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COMPETENCE, NOT COMPETENCIES: MAKING GLOBAL EXECUTIVE DEVELOPMENT WORK

CEO PUBLICATION
G 03-15 (443)

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March 2003

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Abstract

As we begin the 21st century, evidence abounds that executive and leadership development has failed to meet expectations. Unless we change our assumptions and think differently about executives and the development process, we will continue to find too few executives to carry out corporate strategies, and the competence of those executives available will be too often open to question. The "competency model" of the executive, proposing as it does a single set of competencies that account for success, must be supplemented with a development model based

on leadership challenges rather than executive traits and competencies. Executive performance must focus on 'what gets done' rather than on one way of doing it or on what competencies executives have. In turn, executive development must be viewed as meeting performance challenges essential to the business strategy rather than attending development programs, with senior executives making development decisions much as they make business decisions today.

A version of this paper will be published in: Mobley, W. H. and Dorfman, P. (Eds.)(2003) *Advances in Global Leadership, Volume 3*, 101-119, Oxford: Eslevier Sciences Ltd.

COMPETENCE, NOT COMPETENCIES:
Making Global Executive Development Work

Plant a carrot, get a carrot,
not a Brussels sprout.
That's why I like vegetables,
you know what you're about.
(From the long-running play The Fantasticks)

As we begin the 21st century, global executive development is not working. The processes and assumptions that guide current practice are no more likely to result in the required leaders and executives than those of 30 years ago. Developing executives is by any standard an uncertain enterprise, sometimes guided more by hope than experience. Despite gurus who proclaim that there is a "science of leadership development" waiting for application, in fact people simply don't develop on linear, predictable paths; that unpredictability is reflected in the quotation that begins this chapter. A number of current trends seem to make the development enterprise even more difficult and uncertain than it has been in the past. These trends-- for example, globalization, multiple careers, industry consolidation, transition of organization form and ownership, shorter time horizons--at least on their surface seem to make matters worse rather than better. The result is that organizations may be even less likely to produce the executives and leaders they will need than they have in the past.

In this chapter, we offer: 1) A case that global executive development is, indeed, not working; 2) indications of why it is not; and 3) alternative ways of thinking about executive development that, we hope, will increase the likelihood that development will take place.

Our discussion is based on observation rather than science, although to the extent there is any science we will draw upon data. It is intended to be provocative rather than prescriptive, although we will suggest new directions. It means to stimulate ideas rather than stand on ideology, although our critique stems from our own, admittedly U.S.-centric views.

Our perspective is drawn from studies of global executive development over the last several years (McCall and Hollenbeck, 2002; Hollenbeck, 2001; Hollenbeck and McCall, 1999; Spreitzer, McCall, & Mahoney, 1997). During the course of our research, we have had the opportunity to examine global executive development from the perspectives both of organizations and individuals in both global and domestic organizations; we have examined the wealth of development literature; we have had the opportunity to engage in thoughtful discussions with those charged with development in their companies; and, we have talked with executives and leaders, some with illustrious careers, about how development has worked for them. For this chapter we use those experiences as our base. If we are successful in our presentation, practitioners and consultants will complain that we have set up a 'straw man' to tear down, and academics will criticize the lack of empirical data. If the reaction creates a better straw man or leads to new research, the chapter will have served its intended catalytic purpose.

Global Executive Development Is Not Working

Examples and evidence abound in the popular press and business literature that global executive development is not working. Although our focus is on global executive development, we contend that developing domestic executives is, surprisingly, no more effective…surprisingly because the world of domestic business and, in turn, development of domestic executives, is an order of magnitude simpler. (See McCall and Hollenbeck, 2002, for a discussion of what constitutes global work.) We have chosen six themes to make our point.

Whatever the current processes, they are not producing the executives required and little has changed over the last 30 years. We recall that in the 1970s, Citicorp legend Walter Wriston said that it was easier to find $100 million than a competent executive. In the middle 1980s, John Kotter (Kotter, 1988) made the same point, this time focusing specifically on leadership development, that leadership was a scarce commodity. More recently, a survey of U.S. Fortune 500 firms found that although companies rated "competent global leaders" ahead of all other business needs for the future, nearly all (85%) did not think they had enough global executives to carry out their strategies (Gregorson et al, 1998). "The War for Talent" (Michaels, Handfield-Jones, Axelrod, 2001) owed its popularity to the shortage of executives as well as technical employees.

