



Leadership Education as a Moving Target

Professor Derek F. Abell

President, European School of Management and Technology, Berlin

Abstract. As the 21st century dawns it is already clear that leadership is not what it used to be. New challenges demand new capacities, and new approaches to leadership education. The new challenges have two distinct origins: transitions to broader responsibility further down the organization at earlier and earlier career points – in response to growing needs for entrepreneurial initiative and new growth; and fundamental changes in the landscape in which firms operate – in particular a growing need to join public and private sectors, technology and management, East and West, and today and tomorrow. This article is intended on the one hand to deepen our understanding of these changes and the new demands for professional, entrepreneurial, responsible, international, and culturally-grounded leaders, and on the other hand to lay out what the implications might be for leadership education itself. A key proposition is that “learning for leading” has very distinctive characteristics which require very distinctive educational approaches.

Keywords: entrepreneurial leadership (decentralization), responsible leadership (responsibility), career roadmaps (transitions), timeless leadership requirements (essentials), changing leadership (challenges) and learning for leading (learning).

1. Introduction

A rapidly changing world, and new internal company challenges, are significantly altering leadership tasks – the starting point for understanding approaches to leadership education. Over and above these commonly-felt changes, leadership tasks also change significantly as leadership careers evolve, and this second more specific dimension must also be factored into our leadership education thinking.

Curiously, many companies have their eye on quite another ball, defining the moving target of leadership education in terms of the specifics of company and industry, rather than the deeper movements of the global business arena or the more personal movements of an individual career. This company/industry focus runs the risk of over-estimating “local” differences and under-estimating commonalities.

There is a further risk in an overly specific company or industry approach. It may place too little attention on the essential leadership capacities which are true constants, unchanging with time and circumstance, unchanging with

career phases, and certainly unchanging from the specifics of one company and industry to another.

I shall develop these arguments in three progressive and related steps: First, what are the strongly emerging challenges for leadership which we can expect as the 21st century unfolds, and how also does career evolution affect the leadership task; second, what are the essential and new capacities required to meet these challenges; and third, what do the first two imply for leadership development in general, and leadership education in particular. Following this logic from “challenges” to “capacities” to “leadership development” should never be abridged. Leadership education is the tail of a lively dog, and good leadership education strategies are heavily dependent on developing a profound understanding of the dog.

Throughout I treat leadership from a broad holistic perspective, rather than from a purely organizational and process perspective. This broader holistic perspective covers the “whats” (i.e. the content of leadership decisions), the “hows” (i.e. the personal and organizational issues in making things happen), and the “whys” (i.e. the essential purposes to which leadership is devoted).

2. 21st Century Leadership Challenges

2.1. Common Challenges

Any attempt to pinpoint one challenge or another opens the door to criticism that others have been overlooked or under-estimated. Nevertheless, I will highlight here four challenges which I believe will continue to grow in importance as the 21st century unfolds, and which dwarf many of the others:

2.1.1. Decentralization

Two underlying phenomena are driving the decentralization of leadership: the first is the competitive necessity of ever-increasing segmentation in the global marketplace, mirrored inside the firm by ever-increasing segmentation of the organization. The second is the potential for enormous release of entrepreneurial energy which normally accompanies true decentralization. Many companies have discovered that an essential ingredient of higher growth rates is to develop new “locomotive” leadership from the middle and upper middle of the organization, and without this, efforts to improve innovation processes or to increase market orientation and customer focus produce limited results.

But decentralization requires new roles and responsibilities for the leaders of these locomotive leaders. For many organizations, and for many currently in command at the top, these deep cultural, structural, process, and personal changes are at least as much a priority as the provision of the new entrepreneurial leadership from below.

2.1.2. Duality

When the world was more stable and predictable, running a business was more important than changing it. Today the reverse is true. Leaders at all levels face the dual tasks of managing “today-for-today” in parallel with “today-for-tomorrow”, and the demand for today-for-tomorrow attention is rising sharply as change accelerates and as new opportunities and threats multiply.

