2021

Prepare Leaders for Any Future

Desired Outcomes,

Unstoppable Trends,

Today's Challenges,

and a Path Forward

James Dowling

Rich Lynch

www.CapableCompany.com

Intended Audience

Members of the C-Suite and Upper-tier Executives

Members of the C-Suite who express concern that their leaders are not ready to lead in the future,[i] lack a strong bench of leaders ready to respond to disruptions[ii] or do not see sufficient business impact from leadership development initiatives.[iii]

We offer members of the C-Suite a path forward to prepare leaders for future disruptions as they deliver on today's promises to customers and investors. A path that uses delivery of desired short-term and longer-term outcomes as its compass.

The Chief Learning Officers and their Teams

Members of the Talent Management community who describe political, technological, and financial impediments to delivery of what their constituents and sponsors have asked for. L&D leaders who express concern that delivering solutions to yesterday's (operational) problems consumes their team resources preventing them from preparing leaders to be and do what is necessary to address tomorrow's opportunities and challenges.

According to Jeff Miller, leading by example, as both teacher and learner, can foster a culture that is open to growth. Organizations need a new schema for leadership development to solidify and sustain this culture, Learning and Development (L&D) needs to align learning opportunities with business goals and to do that.

We offer members of the Talent Management community a path forward to leadership development for leaders at all levels regardless of title, tenure, or level. Development that integrates development of operate, operationalize, and transform abilities to build bench depth and strength.

"For L& D that means not falling back on old schemas rather we need to create a work environment that is going to be impactful. We need to pivot our focus to individual ownership of learning, content curation, a broader view of trends impacting the business, we need to develop leaders who can coach others and drive the conversations that will move the [results] needle."

Jeff Miller, PhD, former Chief Learning Officer at Cornerstone. Inside Learning podcast

Copyright 2021, Capable Company; All rights reserved

About this Whitepaper

The paper presents a schema for leadership development that develops adaptive leaders at all levels, earlier in their careers, in the flow of their work, a schema that organizations can deliver economically at scale. The schema emphasizes learning within the context of your business conditions and goals with immediate application of learning. The schema is based on dozens of successful integrated leadership development and organization performance improvement programs. Other research by McKinsey and Company, LinkedIn Learning, Josh Bersin, and others provides additional perspectives.

The schema consists of a vision for leadership development, a set of measurably better outcomes, greater Return on Investment, and a one to two-year head-start on a leadership development program that each organization makes their own, and continually adapts to changing conditions.

We named the head-start ***A Framework for Adaptive Organizations***. It consists of models, methods, job aids, courseware, coaching guides, and method facilitation guides. The framework enables leaders to develop leaders with backstage support from HR and L&D coaches. We designed it to be adaptable to changing operational and leadership conditions and capabilities. We designed it to scale from individual to team to enterprise quickly and economically.

The paper presents the design principles and key features of our proposed schema.

"Many work situations are adaptive rather than technical ... solutions to adaptive challenges resides not in the executive suite but in the collective intelligence of employees at all levels."

Ronald A. Heifetz and Donald L. Laurie
The Work of Leadership, Harvard Business Review

Copyright 2021, Capable Company; All rights reserved

Inside this Paper

Inside this Paper 4
Desired Outcomes 5
Unstoppable Trends 6
Today's Challenges 9
A Path Forward 15
A Vision for Leadership Development 17
Leadership Roles for New Normals 19
Foreground activities and results 21
Change also talks place at the organization level 22
A Proposed Framework 23
The Framework as We See it Implemented 30
About the Authors 33
About Capable Company 34
References 36

Copyright 2021, Capable Company; All rights reserved

Desired Outcomes

Design of the Framework for Adaptive Organizations begins with desired outcomes for:

Members of the C-Suite

- A strong bench of leaders who are ready to lead through any disruption
- Higher levels of leadership competency for younger leaders earlier in their careers[iv]
- Leadership development that has clear business impact on strategic priorities

