Leadership and High Performance: Experience is the Best Teacher

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What is leadership? Leadership is the ability to inspire people to achievements they never thought were possible.

Leadership matters. Whether you are looking at impact on revenue growth and profitability, reputation with key stakeholders, quality of business strategy, ability to execute against strategy, adaptability to changing circumstances, or employee engagement and satisfaction, leadership matters. The quality and maturity of an organization's leaders, according to management guru Jim Collins, can spell the difference between being good and being great.[1] The reliability of an organization's leadership pipeline, as companies like GE have demonstrated, can enable – or disable – efforts to grow and yet remain integrated and aligned. Most executives agree. For example, when asked to identify their most important agenda items, senior executives routinely point to leadership development as an extremely high priority.[2] That sentiment has only deepened in recent years, particularly as the pace of technological change, market consolidation, and regulatory oversight has quickened. Accenture, in our research into the characteristics of high-performance businesses, has concluded that leadership is critical to attaining a high-performance anatomy—the culture and organization that enables some companies to consistently out-execute their competitors.

Our research suggests that many organizations act as if leadership were governed by the law of diminishing returns. They limit the number of leadership posts, meter access to leadership development opportunities and slash training budgets at the first sign of an earnings dip. They train and incent managers to be agents of control – over budgets, over processes, over people – and then grimace in frustration when those same people can't switch effortlessly to being leaders of change.

Applying the law of diminishing returns to leadership is a mistake, because there's plenty of reason to believe that leadership generates *increasing* returns. The more you use it, the more of it you have. Leaders who demonstrate integrity and conviction, who strive in earnest to develop people and create a shared vision and who unleash energy rather than constrain it produce superior results. Not only that: they stimulate *more* leadership from the people around them. In other words, effective leadership can have a multiplier effect.

In a business environment expected to be characterized by uncertainty, complexity, and disruption over the next decade, we contend that high-performance businesses will achieve a sustained competitive advantage by applying a *multiplier mindset* to leadership. They will grow the number and diversity of leaders and reap the benefits in terms of innovation, flexibility and adaptability. Three core propositions underlie the multiplier mindset:

Organizations need leaders at all levels, not just at the top and, therefore, high-performance businesses will dramatically expand opportunities for supervisors and managers to grow as leaders and will provide resources and rewards in order to keep their leadership pipelines full.

Experience is the best teacher of leaders and high-performance businesses will amplify and extend experiences acquired on the job with innovative new approaches to leadership development that blend formal training, eLearning, coaching and knowledge sharing.

Applying the multiplier mindset begins with senior management, not only symbolically but practically, with top management taking an active hand in cultivating next generation leaders and behaving as role models.

In the pages that follow, we elaborate on these propositions and lay out their implications for management.

Organizations Need Leaders at All Levels, Not Just at the Top

Based on our high-performance business research, Accenture forecasts that the business environment over the next decade is likely to be characterized by high levels of uncertainty, complexity and disruption.[3] Uncertainty demands a strong sense of direction and the fortitude to stick with it. The discipline, creativity and resilience of every layer of an organization – not just the top – will be tested as companies strive to maintain a clear direction while reacting to a cacophony of local threats and opportunities. Survival in such an environment requires more leaders, not fewer.

Complexity demands collective intelligence. Gone are the days when a single manager or leader was a master of all the work done in his or her area of responsibility. Today, even if a manager is a recognized expert, the dynamism and interdependence of most competitive environments make it risky to rely on a single leader to make all critical decisions. Organizations that succeed in a complex environment will be those whose leaders create a context that enables others to mobilize networks of expertise and make decisions – rather than fortifying pyramids dedicated to stability and routine.

A heightened tempo of disruptive change – whether occasioned by technology, competitive strategy or geopolitics – will require organizations to find more people capable of fostering both alignment and decisiveness. Organizations that strive to make markets, rather than simply respond to the actions of others, also will need leaders who can mobilize people and resources to create the disruptions that yield competitive advantage, as well as leaders capable of building common mission and cohesion in response to change from the outside.

A multiplier mindset results in what Northeastern University researcher Joseph Raelin calls "leaderful" organizations: where many more people are encouraged (and equipped) to be leaders when the need arises, where teams can have different leaders at different moments in their evolution and where the norms of leadership stress openness to learning instead of a defense of hierarchy.[4] For example, GE learned from the implementation of its (Work Out) methodology that it could create cadres of capable change leaders out of people who had never held formal leadership positions.[5] Continental A.G. and PricewaterhouseCoopers have discovered that more leaders came about when there were more opportunities to lead.[6]

Rather than crown leadership with a capital "L" and imbue it with the symbols of hierarchy and exclusivity, organizations need to drive for leadership with a small "l": manifold small but inspiring acts of creativity, risk-taking and unselfishness regard – that invite emulation. (See Exhibit 1: "Tips for Cultivating Leaders at All Levels").