The two different leadership horizons imply radically different leadership tasks: running the business today is about deploying existing competences and resources to maximum competitive advantage. In John Kotter’s¹ terminology, it more about management than leadership. Developing the business for tomorrow is more about leadership than management. It is about creating forceful visions and strategies for the future, readying the organization in terms of resources and competences, and driving through change. Progress against milestones has to join performance against financial and market targets as an important control measure.

When John Kotter stated that “many companies are over-managed and underled”, he was presumably pointing to the growing discrepancy between what leaders actually do, and what they should do, namely to spend an increasing amount of their attention on today-for-tomorrow activity.

2.1.3. Responsibility

Responsible leadership is a slippery concept. I use the word to imply that leadership is responsible not only for enterprise performance, but also for performance with respect to the people who essentially constitute the enterprise, and also performance with respect to the society within which all enterprises are embedded. Responsible leadership goes therefore beyond corporate social responsibility, since it implies responsibility for interests inside and outside the firm which are touched by the firm, not only of a social nature, but of an individual, social, and societal character.

While some have used the concept of stakeholder interest to describe the interests of constituencies above and beyond shareholders, I prefer to think of

1. Kotter, J., (1999) *What Leaders Really Do*, Harvard Business School Press.

these interests as those that directly or indirectly influence the firm's value creation process. Defined this way, concerns for the individual employee and for society at large are not gratuitous afterthoughts; they are essential underpinnings to long-term sustainable enterprise performance itself. 21st century leadership, if it is to lead to sustainable performance at the enterprise, individual, and societal levels, will have to pay much more attention to these questions than is apparently the case today².

2.1.4. Changing Leadership Arenas

Leadership is too often imagined as taking place within the four walls of the enterprise, in a largely local ("home") environment, in a private sector dominated economy, and in a world where technology and science are the domains of specialists, not business leaders.

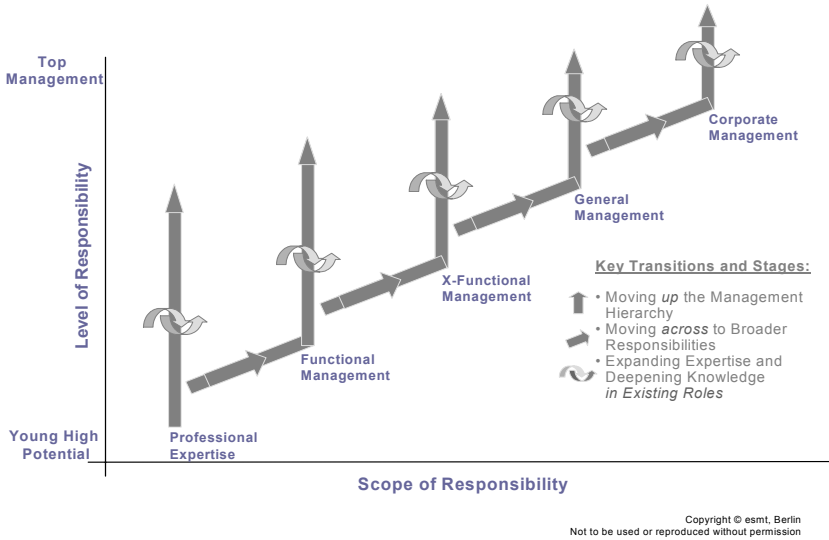
Nothing could be further than the truth: leadership in the 21st century is taking place within extended networks of business system partnerships, alliances, and outsourced organizations; in increasingly regional or global geographies; in ever-closer interactions between public and private sector; and in a new world of science and technology which if not understood, can derail all else.

2.2. Career Challenges

To portray the various pathways that leadership careers may follow, the European School of Management and Technology has developed a "career roadmap", which differentiates career movements up the management hierarchy, from career movements "sideways" involving larger scope of responsibility more than gains in seniority. This is shown below.

