

Chapter 5

Leadership and management development (LMD)

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OBJECTIVES

Upon finishing this chapter, readers will be able to:

- Define leadership and management development (LMD) and associated terms.
- Clarify the potential benefits of developing leaders and managers for both the individual and the organisation.
- Summarise key processes, perspectives, approaches, and trends in LMD.
- Identify key drivers that tend to lead to the successful development of leaders and managers.
- Consider significant factors that impact on LMD practice and thinking.

KEY WORDS

leadership development, management development, systemic support, evaluation

Introduction

Leadership and management development (LMD) has attracted much interest from academics and practitioners alike. Pfeffer (2010) suggests that about 60% of all companies offer some form of leader or manager development. While there are some significant differences in the reports on LMD spending, it is speculated that LMD is a \$250 billion worldwide industry (*Science Encyclopaedia* 2010). In the year 2007 alone, over \$45 billion was spent on developing leaders and managers in the United States (Gomez 2007). Gomez (2007) also suggests that the acceleration of spending in this area has increased by approximately 400% over the past twenty years.

Numerous organisations have (at least before and after the economic turbulence of 2008) expanded their leadership development activities. This expansion has taken place in various ways. For example, through the creation of corporate academies, specialised leadership development positions, highly customised programs, on-the-job learning activities, multi-country initiatives, and systemic LMD programs. The growing emphasis on LMD for organisational success has also prompted the further development of talent pipelines and increasingly prolific succession planning programs.

Despite the pervasive nature of leadership and management development (LMD), it is clear there is no one-size-fits-all approach. Different organisations have a mix of needs, methods, standards, and unique values. The answers to questions such as 'who should be developed, what should be covered, in what manner, for how long, and by whom?' differ markedly according to an organisation's internal fabric and its external environment.

This chapter addresses key questions with regard to *how LMD can be effective*; with the caveat that there is no one best solution that works for all organisations. The chapter commences with an overview of what is meant by leadership, management, and LMD. It then follows with a synopsis of why LMD is an expanding focus for today's organisations. LMD processes, trends, approaches, and perspectives are reviewed, prior to a summary of some of the key success factors that drive effective practice.

Definition of terms

Leadership is frequently distinguished from management. A recurring cross-definitional theme is that leadership is about direction setting and inspiring others to willingly make the journey to an improved future state. Management, in contrast, is concerned with efficiently and effectively operating in the current set of circumstances, and planning in the shorter-term (Bennis 1997). There is a widespread notion that leaders turn companies around, which is reflected in factors such as chief executive pay scales compared to 'average workers'. Over the past ten years, data indicates that chief executive pay has jumped from 100 times the pay of a typical worker to somewhere between 350 and 700 times the pay of a

typical worker (Harris 2008; Hall & Murphy 2003). Bennis (1997) is a key proponent of the distinction between leaders and managers, noting that "managers are people who *do things right* and leaders are people who *do the right thing*"(p. 9). Bass and Bass (2008) share a complementary view in their 1,200 page opus on leadership. The authors note that although the concepts of leadership and management overlap, they are not synonymous; leaders can manage and managers do lead, but many do not do both. While not rejecting the distinction between leadership and management, Pfeffer and Sutton (2004) argue that it is a dangerous divide. Some senior executives, they propose, use the distinction between leadership and management as a justification for not addressing them in terms of operational fundamentals. Sutton (2010) argues that, in order to 'do the right thing', a leader also needs to understand what needs to be done and ensure follow-up. In extolling leadership to the detriment of management, there are possible risks of failing to act on this message. While the focus areas and target groups may focus on 'leadership' and 'management' development initiatives, the menu of LMD processes for both 'groups' remains similar.

By going back to the basics of what is meant by leadership and management, the definition of LMD can be better understood. In the broadest sense, LMD refers to any activity or set of activities that enhances the quality of leadership and management across individuals and organisations (Zenger, Ulrich, & Smallwood 2000). Day (2001) further implies that *leader* and *manager* development focuses on the advancement of the individual (e.g. attributes, behaviours, competencies). Conversely, *leadership* and *management* development centres on the development of the leadership process, including collective practices, team dynamics, contextual factors, social networks, and systems.

