# 15 Linking leadership development with business

*William Tate*

## Chapter summary

This chapter:

- Advocates shifting the focus of leadership development from the individual to the organization and the business.
- Emphasises development and learning that is applied in practice.
- Shows why leadership development works best when tied closely to the organization's needs.
- Offers insights and case examples of how a more systemic approach can be delivered.

## Introduction

Leadership development has traditionally concentrated on individual managers and their needs, sometimes treating managers, not their organization, as the client. The most typical activity develops managers' generic leadership ability in relation to those reporting to them; i.e. viewing leadership as high-end people management. Such development is valued by learners and considered useful for their jobs, careers and marketability.

Such individual-centric activity is largely tactical in nature, more management development (MD) than organization development (OD), and somewhat detached from the business agenda. The well-known problem of the 'transfer of learning' leaves learners themselves to make the connection with the enterprise, its needs and with workplace issues and realities. All parties seem fairly comfortable with this arrangement, including the employer underwriting the development. Yet it leaves much to chance from the employer's standpoint.

Contrasted with this familiar picture are some more strategic, organization-centric options for development's focus, where there is often scope for a firmer link to the business. One of these concerns better engagement with the messy and complex set of organizational realities and shadow-side dynamics that waste people's efforts, inhibit productivity and impede job satisfaction.

A second concerns collective leadership. This can reach beyond merely developing managerial teams. It may extend into company policy and culture issues such as the wider distribution of leadership power down the hierarchy. A business's espousal of distributed leadership is a major driver of development, though quite difficult to bring about in practice. Related to this is an interest in greater self-management in times of austerity and pressure to flatten hierarchies and save on management costs.

Another possible focus for leadership development acknowledges the organization as the direct source of leadership challenges and needs. How well the organization works or doesn't work as an integrated system offers targets for OD interventions such as improving the leadership process, removing system blocks to managers applying their leadership, tackling silos, improving the way that leadership is held to account, and stopping the misuse and waste of leadership talent.

Beyond this level lies consideration of the business entity itself, having its own identifiable

needs, journey, goals and plans. By way of example, in 2004 the incoming chief executive of Boots the Chemist gave his diagnosis of the store's ailments; he said the store chain "was introspective, slow to respond, poor at taking money in an orderly fashion, and lacking basic shop-keeping skills". When clearly articulated, such business change agendas can drive an enterprise's needs for improved leadership as well as projecting into the market a reputation of responsible and professional leadership.

Successfully linking the development of leadership talent with the realities of the organization and business, makes such development interventions much more effective and relevant. It offers the possibility of realizing a goal of making the entity (the unit or the business organisation as a whole) better led, with clear benefits to be gained by learners, their bosses, the business and its stakeholders. The choices for possible development and improved business connection can be summarised as constituting four possible levels:

Level 1     the individual manager/leader and personal leadership;
Level 2     collective leadership teams issues;
Level 3     internal organizational systemic leadership effectiveness;
Level 4     the business entity's overall use and manifestation of leadership.

The ultimate development challenge may be expressed as: 'How can the organization get its leadership needs understood and applied so that it is better/well led as a whole?' That may be easier said than done, as we shall see. Most development remains tactically focused on individual managers, leaving open the matter of how it is applied, and whether it leads onto wider corporate improvement. That highlights our challenge here.

### *A two-way argument*

First, we need to be clear that the argument for connecting strongly with the business and with the interests as seen by top executives is not straightforward. The question cannot be reduced to a simple call for firmer direction of development from the top, though there are times when this may be welcome, as would a clearer link between development and the business's strategy. But there are also times when a looser connection may work better for the employer, as shown below:

(i)     Managers add value when they don't just follow orders but challenge their boss and employer when the need to do so clearly arises. More autonomy and less compliance may be healthy.

(ii)    There is a need to develop human potential independently of the organization's hierarchically driven rules, norms and published goals. More organic and less machine-like and uniform may be healthy.

(iii)   If the organization is jaded and lacking insight, optimism and the will to change, a development intervention may act as a catalyst for change of a kind which senior managers could perhaps not have contemplated.

(iv)    Certain individuals may be identified as future high-flyers somewhat independent of current circumstances.

In any case, many senior management teams are unclear about their organization's needs for improved leadership and lack an easy means of thinking about and articulating this need. So development should not be overly constrained in what it aspires to achieve, sometimes in spite of the employer. But this makes the subject of linking with the business both a challenge and a minefield. It may explain why such linking isn't seriously attempted more often and why leadership development is often criticised as ineffective.

To focus development's purpose and conduct on the interests of the organization and business requires a new conceptual framework. With that in mind this chapter:

- addresses conceptual and strategic issues;
- challenges conventional assumptions about development's role and performance;
- explores a range of devices and mechanisms, some focused on improving the organization's leadership process, and some on making individual development better serve the business's interests;
- examines what some companies are doing and the motivation for their choices;
- distinguishes between developing leaders' capabilities and developing leadership as a process with its own leadership culture ('how leadership works around here').

## The strategic challenge

### *Putting strategy ahead of training*

Linking development appropriately with business can be approached both top down and bottom up. 'Top down' expects business leaders to take an informed view about the organization's leadership needs and how development and improvement activities can address those needs and strengthen the organization. Bottom-up approaches consist of initiatives that managers and developers themselves take to make their efforts have a greater meaning for, and impact on, the organization and business.

Together, these approaches potentially make leadership development a strategic activity more than simply a training activity. Consideration of purpose and the business's needs take precedence over learning methods. Outcomes take priority over outputs and inputs. The question for developers and business leaders alike is 'who and what is development in service of?'

Development's unfulfilled potential to serve business needs has long been recognized. Rainbird's study concluded that neither 'the integration of the training function into other policy areas, nor the integration of employees through their involvement in training programmes, has occurred to any great extent' (1994[J1]: 87). Research by Ezzamel *et al* that the 'integration of HRM [human resource management] and business strategy was the exception' (1996:[J2] 76). Research undertaken by the Chartered Institute of Personnel and Development (CIPD) found that 'many organizations are putting their performance at risk because management development itself continues to be a victim of poor management practice, disconnected from the imperatives and challenges of the enterprise' (Court *et al* 2002: ix).

### *Developing the organization and the business*

A useful distinction can be made between the organization and the business. These terms are often regarded as synonymous with *company*, *institution* and *enterprise*. 'Organization' conveniently embraces both public and private sectors. Much of the time such generalised usage doesn't matter. However, there are times when it is important to use the words distinctively.

Strictly speaking, the business consists of variables that are outwardly focused; i.e. customers, markets, brands, prices, products, competition, shareholders, etc. The organization, on the other hand, is the set of internal arrangements that enable a soundly conceived business to succeed in practice. Among the many organization variables are its structure, culture, systems, relationships, rules, competence – and, of course, leadership (Tate 2003). This places the organization at the service of the business.

For ease and practicality, developers usually show more concern for linking leadership development activities with the organization rather than with the business. They would claim that if the organization's leadership process is developed to be fully effective, it will naturally handle changing business needs. But the business aspect of the organization's leadership process is often not considered.

At a further level of indirectness, developers will usually assume they are contributing to organization improvement via enhancing managers' leadership effectiveness in their jobs. Management development approaches thus predominate over organization development ones. The approach assumes that managers, once their leadership ability has been enhanced, know what to apply their leadership to, and have the necessary motivation and freedom. In practice, however, it is difficult for most individuals to make the leap to the organization level. The majority of learning remains limited to the manager, the local job and immediate team. Top management is usually content with this arrangement, is not expecting anything more than this, and may even be grateful that this is so. This is usually more a case of leader development than leadership development.