2. Abell, Derek F., (2003) Putting Shareholder Value in the Right Perspective, Chapter 9, *Organization 21C*, Prentice Hall.

esmt Career Roadmap©



The career roadmap shows, on the vertical dimension, five fundamentally different hierarchical career ladders, and on the horizontal axis the transitions needed to move from one career ladder to another. The five vertical pathways are:

1. Movement up a strictly professional ladder, i.e. engineers becoming better and more senior engineers, financial specialists becoming better and more senior financial specialists, etc.
2. Movement up a functional management ladder, i.e. engineering managers taking on more engineering management responsibility, or R & D managers taking on more senior R & D management responsibilities. These vertical functional management movements often require increasing cross-functional understanding as executives work in business teams.
3. Movement up a ladder where business-wide responsibility for a product, market segment, or project replaces more narrow functional responsibility.
4. Movement up a general management ladder, where business-wide responsibility extends to direct line management of all key functions including marketing and sales, service, operations, research and development, human resources, finance etc.

5. Movement up the corporate headquarters senior hierarchy, with increasing responsibility for multiple businesses, and multiple geographic areas.

The phenomenon of ever-increasing decentralization is increasing the pressure for sideways movements on the career map as opposed to vertical movements up functional hierarchies. Firms are finding that they need leadership with cross-functional capabilities and perspectives, and with the ability to take over business-wide leadership responsibility earlier in the career cycle, in greater numbers than they have available.

In fact, fast growth firms can often be distinguished by the age of executives when they first take business-wide cross-functional responsibility, often within matrix structures rather than fully fledged general management roles. There is a growing need to develop such individuals, and engineers and other technically-trained managers provide a large potential pool for these new leadership positions.

3. The Leadership Capacities Required

I prefer to use the broader concept of “capacities”, rather than the narrower concept of “competences”, because leadership can be thought of in three dimensions: what leaders have to know (i.e. the cognitive world), what leaders have to do (i.e. the world of action), and what leaders have to be (i.e. the world of meaning). Too often, in discussions of leadership development, we concentrate the heaviest attention on the cognitive analytical aspects, giving scant attention to the action aspects, and hardly any attention at all to the meaning and purposes of leadership itself, and to the individual as leader and as human being.

3.1. Essential Timeless Capacities

In the enthusiasm to relate needed capacities to the specifics of contemporary and firm/industry specific leadership challenges, what is essential and constant, and of overriding importance to successful leadership, is sometimes neglected. These are the functional, cross-functional, and general management competences required to quickly and effectively come to grips with the essential in a management problem, as well as the personal and people skills, to get things done in an organization.

In the German Bauhaus of the 1920's, such essential learning was taught in the “Vorkurs”, and it was taught by some of the true masters of the arts and design professions, among them Paul Klee and Vassily Kandinsky. The

equivalent for leadership learning is complete mastery of the essential “tools of the trade”. This should not be interpreted as marketing 101 or finance 101; on the contrary, it is the essence of marketing and finance which is needed to quickly unlock, from a general management perspective, the essential in any management problem.

There is some evidence today that executives, even at the upper levels, are short with respect to these essential skills and conceptual perspectives, so that the real creative work of leadership is resting on shaky foundations.

3.2. New Capacities Needed to Meet New Common Challenges

esmt’s mission statement points squarely to the shape of these new capacities, stating, as it does “to develop a new generation of leaders for the 21st century who are managerially professional, entrepreneurial, responsible, internationally-minded, and culturally-grounded”.

As stated above, professional means mastering management as a craft, including the mastery of all core strategic, functional, and inter-personal competences; entrepreneurial means to have a strong preoccupation with the future and with change management, and conceiving, winning support for, and implementing new opportunities; responsible means a commitment to long-term sustainable business performance, ethical behaviour, and the integration of personal, organizational, and societal purpose for durable value creation; internationally-minded means having international and global *savoir faire* including having global horizons, the personal ability to work across borders, a deep appreciation of others’ history and values; culturally-grounded means broadly educated, renaissance personalities who are well-read and with a wide appreciation of the humanities, arts, sciences, and other professions.

3.3. Capacities Needed at Various Career Stages

As we have seen, there is a growing emphasis on “sideways” transitions to responsibilities with broader scope, and these transitions are occurring at earlier points in the career cycle than before. Of course movements up the hierarchy, on a particular career path, still exist, but broadening capacities is now often more important than enlarging capacities.

