The leadership competencies described at both The Chase Manhattan Bank and at AT&T were developed as part of such strategic change efforts. The target for change is new leader behaviors defined by the company's strategy and codified in the 360 instrument. An organization may use 360 in any of these three ways in isolation, but the real power of the process, Hollenbeck argues, is in aligning the three methods so that better management provides better job performance that moves the organization forward strategically.

No matter what model is used, the issue arises as to whether the 360 data should be used for development (i.e., private feedback) or for evaluation of the leader (i.e., performance appraisal and succession planning). Similar to the old "coach versus judge" dilemma of performance appraisal, the issues center on appropriateness and validity of ratings, acceptance by the individual being rated, and the likelihood of actual change taking place. Although there is a view that unless executives are accountable for results (that is, are formally appraised on them) they aren't likely to change much, using

360 for evaluation seems to require a special set of conditions (Timmereck & Bracken, 1995, discuss these issues and the experiences of a consortium of organizations).

Dalton and Hollenbeck (1996) weigh in on the development side. They describe the essential role of feedback in generating energy and providing direction for development and a set of "Necessary Conditions for Development Feedback." They argue that although feedback is all around us, only occasionally does it help us to develop — when it is credible (provided by "raters" competent to give good feedback), is meaningful (in a form that makes sense to the executive), addresses potential (something that the person can do something about), is confidential and anonymous, and is timely (feedback loses credibility when it is "old"). Bracken (1996) discusses this in terms of who owns the data, the individual or the organization, and how that decision drives the 360 process.

The widespread use (fad?) of 360 is not without its detractors. One criticism is simply the time and effort involved — the prospect of completing 360 rating forms for 20+ other executives has dampened the enthusiasm of many a line manager. With the maturation of 360 as a process, however, considerable effort is going into technology, providing computerized, inter/intranet or client/server data collection that can ease the burden of administration and reporting. Another concern is that little development actually takes place because the process doesn't have organizational support, the "one-size-fits-all" 360 process doesn't come at a "time of change" for the executive, or the feedback isn't powerful enough to energize a person to change. A recent management book even questioned the premises of using "observers," calling 360 Feedback "…a quasi-Maoist device" (Micklethwait & Wooldridge, 1996, p.57).

Does 360 Feedback work? Convincing research is not available. One problem is defining "it" narrowly enough for rigorous research. But, perhaps we ask the wrong question when we ask "does 360 degree feedback work?" Most would argue that developmental change requires feedback that motivates change and that points the direction. Whether that feedback is "360," a heart-to-heart with a mentor or boss, or some untoward experience, much depends on what happens after the feedback. As one of us was told by a participant after a 360 session, "we don't need 360, we need to do a 180."

Executive Coaching

Executive coaching is "..a practical, goal-focused form of personal, one-to-one learning for busy executives. It may be used to improve performance, to improve or develop executive behaviors, to work through organizational issues, to enhance a career, or to prevent derailment" (Hall & Otazo, 1995). Executive coaching is more than just personal learning for the executive, however; most organizations expect that "personal learning" will pay off in better organization performance.

Like 360 Feedback, coaching's rapid rise to the front ranks of leadership development methods reflects the new business realities. For the HR generalist asked "what can we do with George?" or "what can you do for me?", coaching is a tempting all-purpose answer:

An executive who can can't give a speech? Get a coach. An executive who can't use the Internet? Get a coach. An executive who runs roughshod over peers and direct reports? Get a coach. An executive at the bottom of the pile on 360 results? Get a coach. An entire executive team that wants further development on managing conflict? Get a coach for each executive (or for the whole team).

Executive coaching is a "catch-all" development method because it meets so many of the needs of the organization and the executive — it doesn't require much commitment or disruption, it provides individualized, targeted, flexible, just-in-time development for executives on the run.

