Developing the
Global Leader of Tomorrow
Lifelong Learning

The organisation in the world: 21st Century opportunities and challenges

Climate change

Biodiversity loss

Resource Scarcity

Emerging markets: poverty, corruption, human rights

Public health

Reputation risk management

External issues and trends

Low trust

Differentiation

Increasing brand loyalty

Changing consumer preferences

NGOs

Innovation

Business Drivers

Strategic Growth Opportunity

Increasing scrutiny

Increasing legislation

Competitive advantage

Cost saving

Employer brand

Customer expectation

Licence to operate

ASHRIDGE

"Every single social and global issue of our day is a business opportunity in disguise, just waiting for the innovation, the pragmatism, and the strategic capacity of great companies to aim higher."

Peter Drucker

ASHRIDGE
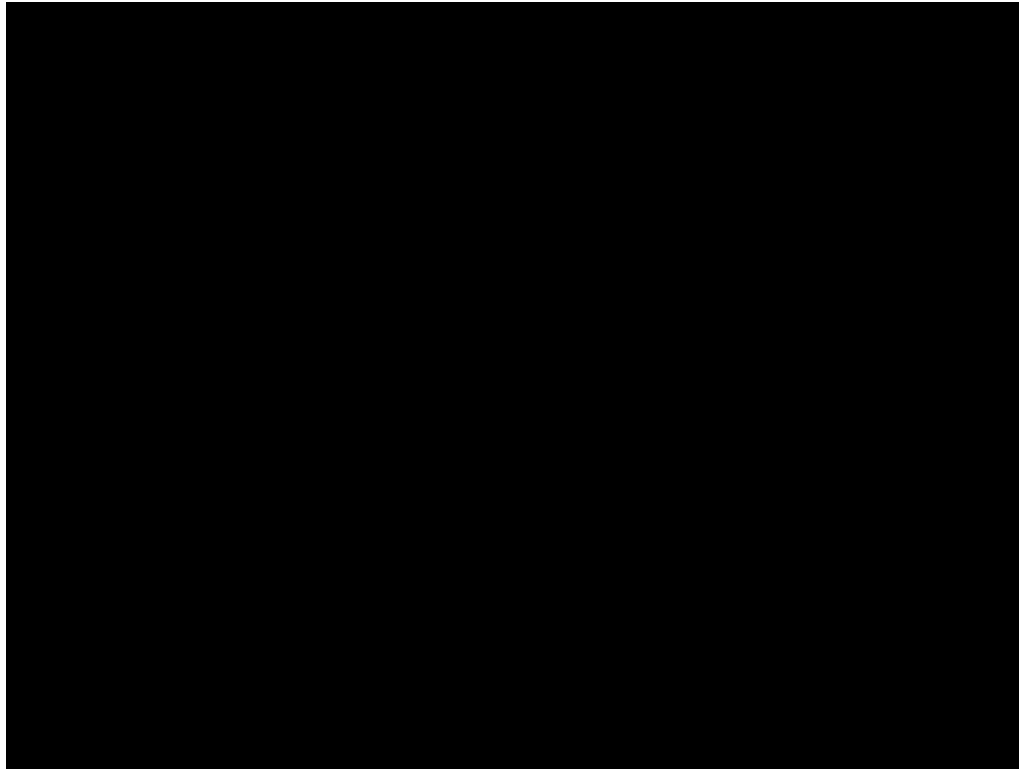
What do you think the organisations of tomorrow will look like? What will the competitive landscape and the wider world look like for your sector?

What is your own organisation doing now to think about how to position itself to thrive in the new era?

How far do you see engaging with these wider social and global issues as a source of innovation and opportunity?
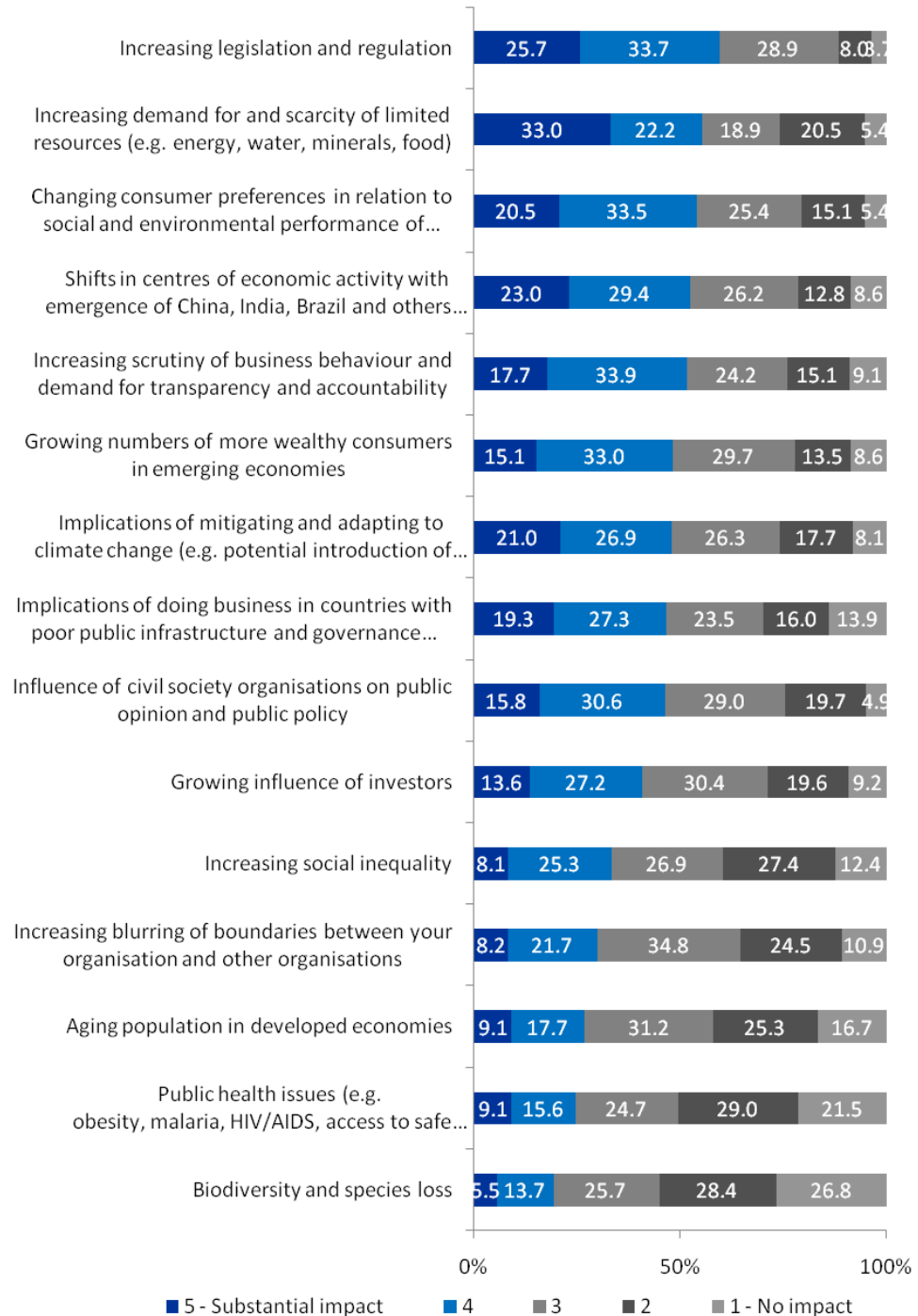
And what's the role of leadership development?

What are you doing that's innovative to develop your leaders of tomorrow?

What is specific to the Kenyan environment?