The centrality of LMD

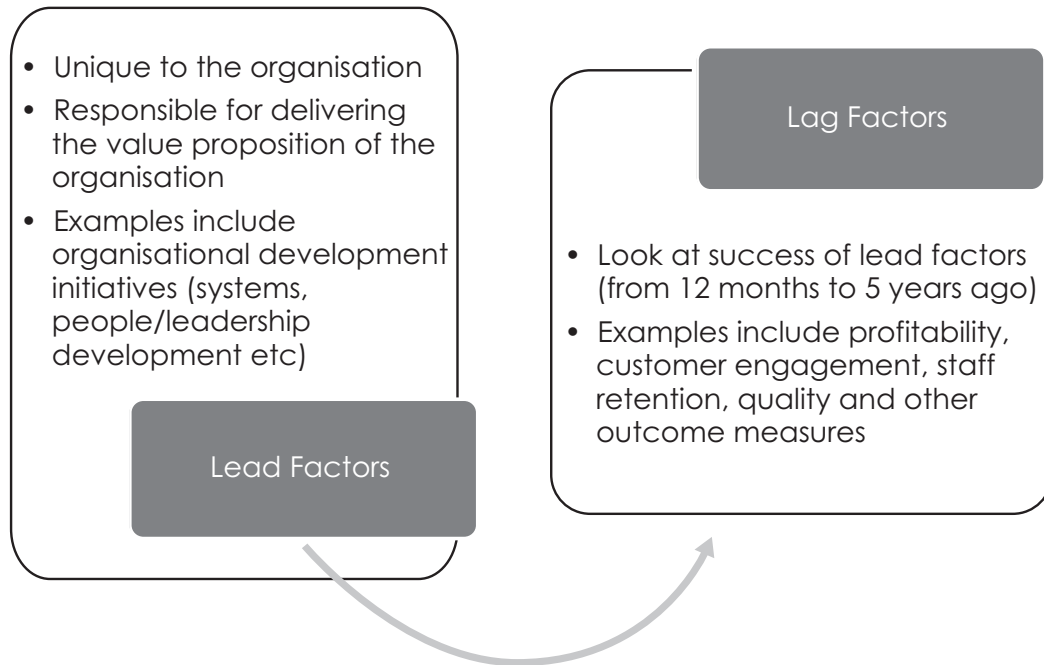
It is becoming increasingly clear that developing leadership and management talent is not an indulgence but a necessity in order to remain current (Sosik & Jung 2010). This is because a focus on the growth of leaders and managers is often viewed as a 'lead factor' within organisations. That is, strategic investment in LMD is thought to have a measurable impact on 'lag factors' such as customer engagement, quality outcomes, and financial indicators.

Sosik and Jung (2010) reviewed numerous LMD studies across different environments in support of the importance of LMD. They suggest that organisations that develop leadership and management across organisational levels are more productive and profitable, attract and retain high quality people, promote creativity and innovation, garner trust and emotional commitment from employees, and are better positioned to respond effectively to changing external environments.

Despite its possible impacts, LMD in today's organisational climate is sometimes seen as a long-term investment with an uncertain return at odds with the necessities for short-term delivery. Ostensibly, this leaves executives forced to choose between addressing the demands of today while investing in the

development of the future. Despite bold claims, there are also compelling difficulties in substantiating the return on investment (ROI) for LMD over the long term (Kesner 2003). This is partly due to the intangible nature of competency development in LMD compared to more technically-oriented training. A person who undergoes software development training one day, for example, can likely operate the software the next day. LMD arguably has a much longer lead time for any impact to show. Even then it can be difficult to measure the ROI directly.

Figure 5.1 Lead and lag factors in organisations



While ROI calculations on measured outcomes are difficult (Kesner 2003), the intuitive case for LMD remains strong for the following reasons:

- First, long-term sustainability depends on an organisation's ability to maintain effective leadership and management through the ranks. Done well, LMD can help to ensure a strong and continuous chain of leaders and managers through an organisation, linking with succession management processes.
- Second, with a focus on LMD, executives can help to enhance a positive psychological contract between the organisation and its staff by showing a true investment in its people. LMD can thus be used as a retention and engagement tool, linking also to talent management processes.
- Third, LMD is a tool that can be used to help align an organisation's capability with the understanding and implementation of strategy and change. LMD that includes deliberations on future strategic options and risks can plausibly assist in building understanding, engagement, and effective decision making under conditions of uncertainty. Arguably,

however, the most effective approach to LMD produces results for current roles while exposure to new tools can assist with future performance both for the individual and the organisation.

With the emphasis many organisations place on LMD, the question of how to develop quality organisational leadership and management (and indeed leaders and managers) becomes paramount. Key questions include:

- How can we learn from research and practitioners to understand the processes, trends and challenges that are important for success?
- Are there ‘best practice’ ways to develop current and future leaders and managers?
- How can participants be selected?
- What processes, if any, will assist in converting managers into future-ready leaders?
- Who will design, manage, and deliver quality LMD programs?