Exhibit 1: Tips for Cultivating Leaders at All Levels

Evaluate your organization's competitive situation and its business strategy in terms of what leadership competencies will be needed in their future, not just in the present

Critically assess how capable your organization is at feeding its leadership pipeline: identifying/recruiting, selecting, developing and assessing leaders in order to ensure that you have an adequate supply of leaders at all levels

Create career development processes aligned with projections about the numbers and the competencies needed of leaders

Evaluate compensation and reward systems to determine if they encourage or discourage the behaviors needed to cope with uncertainty, complexity and disruptive change
Continuously and consistently communicate the objectives of the business and the context within which the business operates so that leaders at all levels understand the core drivers of both high performance and change

Redefine first-level supervisory roles so that they are explicitly about coaching, rather than control, and so that they are both equipped and rewarded to promote rotating leadership responsibilities

Provide easy access to decision-making, planning and evaluation tools so that teams as well as individuals can enhance their own performance

Make leadership development resources widely available (e.g., e-Learning tools, blended learning technologies, learning management systems, high quality simulations)

Create dozens, if not hundreds, more opportunities for individuals and groups to act as leaders

Experience Is the Best Teacher

"Experience is not so much what happens to you as what you make of what happens to you." (Aldous Huxley)

It's one thing to insist that high-performance businesses have leaders at all levels, but where will all these leaders come from? Vital insights come from two sources: industry examples and a recent Accenture study of how leaders learn to lead.

As mentioned in the preceding section, GE broke new ground by formulating a common process for making change (Work Out) and by making hands-on, real-time training in leadership accessible to a broad swath of employees. Recognizing that in the future organizational change would be continuous rather than episodic, GE management sought intentionally to grow the pool of employees who were equipped to lead change, not just once but many times. They also recognized that change leaders often emerge from unanticipated quarters; thus, rather than limit training to a carefully selected few, they waited, watched and then engaged people who had demonstrated both initiative and interest.

Similarly, the divisional executive of a major electronics manufacturer we studied demonstrated an implicit understanding that leadership demands not only skill, but motivation and opportunity, as well. As part of a long-term effort to improve product quality in key assembly plants, the executive devised a simple adjunct to the company's six sigma program; he referred to it as "Do, Improve, Revolutionize." These three words represented a challenge to every job category in the division (including his own): *do* the job to the best of your ability, *improve* the doing of your job (e.g., in the spirit of continuous improvement) and *revolutionize* the doing of your job (i.e., devise a way to accomplish the task that will lead to competitive advantage even if it means eliminating the job altogether). Individuals were encouraged to seek out help from workmates, technicians and experts in order to surmount the challenge. Motivation took the form of incentives and promotions to those who grabbed the opportunity. The pay-off was a major boost to the quality effort *and* a dramatic rise in the number of informal leaders, as measured by the number of people applying for and qualifying for promotion.

Accenture, in a study of leaders at opposite ends of the age spectrum (under the age of 35 and over the age of 70), *found that experience was and remains the best teacher of leadership.*[7] In other words, accomplished entrepreneurs, corporate executives, social activists and elected politicians unanimously agreed that they learned more about leading from real work and life experiences than they could from leadership development courses and MBA programs. They credit the latter with helping them become more competent technically, but they argued that formal programs do little to help leaders learn fundamental lessons, like how to extract wisdom from experience.[8] (See Exhibit 2, "What is a Crucible?").

Exhibit 2: What is a Crucible?

According to Warren Bennis and Robert J. Thomas (the authors of the Accenture study, *Geeks and Geezers*), the most durable lessons in leadership – whether in 1944 or in 2004 – result from *crucible experiences,* transformative events or tests that individuals pass through and make meaning from in order to learn, grow and lead.

Crucibles are turning points. Whether losing an election or a comrade in battle, learning from a mentor or mastering a martial art, crucibles are defining events that force people to decide who they are and what they are capable of. They can make or break a man or a woman; and those who don't break become leaders. In interviews with lifelong leaders, "learning how to learn" emerged as one of the most important skills that distinguished resilient and adaptable leaders from their peers. Learning to lead, in other words, has a gritty, tactile dimension and a reflective dimension: you have to *be* there *and* you have to be able to *make sense* of the experience, too.