> *Leader development refers to developing individual-level intrapersonal competencies and human capital (cognitive, emotional, and self-awareness skills for example), while leadership development refers to the development of collective leadership processes and social capital in the organisation and beyond, involving relationships, networking, trust, and commitments, as well as an appreciation of the social and political context and its implications for leadership styles and actions.*
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> Paul Iles and David Preece, 'Do we want leader development or leadership development?', Engaging Leadership, CIPD, 2006

### The system's influence

An important lesson for leadership developers is not to expect an *organization* intervention to rescue a company or even an industry that is flawed in its fundamental *business*. Cascading that logic, development interventions that assume that deficient individuals are the problem may fail to redress deep-seated organization dysfunction, as in this example.

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CASE STUDY **BANKING ON TRUTHFULNESS AND COMPLIANCE**

In 2014 Barclays Bank launched a multi-million pound academy to train over 2000 staff in truthfulness and compliance ('Barclays school to teach staff to avoid scandals', The Guardian, 4 July 2014). Such development-led responses to a public outcry are not uncommon. But the individuals being singled out for retraining are neither naturally wicked nor ignorant of the truth and company rhetoric; they are responding to the way forces in the system in which they work operate. These forces encourage and incentivise particular behaviour, often contrary to espoused company values and policies. So before assuming that retraining is needed, businesses may do better to understand the way the work system shapes individuals' behaviour and performance. Without such an understanding, an employer may drop retrained 'fish' back into toxic water and find they swim in the same old way. In this analogy, often the water needs refreshing more than the fish. (To be fair in this instance, Barclays at the same time reviewed its commission policy.)

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The bank example shown commits the social psychological 'fundamental attribution error' (Tate 2009a: 31). Very common in performance appraisals, reviewers attribute performance successes or shortfalls to the reviewee's disposition and don't sufficiently consider situational

factors (put very crudely, too much fish: too little fishtank). To address perceived deficits, reviewers go on to seek remedies in the individual more than in the individual's situation.

There are countless examples of this 'system lesson' not being learned and acted upon, as exemplified in a succession of high-profile scandals in the finance sector. But the point holds true for organizations in all sectors. Leadership shortcomings are frequently and deeply systemic, lying beyond the reach of most learning and development action as generally understood and practised. Yet interventions are frequently located in and focused on correcting individual behaviour rather than in what surrounds those individuals. More than sponsoring leadership development for others, there is a role for corporate management in initiating organization development and improvement action that directly addresses the wider context – cultural and systemic.

In 1936 Kurt Lewin, the founding father of social psychology, propounded his view in the heuristic B = f(P, E). An individual's Behaviour is a function of that Person's personality, competence, training, etc. and his/her Environment. Given today's talk of 'skills' shortages, it is salutary to be reminded of Lewin's largely forgotten dictum on how performance is delivered. With a nod to the nascent discipline of systems thinking, Lewin pleaded:

> *It is necessary to find methods of representing person and environment in common terms as parts of one situation.*
>
> Kurt Lewin, Principles of Topological
> Psychology, 1936, p.12

The system that surrounds people at work can be imagined as a fishtank. When we peer closely into the tank and use our imagination we notice how good swimmers some of them are, who are the show offs, the star fish and the shoals, those who are personal favourites and the less glamorous supporting cast. We observe pecking orders (to mix the metaphors), toxins and detritus. We see species whose job is to clear up the mess at the bottom, and those who service the hygiene needs of those 'higher up' and keep their image clean. We notice species who compete for attention, priority and favours. We may also sense fear, wariness and caution as the fish keep looking over their shoulder (in a manner of speaking), seeking hiding places from the sharks. We see who appears to be stressed out and where they go to recover. There are some fish we hardly ever see.

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**Interpreting the fishtank metaphor**

How individual fish swim is akin to competency. Show offs are good at managing their image. Personal favourites remind us of the dangers of the halo effect: those who look good get more than their fair share of credit, and their weaknesses are overlooked. The food chain represents the hierarchical power structure and struggles for ascendancy. As we look up at the less attractive side of those who are climbing the career ladder we are reminded that much of the mess and toxins are emitted by the bigger 'fish'.

Shoals tell us that some people find safety in numbers, needing to combine their strength with others if they are to survive and get their fair share. The range of species reminds us of silos, turf/territory disputes, no-go areas, and in- and out-groups. Some 'fish' are more prepared than others to raise their head above the parapet (mixing metaphors again), while others lie low and try not to be noticed, or they affect to be busy when they have little to do. Some prefer to be big fish in a small pond, and others prefer the reverse. Some appear to glide effortlessly while paddling furiously out of sight – like the serene swan.

There is food for good behaviour. There are predators, bullies and gangs. There are big fish and small fry. There are disciples, acolytes, 'yes men', placemen, and gullible fellow travellers,

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> while all the time there are admiring, curious, sceptical and critical onlookers and bystanders. Rules, protocol, bureaucracy and injunctions try to create order out of chaos but achieve little. A murkiness hangs over the place, making it difficult to see ahead and navigate the system. There's an official and an unofficial feel to the place, things that are rational and other things that are dark and in the shadow. Political undercurrents lie just below the calm surface. Avoiding the rip tides becomes a matter of life or career death.
>
> (Extract from 'Managing Leadership from a Systemic Perspective', Tate 2013: 12-13)

An important role of the senior manager is maintaining the tank in good health to make it easier for the individual fish to exercise personal leadership (Tate 2013). Glatter (2008: 9) identifies the important task of those in formal leadership positions of creating organizational climates that encourage rather than stifle bottom-up innovations, initiated and driven by informal leaders.

   But what part does development play in this? Popular advice is to have the backdrop of people's context in their development, but what if the culture/climate itself is contaminated and needs development? How much licence do senior executives give to developers to challenge what surrounds the people (including managers) that the business wants developed? What access does it give to developers to work at this political level; i.e. developing the context and not simply acknowledging it?

### *What or who is the target?*

For conceptual, political, practical and commercial reasons, developers traditionally devote most time to Level 1 action; i.e. the individual manager/leader and personal leadership. This is the dominant market; it is what clients understand, know what they are getting, can limit and control its impact, and can budget for. But it is at the other levels where development can potentially make a greater impact for the more enlightened and trusting employer.

   Many people fail to distinguish between collective development at Level 2 and systemic improvement at Level 3. How well leadership activity works systemically, and how that can be improved, is a blind spot for many developers as well as for employers and management boards. Reflect on the failure by politicians, regulators, the police, local councils and media to understand and practise systemic leadership in the Baby Peter case in 2007 and in subsequent failures by authorities to protect children at risk. Or consider the leadership failure in the Metropolitan Police's shooting in 2005 of the innocent Brazilian Jean Charles De Menezes (Tate 2009b: 254). These cases represent more than collective failure; they reveal a breakdown in how the system needs to work to deliver appropriate and integrated leadership by all those involved, including leading across traditional professional boundaries. Who has not heard of more recent scandals as the Co-operative Bank board, the BBC over Jimmy Savile, South Yorkshire police at the Hillsborough Enquiry? Systemic failures do not just reflect the failure of individual leaders in those organizations, they are also major failures of a leadership process that is socially complex, as this 'Thought for the Day' about the Hillsborough Enquiry concerning police evidence illustrates:

> *Group behaviour is not simply the sum of the behaviour of individuals. It has its own institutional life and responds to other impulses. ... all the groups we belong to – from family to nation – are subject to compulsions that may well lead to more unrestrained selfishness, more covering up of inconvenient truths, than we would ever display in our personal relationships.* (Billings 2012)

Other than in some large corporate restructures and culture-change programmes, for most businesses Level 4 (the business entity itself) is beyond practical consideration as an intervention other than replacing top-team members. For the most part it is Level 3 (systemic organizational leadership) that remains the most needed and least well understood aspect and biggest challenge when it comes to improving organizations and especially in delivering complex and multi-partner public services. Its purpose and focus can be defined as:

> Improving the way an organization is led, based on an understanding of the organization as a system, focused on the interdependency between leadership and the organization, concerning how leadership is applied, managed and developed.
>
> (Tate 2009a: 5)

In this systemic model, organization developers need to be concerned with the twin questions of what effect is leadership having on the system, and what effect is the system having on individuals and their leadership and on the collective leadership culture? Developers' objective of behalf of their client organization is to liberate and enable leadership to flourish at all levels. The focus on leadership will often entail close work with managers, but will be different from individual-centric leader development.

