Cynthia D. McCauley, EDITOR
Morgan W. McCall, Jr., EDITOR

Using Experience to Develop Leadership Talent

How Organizations Leverage On-the-Job Development

Using Experience
to Develop
Leadership Talent

The Professional Practice Series

The Professional Practice Series is sponsored by The Society for Industrial and Organizational Psychology, Inc. (SIOP). The series was launched in 1988 to provide industrial and organizational psychologists, organizational scientists and practitioners, human resources professionals, managers, executives, and those interested in organizational behavior and performance with volumes that are insightful, current, informative, and relevant to *organizational practice*. The volumes in the Professional Practice Series are guided by five tenets designed to enhance future organizational practice:

1. Focus on practice, but grounded in science
2. Translate organizational science into practice by generating guidelines, principles, and lessons learned that can shape and guide practice
3. Showcase the application of industrial and organizational psychology to solve problems
4. Document and demonstrate best industrial and organization-albased practices
5. Stimulate research needed to guide future organizational practice

The volumes seek to inform those interested in practice with guidance, insights, and advice on how to apply the concepts, findings, methods, and tools derived from industrial and organizational psychology to solve human-related organizational problems.

Resizing the Organization
Kenneth P. De Meuse, Mitchell Lee Marks, Editors

Implementing Organizational Interventions
Jerry W. Hedge, Elaine D. Pulakos, Editors

Organization Development
Janine Waclawski, Allan H. Church, Editors

Creating, Implementing, and Managing Effective Training and Development
Kurt Kraiger, Editor

The 21st Century Executive: Innovative Practices for Building Leadership at the Top
Rob Silzer, Editor

Managng Selection in Changing Organizations
Jerard F. Kehoe, Editor

Emlving Practices in Human Resource Management
Allen I. Kraut, Abraham K. Korman, Editors

Individual Psychological Assessment: Predicting Behavior in Organizational Settings
Richard Jeanneret, Rob Silzer, Editors

Performance Appraisal
James W. Smither, Editor

Organizational Surveys
Allen I. Kraut, Editor

Employees, Careers, and Job Creating
Manuel London, Editor

Published by Guilford Press

Diagnosis for Organizational Change
Ann Howard and Associates

Human Dilemmas in Work Organizations
Abraham K. Korman and Associates

Diversity in the Workplace
Susan E. Jackson and Associates

Working with Organizations and Their People
Douglas W. Bray and Associates

The Professional Practice Series

Using Experience to Develop Leadership Talent

How Organizations Leverage On-the-Job Development

Cynthia D. McCauley

Morgan W. McCall, Jr.

Editors

Forewords by Allan I. Kraut, Moheet Nagrath, and Inge G. Thulin

JB JOSSEY-BASS™

A Wiley Brand

Contents

List of Figures, Tables, and Exhibits

Foreword
Series Editor

Many recent books in this Professional Practice Series focus on leadership, although they may use somewhat different phrases such as assessment and talent management. The search for good and better ways to select and develop leadership talent is of major interest to industrial-organizational psychologists and the organizations they help. It is our good fortune that the present book approaches the topic from a new angle and thus adds considerable value to our knowledge and practice.

I am reminded that some years ago, two of my well-established friends and colleagues (both became SIOP presidents) had a vigorous debate on whether selection or training was the best answer to getting better leaders. One had played a leading role in creating assessment centers, and he insisted that only selection mattered and that training added very little. The other disagreed. He was invested in management development training and felt that formal training could be of great value. These two viewpoints offer different ways to improve the level of leadership effectiveness. The debate continues about which of the two is more effective.

Now, fortunately, this book suggests a third viewpoint: the importance of experience, or on-the-job learning. Perhaps this approach can be considered as the third leg of a three-legged stool or as a Venn diagram with three overlapping circles. One of these is selection, a second is training, and the third is on-the-job experience. Job experience provides important development beyond formal classes, and success in doing one's job,

in turn, becomes an important aspect of selection for further opportunities.

Some decades ago, as a fledgling member of IBM's newly formed Executive Resources Department, doing what would now be called succession planning and high-level talent management, I saw that all of these perspectives—selection, training, and experience—were recognized and noted. But they were not understood nor appreciated as parts of a coherent whole that could increase the level of leadership performance in the organization. It is exciting to see how the current volume ties together these different components and puts a long overdue emphasis on the value of on-the-job experience in developing leaders.