ASHRIDGE

2008: There are a host of new social and environmental issues and trends in the external business environment that impact on companies, whether in terms of risks or opportunities or both.
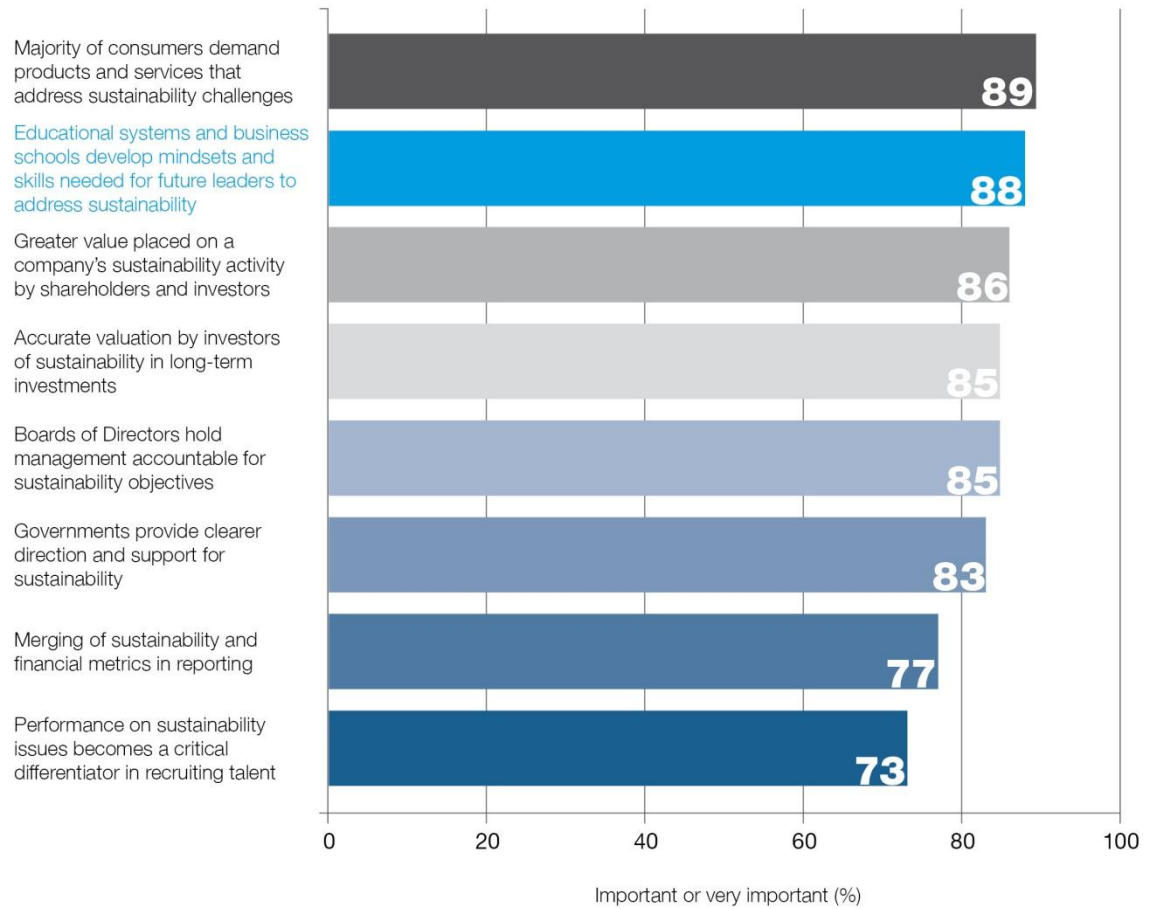
Please indicate the extent to which the following trends are likely to impact your organisation over the next three to five years (either by presenting risks or opportunities or both)

Trend	5 - Substantial impact	4	3	2	1 - No impact
Increasing legislation and regulation	25.7	33.7	28.9	8.0	3.7
Increasing demand for and scarcity of limited resources (e.g. energy, water, minerals, food)	33.0	22.2	18.9	20.5	5.4
Changing consumer preferences in relation to social and environmental performance of…	20.5	33.5	25.4	15.1	5.4
Shifts in centres of economic activity with emergence of China, India, Brazil and others…	23.0	29.4	26.2	12.8	8.6
Increasing scrutiny of business behaviour and demand for transparency and accountability	17.7	33.9	24.2	15.1	9.1
Growing numbers of more wealthy consumers in emerging economies	15.1	33.0	29.7	13.5	8.6
Implications of mitigating and adapting to climate change (e.g. potential introduction of…	21.0	26.9	26.3	17.7	8.1
Implications of doing business in countries with poor public infrastructure and governance…	19.3	27.3	23.5	16.0	13.9
Influence of civil society organisations on public opinion and public policy	15.8	30.6	29.0	19.7	4.9
Growing influence of investors	13.6	27.2	30.4	19.6	9.2
Increasing social inequality	8.1	25.3	26.9	27.4	12.4
Increasing blurring of boundaries between your organisation and other organisations	8.2	21.7	34.8	24.5	10.9
Aging population in developed economies	9.1	17.7	31.2	25.3	16.7
Public health issues (e.g. obesity, malaria, HIV/AIDS, access to safe…	9.1	15.6	24.7	29.0	21.5
Biodiversity and species loss	5.5	13.7	25.7	28.4	26.8

2010: How important will the following changes be in order to reach a tipping point?
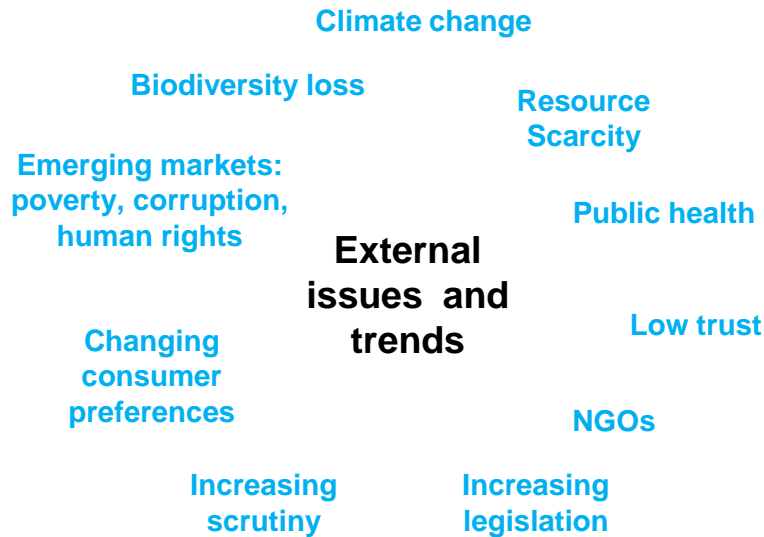
What is needed for sustainability to be embedded within the core business strategies of the majority of companies globally?

How important will the following changes be in order to reach a "tipping point" where sustainability is embedded within the core business strategies of the majority of companies globally?
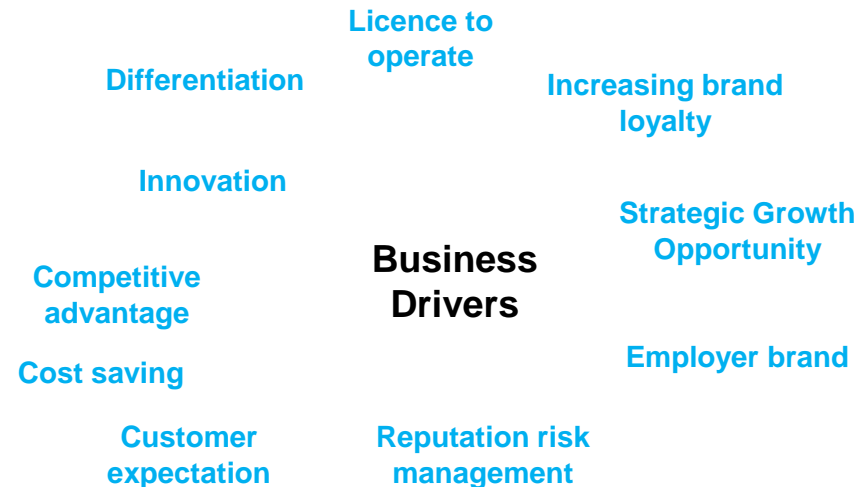
Change	Important or very important (%)
Majority of consumers demand products and services that address sustainability challenges	89
Educational systems and business schools develop mindsets and skills needed for future leaders to address sustainability	88
Greater value placed on a company's sustainability activity by shareholders and investors	86
Accurate valuation by investors of sustainability in long-term investments	85
Boards of Directors hold management accountable for sustainability objectives	85
Governments provide clearer direction and support for sustainability	83
Merging of sustainability and financial metrics in reporting	77
Performance on sustainability issues becomes a critical differentiator in recruiting talent	73

Important or very important (%)

Data collected as part of UN Global Compact – Accenture CEO Study 2010
Analysis and interpretation for the UN PRME by Ashridge and EABIS

The organisation in the world: 21st Century opportunities and challenges

Climate change

Biodiversity loss

Resource Scarcity

What does all this mean for leadership..?

