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Performance Anatomy

Turning experience into leadership

By Robert J. Thomas

In their efforts to build a pipeline of capable leaders, organizations commonly overlook a critical consideration—the ability to learn from experience, especially the kind that shapes and refines a leader. Here's how to equip aspiring leaders to mine those experiences—continuously and intensively.

No matter how good its current leadership is, an organization must also have a pipeline of future leaders in place if it aspires to sustained high performance. This conclusion has been reinforced throughout Accenture's High Performance Business research—particularly in our case studies of companies as diverse as Harrah's Entertainment, Constellation Energy, Marriott International and UPS.¹

What's not so clear, however, is how organizations that aspire to sustained high performance can go about creating that depth of leadership talent.

Some ingredients are obvious: recruitment and retention of the best talent, investments in the right kind of training, and high-quality coaching and feedback.² Yet it's equally obvious that

¹ For more information, please see "Exploring the mindset of the high performer," *Outlook*, October 2005; "Constellation Energy: A star is born," *Outlook*, January 2006; "Why Marriott shareholders sleep well at night," *Outlook*, May 2006; "Inside the values-driven culture at UPS," *Outlook*, September 2006.

² In their new book (*The Talent Powered Organization*, Kogan-Page, 2007), Accenture's Peter Cheese, Robert J. Thomas and Elizabeth Craig describe these ingredients as part of a systematic effort to "multiply talent," not just to manage it.

there is no simple recipe for successfully developing leaders.

Rotation programs and developmental assignments are usually designed to impart general management skills and cross-functional agility, but there is no guarantee that they will. Overseas postings offer the opportunity to develop a global perspective, but two people can learn very different lessons from the same foreign assignment.

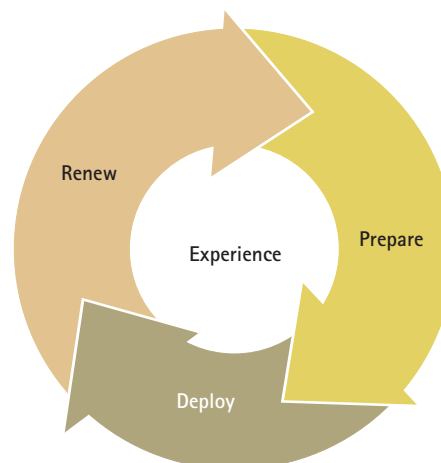
Research conducted by the Accenture Institute for High Performance Business suggests that in their efforts to build a pipeline of capable leaders, organizations commonly overlook a critical consideration—the *ability to learn from experience*, especially the kind that shapes and refines a leader. To paraphrase Aldous Huxley: Experience is not what happens to a person; it's what he or she does with it that matters. We call the most fertile of these experiences *crucibles*—times of trial, failure as often as success,

that force aspiring leaders to examine who they are, what matters to them and what they can learn from adversity. (This concept, along with the Accenture research behind it, is treated in more depth in the new book *Crucibles of Leadership*, which will be published by Harvard Business School Press in March 2008.)

This theme was echoed in our interviews with such accomplished leaders as Bob Galvin of Motorola, Mickie Siebert of Siebert Financial Corp. and Sidney Harman of Harman International Industries. For Galvin and Siebert, the crucibles were times of reversal. Specifically for Galvin, it was a mistake that shut down an assembly line, idling an entire factory at a crucial time in Motorola's early days and laying him, the boss's son, open to humiliation. And for Siebert, who had to build an unprecedented coalition of backers to become the first woman to have a seat on the New York Stock Exchange, it was the discrimi-

Learning from experience

Organizations that successfully grow new leaders provide their people with tools and processes that help them to learn from their experiences in three major areas: preparing, deploying and renewing.



Prepare

- What do I aspire to?
- How do I learn best?

Deploy

- How do my past experiences and values temper what I see?
- How can I practice leadership while I work?

Renew

- How do I share what I've learned?
- How do I remain open to learning?

nation she encountered in the clubby male world of Wall Street.

These difficult experiences not only stiffened these leaders' personal resolve to transcend adversity; it also alerted them to the need to learn new things. Galvin saw in his mistake the need to invest continuously in education and learning—for Motorola employees as well as for himself. Siebert became a leading advocate for ending workplace discrimination against women and minorities, especially those who aspired to positions of leadership.

For his part, Harman recounted how an employee walkout triggered his realization that a leadership style he'd grown comfortable with no longer made sense: "Here I'd been running a business in very traditional terms, top down. But when I went [to the factory] to resolve a crisis, I learned that a top-down approach didn't make sense."

The key characteristic of leaders who leverage experience, we have found, is their alertness to learning opportunities. They are always ready to act decisively, like tennis players anticipating a serve. That state of constant preparedness—that ability to read subtle clues about direction and intent—enables them to recognize both the need for and the opportunity to snatch new insights, no matter how hard and fast they come.

Take Mike Eskew, former chairman of UPS, one of the world's largest employers and the world's ninth-largest airline. Eskew ushered in nothing short of a revolution in

the global parcel-delivery business by means of new technology and new work practices. How did he stay on top of it all? By "talking to people," he told us, "just asking them what works and what doesn't."