This distinction – between simply having an experience and actually learning from it – is critical. Two people may attach very different meanings to the same experience. This insight is especially important when you recognize that the organizations in which leaders are expected to learn are much different today than they were 20 years ago. Experience – in the sense of "learning the ropes" and "paying your dues" – means something quite different when organizations are flatter, more networked and global, and change more rapidly than they did 20 years ago.

If experience *is* the best teacher, then how can organizations use experience to grow leaders and, more importantly, to grow more leaders than ever before? We believe that organizations can grow more leaders faster through what we refer to as *experience-based leadership development.*

Experience–Based Leadership Development
Experience-based leadership development represents a comprehensive new approach that is intended to be holistic and adaptive. It knits together on-the-job experience, life experience and specific skill development, rather than presenting employees with a smorgasbord of classes and programs that is tenuously linked (if it is linked at all) to career development, succession planning or, more importantly, business objectives. Experience-based leadership development adapts to the developmental needs and opportunities of leaders at all stages of their careers – and it adapts to the changing business situation and leadership needs of organizations operating in complex and uncertain environments.

Experience-based leadership development consists of three major processes: **preparing, developing** and **preserving.** Together, these processes produce distinctive skills needed by leaders at all levels and a concept of leadership practice that encourages lifelong learning (see Figure 1). A simple metaphor drawn from photography illustrates the process. A photograph begins with the exposure of light-sensitive film to an image (experience); this is a process of preparation. Though captured on film the image is volatile – something must extend its life and its utility. It needs to be developed. Developing stabilizes the image (experience), giving it a new aspect, a new clarity. However, as even amateur photographers know, an image on paper must be "fixed" or preserved to prevent fading.

Experiences on the job (and off the job, too) are a remarkably fertile ground for learning – and for this reason, they are integral to experience-based leadership development. They can vary from major, crucible-like events (e.g., recovering from financial disaster, re-energizing a demoralized work force, launching a radical innovation in product or process), to more conventional challenges like rotational assignments and foreign postings, to the prosaic yet challenging things we expect from leaders on a daily basis, e.g., coaching a talented but frustrated employee, carrying out incremental change, providing an example worth following. They can be planned – as, for example, many leadership programs are – with developmental and rotational assignments, or they can "just happen." What's vital is that they be conceived of as core elements of a learning process.

The goal of experience-based leadership development is to equip employees to mine experience – continuously and intensively – for insight on what it takes to lead, what it takes to grow and

Figure 1: Experienced–Based Leadership Development

adapt as a leader, and what it takes to cultivate the leader in others (peers and superiors, as well as subordinates). Most corporate leadership development programs, we have found, overlook the opportunity to prepare people to learn from experience. They focus on skills and tactics and, far too often, organizational rules and regulations. Experienced-based leadership development, by contrast, uses a powerful, research-driven learning framework to link the leadership development activities an organization already has in place –

classroom-based training, assessment centers, career development, succession planning, performance management and the like – with real work assignments and innovative new uses of information and communication technology to create a comprehensive process for developing leaders at all levels of an organization.[9] (See Exhibit 3: "Objectives and Activities in the Key Phases of Experience-Based Learning").

Preparing

In organizational terms, learning to lead through experience requires individuals to prepare in several important

ways. For example, we know from prior research that in order to be effective decision-makers, leaders need to be especially good at diagnosing situations. Most importantly, they need to be capable observers, e.g., skilled at separating fact from perception, asking penetrating questions, assessing risks and consequences. But, to be capable observers, leaders need to take into account *how* their own motives, aspirations, values, stereotypes and expectations shape what they see.

Exhibit 3: Objectives and Activities in the Key Phases of Experience-Based Learning

Phase of the Experienced-Based Leadership Development Process	Sample Objectives	Features of the Experience-Based Leadership Development process
Preparing	• Assess individual strengths and weaknesses in key leadership, management *and* technical areas, *and* secure commitment to action • Understand individual motives and the role they play in problem-solving • Clarify personal values and the role they play in perception • Discover individual learning style and link it to career objectives • Build advice networks	• Online self-assessments, such as Schein's Career Anchors™ , Burnham-Rosen's Interactive Leadership™ linked to organization's personal and career development system • Orientation/classroom based instruction – that also includes cohort formation for building advice networks • Individually-accessible video role plays and simulations in areas like perception, mental models and communication styles
Developing	• Gain significant new skills in: · Emotional intelligence · Communication and storytelling · Decision making and negotiation · Situational and transformational leadership · Self observation	• Individual coaching • Support for virtual teaming, advice networks and online communities of practice • Specialized simulations in areas like decision-making and negotiation • Computer-based training in coaching and mentoring
Preserving	• Develop an individual "teachable point of view" • Refine individual leadership objectives based on self-assessment • Equip individuals to be life-long leaders and life-long learners	• Use cohorts and communities of practice as basis for both physical and virtual interaction • Update personal development plans online and link to career development planning (including next assignment)