Emerging markets: poverty, corruption, human rights

Public health

External issues and trends

Changing consumer preferences

Low trust

NGOs

Increasing scrutiny

Increasing legislation

Licence to operate

Differentiation

Increasing brand loyalty

Innovation

Strategic Growth Opportunity

Competitive advantage

Business Drivers

...and leadership development?

Cost saving

Employer brand

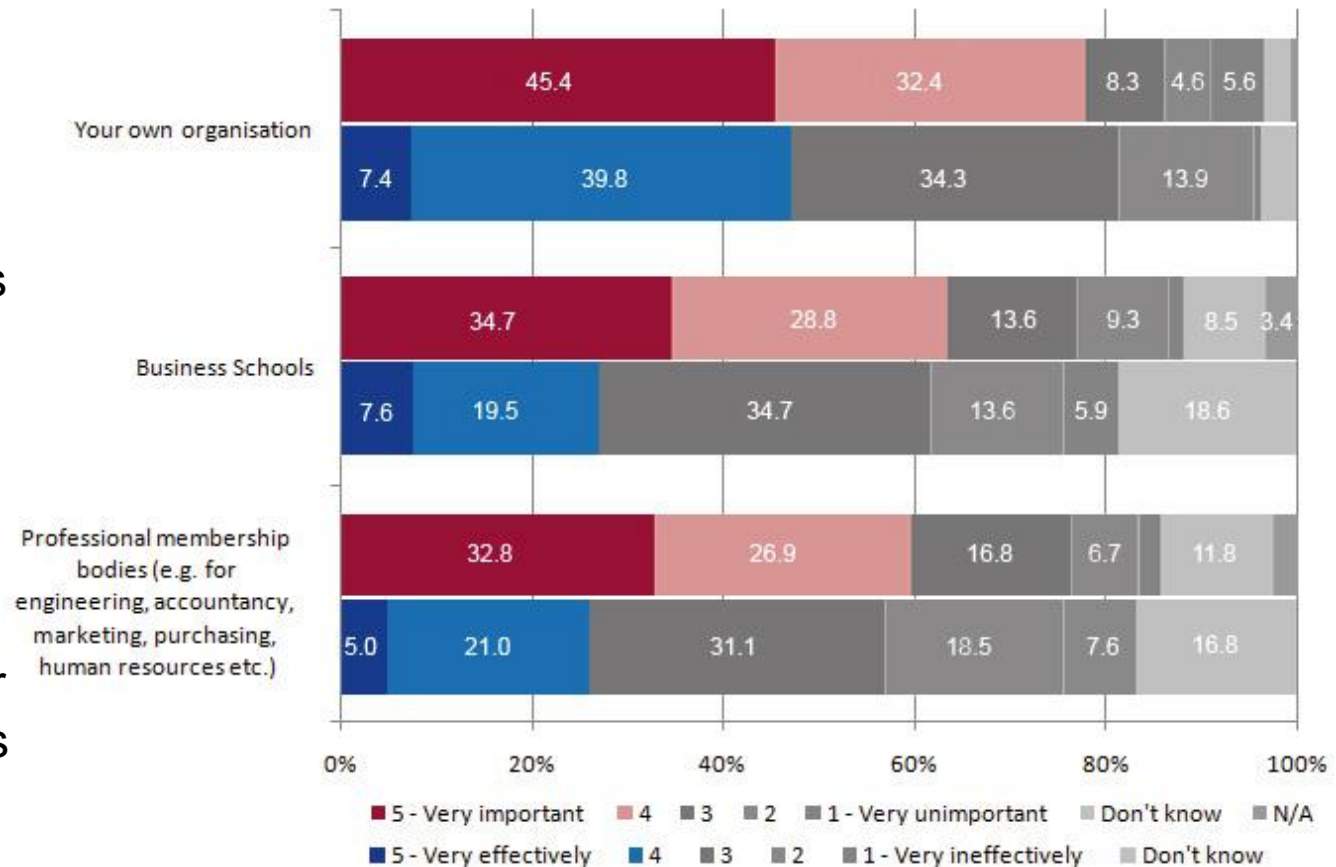Customer expectation

Reputation risk management

ASHRIDGE

- 76% of senior executives say that it is important they have the knowledge and skills to respond to trends like resource scarcity, the low carbon economy and doing business in emerging markets

- Fewer than 8% believe these knowledge and skills are being developed very effectively by their own organisations or business schools.

There is a clear performance gap

How important is it that the following organisations develop these knowledge and skills over the next five years, and how effectively are they currently doing so.

Your own organisation	45.4	32.4	8.3	4.6	5.6
	7.4	39.8	34.3	13.9
Business Schools	34.7	28.8	13.6	9.3	8.5	3.4
	7.6	19.5	34.7	13.6	5.9	18.6
Professional membership bodies (e.g. for engineering, accountancy, marketing, purchasing, human resources etc.)	32.8	26.9	16.8	6.7	11.8
	5.0	21.0	31.1	18.5	7.6	16.8

0%   20%   40%   60%   80%   100%

- 5 - Very important   - 4   - 3   - 2   - 1 - Very unimportant   - Don't know   - N/A
- 5 - Very effectively   - 4   - 3   - 2   - 1 - Very ineffectively   - Don't know

Capabilities and culture are at least as important a part of the organisational response as policies and systems

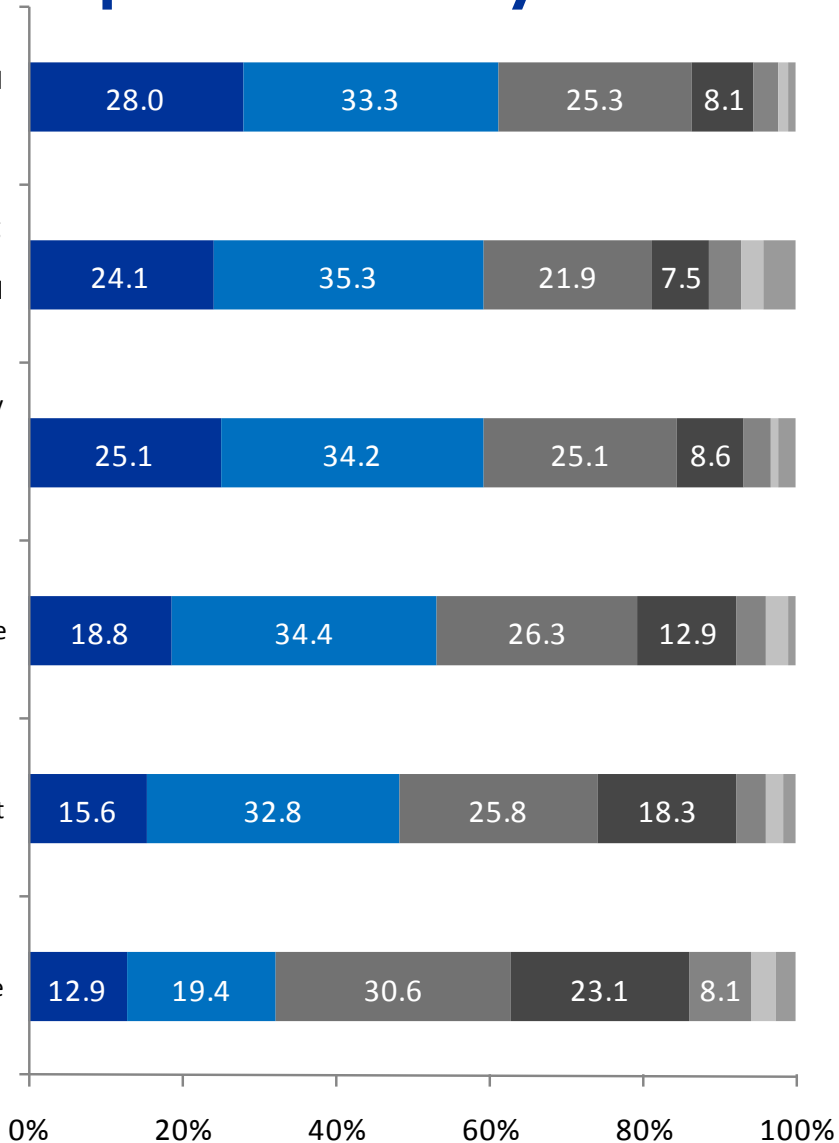| Category	5 - Substantial change	4	3	2
Developing organisational capabilities (e.g. developing new knowledge and skills among senior executives, managers and employees)	28.0	33.3	25.3	8.1
Embedding consideration of these trends into strategic decision-making (e.g. entering or exiting from markets/ products lines, making acquisitions, investments, innovating to offer new products/services and production methods)	24.1	35.3	21.9	7.5
Communicating & engaging externally (e.g. building relationships with key stakeholders, building new alliances & partnerships, engaging in multi-stakeholder initiatives to develop joint responses, engaging with governments, public relations & communicatio	25.1	34.2	25.1	8.6
Stimulating change in organisational culture	18.8	34.4	26.3	12.9
Amending / implementing new processes and systems (eg. increasing transparency and public reporting, introducing policies and management systems for environment, human rights etc)	15.6	32.8	25.8	18.3
Changing organisational structure	12.9	19.4	30.6	23.1	8.1

