ENTERPRISE
IN HIGHLY COMPETITIVE
ENVIRONMENT

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WYDAWNICTWO NAUKOWE
UNIWERSYTETU MIKOŁAJA KOPERNIKA

Toruń 2010

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The Evolution of Leaders Development in Organizations

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Introduction

Developing leaders has become a top priority for many companies. Contemporary organizations need to build leadership capability to meet the evolving demands of diversity and complexity. Investments in leadership development continue to increase globally (Elkeles, 2007, p. 6). According to The American Society for Training and Development (Allen and Hartman, 2008, p. 75–76) just in 1995, 60 percent of Fortune 500 companies surveyed saw leadership development as a high priority, and 79 percent believed that leader development was becoming increasingly more important for their organization. More than 75 percent of these companies sponsored leader development initiatives of some type. Nowadays number of these organizations is still growing, and many of them are expending considerably large amounts of money and resources on leader development activities (Kim, 2007, p.181).

What can we see as a leader development? Day (2001) defines the leader development as a process that emphasizes the enhancement of individual-based knowledge, skills, and abilities associated with leadership roles. In this process facilitators lead participants through the series of activities or mental exercises, encouraging them to reflect on learning experiences in order to promote transfer of knowledge and skills, such as self-awareness, changing attitudes, building teams and improving interpersonal interactions (Burke and Collins, 2005, p. 976).

Hurt and Homan (2005, p. 123) draw a comparison between leadership development and growing garden. A garden requires a solid foundation of soil and nutrients. Similarly, a leader needs to have an organizational culture that will help him to grow. A garden must have seeds that will develop into fruitful plants. Alike, leadership skills must be seeded in proper training in order to develop. A garden needs to have light and be free of weeds. Similarly, a leader needs to be free from obstacles that will hamper his growth. In a garden all the plants need to be tended and have room to grow. That is why every individual needs to be a leader and be free to grow to his fullest potential in order to achieve organizational effectiveness.

The purpose of this paper is to present areas connected with leadership development in organizations. The article tries to answer the questions: How can companies develop their leaders? What has changed in this field? The article is based on the literature review.

Changing Paradigm of Leadership Development

Since the early 1990's leadership development has shifted form from an event approach to a system approach (Guarrero, 2004, p. 151). Differences between event approach and system approach are presented in Table 1.

Table 1. A Paradigmatic Shift in Leadership Development

From Event Approach	To System Approach
1. Leadership development as an event	1. Leadership development as a process with a number of developmental components
2. A developmental activity	2. Developmental experiences
3. Conceptual learning	3. Feedback intensive learning
4. Development is generic, employee responsible for figuring out what learning applies to their situation	4. Development embedded in a business context, supporting the strategic direction of the firm and challenges of future
5. Teaching development to the "mean"	5. Individual difference in the ability to learn is recognized and accepted
6. Development independent of the workplace; no internal support systems	6. Development as part of the daily work experiences, with supportive internal systems

Table 1 (continuation)

From Event Approach	To System Approach
7. Clearly and narrowly defined developmental objectives	7. Learning to deal with unstable and evolving complexities
8. Employee abdicates responsibility for development in exchange for the agreement the organization will take care of them	8. All levels – employees, managers, senior executives, and the organization at large – must be closely involved in all aspects of development, from planning to implementation to ongoing support to continuous evaluation of the chosen processes

Source: C.A. Guarrero, *Toward a Theory of Leadership Development: A Grounded Theory Assessment of Existing Leadership Development Programs in Select Global Companies*, Golden Gate University, Dissertation AAT 3155318, p. 138, 2004.

The new paradigm of leadership development shows that organizations see leadership development as a process. Additionally, they use multiple developmental component that accept individual differences, in order to improve the focus on learning. Development is a part of daily work experiences. There are supportive internal systems, and organizations no longer allow employees to abdicate their responsibility for their own development.