Coaching conducted by "executive coaches" is different than the "manager as coach" process written about first by Mace (1958) and popularized in the late 1970s and early 1980s. Evered and Selman (1989) describe the growth of the "manager as coach" and segue to the "executive coach as professional" that we discuss here. [Coaching is thriving as a "helping activity" far beyond the reaches of what most HR professionals imagine. The curious reader will find a visit to the web site (www.coachfederation.org) of the International Coaching Federation, an enlightening experience.] But the literature on coaching is growing, following the practice. An article in Fortune (Smith, 1993) catches the wave with descriptions of variations in coaching practice and the diverse backgrounds of coaches. A special issue of the Consulting Psychology Journal (Kilburg, 1996) stakes out the psychologists' claim as major players in the area. Witherspoon and White (1996) lay out four roles executive coaches can play, each with a different focus: coaching for skills (specific tasks), coaching for performance (the present job), coaching for development (the executive's future job), coaching for the executive's agenda (a confidante role for leaders in lonely positions). Each of the roles involves different coaching approaches, time frames, and commitments from the executive.

Peterson (1996) in the same special issue slices the pie similarly, describing "targeted coaching" — a focused, practical, skill-based approach; Intensive Coaching "…for individuals who face major work challenges and who need to accelerate their learning" and Executive Coaching — "…a consultative, relationship-based service provided by seasoned consultants who serve as advisors and objective sounding boards to senior executives."

How are organizations using coaches? Most frequently coaching is a follow-on to 360 Feedback. Recognizing that 360 Feedback alone is unlikely to produce much change, coaches interpret 360 Feedback reports and help executives generate development plans. Moving from feedback to development actions requires just what the coach offers — skills in translating data into development for the specific executive. Hall and Otazo (1995) described the coaching process at Avery Dennison: eight external coaches were given half-day training to prepare them to provide 12 hours of coaching to executives receiving 360 Feedback. In the first meeting, the coach and the coachee opened the feedback data and explored how to read it; subsequent meetings reviewed the feedback and planned and implemented development actions. After the 12 hours of coaching contracted for and paid for by "corporate," coaching continued at the discretion and on the budget of the executive.

Coaching may also be applied to an entire group of executives. At Texas Commerce Bank Senior Vice President Robert Gregory described the Bank's use of executive coaches for their senior 25 executives. Each of the executives was assigned one of five external coaches for six coaching sessions over six months. Although the development theme began as "conflict management," the coaching of each executive followed his or her own needs and desires. The TCB program illustrates an advantage of "a coach for everyone" — coaching is not a secret — when everyone has a coach, it can be discussed in the hallways and it provides a natural reason for discussing the "undiscussable" with other executives. Plus, the coaching can be coordinated with other executive development activities. A disadvantage, however, is that inevitably some executives are more receptive to coaching at the time it is offered than are others, resulting in very different coaching outcomes.

How are coaches selected? External coaches are typically selected from the Rolodexes of an HR person asked to find a coach. What criteria do they use? Hollenbeck (1996) has suggested that "source credibility," as defined by communications professionals, is a good criterion. Credibility includes being trustworthy (a *sine qua non* of coaching), having expertise (in coaching and in business), and being dynamic (having the "personality" to engage and convince the coachee). Credibility, so defined, is very much context dependent, defined quite differently for a coach asked to teach an executive to use the Internet than for one asked to help an executive deal with sensitive interpersonal issues.

Does coaching work? The effectiveness of coaching tends to be evaluated by the anecdotes rather than by research. And separating "coaching" from the rest of the leadership development process makes evaluation difficult. A follow-up study by Edelstein and Armstrong (1993) of a coaching-based executive development process found that participants rated the process very valuable (3.95 out of 5) and they reported that they made consistent change (4.07 out of 5). Hall and Otazo (1995) in their survey asked executives to rate the overall effectiveness of their coaching experiences and found the most frequent response to be 4 ("Very Satisfactory") on a 5-point scale. They concluded, and so will we, that "…the positive image of coaching that is presented in the business media is supported by the experiences of the people we interviewed."

Action Learning
Twenty years ago "action learning" was associated almost exclusively with outdoor programs like Outward Bound. Today use of the term has expanded, and it is more often associated with programs whose content is business and strategy focused. Multi-disciplinary teams are created in a development setting to address important organizational problems.