Underutilized, underleveraged

Paradoxically, experience as a key leadership learning tool is an underutilized asset in many organizations. Not that experience is devalued—especially judging by the weight given to résumés and past performance—but it is often seriously underleveraged.

For example, people are often given an assignment—say, to lead a major IT implementation or to establish a beachhead in a new market—with the hope that while accomplishing the task, they will also have experiences that will impart wisdom, insight and judgment. But assignees are frequently unprepared for what they're supposed to learn, dropped into the deep end of a huge challenge with little or no coaching, and seldom debriefed when the assignment is completed.

By contrast, organizations that see the learning potential in experience strive to equip aspiring leaders to mine their experiences—continuously and intensively—for insight into what it takes to lead, what it takes to grow as a leader and what it takes to cultivate leadership in others (peers and superiors, as well as subordinates). These organizations commit themselves to providing robust resources and durable processes in three facets of learning from experience: *prepare, deploy and renew*.

Prepare

In organizational terms, learning to lead through experience requires individuals to prepare in several important ways. For example, prior

research has shown that to be effective decision makers, leaders need to be capable observers—skilled at separating fact from perception, asking

penetrating questions, assessing risks and consequences. But to be capable observers, leaders must take into account how their own motives, aspirations, values, stereotypes and expectations shape what they see. They also need to understand how they learn best.

Preparing leaders thus involves two key activities: one, helping people be clear about what lenses they use as observers, and two, helping people understand their own best learning style so that they can accelerate their learning as leaders.

Educational institutions—particularly business schools—have been criticized both from within and from without for failing to produce people capable of leading an enterprise. Critics argue that while technically accomplished, MBAs are often organizationally inept. Yet ironically, one of the best examples of an organization attuned to preparing leaders to learn from experience is just such an institution—the Massachusetts Institute of Technology and, more specifically, its Leaders for Manufacturing (LFM) program.

The two-year LFM program—launched by a group of academics, government officials and business leaders in response to the debilitating recessions of the 1980s and the need for US companies to become more competitive—uses experience as a critical laboratory within which aspiring leaders prepare for the school of hard knocks by enrolling in one. It fosters both technological and organizational leadership. Nowhere is this emphasis greater than in the education of the Leaders Fellows.

From the moment they arrive on campus, Fellows are immersed in reflections on, and practice in, leadership. Over the course of the program, leadership occupies center stage as an organizational problem, a technological challenge and a personal goal. With an alumni network of well over

700 members, it has also become a focus for continuing education as well as for a dialogue among graduates and between graduates and the program's administrators.

The LFM program starts with the assumption that the most important lessons about leadership cannot be taught in traditional ways. Program director Donald Rosenfield described it to us this way: "Experience is critical to the learning process. So, too, are opportunities to reflect on practice . . . to connect the analytical side of leadership training with personal experience."

The program accomplishes this in several ways. For example, in the first week, students—who arrive with an average of eight years of work experience in diverse fields—are plunged into an immersion course in observation and inference; it is devoted to opening their eyes to how they learn, how mental models shape their perceptions and constrain their ability to talk across cultural and disciplinary boundaries, and how they, as a cohort, can achieve a measure of collective intelligence based on teamwork and competition.

At the end of the first year of core courses in management and engineering, students are dispatched to six-month internships—the crown jewel of the program—at sponsoring companies. Here they work with (and in some instances, lead) teams to resolve a significant manufacturing problem.

The internship represents a unique laboratory for applying and evaluating ideas about world-class manufacturing and supply chain management. But it also provides practice fields where students can gain experience in leading organizational change. Subsequent classes on leadership and change draw explicitly on students' experiences and challenge them to make sense of what they learned on the factory floor.

Deploy

To develop and grow, leaders need to hone their sense-making skills—their ability to quickly and accurately read situations and people, not only to ensure that they make the most of their experiences but to increase their ability to communicate what they’ve learned to others and to make practical use of their insights.

Some of these skills complement one another in powerful ways. Training in emotional intelligence, for example, makes individuals far more aware of the sentiments and motivations of others (followers and peers, especially), while skill in story-telling increases the impact that a leader can have in communicating important information. Familiarity with—and the opportunity to practice—different decision-making and leadership styles increases the odds that a leader can better match his or her behavior to the demands of a given situation.

Experienced-based leadership development bridges the gap between theory and practice. Take UPS, where much of the training that helps individuals learn and grow as leaders is embedded in initiatives and programs that seemingly have little to do with leadership. For example, supervisors and managers are often nominated for assignments that require them to reach out to others for information, resources, labor and political support if they are to be successful. The company’s extension into supply logistics—which includes repairing rather than just transporting products—came about as a result of experiments conducted by a cross-functional team

assigned to explore new business opportunities. Participants in that exercise recalled in interviews that the lessons they learned were as much about leading change as they were about supply chain management.

These “learning tasks” are not just obstacle courses that regulate movement up the ranks; they are opportunities to be coached or mentored, as well as to experiment with different styles of managing and leading. Moreover, new managers are deeply schooled in how to observe objectively and how to carry out effective experiments so that they don’t jump to conclusions without the best data—data that often comes from the people who work for them.