In addition to being in short supply, the competence of those executives who are available is widely questioned. Behind most failed business strategies is a trail of executive failure and misadventure, either in the planning or the execution. Doubters need only read a recent analysis of the visible failures of 14 major U.S. companies (Charan and Useem, 2002) to find executive shortcomings behind the "Ten big mistakes" that companies make. And, as the article points out, "CEOs offer every excuse but the right one: their own errors." The fourteen examples may be U.S. companies, but it seems unlikely that a similar analysis of non-U.S. based companies would produce very different results.

While competence may be in short supply, *competencies* are legion. But, despite their prevalence in HR models, executive competencies have not prevailed in the executive suite. The foundation of most executive development efforts over the past decade, executive competencies and competency models, have failed to become the lingua franca of executives (see Hollenbeck and McCall, 1999 for a review and critique). As useful as they have been for modern HR management and as much as they have influenced HR practice and practitioners, one needn't look far to find that competencies have had little influence on how senior executives think about executive capabilities, assignments, and development needs (Sorcher, 2002).

Decisions about executives continue to be short-term and expedient, dominated by today's needs for operating the business and rarely including a development component for the future. In the annual discussion of executives, whether in London or Los Angeles, the needs for development are seldom tied to the strategy of the business or integrated into the fabric of the enterprise. Worldwide these discussions seem to be modeled after General Electric's "Session C," but they typically fail to make development a part of the organization's operating culture. A knowledgeable consultant, talking to an HR group about a benchmarking survey of large U.S. companies, reported that that only one-third even *said* they tied development to business planning, and in a candid moment he estimated that perhaps only 10% of his 50 to 60 clients actually did.

The argument that leaders are born and not made is alive and well: "…as far as executive leadership is concerned, people are reasonably complete packages by the time they arrive at the corporate doorstep" (Sorcher, 2002). The belief survives, despite the fact that the identification of the native "talent" is always made in hindsight, and every executive we have ever interviewed was able to tell us of significant experiences that shaped him or her as an executive (see McCall and Hollenbeck, 2002, for the key learnings of a sample of 101 global executives). Not only is it widely believed that leaders are born and not made, there is a growing belief that people don't change. Despite the continuing stream of "self development" books, the Gallup Organization's best seller has a theme that might be characterized as "people don't change much, so learn to use their strengths" (Buckingham & Coffman, 1999) —though not always bad advice in itself, it is only part of the story.

<u>Development has, in many companies, become the responsibility of the executive rather than the company</u>. An HR development officer in a large high tech company recently told us, "We *say* that development is 50% the executive's responsibility, 50% the company's, but in reality it is 95% the executive's." This particular comment may be extreme-- characteristic of a fast cycle business in distress—but our point is more general. Throwing up one's hands and pushing responsibility out is another way of "outsourcing" at no cost… "That's not our problem, it's yours." Like many of our trends, the shift may actually benefit everyone involved and underscores that executives "develop" more than companies "develop them"; but it also reflects the realization that development is a failed process, that our efforts are not worth the time and money.

We rest our case. Our point of course is that despite high hopes and enormous resources devoted to it, executive development as practiced over the last 30 years has not succeeded. While we would not argue that it has made no difference at all, any difference made has been "too little, too late". In the language of performance appraisals, executive development "did not meet expectations."

Perhaps our expectations have been too great. Perhaps developing executives is not something that can be influenced in any meaningful fashion or with any magnitude. We think that is too fatalistic a view, and, rather than throw out the squalling baby with the cold bath water, we turn now to, "Why not? Why hasn't it met our expectations?"

Why Executive Development Has Failed

Finding order in the chaos of executive development failures is more difficult than it might at first seem. To paraphrase Tolstoy's comment about unhappy families, every executive development effort fails in its own way. If we were to examine specific failed company development efforts, the most frequently cited reason would likely be "lack of support from senior executives". This proved to be the case at a recent conference of company executive development officers that closed with the lament, "How can we get the support of the CEO for development?" Our search is a more general one; we seek underlying themes that offer some insight into WHY senior executives don't support the effort, recognizing that like all themes, there are exceptions. We have chosen five of these themes:

Executive Development has been Tied to the Wrong Model of "Man"

The dominant model is an engineering, or "piece parts" model, that assumes that the effective executive is the sum of a set of pieces or competencies. The development assumption is that if we develop these competencies one after the other, then an effective executive will emerge eventually. Not only is the model wrong, as every executive knows, executive performance doesn't work that way.