A typical action learning program begins when an organization's senior executive group identifies a range of problems or strategic issues that need solving, and chooses the people who will attend the program to do the solving. The program contains presentations by the senior executives, content modules relevant to the target problems, and team building activities. Teams are created and

assigned to (or choose) specific problems to work on during some time period which may vary from a few days to six months. A second session is held at the end of that time to present problem solutions and recommendations to senior management, who then make a decision on whether to implement them, and, if so, what authority and resources the team will need to carry out the plan.

Almost any aspect of this basic paradigm may vary in a given program — topics may be generated by the CEO or the teams themselves; participants may be hand-picked by the CEO, human resources, or the succession planning process; participants may be a cross-section of individuals, even including outsiders or intact business unit teams. Content and presenters may include consultants, university faculty, customers, or vendors; team building may be brief or extensive; the initial session may last a day or a week or two; the program may have multiple sessions or only one; if the problem is global the teams may travel to relevant countries; each team may have a sponsor or coach, or they may be on their own. The finale may come in a presentation to one's peers, the sponsoring party, senior executives, or the training staff, and it may or may not involve a commitment to action. If action does follow, it may be carried out by the same team, a subset of that team, a new team, or some combination.

The potential impact of the project and the visibility derived from working on a significant organizational issue result in strong motivation for the participants. There is, however, a difference between action learning's motivational power and the actual learning potential it carries. Teams that are left on their own, with little additional coaching or new input, are less likely to learn as much as those that have to master new skills, learn how to work as a team, and have some help. Stronger programs in this regard couple the motivational aspects with carefully designed process- and content-intervention strategies, and provide coaching as needed during the away-from-the-program activity periods.

Action learning is not without its limitations. Effective programs are difficult to produce and maintain. A poorly screened group in unfacilitated teams assigned "make-work" problems during a brief residential program who then present results to a non-involved panel with no decision-making prerogative creates a breeding ground for cynicism rather than development. Even well-designed teams working on significant problems but without learning support may treat the development as just another important job assignment. With results rather than development paramount, team members may divide the work according to already-demonstrated expertise and work independently on "piece parts" of a highly focused solution. Learning would require trying new ideas, focusing on team effectiveness, or experimenting with new behavior. More subtly, but perhaps even more damning, high level corporate sponsors may turn what was intended as a learning event into an assessment exercise. Alternately, programs that are well designed to support learning but lack important problems or sponsors may generate little motivation or investment from participants in the program.

Another approach to business-centered action learning focuses on individuals rather than on organizational issues. This design uses the group training experience to generate individual development plans, usually providing individual coaching during a follow-on period for carrying out the plan. Returning for a second training session, participants share their results with the training group. The strengths of this approach include that the problems are relevant to the individual and that one-on-one

coaching and feedback is provided. Its limitations spring from the same source: individuals may not choose the most important areas to work on, there may be little accountability for results, and even if individuals change, the unchanged context to which they return may not support the change over time.

The more traditional form of action learning — based on team challenge rather than business problems — has evolved substantially over the last twenty years. These "outdoor" programs (which may not be specifically out of doors) use various kinds of mental and physical challenges as a vehicle for managers to focus on team process and personal development goals in a "safe" environment, theoretically allowing them to experiment, make mistakes, and receive honest feedback without risking their careers.

The range of challenges given to a group varies enormously in these programs (Conger, 1992). Some imitate business settings and issues by using case studies or simulations (sometimes developed specifically for the firm). Others take the opposite approach, getting people far away from their normal work environment by challenging them with outdoor adventures on mountain slopes, river rafts, and remote islands; intimidating "high ropes" events; difficult tasks (like getting one's team through a rope web without using any hole more than once); or performance challenges like mastering a song or a play or making a movie.

There is no doubt that these programs can have powerful impact — as with the self-report ratings on coaching, people highly value these types of action learning experiences (Conger, 1992). Whether that impact carries over into job performance depends on the training staff's ability to help translate learning into its application in relevant business situations. In a well-designed program, the challenges are sequenced so that the team can progressively improve, and learning is self-directed (i.e., the team analyzes its performance and sets its own performance goals for the next task). Effective facilitators are careful to preserve the participants' dignity and responsibility for their own learning, and they understand the business context well enough to help people make the connections between the here-and-now behavior and what happens "back home."