Though referred to inside UPS as a manifestation of the company’s tradition of “constructing dissatisfaction,” the discipline of learning from experience applies to individuals, teams, technologies, products and the organization as a whole. It’s a culture and a leadership philosophy dedicated to learning as a way to avoid the traps of success.

UPS’s approach to learning from experience is simple, adaptable and inclusive. More important, it is a learning process that the world’s largest package-delivery company relies upon to keep ahead of the competition by means of rapid technological change, a continuously refined product development process and work methods that can be successfully transferred throughout the world.

Renew

Leadership experts like Noel Tichy emphasize how important it is that leaders have a “teachable point of

view”—a perspective on leadership, about how one leads and why, that is grounded in personal experience. But

Experiences and challenges from the individual leader's life can and should be supplemented by the lessons shared among a community of leaders.

as significant as the teachable point of view is, it must be open to adaptation and amendment as newer and different experiences and challenges emerge. Some of those experiences and challenges will come from the individual leader's life, but they can and should be supplemented by the lessons shared among a community of leaders.

In the preparing phase of learning from experience, leaders-in-training are explicitly encouraged to build their own advice networks—people to whom they can turn for honest, critical and timely advice. In the renewing phase, those same people can serve as a learning community, a place where insights can be shared and where personal dilemmas, problems and achievements can be presented and challenged.

Experience-based leadership development dramatically enhances the participants' ability to document their experiences, translate them into meaningful stories and take on the role of coach/mentor to others.

Much has been written over the years about General Electric Company, which has become synonymous with leadership development. Yet the lessons the company offers are still highly instructive.

Most important is the way in which learning and doing are woven into the very fabric of GE's process and culture. The attention the company gives to selecting and developing leaders at all levels is legendary. Potential leaders are carefully tracked throughout the organization, and differences in GE's businesses, which range from financial services to aerospace, are leveraged to give people opportunities to lead in a wide variety of circumstances. Senior executives use every speech, supplier visit and operational review to search out the best talent available in the open market.

Former GE chief Jack Welch reportedly once suggested that the task of leader development was too important to be left to HR. Steve Kerr, GE's former chief leadership officer and for many years director of the company's Crotonville, New York, management education center, says that in 1992, Welch came to the conclusion that "it was folly to try to prepare for a future that was so uncertain. We decided instead that most of our efforts would be spent making leadership of change a core competence of the firm."

The key phrase here is "a core competence of the firm." In other words, it's not just about growing a stratum of leaders; it's about increasing the number of leaders at all levels and renewing the skills of even the most respected leaders. Rather than limit the objective to senior management, Welch (and subsequently his successor, Jeff Immelt) pledged to drive leadership of change deeply into the organization—to create what Northeastern University professor Joseph Raelin refers to as a "leaderful organization"—and to do so by adroitly combining learning and doing.

Practice makes perfect, and GE's Work-Out methodology—lionized for its contributions to performance improvement—is just as significant for the combination of hands-on experience and training it gives to line employees, to first- and second-level supervisors and to managers in how to collaborate in solving problems and how to make and implement effective decisions in a timely way. The experience gained in Work-Out lasts a very long time; hence, the investment in training pays out year after year.

The same can be said for GE's dedication to Six Sigma and Change Acceleration Process: While ostensibly focused on continuous performance improvement, each builds off and renews a robust philosophy of structured experimentation, analysis and learning.

Quality guru W. Edwards Deming captured the exquisite challenge of learning for leaders and their organizations when he argued that “learning is not compulsory, but neither is survival.” Learning is compulsory, but it cannot be forced. Individual leaders need to grow and develop, to deepen their skills and their capabilities, and to extend the range of situations they can address. And organizations need them to do those things—not because organizations are particularly enlightened, but because great leadership is *necessary*.

Organizations cannot teach people to lead, though they can and should provide the means through which leadership techniques can be learned and practiced. Organizations cannot compel individuals to strive for eminence, but they can encourage and support aspiring leaders to look inward and find the insights and the distinctive perspective that could make them great. Organizations should not unnecessarily create adversity, but they do need to recognize the transformative potential of crucible experiences and to provide the resources people need to extract insight from them.

Recruiting, selecting, training, rotating, assessing and rewarding are vital and well-known processes that contribute significantly to the leadership pipeline. So, too, is a rigorous and business-relevant process of defining essential leadership competencies. But the critical though not-so-obvious key to achieving and then maintaining a steady supply of quality leaders resides in finding ways to encourage both aspiring and accomplished individuals to learn through experience.

About the author

Robert J. Thomas is the executive director of the Accenture Institute for High Performance Business in Boston. Dr. Thomas is a leading authority on leadership and transformational change. He is a frequent contributor to *Outlook*, and his ideas on human capital development have also appeared in *Harvard Business Review*, *Sloan Management Review* and *The Wall Street Journal*. His book *Geeks and Geezers*, which he co-wrote with Warren Bennis, was one of the best-selling business books of 2002. Dr. Thomas's latest book, *Crucibles of Leadership*, will be published by Harvard Business School Press in March 2008.

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