Over the past 20 years there was an explosion of interest in leadership development in organizations (Hernez-Broome and Hughes, 2004, p. 25–28). Some of the trends in the field of leadership development in the past 20 years fall under these two general headings: the proliferation of leadership development methods, and the importance of the leader's emotional resonance with and impact on others. Today, effective leadership is commonly viewed as central to organizational success, and more importance is placed on leadership development than ever before. The state of leadership development today can be described by several following themes: leadership development increasingly occurring within context of work, critical reflection on the role of competencies in leadership development, revisiting the issue of work/life balance.

Hernez-Broome and Hughes (2004, p. 29–31) show trends, that will play a major role in our understanding and practice of leadership and leadership development. These future trends include:
- leadership competencies will still matter – but they will change as the competitive environment change. The five critical forces will shape

leadership competencies such as: global competition, information technology, the need for rapid and flexible organizations, team, and differing employee needs;
– globalization/internationalization of leadership concepts, constructs, and development methods – future leaders will need to be conversant in doing business internationally and conceiving strategy on global basis;
– the role of technology – leading virtually is already a reality, and requirements to lead geographically dispersed units and teams will only increase;
– increasing interest in the integrity and the character of leaders;
– pressure to demonstrate return on investment – leadership development is usually expensive, demonstrating and quantifying the impact of leadership development investment is likely to emerge as a priority for organizations committed to building leadership strength;
– new way of thinking about the nature of leadership and leadership development – leadership will be understood as collective capacity of all organization's members to accomplish such critical task as setting direction, creating alignment, and gaining commitment. Leadership development will require a deeper understanding of the role of organization systems and culture.

This all suggests that leadership development practices will need to become better integrated in the broader context of organizational business challenges and systems.

Methods of Leader Development

Organization can use a wide variety of leadership development activities. Many of these activities are offered in combination. Allen and Hartman compiled 27 methods commonly used for leader development (see Table. 2). They used this list to find out[1] which of the array of leadership development methods are cost effective, provide the greatest learning for participants, are most likely to be used, and yield participant satisfaction (Allen and Harman, 2008, p. 81––86). The sources of learning rated as very cost effective are: developmental

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[1] Allen and Hartman developed an online survey and solicited practitioner, through the International Leadership Association, who have some responsibility for creating or conducting leadership development in their organization. Forty-two usable surveys were received.

relationships/mentor, individual/group reflection, individual development plans, networking with senior executives, developmental assignments, service learning, and self-paced learning. Most enjoyable learning sources are: developmental relationships/mentor, individual development plans, networking with senior executives, individual/group reflection, 360 degree feedback, coaching, and action learning. The methods that are most likely to be used: developmental relationships/mentor, individual development plans, action learning, individual/group reflection, 360 degree feedback, networking with senior executives, and instruments.

Table 2. List of Sources of Learning

Activity	Description
360 Degree Feedback	Instrument facilitates feedback from supervisors, direct reports, peer and others working closely with the individual.
Action Learning	Learning from concrete experience and critical reflection on that experience – through group discussion, trial and error, discovery, and learning from and with each other.
Assessment Centers	Participants are formally evaluated by trained observers on their demonstrations of leadership competences in a series of activities.
Classroom-Based Training	Formal education program bound by a prescribed curriculum.
Degree Programs	Formal education programs bound by a prescribed curriculum and often include formal exams, papers and other project to graduate.
Development Assignments	Development assignments have two attributes – challenge and opportunity to learn. There should be a level of challenges for assignment to be considered "developmental". Developmental assignments should provide individuals with the opportunity and motivation to learn and opportunity to try out new skills, behaviors and thinking.
Development Relationships	Providing an individual with the information, support, and challenge which they need to meet their development needs.
E-learning	The use of computer network technology, primarily over an intranet or though the Internet, to deliver information and instruction to individuals.

