



people & performance



# Three strategic choices for Leadership Academies

**“The ability to learn faster than your competitors may be the only sustainable competitive advantage.”**

Arie de Geus

This is what Arie de Geus said when he headed Royal Dutch Shell’s Strategic Planning Group: “The ability to learn faster than your competitors may be the only sustainable competitive advantage.”

Arie’s quote is great inspiration for those who are considering, building or reviewing their own Leadership Academies.

The question that Arie’s quote encourages us to ask is, ‘the ability to learn what faster than your competitors?’ What should your Leadership Academies help your leaders to learn, and how do your organisation’s strategic priorities impact the answer to that question?

This is the first of three e-books seeking to answer these questions. No matter what the size of your organisation, the answers are an opportunity to create a ‘line of sight’ between your business strategy and your leadership development investment. Whether you are GE, annually investing in a \$1 billion university to develop your people, or a small-to-medium-sized organisation seeking to maximise your return on investment for next year’s Leadership Development Programme.

At People & Performance, we have over ten years’ experience in the field of leadership development, gained from working with a range of international organisations to implement 15 Leadership Academies and over 100 leadership development programmes, spanning 15 countries.

These organisations come to us because we start with their end in mind.

We understand the results they want, identify what needs to be different to get those results, and provide research-based tools and techniques that their leaders can use tomorrow.

We regularly receive Net Promotor Scores of 9/10, and in this first e-book, we use these experiences to lay out three strategic choices HR Directors and Chief Learning Officers can make to ensure their Leadership Academies, large or small, are supporting the specific learning their organisations need to acquire, if they are to beat their competition.

Part Two will draw on our experiences to lay out the options for executing on those strategic choices, and Part Three will consider the future of learning and how Leadership Academies can leverage these trends to stay current and relevant for their learners.

**Enjoy reading.**



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# Create a 'Line of Sight'

When reviewing or establishing your Leadership Academy, there are three strategic choices you can make, to create a clear 'line of sight' between your business results and your Leadership Academy. These choices are; which business results do you want to impact, which leadership capabilities will drive those results, and what interventions will best develop those leadership capabilities? We use the six questions shown in the diagram when we work with organisations, to help them make the three strategic choices and thereby create their 'line of sight'.

In his article 'The Art of Strategy Is About Knowing When to Say No', Brian Halligan, co-founder of HubSpot, described the power of saying 'No' when successfully shifting his organisation from start-up to scale-up, growing the company by over \$15 million in three years.

It's worth taking a leaf from Brian's book, and making some strategic decisions about what you will say 'yes' to and what you will say 'no' to. Many of our clients start out wanting a very generic approach to their Leadership Academy or a very broad scope for their Leadership Programme. We caution against this 'vanilla' approach as it weakens the 'line of sight' between your learning interventions and your organisation's strategy. Instead, we push for the often difficult choices and trade-offs to be made. It falls to those responsible for Leadership Academies to ensure they understand the strategic priorities for their businesses, to translate those priorities into 'strategic intent' for leaders and to ensure a close fit between that intent and the goals of their learning interventions. The rest of this article describes the three strategic choices in turn, and seeks to help you strengthen your 'line of sight'

## Six Steps to 'Line of Sight'

1	What is the intent behind our key strategic priorities?
2	What is required from our employees, in terms of: Motivation to act? Task performance? Adaptability and learning?
3	What are the critical interactions with their employees, where our leaders should make these strategic priorities come to life?
4	What relevant interactions with employees will our leaders have during the program?
5	What learning do our leaders need, to conduct those interactions successfully?
6	How should we replicate those critical interactions through the program?

## The business results you want to impact

### **This is the ‘why?’ question – why do you want something to change within your organisation?**

In Ed Hess’ book, ‘Learn or Die’, he talks about change requiring adaptation, and adaptation requiring learning. If the very nature of business strategy is change, so the very nature of your Leadership Academy should be to facilitate that required change.

In the article Why Leadership Training Fails (and What to Do About It), Harvard Business School points to the fact that ‘training gains the most traction within highly visible organisational change and development efforts [that are] championed by senior leaders’. The authors go on to explain that this is because the conditions are created that motivate people to learn, enable them to apply that learning and support them in making that learning stick. So what business outcomes need to change within your organisation? What improvements or change in direction does your business strategy demand? This is the ‘intent’ of your business’ strategy and should be your starting point, and is fundamentally different from the more common starting point for Leadership Academies of ‘what should the curriculum be?’