The very nature of executive jobs (with the CEO's the prime example) is that they can be done in myriad ways. *What gets done* (within ethical and moral limits) is more important than what one does, and what one does is more important than *what competencies or traits one has*. The unique thing about CEO jobs, and the thing that makes them so interesting (and we might add, so well paid) is that there are as many ways to perform effectively (or ineffectively) as there are executives. No two CEOs do the same things much less in the same ways, or have the same competencies. This conclusion is not only obvious on its face, it is evident when we observe outstanding leaders, whether military officers, heads of state, or CEOs--one cannot but be struck more by the differences than by the similarities in their makeup.

The principle at work is that as we move up the corporate hierarchy, the mix of "what you do"' to "what gets done" changes. At the lowest level, say a machine operator, performance depends quite literally on what you do--being at one's workstation and going through the tasks required to operate the machine; deviations from assigned tasks are recipes for failure. Move up a level, and the operator's supervisor has a level more of flexibility-- the actual behaviors used to get things done can vary from supervisor to supervisor, even though effectiveness may take similar forms. At the executive level, there is a great deal of freedom (within the limits of legal, ethical, and cultural constraints) to do the job in their own ways--as long as they get results. Not only do CEOs have considerable freedom to do whatever they want, in some cases they may even be able to define the required results.

At the machine operator level, occupational psychologists have been quite successful in specifying what competencies are required (e.g., mechanical ability), and in selecting those who have more of it (via mechanical comprehension tests) and training them specifically for the tasks required. This sequence is illustrated below:

Competencies → Behaviors → Results

Unfortunately, this additive competency approach breaks down in planning executive development. The complexity of executive jobs allows for a multitude of ways to do them, of talents to be used, and even results to be obtained.

At the highest level, the same result (e.g., earnings per share) can be achieved by different executives with many different competencies and in many different ways.

The behaviors that any one executive engages in to achieve effectiveness are staggeringly many and complex. Competency researchers attempt to simplify the multitude by broad groupings of behaviors such as 'complex problem solving.' But if we consider the *result*…complex problems are solved…rather than the *behavior*, we see that these broad groupings fail to recognize the many different ways to get complex problems solved. The examples we can give of behaviors that achieve this result are limited only by our imagination--one executive may solve the problems herself, another may depend on a very smart team, one may have a resident genius assigned to the task, one may use consultants. When executive development, as well as executive selection, focuses first on the behaviors or the competencies rather than focusing on the results achieved, the complexity of human activity is ignored (Weick, 1969).

Put another way, at the executive level there is a loose coupling between the competencies, the behaviors, and the results. Whether we call them traits such as "cognitive complexity" or simply rephrase them as behaviors (e.g., "Ability to Solve Complex Problems"), in such a tenuous system prediction from competencies to behaviors to results is uncertain at best. So it should be no surprise that the most common starting place for executive development strategies—develop a competency model—seldom garners much executive support where it really counts—getting the business results.

This is not to say that focusing on inputs--competencies and behaviors--cannot be helpful in the specifics of executive development; competency-based 360-degree feedback can provide direction to behavioral executive coaching that can improve the effectiveness of executives; training programs can teach, for example, steps that enable executives to handle the transition to a higher level effectively. These interventions, limited though they may be, can be important for the organization and the executive, but they will not an executive make.

Nor are we arguing that competency models do not have their place--obviously they do; we would not want to deny a useful tool. And, minimal levels of competency in four 'learning domains' are (or should be) required at senior executive levels: motives and values, analytical and technical competencies, interpersonal competencies, and emotional competencies (see discussion by Edgar Schein, 1996a). These learning domains (viz., competencies) can serve as useful guides for evaluating executives and as elements of an executive development strategy. As Schein points out, learning in each of these areas may be done quite differently. And, we do not argue that competencies, whether called traits or dimensions, have not been useful in selecting talented individuals. But, taken alone, they can never explain the particular mix of competency and character and practice that go into an executive's obtaining outstanding results.

Competency gurus will rebut our observations, arguing: "I am in the business of predicting and explaining the behavior of groups, not accounting for individual cases." Our reply is that executives don't develop as groups, they develop the old fashioned way, individually, one executive at a time. "One-size-fits- all" programs have their place as companies attempt to scale their training efforts toward minimal competency, but they do not produce the competent executive.