### *The reality of individual development*

A focus that is limited to individual-centred development for its own sake is appropriate if, say, managers are not in employment or want to improve their marketability irrespective of who they work for. In such cases the individual, and not the business, is a legitimate target. But most development is sponsored by employers with the purpose of benefiting the business. If the employer's motivation to improve the individual's performance has that corporate benefit in mind, this works best if the organization contributes some context, concerns and content to the process.

   If development is undertaken at arm's length from the organization's needs and workplace realities, and concentrates on individuals' leadership qualities, competences and behaviours (say, as in national vocational qualifications), there will generally be less chance of learning being applied and less impact on the organization; the challenge posed by the 'transfer of learning' to a different context may be over-stretched. Company-specific leadership competency and behavioural frameworks attempt to get round this, but misgivings remain (Bolden and Gosling 2006: 47-63), for example that the approach:

- is overly reductionist, breaking things down, fragmenting the role of the manager, rather than presenting an integrated whole;
- assumes that the competencies are the same no matter what the nature of the situation;
- focuses on past or current performance, rather than future requirements, thereby reinforcing rather than challenging traditional ways of thinking;
- reinforces a focus on the individual leader, while restricting consideration of leadership as a distributed relational process;

Critics of competencies offer four explanations for the popularity of frameworks; namely, that the practice reinforces –

1. a belief that such things can be predicted and controlled;

2. a belief that success for the organisation is at hand when and if all managers can match the ideal that has been set out for them;
3. hierarchical management power;
4. the hand of the Human Resources department.

Reinforcing point 2 above, a systemic perspective dictates that healthy systems thrive on variety, whereas employers who use such frameworks are attracted to a singular view of their ideal manager that they can control. This may lead on to monitoring compliance and establishing reinforcing linkages between related HR systems.

Such frameworks may come under pressure from another direction. Having largely let go of the central planning of managers' careers, employers are now faced with the possibility of handing over to managers the responsibility for their own development. This greater managerial freedom, coupled with today's looser bonds of loyalty, sits awkwardly alongside an imposed corporate framework. HR's hand on this tiller already appears to be loosening.

Looking beyond and beneath behaviour, how those managers think about leadership, and what they apply that thinking to, takes development to a deeper level, especially when there is a need to shift from thinking in a linear way to thinking in a way that embraces complexity. The activity of managing assumes that similar inputs will result in similar outputs. While this is sometimes true, the activity of leadership requires a more nuanced view of the world (McNulty 2015).

The problem is exacerbated if there is little awareness of the possibility of the organization needing to do some corporate work on itself, sometimes in the face of media criticism. As we have seen, organizations suffer dysfunction and have their own development needs. However effective the development of individual managers and leaders, the result often falls short of the grander aim of improving the *process* of leadership and management *in*, *of* and *by* the organization (Tate 2009: 62-63).

At the individual level, in terms of the inputs–outputs–outcomes continuum, most conventional development concentrates its expertise on the inputs. But if managers' potential is to be realized, it requires two further ingredients: *will* and *opportunity*. 'Performance is potential minus interference', claimed the coach Timothy Gallwey (2003); this refers to personal psychological obstacles. But we can extend Gallwey's concept to the organizational level (see Figure 11.1). Most development activity enhances potential but does little or nothing about interference (that is, by the organization). Beyond limiting such interference lies the opportunity for more positive organizational contributions to facilitate enhanced individual leadership.

*The organization provides a purposeful context, important problems to solve, a supportive framework, permeable boundaries, an absence of obstacles and restrictions, the least bureaucracy and protocol, a minimum of needless checks, etc.*

| The organization's facilitation of opportunities |
| --- |

⬇

(enabled to do)

INDIVIDUAL LEADERSHIP ➔ ORGANIZATION ACTION

(want to do)

⬆
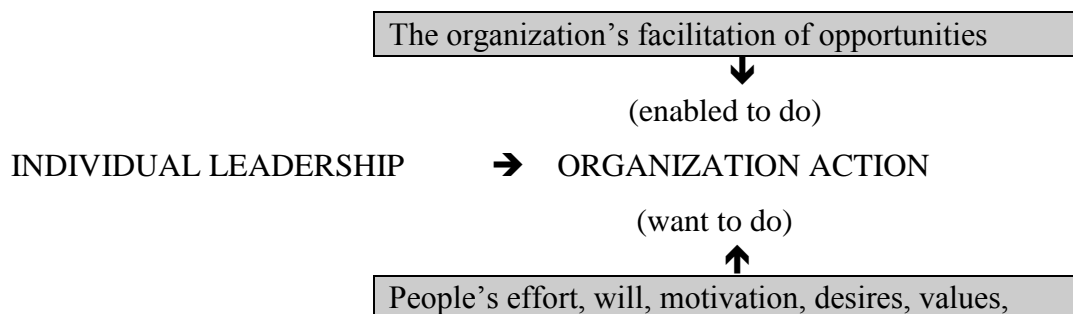
| People's effort, will, motivation, desires, values, |
| --- |

| beliefs, perceptions and volition |
|---|

*The organization provides a clear vision, goals, challenges, a fear-free culture and positive climate, constructive feedback, good job-person matches, fair recognition and rewards, etc.*

*Figure 1* Converting individual leadership ability into organization action

Most development activity enhances can-do potential but gives little consideration to the system that surrounds the manager and its effect – both positive and negative – and how it may interfere with the manager's application of leadership. The system that people experience every day in their work plays a role in both boxes in the diagram. Not only does it provide the opportunities and a conducive environment in which managers can apply their leadership capability (the top box), it also affects managers' perceptions and beliefs (the bottom box). Without enabled to do and want to do, can do's potential remains earthbound.

> While the capability of individuals is growing through training and experience, their ability to lead is not always realised, where an organization's context is not set up to meet the need for leadership. (Ksenia Zheltoukhova, *Leadership: Easier Said than Done*, CIPD, May 2014)

## Changing the mindset

### *Challenging assumptions*

Development activity appears so self-evidently worth business investment that it can become immune from serious examination, let alone criticism. Yet development is sometimes constrained in its relevance and effectiveness by dubious assumptions:

- that improvement depends upon development;
- that developers are best left to set their own agenda;
- that development first and foremost means training;
- that increased spending on development and training will result in better leadership;
- that leadership is the automatic outcome of what an organization's leaders individually do;
- that concerns about the quality of leadership are best addressed by developing individuals.

Consequently, a chief executive who is concerned about leadership in the organization will typically turn to the training and development function or a consultancy for the answer. But this connection between problem and solution is tenuous. The quality of leadership and management in companies and in Britain plc leaves much room for improvement (Storey and Tate 2000). Numerous enquiries by professional institutes and government continue to reveal poor leadership and management (usually talked of as 'skills') in managers and companies (Tate 2014). Despite increasing volumes of management training (Storey et al. 1997), under the present set of assumptions the quality of leadership and management in business is unlikely to improve significantly however much is spent on development (Clarke 1999). And despite all that is known and written on the subject, there are few signs since then that leadership has

enjoyed a step change. Leadership at the organization level appears almost impervious to improvement and destined to repeat its mistakes.

A chief problem is that individuals' leadership is the consequence of what surrounds them, as mentioned. Their performance sits within their organization's culture. For improvement to happen the leadership culture has to change. But its view of itself is self-interested, having a natural tendency in favour of the status quo. Managers who have most authority to mandate or lead change are often those most steeped in and vested in the extant model, values and beliefs. They may experience the greatest difficulty seeing the need for change, accepting it, and may have the most to lose. Even wise managers who can overcome personal hesitation, or who are under orders, have no choice but to work with the system to change the system. This natural self-regulating and self-referential process applies a natural brake to change and helps explain development's apparent powerlessness to bring about significant improvement.