Every organisation’s strategy has a specific ‘intent’ and requires some form of evolution or change. When we help clients to identify the intent behind their own strategies, we differentiate two strategic intents; sustaining the core, and developing new business. For example, one particular client we’ll call Shipping Inc, enjoyed considerable success by delivering their core services very well, with dependability and preciseness in a market where missed deadlines were very costly for their customers.

They needed to sustain this vital part of their business model. However, they also needed to keep up with the rapid globalisation of their market, with more varied demands from their customers and increased competition. So part of Shipping Inc’s strategy included the intent to develop new business across more markets with a distributed leadership approach. If you can identify which one or what combination of these two strategic intents is behind your own strategy, you can be much more targeted in identifying the capabilities that will deliver on those intentions.

So what business outcomes  
need to change within your organisation?  
What improvements or change in direction  
does your business strategy demand?

## The capabilities driving those results

**Our starting point for this strategic choice is employees, not leaders. This is because the intent within every strategy requires employees to start/stop/continue to do something, which in turn can be driven by leadership behaviour.**

What kind of **task performance** do you need, from which employees, in order to make your organisation's strategy a reality? Sales growth? More production capacity? More profitable customer experiences? To make this task performance happen, what **motivation** to act is needed from these employees? And alongside this task performance, what level of **adaptability and learning** do these employees need, to be successful?

We encourage you to consider three types of employee adaptability; handling changes imposed upon them, handling ongoing step-change, and creating agile collective learning. For example, Shipping Inc needed their Operations employees to continually nudge their optimisation forwards. They also needed employees to work with customers in a more agile way – to proactively challenge customers to experiment with new ways of doing

things and facilitate the collective learning from that experimentation.

Understanding these nuances in what capabilities are needed within different parts of your organisation, helps you identify what specific capabilities those groups' leaders need to engage, motivate and develop their people to deliver the needed task performance, with the right levels of adaptability.

Our approach to identifying these priority capabilities has two parts. Firstly, identify the critical encounters between employees and their leaders, where successful execution of the strategy will happen, whether that be continuously improving current performance, and/or generating a new kind of employee performance. Secondly, define in which capabilities your leaders need to excel, during those critical encounters. For example, at Shipping Inc, leaders needed enhanced performance management capability to drive the often minute increases in optimisation. However, these leaders also needed a new 'distributed leadership' mindset, to relinquish some of their control and empower bottom-up problem solving.

We encourage you to consider three types of employee adaptability; handling changes imposed upon them, handling ongoing step-change, and creating agile collective learning.

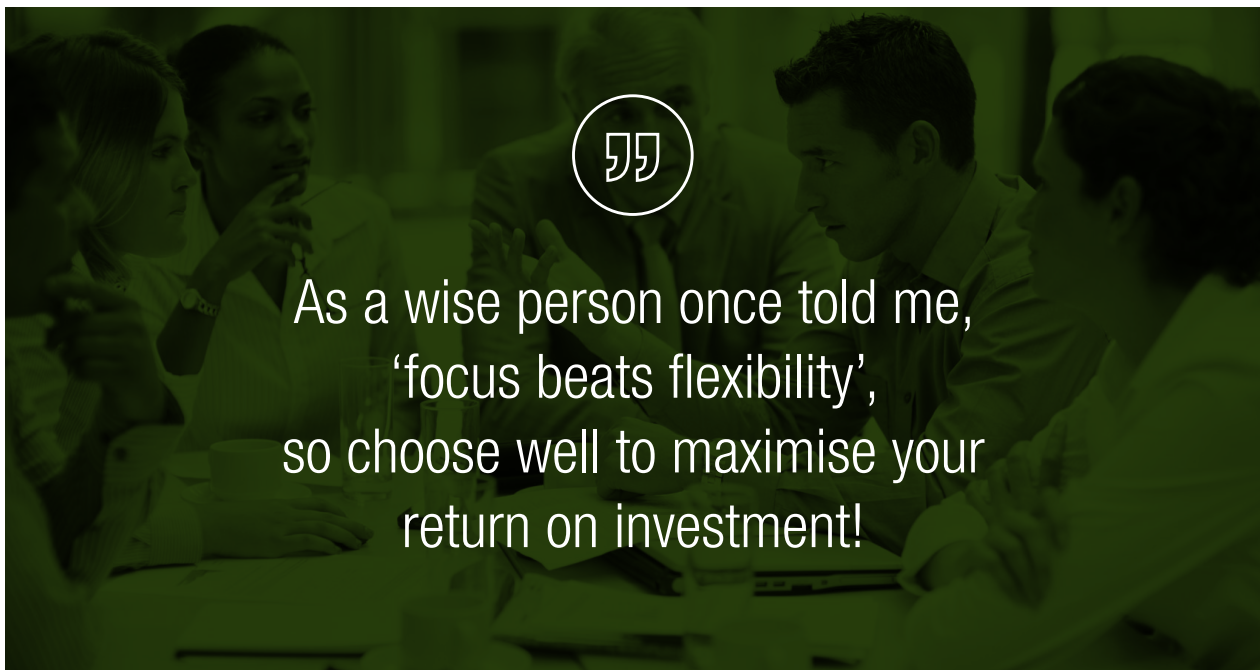
## Who enacts those capabilities?