Executives Develop, You can't do it to Them

A riddle from our childhood went like this: "They say time flies. But you can't do it. Why?" As a similar saying in many cultures goes: "You can lead a horse to water but you can't make him drink." Of course, the same applies to executive development. Despite obvious shortcomings of the 'engineer-the-executive' approach, companies continue to act as if they can drive the development process. When their efforts fail, in frustration they conclude that people don't change, that leaders are born and not made.

A few companies have discovered that executives develop on their own; that you can't do it to them or for them, and that executives learn, companies don't teach. Like our riddle this may be a bit of a play on words, but it reflects the realization that organizations establish a context for learning and development. In the right context, the executives will develop themselves, and learn the lessons of experience that allow them to achieve the organization's results. Try as we might, we can't make executives change. Too structured or too laddered a system of executive development overemphasizes the organization's capability and raises unrealistic expectations for the development process. Executive development is uncertain in an uncertain world, and realizing that fact changes the focus of development efforts.

A Signal to Sell your Stock?

A colleague who suggested that the building of a corporate university is a sign to sell a company's stock may have little stock-price research to support his conclusion, but he does have a point. Sometimes the bricks and mortar of corporate universities may indeed signal a company whose primary executive development strategy is based on programs of executive education. Classrooms and programs can be essential contexts for executive learning, perhaps more important in developing global rather than domestic executives (McCall and Hollenbeck, 2002). But when programs are the primary development tool, the development strategy ignores the widely researched conclusion that executive development programs are but one of the learning contexts that executives experience, one that takes a backseat to job assignments as the drivers of development. A "program" rather than an assignment-based development strategy means that the organization is working the margin of development, not the core.

Executive Development Is Supply Driven

A strategy consultant at a recent executive development conference said, "Everything I have heard over the last couple of hours leads me to conclude that executive development in your organizations is supply driven." The consultant's astute strategic ear had captured an important reason why development has failed. There is no customer; development is not integrated into the organization, is not seen as mission critical or even mission related. Development executives search for ways to get the "support of the CEO," but seldom are they able to tie development effort and expenditures to the output concerns of the organization.

Why is executive development so seldom tied to the organization's operating or business planning? In part, we believe, because those charged with executive development are ill equipped, through time, effort or competency, to make the link themselves or to engage the operating executives in the task. One factor in this is the "program mindset" and the naïve belief that given the right programs, the CEO will support the effort. However, is blaming the mindset of HR too easy a target? Are we asking the impossible no matter what mindset is used?

The aforementioned strategy consultant went on to admit that few organizations have well-developed business strategies. Few have used the strategy tools of customer analysis, competitive advantage, and value chains analysis at a level where the executives can be good partners in contributing to planning development to contribute to that. And for many organizations, the world of the 21st century business environment may simply be out of synch with the way executives develop. D*evelopment time*, measured in years (10-20 years by most estimates) runs into the reality of b*usiness time* ("web quarters" and 24/7), and fast cycle business.

Self-Development for What Purpose?

Efforts at self-development (the values, motives, interests, and passions of the executive that are essential bases of leadership), have had the unintended consequence of shifting focus to self-development *per se* rather than as a means to an end. The importance of personal development in becoming a leader was recognized in the Harvard Business Review's year-end 2001 Special Issue, "Breakthrough Leadership." The editor's introduction "Leadership's First Commandment: Know Thyself" (Collingwood, 2001) set the stage. Timely and essential as the prescription may be, incorporating self-development into executive development runs the risk of forgetting that development of the self is not an end in itself for the executive, but a means to the end of organization effectiveness. For executive development to focus its efforts on self-development *per se* risks further alienation from the executive culture, focused as it is on results and output (Schein, 1996b). Until executive development finds ways to connect and be seen as contributing to the concerns of the executive culture, the executives will not accord it the support that it thinks it deserves.

Our next question is, "So what?" If executive development has failed to meet expectations, and if the reasons we give are at least arguable if not exhaustive, what can be done? How could the future be different than the failure of the past? What can organizations do to turn executive development from a failed proposition to a vital part of the organization's success?

So What?

It is possible that executive development, like performance appraisal, is simply one of those things that so completely butts up against the human condition that the best one can hope for is incremental improvement. Perhaps, indeed, as the saying goes, "The difference between bad and worse is greater than that between good and best." We can simply go about our work to define more elegant human resource strategies, refine our competency frameworks, design better development programs, and beg ever more vehemently for management support. If, however, there is a way out of the woods it's likely to lie on a different path. We need a different way of looking at the person and what it means to be a leader; we need a different understanding of why people change or don't and what development means; we need stronger linkages between development and the business strategy; and we need to redefine the role that top management plays in leadership development.