Human Capital Management and Learning & Development

- Leadership development programs that help attract and retain top talent.
- Leadership learning consisting of ***70% Challenging Assignments – 20% Developmental Relationships – 10% Coursework and Training***

Leaders at all Levels

- Employer investment in learning and development beyond operational training and legal and compliance imperatives
- Preparation for engagement in formulating pathways that deliver desired results individually, through teams, with peers and through peer team.
- Opportunities to gain experience from external thought leaders and acknowledgement for incorporating that learning into formal and informal leadership development programs
- Access to leadership development earlier in their careers[v]

Copyright 2021, Capable Company; All rights reserved

Business Outcomes with a Leadership Development Bonus

Engaged to help 6 Continents Hotels, a global hotelier, rebuff a hostile takeover and breakup, 1Point0 Consulting teamed with consultants from The RBL Group and Capable Company Group proposed a different approach to take out more than 20% of annual operating cost. We asked if the top team intended to stay with the stripped-down organization to which we received a unanimous yes! This introduced the adaptive challenge, to visualize, realize, and operate a company that its leaders would form and operate differently.

We proposed a two-layered program to *Take out the cost* and *leave behind the capability to extend gains in future years*. The top layer addressed the technical problem of taking out millions of dollars of cost and keeping it out year after year. The under-layer was the adaptive challenge, transform 1,000 leaders from good operators to good organization transformers and back to better operators.

Initially, we engaged 20 Leaders to rethink company operations, then expanded to 120 to design the transformation, and finally, engaged six hundred Leaders to realize a new company, Intercontinental Hotels Group.

Outcomes:

- Hostile takeover averted
- Financial health restored and improved
- Zero commercial customer loss or guest service disruption
- Best and brightest leaders transformed then led major segments of the new company
- Added three customer segments each with a unique hotel brand
- A more efficient and effective hospitality company from investor, customer, and employee points of view

Unstoppable Trends

Powerful long-term forces continually shape the way leaders live, work, and do business. Adaptive organizations learn to think forward (as opposed to continuously shoring up weaknesses of current practices). Adaptive leaders are the ones who constantly get up on the roof to see what is coming even from the distant horizon then formulate responses quickly and prepare to act in unity

Copyright 2021, Capable Company; All rights reserved

Environmental

- Disruptive conditions will be of greater impact and frequency
- Differentiation in the eyes of customers will be based more on where the customer is taking its business than on what suppliers have delivered to them in the past

Organizational

- External and internal influencers will impose new accountabilities on leaders demanding new and enhanced skills
- Companies will accelerate replacement of hierarchical organization structure and command-and-control leadership, recognizing the reality of organizations as a web of interactions and shared accountabilities
- Investments that empower a remote workforce and accelerate focus and activation of remote workers to address mission objectives that leaders will weave into all organizational systems xii

Social

- One corporate culture will diversify into one core culture + purpose specific microcultures
- Focus on global environment will expand exponentially but explicitly addressing such pressures will continue to be a geopolitical conundrum
- The definition of diversity will increase in granularity, with more discrete classifications and demand for deeper and more complex responses
- Lifestyle choices will increasingly drive work and workstyle preferences

Leadership

- Enhancing operational agility and flexibility will be high on the CEOs short-list of things to do for members of the C-Suite[vi]
- The difference between management of things/outcomes and leadership of people/teams will widen as networks and teams replace hierarchies as operating units for delivering results
- Dynamic leadership and differentiating abilities to deliver value in the future will extend the separation between market leaders and laggards

Technological

- Technology will blur the hybrid at-home, in-office work experience, even when “at the office,” people will work apart while at their desks and in meeting rooms

Copyright 2021, Capable Company; All rights reserved

- Technology will enable group work. Group work systems will provide workflows enabled by guiding principles and other pre-made decisions that accelerate alignment and decision-making
- Technology will bring diverse experiences and environments to leaders making place of work less relevant
- Technology-enabled group discussion, decision-making, goal setting, and results management will become the transactional systems of leaders