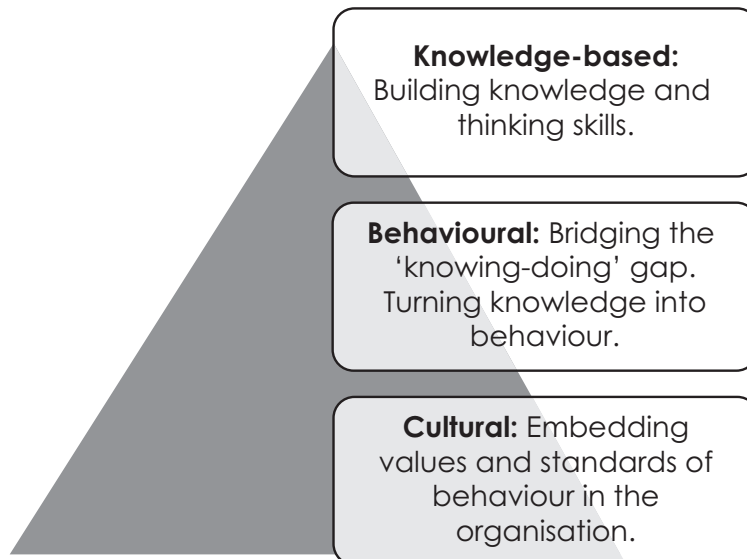
These and other questions are discussed next.

The LMD process

Levels of development

Pfeffer (2010) notes that there are three possible levels of LMD (see Figure 5.2).

Figure 5.2 Three levels of LMD



At a fundamental level, it addresses bridging a knowledge gap or building on existing knowledge. Effective leaders and managers should have the know-how required to help them and their staff make better decisions, interact effectively

with others, organise their operations more effectively, and be able to think in a critical way about strategy and business models. Often, however, there is a 'knowing-doing gap'; people often know the right thing to do, but cannot or will not translate that understanding into action that helps the wellbeing and effectiveness of an individual, team or organisation.

A second level of LMD is bridging the knowing-doing gap not only to help people 'think' more sharply but to 'act' smarter as well. This involves being able to turn knowledge into behaviour and essentially behave in ways that are consistent with the knowledge leaders and managers may already possess (Pfeffer & Sutton 1999).

Also, given the significance of values to both organisational effectiveness and collective well-being (e.g. Gregory, Harris, Armenaki & Shook 2009), a third level of LMD involves cultural alignment. This entails inculcating and communicating values and standards for behaviour that engage staff and benefit the broader organisation. The desired level of leader and manager development does, of course, influence the selection of an appropriate LMD intervention

An example LMD approach

For the best possible impact, many organisations take a strategically phased LMD approach (Bass & Bass 2008). The core stages common to many successful programs are described below. While the terminology and order of these stages may differ across organisations (and indeed some are run concurrently), each emerges as a familiar feature when examining best-practice LMD conducted in a systematic fashion (Bass & Bass 2008; Giber, Carter & Goldsmith 2000).

Phase	LMD Area
1	Needs analysis and business case
2	Solution planning
3	Assessment
4	Solution design
5	Program implementation
6	Evaluation processes

Phase 1: Needs analysis and business case

The first step in LMD is generally an analysis phase. In this phase, the organisational and environmental drivers are examined and the need for LMD determined. The analysis approach may take a variety of forms but usually involves both internal and external scoping. Example tools include

- traditional PEST analysis (i.e. looking at People, Economic, Socio-culture, Technology factors); and
- SWOT diagnostics (i.e. examining Strengths, Weaknesses, Opportunities, and Threats).

More emergent methods, such as Theory-U techniques and staff-led Appreciative Inquiry approaches can also be implemented to determine central needs (see chapter 10, 'The Emergent Organisation' for an overview of these concepts).

Regardless of diagnostic method, key questions to be answered at this stage may include:

- Where would the organisation like to be, strategically?
- What external and internal factors will most likely impact the organisation in the future?
- What leadership and management capabilities are required for the organisation to reach its strategic objectives, respond to the internal and external environment, and to meet future challenges?
- With regard to identified leader and manager capability areas, where are the organisation's strengths to be maintained (and built upon)? Where are the capability gaps that need to be closed to ensure future success?
- What would growth in the identified areas mean for the organisation? What outcomes could be expected? What are the costs of doing nothing?
- How can the effectiveness of LMD implementation be measured? What indicators could be used? Who is accountable for stated outcomes?

As with all stages, creating 'buy-in' as well as regular stakeholder communication is central to ensuring success at this stage (Bass & Bass 2008). Core principles for the LMD initiative must be developed and agreed upon by key stakeholders.

The outcomes of the analysis phase can potentially provide a convincing business case for LMD activities. This step also connects well to any existing strategic planning and business review processes where consultation processes assist in creating consensus around LMD needs. The needs analysis, if based on identified competencies and behaviours, can also link directly to other LMD steps such as helping to determine what assessments are used and how business impact can be evaluated by the degree of behaviour change.

Phase 2: Solution planning

An additional LMD step is practical planning, which can involve a number of areas to guide LMD offerings. These areas include, but are not limited to:

- identifying the target group;
- determining budget and scope;
- distinguishing the number of desired participants per program or program element;
- pinpointing the duration of the initiative; and
- planning with regard to how participants will enter the program.

There appear to be no 'rules' concerning many of these issues. Taking the first of these factors—identifying the target group—people development practitioners

can consider overarching LMD objectives to determine who should be involved as participants. Specifically, they need to have a sound comprehension of both the target individual or group and the type of program they wish to pursue as part of their LMD strategy (Giber *et al.* 2000). Two options for participation are outlined in Table 5.1.