A Different Way of Looking at the Person and What It Means To Be a Leader

For decades leadership researchers have focused on the individual manager or leader, searching diligently for the traits, behaviors and, most recently, competencies that uniquely describe the species. The fruitlessness of that task has not prevented development folk from pursuing the same empty promise that has enthralled the leadership researchers and philosophers before them. The appeal of defining leadership by focusing on the qualities of the person (as described by a finite set of traits, style, characteristics, KSAs, or competencies) seems all but irresistible, even though doing so has failed to much advance either scholarship or practice. It is like being in a car stuck in snow and pushing harder on the gas pedal to get it out. The alternative to spinning our wheels faster but going nowhere is to shift the focus from the person to the work the person needs to do and in turn, on the results that need to be achieved. This is not a new idea. The "functions" of the executive was a topic as far back as 1938, when it was the title of a book written, significantly, by an executive (Barnard, 1938/1972). Others have considered leadership, or at least management, as a job rather than a set of personal attributes, notably Henry Mintzberg in his early 1970s classic on managerial roles (Mintzberg, 1973). Again, tellingly, this work was based on observations of managers at work rather than on personality measures or questionnaires. More recently, a handful of scholars inadvertently furthered this tradition in their pursuit of the difference between managers and leaders—distinguishing between the two concepts required looking as much at what executives do as who they are (Bennis, 1989; Kotter, 1990). Ron Heifetz, a psychiatrist, tackled the leadership domain and he also ended up emphasizing what leaders do, not just their personal characteristics, in his aptly named book, Leadership without Easy Answers (Heifetz, 1994). The pattern that emerges is that when research is conducted by executives or based on observations of executives or done by people outside of the 'trait' mindset, *what* needs to be done, not just who does it, takes on significantly more importance. This is not to say that who a person is or what their skills (or their "competencies") may be aren't important, but rather to suggest that something might be gained by approaching the topic from a different perspective. And perhaps in the bargain, we get closer to the language and daily reality of the executive world, thereby creating in the end a more usable process.

Thinking of leadership as work to be done rather than as a particular kind of person doing the work changes the development perspective in several significant ways. First, work that needs to be done—even leadership work-- can be accomplished in different ways, by different people, and by different kinds of people. When different initial conditions can result in similar outcomes, systems theorists label it *equifinality*. Rather than a contingency that matches a specific style (or person) with a specific job, equifinality suggests that the same leadership job can be accomplished by different people using a range of styles and traits. The development challenge, when viewed through this lens, is to identify what that range is, given a particular organizational context and value system.

Second, knowledge of a range of effective styles or traits is not enough even when assessing an individual for development. In “doing the work” a person may compensate for a lack of some skills (e.g. make up for a lack of knowledge in finance by drawing effectively on the knowledge of others), acquire missing skills (e.g. learn enough finance to get by), substitute something else for the skill (e.g. outsource), or change the job so the skills are not so crucial (e.g. split off the financial component). Development for executive work means developing the ability to get the work done in a variety of different ways in consideration of, or in some cases in spite of, one’s own traits or skills.

Third, leading is not about specific jobs. The content of jobs is changed by time and circumstances, and by the people in them. There is not a fixed target that a person is developed for. This is especially true of managerial jobs as one progresses up the hierarchy, and of managerial jobs in a global corporation. What is needed is a way of thinking about leadership that can accommodate a range of personal characteristics and is not limited by a fixed set of position characteristics, yet is not so abstract that it provides no meaningful guide for selection and development. One promising approach is to consider leadership as a job of creating a context in which other people can fully contribute to the organization’s mission. Viewing leadership in this way is sufficiently generic that it can be applied across levels in the hierarchy as well as across product, function, and business lines. But where it is generic on the “what” dimension, it is more focused when it comes to the “how.”

