

Methods

Breaking the rules

How the Accelerated Learning Laboratory is speeding up the transformation of high potentials into capable leaders

Few companies can still afford the luxury of spending ten years nurturing their high potentials until they finally emerge from the development process as experienced corporate leaders. In pursuit of new executive education solutions, scientists, management education institutions and commercial partners in Australia have joined forces to revolutionize management training.

by Michael Hawker, Ashley Stephenson and Robert Wood

IN SUCCESSFUL ORGANIZATIONS, growth is often constrained by the limited availability of human capital for leadership positions. The demands for performance often mean that there is insufficient time or opportunity to identify and grow enough people. Flatter structures provide fewer development opportunities and less support for those activities. External hires and rapid promotions of younger, less experienced executives are often inadequate responses to this shortfall. The limited experience of these younger managers means that they have only incomplete mental models with which to master the challenges that confront them. Unexpected events can become crises and the only means they have of coping is to revert to less proven rules and habits.



PHOTO: MARTIN POOLE/THE IMAGE BANK/GETTYIMAGES

The basic idea behind the Accelerated Learning Laboratory is to provide the equivalent of ten years of leadership learning and experience within a condensed five-year period.

There is strong evidence that it takes ten years of guided experience to reach the level of expert recognition and response skills needed to perform complex and dynamic tasks. This ten-year rule also applies to a range of complex tasks, such as mastering the game of chess, learning to fly a jet fighter or competing in top-level sports. In order to survive in the global competitive arena, corporate leaders today need the full tool-box of skills; skills that extend well beyond plain functional expertise. These include values-driven leadership, respect for ethics and governance, cross-cultural understanding, managing virtual and/or remote teams, tolerance and acceptance of ambiguity and sustainable business practices.

Effective leaders of complex and dynamic businesses need more and better-organized knowledge than their competitors, plus the execution skills and self-awareness to mobilize themselves and others to provide sustained effort on the right actions in order to deliver results.

Another essential general leadership skill is flexible expertise. This includes flexibility in the application and communication of knowledge for use in different situations, and is critical for leadership on dynamic, complex problems that require analysis from multiple perspectives.

Finally, leaders need a clear sense of who they are and what they stand for. Discussions of leadership often focus on values, which are just another form of knowledge. A leader's knowledge of his or her values and other aspects of their self-concept provides the foundations for moral judgements, self-insight and wisdom.

The deficits of current development techniques

In the past, companies tried to assess people's leadership potential based on personal characteristics, or relied on experience and formal training to prepare managers for leadership roles. Current leadership development techniques have several important deficits. The natural acquisition of experience, which does combine knowledge development with the learning of execution skills, is too

slow, too full of distractions and too disorganized for reliable development of the required knowledge and skills in a large pool of potential future leaders.

Training of leaders is also constrained by the limitations of existing models of leadership. Descriptions of leadership rarely take account of the teachings of cognitive psychology. Many approaches to leadership training do not link leadership behaviour to the knowledge of how to perform tasks such as managing a business unit or launching a new product.

In actual practice, these fundamental deficits are joined by others on a case-by-case basis: Formal training in its lecture- and theory-based forms may include outdated case-study material and models that lack current relevancy for an ever-changing business environment. On-the-job training may not lend itself to taking risks, when making one mistake can damage a career. Personality and aptitude assessments are fairly static and fail to factor in situational and contextual factors, such as different settings, tasks and people.

Teaching cognitive flexibility

Last year, all of these findings and the desire to prepare future leaders for their roles faster and more comprehensively led to the establishment of the Accelerated Learning Laboratory (ALL) at the Australian Graduate School of Management (AGSM). ALL is a collaborative venture between AGSM and the School of Psychology at the University of Sydney and seven commercial partners: Insurance Australia Group Ltd. (IAG), ANZ Bank, Brambles, Qantas, Macquarie Bank, Egon Zehnder International and Booz Allen Hamilton. The basic idea behind the ALL and its primary goal is to provide the equivalent of ten years of leadership learning and experience within a condensed five-year period through accelerated learning and development. A team led by Professor Robert Wood developed the structure and program of the ALL. The connection with the University of Sydney provides access to cognitive psychologists with a deep understanding of learning processes and a source

of support for the design of the ALL's accelerated learning methods.