Exhibit 4: NASA Goddard's Leadership Alchemy Program

Gail Williamson, Director of Leadership Development at NASA's Goddard Space Labs outside Silver Spring, Maryland, reports to the CFO and occasionally sports a sorcerer's peaked cap. However, there's no incongruity to her blend of hard-nosed analysis and whimsy. She, her boss and the director of the labs believe passionately in art and science and that both are essential to the revitalization of an agency that blue-ribbon panelists criticized as rife with "organizational failures" that contributed directly to two shuttle disasters and a number of embarrassing missteps with Mars probes. Among those failures have been cited the absence of leaders who encouraged criticism and debate – the kind of open communication that might have alerted decision-makers to known risks.

"Leadership Alchemy" is an important part of NASA Goddard's answer to critics. It focuses on bringing out the leadership capabilities of a broad cross section of employees –support staff, machinists, technicians, lab researchers, scientists and managers – by means of art and science. In some situations, science takes center stage. Participants in classroom sessions debate the latest empirical studies of leadership attributes and predictors and work to define and apply measures to assess whether better leaders generate better results. But then they also verge into the artistic side, e.g., discussing and interpreting critical events and interactions that occur in the workplace that have tested their own abilities as leaders.

A vital dimension to the alchemy of leadership, according to Williamson and her colleagues, is gaining insight into how individuals learn – and with that insight, accelerating individual learning. So, while some meetings in the program may focus on skill-building, others zero in on learning styles and what enables some people to master a skill faster or more completely than others.

Similarly, if individuals are to enhance their own ability to leverage/learn from experience, they need to better understand *how* they learn best.[10] (See Exhibit 4: "NASA Goddard's Leadership Alchemy Program").

Preparing leaders involves two key activities: (1) helping people to get clear about what lenses they use as observers; and (2) helping people understand their own best learning style so that they can accelerate their learning as leaders. There is no shortage of tools that can be used to this end; many, such as personality assessments, learning styles inventories and the like, are available electronically. However, in many organizations, those tools are difficult to find outside a formal classroom setting and they are usually quite expensive to acquire (or license) for one-time use. Employees often have to wait weeks or months for a class to be offered and then the tools tend to be used only once, e.g., for diagnostic or assessment purposes, not as part of an ongoing learning process. The virtue of classroom-based learning – opportunities for feedback from experts, as well as classmates – is often nullified by the inability to get timely access to that learning.

Experience-based leadership development, by contrast, makes these tools available when people need them – often through Web- and portal-based learning technologies – and links them to the individual's own developmental stage and work situation. For example, experience-based leadership development leverages the dramatic improvements that have been made recently in the use of simulation and virtual reality to present learners with truly encompassing leadership simulations. Up until now, most high-quality simulation has been focused on "action" situations such as "live fire," shoot/don't shoot, and near-disaster scenarios for police, military and commercial pilots. However, developments in technology make simulations far less expensive, more realistic and ideal for individualized learning/reflection. Imagine providing employees with a polished but brief introduction to a business situation (e.g., plant closing, merger or acquisition, discipline, recruitment, mentoring) and a role play in which they can see and act and get immediate feedback. Imagine hundreds of employees interacting with the same situations (at their own convenience) and getting expert feedback in real-time. (See Exhibit 5: "Simulating Leadership").

Exhibit 5: Simulating Leadership

Leadership development in most organizations is hampered by two fundamental problems. First, learning takes time and discretionary time is in short supply. Indeed, managers are often so consumed by everyday problem-solving that it takes a serious breakdown to signal the need for new behavior. Second, most conventional leadership training has a short half-life. Lessons gained from off-site seminars, rock-climbing exercises and the like tend to dissolve when students are thrust back into the structures and reward systems that inhibited learning in the first place.