### *The route to business improvement*

However challenging, the goal behind sharpening development's links with business is to try, as far as possible, to obtain improvement, not just for the employing organization, but for business in all sectors, for the business world in general, and for the society that is impacted by business and upon which business in turn depends. Achieving these goals clearly requires strategies beyond those that focus on developing the individual in isolation and devoid of context:

> [Self-development methods] are now sometimes perceived as all very well for personal growth, but as less functional for moving forward the organization. The same point can be found embedded in the useful distinction between manager development and management development. The former can include all manner of educational and training experiences which enhance the individual. The latter more directly impacts on the functional capability of the managerial stock as a whole, and improves the collective management performance in a manner relevant to business needs.
>
> (Storey and Tate 2000: 198)

Weaknesses in the popular model have long been understood:

> … individually oriented strategies of change, such as training, are not effective in bringing about organizational change. This is due to at least three basic problems. The first relates to the age-old issue in training – transfer of learning. The simple fact that most training occurs in a location other than the individual's work space produces the problem of re-creating the training milieu and learning back on the job. Critical mass is a second problem. How many people must one train to obtain the desired impact on the organization? … A third problem relates to the social psychological principle … that individual behaviour in a group context is considerably shaped and regulated by social norms. Individual training often requires individual deviance from accepted norms ... Trainers … do not understand that groups are easier to change than individuals … Training should facilitate change, not attempt to provide it.
>
> (Burke 1972: 30–4)

The re-entry problems experienced when development programme participants attempt to apply ideas they have learned but face resistance from colleagues who have not shared that experience are well known (Hartley and Hinksman 2003: 22-23). The collective group solution is endorsed by (Glatter 2008: 10). Social norms, as well as organization forces of politics,

bureaucracy and inertia, conspire against the aspirations of even the most determined individual. For Katz and Khan this reinforces the argument for taking a systems perspective:

> Attempts to change organizations by changing individuals have a long history of theoretical inadequacy and practical failure. Both stem from a disregard of the systemic properties of organizations and from the confusion of individual changes with modification in organizational variables.
>
> (Katz and Khan 1978: 658)

If we adopt a mindset that begins with the business's need for *leadership to be applied in practice* (rather than how individuals are developed) and then ask how we can get that aim met, we are led down a different route. There are several consequences. One is that it engenders an *improvement* process that is wider than a *development* one; in Figure 1, for example, there are levers that are indirectly development-related that may promote application (such as removing obstacles in the path of leadership). Secondly, it helps us distinguish between means and ends, where development is a means and its application the end; the former without the latter is of no value. Thirdly, it reduces reliance on supply-side strategies and the services of development consultancies. Together, a concern for applied leadership brings organization development more to the fore alongside management development.

The distinction between individual and organizational ways of conceiving of development somewhat mirrors that of strategic HRM's growth over the last 30 years from the platform of traditional personnel management. The latter is focused on the needs of individual employees (even viewing training as a reward for employees' good behaviour), while strategic HRM takes the organization as its client. Whilst companies still need employees' everyday personnel needs to be administered, the HR profession has grown to embrace a more upstream, longer-term, business-driven role. In this more strategic model, the business itself provides the yardstick by which the development function's success is measured. Development hasn't travelled very far down this road. To do that the profession needs to understand how organizations operate as complex systems (Tate 2014: 4), prompting a need to learn and understand the modern sciences of systems thinking and complexity theory.

### Holistic thinking

Many studies into leadership conflate an organization's leadership and management process with (i) what individual managers do, (ii) their personal skills and capabilities, and (iii) their development (e.g. Horne and Steadman Jones 2001). Such research shortcomings are a result of leadership still largely being seen as a characteristic of certain individuals, which in turn leads to a supply-side way of thinking that equates improvement in leadership and management in organizations with individuals' development and training. All will be well with businesses, the assumption runs, if they are fed with a sufficient flow of qualified, talented and trained individuals.

Contrast this with the increasing view that leadership has meaning only in relationships (Hernez-Broome and Hughes 2004). It is how things are connected that matters. This prompts the question in the CIPD's *Engaging Leadership* report (2006): "What form of leadership will replace the 'heroic' models at the beginning of the twenty-first century?". The answer is that post-millennial research and new models of leadership are extending what is meant by relationship and inter-connectedness, and where these properties are located and accessed. We are not simply talking better teamwork here. A systemic view takes the discussion much deeper.

One of these systemic developments can be seen in 'whole systems' ways of thinking and acting (Senge, Hamilton and Kania 2015). Consider the acute shortage of good school

headteachers. Development processes such as the Heads, Teachers and Industry (HTI) initiative are imaginative and worthwhile, but they do nothing to address (any more than does high pay) a range of systemic obstacles, especially deputy heads' perceptions of the job's lack of autonomy, unbearable workload, stiff accountability, excessive bureaucracy, inherent insecurity and risk of reorganization. A multi-pronged approach to leadership and its delivery is needed (Tate 2006).

Another systemic development is to be found in the growing use of the language of 'emergence'. This refers to behaviour that arises as a property of interaction in the system, behaviour which is not present, observable or obtainable in any of the parts acting alone. To take a simple example, speed is an emergent property of a car, but speed cannot be found in any of the parts of the car if it is taken apart. On a similar basis, since leadership is relational, it follows that action, decisions, ideas, energy etc that arise when two people engage is described as being 'emergent'. So we cannot take people away and train them to be leaders and know what will happen if and when they apply their new found skills, since the outcome (and what the organization is looking for from them) depends on the nature of their interaction with other people or other elements in the system.

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CASE STUDY **'WHY AM I SURROUNDED BY IDIOTS?'**

A FTSE 100 chief executive once said to his HR Director "Why am I surrounded by idiots? Will someone take them away and train them to be leaders". When people look out at what surrounds them, they tend to see things that are 'out there', beyond them and beyond their own responsibility and culpability. They are correspondingly blind to issues that are 'in here', either within themselves or happening in the space between them and others. In this case, the chief executive was blind to those alternative perspectives. He placed all the fault in the other party: "they are not leaders". Mindful of this power to pass judgement, his advisers needed to tread carefully.

Leadership is relational: it is conducted in and through relationships. The actual leadership manifested is a function of both parties, not just the person being complained about. It is not the sole responsibility of one party or the other. It is a product of both of them acting together; that is, it springs from the nature and quality of the connection that they experience in their relationship. That makes the enacted leadership 'emergent'. The leadership behaviour is both unpredictable and different from the behaviour of either of them acting independently. And the boss's behaviour will be different with each director, and the director's behaviour would be different with a different chief executive. And their behaviour with their chief executive will be different when all directors are together as a management board than when they are alone with the boss. In other words, the behaviour is contextual. Being sent away to be trained to be a leader misses the point.

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Choosing to see the two people together as a system and responding accordingly, instead of isolating the individual parts to find out which of the parts has failed and needs fixing, is the difference between holistic and reductionist approaches (Tate 2013: 5).

### *A balanced approach*

The familiar approach (supply-side, semi-detached, individual development, skills) takes no account of what organizations can and should do to make full use of talent, including that which they already have. An alternative is development activity that connects with the full reality of organizations, including the particular business's unique needs and agenda and the expectations of a range of stakeholders. It reduces reliance on development 'providers' to make good the deficit. It takes account of the internal dynamics of the organizations, including its dark side,

its power structure and politics. And it admits to the work that organizations must do on themselves.

