

NEW YEAR, NEW PRIORITIES: LEADERSHIP IN 2010

Not only have leadership priorities shifted following the GFC, so have the methods being used to groom leaders to take on those priorities. *Pia Lee* provides a leadership forecast for 2010



Leadership means different things to different people, but what is unifying is its critical role as a strategic enabler: this is a key factor in delivering results. In terms of delivering these results, leaders have just come through tough times.

So how do they view their challenges for 2010 and how can leaders be developed to meet these challenges?

We have conducted a survey and spoken to a number of senior leaders to find out.

In April 2009 – the heart of the GFC – a survey of leaders revealed their top four leadership challenges to be:

1. Developing or improving systems and processes
2. Developing people
3. Ensuring cross-functional collaboration
4. Ensuring clear communication throughout the organisation

By November 2009 – coming out the other side of the GFC – the early results look like this:

1. Developing or improving systems and processes
2. Building and maintaining a positive culture
3. Ensuring cross-functional collaboration
4. Defining organisational direction

While systems and processes and collaboration remain, some interesting changes appear to be on the horizon. The most obvious change is that while in the GFC, leaders were preoccupied with systems and processes – there now appears to be four equally weighted challenges. This supports the view expressed by the senior leaders we have spoken to; that 2010 will signal a return to more ‘holistic’ leadership – where leaders will need to have a broad view and bring clarity to a complex and blurred world.

To put it another way, leaders will have to ‘widen the lens and sharpen the focus’. The chief executive officer of a

major airline summed up this need to take a broad view: “Post-GFC, I foresee a return to profitability and optimism, which should enable leaders to consider more opportunities. Last year, we were very constrained by cost cutting. We have now moved to cost containment, which should always be the case.”

A vice president of a global software company expressed the challenge of balancing apparent contradictions: “I’m not sure yet whether to be optimistic or pessimistic. I see a need to be appropriately conservative balanced with being sufficiently visionary and motivating for people.”

New in the top four is ‘Defining organisational direction’. Our airline CEO says that he feels the organisation needs to improve its alignment while harnessing diversity: “How can we avoid excessive internal conflict? We need the right amount of conflict then get on with implementing actions.”

Our vice president in software sees the challenges in setting direction in the context of the differences in the world economy: “The GFC seems to be over in Australia but not so in the US and UK so this year there will be more localisation of strategies to address local needs and situations. This will act as a counter to the globalisation trend we have seen in recent years.” Both these senior leaders reflect the findings of the survey: leaders need to focus on setting direction and this will involve balance and a complete view of the levers available to them.

‘Systems and processes’ remains resiliently at the top of the list of leadership challenges. This is explained by the HR director of a market-leading pharmaceutical company: “The role of the leader will continue to do more with less,” she says. “Leaders need to be operational *and* strategic.” Again, the holistic theme.

Leadership development in 2010

What leadership development is required by organisations to meet these leadership challenges and deliver strong results in 2010 and how best can it be delivered to generate the most effective return on investment?

The ‘what’ of leadership development

In the old days, a manager would reach a certain point in their career and then go on one of the company’s leadership programs. They would return to their workplace, only to find that when their

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manager did the program there was a different provider who employed different ideas, different profiling tools and so on. There was no alignment in approaches, frameworks or language. Today, to achieve organisational results requires organisational leadership. The focus in the coming year should be on aligning the organisation around a shared purpose and clear goals, then building a common language at all levels in order to achieve them. This contrasts with the past way, which seems bent on trying to create the next ‘great leader’ with mysterious powers of persuasion and charisma.

The Leadership Challenge Survey and the senior leaders we spoke to all indicated that development should enable leaders at every level to master complexity and handle conflicting principles: collaboration and decisiveness; global and local; profit and positive social impact. Leaders in the past would choose between these. The leader of the future will see them as false dilemmas and ask, ‘How do we have both?’

Let’s look specifically at the challenges raised by the survey:

- » Setting organisational direction, now back on the map, is step one for the leader and maintaining clarity of it at all levels in the organisation is always a priority. Leadership development programs should always be locked into the vision, purpose and values of the organisation.
- » Systems and processes form a part of the organisational climate. Shared language around leadership is the essential ‘wiring’ for an organisation and includes how

empowerment and accountability are cascaded, how decisions are made and who can make them.

- » Culture is another part of organisational climate and will be driven largely by the example set by the leaders of the organisation. Defining the desired culture is the

first step, supported by feedback and a focus on ‘walking the talk’.