Of particular importance, because of its high leverage for producing new decentralized growth leaders, is the transition from functional management responsibility to business-wide responsibility, and managers with professional backgrounds in engineering, finance, and research are often prime candidates. The capacities needed are not only the cognitive ones in functional fields where there is limited career experience, they are also in the management and

mobilization of people, organization building, change management, and the complete cycle of conception to implementation required to launch new initiatives. Self-awareness, and self-confidence to reach for and take leadership responsibility is one of the essential capacities needed to make this transition. “Being” a leader has to be learnt equally as well as learning how to analyse leadership issues and implement change.

Each transition, whether it is up a particular hierarchy, or a transition across hierarchies, has different implications for the leadership capacities to be acquired. Very often, it is as important to reflect formally on early practice experience in a new position, than it is to acquire new capacities ahead of time, and so leadership education can take place before, during, or soon after the transition itself has been made on the job. Our School has developed a framework of capacities to be acquired in each major transition phase, which guides program objectives and program architecture career step-by-career step.

There are some underlying changes in emphasis that result from increasing seniority, whether this means up the hierarchy or across to broader scope. Three changes stand out:

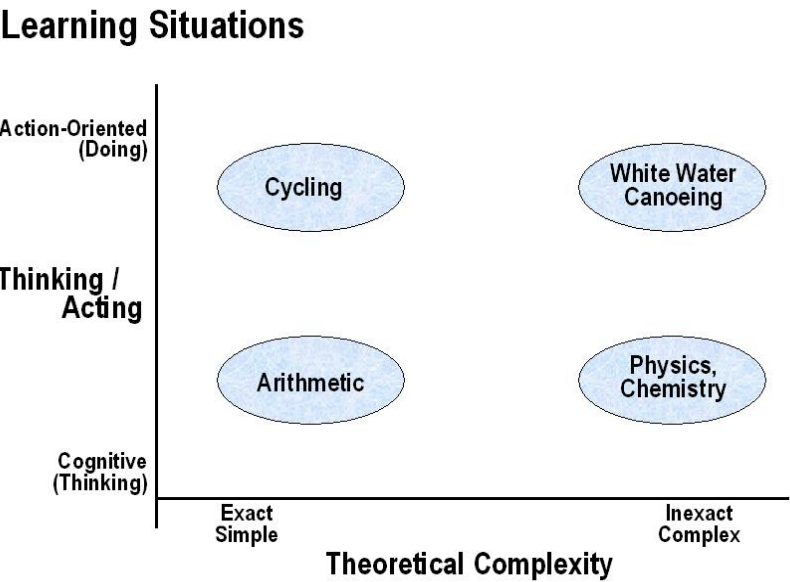
- The first, as we have seen above, is a growing need to change the emphasis from today-for-today work to today-for-tomorrow work. This is not to say that the senior executive should concentrate on the future to the detriment of the present, but it is to strike a different balance which gives more and more time to future thinking and preparation. For the junior executive, the need is often to put strategic frameworks ahead of operations; for the senior executive the need is often to put purpose and vision ahead of strategy.
- The second is to move progressively from the “what” questions which deal with substance to the “how” questions which deal more with process. For mid-level executives and above, it is usually much more important to concentrate on how to get things done leaving some of the substance and detail of what has to be done to people at lower levels. For the really senior executive, there is substantial leverage in the “how” questions, but even more leverage in setting purpose, mission, clarifying goals and objectives, and setting appropriate measures against which people and initiatives are evaluated.
- The third is to change the focus from “my particular responsibility and my department” to “our organization” and eventually to “our broader environment” and the need to maintain stakeholder interests

on all sides in order to assure the continuation of the value creating process long-term.