Because of the potential irrelevance of the exercises and possible lack of business understanding by the staff, this type of action learning can be difficult to use effectively. Team activities can be quite challenging and generate intense involvement, but with little transfer of learning. Sometimes senior management does not understand the purpose or potential power of "rocks and ropes" and therefore is not involved in the program. Those who have not been through such a program (or have had a bad experience in a poorly designed one) may not understand what the "graduates" have learned, making it hard to bring a common framework to group process back on the job. Some critics even question whether group process skills constitute leadership development, suggesting that the formal authority inherent in most leadership positions makes leadership fundamentally different than teamwork among peers.

On the Job Experience

One of the great strengths of business-centered action learning is that it captures elements of job relevance and that participants are playing for real stakes. That is even more true of the job itself.

While almost any discussion of leadership development will quickly turn to programs, we have argued elsewhere (McCall, 1998) that the primary classroom for leadership is on-line experience. Despite the ready acknowledgment of its importance by most managers and executives, this primary source of development often is the least effectively used.

Use of job experience for development has a long history. "Earning one's stripes," "doing one's time," "moving through the chairs," "seasoning," and other terms have been used to describe the process of development through exposure to supposedly broadening jobs. In their heyday, when long-term employment and steady progression were the norm, systematic rotation programs and career paths mapped the experiential path to the top. Today's organizations, emerging from the downsizing era and finding themselves short of needed leadership talent, have neither the time nor the stability to wait for such processes to produce results. In a trend unlikely to subside, organizations are attempting to accelerate development, with both good and ill effects. On the one hand, efforts to accelerate development have caused companies to look more closely at the assignments they give to their high potential managers and to become more efficient and effective in their use. On the other, the emphasis on speed has led to short-cuts that may cause talented people to derail; or even worse, that have led to moving poorly prepared people into senior roles.

Although much is known about the impact of job experiences on development (McCall, Lombardo, and Morrison, 1988; McCauley, 1986), including the experiences with the most developmental clout and what lessons can be learned from them, most organizations still fail to use experience effectively. The most fundamental reason is the inherent conflict between maximum performance and maximum development (Yukl, 1994). The executive likely to get the best results — the one who has already mastered the skills required for effective performance in that job — is less likely to develop as much as someone for whom the job is a stretch. Maximum development requires new learnings, not performing something one already knows how to do.

Another reason that organizations don't use experiences effectively is that, unlike discrete programs which are largely independent of the rest of the organization, job experiences are completely embedded in the organizational context. Other systems designed to maximize performance (e.g., compensation, succession planning) directly affect who gets what job and what they are rewarded for doing.

Even organizations that routinely move their high potentials into challenging assignments for developmental reasons often fail to take maximum advantage of the learning available. After putting people in challenging assignments, they then step back and "see how they do." The assumption seems to be that learning will occur on its own. While this is to some degree true, it is rare to find "seat-of-the-pants" learning enhanced by systematic use of developmental feedback, coaching, specific development goals, and rewards for development in conjunction with an ongoing experience. With the premium on performance, the incumbent of even a potentially developmental job may get results without changing or acquiring significant new leadership skills.

Despite all of these problems, systematic use of on-the-job experience still holds the most promise as an approach to developing leadership talent. When combined with supportive goal setting, feedback, reward, and training practices, experience can be the most valuable teacher in the arsenal.

Technologies

High potential leaders (as well as high performance faculty) in global organizations face increasingly difficult obstacles to attending development programs. Time pressures, time zones, and immense distances all threaten the practicality of classroom-based instruction. Enter technology. Interactive instruction via satellite from a studio on the U.S.C. campus in Los Angeles can enable a professor to lead a case study discussion with a room full of Daimler Benz managers in Frankfurt. The cycle for 360 Feedback and development planning can be dramatically shortened — it's an impressive sight when 35 high potential managers traipse down to the computer lab to custom design their 360 instrument, collect their data on line, analyze their 360 Feedback, identify development goals and corresponding development activities, and produce specific development plans. What required 4-6 weeks and numerous mailings ten years ago can, thanks to technology, now be done in one sitting.