Table 2 (continuation)

Activity	Description
Executive Coaching	Helping to form a relationship between a client who has managerial authority and responsibility in an organization and a consultant who uses a wide variety of behavioral techniques and methods to help the client achieve a mutually identified set of goals to improve his or her professional performance and personal satisfaction and, consequently, to improve the effectiveness of the client's organization within a formally defined coaching agreement.
Fellowships	An intense learning experience usually surrounding a specific topic of interest. Participants most often apply to be a part of the fellowship and much of the learning is self-directed in nature.
Games	Gaming consists of interactions among players placed in a prescribed setting and constrained by a set of rules and procedures.
Group Reflection	Often occurs after an activity or event within the context of a learning activity. Often conduced after a teambuilding or action learning activity; the purpose is to help participants make connections and capture learning.
Individual Reflection	Often occurs through activities such as journaling, and challenges participants to focus on topic such as goals, personal mission and experiences.
Instruments	Instruments that are used to enhance self awareness and self-knowledge, identify strengths and weaknesses and enhance team effectiveness.
Job Enlargement	Involves, the meaningful addition of similar jobs, not simply adding identical, boring repetitive tasks to an already boring one. The end purpose is increased satisfaction of higher needs.
Job Enrichment	Job enrichment means that roles are enriched by adding tasks that are of greater or lesser responsibility to a person's role; hopefully, a more meaningful job is created. Job enrichment gives workers more tasks to perform and more control over how to perform them.
Job Rotation	A planned movement of people between jobs over a period of time and for one or more of number of purposes
Just- in- Time Training	A development tool designed to provide the learner with information at a time of "need" or crisis.

Table 2 (continuation)

Activity	Description
Low Ropes Course	Often an outdoor activity that challenges participants to focus on tasks and challenges.
Networking with Senior Executives	Networking is marked by relationship building with senior executive. These interactions expand a participant's horizons and allow them an opportunity to informally learn about the organization from individuals at higher levels in the organization.
Outdoor Management Development	A set of carefully sequenced and integrated experiential learning activities conducted (primarily) in the outdoors and designed to participant behavior change.
Personal Development Plans	A process through which the individual prepares a training and development plan, and for which the individual takes responsibility.
Sabbaticals	A paid leave of absence for a faculty member for personal and professional improvement or development. Typically lasting either a half year with full compensation or a full academic year with somewhat reduced compensation.
Self-Paced Learning	This form of learning is highly individualized and often involves participants reading a book or going through a workbook, videotape or audiotape.
Service Learning	A form of experiential education in which students engage in activities that address human and community need together with structured opportunities intentionally designed to promote student learning and development.
Simulations	Used to create experiential environments within which learning and behavioral can be observed. Simulations require trainees to analyze complex problems and make decisions.
Teambuilding	Emphasizes members working together in the spirit of cooperation and generally has one or more of the following goals: to set team goals and priorities, to analyze and allocate the way work is performed, to examine how a group is working, and to examine relationships among people doing the work.

Source: J. Allan, N. S. Harman, *Leader Development: An Exploration of Sources of Learning*, "Organization Development Journal", Vol. 26, No. 2, p. 77–80 2008.

We can see that the most preferred sources of leadership development are: developmental relationships/mentor, individual development plans, individual/group reflection, networking with senior executives, action

learning, 360 degree feedback, and developmental assignments. There is no single method appropriate at all times. Sources of learning are matched depending upon the objectives of the initiative. The need depends on money, time and the skill level of facilitators.

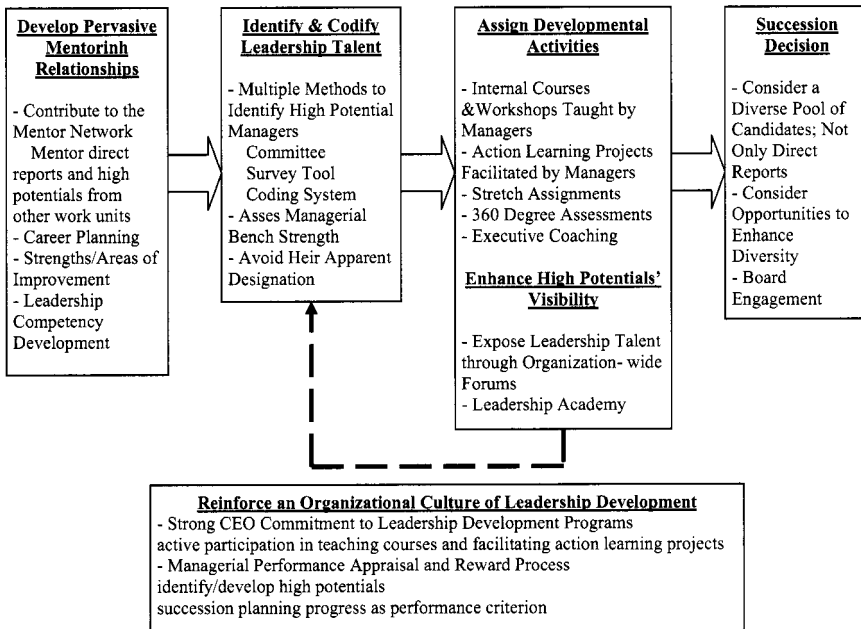# Integrating Leadership Development and Succession Planning