The ALL now delivers a blended learning approach to leadership development by providing formal and informal learning, and integrating offline and online delivery methods to enhance the participants' experience and engagement in learning while achieving business and personal objectives. The teaching is done through a range of integrated learning and assessment techniques that are applied in the classroom and back on the job. These include working on simulations of management challenges under a range of different conditions; role plays and coaching exercises to develop execution skills; language development and coaching exercises; personal projects; and assessment, feedback and action planning for development.

There are several key differences between the ALL's approach and those of classical business schools. First, leadership development is based on knowledge for specific managerial challenges, and so the learning process is not split into the disciplinary silos that are evident in many other programs. Second, the approach is inductive and builds up knowledge and skills using simulated experiences before introducing the frameworks and models that enable managers to generalize that knowledge.

Appraisal, feedback, action

The ALL program takes a developmental approach. All assessments are based on dynamic appraisals, followed by feedback and action-planning sessions. This enables participants to define clear strategies for on-the-job development. Assessment and feedback sessions are conducted annually to track progress.

One assessment program is known as "experience-sampling interventions." For example, over a three-week period, managers at work receive sporadic messages requiring them to log on and complete a five-minute questionnaire that assesses a range of factors: What were they doing in the last hour? With how many people were they working? What task were they working on? How



stressful was it? Were they personally accountable? The managers' behavioral and emotional responses are evaluated, allowing ALL staff to build up a profile of behavioral reactions. Unlike the typical average trait scores provided by traditional personality assessments, the data show how behavior varies across situations. For example, managers may display more negative emotion or experience when working with a particular staff member or when deadlines are tight. The detailed per-

Learning in the ALL incorporates knowledge, skills and self-awareness, or in other words the whole person, and not single sets of skills or fragments of knowledge.

son-by-situation profiles can then be used to target interventions that take account of the situations in which the individual managers work. Our early research – supported by findings from a range of studies – shows that, by using simulations and then linking them to a variety of other learning methods, one can accelerate skill development for specific tasks through the systematic development of richer, more complex mental models and linking the required execution skills to that knowledge. Learning in the ALL incorporates knowledge, skills and self-awareness, or in other words the whole person, and not single sets of skills or fragments of knowledge.

The ALL allows its commercial partners to customize the program – particularly the online simulations and coaching – in order to create an experience that addresses critical industry- and company-specific challenges and develop the leadership capabilities needed.

The online simulations for IAG managers, for example, are developed to model critical IAG business challenges in a safe learning environment with real-time online feedback and coaching. In addition, the participants' results – the decisions they make during the online simulations – are recorded, which allows for ongoing debriefs and coaching after the event.

A sustainable pipeline of leaders

The expected acceleration of development will provide IAG with a sustainable pipeline of leaders earlier than would have been possible in the past. This is sure to support the company's future growth aspirations and success in a globally shrinking talent pool. For IAG, the anticipated long-term benefits include an improved ability to identify and develop the types of business expertise and strategic thinking skills required for future leaders. Secondly, a closing of the development gap at the emerging high-potential/high-performance leadership level. Thirdly, better retention and progression of talented potential leaders. And finally – and crucially – increased numbers in the capability pipeline for senior leadership roles.



THE AUTHORS

MICHAEL HAWKER was appointed Managing Director and CEO of Insurance Australia Group (IAG) in December 2001. His previous positions include Group Executive at Westpac Banking Corp., Executive Director of Citibank International in Europe, and Deputy Managing Director of Citibank Ltd. in Australia. Hawker was listed by Euromoney as one of the top 50 bankers under the age of 40, and ranked among the Australian Financial Review's True Leaders in 2004 and 2005.

ASHLEY STEPHENSON is a partner in the Sydney office of Egon Zehnder International. He joined the firm in 1995. His consulting work includes a range of assignments in resources and financial services. He is also Regional Head of the Human Resources Consulting Group and co-leads the Global Management Appraisal Practice.

ROBERT WOOD is a professor at the University of New South Wales, Australia, and faculty representative at the Board of the Australian Graduate School of Management (AGSM). He has been responsible for the design, development and delivery of several company-wide, competency-based education programs for senior managers in Australian and overseas corporations. His research focuses on how motivational and cognitive processes interact to influence performance on complex managerial tasks.