In addition to shorter cycle time, technology enables us to dramatically increase the richness of the learning situation. Traditional development vehicles like in-basket exercises and computer simulations have become much more complex and highly interactive. VCRs are so commonplace that most business cases now come with companion videos. One cannot but believe that with the blossoming of the world-wide web this is only the beginning. Interactive media capability is already "old hat" in many development applications. Role plays can now be put on CDs to present visual scenarios for participants' responses in a kind of video game that instantly leads to the next scene. Managers can now face a tough subordinate's performance problems via their personal computers, choose a course of action, see the impact of their choice, respond again, and so on. The effectiveness of a given response can then be compared to "expert" choices.

The interactive case study is now a reality. One of the authors saw the power of such an approach in a Harvard case room. In conjunction with a case on one airline's unusual hiring process, the instructor could on the spot choose any of ten job candidate interviews on a video disk and show it to discussion groups. After viewing the candidates, groups could make their decision and then watch the actual decision making panel, again on disk, debate and decide.

And, needless to say, the modern classroom makes the bridge of the Enterprise look as old fashioned as the original Star Trek's special effects. Computer consoles routinely connect everything with everything else, projecting images from CDs and videodisks, playing videocassettes, and even dimming the lights. From their chairs, participants in state-of-the-art classrooms can see their opinions instantly tallied and projected on the screen. Professors can get instant evaluations.

As the software and hardware developments that have revolutionized business practices find their way into leadership development activities, opportunities for learning abound, as well as questions. Can interactive technology replace face-to-face interaction? Can emotional intelligence be learned at your computer? Can all the important lessons of experience be learned through computer simulation?

Impressive as it may look, does a computer generated development plan replace careful thought and deep understanding with speed, color, and graphics? With no answers, these may be the musings of the old-fashioned teacher, resisting change; still, it is difficult to imagine executives describing technology-based learnings as the key events of their leadership lives.

Formal Programs

The tendency to think that leadership development is what happens in programs led companies to use business schools as a primary source for executive education. Such programs still flourish, and the major universities still offer and fill top-of-the-line executive education courses. But the blush is off the rose, and universities no longer hold the uncontested top spot in development. This is due largely to five trends that have shifted both the focus and the options available to corporations that choose to use formal programs.

1. Twenty years ago outstanding faculty were concentrated in a few business schools; now they are spread widely across campuses and consulting firms around the world. Harvard Business School, Stanford, MIT, and the other hallowed grounds now have a lot of competition. Of the top 10 management school professors used for in-house corporate education programs, two are from U.S.C., one is freelance, and one is from Hototsubashi (Bongiorno, 1993). The top rated business schools offering an executive MBA now include places like Emory, Purdue, NYU, Western Ontario, Michigan State, SMU, Texas, U.S.C., Boston University, Illinois, Washington, and Texas (Business Week, 1993).

2. Competition for the executive development dollar has led universities to develop programs that are more "relevant" to business problems — most business schools now offer company-tailored contract programs (de Lisser, 1993). Harvard, the last hold-out, now does that, too. Many schools even design internal (to the company) programs for corporate clients. Boston University provides an executive MBA program for 40 executives of Daewoo.

3. MBA programs have incorporated leadership into the curriculum in response, at least partially, to business complaints of "overly analytical" MBAs. As a result, many high potentials arrive with a "leadership development" experience under their belts, perhaps one taught by the same people once accessible only through executive education. This trend has even begun to reach undergraduate programs — U.S.C., for example, offers an undergraduate leadership course taught by Warren Bennis and university president Steven Sample. Boston University also offers an undergraduate leadership course to juniors and seniors, and the University of Richmond even offers and undergraduate degree in leadership. The Leadership Institute at U.S.C. (another aspect of the trend, a university creating an in-house leadership program) has a leadership program for graduate students nominated for their leadership abilities from its 17 professional schools. Participants include masters and doctoral students from schools like law, dentistry, cinema, engineering, medicine, public administration, and music.