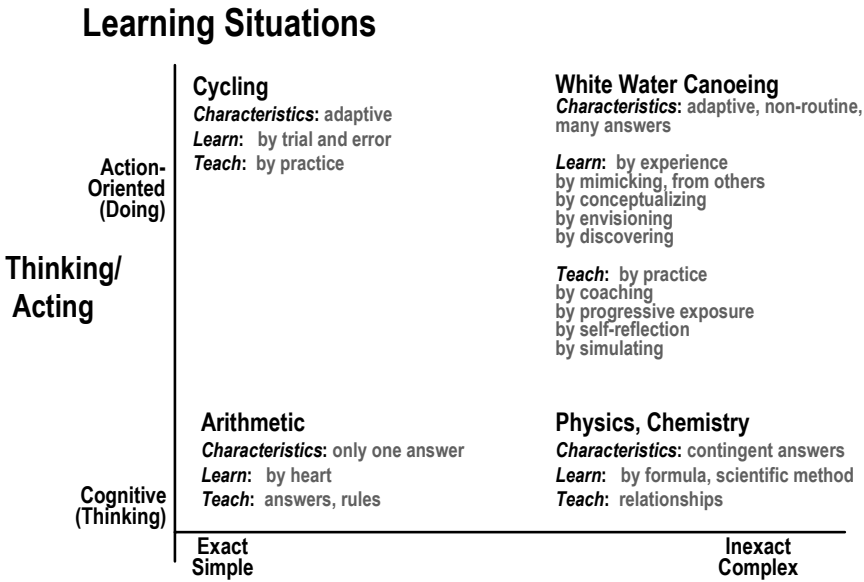
4. The Learning Task

4.1. Situational Variables

A good way to understand how the capacities above can be learned, is to make analogies with other forms of human endeavour. To understand some of the main differences it is useful to think of activities as shown in the diagram below, where the horizontal axis shows the complexity of the underlying “theory”, and the vertical axis the degree of action-oriented activity versus cognitive activity.



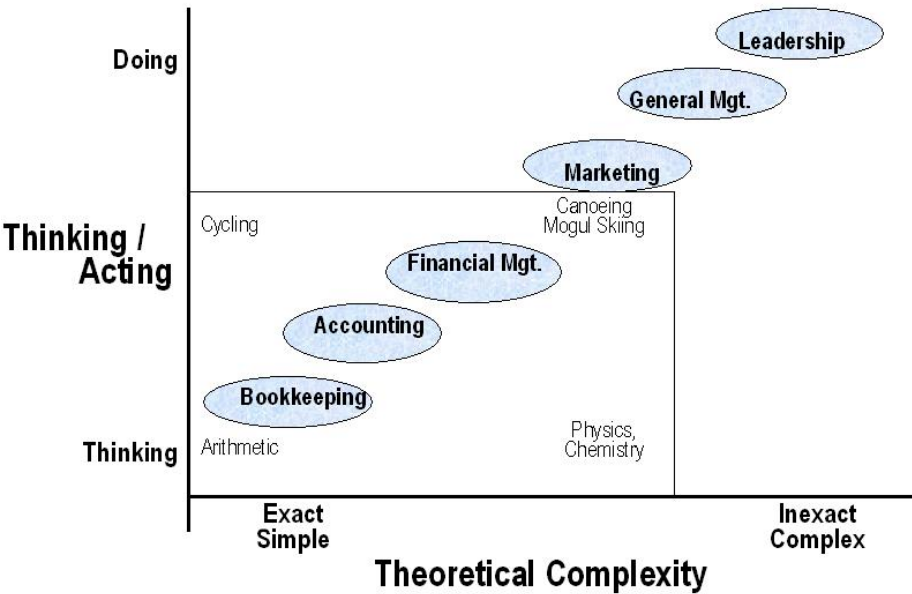
We can use this learning map to identify not only the learning task and its characteristics but to speculate about how people learn, and how we might teach. Some general principles are shown on the second chart below.



4.2. Learning for Leading

When we talk about learning for leadership, or for that matter learning other managerial skills related to leadership, we might speculate that some of the skill-based learning required is very different in character from the more complex higher levels of learning needed for general management and leadership itself. This is shown on the two charts below, which respectively position the learning tasks for different aspects of management and leadership and the particular characteristics associated with leadership learning.