A UK government report from the Performance and Innovation Unit on *Strengthening Leadership in the Public Sector* (PIU 2001), while focused primarily on leaders and leadership development, recommended taking into account some of the wider demand-side organization issues such as:

- supporting leaders in post;
- the climate for effective leadership;
- arrangements for getting good leaders in place;
- the retention of good leaders;
- diversity in appointing leaders;
- incentivizing current and potential leaders;
- leaders' freedom to operate;
- space allowing leaders to lead, take risks and change course;
- barriers to leadership (organizational, regulatory and cultural);
- the impact of targets;
- accountability;
- the effect of organizational life-cycles;
- values of the organization;
- responsible followers (to act as a check on leaders).

Research by the Institute of Management found that

> … people tend to mix their perceptions of the characteristics of leadership as displayed by individuals, with the concept of leadership as a specific role in an organization process. [The latter is] an *organizational* process: the types of systems and procedures that distribute responsibility, decision-making, knowledge and power within an organization.
>
> (Horne and Stedman Jones 2001: 15)

### *Disentangling development*

Fresh thinking about leadership and how best to improve it requires a mental separation of leader<u>ship</u> from leaders, and also from their development. This shifts the focus onto the *activity* more than its *personification*.

Taking the theatre analogy, what businesses (should) value most is the whole show's live performance. That depends on good relationships between the individual actors, and between them and the audience, good props, good front-of-house and back-of-house support, and – crucially – a compelling script or plot (Tate 2009a: 6). The same is true of an organization. Modern-day leaders need a sympathetic system and a relevant purpose if they are to succeed in the eyes of the full range of stakeholders. They also need critical followers.

A view of leadership that is exclusive, whether fostered by the leaders themselves or by their followers, is a facet of a dysfunctional leadership culture. It fails to distribute leadership widely. It discourages authentic dialogue. And it encourages hubris, as a former Royal Bank of Scotland manager explained: 'Fred Goodwin was revered within the bank as some kind of founding father, and we all wasted a lot of time and energy discussing how to manage him and trying to second-guess how he would react to things' (Tate 2009a: 155).

This chapter attempts to show that it is possible to develop leadership activity by doing things other than by developing leaders on their own, through organization-enhancing initiatives that aim to improve leadership *as practised*. If we limit discussion to 'development' we may instinctively think about a process that does things to individuals – often using a deficit model,

though may be strengths based. 'Improvement', by contrast, can be a more empowering word. Improvement implies an outcome. Development then becomes just one of several ways of bringing about that improvement.

You can improve an organization's leadership by *recruiting* better leaders. You can *reward* the best leaders to help retain them. You can even make leadership better by *retiring* tired leaders. You can *rejuvenate* the leadership culture. You can *remove obstacles* in the path of those who wish to exercise leadership. You can *hang onto* talented leaders. You can plug the *gaps* in the relationships between leaders and between functions. Most of such valuable activities would not normally qualify as typical HR development or receive the attention of developers.

> The remit of HR Development departments usually spans training, education, appraisal, career and succession issues. Responsibility for recruitment, reward and termination falls outside this definition. If we focus all improvement efforts on 'development', we may overlook other relevant HR activity, and we may exclude other HR specialists from improvement discussions and action.
>
> (Tate 2003: 21)

### *Leadership as a system resource*

The suggestion of mentally separating leadership from leaders implies that there are other models available to assist our thinking. One approach thinks of leadership as a property of organizations. The Business Excellence Model by the European Foundation for Quality Management (EFQM 2002) and the Burke–Litwin Causal Model of Organizational Performance and Change (Burke and Litwin 1992) treat leadership as a component of the system, alongside other system components (e.g. culture, mission, competence, environment, etc.). This conception turns high-quality leadership into a resource, one of an organization's prime assets. A natural consequence of such thinking is that this asset has to be managed, paradoxical as that sounds.

If 'managing leadership' seems a difficult concept to accept, consider what happens when leadership activity is not well managed. It goes unrecognized, is misdirected, serves self-interested goals, lacks coordination with colleagues, escapes to competitors, damages the environment, and so on. In short, a poorly managed leadership system allows energy and potential to leech away or point at the wrong things (Tate 2009a: 109).

Focusing on the *systemic* dimension of leadership sits comfortably with the notion that organizations need to learn as systems (Pedler *et al.* 1991). James supports this: 'the learning resides in the systems and processes of the organization, not just in the individual minds of its members' (James 2002: 4–5).

## Making practical connections

Just as businesses may be described as being vertically or horizontally integrated, so too may development. Discussion thus far about linking development more closely with the business assumes vertical integration, i.e. linking the individual, through the organization, to business purpose and outcomes. But scope exists for horizontal linkages too.

James's review of best practice undertaken for the Council for Excellence in Management and Leadership (CEML) recognizes this: 'Leadership development must link to succession planning, which involves linking assessment, development, feedback, coaching and succession planning into one integrated system aligned with the strategy' (James 2002: 19). The PIU report recommends a 'more joined-up approach to recruitment, development and promotion' (PIU

2001: 1). An integrated model seeks to establish horizontal links between development and a range of other HR interventions that together increase the chance of obtaining the desired outputs for the business (see Figure 2).
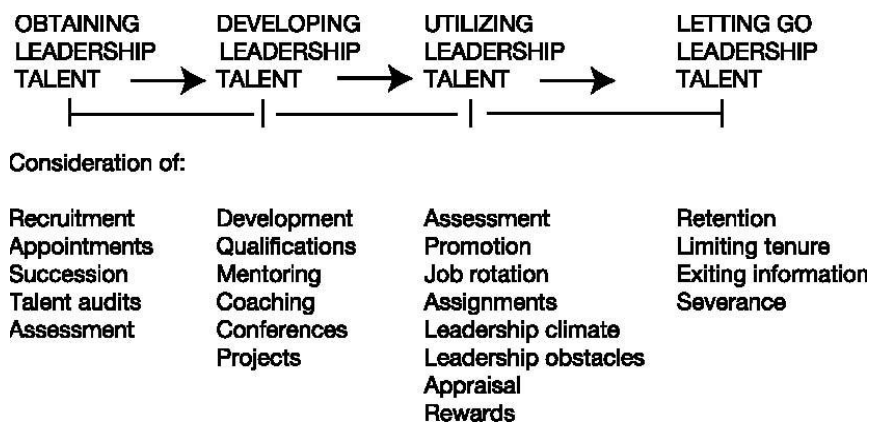
```
OBTAINING          DEVELOPING         UTILIZING          LETTING GO
LEADERSHIP         LEADERSHIP         LEADERSHIP         LEADERSHIP
TALENT   ------>   TALENT   ------>   TALENT   ------>   TALENT
         |------------------|------------------|------------------|

Consideration of:

Recruitment        Development        Assessment         Retention
Appointments       Qualifications     Promotion          Limiting tenure
Succession         Mentoring          Job rotation       Exiting information
Talent audits      Coaching           Assignments        Severance
Assessment         Conferences        Leadership climate
                   Projects           Leadership obstacles
                                      Appraisal
                                      Rewards
```

*Figure 2* Managing leadership along the employment spectrum (Tate 2009a:141)


By contrast, organizations that lack joined-up thinking across HR activities risk:

- developing leaders at considerable expense, then letting them languish in unimportant functions where their talents cannot be used fully;
- structuring the HR function in such a way that one department recruits talent while another selects people for redundancy on the cost criterion rather than ability;
- failing to act upon poor leaders when they become part of the problem rather than part of the solution;
- pouring leadership talent in at one end of the employment pipeline, and then carelessly letting it escape at the other (Tate 2009a: 140).

An integrated approach calls for a structure, culture and licence for those with strategic HR responsibility to have access to relevant decisions affecting recruitment and selection, training and development, career and succession planning, manpower planning, reward and recognition, severance and so on. It also requires a spirit of cooperation rather than competition or a silo mentality between these specialisms.