Table 5.1 Example options for target groups

Example target group	Potential benefits	Potential pitfalls
<p>Separate programs for each level of leader/manager Here, leaders and managers are involved in different programs matched by position level (e.g. new managers participate in a frontline management program).</p>	<ul style="list-style-type: none"> ▪ Development solutions can be designed specifically for position levels. Relevant transition issues (challenges associated with progressing to the next level) can also be covered. ▪ More likely to match the different needs of target groups. ▪ A leadership development pipeline can be created in large organisations (e.g. skills for frontline managers; team leaders; middle managers; senior leaders; executives). 	<ul style="list-style-type: none"> ▪ Higher design costs (and heightened logistical challenges) if targeting more than one level. ▪ Difficult to standardise language, models or solutions across levels without some repetition of content or focus areas. ▪ At times it is problematic trying to divide participants into appropriate levels. Some leaders and managers may fall ‘between’ programs.
<p>The same program is offered for leaders/managers at different levels: Here, the target group is a ‘vertical slicing’ of the organisation (e.g. the same program for all management layers and divisions)</p>	<ul style="list-style-type: none"> ▪ Can help to: (1) create leaders at all levels; (2) Build a single leadership cadre; (3) Create a common leadership language and mental models through the organisation. ▪ Can heighten strategic understanding and organisational awareness through the organisation, regardless of level. People learn from each other (and senior participants) and get an inside view of other levels and divisions. It increases a sense of shared ‘social identity’ and purpose. ▪ The egalitarian focus can be viewed as equitable, if development is open to all leaders and managers. ▪ Senior participants can be given special roles alongside those who are less senior (e.g. mentoring; shadowing; co-facilitation). ▪ Diversity adds different perspectives. 	<ul style="list-style-type: none"> ▪ There may be considerable differences between participants’ leadership and management capability, knowledge, and previous development experience. ▪ A ‘one-size-fits-all’ approach for all levels may make it more difficult to match content to different levels of need. Highly experiential, action-learning based programs (aligned to strategic content areas) may assist in overcoming this problem. This is because participants can apply their own level of understanding to practical tasks, rather than learn ‘new knowledge’.

There are many variants to the examples given in Table 5.1. Some practitioners, for instance, focus on selective entry into key leadership programs, or solely on the ‘best and brightest’ high potentials. Some open up development opportunities to anyone within the organisation, while others focus on those people at a specific leadership or management level (Giber *et al.* 2000).

A related, and potentially contentious, issue concerns how participants enter the program. Some LMD program leaders invite self-nominations on a ‘first-in, first-served’ basis. Others may invite nominations and then carefully select from this group those leaders and managers who it is considered show the best aptitude for development as this can have a significant impact on subsequent LMD success. Subsequently, there is a perspective that it is best to invest in those people most likely, or most wanting, to develop and participate in LMD (Bass & Bass 2008; Giber, *et al.* 2000). Conversely, it can also be argued that unwilling participants may benefit from leadership and management interventions through awareness raising/the influence of other participants and more. Whatever the criteria, organisations should set aside sufficient time to decide who needs to be involved in LMD as this will impact on the expected outcomes.

Phase 3: Assessment

Assessment, such as leadership competency surveys and measures of individual and group leadership preferences, is a common feature of best-practice leadership development programs (Bass & Bass 2008). There are many benefits to this LMD component. For individuals, a feedback and assessment process builds self-awareness by evaluating competence areas, confirming strengths, closing blind spots, and providing a focus for development. At the organisational level, determining ‘bench strength’ across the group, as well as estimating performance gaps, can create a culture of feedback and lead to targeted interventions. Essentially, via the provision of data, assessment can be used to drive change and growth in individuals and organisations. Individual feedback and coaching may be offered as an accompaniment to the assessment process, although group feedback processes and peer reflection activities can also be interwoven effectively into an LMD program.

There can be multiple inputs to the assessment process:

- pre-LMD assessment;
- self appraisal/other appraisal;
- 360-degree assessment;
- within-workshop activities; and
- post-LMD assessment.

There is also a wide array of published assessment instruments available. Bespoke assessments (e.g. around an organisation’s capability model or a particular leadership facet) can be useful for organisations that want to base an assessment around a robust capability framework.

Phase 4: Solution design

Design principles

In the design phase, LMD content is becoming increasingly allied with and used to support business strategy and future capability needs (Tate 2004; Clarke, Butcher & Bailey 2004). LMD is one of the tools that can be used to reshape culture and heighten capability in areas that will drive organisational effectiveness. It can be an effective component of a change process by aligning leaders and managers to the strategic goals of the organisation. Likewise, almost all integrated best-practice programs are based on developing specific competencies or capabilities that feed into and from organisational strategy (Giber *et al.* 2000). These models can often form the basis for assessment and also provide a focus for content presented within programs. Encouraging leaders and managers to participate in critical thinking about alignment between strategy, competencies, values, and desirable levels of organisational performance can also assist in engaging commitment to, and understanding of, these factors.