Please indicate where the most change will be required over the next five years to enable your organisation to manage the risks and opportunities associated with social and environmental trends

Legend: ■ 5 - Substantial change ■ 4 ■ 3 ■ 2 ■ 1 - No change ■ Don't know ■ N/A
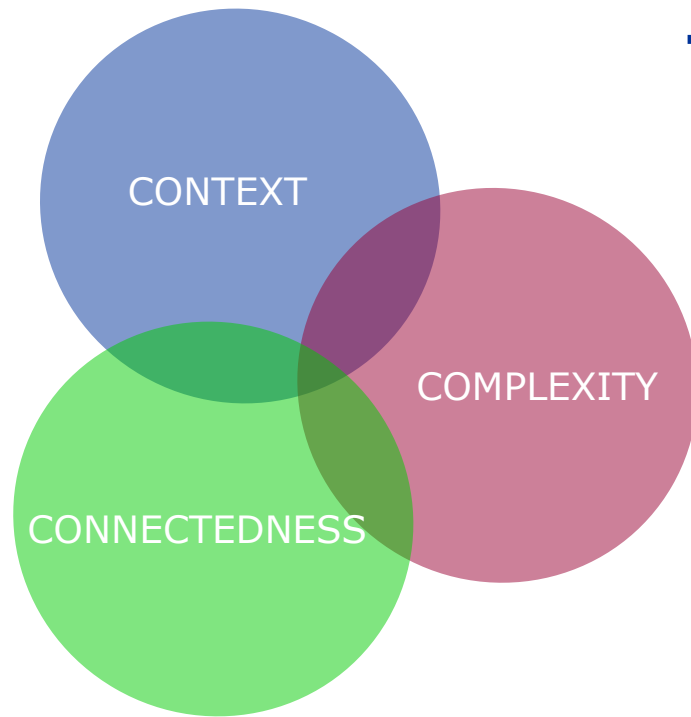
Three distinct clusters of knowledge and skills are required by senior leaders: context, complexity and connectedness
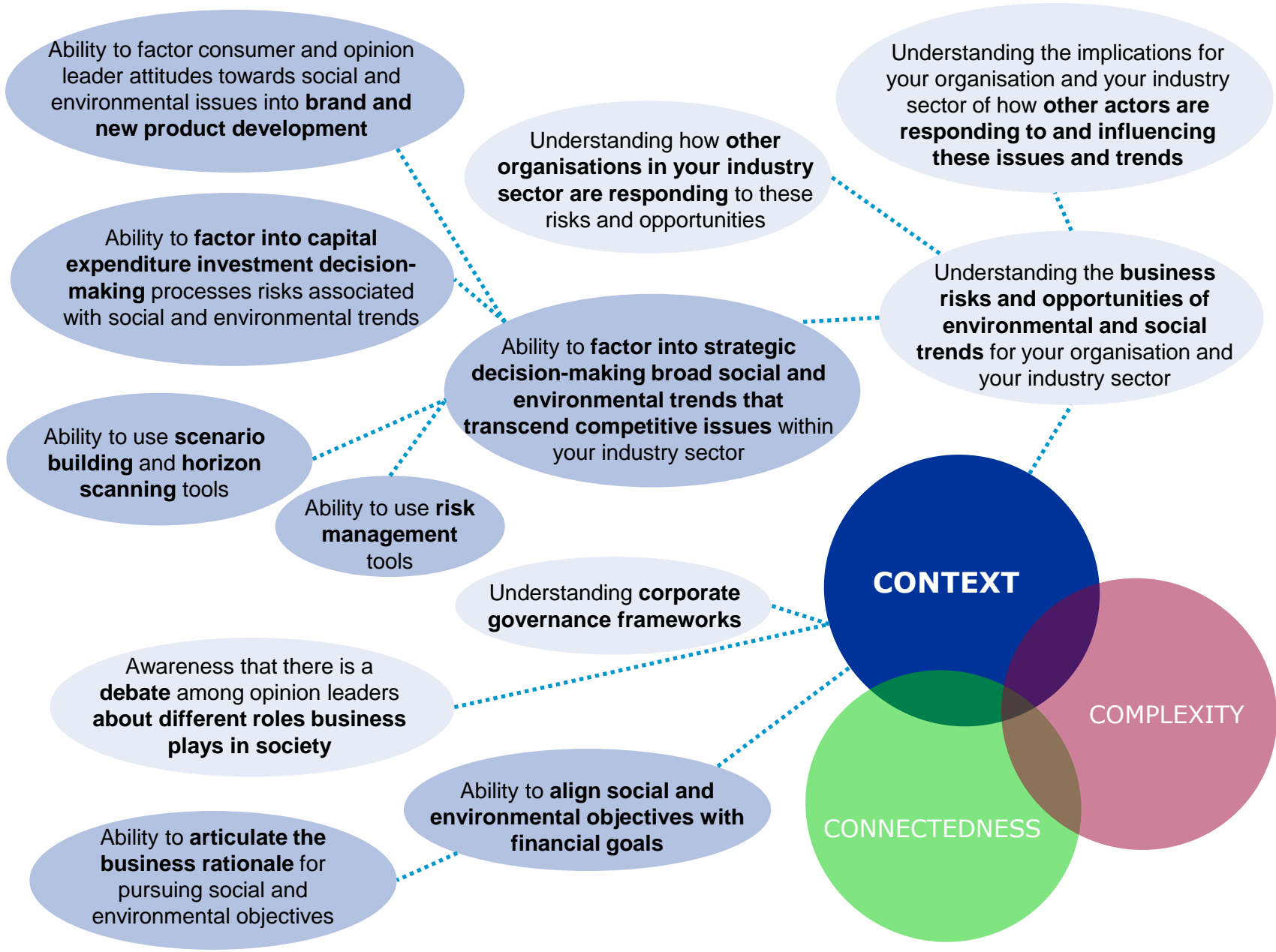
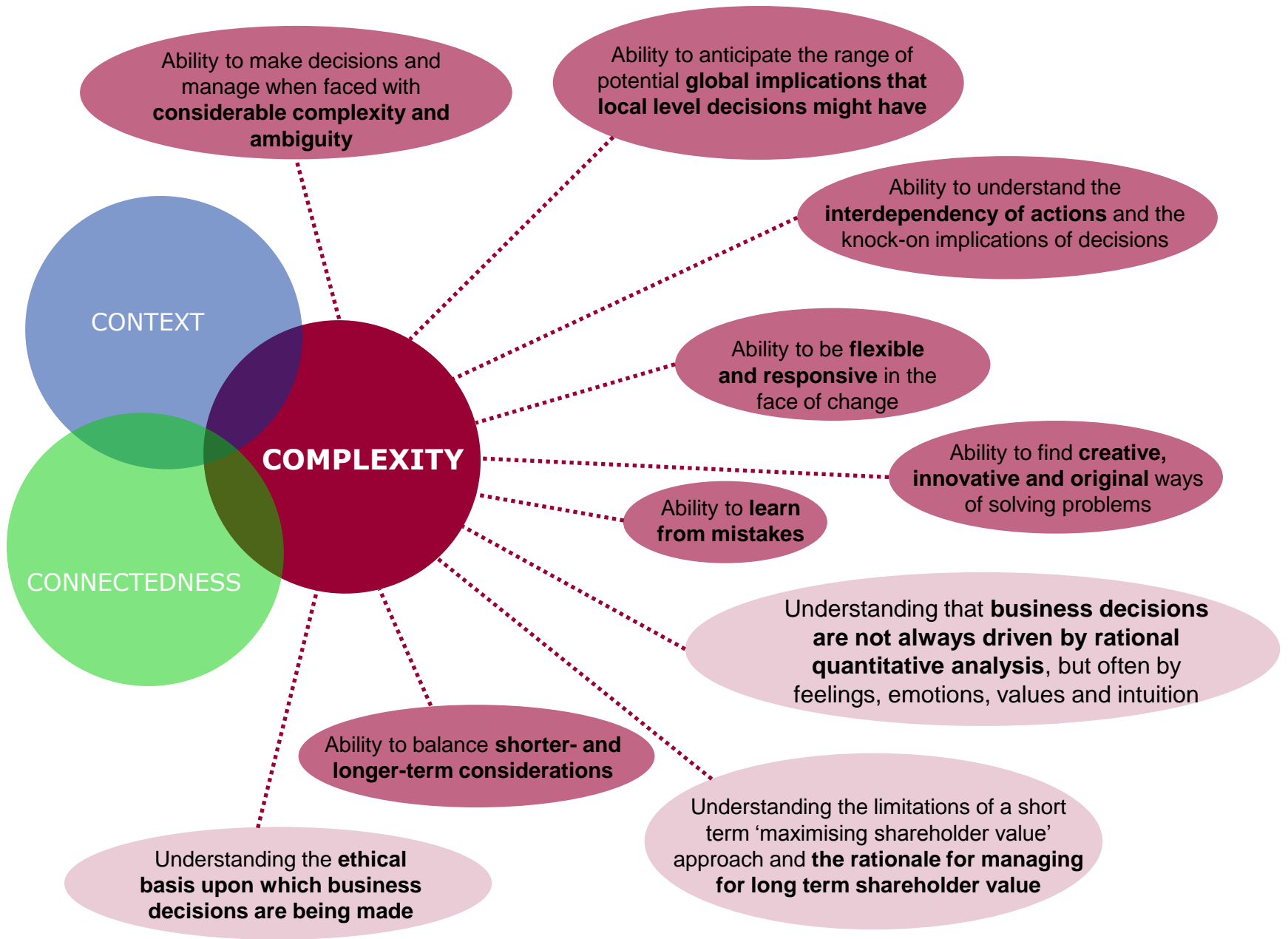**Context** — understanding and being able to respond to changes in the external environment
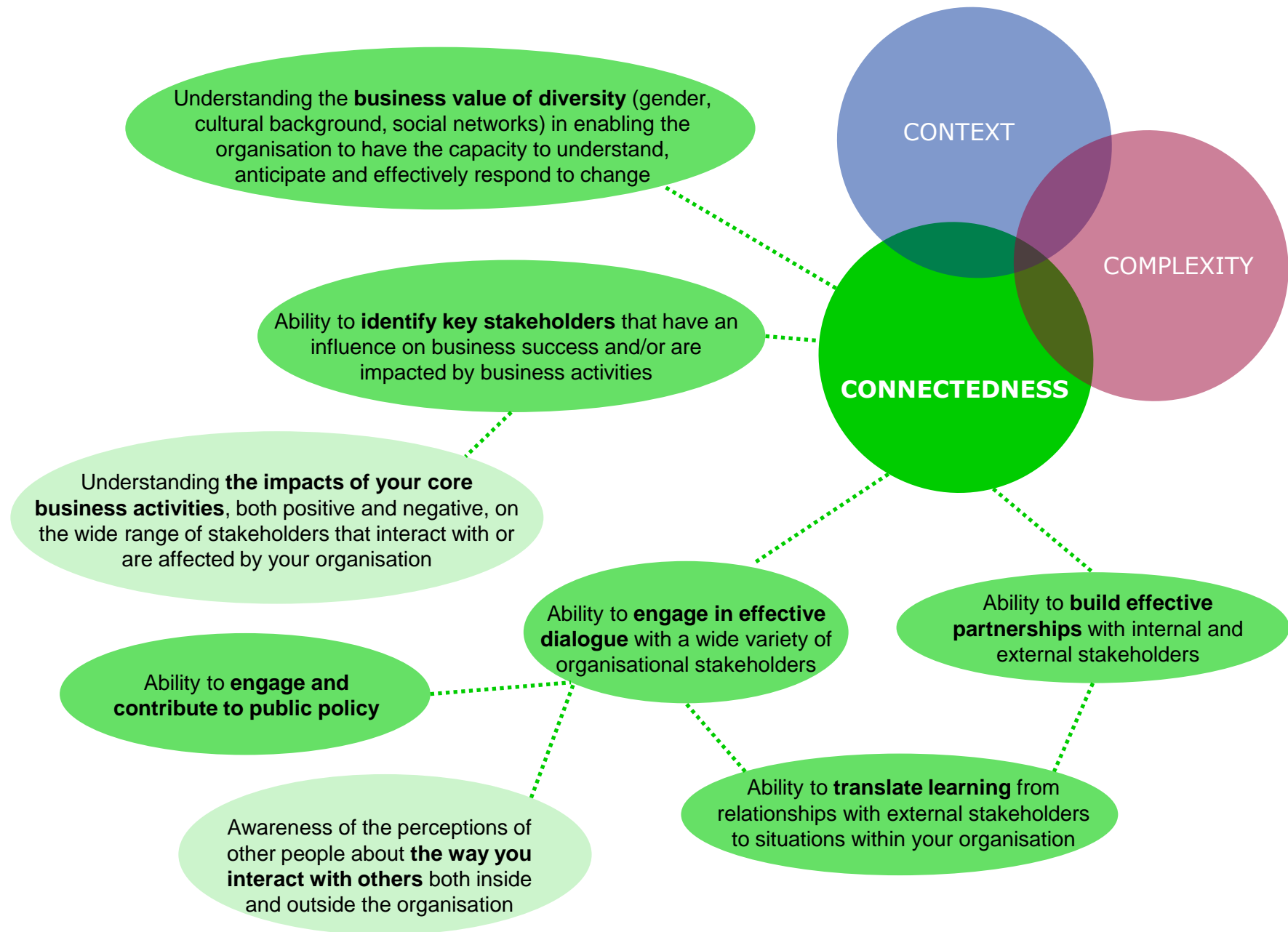
Complexity — having the skills to survive and thrive in situations of low certainty and low agreement

Connectedness — the ability to understand actors in the wider political landscape and to engage and build effective relationships with new kinds of external partners

ASHRIDGE

Ability to factor consumer and opinion leader attitudes towards social and environmental issues into **brand and new product development**

Understanding the implications for your organisation and your industry sector of how **other actors are responding to and influencing these issues and trends**

Understanding how **other organisations in your industry sector are responding** to these risks and opportunities

Ability to **factor into capital expenditure investment decision-making** processes risks associated with social and environmental trends

Understanding the **business risks and opportunities of environmental and social trends** for your organisation and your industry sector

Ability to **factor into strategic decision-making broad social and environmental trends that transcend competitive issues** within your industry sector