- » Ensuring cross-functional collaboration: once the organisational direction is set and cascaded to individuals, collaboration comes down to competence. In order to collaborate, individuals and teams need a shared goal and a shared process to unite them. Aligned decision-making is a process that can enable the collaboration *and* the decisiveness that the senior leaders we interviewed were seeking.

The ‘how’ of leadership development

“What is the definition of a lecture?” goes an old university joke. “It is the transfer of information from the notes of the professor onto the notes of the students without passing through the brains of either.” Very funny – but it could equally be applied to development in the corporate world where managers we’ve spoken to all too often see ‘training’ as a distraction from the real world – brought to them by the insistent flashing light of a BlackBerry.

While the financial cost of building capacity has always been a factor, a new consideration is now even more important: time. This was summed up by our pharmaceutical HR director who said: “The challenge for leadership development is that they won’t come – they’re too busy to see the value in ‘training.’” It is clear that the ‘how’ is as important as the ‘what’ in ensuring that learning really lands.

In the coming year, the minimum standard of delivery of leadership

development is blended delivery: repeated lessons through a range of media integrated with action learning. Good practice up to now has been to add a project after leadership development in order to embed the lessons. In 2010 we will start to see this idea turned on its head: learning by delivering real business-related projects rather than the other way round. This approach delivers action learning combined with business innovation that benefits the bottom line. It involves engaging teams in a business-sponsored project delivering the specific leadership frameworks and tools at the appropriate stage of the project's life cycle. See Figure 1 for details of the 'Project Learning' approach.

Examples of where this approach will be particularly effective are:

- Executive teams planning and implementing a merger
- A team implementing a major IT project
- A marketing team building to a major launch
- A cross-functional key account team

The result of this approach is immediate improvement in organisational results and a team that shares a common language of leadership that can then be deployed effectively elsewhere or the approach can be taken to other teams.

Figure 2:
Kirkpatrick's Learning Evaluation Model

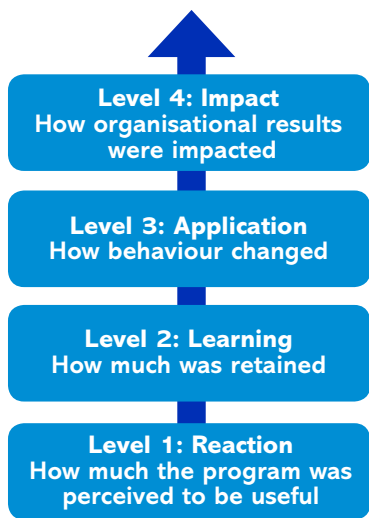


Figure 1: 'Project Learning' approach



Driving organisational results

"If you measure it, it moves" is the battle cry of a UK CEO who took his organisation from poor fourth to strong market leadership in three years. If you are looking for return on investment in development, you will need to measure it. The well-tested Kirkpatrick Learning Evaluation Scale is a simple and intuitive way to approach this challenging task.

The Kirkpatrick model is set out in Figure 2. Level 1 measurement has been used effectively to this point, normally using a 'happy sheet' to check participants' enjoyment and perception of the program. This is far from a waste of time: research in neuroscience tells us that excitement at the time of learning contributes to retention. However, 2010 should see the drive for organisational results being matched by measurement competence, all the way to Level 4. This will mean investing in measurement itself.

Executives from the ROI Institute conducted a study of Fortune 500 CEOs to understand the executive's view of the investment in L&D and the measures of success of that investment. Jack Phillips, chairman of the ROI Institute, concluded that the study revealed "a disconnect between what executives want to see about the learning investment and what they're provided ... for example, 96% of executives want to see the business impact of learning; yet only 8% receive it now. Similarly, 74% of executives want to see ROI data, but

only 4% have it now". (*Chief Learning Officer* October 2009)

In learning, there is a side benefit to measurement and that is the positive impact of the 'observer effect'. When people know that what they are doing is being measured, they will do it more. In this case, they will learn more, apply more and have greater impact.

As the world economy sails away from the stormy seas of the GFC, all eyes are strained on the horizon in front. It would be easy to read this article and think that leaders in 2010 need to 'focus on everything' or that leadership development should be cheap, take no time and deliver outstanding results. One thing is clear: successful navigation requires a leadership that extends from the bridge to the boiler room. Developing leadership capacity is a core requirement, not an elective. To help steer your way through these demands, a few principles will guide you: make the content relevant, bring the delivery as close as possible to real life, and demonstrate tangible results so that leaders see the benefit to them and to the organisation. **HC**

About the author

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