The solution design phase also presents organisations with a wide array of choice between various LMD processes. On a continuum, LMD can range between one-off surface learning experiences to deeper multifaceted approaches over time (Pearce & Drucker 2007). An element common to highly effective development programs appears to be the mindset that LMD is a process rather than a one-off occurrence. Integrated learning programs extend beyond 'classroom' or specific learning events (although these elements may form an important part of LMD). Periods of time are dedicated to improving specific competencies using different learning elements. Throughout this period leaders and managers may engage in an integrated set of learning experiences, including on-the-job activities related to?

When designing LMD, it is important to concentrate on those aspects of leadership where behavioural change has the highest impact. That is, LMD should be needs- rather than wants-driven.

At an individual level, some form of assessment or reflection can be undertaken to identify leadership strengths and developmental needs. These can be compared to the behaviours that are most important to achieving results within an organisation's strategic context. This process can culminate in setting specific developmental goals that the individual seeks to achieve within a set time frame. This process can also apply to the group and organisational levels. A needs-driven focus also involves matching LMD to fit the culture of the organisation. The use of a program steering committee, extensive consultation, and formal links to strategic planning processes are key to aligning potential content with an organisation's culture and language.

LMD Design elements

Some commonly used interventions available to organisations within LMD programs include the individual activities outlined in Part I of this book (i.e.

shadowing, mentoring, coaching, and action learning). These and some other LMD elements are presented in Table 5.2.

Table 5.2 Common LMD Design elements

Element	Purpose
Briefing session	A briefing session allows participants to network with each other and to obtain a realistic preview of LMD activities prior to the commencement of formal activities. Senior leadership representatives can also communicate links between LMD activities and the organisation’s internal and external focus.
Participant preparation and reading	Some LMD programs request that learners prepare answers to prompting questions of relevance to the content areas. Pre-reading can also assist with the provision of context and help participants to adopt a development mindset.
Individual planning	Individual goal setting, planning processes, and awareness building (via assessment and other supports) can add to the applicability of LMD for participants. While this process is often self-directed, some organisations create a formal contract between a participant and his or her manager, coach, or mentor.
Action learning, e.g. work-based projects	Action learning takes advantage of real-time and future business issues as the basis for L&D. Techniques are varied, but can include case methods, simulations, scenarios, and group work-based projects. Work-based projects often involve mentors and sponsors, as well as presentations to senior management or other stakeholders.
Immersive methods	In immersive learning, participants engage in goal-specific on-the-job learning activities that support individual needs. Immersive methods are often real or simulated organisational projects, roles, or activities.
Reflective learning	In an individual or group environment, reflective practices can assist to draw learning from the past to apply to current or future issues (Janson 2008). Methods include the use of journals and reflective conversations of on-the-job and personal experiences.
Senior leader involvement	The support and involvement of senior leaders can mean that LMD is positioned favourably to participants. Interaction with senior leaders can take the form of public forums, senior-leader speakers, and involvement in business and leadership challenges. Mentoring/shadowing assistance, workplace project sponsorship, or LMD committee stewardship is also common. Multilevel support of LMD is critical (Pearce & Drucker 2007).
Shadowing	Shadowing is a process whereby a person follows and observes another in a specific role (e.g. senior manager) for a set period of time. This is a unique opportunity for an individual to observe a person they wish to learn from and can occur at different levels and/or with different organisations.
Mentoring	Mentoring can play an important supporting role in a leader’s or manager’s development journey. Mentoring schemes may be based on pairings or groupings with senior leaders, peers, or people who are effective within a specific goal area.

Buddying	Buddying generally involves participants being paired with another person in a program, role, or workplace. As with mentoring, buddying can be used to support participants to develop skills, reflect and share joint experiences.
Peer networks/ networking activities	Some formal LMD programs actively promote the development of peer networks. While formal group activities include networking and are enhancing interventions in themselves, other peer-building activities include briefings, organised social events (formal and informal), office or city tours, team building exercises, sporting challenges, and alumni meetings.
Experiential activities	Experiential activities that differ from participants' work environment may include outdoor activities, building models and structures, creating metaphors, acting workshops, creative practices and exploring the leadership styles of characters from novels or movies. However, such methods have received some criticism in the literature for a lack of realism (Tate 2004; Mole 1996), but strategies that are patently removed from real work life can arguably provide an engaging awareness-building experience, heighten energy levels, and enhance divergent thinking skills.
Community activities	Community service, as part of LMD, is a specific type of experiential method. Interacting with charities, volunteer work, or other socio-economic project work can be used to increase participants' diversity awareness and interpersonal skills. They may also be used to reflect specific organisational values (e.g. serving the community) or be implemented as a team building or icebreaker activity.
Innovative technologies	Technology and eLearning approaches are used to share knowledge, connect dispersed participants, facilitate learning, and collaborate. Technology has a key role in creating a learning organisation. Arguably, the experience of being face-to-face with peers in a learning environment can expose participants to different perspectives and enhance learning in a deeper way compared to eLearning-enabled formats.
Internal and external programs	Internal or organisation-specific programs can explore a range of conceptual and strategic issues most closely related to the business. Participants can distil real work problems in a context from which to reflect and take action (Tate 2004). External programs, such as MBAs, can remove participants from day-to-day issues and still expose learners to important principles and concepts. There is a trade-off, however, in the relevancy of external generic learning materials to participants' specific role and environment.
Celebration activities	Celebration events can be held to recognise participants' learning over a period of time. Such events can integrate 'graduation' processes, group discussions, public team presentations, review sessions, and alumni processes.

