

# A Cross-Functional, Cross-Organizational Model for Leadership Development

*Lacey Leone McLaughlin and Ian Ziskin*

Imagine a world where leadership becomes both an individual and an organizational capability, where great leaders and leadership actually make a difference to business performance. Organizations and entire societies have been working toward this aspiration for hundreds and perhaps thousands of years. It's a great vision, but as many leaders have said, "There is a fine line between vision and hallucination."

So are we kidding ourselves, or do we really have a chance to get significant traction on building leaders who are relevant to and ready for the kind of world they are going to inherit over the next five to ten years? What will they need to know, do, ask, and answer to lead with the courage and confidence required to make things happen? How will they need to think about and act on the challenges and opportunities facing tomorrow's organizations?

## **NECESSARY LEADERSHIP CAPABILITIES NOW AND FOR THE FUTURE**

We need to develop leaders who have broad skills and vision and are savvy enough to step into bigger and increasingly complex jobs—where the landscape of work, the workplace, and the workforce are radically changing. Notable changes include the democratization of work; the exponential rate of technological change; the accelerating pace of everything,

accompanied by increased uncertainty and the related need for "agility ability"; more virtual and globally distributed work and teams; the erosion of the traditional employment model as it gives way to bite-sized, freelanced, project-based, shorter-term gigs.

*We need to develop leaders who have broad skills and vision and are savvy enough to step into bigger and increasingly complex jobs—where the landscape of work, the workplace, and the workforce are radically changing.*

Leadership-development professionals will be called on to deliver strategies that better integrate agility, business context and environment, change, culture, innovation, leadership, networked organizations and communities, talent, and transformation—these are the organizational capabilities that are essential ingredients for current and future business success. And we will be challenged to address one of the most vexing problems facing most organizations—developing a robust pipeline of leaders who are ready to step into the increasingly complex roles that must be mastered if our organizations are to grow and perform when the world around us is being turned completely upside down and outside in.

When we overlay these and other emerging trends against the lessons learned since the 2008 economic downturn, a hairy and

scary picture begins to emerge. Budget cuts, layoffs, reorganizations, and creative ways to streamline or eliminate work—although important short-term survival tactics, to be sure—did absolutely nothing to improve the quality or number of leaders who will be required to face the future head on and to transform organizations as they recover from the economic downturn, grow, globalize, and change the world. We continue to learn the hard way that we cannot shrink or restructure our way to leadership greatness. We must continue to invest creatively and non-traditionally—and more aggressively, not less. So what to do?

## LEADERSHIP INSIGHTS

Given our roles as business executives, coaches, and consultants who have a passion for developing leaders, it was concerning and disappointing to see organizations cut traditional learning initiatives when the economic downturn hit in 2008. Most organizations were forced to make drastic cuts across the board, including programs that were driving the kind of impact all learning professionals want to see. The downturn had forced leaders to endure a drought of five to six years in which investments in their development were being severely curtailed. As the economy slowly started to recover, however, organizations began to think about ways to reengage in the development of their leaders. They began to realize that developing their leaders is a way to grow the business and develop and retain employees who were pivotal in keeping the business alive during the downturn. As a result, HR and leadership-development professionals have started to redefine what the outcomes of development programs should be and how to do more with so much less.

*HR and leadership-development professionals have started to redefine what the outcomes of development programs should be and how to do more with so much less.*

As we observed how organizations were responding to the economic downturn, we began to think about creative things we could do to help them confront the realities of the economic downturn, while simultaneously rethinking how the power of leadership development could better position them and their leaders for the realities we described above.

## Moving Away from Traditional Development Programs

We knew we needed to help leaders focus more on how business actually gets done and less on traditional leadership models. Leadership development can no longer be about abstract concepts and “what ifs.” If leaders are stepping away from the business for even one day, they must come back equipped to do things more effectively right out of the gate.

Organizations want and need to focus on delivering business results in the dynamic, fast-paced, ever-changing business climate of today—and, more importantly, tomorrow. Companies need their leaders to understand what is happening in the world around them and what it means for the work they are doing. However, it seems that while HR executives know they cannot continue to approach leadership development the way they have in the past, they don’t quite know yet what it should look like moving forward. Rather than simply understanding and helping organizations to get their arms around their current challenges, we wanted to be part of the solution that would be relevant

for evolving future business challenges and issues.

## Looking beyond Organizational Boundaries

With these observations as our foundation, we began to work with organizations to create a leadership-development experience that forces leaders to look up, out, and across. Knowledge of the external world is much more critical in today's business environment than it has been in the past. Most organizational challenges are multidisciplinary, cross-company, cross-functional, and outside traditional organizational boundaries. A broader perspective that includes knowledge of the world beyond one's own company or industry is essential for agility, speed, and the ability to think broadly and execute practical solutions.