Leaders create context by making sure that everyone understands what they are trying to do and how they fit in; by influencing relevant parties to move in roughly the same direction—or at least not to block such movement; by “living” personal and organizational values; and by developing their own and others’ skills as is necessary to get the work done. But the real traction in this approach comes from the many levers available to leaders in achieving these conditions. Some of the levers can be moved by personal attributes (e.g., charisma can be used to align people), some require architectural manipulation (e.g. the way an organization is designed can influence alignment), and some are in the hands of other people altogether (e.g. rewards may be controlled by more senior management). The development challenge is not necessarily to change a person's traits or style, but rather to help executives learn to identify and use a variety of approaches in meeting the demands of the job. Aspiring leaders will need to develop their understanding of themselves, so they can know how to use their gifts, how to compensate for their limitations, and how to develop new skills or improve weaknesses. But they also need to develop the ability to understand and diagnose the challenges of the job and how those challenges are shaped by the business strategy, and what the levers are that can get the work done—reward, process engineering, organizational design, and so forth.

Viewing leadership as creating context puts a developmental premium on diagnostic skill directed at both self and situation. Such skill (a kind of expertise in itself) is highly dependent on experiences, the kinds that allow one to take measure of one's self and the kinds that force one to face the demands of leadership.

Given what is to be learned in these ”rich” experiences and the critical nature of the learnings for development, intention becomes very important in who gets these experiences. Not everyone learns the lessons experiences have to offer, so we must get the right people into the right jobs. There simply are not enough of these rich learning experiences to go around, and even if there were, an organization could never afford to ignore performance as a criterion for filling them. It is better to select those likely to learn the most and, in this case, the selection criteria might be threefold: sufficient intellectual capacity to understand complexity, openness to learning, and strong enough motivations to lead and to get results that will make learning how to do it more effectively a priority.

In sum, we argue that executive development has for too long focused on developing people to meet an ill-suited and often unrealistic set of competencies and that has restricted the way we view development. By starting instead with the challenges in executive jobs, and by accepting that these challenges can be met in a variety of ways, the domain of development opens up. More energy can be directed to helping talented individuals (those smart enough, open enough, and motivated enough) learn to achieve results rather than fit more closely an executive competency model.

A Different Understanding of Why People Change or Don't, and What Development Means

In light of thinking about achieving results rather than acquiring competencies, how do the most common development practices (Hollenbeck & McCall, 1999) stack up? If experience is the foundation of competence, then current HR practices fare none too well. Most large companies today publish online or in hard copy internal catalogs describing the development programs available to their employees and managers. Companies with more sophisticated systems link on-line assessment of competencies with their online programs designed to develop the needed competency. The most common 'fix' is, of course, a training program, whether internet-or classroom-based, but those programs have limited potency in comparison to on-line job challenges, even when they use powerful tools like action learning, simulations, 360 feedback, and coaching.

While HR struggles with competencies and training programs, job challenge is the mechanism most frequently used by the line organization to test and develop talent. Research evidence supports this approach (McCall et al., 1988; Hollenbeck & McCall, 2001, McCall & Hollenbeck, 2002), but too often job challenge is used inefficiently or, in search of efficiency, turned into formal rotational programs that rob it of its potency. Efficiency suffers when executives are thrown into challenging assignments without appropriate support or help, and as a result they founder, rely on already honed skills, or learn the wrong lessons. Formal rotation programs may ignore individual differences in already-existing ability and knowledge at the same time that they fail to recognize that the developmental strength of the rotation will vary greatly, depending on the business challenge and the context.

We are often struck by how interested development officers are in the newest fad, program or speaker. But developing talent does not depend on inventing new training technologies or even on finding new principles of human development. The challenge lies in using the available knowledge and tools effectively to achieve a clear objective, in this case developing executives who can effectively meet the challenges facing the business. This begins by identifying challenges (not people), then works through identifying experiences (not programs) that might prepare people to meet the challenges, identifying the people who might learn from the experiences (not those who already know), developing mechanisms for getting those people into the experiences they need, and finally providing <u>appropriate</u> assistance to aid learning from the experience. If this process is carried out with an executive mindset, it naturally follows that people given these opportunities will be held accountable for taking advantage of them.

Integration with the human resources perspective is essential to balance the results-orientation of the line executives. Getting results is crucial, but for people to develop they also need the perspective and the tools that will help them to take charge of their own learning. At the same time the organization has to understand that development of executive skills must start early and continue throughout a career. Performance may be measured annually, but tracking growth requires a much broader perspective. Development does not take place all at once or over night, nor is it often linear.

