

## New Ideas in Corporate Leadership Development by Johnny Crawford

In the past, successful leadership development programs often took the form of formal educational activities such as corporate training programs, seminars and tuition reimbursement benefits. Programs such as these are useful since they equip future leaders with the theoretical tools they will need to be effective, as well as exposing them to the ideas and concepts they may have not yet encountered on the job. Once this formal training is obtained, it must be applied to real-world experiences by providing employees with opportunities to use it in their day-to-day jobs. As Charan (2005) stresses, leaders need to develop on the job, not just in the classroom. It is beneficial for organizations to concentrate on leadership development, as a strong leadership development program not only develops the skills of individuals, but it provides those individuals with the tools needed to better execute the company's overall business strategy (De Koning, 2005).

While leadership development is important, there are a number of major problems faced by companies today that limit the leadership development opportunities available to employees. The most notable of these problems is created by the desire of the firm to maximize the bottom line. Corporate downsizing has reduced the ranks of middle management, the traditional training grounds for executives and upper level management (Smith, 1999). Conger and Fulmer (2003) describe just such a situation that confronted Dow Chemical. For many years, Dow Chemical utilized managers in sixty countries. Each manager effectively acted as the corporate president for all business that occurred in the country to which he or she was assigned. These positions proved to be exceptional training grounds for the future leaders of Dow Chemical. Unfortunately, this method of corporate administration proved to be costly. As a result, in 1995 Dow consolidated many of the positions, ultimately cutting the available number of positions in half. Although this did help to improve profitability and streamlined operations in the short run, it also reduced the number of real-world training opportunities available for Dow Chemical to groom and train its future leaders (2003).

As traditional methods used to develop management talent continue to disappear, it becomes even more important for organizations to develop new ways to prepare future leaders. Some of these methods may appear to conflict with the hard-nosed, profit-maximization corporate cultures found in many of today's organizations. However, many of the new methods that are emerging may speed the rate at which employees develop into better managers and re-enforce the traditional development options that are still offered by some companies. Many of these programs tend to emphasize increased community involvement and networking, while de-emphasizing the high level of formality associated with more traditional programs.

One example that emphasizes this new paradigm of leadership development is the growing numbers of mentoring, networking and peer review programs that are gaining popularity in the workplace (Tracey & Nicholl, 2006). These programs can be very effective in developing the leadership skills of fledgling managers by allowing trusted mentors to provide advice and insight to situations that may otherwise be unavailable to the individual. Many of the situations faced in business today are unique and may not be adequately addressed in formal classroom settings alone. When combined with peer-led reviews and networking opportunities with those in other areas of the company, greater self-knowledge may be

gained by the employee, as well as a greater understanding of the employee's contribution to the company's overall mission (2006).

Another way progressive companies are choosing to compensate for disappearing leadership programs is to move on-the-job training to outside-the-office environments. By capitalizing on the growth and development of individuals in work-like activities conducted outside the physical confines of the office, companies have found a cost-effective method of leadership development. One such example of this is the educational and community-based partnerships of Parkersburg, West Virginia-based Simonton Window Company (Prager & Rawlings, 2005). Simonton Window Company utilizes a unique program that allows for the growth of those employees desiring management and advanced leadership skills by finding opportunities to perform real-world assignments for social service and community-based organizations that are in desperate need of additional leadership but may not have the money to hire those with the necessary knowledge and skills. Along with supplemental educational training opportunities provided by partner company Lake Forest Corporate Education, Simonton Window Company has provided opportunities for employees to work on projects with local chapters of Parkersburg-area organizations such as the Shriners, St. Jude's Children's Research Hospital, the United Way and the local Boy's and Girl's Club. Such programs allow future managers to inexpensively obtain the real-world training they desire while building positive relationships with those in the community. The effectiveness of this type of training may even be superior to traditional leadership programs in that it reduces the stresses faced by fledgling managers created by highly-competitive, corporate culturally-imposed quests for perfection often experienced in the workplace (2005).

Increasing leadership development by looking outside of traditional classroom and boardroom settings is not unique to companies like Simonton Window Company. Many companies are also beginning to use such tactics to identify those future leaders who may not yet be employed by the firm (Hewlett, et al, 2005). By turning the Simonton Window Company example around, many companies have sought to develop relationships with community and non-profit organizations that rely heavily on committed individuals and volunteer leaders in the search for corporate talent. Such organizations may lack paid staffs, but typically are able to provide individuals who have great potential for personal growth, leadership, self-directed learning, compassion and dedication. While companies with more rigid development structures overlook these potential workplace superstars, smart companies willing to think differently about leadership development are able to tap into a wealth of talent gained from these leadership-focused organizations. This strategy for leadership identification also allows companies to more deftly utilize the often under-utilized skill sets of ethnic, racial and gender minorities and increase the presence of new ideas and ways of thinking in an organization (2005).

Leadership development is important. It determines how well an organization will be able to adapt to new challenges and to compete in the future. Those organizations that forsake their commitment to their employees' development are condemned to struggle to meet the future human capital needs of their firm. By using innovative new leadership development ideas such as strengthening the learning networks inside the company, looking for training opportunities throughout the community, and identifying future leaders through community and volunteer organizations, companies will successfully train their future leaders in the most cost-effective and efficient way possible. This will result in greater profitability and overall bench strength for the company, happier and better performing employees, and a positive relationship with the community in which the firm operates and serves.

## References

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