The editors of this book are in a rare position to observe these issues and to contribute to our understanding of them. Cynthia McCauley is a Senior Fellow and long-term staff member of the Center for Creative Leadership (CCL), perhaps the largest premier management development institution in the world. She is deeply involved in its offerings, including those custom-designed programs for specific companies. She also headed CCL's research and development division for many years and has co-edited three editions of *The Center for Creative Leadership Handbook of Leadership Development* (Van Velsor, McCauley, & Ruderman, 2010).

Morgan McCall has long written about the importance of job experience. His book *The Lessons of Experience* (McCall, Lombardo, & Morrison, 1988) is one of the all-time best-sellers in our field. And more recently, he extended those lessons based on his research in *Developing Global Leaders: The Lessons of International Experience* (McCall & Hollenbeck, 2002). As a former staff member of CCL, he was the leader of the team (with Michael Lombardo and David DeVries) that developed the Looking Glass Simulation, which has been used by tens of thousands of CCL management attendees to improve their leadership skills. As a professor of management and organization, McCall has also offered leadership courses to hundreds of MBAs attending classes at the Marshall School of Business at the University of Southern California. He and McCauley are deeply aware of the role of training and selection in addition to job experience as ways to build leadership talent.

I am especially pleased that this volume has materialized at all. I thank the book's editors, Cynthia McCauley and Morgan McCall, for agreeing to lead the development of this book. Both of them are extremely busy people, fully engaged in their professional lives, and it was generous of them to accept the burdens of time and energy that are required to produce a volume like this.

Of course, one of the benefits of being a book editor is that you can choose the contributors you would like to invite and shape the entire structure of the book to suit your vision of the field. McCauley and McCall have done so by enlisting the very best people on this topic, and working with them to produce chapters that will add to our knowledge and practice. The same label of "extremely busy people" also applies to the chapter contributors; their efforts are also much appreciated by me.

As even a brief look at the table of contents shows, they have done an extraordinary job here. The contents of the chapters represent a variety of viewpoints—from industry, consulting, and academia—but mostly from practitioners reporting a variety of innovative approaches. The book includes case studies from a dozen organizations, most of them global enterprises, and the chapter contributors come from Europe and India as well as from the United States—both of which highlight that leadership has become a global issue.

The chapters show diversity in how organizations accomplish three over-arching essential tasks:

- Making job experience a key part of the organization's talent development process
- Designing and/or choosing the job experiences that will enhance leadership development
- Ensuring that the learning from experience will be maximized.

Looking at the book in its entirety gives us a distinctive view of the importance of on-the-job experience, both in terms of its potential for assessing leaders as well as for strengthening the leadership bench in organizations. When job assignments intended to provide critical experiences are monitored and integrated with other aspects of talent management, they can be

extraordinarily useful for raising the level of leadership performance in an organization. The various chapters in this book provide a range of perspectives and a nuanced understanding of how on-the-job experience can develop leadership capability of individuals and the firms in which they work.

In closing, I want to note what many readers of this series likely do not know: the editors and chapter contributors receive no payment nor do they share in the royalties of the book sales. These monies go to SIOP to encourage professional publications such as this. That means that the contributors are sharing their views and knowledge with us as a personal contribution to our profession. Their willingness to impart hard-won experience and knowledge is a gift to us, the readers. And for this I am genuinely grateful.

For their fine work, I want to acknowledge and thank the editors of this book and all of their distinguished chapter contributors. And to all of you readers, welcome to an intriguing and useful set of readings.

Allen I. Kraut, Ph.D.
Series Editor
Rye, New York

References

McCall, M. W., Jr., Lombardo, M. M., & Morrison, A. M. (1988). *The lessons of experience: How successful executives develop on the job.* Lexington, MA: Lexington Books.

McCall, M. W., Jr., & Hollenbeck, G. P. (2002). *Developing global executives: The lessons of international experience.* Boston, MA: Harvard Business School Press.

Van Velsor, E., McCauley, C. D., & Ruderman, M. N. (2010). *The Center for Creative Leadership handbook of leadership development* (3rd ed.). San Francisco, CA: Jossey-Bass.

Foreword
A Senior HR Executive Perspective

A mind that is stretched by new experience can never go back to its old dimensions.