4. A recent trend has been to create internally run "leadership academies" geared to an organization's specific needs, strategic direction, and leadership requirements. The major change at GE's Crotonville over the last 20 years has been a shift from a management and technical training center to a leadership development center. McDonnell Douglas (along with merger partner Boeing), PepsiCo, Sun Microsystems, Ford, LG Group in Korea are just a few of the companies world-wide that are, in one way or another, creating internal leadership programs and even institutions. Many organizations have discovered that they can buy the university faculty they want and create their own programs, tailored to their own situations. Several consulting firms have sprung up and been quite successful at designing tailored programs for corporations and then procuring the faculty to put them on.

5. Whereas public programs were once almost the exclusive domain of universities, there has been an explosion of leadership programs designed and run by non-university vendors. The Center for Creative Leadership is a recognized leader in this explosion (The Wall Street Journal, 1993), which includes programs by such popular figures as Stephen Covey (Covey Leadership Center) and Tom Peters and Jim Kouzes (TPG/Learning Systems of the Tom Peters Group), long standing programs with renewed attention like Outward Bound, and an assortment of new faces like poet David Whyte (The Heart Aroused, 1994). Conger in his book, Learning to Lead (1992) provides an in-depth look at some of these programs.

Whether run in-house, by a university, or by an independent organization, the day of the lecture course has been eclipsed by other pedagogical approaches. Leadership programs typically combine all or most of the methods described earlier in this chapter, including 360 Feedback, action learning, case studies, and internal and external faculty, all organized around a set of strategic issues. Some programs are timed to coincide with critical transitions in managerial careers, such as becoming a director or a new vice president. Others coincide with organizational transitions, such as "going global" or shifting the culture. Some appear when a new CEO is installed who believes that leadership development should be a priority.

One very unusual program has received a lot of publicity in the business press and may serve as a model for future leadership development. Roger Enrico, now CEO of PepsiCo but then Vice-Chairman, created an intensive leadership development program for the highest potential PepsiCo managers. Run with a very small number of managers in various of Enrico's private residences, it began with a five-day seminar led by Enrico, followed by a 90-day action learning application focused on building the business, and concluded with a 3 day workshop to share insights gained. This program was not only tailored to the PepsiCo culture and strategy, it was specifically tailored to Enrico's view of the leadership qualities required. One of the greatest benefits for the participants was the opportunity to interact so closely with Enrico (Tichy & DeRose, 1995).

University run programs have also responded to the new emphasis on global competitiveness, business relevance, and efficiency. Even the most popular general executive programs, like Harvard's AMP, have shortened the length of time required and significantly bolstered their international emphasis. Others with less prestigious names in the increasingly competitive marketplace are seeking specialty

niches, either in subject matter (e.g., "total quality") or in geographic region covered (e.g., "The Pacific Rim").

<center>**Emphasis on the Learner**</center>

With all the energy produced by the controversy over competency models and with all the excitement generated by the mind-boggling new technologies available, it is easy to let a discussion of development hover around content and method issues. But a third and critical part of this equation the learner. Developmental opportunities, regardless of their content and method, are valuable assets with limited availability. Not everyone can have access to these opportunities, nor is everyone equally likely to benefit from them. Inevitably a selection decision must be made about who will get what kind of developmental experience.

There are at least two aspects of the learner side of development. The first is the most obvious, and involves how the chosen get chosen — or, in other words, who are the learners? The second and more subtle aspect is the degree to which content and method are tailored to the individual learner, as opposed to exposing all of the chosen to the same learning experiences.

Who Gets Chosen

The traditional approach to the "who" of leadership development has been to identify those with leadership potential through some systematic assessment procedure. Better companies use validated assessment center procedures or use carefully selected and trained executive panels to perform a thorough review. The people rated highest are then made part of a "high potential pool" that is managed by a corporate-level entity — this helps prevent the hoarding of talent by divisions or business units, and reduces the difficulties associated with cross-boundary assignments. People in this pool are often labeled corporate assets, corporate resources, or corporate property, subtly reflecting something about the culture of the company and how it views people.

