

Developing leadership capability: What's inside the black box?

Jay A. Conger

When we think of leadership and its development, we often assume that it belongs in the 'black box' category of life's phenomena—something that is complex and mysterious and therefore largely unfathomable. Contrary to this popular opinion, however, we know a great deal about what lies inside this particular black box. As a matter of fact, the leadership development box is more transparent than many would imagine.

And yet, widespread misconceptions re-enforce the mystique. For example, popular images of leadership are commonly those of the most exemplary forms, like Mahatma Gandhi, Margaret Thatcher, and Jack Welch. These stereotypes of 'bigger than life' leaders reinforce a sense that genuine leadership is beyond the reach of most individuals. The actions of organizations have re-enforced such assumptions with many relying upon the 'natural selection' model of leadership development—believing that 'the leadership cream will always find its way to the top.' The cream needs no help as it will arrive by its own volition and talent.

Pushing these limiting beliefs to the side, I will argue for a more optimistic and more interventionist view of leadership development. Organizations and individuals can indeed directly influence the quality and the quantity of their leadership. In the sections below, I will highlight what we know and what we can do.

What We Do Know About Leadership Development

Many factors shape the extent to which an individual becomes a leader, including genetic predisposition, family environment, school experiences, hardships, job experiences, bosses, organizational incentives, and training. It is not a matter of whether leaders are born or made. They are born *and* made.¹ For example, genes predetermine our

level of energy and our cognitive capabilities. Relatively high levels of both are critical to the activity of leading. Our foundations for the leadership qualities of self-confidence, achievement drive, communications skills, and interpersonal competence are formed principally in our family environment. Experiences in school and college shape our career interests (the arenas in which an individual will lead) and often present our first opportunities to learn leadership first-hand. This broad set of early life forces therefore determines: (1) the baseline capabilities necessary for effective leadership, (2) the drive one has to become a leader, and (3) the arenas (the fields and professions) in which one will make leadership contributions. Organizations have little or no control over these early life forces. Selection is the only means they can employ to capitalize on the groundwork laid before a person's arrival into the organization.

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That said, later life experiences play a crucial role in the development equation. For example, research suggests that successful performance in most forms of work endeavors can be attributed to experience and coaching, rather than simply to in-born talent or early-life experiences.² Studies on the development of musical talent have shown that young children who lack signs of musical talent can develop performance levels comparable to those of prodigies when exposed to certain training techniques. Moreover, the great majority of outstanding adult musical performers were never child prodigies. Instead, their expertise has typically derived from sustained instruction and substantial practice.³ Similarly, when asked about the forces that have influenced their leadership devel-

opment, many business leaders point to experiences taking place later in life, often during periods of intense challenge or hardship.⁴

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Specifically, we know from research on managers and executives that jobs, bosses, hardships, and special projects are considered the most useful experiences for leadership development. Assignments help individuals learn about building and leading teams, teach them how to be more strategic in their thinking, and help them to develop influence and communications skills. Bosses teach the importance of leadership and provide models of success. Bad and flawed bosses can be just as instructive as effective ones. Special projects provide windows into marketplaces, politics, enterprise issues, and so on.

In addition, feedback on performance is moderately important in shaping leadership ability. For example, we know that managers improve their leadership skills when they receive 360-degree feedback at regular intervals.⁵ The research also demonstrates that managers who hold feedback sessions to discuss results with their direct reports improve more than those who do not. Holding meetings appears to increase accountability, which leads to significant behavioral improvement. That said, large numbers of managers simply do not hold feedback sessions with their subordinates. Not so surprisingly, managers' attitudes have a strong impact on the learning and improvement that follow feedback. Cynicism toward the organization and the feedback process, for example, is negatively related to personal change.⁶

Interestingly, many managers confide that formal education or training had a relatively limited impact in terms of how they acquired leadership skills. We know that many educational events have limited impact because they focus on one-off events, and their content may not have direct application to the manager's daily leadership demands (focusing instead on abstract theory). Because managers often receive training apart from their back-at-work colleagues, they may receive little encouragement, feedback, or reinforcement when experimenting with new behaviors or approaches. Training does appear to have greater

impact on development if it is customized around the specific leadership needs of the audience receiving the training and if program content addresses the organization's real-life challenges using formats such as "action learning."⁷

We also know that organizations taking a very disciplined and rigorous approach to leadership development generally produce more leadership talent. In one recent study,⁸ we examined firms who are considered 'best-practice' companies in leadership development and compared them with a general sample of organizations. We discovered to our surprise that both sets of firms employed a similar range of leadership development practices. What distinguished the best-practice firms, however, was the sheer *quantity* and *intensity* of their interventions. They simply do more of the same interventions and perform them with greater rigor and consistency.

Another distinguishing attribute of the best-practice firms is the far greater extent to which they measure their efforts. For example, they measure the quantity of leadership talent for specific roles. They measure the attrition rate of their leadership talent. They catalogue jobs, assignments, and bosses that are more developmental in nature. They then make strategic use of this knowledge by moving managers into these roles and under these supervisors to ensure development. In the best-practice firms, senior-level executives place a premium on leadership development. For example, at Bank of America, CEO Ken Lewis meets every summer with his top 24 executives to review the leadership pipelines in the bank's operations. In two- to three-hour sessions with each executive, the discussion focuses on specific commitments that each executive makes regarding current or potential leaders—identifying the next assignment, special projects, promotions, and the like. Lewis follows up with the executives in his quarterly business reviews, to ensure that they have fulfilled their development commitments.

Our knowledge of the factors that shape leadership development is therefore remarkably advanced despite a perceived scarcity of leaders. It is in the *application* of that knowledge, however, that the field of leadership development falls short. Certain organizational forces—such as competing organizational demands and shifting priorities, misaligned and poorly utilized systems, outmoded assumptions about how leaders develop, and shortcomings in selection and development processes—all commonly coalesce to hamper the translation of our knowledge into effective development interventions.