Development-related issues arise at several places on the employment spectrum – phases in careers that call for optimal HR management. Besides having discrete development inputs at an appropriate career point, related considerations include the following:

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**Questions that are related to managing leadership**

- What leadership talent needs to enter the system?
- How can the most talented leaders be allocated to the most important jobs?
- Should newly developed leaders receive a change of job?
- What criteria are used to assess the effective practice of leadership?
- How is good leadership recognized and rewarded (and bad leadership 'punished')?
- What criteria are used to assess suitability for promotion to senior positions?
- What provision is made for successors?
- How is leadership talent escaping unplanned from the organization?

(Tate 2009a: 140)

---

*Line supervision of development*

If developers are to link their activities more clearly to business purpose and outcomes they need to think strategically about what they do. They cannot do this in isolation. They need access to the employer's agenda – direction, long-term plans, goals, business strategies, problems and opportunities.

One model consists of a dialogue process sponsored by the chief executive. Called *business, organization and management review*, this encourages managers to explore

> … the connections between the business model(s) that will enable the enterprise to succeed in its competitive environment and the distinctive competencies that will support them. [Managers then explore] the gap between performance goals and actual performance and the required characteristics and capabilities of the organization.
>
> (Court *et al.* 2002: 20)

These authors advocate distinguishing between two agendas: sustaining the current business model and developing future business models, each holding distinctive implications for development activities.

Other than in large corporations, sophisticated planning processes like this seem quite rare. The amount of time business leaders spend with their developers may not be sufficient to build a relationship of trust and credibility from which true dialogue can emerge. Developers can find themselves pigeonholed or viewed negatively (Atkinson and Meldrum 1998). They may not be invited to business meetings, may not be expected to understand the business, to ask searching questions about it, or to know what to do with the information. Business leaders may or may not be enlightened about development's potential, and may or may not be skilled at opening up discussion and listening to developers' suggestions. Such leaders often display more *advocacy* than *enquiry* (Senge *et al.* 1994), when more of the latter is required.

In reality, both parties can be comfortable with the ring-fencing that often surrounds developers' activity; this accords with many developers' self-image. For external providers this problem of isolation is exacerbated. The fashion for contracting out aspects of training and development risks widening the gap between organization problem and developer's solution.

An important context in which to foster mutual exploration is when the person with executive responsibility for the development function is appraised by the business leader to whom he or she reports. Some searching questions are shown below. They focus the mind of developers and help the business leader understand the contribution that development can make.

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**For business leaders who oversee development professionals: Questions to ask**

- How do your strategies relate to where the company is currently, and to where it is going?
- What development are we doing which is markedly different from our competitors?
- What values and beliefs about development are driving the service you provide me with?
- What assumptions are you making about how easily off-the-job learning can be applied to the benefit of the business?
- What are you doing to migrate development activity towards actions which are most likely to realize a payoff, to the company and the individuals?

(Extract from Tate 1995: 239)

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*Developing for the unknown*

Whilst there is a danger that development activity is insufficiently related to the business, the opposite may also be true, as we pointed out at the beginning of the chapter. There is a risk of development being too engaged with current issues and supportive of how the business is now, with the risk of maintaining the status quo and the current regime's interests (Hopfl and Dawes 1995). It may also rely on what is currently known or assumed about the likely future. If development activity is to realize its full contribution to the business, it needs to help learners:

- develop their potential as fully as possible in preparation for the unknown and unknowable (their own and the organization's);
- see ways of doing things differently (which their bosses may not yet be in a position to recognize and value).

*Developing for diversity*

For an organization to survive in a complex environment (business, technological, political and social) calls for its internal resources to be equally diverse. This is known as Ashby's Law of Requisite Variety (Tate 2009a), a key concept in systems thinking. Organizations can learn from nature: without such a multi-response capability an organism cannot compete and will die. Only variety can absorb variety. Depth needs complementing with breadth. This helps to understand the risks that organizations take with best-practice competency frameworks used to assess compliance against a model of the ideal manager.

This principle is becoming increasingly important for organizations. Growing complexity means that opportunities and threats are becoming more diverse and rapid. Future challenges are becoming more difficult to predict: 'Old skills and responses may be insufficient to meet them' (James and Burgoyne 2002: 2).

Leaders are inclined to recruit in their own image (Chapman 1991). This may make them feel more comfortable but it can undermine the critical skills available to the organization. A crucial argument for diversity lies in the risk of complacency that may result from similarity and 'groupthink' (Tate 2009a: 119).

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CASE STUDY **DIGITAL EQUIPMENT**

In the 1980s the computer manufacturer Digital was experiencing uncomfortable relationships in its management team in the UK. There was awkward dissent over business strategy from senior managers. So the executive board commissioned a management development programme that had as its express purpose 'to ensure the company's directors are supported'. Shortly thereafter the company hit trouble as it became clear that its business strategy for personal computers was badly flawed (its board thought that there was no market for PCs, believing that most individual managers would not want a PC on their desk). What was needed here, in management development terms, was a 'fresh think' approach that would license managers to challenge the board, rather than a 'group think' approach that would generate compliance.

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The need for divergent thinking leads naturally to the question of appropriate learning processes. The effect of pure training is *convergence* of ability around an external view of best practice, or compliance with some model favoured by the organization, such as a leadership competencies framework. It is assumed to deliver performance against currently known and desired business goals. By contrast, the effect of pure development and education is *divergence*.

This capitalizes on the rich variety of views, ability and values found in humankind and its idiosyncratic nature and unpredictability. Divergence is especially important for innovation since it generates both the freedom and the ability to challenge the status quo.

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CASE STUDY **DROWNING IN BUREAUCRACY**

Systems constrain individuals when attempting to take on a leadership role. In a well-reported case some police officers were prevented by regulations from rescuing a drowning child in shallow water; they could only stand by while they waited for fully trained and equipped fire and rescue service officers to arrive. Several factors explain what is going on here. First, an organization that is risk-averse. Secondly, close radio contact between the uniformed police and the control room about the situation they find themselves in. Thirdly, a bank of controllers whose advice to officers is governed by a manual of standard operating procedures. Fourthly, a perceived risk of a police officer (or spouse) losing compensation rights if injured or killed in an incident while acting in breach of standard operating procedures. And fifthly, a quasi-military structure where the first commandment is that the hierarchy must be preserved.

In strongly hierarchical organizations – as Lawrence Peter (of The Peter Principle fame) put it – "super-competence in an employee is more likely to result in dismissal than promotion, a feature of poor organizations, which cannot handle the disruption. A super-competent employee violates the first commandment" (Peter and Hull, 1969: 47). The deadly combination of factors in the policing system makes it difficult for an otherwise courageous officer to use personal discretion to waive the rules and use initiative. In the public mind this looks like a lack of leadership, but it is the system that is faulty (Tate 2012)

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A careful balance between convergent and divergent learning approaches is needed to manage both today and tomorrow. The precise balance, and who needs which when, depends on the business agenda, the form of organization and the operating environment.

### *Developing for today and tomorrow*

It could be said that every manager has two jobs. The first is to do the job (broadly as laid down in a job description). With this hat on they are managing within the prevailing paradigm, accepting its boundaries and norms, not rocking the boat, and not prompting change that would jeopardise today's delivery deadlines.

The second job is to change the first. A manager has this other responsibility for asking him/herself and colleagues some challenging questions about the job. Does it still need to be done? Who is best placed to do it? Is there a better way of doing it? The second job effectively challenges the prevailing paradigm: 'Why are we continuing to do what we are continuing to do the way we are continuing to do it?'.

The organization may not welcome such questions, but there are times when this provocative aspect of leadership is needed in order to safeguard the organization's future. The aim is to ensure that tomorrow works better than today (Tate 2009a: 42, 215-218). The second job is an improvement function; as such it draws on qualities that people associate with leadership because it confronts the status quo. In extremis, the organization may benefit from (though not encourage) the individual choosing to step outside their job boundary to challenge something more fundamental about the leadership culture.