To combat these obstacles, a growing number of organizations are experi-menting with approaches to leadership development that either take less time or can be better integrated into work routines and that have greater staying power. Boeing's underwater transportation simulation is a case in point. Like the simulators used by airline companies and nuclear power plants, Boeing's virtual practice field is designed to help mission-critical—but time-starved—professionals hone their skills and experiment under non-lethal conditions. However, what's different is that Boeing's simulator cooks up white-knuckle leadership situations: for example, what to do when the union threatens a walk-out on the eve of a major product demonstration or how to initiate a hostile takeover in a change-weary organization.

Much more sophisticated than the first generation of game-like business simulations, BoeingSim offers a richly-detailed, data-intensive learning laboratory that challenges even the most experienced executives. Originally an outgrowth of Boeing's desire to integrate two major acquisitions,

Rockwell and McDonald-Douglas, the simulation centers on AquaTek and two other fictional competitors in the nascent underwater transportation industry. Participants in the simulation are allocated to all the major functional roles one might find in a small, but growing business and are given realistic budgets and constraints. According to Ron Marcotte, Deputy General Manager of Air Force Systems for Boeing and a graduate of the leadership program: "It's hard to simulate business, but the simulation has all the moving parts, from HR problems to production problems, to facility problems to finance and cash flow. [It] gets people out of their comfort zone ... and stirs people up to learn about everybody else's business." Performance is measured in terms of total return to shareholders. And, as Marcotte hastened to add, "On the last day you end up presenting to the real CEO and nerves go to a fevered pitch."

Pride based on teaming, clear links to larger enterprise objectives and integration into long-term individual leadership development prevent BoeingSim from devolving into a managerial arcade game. Though not a market Boeing currently competes in, underwater transportation represents the kind of high-tech, pioneering environment the company sees itself entering into in the future and, thus, a perfect place in which to blend the skill sets of leaders and managers from its wide array of current businesses. According to Jan Wilmott, head of Boeing's Executive Development Program, the simulation has proven successful at giving participants a "solid grounding in all the issues that surround running a complex business" and ample opportunity for individuals to "assess their own strengths and weaknesses as leaders."

Participants draft learning contracts based on their experiences during the

simulation and these, in turn, become a vital guide for the coaches on Wilmott's staff responsible for follow-through. Even during the simulation, coaches review the experience with participants as individuals and in their teams. Just as in spring training in major league sports, coaches are empowered to call "time out" and question participants how they might have worked differently – more effectively – with a particular interpersonal problem. During long and often highly-competitive work days leading up to the meeting with the CEO, facilitators keep things realistic, e.g., discouraging participants from trying to win by "gaming" the simulation. Often as not, however, class members police themselves. Marcotte, a recent participant, recalled his own amazement at how peer pressure kept the focus on learning: "[T]here were some individuals who were trying to game. People would try to pull them back into the middle. ... People see value in the exercise rather than in just winning." Thus, rather than being carried out in isolation from the marketplace and divorced from the realities of differences in individual learning needs, simulations like Boeing's keep leaders tethered quite closely to the core of the business.

Like many intense learning experiences, BoeingSim has the added benefit of providing a crossroads for the company's far-flung leadership and, as such, a valuable foundation for the networking that has become essential to the functioning of complex enterprises. The added benefit of the underwater business experience, however, is that it provides peers with the opportunity to witness each other's business strengths directly, not obliquely – as so often is the case in teambuilding via whitewater rafting or egg-drop exercises.

Developing

In order to develop and grow, leaders need to hone their sense-making skills, 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 – for example, emotional intelligence and storytelling – complement one another in powerful ways: training in emotional intelligence makes individuals far more aware of the sentiments and motivations of others (followers and peers, especially) and skill in storytelling increases the impact that a leader can have in communicating important information.[11] Familiarity with – and the opportunity to practice – different decision-making and leadership styles increases the odds that a leader can better match his/her behavior to the demands of a given situation. Most importantly, this approach to leader development directly addresses the perennial complaint that most people have when contemplating their own performance as leaders: "who has the time to practice new things when they have to perform continuously?" When leaders have no time to practice, *they must learn to practice while they perform.*

Experienced-based leadership development bridges the gap between practice and performance through creative uses of information and communication technology. On-line coaching, knowledge sharing, chat rooms and classrooms make the most of experiences people are having *as they are having them* (versus waiting for off-site get-togethers long after those events and experiences were occurring). Collaboration software, whether through peer-to-peer or asynchronous communication tools, make it possible for people distributed over vast geographies to engage in conversations about common experiences and to query one another in ways that approach the vividness of the classroom but at a fraction of the cost or logistical complexity.