**The third strategic choice defines which leaders should be in the frame. Which leaders, on what level of the organisation, should learn what? Who are the leaders that reside in those parts of the organisation who need the strongest development to realise your organisation's strategy?**

As a wise person once told me, 'focus beats flexibility', so choose well to maximise your return on investment! Whether you are defining the target audience for a whole Leadership Academy, a particular Leadership Level, or for next year's Leadership Development Programme, this choice has value. If you've identified which groups of employees will have the greatest impact upon the performance needed to deliver your organisation's strategy, then you know who their leaders are. For example, one client we worked with needed to increase their sales profitability. The Sales People were the obvious heroes in this story, and therefore the Sales Managers were in focus. However, the Sales teams could not

operate in isolation, and profitable sales needed a more customer-focused and 'can-do' mindset from Production, so Production Managers were also in focus, and we delivered a joined-up Leadership Development Programme to both groups.

It's worth a note here on current verses future leaders; some clients ask us which they should invest in. Where the resources are available, we advocate both, with the condition that any leader or future leader receiving development, should have the opportunity to enact what they have learned back in their day-to-day role. This can prove challenging to achieve for those talented individuals who are not yet leaders. What real opportunities can you give these individuals? Are there key projects that they can contribute to and take a leading role within? Without solutions to these questions, it is very difficult to build a strong 'line of sight' between your investment in these individuals' development, and your business results.





# The three strategic choices in action

So what do these three strategic choices look like in reality? Allow us to use an example from a second client we'll call Services Inc, who are an industrial logistics organisation with a strategic imperative to shift from being a wholesale business to an integrated services provider. What was their first strategic choice? What business results did they want to impact? The two key business outcomes their strategy required was to a) be more proactive with understanding their customers' core needs and solve them as profitably as possible (sustain core business), and b) include more services and take over more of their customers' logistics operations (new business development).

Let's move on to the second strategic choice; which capabilities would drive their strategy? The strategy required employees to open different dialogues with their loyal customers, persuade them to buy more services, and change these customers' perception of which parts of their logistics operations Services Inc should deliver. Furthermore, it required employees to sell intangible services as the primary value proposition, shifting away from the perception of services being an "add-on" when selling products. The critical encounters between employees and their leaders which would support these changes, were in the set-up and running of cross-functional Rapid Action Innovation groups which were established as part of the new strategy. The leadership capabilities needed in those encounters included a) communicating the 'why' of becoming a services organisation, b) building trust across functional silos, and c) facilitating a more agile 'test and learn' approach to new initiatives.

And finally, the third strategic choice; who would enact those strategic capabilities? Services Inc needed a significant number of functional specialists to contribute to these cross functional Rapid Innovation Groups, from across all of their key markets, so they put the leaders of these individuals in focus for their new Leadership Academy; the top 150 leaders. The way they organised the senior leaders in focus was also part of this strategic choice. They co-ordinated such that senior leaders from different markets and functions were mixed within cohorts, to replicate the ways-of-working that would need to take place in the Rapid Action Innovation groups.

I started this article with Arie de Geus' quote "The ability to learn faster than your competitors may be the only sustainable competitive advantage." By creating a strong 'line of sight' between the task performance your employees need to enact, to make your organisation's strategy a reality, and linking that back to what capabilities your leaders need to best influence those employees in those critical moments, you can ensure your Leadership Academy is a critical part of your competitive advantage.

In Part Two of this series, we describe the choices you can make in how to execute your Leadership Academy or your next Leadership Development Programme, and talk more about how the capabilities you identify at this stage, inform your design at the next stage.



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# Leading Business Change

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We are known for creating changes and making them stick. We create results in close and equal cooperation with our clients and we uphold our mission: "We help local and global companies maximise their business performance by mobilising their people."

People & Performance A/S has offices in Horsens and Copenhagen in Denmark.

Interested in finding out how we can make a difference for your leaders and ultimately the entire organisation?

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