Ability to use **scenario building** and **horizon scanning** tools

Ability to use **risk management** tools

Understanding **corporate governance frameworks**

CONTEXT

Awareness that there is a **debate** among opinion leaders **about different roles business plays in society**

COMPLEXITY

Ability to **align social and environmental objectives with financial goals**

CONNECTEDNESS

Ability to **articulate the business rationale** for pursuing social and environmental objectives

CONTEXT

CONNECTEDNESS

COMPLEXITY

Ability to make decisions and manage when faced with **considerable complexity and ambiguity**

Ability to anticipate the range of potential **global implications that local level decisions might have**

Ability to understand the **interdependency of actions** and the knock-on implications of decisions

Ability to be **flexible and responsive** in the face of change

Ability to find **creative, innovative and original** ways of solving problems

Ability to **learn from mistakes**

Understanding that **business decisions are not always driven by rational quantitative analysis**, but often by feelings, emotions, values and intuition

Ability to balance **shorter- and longer-term considerations**

Understanding the limitations of a short term 'maximising shareholder value' approach and **the rationale for managing for long term shareholder value**

Understanding the **ethical basis upon which business decisions are being made**

Understanding the **business value of diversity** (gender, cultural background, social networks) in enabling the organisation to have the capacity to understand, anticipate and effectively respond to change

CONTEXT

COMPLEXITY

CONNECTEDNESS

Ability to **identify key stakeholders** that have an influence on business success and/or are impacted by business activities

Understanding **the impacts of your core business activities**, both positive and negative, on the wide range of stakeholders that interact with or are affected by your organisation

Ability to **engage in effective dialogue** with a wide variety of organisational stakeholders

Ability to **build effective partnerships** with internal and external stakeholders

Ability to **engage and contribute to public policy**

Ability to **translate learning** from relationships with external stakeholders to situations within your organisation

Awareness of the perceptions of other people about **the way you interact with others** both inside and outside the organisation

If these are the challenges, how do we learn?

Learning Strategies
Domains or areas of learning behaviour

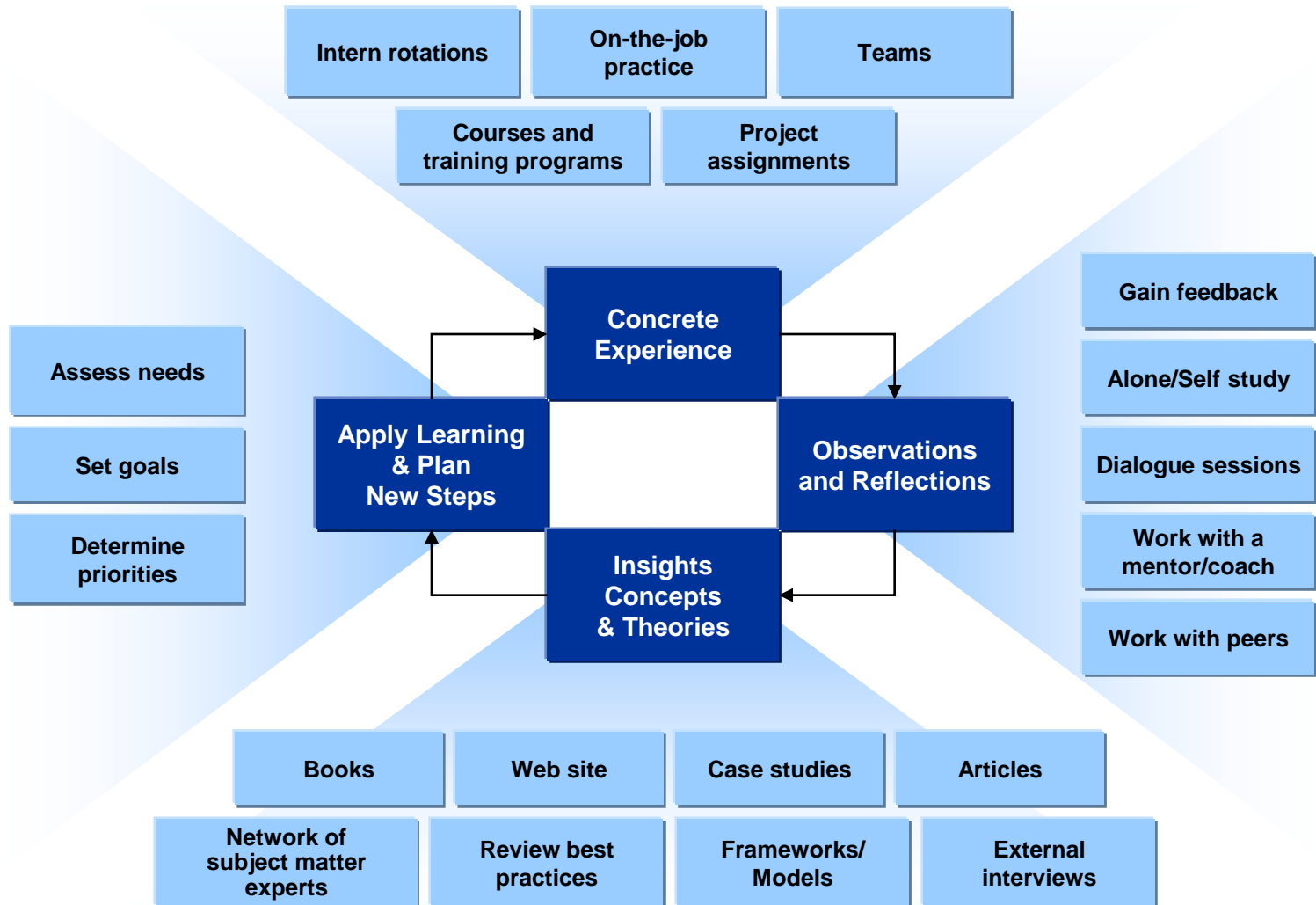| Cognitive	Psychomotor	Affective	Interpersonal	Self Knowledge
(Knowledge)	(Manual skills)	(Attitudes and feelings)	(Person to person skills)	(Personal growth)

ASHRIDGE

Learning Methods by Level of Learning
Criteria for method selection

Level of learning	Description	Learning methods	
		Off-the-job	On-the-job
1 Memory	Learner can recall facts, definitions, procedures, actions, behaviours. He can identify, define and describe.	Lectures Talks Programmed learning	Algorithms Checklists Information maps
2 Understanding	Learner has grasp of concepts, ideas procedures and techniques. He can explain, compare and justify.	Talk Discussion Case study Business games In tray exercises Incident studies Action maze Information maze Group feedback analysis	Assignments Projects

Source: Andrzej Huczynski (1983)   002206pp Kai Peters

ASHRIDGE

Learning Methods by Level of Learning
Criteria for method selection

| Level of learning	Description	Learning methods	
		Off-the-job	On-the-job
3 Application	Learner can use the concepts, ideas, techniques etc. in standard situations. He can use or apply things in the 'correct' prescribed way.	Demonstration and practice Role play Some case studies Simulations In tray exercises Discussion	Demonstration and practice Supervised practice Coaching Assignments Projects Job rotation
4 Transfer	From all the concepts, ideas, procedures and techniques ever learned, the learner can select the one most appropriate to a new, non-standard situation. He can modify or create new theories, ideas or tools to cope with unique situations where there are no 'right' answers.	Experimental learning situations Discovery learning Brainstorming Discussion Dialogue Group exercises Sensitivity training Diagnostic instruments and feedback	Counselling Job rotation Assignments Self diagnostic instruments Process consultation Discovery learning

Source: Andrzej Huczynski (1983)

ASHRIDGE

The Adult Learning Process
Examples of Interventions

Intern rotations

On-the-job practice

Teams

Courses and training programs

Project assignments

Gain feedback

Alone/Self study

Dialogue sessions

Work with a mentor/coach

Work with peers

Assess needs

Set goals

Determine priorities

Concrete Experience

Apply Learning & Plan New Steps

Observations and Reflections

Insights Concepts & Theories

Books

Web site

Case studies

Articles

Network of subject matter experts

Review best practices

Frameworks/ Models

External interviews

Adapted from Dr. David Kolb

ASHRIDGE

Development Methods Used by Largest Global Companies

Leadership Development Method	% Using
Self-study (books and web-based learning)	64%
360° Feedback	64%
Custom Internal Program	62%
Special Projects/Action Learning	60%
Job Rotation	55%
Executive Coaching	48%
External Education (B-School)	45%
Formal Mentoring	42%
Business Scenario Simulation	19%