Preserving

Just as a photographer must "fix" an image, learning leaders must find ways to **preserve** what they've learned. Inspired by observation of great leaders in a variety of settings, leadership experts like Noel Tichy emphasize the importance of leaders having a "teachable point of view."[12] A teachable point of view is the distillate of successful preparation and development, to use terms drawn from our multiplier mindset. But, as significant as the teachable point of view is, it must be open to adaptation, amendment and change as newer and different experiences and challenges emerge. Some of those experiences and challenges will derive 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 process, we make explicit provision for learning leaders to build their own advice networks – people to whom they can turn for honest, critical and timely advice. In the preserving 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 presented and challenged.[13]

Experience-based leadership development dramatically enhances the ability of people to document their experiences, translate them into meaningful stories (e.g., teachable point of view) and prepare them for taking on the role of coach/mentor to other experienced-based leadership development participants. Having already experienced the value of having a network of learning leaders with whom to share insights and advice, leaders can use experience-based leadership development as a vehicle for continuous growth and improvement. In much the same way that airlines use flight simulators to refresh and extend their pilots' skills, companies can use experience-based leadership development to engage leaders with varied and new situations, always with the opportunity to get performance feedback and coaching.

Designing Experiences and Learning to Lead

Although crucibles commonly occur outside work and without advance warning, each of the principal types of crucible depicted in *Geeks and Geezers* has a direct organizational analog. In other words, organizations may in fact have the ability to incorporate the transformative power of crucible experiences to help leaders achieve important insights and chart for themselves a lifelong learning agenda.[14] The table below (Exhibit 6: "Designing Leadership Experiences") depicts the types of crucibles, examples from the study and potential organizational analogs.

Organizational crucibles like rotational assignments and opportunities for risk-taking may not seem all that different from standard practice in many organizations. However, what's different in experience-based leadership development is that each element is integrated into an overall strategy, rather merely being part of a pick-list.

Exhibit 6: Designing Leadership Experiences

As Warren Bennis and Robert J. Thomas explained in *Geeks and Geezers*, crucibles are turning points. They can make or break a man or woman, and those who don't break become leaders. In interviews, the authors found that learning to lead has a gritty, tactile dimension as well as a reflective dimension: you have to be there, and you have to be able to make sense of the experience, too. The distinction is critical, especially in organizations that are flatter, more networked and more far-flung than they were 20 years ago.

Crucible	Example from *Geeks and Geezers*	Organizational Analog
Adapting to foreign territory	• Boot camp • Interning in a setting where no one speaks English • Entering a convent	• Rotational and foreign assignments – including ones outside the company • Learning maps with resources to help people stay on track • Coaching to help personal learning during periods of intense change
Surviving disruption and loss	• Loss of a loved one • World War II and Korea • Losing an election • Bankruptcy	• Preparing people for adversity and challenge • Safe failing spaces and opportunities for risk-taking • Enhanced simulations (e.g., management flight simulators) to provide insight on the meaning of failure and recovery
Enduring enforced reflection	• Prison • Karate school • Aftermath of a disaster • Lost in the woods	• Experiential cohorts that build a community and a critical network that supports reflection and introspection • Intensive use of video, shadowing and peer coaching • Training in an avocation that involves real-time self-reflection
Being mentored	• Grandfather • Family friend • Troop leader • Commanding officer	• Careful selection of mentors • Training for mentors in storytelling and listening • Careful matching of mentors and protégés • Training for protégés in listening and storytelling • Cross-generational mentoring relationships

For example, it is essential to *prepare* a potential leader to make the most of a rotational assignment (e.g., providing training in observation, reading situations, assessing individual perceptual biases, learning strategies, etc.). This is also an excellent time in which to create a learning community (e.g., of peers going out on similar assignments) or network through which experiences/ problems can be exchanged. While he or she is on assignment, organizations need to provide guidance/training on how to experiment with different leadership styles and assess the results. And when an assignment is complete, individuals need to be given time together with their learning community in order to *preserve* the critical lessons they've learned.

Thus far, we've made two key arguments: first, that high-performance businesses need leaders at all levels to catalyze innovation and change and, second, they need to leverage experience in creative new ways in order to fill the pipeline with new leaders. However, high-performance businesses also need discipline and alignment. You can't have leaders pulling in a hundred different directions lest the organization spin out of control. This brings us to the role of top management. Top management – including, but not limited to the senior leadership team – must not only demonstrate a multiplier mindset through commitment and investment in growing leaders, they must also manifest that mindset in their own practice. It is to this latter challenge that we now turn.