The changing nature of the competitive environment, new organizational forms, globalization, and more sophisticated theories of leadership have all contributed to the emergence of new ideas about who should be developed. Globalization, for example, has changed the complexion of the high potential pool — candidates now may come from anywhere in the world. As it turns out, variety in the culture of the audience fundamentally changes the nature of the development process itself. One of us teaches two similar leadership-related courses in the MBA programs of a major university. One of the courses is part of a traditional two-year MBA program with 3/4 U.S. students and about 1/4 international students. The other is included in a one-year compressed international MBA with 3/4 of the students from thirteen countries other than the United States. The dynamics of the two classes are totally different as a function of whether or not U.S. citizens are in the majority. Both content and method must be altered to fit the more diverse audience.

New organizational forms are driving changes in who gets leadership development. Programs involving <u>as participants</u> joint venture partners, customers, suppliers, unions, and even competitors are

<center>20</center>

becoming more common as organizations become more "virtual" and see leadership as something that must cross fuzzy boundaries. Similarly, flatter, leaner organizations and the rise of team-based structures have broadened the leadership pool to include teams with no formal leaders, managers and executives along with their subordinates, and even multiple hierarchical levels. The underlying idea is, of course, that leadership is a shared responsibility, so leadership development must become all-encompassing.

Who the learner is affects the content and method of development in many ways. When the focus is on a leader and his or her immediate team, for example, after-program coaching with the team and various individuals is a strategy often used. When the majority of participants are not North American, greater demands are placed on the development setting to recognize religious, cultural, and language differences that can interfere with learning, and to choose concepts and case examples that make sense in the various contexts represented.

Indeed the shift in who the learner is has had some very valuable impacts on the way leadership development is being designed. Recognizing that learning to manage people with quite different perspectives has become core to leadership in many companies, it is increasingly common to find programs designed on the basis of diverse cultural representation. In essence the participants are the content — instead of talking about working with people different than themselves, diverse participants in an action learning approach actually have to learn to work with each other.

One Size Fits All?
The traditional approach also assumes that all members of the high potential group should have the same or similar experiences, and programs or rotational assignments are designed for the pool rather than for individuals. The sequence of programs or events is often timed to coincide with presumably critical development transitions, for instance after taking a first managerial job, becoming a functional or program manager, becoming a general manager, and finally becoming an officer. The content and nature of these programs is designed for the challenges faced at each level of development, again assuming that people in the same cohort have approximately the same developmental needs.

A promising development takes this one step further by truly focusing on the learner. By combining individual assessment with individual coaching models, some organizations are recognizing that development is frustratingly individual. People simply come with different skills, develop at different rates, have different learning styles, and certainly have different development needs at different times. Cost, of course, has been a major consideration in using individual approaches, but the cost in salaries and bonuses of executives who fail, plus the business losses incurred as a result of inadequate performance, has grown so exorbitant (Michael Ovitz's exit cost Disney $90 Million!) that even the expense of an individual coach can seem modest. Thus, contemporary leadership development programs may begin with a 360 Feedback diagnostic which is then fed back by an executive coach who works with the executive to craft a development plan and meets periodically thereafter to provide counseling, suggestions, and advice. The job itself is the primary development experience, supplemented perhaps by courses, projects, or other external interventions.

Yet another promising development prompted by increased emphasis on the learner and on-the-job learning has been assessment of a high potential manager's ability or openness to learning. A recent study of global executives identified eleven factors that distinguish between high potential and solid performing international managers and executives (Spreitzer, McCall, & Mahoney, 1997) . These dimensions can be interpreted to reflect two characteristics of potential: 1) The willingness to take, when offered, or to create, when bored, opportunities to learn new things; and 2) the necessary skills and willingness to create an effective learning situation once in those opportunities (e.g., seeking out feedback, learning from mistakes, treating people in ways that they are willing to help, etc.) This research resulted in a multi-rater assessment instrument to help leaders assess their readiness to learn (McCall, Spreitzer, & Mahoney, 1997), and in turn improve their own ability to use experience effectively for growth.