I would also add that some people possess lead-

ership talent but choose not to exercise it. They prefer less demanding roles or wish to avoid the hardships that accompany leadership roles. Some feel less comfortable challenging the status quo and prefer to conform and be accepted rather than take risks and push limits.⁹ Not every manager wishes to become a leader.

What Is Known About Leadership with Contingencies

We know that leadership requirements vary by situation and by level. For example, the leadership requirements of a turnaround situation differ from those of sustaining success. The requirements of a start-up differ from requirements to effect a fundamental transformation of an organization's business model. There is an equally profound difference between leadership at the functional and at the enterprise level. That said, powerful organizational systems (compensation, incentives, and metrics) encourage individuals to excel at unit rather than enterprise leadership throughout most of their careers. Suddenly, at mid-career or later, a person will be asked to develop a new orientation. The move from chief operating officer to chief executive officer is a similarly radical leap.¹⁰ Many managers appear incapable of dealing with this degree of situational complexity. Organizations complicate the problem by relying upon simplistic frameworks and solutions. For example, most firms deploy universal leadership competency models which do not vary by levels or functions.¹¹ Yet such models fly in the face of the fact that appropriate leadership approaches are contingent on a given situation. To make matters worse, the academic world over the last decade has produced principally normative models of leadership, e.g. charismatic leadership, emotional intelligence-based leadership, and transformational leadership. These models assume a unitary approach to leadership across levels and situations. We have been losing an appreciation for the fact that leadership approaches do indeed depend upon *the situation*. Many of our developmental interventions are therefore more about preventing derailment in the role rather than instilling a capability at leadership versatility.

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Fortunately, a handful of organizations have developed interventions to prepare their managers

for these role transitions using an explicit set of leadership competences required in the new roles along with action learning and executive feedback forums. A few companies take the process a step further by offering personal coaching from both professional coaches and peers (who are in non-competitive roles) during the transition process, along with staff and superior feedback at intervals in the first year of the new role.

In What One Area Do We Most Need to Advance Our Understanding of Leadership?

There are many topics whose exploration could advance our knowledge of leadership development, but one of the most intriguing is whether managers and executives can develop a leadership capacity for great versatility in style or approach. In other words, can managers vary their leadership styles significantly given changing circumstances? Or is leadership style such a product of personality and ingrained behaviors that variations in style are confined to incremental changes?

This question is complicated or exacerbated by the leadership field itself. If one looks closely at the academic literature on leadership over the last decade, it has emphasized unitary behavioral dimensions. Most of the models and frameworks assume a static set of behaviors which are universal to most leadership situations. As I noted earlier, we appear to have lost an earlier recognition that leadership approaches need to vary by situation. Given this reality and this critical shortcoming in today's models of leadership, how might we develop new models of leadership that recognize the need for versatility in style? The earlier contingency models were also developed in an era where leadership was studied in small groups and often with more junior levels of management. We essentially need new models of leadership that look at more complex contingencies such as different types of change situations (e.g., turnarounds versus sustaining success versus startups) and at different levels of the hierarchy.

The first question is therefore whether we can develop accurate contingency models of leadership that reflect today's complex world of managers. Then the next question becomes one of whether a significant number of managers and executives possess sufficient versatility in their behavioral repertoires to literally shift their leadership styles under changing circumstances. This capability would require that individuals be able first to recognize that a new situation demands a shift in their style and then the sophistication to understand which leadership approach is more

appropriate to the particular situation. The next step is equally difficult—adapting their behavior to a new leadership approach. We might call this a ‘chameleon leadership’ capability. I do not know the answer to this set of questions.

In a study that I am conducting on CEO failure, it is clear that many executives have an extremely difficult time recognizing that a new leadership orientation is required of them upon promotion to the CEO role. They persist instead in their prior orientation, which ultimately causes the downfall of a significant number of CEOs. In other words, they lack a ‘chameleon’ capability. From a developmental point of view, the most promising intervention, coaching, has a mixed record when it comes to its efficacy. The research picture is unclear.

Given the pace of change and the complexity of leading in today’s organizations, this capability to develop a highly versatile style of leadership is one of the most promising areas for future research. We need a far greater sophistication both in our models of leadership and in our interventions.

Endnotes

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² Ericsson, K. A., & Charness, N. 1994. Expert performance: Its structure and acquisition. *American Psychologist*, 49(8): 725–747.

³ Ibid.

⁴ McCall, M. W., Jr., Lombardo, M. M., & Morrison, A. M. *The lessons of experience: How successful executives develop on the job*. New York: Free Press.

⁵ Walker, A. G., & Smither, J. W. 1999. A five-year study of upward feedback: What managers do with their results matters. *Personnel Psychology*, 52(2): 393–423.

⁶ Atwater, L., et al. 2000. An upward feedback field experiment: Supervisors’ cynicism, reactions and commitment to subordinates. *Personnel Psychology*, 53(2): 275–298.

⁷ Conger & Benjamin, op. cit.

⁸ Fulmer, R. M., & Conger, J. A. 2003. *Growing your company’s leaders: How great organizations use succession management to sustain competitive advantage*. New York: American Management Association.

⁹ Loevinger, J. 1980. *Ego development*. San Francisco: Jossey-Bass.

¹⁰ Conger, J. A., & Nadler, D. 2004. When CEOs step up to fail. *MIT Sloan Management Review*, 45 (3): 50–56.

¹¹ Conger, J. A., & Ready, D. A. 2004. Rethinking leadership competencies. *Leader to Leader*, 32: 41–47; Fulmer & Conger, op. cit.; Conger & Benjamin, op. cit.-



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