<div align="right">Oliver Wendell Holmes</div>

Does all the effort, time, and investment poured into leadership development really make a difference? The answer to this critical question depends on how each organization chooses to measure the success of the leaders it develops. Most of us recognize that developing a robust and diverse pipeline of leaders who consistently deliver results is the lifeblood of any enterprise. It ensures the sustainable growth of its business and its long-term survival in volatile, continually changing markets around the world.

But how do organizations know whether all the activity directed toward developing leaders is delivering a return on their investment? Unfortunately, it is not uncommon to see an absence of business discipline in developing leaders. There is a real risk that all the flurry of "feel good" activity is a distraction. It can create an illusion that leaders are ready and capable of leading—often leading to disruptions in the enterprise.

The most effective programs that develop leaders are strategically directed toward building a multi-generational cadre of talent able to address emerging business challenges and take the business to a new level of performance. As a result, developing leaders is a long-term activity. It plays out over time as individuals grow through different experiences. And it requires a long view of the strategic challenges of a business and the capabilities that are necessary to win in the marketplace.

In the ultimate analysis, success of leadership development efforts is measured by the growth of the business and the

productivity of the organization. As an example, doubling business revenues in ten years with almost the same number of business leaders at the top two or three levels, most of them developed internally, clearly demonstrates a high level of effectiveness in developing leaders. Organizations that recognize this business imperative elevate the strategic value of developing the right leaders.

There is another compelling reason to elevate the importance and rigor in developing leaders. Long-term investors are influenced by the consistent quality of leadership in an enterprise—in addition to all the other earnings and industry related criteria they may consider. The reputation of the enterprise for the quality and depth of its leadership has a significant and meaningful impact on how investors and shareholders see the potential upside of the business. In fact, it is a governance responsibility to the shareholders and investors to ensure that the best-qualified leaders are developed and capable to lead the business. What better motivation to develop leaders than as a mission-critical business initiative?

There's a catch. The recognition that a systemic and enduring effort to develop current and future leaders is a source of competitive advantage can be brought to life only if the executive leadership of the enterprise sees it as an integral part of their responsibility. The "tone from the top" sends an all-pervasive message that influences the quality of leadership development efforts. Beyond exhortation, the real test of the importance of developing leaders shows up in the "smell of the place" and the amount of executive time invested and the resources allocated.

We know that business executives with a sustained track record of developing talent take voluntary accountability for identifying talent, coach and mentor potential leaders, actively engage in talent management forums to decide the best assignments to groom leaders, continually assess and provide feedback, and reward the best performers with the highest potential. As a consequence, the personal reputation that they acquire is a powerful magnet for high-achieving talent who want to work under their leadership. It is self-evident that leaders who develop leaders make all the difference. But how much attention do we pay to grooming, rewarding, and promoting these leaders?

There is an art, a science, and a technology to developing leaders. There is far too much at stake—the success and the future of an enterprise—to rely on amateur efforts, however well-intentioned and highly motivated. The systemic approach that integrates a wide range of developmental activities to build the required capability in leaders is a crucial and central work of experienced, professional experts. In essence, it is the balanced integration of three sets of activities that delivers results.

The first is an in-depth understanding of the business strategies and the challenges facing the enterprise. This in turn leads to identifying the leadership capabilities needed to win against the competition. The logical conclusion of this exercise is the design of experiences—such as assignments, roles, and projects—that, with the right amount of coaching and mentoring, will build the required capabilities.

Secondly, significant time and effort are appropriately spent on the identification of talent—finding the high achievers and those with the highest potential to grow. However, the pitfall here is that not all tools are effective in identifying talent. The most effective way is time-tested and a classic: watch your talent in action, over time, and in wide-ranging experiences.

No discussion about identifying talent and developing leaders can ever be complete without emphasizing the importance of diversity. The diversity of ideas and thinking that emerges from diversity of experiences and backgrounds simply cannot be replicated without a diverse talent pool. The most effective leadership development efforts embed the inclusion of diverse talent—in the broadest sense of the term—from the very early stages of developing leaders. There is no question that diversity is a success measure in a global economy. This is especially true when competitors can gain an edge by attracting and developing the best talent regardless of their thinking style and who they are as persons. Is this reflected in every organization's efforts to groom leaders?