A word of caution: while it is valid to aim for improvement, such a result may not be self-evident or to everyone's taste. Attempts at improvement may even make things worse, or worse for some while better for others. What is important is that the culture should make it sufficiently safe for managers to express ideas about how things could be changed for the

better, and to have appropriate freedom to make things happen.

### *Developers walk a tightrope*

Developers can find themselves walking a tightrope. On the one hand they risk being accused of colluding with their charges in subverting what they collectively perceive as dysfunctional behaviour and control processes in the organization. On the other hand, if they accept things as they are they may insufficiently help the organization raise itself to a higher level. Gosling and Ashton describe this dilemma:

> … directors of courses find themselves in the midst of conflict … when, on the one hand, they assert a traditional professional dedication to the development of each student, but, on the other hand, reassure sponsors that their delegates will make continuing contributions to the corporation. In effect, such reassurances indicate that there will be no change in the dominant dependent relationship.
>
> (Gosling and Ashton 1994: 271)

An antidote to this lies in the relationship between developers and those to whom they are accountable. Some developers claim that they best serve the long-term interests of the business by being a catalyst for organizational (and social) change. This may call for 'a role in undermining the assumptions and values that create the rules of the game' (Clarke 1999: 47). Dialogue based on a relationship of trust and embodied in a three-way learning contract (between sponsor, developer and learner) can bring out into the open and help resolve problems caused by conflicting roles, values and loyalties.

### *Transfer of learning*

Linking development to business is assisted by using learning material that is clearly relevant to the business and directly impacts on learners' jobs. These criteria are frequently unmet. Developers often choose the convenience and apparent cost- and time-effectiveness of generic materials (such as old but well-researched case studies) rather than using material based on the current organizational context and the preoccupations and needs of their learners. They frequently place learning efficiency (a teaching/input consideration) ahead of learning effectiveness (an application/output/outcome consideration).

Alternatively, they may deliberately offer appealing experiences that are significantly different from work and psychologically 'safe'. These include personal growth and team development through outdoor challenges, and exploring the leadership styles of others, such as Shakespearean characters. All such methods leave learners to find their own ways of transferring their learning back into their real work lives.

The consequence is that the further the materials and experiences are from the actuality, the greater is the gulf to be bridged. Mole argues forcibly that 'it is the issue of training transfer which gives the ultimate lie to genre training as an effective method of management development and places it in its rightful domain, management entertainment' (Mole 1996: 13). He offers some tests. These include the question of the resemblance between the learning experience and the work, the familiarity of trainers with the work (job, organization and industry), and the nature of the involvement of the learner's management before and after training.

There is a further dimension to the 'reality' issue. Using company-specific material because of its direct relevance to real work issues assumes that all the learners may come from the same unit. This strengthens collegiate support for behaviour changes back at work. Yet the impact of learning with and from strangers, and even other sectors, with different goals, backgrounds,

circumstances and worldviews can be a powerful experience.

The case for greater proximity is not all one way. However, in respect of the favourable transfer of learning to work, the greater the face validity of the learning, the better the prospects appear to be. The options facing developers in choosing a learning experience are shown on the continuum set out in Figure 3.

Whilst the use of abstract learning material may be difficult for learners to relate to, as well as generating a transfer problem, the use of real learning material (i.e. the company's own current issues) is open to misuse. The British Bakeries example shows how 'reality' is a matter of degree.

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CASE STUDY **BRITISH BAKERIES**

British Bakeries used to train its heads of departments in the skills of developing strategies for their own functional areas. Learning as a team under the expert guidance of business educators, they had to produce a radical business strategy for the whole company. They were then required to present their new business strategy to their board of directors. The learning was a rich experience for the managers and the resulting strategy was of high quality. Having worked on and off for several months, the managers became very attached to their strategy and considered it superior to their board's. They were then shocked when the board politely listened but then did nothing with their strategy, correctly reminding the 'learners' that it was no more than a learning exercise (i.e. position 3, 'potentially real' on the continuum in Figure 15.3) because that was the deal they had struck with the developers.
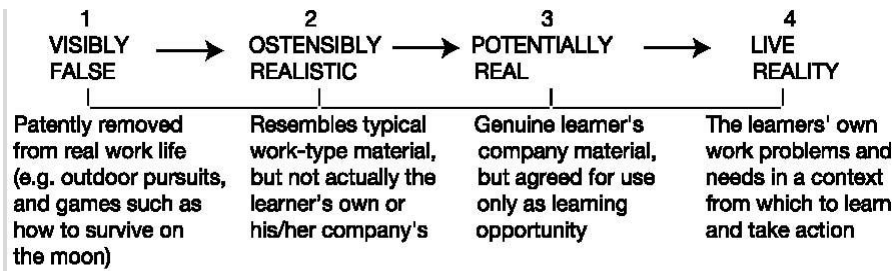
(Extract from Tate 2009a: 138)

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| 1 | 2 | 3 | 4 |
|---|---|---|---|
| VISIBLY FALSE | OSTENSIBLY REALISTIC | POTENTIALLY REAL | LIVE REALITY |
| Patently removed from real work life (e.g. outdoor pursuits, and games such as how to survive on the moon) | Resembles typical work-type material, but not actually the learner's own or his/her company's | Genuine learner's company material, but agreed for use only as learning opportunity | The learners' own work problems and needs in a context from which to learn and take action |

*Figure 15.3* False–real learning material continuum
*Source*: Tate (1995a).

Figure 3  False-real learning material continuum

The problem with British Bakeries arose because the learners experienced the chosen material as 'live reality' (position 4 on the continuum). However, the sponsor and developers had decided that, despite its 'reality', the exercise was for learning purposes only (position 3). Reflect for a moment: how could the board directors realistically have been expected to admit that their subordinates' business strategy might be superior to their own? The contract between the parties was flawed: it dangerously raised the learners' expectations. An example of how to overcome the problem is offered by British Airways.

> CASE STUDY **BRITISH AIRWAYS**
>
> The airline designed a management development programme aimed directly at the real business. It got its senior management, again learning off the job in teams and under expert tuition, to examine the changing nature of the competition. The managers learned the techniques and skills of competitor analysis by working on current material about Air France, Lufthansa, KLM, etc. They not only acquired new skills that they could use in the future, but took away with them completed up-to-date competitor analyses which they could immediately use back at work.
>   Besides shortcutting the learning transfer problem, note how this is a rare example of level 4 on the scale of individual, collective, organization, business.

The Level 3 systemic leadership approach described earlier brings teams of managers together in a way that is, at the same time, developmental for the managers themselves. Day (2001) suggests that instead of starting with individuals as the unit of analysis for leadership development programmes, and then attempting to translate their individual learning into changes in performance within their parent organizations, it may be more effective to start with an organizational or inter-organizational network as the unit of analysis, and to aim to develop the whole leadership team as a working unit (Bennington and Hartley, 2009). Brown draws on best practice cases in advising that:

> Effective leadership development requires a systems approach combining formal training, on-the-job coaching, and developmental assignments in a mutually reinforcing way. This is achieved by closely linking leadership development to organizational culture and business goals … Individuals and organizations find that the line between work and learning is becoming blurred. Learning is part of getting work done; it is both an input and an output.
> (Brown 1999–2000: 13)

As a broad generalization, learning appears most likely to be effective in realizing changed action in the workplace if it does the following:

- takes place with colleagues rather than strangers;
- develops collective capability;
- focuses on the organization and business, not just the individual's ability;
- integrates with complementary action that is designed to improve related system variables;
- makes use of real material rather than abstract/generic examples.

<div align="right">(Tate 2009a: 134)</div>

There are times when exceptions to the above are necessary and indeed desirable. The executive coaching model doesn't satisfy all the above criteria (the executive is not normally learning alongside colleagues) but is still able to bring learning and business into closer proximity.