Phase 5: Program implementation

A fifth phase of LMD is program implementation. In different leadership initiatives, this phase is characterised by carrying out selected LMD processes. The most important issue in this phase is to ensure that LMD activities are properly executed and controlled. On a practical level, this involves the effective monitoring of costs, resources, risks, and contingencies. Even the best-designed LMD solutions derail because of logistical issues or support problems during implementation. Problems may occur because issues are not anticipated, or the complexity of deploying the LMD initiative is downplayed.

Along with the basics of adequate resourcing and appropriate administration processes, many LMD initiatives are, in effect, change management interventions. While change initiatives have the potential to inspire positive participant responses, negative anticipatory emotions (e.g. fear, cynicism, complacency, anger) are also common. Any launch and ongoing communication processes should emphasise the benefits of the LMD to the individual or group, and outline how LMD links to the bigger picture for the organisation.

Phase 6: Systemic supports

Outside of individual learning experiences, ensuring that LMD is supported by internal processes and systems is central to its success. Achieving organisational growth via LMD extends beyond individuals learning in isolation (Tate 2004). 'Individual' development involves different activities and experiences which enhance particular managers or leaders. Conversely, LMD at the 'organisational' level directly impacts on the organisation's capability stores as a whole, improving collective performance in a manner relevant to business needs (Tate 2004).

Defined in this way, 'organisational' LMD is closely linked to other human resource processes. For example, as part of the alignment between LMD and other organisational systems, organisations can tie developmental efforts into assessment, development, feedback, coaching, performance management, and succession planning. LMD can subsequently help to identify and develop collective competency and performance priorities. There appears to be general agreement in the literature that leadership development and performance management processes are more likely to be effective at bringing about desired effects when they are integrated and consistent with one another. Bolden, Gosling, Adarves-Yorno and Burgoyne (2008) label this approach as a 'bundle' of approaches. For example, if an organisation is encouraging 'distributed leadership' at all levels this needs to be reflected in leadership development opportunities and reward methods.

Groves (2007) maintains that, once aligned, an integrated system can help to maintain a regular flow of information regarding leader and manager talent throughout the organisation. External assessment of companies with regard to their ability to build leadership pipelines indicates that those companies that are

more effective in developing their leaders and managers are, unsurprisingly, able to fill more positions through internal promotion (Pfeffer 2010). Linked succession management, performance management, and talent management systems can likewise help to embed LMD processes.

Evaluation processes

Evaluation is the final phase of LMD, which is the point where the organisation can gain insight into the effectiveness (or otherwise) of the program. At this stage, organisations generally seek to determine what have been the beneficial impacts of LMD on individuals and on the organisation itself. Insights on how to revise and strengthen a program can also be gleaned. The classic work on evaluation of LMD stems from Kirkpatrick (1994) who, in the 1950s, set out four levels of training and education outcomes that could be achieved:

1. *Reactions*: Participant reactions to the program (e.g. 'happy sheets').
2. *Learning*: Changes in learner's skills, knowledge, or attitudes (e.g. change in measured competency over time).
3. *Transfer*: Application of learning in the workplace (e.g. completion of related tasks; manager performance ratings).
4. *Results*: Impact of competency development on the organisation (e.g. growth in collective capability).

Phillips (in Tyler 2004) maintains that return on investment (ROI), or placing a financial value on impact, is the rational next step to Kirkpatrick's model. Tyler (2004) argues, however, that a major difficulty with Kirkpatrick's model and ROI measurement is a failure or inability to connect outcomes with the original LMD, or to link with organisational processes or systems. This, along with assumptions that trainers or developers are accountable for effectiveness and that the type of measures available are often poor indicators of success, exacerbate the problem of measuring 'impact' effectively. Tyler introduces the concept of 'building organisational capacity' through evaluation, arguing that organisations themselves 'need to build their own capacity in order to leverage the new knowledge and thinking that are brought into the workplace' (2004, p. 152). She states that traditional evaluation methods, such as data obtained for Kirkpatrick's four stages, can be combined with measures of specific support factors that enhance the application and appropriation of learning. These measures may include ratings with regard to:

- line manager support;
- top leadership support;
- provision of timely opportunities to apply skills;
- organisational ability to transfer knowledge quickly; and
- effective professional development methods.