In sum, development must begin with a clear focus on business need and on experience as the driving force. Training and other tools are available to assist in the process, but the emphasis is clearly on the processes that determine who gets what experience and what is done to promote learning from experience. This, no doubt, requires a different configuration of human resources functions because succession planning, development, education, performance management, compensation, and other staff activities must be integrated for effective development to happen. It also suggests a very different role for line managers, who are ultimately accountable for the development process by virtue of their control over who gets what experience and what happens to them while they are getting it.

Stronger Linkages are Needed Between Development and the Business Strategy

It follows from the preceding section that if development begins with business strategy, then there must be a direct linkage between strategic intent and the development process. While this sounds reasonable, it turns out not to be a natural act. The reason so many development programs are not taken seriously and disappear with the next cost cutting cycle is that they are not seen as necessary to achieving business results. Indeed, developing talent is not always relevant to achieving short-term results and, in some industries or during some periods in an organization's life cycle, may not even relate to longer-term results. It may be that in some situations selection is the preferred strategy or the only viable one. To make matters even more complicated, many organizations may not even have a business strategy, much less a clearly articulated one. Yet, theoretically, the business strategy, by virtue of the challenges that achieving it presents, dictates what experiences are important to developing leaders.

In an ideal world, development is recognized as so important to the business that it is incorporated into the fabric of the organization. The most natural way for that to occur is to select leaders for whom development is a deeply held value and therefore integrated not only into what they do but also into how they do it. But even when it's not in their blood, most executives will accept the principle that developing leadership talent is important. The issue is not convincing them of the precept, but getting them to think of it as part of setting business goals. Even when the business strategy is only loosely formed or is stated only as a set of goals, there are ways to draw out the leadership implications as long as a goal can be translated into a developmentally relevant form. For example, what must an executive be able to do to generate a change in return on investment? What demands are created by entry into global markets? What kinds of challenges are created by underperforming businesses? Growing existing businesses? Mergers and acquisitions? Each of these issues creates leadership demands, and these in turn suggest the kinds of experiences talented people will need if they are to learn how to handle such demands in the future.

Choosing who will get these strategically critical experiences presents another opportunity to integrate development into line decisions. Identifying talent and putting specific people into specific positions is the heart of the succession planning process in which most organizations are already engaged. Weaving development into the process requires only slight adjustments, such as identifying where the key experiences are and who would learn the most from them.

There are several implications in this discussion of the linkage between development of talent and strategy. First, we are not talking about creating a human resources strategy based on the business strategy, and then figuring out how to do development. We are talking about embedding development directly within a more natural and central management process—the formulation of strategy and goals. This is not a separate session devoted exclusively to a discussion of high potentials or a review of the talent pool, but an additional question added to the development of business goals: "If this is what we are trying to do, what will our executives need to learn in order to do it? Where can they learn it?" There still may have to be a separate session to discuss "talent," but now the nature of that session is framed by the question, "Who should get that experience?"

The second implication of embedding development in strategic intent is that it transfers the decision-making role from HR to the line executives. After all, they are the ones who decide who gets what job, which is only half a turn away from "who gets what experience."

Finally, if an organization has no strategy to speak of, or has no goals that can be defined, then it probably doesn't matter how development is carried out. This is not the situation, however, just because the future is uncertain or the strategy changes with a rapidly changing environment. This very uncertainty can be translated into specific demands that leaders face and used to identify the experiences that talented people need to operate in such a world.

A Redefinition of Top Management's Role in Executive Development

To say that top management support is crucial is to echo the long-standing *sine qua non* of human resource interventions. The appealed-for support ranges from relatively modest verbal endorsements to participation in extensive talent reviews. The wish list includes such things as teaching in development programs, allocating dollars and other resources, permission to engage in various activities, commitment to competency models, making training mandatory, providing rewards for development, coaching and mentoring, and a variety of other contributions. Former GE CEO Jack Welch's commitment of 50% of his time to talent issues, capital investment in the Crotonville training facility, regular personal appearances at programs, and extensive talent review processes bring tears of envy to the eyes of many human resource executives. When senior management sees development as that essential to the business purpose, gaining their support for a laundry list of activities is relatively easy. Channeling that support into something productive is another matter.

The more typical reality, however, is that senior executives will not show the zeal of a Welch when it comes to talent development, nor will they commit that much time to activities that support it. Even so, most executives will not deny the importance of having sufficient talent to keep the business viable, so the question is how to best leverage whatever active support the senior leaders are willing to give. With such a large menu of possibilities and genuine needs, and with limited commitment, what are the most important priorities?