Source: *Economist*/Mercer Delta Global Leadership Index

ASHRIDGE

How the "Top 20" Develop Leaders
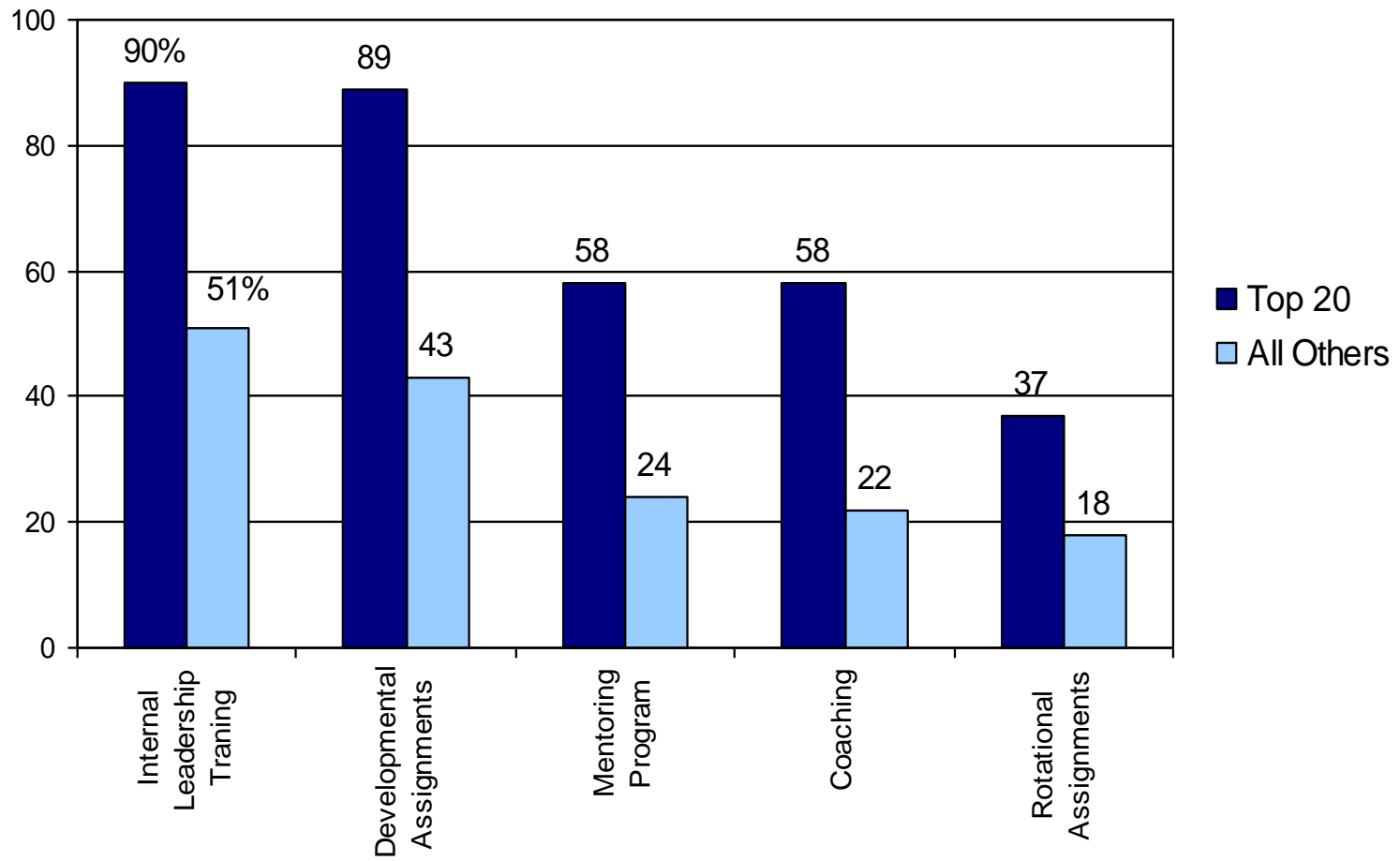
Source: Hewitt "Top 20" study

ASHRIDGE

Maximizing Executive Leadership Development Involves a Portfolio of Integrated Activities

Chart axes:
- Y-axis: **Effectiveness of Company: Rated Excellent or Very Good** (0 to 80)
- X-axis: **Perceived Importance to Leadership Development** (0 to 90)

Plotted items:
- Way jobs are structured
- Special projects
- Speed of job moves
- Traditional external training
- 360-degree Feedback
- Individual Learning
- Coaching & Feedback
- Traditional internal training
- Mentoring
- Development Plans

Adapted from Helen Handfield-Jones, 'War for Talent', McKinsey & Co.

ASHRIDGE

Career Stages and Business Education

- Different career stages have different educational needs

- They also have different delivery mechanisms

- Qualifications, executive education and individual interventions all have a role

Managerial Needs Change

individual effectiveness

organisational dynamics

context and strategy

functional skills

University students

Senior executives

ASHRIDGE
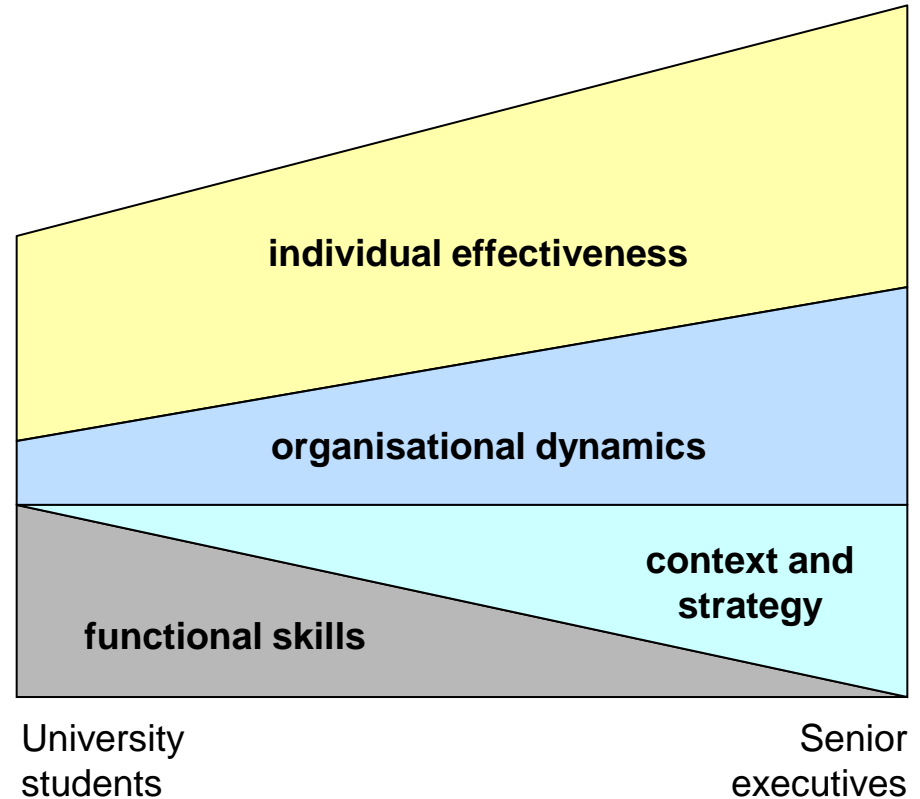
Senior Executive Learning in more detail

In structured interviews with 25 CEOs, research was conducted into learning styles applied over time. Learning strategies were divided into:

- formal learning (planned)
- informal learning (unplanned)

ASHRIDGE

Formal Learning

- Courses, workshops
- Structured benchmarking
- Networking
- Conferences

…Leads to making sense-making, the conversation of tacit knowledge into explicit knowledge "the confirmation of gut feel"