*A broader perspective that includes knowledge of the world beyond one's own company or industry is essential for agility, speed, and the ability to think broadly and execute practical solutions.*

Given the pace of business today and the potentially catastrophic consequences for moving too slowly or in the wrong direction, leaders must be prepared to face these types of challenges before taking on more senior roles. And yet we came to find that many leaders, especially those just below the VP level, know very little about anything outside their own company or industry.

At the same time, organizations have often been reluctant to start from scratch and build new leadership-development approaches designed to meet these new realities. Instead, they typically over-rely on development experiences for their leaders that complement

internal programs and that are already established and funded. They erroneously assume that these internally developed programs are less risky and more business relevant, when in reality they are often too internally focused and misaligned with the company's strategic priorities. In these situations, such leadership-development efforts are not well suited for developing leaders to be ready for and able to address the business complexities and uncertainties they are sure to face over the next ten years.

## LEADERSHIP inSITE DESIGN

Given these concerns, in 2012 we began the work of designing a new multicompany, cross-functional leadership-development experience for high-potential operating and functional leaders that would fulfill the need to turn the traditional leadership-development model upside down, and would build an externally oriented outside-in perspective for program participants. The realities and challenges organizations were facing led us to bring together 11 companies representing many different industries to cocreate a cross-organizational, cross-functional leadership-development experience.

In a highly collaborative design process, we spent two days and ultimately many months, working with the heads of leadership development from each participating company to codesign a holistic learning experience that is practical, real world, user friendly, and distinctly cost effective. Leadership inSITE™ became the first development experience of its kind for many of the participating companies. It exposes internally focused leaders to the external business environment and to alternative ways of thinking that cut across a wide array of

industries and organizations. And it teaches participants about great leadership, without specifically focusing on leadership competencies—because our participating companies already have leadership-competency models that work well for them.

## Program Focus

Companies said they wanted a way to expand the horizons of their high-potential leaders, to focus on what their role as leaders should be in bringing to life critical organizational capabilities, including strategy, innovation, transformation, and execution (SITE). The power of the experience is in its focus and integration—it does not attempt to be all things to all people. That has become one of our most significant learnings from designing Leadership inSITE™: pick a handful of key leadership-development priorities and build a leadership-development experience to directly address them, and leave fewer central learning priorities for others to address.

*Companies said they wanted a way to expand the horizons of their high-potential leaders, to focus on what their role as leaders should be in bringing to life critical organizational capabilities, including strategy, innovation, transformation, and execution (SITE).*

Based on input from our codesign partners, as well as our own sense of where the greatest value would be delivered, we decided to focus the content and learning process on:

- *Strategy*—so that participants understand the strategic internal business and external global environmental contexts in which they operate, practical ways to apply strategies, and their role as leaders in building competitive advantage.
- *Innovation*—so that participants understand the organizational capabilities that characterize highly innovative and creative organizations, practical ways to apply these capabilities, and their role as leaders in creating and sustaining growth through innovation.
- *Transformation*—so that participants understand the power of agility and transformational change, practical ways to apply these principles, and their role as leaders in championing successful cultural and organizational transitions.
- *Execution*—so that participants understand the value chain by which businesses make money, practical ways to apply this understanding, and their role as leaders in creating business models that drive performance.

The program also exposes participants to multiple perspectives, what we call “Integrating Lenses”: leadership, globalization, growth, customers, and the future. Consistent with our philosophy of leaders teaching leaders, senior executives from participating companies lead discussions, tell stories, share lessons learned, and offer personal wisdom based on successes and failures. World-class external thought leaders from academia and consulting offer special insights into what works and does not work across multiple industries, geographies, and business situations. Participants also learn from one another—through in-the-moment self, peer, and team coaching—which helps to enhance self-reflection based on feedback and learning. In addition, shared insights and best practices through peer coaching and team assignments serve to flesh out action plans

that help drive change once program participants are back home in their day-to-day roles.

## FUTURE TRENDS

Over the past three years, our experience with Leadership inSITE™ has taught us many lessons about leadership development and has evolved our thinking about what organizations are facing as they develop the next generation of leaders. This assessment of the ever-changing leadership-development landscape points to the following trends<sup>1</sup>:

- The “chief organizational capability officer” emerges.
- Outside-in is more important than inside-out.
- Hero leadership gives way to collective leadership.
- Multidisciplinary and cross-functional solutions are the norm.
- Collaboration across boundaries has a multiplier effect.
- Coaching builds muscle memory.
- Mass customization capitalizes on diverse needs and interests.
- Purpose complements performance.
- Bite-sized/on-demand solutions reflect changing workforce expectations.
- “Ready now” gives way to “ready able.”