Traditionally, organizations have relied on single-solution and multiple--solution approaches to building leadership capacity. The single-solution approach is based on using one method to build leaders. This approach can be easy to implement, but has many limitations and weaknesses which make it insufficient to build leadership capacity. More evolved approach is multiple--solution approach to leadership development. This solution offers leaders a greater number of development options. Unfortunately, these options are often implemented in a fragmented manner, what means that their potential value is limited. Many times the multiple-solution approach is not guided by an overall strategy (Weiss and Molinaro, 2006, p. 4–5). Leadership development initiative cannot be successful unless it clearly targets business objectives. It means that all leadership development effort should be grounded in business needs (Moore, 2004, p. 7). Nowadays, it is important to link leadership development to company's strategy. Companies should have leaders at all levels of the organization to gain competitive advantage. Organizations face the challenge of finding out qualified leaders. They have a number of options such as improving their process for identifying leaders, strengthening leader development programs, ramping up succession management systems. Making these changes is not always clear, so organizations often look up to best practices for help (Bernthal and Wellins, 2006, p. 32). The best way to develop the next generation of leaders is to build good leadership pipelines. That is way leadership development and the succession planning systems have to be effectively integrated. How can organizations take an integrated approach to these fields?

Highly successful companies marry the leadership development and succession planning processes for optimal identification, development, and placement of leadership talent. Groves (2007) reviewed the extant research on leadership development practices and created a list of integration success factors. Next, he carried out his own research on leadership development and

succession planning[2]. Below, there are integration success factors which are arranged by the frequency of responses (2007, p. 245):
- – assigning action-oriented developmental activities,
- – identifying and codifying leadership talent,
- – developing pervasive mentoring relationships,
- – leadership development through teaching,
- – enhancing high potentials' visibility,
- – reinforcing a culture of leadership development.

Figure 1. An integrated leadership development and succession planning process

Develop Pervasive Mentorinh Relationships	Identify & Codify Leadership Talent	Assign Developmental Activities	Succession Decision
- Contribute to the Mentor Network Mentor direct reports and high potentials from other work units - Career Planning - Strengths/Areas of Improvement - Leadership Competency Development	- Multiple Methods to Identify High Potential Managers Committee Survey Tool Coding System - Asses Managerial Bench Strength - Avoid Heir Apparent Designation	- Internal Courses &Workshops Taught by Managers - Action Learning Projects Facilitated by Managers - Stretch Assignments - 360 Degree Assessments - Executive Coaching **Enhance High Potentials' Visibility** - Expose Leadership Talent through Organization- wide Forums - Leadership Academy	- Consider a Diverse Pool of Candidates; Not Only Direct Reports - Consider Opportunities to Enhance Diversity - Board Engagement

Reinforce an Organizational Culture of Leadership Development
- Strong CEO Commitment to Leadership Development Programs active participation in teaching courses and facilitating action learning projects
- Managerial Performance Appraisal and Reward Process identify/develop high potentials
succession planning progress as performance criterion

Source: K. S. Groves, *Integrating leadership development and succession planning best practices*, "Journal of Management Development" 2007, Vol. 26, No. 3, p. 246).