Context and Conclusions

Leadership development takes place one leader at a time, and like leadership itself, always in a context. The context of the process extends from the potential leader's immediate manager and organization unit all the way to the global business arena. Leadership development is a fragile part of that context, which may be development-friendly and supportive or development-hostile and destructive. Many of the development-friendly factors are implicit in our review of the content, methods, and participants in leadership development. Hinrichs and Hollenbeck (1991) provide an extended list of development factors at the organizational level, including open career channels, a human assets business strategy, a performance focus throughout the organization.

The forces shaping context are, of course, neutral — neither inherently friendly nor hostile. What are some of these forces, what do they hold for the future context of leadership development in organizations?

Increased competition, whether global or local, is unlikely to go away, so there will be continued downward pressure on costs. Leadership development is vulnerable because we have yet to demonstrate its cost effectiveness. Efforts to document the impact of development usually are restricted to an evaluation of specific practices (e.g., 360 Feedback) or training programs (e.g., a leadership class), and little has changed over the years in the outcomes of such research — the "smiles test" shows high participant ratings, but documented improvements in job performance, much less in organization performance, are few and far between. Further, programs are highly susceptible to fads (and high priced traveling pundits), which sweep through and disappear with regularity. Small wonder that defending the leadership development budget can be difficult!

Changing organization forms such as flatter hierarchies and high involvement systems will require more sophisticated leadership skills at both the top and at the bottom of organizations (Lawler, 1992; 1996). The increasing diversity of the workforce, resulting from both globalization and demographic changes, will make leadership more demanding and require better skills at leading the diversity (Puffer, 1996). Increasing experimentation with and implementation of new organizational systems to promote

learning and creativity (e.g., Senge, 1990), and bold innovations in the use of organizational rewards to reinforce growth (such as skill based pay which predicates pay increases on acquisition of new skills rather than on production, Ledford, 1995) will support development of new skills. Advanced technology will make exposure to development opportunities more readily available to more people. Increasing mutual dependence among corporations (e.g., joint ventures, partnerships, and redefined supplier relationships) will create another external source of pressure for effective leadership, and greater recognition that investing in leadership development is a "best practice" of successful corporations like General Electric and visible leaders like Jack Welch.

These are powerful and encouraging forces that bode well for leadership development in the future. But there is a dark side as well. The same partnerships and organizational dependencies that call for better leadership have a temporary quality to them that may discourage long term investment in development. The changing psychological contract (Hall, 1996) between organizations and employees — even the Japanese are moving away from life-time employment — provides an argument for not investing in individuals over time. With fads based more on the communications skills of their purveyors than on substance, corporate development advocates may retire or themselves run into trouble and take their advocacy with them. The same competitive pressures that demand better leadership also spawn the development of systems that define performance narrowly and produce short-term rewards.

Given the substantial nature of the forces and the fragile quality of leadership development, we leave to the futurists a description of alternative scenarios. We are, however, optimistic. Although the popularity of the term "leadership" will likely fade, the demands associated with leading complex organizations will not. We believe that people, having tasted of more effective leadership, will come to expect it and even demand it. Organizations that do not cultivate leadership will falter. The view that leaders can be hired away from other corporations on an as-needed basis will prove short-sighted indeed.

The trend in leadership development will be toward more individualized approaches, tailored both to the growth needs of individual executives as determined by feedback and coaching methodologies, and to the business needs of the organization. Business schools, unlikely to regain their monopolies of times past, will find new niches in design and delivery of these increasingly individualistic approaches.

But the action in leadership development will, we believe, move increasingly inside corporations and be supported by an array of service providers. Organizations will become more effective in using experience as a teacher, and as their leaders become more committed to and better at coaching, their executives will learn their way into better performance. Improvements in technology will support more effective use of on-the-job learning, just as it has revolutionized business practices.

The business imperative for leaders who can handle the complexity and change ahead is so compelling that efforts to develop leadership skills will continue unabated. Corporations that do not develop leadership as a competitive edge will not survive.

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