Formal Learning plus sense-making leads to self-confidence (Laljani, 2005)

Informal Learning

- Experience, incremental learning over time
- Mentors and role model
- Stretch assignments
  - Risk-taking
  - Effort
  - Collaboration

…is tremendously powerful and has greater effect than formal learning in many cases, especially once self-confidence is achieved (Laljani, 2005)

A Complete Executive Leadership Approach Uses a Multi-Dimensional Portfolio

Experience 70%

Training 10%

Other People 20%

"Leadership cannot be taught, but it can be learned"

Morgan McCall
University of Southern California

Experience
- Special assignments
- Stretch targets with coaching
- Challenging situations
- Position changes

Other people
- Coaching
- Positive role models
- Dialogue and storytelling

Training
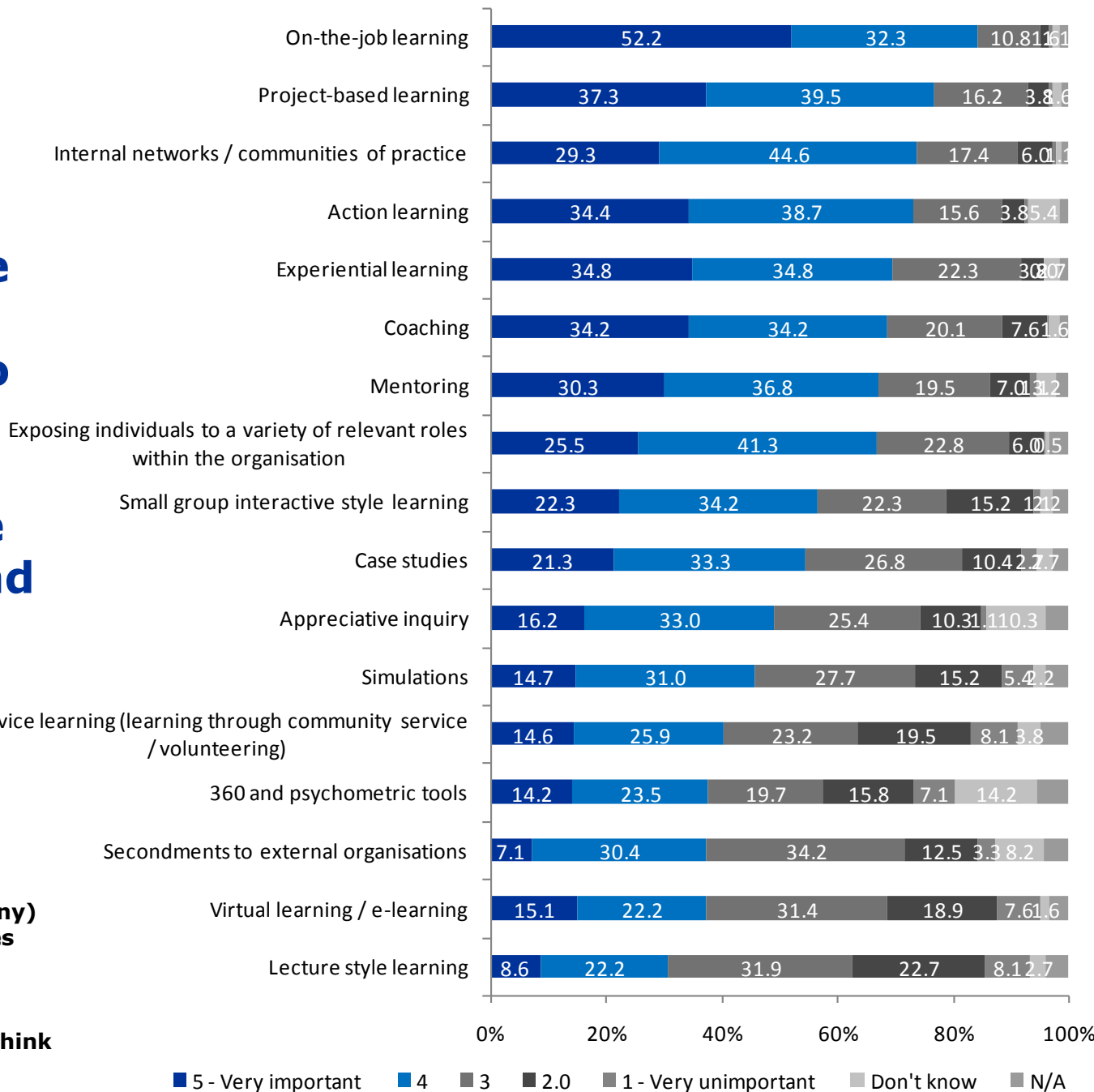- Leadership workshops
- Online learning
- Self-directed learning

ASHRIDGE

Most Effective Executive Development Strategies Focus On...

Distribution of Importance Scores for Executive Development Programs

Coaching

Strategy	Score
Creating leadership development plan	8.1
Interacting with peers	6.6
Meeting with executive coach	6.4
Meeting with a mentor	6.3
Feedback	6.1

Job Assignments

Strategy	Score
Amount of decision-making authority	8.6
Turning around struggling business	6
Working with new functional areas	5.6
Working in foreign countries	5.5
Working with new lines of business	5.5
Launching new businesses	5.4
Number of direct reports	5.2
Quality of direct reports	4.9

Courses

Strategy	Score
People management skill courses	5.7
Offsite seminars in business skills	4.8
Technical skills courses	4.7
Business skills courses	4.6

A broad range of different approaches to learning are required to develop these knowledge and skills

Please indicate which (if any) of the following approaches you believe are important elements in the learning process for developing the knowledge and skills you think are important

Approach	5 - Very important	4	3	2.0	1 - Very unimportant	Don't know	N/A
On-the-job learning	52.2	32.3	10.8	1.1	6		
Project-based learning	37.3	39.5	16.2	3.8	6		
Internal networks / communities of practice	29.3	44.6	17.4	6.0	1.1		
Action learning	34.4	38.7	15.6	3.8	5.4		
Experiential learning	34.8	34.8	22.3	3.0	2.0	0.7	
Coaching	34.2	34.2	20.1	7.6	1.6		
Mentoring	30.3	36.8	19.5	7.0	1.3	1.2	
Exposing individuals to a variety of relevant roles within the organisation	25.5	41.3	22.8	6.0	1.5		
Small group interactive style learning	22.3	34.2	22.3	15.2	1.2	1.2	
Case studies	21.3	33.3	26.8	10.4	2.1	2.7	
Appreciative inquiry	16.2	33.0	25.4	10.3	1.1	10.3	
Simulations	14.7	31.0	27.7	15.2	5.4	2.2	
Service learning (learning through community service / volunteering)	14.6	25.9	23.2	19.5	8.1	3.8	
360 and psychometric tools	14.2	23.5	19.7	15.8	7.1	14.2	
Secondments to external organisations	7.1	30.4	34.2	12.5	3.3	8.2	
Virtual learning / e-learning	15.1	22.2	31.4	18.9	7.6	1.6	
Lecture style learning	8.6	22.2	31.9	22.7	8.1	2.7	

The Global Leadership Imperative
Developing "Whole" Leaders

Companies most often use:

Training for Head

- Self-directed learning (69% of companies)
- Custom-designed programs (65%)
- Open-enrollment programs (47%)

Coaching for Heart

- 360º feedback (65%)
- Executive coaching (51%)
- Formal mentoring (41%)

Experiences for Guts

- Action learning (62%)
- Job rotation (55%)
- Business scenario simulation (22%)

Regional differences reveal that **North Americans** (64%) are more likely than their counterparts in **Western Europe** (46%) and **Asia-Pacific** (56%) to have identified the next generation of leaders and targeted them for development.

ASHRIDGE

A tipping point?

Data collected as part of UN Global Compact – Accenture CEO Study 2010
Analysis and interpretation for the UN PRME by Ashridge and EABIS

Leadership Development

There are skill, time, and value development needs at each "leadership turn."

ASHRIDGE