The model presented in Figure 1. summarizes the key findings of the research carried out by Groves (2007). This model depicts the integrated leadership development and succession planning process with active manager participation. The process consists of the following activities: developing pervasive mentoring relationship, identifying and codifying leadership talent, assigning action-oriented development activities, enhancing high potentials' visibility, making succession decision, and reinforcing an organizational culture of leadership development. Presented model shows that managers performing the critical role of developing mentoring relationship in their own workgroup and throughout organization. Mentoring relationships consist of discussions regarding career planning, assessment of core strengths and fields of improvement, and development of leadership competencies. Managerial personnel are also engaged with human resource professionals in identifying high potential employees and assessing the bench strength of their respective units. Then, managers at all levels are engaged in delivering leadership development activities. The best practice leadership development methods include: teaching in-house courses and workshops, action learning project, stretch assignments, 360 degree assessments, and executive coaching. Next, high potential managers demonstrate their talents through organization--wide forums, including leadership academies that showcase action learning project. At the end, succession the decision for the top managerial positions are driven by consideration of a diverse range of candidates. This process requires a supporting organizational culture. Particularly, the talent management process should be reinforced by an organizational culture characterized by strong and visible CEO commitment to leadership development (Groves, 2007, p. 244).

Theory of Leadership Development

During the research[3], Guarrero (2004) found that there are contradictions between what an organization says about their leadership development program (espoused theory) and its actual behavior (theory in use). These contradictions are presented in Table 3.

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[3] This study involved a grounded theory assessment of existing leadership development program for 51 global firms, in order to understand why their leadership development programs look and act as they do.

Table 3. Study Findings of Apparent Contradictions between Espoused Theory of Leadership Development and the Theory in Use

Espoused Theory (Desire state)	Theory in Use (Actual state)
Use of organizationally specific competencies to develop leaders.	The competencies used are fairly common and numbers are nothing more than behavior and activities.
Focus on program results that show the effective development of leaders as an outcome.	Program results or outcomes are not consistently measured; many suggest that participation in leadership development is the sufficient evidence of the program effectiveness.
Selection of the "best" potential leaders will help drive organizational results.	Selection of individuals is based on subjective potential, more than the results delivered in past roles.
Belief that some competencies are more important than others.	No effort to weigh supposedly critical competencies differently.
Learning in leadership development should have practical application to the workplace.	No effort to measure learning by participants; only means to identify its application to the workplace is the use of self-reporting mechanisms by program participants.
Leadership is critical throughout the organization and development of leaders at all levels an important goal.	Leadership development is generally the limited domain of senior level managers.
Leadership development is unique and a competitive advantage.	Leadership development is the result of imitative strategy.
The value of leadership is its direct contribution on the firm and this influences rewards.	Promotions, advancement, and compensation tied more to longevity and other subjective criteria.
Relationships and interpersonal skills are critical to leadership success.	Individuals contributions are still a large factors in advancement and opportunity.
Leaders develop leaders.	Developing others is not a factor in assessing leadership effectiveness or appraising leader performance.
Leadership development is only a part of entire process of succession management.	Participation in leadership development enables managers to be promoted to new positions of responsibility.

Source: C. A. Guarrero, *Toward a Theory...*, p. 156.

These research findings are not ground-breaking insight with these observation, but these findings confirm evidence of contradictions between espoused theory and theory in use that are apparent in the literature. For example, organizations declared that develop leaders at all levels, but generally they develop senior level managers. Leadership development is the result of imitative strategy while it should have competitive advantages. Organizations do not weigh supposedly critical competencies differently, but believe that some competencies are more important than others.

Conclusion

This paper has shown that the role of the leadership development in contemporary organizations is evolving. There is no single way to managing leadership effectively. The variety of ways in which leaders are developed is fairly wide. It is important that organizations understand their own leadership development needs to choose the best practices for them (Buus, 2005, p. 185––188). All organizations should think about their future and what is connected with it about future leaders of an organization. One of the good practice in this area is integrated leadership development and succession planning system. What is more, leadership development will require a deeper understanding of the role of organization culture and system.

Summarizing, well performing organizations that are able to compete in the ever-changing marketplace will be those that have proactively and strategically prepared themselves for future challenges through effective leadership development programs, practices, and systems (Leskiw and Singh, 2007, p. 460).

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