A Multiplier Mindset Begins with Top Management

We've known for decades that top management can have enormous symbolic as well as practical impact on an organization's performance – even though it's often not clear whether individual CEO's deserve all the credit (or the blame). However, speculation about the relationship between CEO behavior and share price movements can divert attention from much more important effects that top management can have on the long-term viability – and therefore the long-term value – of an enterprise: namely, the depth and quality of its leadership talent. Top management behavior sets the tone (and the morale) of leaders at all levels – something evidenced most dramatically in the devastating impact that top management failures have had on companies like MCI, Adelphia and Enron in both the short and the long run. Successor CEOs in those organizations find themselves saddled with the enormous task of resuscitating morale, rejuvenating middle management and finding ways to recruit new talent to what might appear to be tainted soil. Conversely, the depth of leadership talent at companies like GE, FedEx and Microsoft is an intangible asset that institutional investors often cite when discussing the drivers of shareholder value.[15]

To enjoy increasing returns from leadership investments, top management must actively *cultivate* next generation leaders – their immediate successors and *at least two generations beyond them.*[16] That is, in addition to authorizing the infrastructure necessary to support leaders at all levels and championing an experience-based leadership development approach, top management must take personal responsibility for recruiting and mentoring future leaders, whether

they do it intuitively or programmatically. It's a challenging task, considering the incessant drumbeat of quarterly performance, but it's difficult to imagine who besides top management could do the job.

Cultivating next generation leaders requires that today's leaders, beginning with the CEO, be connoisseurs of talent, capable of identifying and courting employees who have gifts the organization needs and that they themselves may lack. There is no room in an economy dependent on ideas for a leader threatened by the greatness of others.

Top management also must find ways to reward talented employees—ways different from the large salaries and positional power that were effective lures in the past. As we found in our study with Warren Bennis of next generation leaders and as other Accenture researchers found in a cross-national study of young leaders, today's talent may value a flexible schedule, family time and a shot at changing the world far more than the promise of lifetime employment.[17] Indeed a job for life sounds like purgatory to many of today's most desirable employees. To recruit tomorrow's talent, today's leaders must be superb listeners. They must be good at hearing what very different people (including people of ages and cultures different from his or her own) want and at finding ways to provide those incentives while advancing the goals of the enterprise.

Finally, top leaders must be capable of both teaching (mentoring) and learning. Alongside the near universal value placed on experience (discussed in the preceding section of this article)

was the desire of older leaders to mentor and the widespread acknowledgment on the part of younger leaders of the value of the insights of those who have already dealt with problems and issues they may be encountering for the first time. It is our contention that the longer young leaders are in place, the more aware they become of the value of the lessons of those who have preceded them. Similarly, we know that the older leaders who are most successful at retaining their authority and relevance are those who are eager to learn the lessons best taught by the young. We have already found, for example, that many older leaders are enthusiastic users of digital technology. One challenge for senior leaders will be to generate an increased awareness among both young and older leaders of how useful they can be to each other.

One form of leadership that will increasingly develop is a partnership, formal or informal, between a lion in winter eager to share what he or she has learned and a young leader who is eager both to learn and to teach. In such lash-ups, the older individual may inspire greater trust than a younger colleague who might be viewed as a potential competitor. In such mutually beneficial collaborations, the older leader has the satisfaction of mentoring and benefits from an inside view of a new generation at work. The younger leader gets to mentor as well and gains invaluable access to a broader perspective.

Though by no means exhaustive, the following questions posed to today's leaders that ought to stimulate some reflection on their preparedness to cultivate the next generations:

Questions for today's leaders:

Are we doing enough to choose the right people to be candidates for the next generation of leaders?

Are we selecting candidates on the basis of today's success criteria or tomorrow's?

How much time are we collectively spending getting to know and mentoring next generation leaders?

What about the generation after the next one: Who are they? What do they value? Have we done enough to motivate them to step up and take the mantle?

Are we prepared to learn new things from the next two generations?

Conclusion

The challenge to companies aspiring to sustained high performance is breathtakingly simple and daunting: they must grow more leaders, over a larger terrain and faster than ever before. Competitive turbulence, market turmoil and geopolitical instability demand it. Advances in learning models, information technology and leadership research strongly suggest that new approaches, like Accenture's Experience-Based Learning, hold strong promise in helping companies achieve high-performance.