Learning Situations



Learn to Lead
(vs Teaching To Manage)

High Action Orientation	Leadership, General Management Characteristics: Many questions, many perspectives many answers, action oriented Learn: by experience; from others; to change; by conceptualizing; Competence in related and non-related fields Teach: <i>structure learning!</i> <i>prompt self reflection</i> <i>ask unasked questions</i> <i>simulate; role playing</i> <i>maturity, integrity, holistic thinking, wisdom</i> <i>attitude, values, judgement</i>
	High Complexity

4.3. Putting Schooling in Perspective

Let me close this section on leadership learning by stating firmly that formal leadership education in management schools is only one part of a more complex three-part process involving learning by doing, mentoring and coaching, and formal education itself. Learning for leading is maximized when all three are present in harmony.

Many times we hear from executives that learning on the job is by far the most important component, and there is some truth in this. But while learning from experience is necessary, it is usually far from sufficient. When live learning on the job is combined with the opportunity to stand back and reflect on what is being learned, and even add new ingredients to this learning, progress can really be accelerated. This reflection and new conceptual insight from practice can come from a school, and it can come from a mentor or coach. It is even better when both are present.

The reverse is also true: sending managers to schools when they are not faced, or likely to be faced, with new challenges in practice, often leads nowhere. Worse, it may cause deep frustration. Thus it is of the highest importance to develop coordinated plans for ever-expanding career challenges, personal mentoring, and formal school education.

esmt is experimenting with new learning concepts and routines (at least for management schools), which have their origins in the German Bauhaus. Apart from substantial concentration on core managerial competences, which are the equivalent in many ways of the Bauhaus “Vorkurs”, we are experimenting with “workshop” education, where executives bring real problems into the School to be worked on in conjunction with the faculty. In the Bauhaus this was the way to combine three separate activities into one, namely the development of new design and new technology (in areas as diverse as graphics, furniture, glass making, and theatre), with student learning, and with fundamental research. We are attempting to do the same at the School, combining real problem definition and real problem solving for the executive, with executive learning, with faculty research, on the same issues. Such practice development activities thus become an integral part of the teaching and research process, and as much as space is being set aside for these activities as we have devoted to traditional classroom work. It carries the case method, which we also deeply believe in, into new directions, substituting simulated learning with real learning.

These plans should take into account, from an early point in the career, whether the likelihood is more towards sideways movements involving rapidly broadening scope of responsibility, or more vertical movements with growing responsibility on the same career ladder. Many times there is great gain to be had from providing new educational inputs to individuals who are neither headed up the ladder nor across to new ladders, but need to perform at

substantially higher levels in the same job. Then, returning to this same job, new horizons are opened and new possibilities exist to make important contributions at the same career level.

5. Some General Conclusions

Learning for leading starts with a definition of the leadership challenges to be confronted, and the capacities that will be needed. As the world changes and as careers develop, these challenges also change, and needed capacities have to be viewed on a dynamic rather than static basis, i.e. as moving targets.

It is the author's opinion that while many companies feel that they have rather unique leadership learning requirements, this is only partially true. In fact, many share the same requirements because they face very parallel challenges. Counter-intuitively, these often cut across industry lines as well as companies. Outstanding leadership learning can often take place when leaders from companies in different sectors facing parallel challenges, can compare and contrast their own definitions and solutions of these issues.

Many still argue that leaders are born and not made. My reply to this is always the same: great leaders are born and made. They are made from experience; they are made from the good fortune of having great mentors (and many of these then become great mentors themselves); and they are made from engaging in mind-stretching education which fits them and refits them to the moving target of the tasks which they confront.

esmt was officially founded in October 2002 on the initiative of 25 of Germany's most important companies and institutions, with the goal of establishing, in Germany, a leading international center for management education and research.

esmt combines the pragmatic, practice-oriented, generalist approach of the Anglo-American world with the traditional rigor and discipline of academic work in Central and Continental Europe. There is a distinctly European "flavour" to all of its activities.

The School's mission is to develop a new generation of 21st century leaders who are professional, entrepreneurial, responsible, international in outlook and, in the European tradition, culturally-grounded.