Perhaps it has been a mistake asking senior management to support development when what is really needed is their <u>leadership</u> of it. The very idea of support implies passive cooperation with someone else's initiative. Yet if development of talent is critical to the business, line executives should drive it. By embedding development in the process of defining the strategic business context (as opposed to a human resources functional context) and consequently by framing it in executive terminology, it may be possible to get senior management's commitment to at least the key roles of clearly defining the business strategy, treating developmental experiences as corporate assets, and modeling what is expected of others.

As was discussed in an earlier section, if the reason executive talent is developed is to achieve business goals, then defining and clarifying those goals is crucial. For good business reasons as well as to establish a starting point for development, the first task for senior management is to define goals or, better yet, strategy, for the business and to elaborate the leadership challenges implied by those objectives. They can then identify the experiences that might prepare people to meet those challenges.

Once strategically key developmental experiences have been identified, the next step is to protect them. Now we are asking for a deeper level of commitment—suggesting that experiences (certain jobs, assignments, projects, and bosses, for example), and not just high potential individuals, are valuable corporate assets. As such, they should be under the direct control of senior executives and not the property of business units, functions, or individual managers. Once again, we are trying to frame development within the purview of more traditional executive roles--in this case that of asset manager. From this perspective, the third major role for senior management has already begun if the first two roles have been achieved. That is, modeling expected behaviors. Through their attention to "who gets what experience" as a developmental choice point, they are already demonstrating what others should be doing. The next powerful action would be to undertake some developmental experiences for themselves. From there, it is a relatively small step to holding people accountable for their own development and that of their people.

We called this section of the chapter redefining the role of senior management, but the role has been redefined only in the sense that it is has shifted from one of <u>support</u> for development to one of <u>leading</u> development. The actions we have suggested are clearly leadership roles: establishing strategic direction, managing corporate assets, and modeling expected behavior. Perhaps having gone that far, senior executives may not see other activities like coaching or teaching as so great a leap. In any case, this much commitment can provide a strong foundation for the human resource professional to take charge of the rest of the process.

Conclusion

In this chapter we have tried to show that executive development is not working as well as one might hope. We have identified some of the reasons for this unfortunate state of affairs, and, in light of those assertions, have suggested some changes in perspective that might open new avenues for the art and craft of development. The thrust of these suggestions has been to move away from an overly intense focus on individual attributes as the guiding force in development thinking and to consider instead the nature of leadership work. This makes it possible to consider multiple pathways to effectiveness and to pay more attention to what experiences talented people need, given their particular tapestries of strengths and weaknesses, if they are to meet the challenges facing them.

This is precisely the thinking underlying an assessment approach based on "other people's expectations" (OPEs) developed some years ago by Moses, et al (1993). Rather than ask for 360-degree assessments based on a list of competencies, they asked raters to consider specific but hypothetical situations and to assess how the person being rated might be expected to handle them. This procedure requires people knowledgeable of the ratee to mentally assess the whole of the person and to extrapolate how that person's particular tapestry of strengths and weaknesses would play out in a defined context. This is, of course, much closer to the reality of managerial behavior. For example, one does not have the opportunity to judge another's integrity except in situations that actually put it to the test; however, one can make educated guesses based on prior observations about how a person might react to a hypothetical situation in which personal integrity is an important issue. In short, it places the emphasis in development where it should be--on the acquisition of competence, not competencies.

The suggestions we have made in this chapter are especially important for organizations trying to develop international and global executives. Because the global talent pool contains even more diversity in individual characteristics, doing business in different cultures requires different approaches, and global jobs come in so many different forms. Therefore, connecting business strategy to development, focusing on development through experience, and modeling expected behaviors are all the more important.

At its core, however, development of talent is and has to be driven by the senior executives. When people at the top believe that developing talent is essential to business success and accept that proposition as a basic value (it has to be on taken on faith), then what we have learned about how people develop can be invaluable in channeling that commitment productively. When the people at the top do not believe that development is important or simply pay lip service to it, the most sophisticated knowledge and refined tools ultimately will be of little value. As frustrating as that conclusion may be, it emphasizes in the long run how important selection really is. If the top decision-making positions are filled with executives who do not appreciate development or recognize how significant it has been and still is in their lives, then development becomes at best a guerrilla war carried on in pockets and in spite of an overwhelming force lurking in the background. It is indeed a leadership issue.

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