The third set of activities is providing discontinuous experiences to accelerate the development of leaders. Exposing talented people to different kinds of experiences that develop them for specific destination roles is another time-tested classic. It is the most intuitive of all methods. Ask any leader what has influenced his or her personal growth and chances are it was an experience

or exposure to another person. And yet providing these line experiences is the most challenging to implement in a systemic way. It involves the design and sequencing of experiences, coupled with catalysts that guide the individual to extract maximal learning. Inevitably, the availability of experiences is determined by the growth of the business, its scale and complexity, as well its organization structure.

Bringing these three sets of activities together—the business challenges, the talent, and the needed experiences—is the overarching strategy to develop leaders. In my experience, the ideas I have touched upon in this foreword are tested and they work. This book showcases the initiatives of a wide range of practitioners who recognize the strategic importance of experience-driven leadership development and have made the effort to convert ideas into practice. Their efforts can serve as a guide to others who seek to develop a leadership bench by making more effective use of experience. The emphasis on strategically relevant experiences and managing them with the rigor of a business is what distinguishes serious leader development from a hobby.

As they say, "hope is not a method." I believe that every organization deserves the leaders it develops.

<div align="right">

Moheet Nagrath
Leadership Strategist
Leadership Architecture Worldwide LLC
(former Chief Human Resources Officer, Procter & Gamble)

</div>

Foreword
A Senior Line Executive Perspective

As a young hockey player in Sweden, I was fascinated by how coaches developed players—drawing the best from them and even pushing them beyond what they imagined possible to realize their full potential. These coaches understood that "ice time" is an essential part of becoming a top performer and a leader on the ice. There is no substitute for game experience.

As the CEO of 3M, developing our people is my top priority to ensure the future success of the company. Our approach to leadership development is centered on experience-based opportunities to give our people the "ice time" they need to build their strengths and become effective leaders. That's why I believe this book is so relevant and will help business leaders to build future leaders.

Using Experience to Develop Leadership Talent captures many diverse approaches to leadership development—all with an emphasis on experience-based learning. Chapter 3 more fully describes 3M's perspective on how leaders are shaped and how we weave together complementary human resources programs with real job experience. In addition, I offer these personal insights into developing leaders by affording them the right experiences in the right way:

- *Be intentional and strategic.* Planning out what developmental experiences are needed by an individual enables you to make choices that grow both people and businesses as situations

arise. In other words, you need to plan to have the opportunity to be spontaneous.

- *Offer timely feedback to help people learn from experience.* Feedback is key to growth. It is best delivered immediately to be most effective and constructive. Focus on what is right for the business and do not make it personal.
- *Recognize and appreciate an individual's life experiences, in addition to business experiences, as people are shaped by both.* Take time to get to know people personally to better understand them and to gain insights into how to coach them.

At 3M, leadership development is an integral part of our business strategy. Ultimately, it is every leader's responsibility to develop talent. I believe what we have learned at 3M, along with the many companies in this book, can inspire others to use experience more effectively in developing their leaders. I hope this book encourages a broader dialogue among leaders to find new ways to continue to draw the best from their players.

Inge G. Thulin
Chairman of the Board, President, and CEO
3M

Acknowledgments

We would like to thank all of the authors of the chapters in this book who took valuable time, often from their personal lives, to share with us and with the larger professional community what they have learned from their experience. Thanks, too, to the organizations whose experiments are described in this book for allowing their stories to be told so that others may learn from and be inspired by their efforts. We also want to recognize Valerie Burns and Gloria Bader, whose innovative work has informed and encouraged us, even though it is not represented in this book.

We offer a special acknowledgment to Karen Paul, who not only contributed a chapter to the book and supported the research that went into another one, but also supported efforts to promote the book and was instrumental in convincing Inge Thulin to write a foreword. Speaking of which, we appreciate that both Inge Thulin and Moheet Nagrath believed enough in what we were doing to write forewords to the book.

Without the support, encouragement, and feedback from the members of the editorial board of the Society for Industrial and Organizational Psychology's Professional Practice Series (2011–2012), this book would never have happened. Our special thanks go to Allen Kraut who, as the series editor, commissioned this book and, with his inimitable charm, convinced the two of us to take it on. We appreciate his faith in us and his guidance as we struggled to put the pieces together.