About the Authors

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Accenture is a global management consulting, technology services, and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources, and a proven track record, Accenture can mobilize the right people, skills, and technologies to help clients improve their performance. With more than 100,000 people in 48 countries, the company generated net revenues of US$13.67 billion for the fiscal year ended August 31, 2004. Its home page is *www.accenture.com.*

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The Accenture Institute for High Performance Business creates strategic insights into key management issues through original research and analysis. Its management researchers combine world-class reputations with Accenture's extensive consulting, technology, and outsourcing experience to conduct innovative research and analysis into how organizations become and remain high-performance businesses.

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The Accenture Human Performance practice helps it clients address their most critical people issues through innovative approaches in the areas of organization strategy, human resources, learning, knowledge management, performance management and change management. With more than 5,000 skilled human performance professionals, Accenture offers a full range of consulting and outsourcing solutions to help clients improve the performance of their workforce and the business overall.

1 Jim Collins, *Good to Great: Why Some Companies Make the Leap and Others Don't,* New York: Harper Business, 2001.

2 See 2003 and 2004 results of Accenture High-Performance Work Force Study.

3 Tim Breene, "Redefining High Performance", *Outlook* Journal, October 2003: 18-23; Tim Breene and Robert J. Thomas, "In Search of Performance Anatomy", *Outlook* Journal, October 2004: 26-35.

4 Joseph P. Raelin, *Creating Leaderful Organization: How to Bring Out Leadership in Everyone,* San Francisco: Berrett-Koehler Publishers, 2003.

5 See Dave Ulrich, Steve Kerr, Ron Ashkenas, *The GE Work-Out : How to Implement GE's Revolutionary Method for Busting Bureaucracy & Attacking Organizational Problems,* New York: McGraw-Hill, 2002.

6 Doug Ready, "Leading at the Enterprise Level," *Sloan Management Review,* Spring 2004: 87-91.

7 Warren G. Bennis and Robert J. Thomas, *Geeks and Geezers: How Era, Values, and Defining Moments Shape Leaders,* Cambridge, MA: Harvard Business School Press, 2002.

8 See a similar argument made recently by Henry Mintzberg, *Managers Not MBAs: A Hard Look at the Soft Practice of Managing and Management Development,* San Francisco: Berrett-Koehler, 2004; for a broader look at how experience can be used to groom managers into leaders, see Morgan McCall, Jr., Michael M. Lombardo, and Ann M. Morrison, The Lessons of Experience, New York: Free Press, 1988.

9 By coupling EBL with the Accenture Human Capital Development Framework, organizations can both enhance and monitor the impact of leadership on business results through critical performance drivers like employee engagement, product and process innovation, customer satisfaction, quality and productivity.

10 Not everyone learns through reading or listening to lectures on a topic, for example. Some learn best through action and/or by trial and error; they need to find ways to experiment and get feedback. Others learn best through observation; they need to find opportunities to see what they are trying to absorb. Finally, those who learn best through the integration of ideas and concepts (i.e., analytically) need to find organizing frame works that accelerate the movement from thought to action, see *How People Learn: Brain, Mind, Experience, and School,* by John Bransford, Ann L. Brown, Rodney R. Cocking, National Research Council, Washington , D.C.: National Academy Press, 2000.

11 See Daniel Goleman, Annie McKee, and Richard E. Boyatzis, *Primal Leadership: Realizing the Power of Emotional Intelligence,* Cambridge, MA: Harvard Business School Press, 2002.

12 Noel Tichy, *The Leadership Engine: How Winning Companies Build Leaders at Every Level,* New York: Harper Business, 1997.

13 It's worth noting here that some organizations, like the Young Presidents' Organization, have long used small groups as learning communities for leaders. The YPO members can elect to participate in "Forum," a group of 6-8 members which serves explicitly as a confidential exchange of ideas and experiences. On a somewhat larger scale, graduates of West Point have created two learning communities intended to aid in the continued growth and development of line leaders via the Internet: *www.platoonleader.org* and *www.companycommand.com.*

14 However, there is an insight from the research that's worth noting: crucible experiences need not be grand and dramatic to be transformative. Hence, in the book Bennis and Thomas accord equal salience to the transition from student to teacher of karate and the loss of comrades in battle when it comes to the insights they afford different individuals about themselves as leaders.

15 See Goran Roos (article) Jonathan Low and Pam Cohen-Kalafut, *Invisible Advantage: How Intangibles are Driving Business Performance,* Boston: Perseus, 2002, and David Ulrich (article) *Harvard Business Review* (2004).

16 In other words, what we advocate is much more than succession planning. Succession planning is a vital activity and any organization that fails to have a process in place for identifying and positioning people in replacement chains courts disaster.

17 Policy and Corporate Affairs study of young leaders.

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