For purposes of this article, we want to focus on only one of the above trends: “ready now” gives way to “ready able.”

### Stepping in to Meet the Next New Challenge

Perhaps the most significant wake-up call for all leadership-development professionals and the programs they design is that it has become nearly impossible to develop

“ready-now” leaders. Even though talent-review/succession-planning processes are infused with ways to identify and develop successors who are “ready now” to step into the next job, it is becoming increasingly difficult to predict the capabilities and experiences required to be ready now. Things are changing so much so fast, that we no longer really know if leaders are ready now because we do not fully understand what the differences are between now and the fast-approaching future. Rather, we must find and prepare leaders who are “ready able”—able to learn and adapt quickly to ever-changing conditions. It’s all about agility, situational awareness, and the ability to orchestrate internal and external resources.

*Even though talent-review/succession-planning processes are infused with ways to identify and develop successors who are “ready now” to step into the next job, it is becoming increasingly difficult to predict the capabilities and experiences required to be ready now.*

Since the inception of Leadership inSITE™, we have worked with approximately 150 general management, operating, and functional leaders from 25 companies across multiple industries in Australia, Asia, Europe, North America, and South America. The business impact and learning approach delivered through Leadership inSITE™ has been quite encouraging, while only representing the tip of the iceberg regarding what is possible. It has become embedded and integrated into company talent-review processes as a featured external development action for leaders. It has led HR executives to shift the focus of their conversations from internally focused, company-specific development to more externally driven, multidimensional

experiences. And it has caused participating leaders to expect and receive more than just lecture-based classroom learning.

One of the most important outcomes of Leadership inSITE™ is the network and community it creates. Leaders involved in the program regularly comment on the value of peer coaching and shared learning. The learning is intensified by the fact that the leaders are from different companies, industries, functional areas, and geographies.

In the words of one leader, by creating a "safe environment, for different functional areas to challenge one another, [Leadership inSITE™] gives participants the awareness they need to go back to their organizations and question the way things have always been done." Although leaders are coming from different organizations, the business and leadership challenges are very consistent, and the opportunity to share personal experiences and learning with one another allows the leaders to think differently about their approaches, actions, and decisions.

As the cofounders of this program, we are learning right along with the leaders we are developing, and we plan to continue to improve on and grow this leadership-development model. Next steps include interviews with program participants to measure business impact, formalization of an alumni network, even broader and more diverse participation by additional leaders and companies, creation of a sister program specifically for HR leaders, a program focused on millennial leaders (MILEstone), and other partnerships with companies to design programs that drive similar learning and results.

## NOTE

1. Ziskin, I. (2015). Developing the next generation of leaders: Trends and truths about the future of leadership development. HR People & Strategy. Retrieved from <http://hrps.site-ym.com/blogpost/1277488/219073/Developing-the-Next-Generation-of-Leaders-Trends-and-Truths-about-the-Future-of-Leadership-Development>.

*Lacey Leone McLaughlin is a leadership and talent-management professional and executive coach with extensive experience in helping leaders drive impact through delivering on clearly identified personal and organizational goals. As the director of Executive Education of the Center for Effective Organizations (CEO) at the Marshall School of Business, she focuses on running two lines of business that translate thought leadership into programs, leadership development, and consulting offerings that drive lasting organizational change. In addition to her role at CEO, she has an active consulting practice, LLM Consulting Group, Inc., which focuses on executive coaching, talent management and leadership development. She may be contacted via e-mail at [lacey.leone@marshall.usc.edu](mailto:lacey.leone@marshall.usc.edu). Ian Ziskin is president of EXec EXcel Group LLC, a human capital coaching and consulting firm he founded in 2010 following a highly successful 28-year career as a corporate business executive. He serves on the board of directors of Axion Health and Humantelligence. He is on the advisory board of RiseSmart and is an executive in residence with the Center for Effective Organizations (CEO) at USC's Marshall School of Business (Los Angeles, CA) and Executive Networks, Inc.*

*(San Francisco, CA). He has written two books, THREE: The Human Resources Emerging Executive (Wiley, 2015) and WillBe: 13 Reasons WillBe's are Luckier than WannaBe's (self-published, 2011). His global leadership experience includes serving in chief human resource officer and other senior leadership roles with three Fortune 100 corporations: Northrop Grumman, Qwest Communications, and TRW. He may be contacted via e-mail at IZiskin@exexgroup.com.*