Whichever learning approach is used, it is important to have a clear understanding between all the parties about the nature of the learning experience and its relationship to workplace reality and to the organization's needs. If individual 'leader' development is decided upon, the box below summarises the various levers that can help make it more strategically inclined and more likely to have an outcome useful for the business as well as for the individual.

---

**How developers can make individual development more effective**

1. Ask yourself 'What are the needs and interests of the business, and whose needs are being met?'
2. Try to choose material as content for learning that is clearly related to what is happening in the leaders' lives.
3. Try not to leave development activity entirely to HR to do its own thing.
4. Remember that leadership only finds its true meaning when it is connected. It is relational.
5. Consider any collective leadership implications.
6. Bear in mind the need to convert can-do to do-do via allowed-to-do and want-to do.
7. If you are developing the 'fish', find out what is going on in the 'fishtank'. Does the water need your attention?
8. Consider how the development activity is connected vertically and horizontally in the organization.
9. Make sure you have a transparent contract with all relevant parties.
10. Set up a process by which the relevant parties can properly and practically be held to account for the development process and outcomes.

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## Conclusion

Not all development is undertaken with the employer as the explicit client and with the intention of achieving organization-level improvement and change. But development that is designed from this perspective is likely to be better served if a number of principles are observed. Key among these is regarding development as just one improvement method with a clear business-related purpose in mind, undertaken in conjunction with other reinforcing activity. This calls for organization development (OD) methods to be used alongside management development (MD) ones.

Supporting this is the placing of the output (applied leadership practice) ahead of the input (developing capability). A concern to ensure that leadership is practised should not be limited to what has been newly learned on development programmes, but should include the kind of leadership behaviour and outcomes that the employer expects of managers in leadership roles.

This recognises that leadership sits in a context of the enterprise's effective governance. Managers and their leadership activity need to be held to account in a practical and robust manner, but they also have a role to play in holding others' leadership similarly to account (Tate 2013: 32-33).

That requires recognizing the organization as a system and managing leadership as one of its prime resources. At one level, leaders need to be able to see and understand the system and their relationship to it and their responsibility for it. At a deeper level of reflexivity managers should aspire to seeing and understanding the process of leadership itself as a system to be managed (Tate 2013: 3-4). Where systems become stuck, organization development is one of the resources that should be available to help unstick them.

Since leadership gains its meaning in relationships, managers' meaningful connections exist both with organization variables (e.g. policies, structure, protocols, hierarchy, incentives, etc.) and with people including other leaders and followers.

All this necessitates and legitimizes interventions aimed at the system as well as at the person. It means optimizing existing leadership talent and avoiding waste, as well as enhancing further levels of talent through development processes. To achieve that calls for cooperation and coordination between HR specialists involved at all points on the employment spectrum.

Designing appropriate learning calls for political and practical judgements that focus on what will be relevant and can and will be supported and used. It means tackling the thorny issue of an explicit or implicit contract between the parties as a way of managing expectations and building open relationships.

With the aim of making developers' activities more directly serve their business's needs and deliver business outcomes, the box below offers a framework. It will help them challenge their own assumptions, and plan how to modify their relationships and practices with their various stakeholders.

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**Decision-making structure for strengthening development links with business: questions for developers to ask themselves**

1    Stakeholders
•    Who are my key stakeholders? Who impacts on my work? Who is impacted by my work?
•    How am I held to account? By whom?
•    What duty do I owe to my organization sponsor?
•    What duty do I owe to learners in my charge?
•    How clear is my contract with the various parties?

2    Business know-how
•    What more should I know about the current and future business?
•    What is changing about what managers should learn?
•    How can I find out more about the chief executive's preoccupations?
•    How can I build a better relationship between development and business leaders?

3    Horizontal integration
•    How can development professionals work more closely with other HR specialists?
•    How can development activity reinforce, and be reinforced by, other employment

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levers?

4 Organization development
• How can the leadership and management culture be improved?
• How can the management hierarchy work more effectively?
• How can I help to remove obstacles in the path of learners?

5 Needs analysis
• What are the organization's needs for improved leadership and management?
• Which of these needs are best met by development activity? And which by other forms of

    improvement?
• Where is leadership and management talent leaking away? How can the loss be stemmed?
• What are the main gaps in the organization that development activity can help plug?
• If leadership and management are regarded as resources not to be squandered, how well are they being managed?
• How can I surround managers and leaders with all ingredients necessary to get 'the painting, not the artist'?

6 Balance
• What balance do I seek between training to solve short-term known needs and sustain the

    current business, and developing talent for future unspecified needs and tomorrow's business model?
• How much time relatively do I spend developing individuals, teams and groups, the organization as a system, the business entity?

7 Systemic
• How can I improve my understanding and expertise in 'systems thinking' and complexity theory and apply this to OD and leadership?
• How can I gain a remit and access into the systemic domain?

8 Transfer of learning
• How wide is the gap between learning and action?
• How can my design of learning interventions minimize that gap?
• How can I and others help learners bridge that gap?

9 Evaluation model
• How can I focus more on 'Are learners doing anything different?' and 'Is the business benefiting?', than 'Did they enjoy it?' and 'Did they learn anything?'

10 The developer's private conscience
• How much do I really care about the business as long as I help individual managers learn?
    How much do I care about how well the organization works as a system to deliver leadership?
• How much do I want to develop managers to undermine rather than support their bosses?
• What risks do I fear in attempting to more closely meet the business's needs?
• How much do I want to be left with a free hand even though it might not be healthy for

| the organization? |
| --- |

## Chapter summary

1. The important question of whether and how development interventions should relate to the host business's needs and organizational context should be seriously considered and analysed. Generic approaches are often favoured by developers and employers, mostly for reasons of convenience, raising misgivings about the transferability of learning to managers' jobs in the real world.
2. Gaining an understanding of what leadership means for the organization and what it needs enables it to *pull* appropriate development to itself, rather than being vulnerable to development providers who *push* their commercial offerings onto prospective clients. The result is a better match between supply and demand.
3. There are many means of providing links between development and an organization. Vertical links may connect individuals through their jobs to planned change and the business's future. Horizontal links may align the various HR levers so that they act together to improve leadership as a well-managed resource.
4. Managers' jobs can be developed to include an explicit improvement role aimed at ensuring that a focus is maintained on safeguarding tomorrow as well as delivering today.
5. Thinking about leadership improvement as well as development opens the mind to a wider range of activity. Ultimately, this can take in leadership improvement action that targets the way the whole system works to deliver and make use of leadership, rather than being limited to individuals and enhancing their personal leadership capability.
6. Important though development is as a means, ultimately what matters is the end to which it is put. For this reason, leadership improvement ultimately embraces issues such as ensuring that leadership capability – with or without development enhancement activity – is not blocked or wasted by the organization, and is also monitored and held to account for delivering a well-led business.
7. Leadership can be brought about through a mix of management development (MD) and organization development (OD). While MD concentrates on what lies at the heart of an individual's capability and practice, OD concentrates on what surrounds individuals and affects their opportunities, motivation, behaviour, and performance; i.e. what goes on between and around individuals and between them and the system of which they are a part.
8. Organizations are complex social systems, the workings of which have been illuminated by the new sciences of systems thinking and complexity theory. Both management development and organization development gain strength when allied to these ways of understanding how organizations work as whole systems, and how such interventions can be optimised.

## Questions for discussion

1. What are the key differences between leader development and leadership improvement?
2. What does it mean to conceive of leadership as a system resource?
3. What practical steps can clients and providers who are planning leadership improvement take in order to ensure a sound link with desired business outcomes?
4. What would it take to allow the kind of changes in approach advocated in this chapter to

happen in reality?

5. What are some examples of ways in which leadership development activity is being seen differently as a result of a modern-day understanding of organizations as complex social systems?

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William Tate

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