Evaluations are frequently used by organisations to calculate the cost-benefits of LMD. ROI figures, however, are retrospective, and hide what organisations may really need to know (Kanji 2002). That is, financial measures do not focus on systems and processes that are at the core of LMD effectiveness. Such factors are difficult to measure, but it is important to note that the effectiveness of LMD is ingrained in organisational factors such as organisational politics that can confound or elevate the results.

Conclusion

In distilling the difference between successful versus unsuccessful LMD programs, several common elements can be drawn from theory and practice (Bass & Bass 2008; Leskiw & Singh 2007; Giber *et al.* 2000). These factors include, although they are not limited to, the following elements referenced in different sections of this chapter:

- emphasise the alignment of leadership within the organisation to strategic objectives and the organisation's operating environment;
- begin with the end in mind (what competencies and behaviours need to shift or be reinforced?);
- determine the target audience and align LMD according to participant need;
- select the first participants carefully, as these individuals will likely be key influencers down the line and will set the standard for the attitudes of others towards the LMD initiative;
- whether directly transferable or more abstract, ensure the content and delivery methods are relevant and appropriate to the cohorts and culture;
- involve senior organisational leaders in all stages of the project;
- to maintain momentum, create a positive communication campaign detailing LMD successes and positive feedback;
- create a continuous improvement process if the initiative runs over a longer period of time;
- broaden the role of LMD to ensure the development of tomorrow's leaders (link to succession and talent planning processes where possible);
- consider the LMD project as a systematic process rather than a one-off event, with supporting systems, action learning, on-the-job tasks, and practical follow-up; and
- in evaluating outcomes and ROI, reflect on factors that support LMD and gather information on perceived impacts, costs, and benefits.

Along with the above strategies, it is also important to put into place an appropriate support infrastructure for LMD. This includes internal administration and technical support, even if the initiative is outsourced to external providers.

LMD will continue to be an important tool for organisations. Regardless of organisation size and purpose, the development process should be created to fit the specific needs of the company. This chapter combines key learning from theory and practice within the LMD field. The example processes described may not fit with the needs of all organisations, but they may stimulate ideas to fit specific challenges within businesses from a variety of sectors.

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Case 5.1

A partner development program at Henry Davis York (HDY)

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KEY WORDS

leadership development, senior leaders, law firm, partners, coaching

Introduction

The following case study outlines the design and implementation of a targeted leadership development program, *People, Spirit, Excellence: Leadership*, at the Sydney law firm, Henry Davis York (HDY). An overview of the organisation is presented prior to reviewing the background to the initiative. Key features of the program, which focused largely on coaching for performance and improving skills for having difficult conversations, are then reviewed. Finally, the key program success drivers and lessons learned are presented.

About Henry Davis York

Henry Davis York (HDY) is a Sydney-based commercial law firm. The firm has 52 partners and about 350 staff, delivering advice across a range of industries, including financial services, government, and corporate sectors. In 2010, HDY was awarded both the ALB (*Australasian Legal Business*) Sydney Law Firm of the Year and Insolvency and Restructuring Deal of the Year. The firm is well known for being people-focused and has been recognised as an employer of choice, being awarded for its work/life strategies.

HDY is proud of and known for its culture, which is articulated in a phrase used to shape and drive the firm’s vision, strategy, and values: *People Spirit Excellence: Imagine what we can achieve together*. HDY is a firm that is values- and relationship-driven, with an objective to be famous both for its technical expertise and for building relationships. Each component of the *People, Spirit and Excellence* mantra is used as a touchstone to identify, implement, and embed initiatives and projects across the firm.

Background to the People Spirit Excellence: Leadership Program

Partner development sits within a broader professional development program (PDP) at HDY. The PDP is designed to build skills across a range of development areas for lawyers as they progress in their careers. Early in their development the primary focus is on technical skills, but as people progress they are required to demonstrate broader capabilities such as team leadership and client development. Mastery of those skills is aided by the PDP. At the partner level, the PDP focuses on the demonstration of advanced leadership and strategic skills.

In late 2008, HDY undertook an organisation -wide survey referred to as *The Spirit Survey*. That survey, along with market data, confirmed that a high level of engagement existed across the firm as a whole. It also highlighted the opportunity to continue to build engagement and excellence by focusing attention on two key strategies at the partner level, namely:

- enhancing performance coaching; and
- conducting ‘authentic conversations’.

The firm looked to build on the opportunity to develop performance coaching and the ability to have ‘authentic conversations’ in a number of ways, including:

- revising the performance and development strategies for all lawyers, beginning with the senior associates;
- encouraging more frequent and open communication by partners;
- providing junior lawyers with the opportunity to learn by sharing offices with partners and senior lawyers; and, critically, by
- equipping partners with the knowledge, skill, and confidence to step effectively into a performance coaching role.

