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Most companies make big investments in leadership development, rolling out intensive internal programs for high potentials, sending key leaders off to expensive executive education programs, or hiring personal coaches for those moving into key positions at the top of the company. But in our experience, this traditional approach to leadership development doesn't serve the needs of companies anymore. Business is moving too fast.

Our experience suggests that an overhaul in leadership development is not only possible, it's necessary to stay competitive. What works instead? We find that the most forward-thinking companies are identifying and growing leaders *in the midst* of pursuing critical business objectives, as opposed to sending them off to far-flung educational programs and hoping they return with “big” insights about themselves and the world.

Here's what we've learned from three pioneering companies about how to identify, grow and retain leaders to meet today's demands:

Identify: Let them innovate

To identify leaders, start by looking for people who care deeply. Barclays Bank PLC and The Walt Disney Company EMEA are great examples. Both seek to create an environment where employees can pursue innovative business offerings to address problems that are personally meaningful.

Barclays and Disney run Social Intrapreneur Challenges – internal venture teams – across the world. Employees are invited to propose ideas for new products and services that have a business case and promise to make a positive impact on society. Hundreds of employees (the majority of them millennials) have applied in the two companies. In each case, a subset is selected to join an intrapreneurial version of a start-up accelerator. Participants work full-time on their day-jobs, but over a 6-month period they attend workshops and get expert coaching on how to develop their proposition. Time and money are limited so participants learn to enlist peers and even bosses as volunteers. They use the internet and social networks to unearth best practices, often in other industries and sectors. They pitch back to senior leadership, who then decide if the idea should be “taken off the side of desk” of the intrapreneur and awarded funding and resources to progress.

Mark Thain, Director of Social Innovation at Barclays, said: “Barclays has run such programs since 2013 and committed several million dollars to new products, services, and even a new line of business, surfacing hundreds of intrapreneurs in the process.”

And as Francois Masson, Vice President of HR for Disney EMEA, notes: “This is about business outcomes but it's also about ‘learning-by-doing’ and creating a new breed of talent who is resourceful, versatile, purpose-driven, and stretch beyond their comfort zones.”

Develop: Let them improvise

You don't need a new set of leadership competencies to develop leaders. It's about giving men and women who've already mastered convention the room (and, in some cases, the courage) to improvise.

Take Unilever's “UL2020”. CEO Paul Polman, an advocate of purpose-driven leadership, launched the program in 2013 in order to grow leaders who would thrive in a world of constant turbulence and

change. To his mind, men and women with a good self-understanding and a high regard for followers would prove resilient and open to learning and growing throughout their careers. These qualities would hold them, and Unilever, in good stead for the years ahead. Moreover, he believed that the crucible for improvisation ought to involve tackling Unilever's biggest challenges, like doubling the size of the business while simultaneously reducing the company's environmental footprint and increasing its positive social impact.

UL2020 enlisted managers in teams of 5 to take on big business challenges that not only had the potential to generate breakthrough results, but that would also dare them to learn new things about themselves as leaders. Participants were challenged to ask: "How can I use my company to make the world better? And, how can I enlist my purpose and those of my teammates to achieve growth and alleviate pressing societal and environmental problems?"

Teams armed with powerful tools (like systemic dynamics, mindfulness and design thinking) set about tackling problems as diverse as how to grow millions of micro-entrepreneurs, how to devise new models of city-based marketing and distribution, how to combat water scarcity, and how to empower women small business owners. Worthwhile business objectives, certainly, but what turned out to be more powerful were the collective efforts at improvisation that those crucibles spawned. For example, one team applied lessons from Unilever's Shakti program in India to the challenge of creating jobs for the underemployed in southern Europe.

By creating compelling narratives to accompany their projects and undeniable personal enthusiasm, the teams successfully enlisted hundreds of other Unilever employees as willing allies and supporters. The results, while proprietary, have nonetheless been substantial. Millions of dollars in new revenue have been generated in less than three years. This not only helped Unilever attack some of its biggest business challenges, but equally important, while doing this work, individuals on these teams experienced a huge surge of growth and renewed vigor for their work. Participants, their supervisors, and direct reports attested to durable changes in behavior and attitude of these leaders. Each leader, as one put it, "Learned more about myself as a leader ... and what it takes to enlist other people's energy ... than I had in 20 years of grinding on the numbers alone."

Retain: Let them actually lead

Companies like Barclays, Disney and Unilever discover a counter-intuitive insight as they grow leaders: when you make targeted investments such as the ones described above, where people are being developed while working on projects of their choosing that create new value for the company, the people you invest in become simultaneously more valuable in the marketplace and less likely to leave.

Consider Barclays and two examples of intrapreneurs from programs run by the bank in 2013 and 2015. In 2013, Damian Payiatakis, a Vice President within the Wealth Management business in London, attended the first Intrapreneur Lab to work on an idea around impact investing. Two years

later, Damian is now Director of Impact Investing, and leading the development of the offering to enable Barclays' clients to make investments that seek social and environmental impact alongside financial returns.

Damian is the first to state that this will be the result of many people's efforts and support, but as a lead driver, his personal dedication and desire have been key in it coming to fruition. In those two years, the bank saw extensive reorganization but Damian stayed because, "I had invested so much time and energy into building the momentum here at Barclays...at another bank I would have had to start all over again. I wanted the opportunity to build a new business I was so passionate about. The prospect of a just another strategy role elsewhere would have never made me as excited."

In 2015, Tom Manuel and Ben Harper, both in their early twenties and part of the graduate intake of trainees, supported the development of a banking proposition specifically designed to meet the needs of the Armed Forces and their families. In the process, Tom and Ben developed a skill-set that set them apart from their colleagues and were offered more senior roles in the team tasked with taking the proposition to market. In an environment where talent such as theirs is in high demand, they were given an opportunity to finish what they started, and they took it.

By providing a platform for employees to fulfill their individual potential by finding profitable solutions to big problems they care about, Barclays developed leaders from within and retained them. And Damian, Tom and Ben's abilities to innovate and improvise with integrity continue to develop and benefit the bank, its customers and wider stakeholders.

Each company has found a way to identify and nurture a cohort of entrepreneurial, intrinsically-motivated, purpose-driven employees who know how to get things done within the organization and push it into realms where it gets better at solving big problems profitably. Based on what we've seen over many years of work with companies, methods like these are far superior to traditional leadership development programs for generating leaders who can lead in the world as it is today. You don't have time to waste – and neither do your future leaders.

Milan Samani is a partner at innovation consulting firm TIL Ventures and founder of The Intrapreneur Lab, an intrapreneurial accelerator through which large companies drive innovative internal ventures and develop their talent.

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