At this point, HDY considered whether what was required was a broader ‘leadership skill’ style of program or a more focused program targeting performance coaching and authentic conversation behaviours. Based on the feedback from the Spirit Survey, and a focus on building excellence across all aspects of the firm, HDY decided to proceed with the more focused program, and the *People Spirit Excellence: Leadership Program* was born.

Objectives and implementation

The desired outcome from this program was two-fold: in addition to an increase in partner skill, HDY wanted to see a corresponding increase in the skills and behaviours of lawyers who were undertaking performance coaching and who were part of the honest and authentic conversations taking place.

More specifically, HDY wanted to increase the capability of partners around the following specific skills and behaviours so that they would be able to:

- provide feedback allowing lawyers to understand what was required for success;
- make genuine efforts to help lawyers succeed;
- clearly communicate the performance expectations of lawyers;
- effectively deal with poor performance—that is, having the ‘difficult conversation’;
- provide work that played lawyers’ strengths challenged and interested them; and
- provide lawyers with the opportunity to learn and to develop their skills.

Structure of the People Spirit Excellence: Leadership Program

HDY partnered with external consultants to deliver the program in order to develop a three-pronged approach to achieving the above objectives. Each of the three elements is described below.

360 degree feedback and assessment of strengths

The first step in the program was the completion of a bespoke 360 degree feedback survey and debrief. This was targeted to provide information around:

- leadership styles;
- coaching skills; and
- the ability to provide feedback.

Partners also completed an online strengths-based talent assessment.

Each partner received a 90 minute, one-on-one debrief on their results. Individual debriefs took place after the first module.

Program modules

The program comprised four workshops spaced about five weeks apart. The modules covered:

- *Module 1: Partner leadership* Intended outcome: build awareness of own strengths and areas for development, including when and how to use flexible leadership approaches.
- *Module 2: Core techniques* Intended outcome: build capability in techniques of performance coaching and authentic conversation.
- *Module 3: Performance coaching* Intended outcome: develop skills in coaching for performance, including the management of stars, solid performers, and under-performers.
- *Module 4: Authentic conversations* Intended outcome: apply skills in dealing successfully with the most critical conversations.

A review session was held two weeks after the completion of the final module to discuss strategies for embedding a performance culture using coaching skills.

Coaching

Each partner took part in three one-on-one coaching sessions held after each of modules 2, 3, and 4. The coaching sessions provided the partners with the chance to focus on specific challenging conversations they anticipated, or more broadly on their coaching conversation skills.

Four partner groups of up to 15 participants completed the program over the course of a year. When sufficient time had elapsed, a follow-up 360 degree survey was planned to evaluate the program and measure partner development and impact on staff.

The first partner group to undertake the program consisted of the managing partner, board, practice group leaders, and the directors of the HDY People and Development and Business Development groups. Using the firm's leadership team as the pilot group was intended to provide buy-in across the partnership and to engage 'champions' for the program.

Lessons learned

Several program achievements and challenges can be identified.

Achievements

Feedback on the program was excellent. The 2011 staff Spirit Survey results (which had a 95% response rate across the firm), also indicated a significant increase in reported and effective performance coaching compared to pre-program survey results.

The multifaceted approach worked well. The 360 degree survey gave the partners insights into their strengths, leadership styles, and coaching skills. The modules provided them with the opportunity to plan, role-play, and debrief real situations through coaching. They embedded the skills and desired behaviour in a real and tangible way.

Using the leadership team as the pilot group meant that HDY had a high level of support and leverage for the program across the rest of the partnership.

HDY was fortunate to be working with consultants who worked effectively within the firm's cultural framework and objectives.

Each module was more challenging for the participants, and the slow build to the most challenging (the module centring on being authentic in the most difficult conversations) was extremely effective. The feedback from partners on the value of Module 4 was consistently positive.

Challenges

The most challenging part of the program was the logistics. Organising over 50 partners to undertake:

- a 360 degree survey;
- four half-day modules;
- a review session;
- a 360 degree debrief; and
- three coaching sessions

was difficult to accomplish. The firm ran the programs in an overlapping schedule, so there were times when three of the four groups were actively undertaking the program at the same time.

The program involved a group of time-poor, in-demand, client-focused people, so the development of modules that maximised their ability to attend was difficult. HDY settled on half-day modules beginning early in the morning, which maximised attendance but did not overcome all the challenges associated with accommodating client demand versus professional development.

Conclusion

One of the key benefits of an investment in the on-going leadership development of the HDY partners through this program is the flow-on effect. Partners who are skilled and confident in having coaching conversations with the lawyers they work with are, in turn, developing the skills of those lawyers. Through the program, the firm has significantly built on its focus on excellence and intends to continue to do so in the future.