Professional

- Performance measurement will balance how leaders behave and what they do, against who they can be and what capabilities they can build
- Leadership learning will be much more experiential, and it will take place in near real time
- Leading others and creating conditions where strategies are operationalized quickly, leaders actively make and manage promises, and delivery of capabilities efficiently and effectively are the primary work of leaders

Copyright 2021, Capable Company; All rights reserved

Today's Challenges

Before imagining a new schema, we added learning and development and business operations research to our first-hand experience working in organizations of varied types and sizes. Recognizing that the view from the balcony is often different from those from the stage and audience, we wanted additional perspectives.

Challenge	Typical Response	A Better Response
Top Executives want leadership development to help **deliver business outcomes**.	Provide operational training to increase technical knowledge, skill, and abilities. Include "Knowledge Transfer" in projects. Unfortunately, this rarely takes place and when it does, it focuses on technical knowledge, not leadership competence.	When communicating desired business outcomes, express them in terms of delivered tangible results and demonstrated intangible results. Provide learning experiences in the flow of work that exercise desired behaviors that create conditions for realization of tangibles.
Top Executives want a **strong bench of emerging leaders** who are prepared to step-up to disruptions and opportunities.	Target a select number of individuals who can step in and replace or augment those in existing positions. Invest in a longer bench of leaders with a diverse set of outside training.	Make leadership a competency of all leaders, not the few. Build leadership and leadership development competencies on a broad scale. Challenge leaders at all levels to contribute to each other and the organization. Spot the emerging leaders and channel them into career acceleration programs.
Top Executives want Leadership development programs that help **attract and retain top talent**	Focus on top talent at the expense of the leadership team.	Value 'Builds Leaders and Leadership Capability' along with "Produces Results Consistently' in your leader attribute model and recruitment practices. Deign Leadership Development Programs for delivery by your top talent and as a development opportunity for emerging leaders.

Copyright 2021, Capable Company; All rights reserved

Why Transformations Fail

There is an often-repeated quotation attributed to John Kotter states that “70% of change programs fail.” Let us apply first-hand notes taken by one of the authors of this paper. Contracted to kick of a very large-scale change that would completely redefine a corporation, Mr. Kotter told us that:

> *“More than 70% of large-scale transformations fail to meet both financial and operational improvement expectations.”*

As part of that same initiative, we asked David Jacquemont of McKinsey and Company’s Paris office to talk to us about a study that he had just completed. To color inside the lines of Mr. Kotter’s statement, Monsieur Jacquemont provided insight to “financial and operational goals.” He stated that:

> *“When CEOs provided well defined targets using financial and operational terms and they represented a genuine new level of performance, more than 60% of their large-scale transformation programs would be rated Very or Extremely Successful.”*

His most startling finding was that:

> *“Of the programs that were considered failures or partial successes, more than 70% had no quantified targets, executives did not communicate quantified targets, or executives disagreed on expectations.”*

Copyright 2021, Capable Company; All rights reserved

Challenge	Typical Response	A Better Response
Human Capital Management Leaders want leadership development **that builds the value contribution of leaders and their teams**	Focus on technical skills derived directly from the operational work of leaders. Outsource leadership skill development to curators and thought leaders.	Focus technical skill development for leaders and emerging leaders on those skills that help them build technical capability and address near-term objectives. Recognize that curated content that is provided by thought leaders typically provides no business context and varies by instructor. Learn from these providers and adapt selected insights that are relevant into localized programs with business context.
Human Capital Management Leaders want leadership development programs **that attract and retain desired talent**	Focus on the individual weighing individual desires and job requirements.	Build on Leadership Development that seamlessly integrates mature, emerging, and innovative leadership practices to fulfill current and anticipated requirements of all constituents.

Copyright 2021, Capable Company; All rights reserved

HCM Role in Recruitment and Retention

A global law firm keeps losing top-tier college graduates to competitors. The ones they do land do not stay. A Sr. Partner contracted us to examine their recruiting and retention programs from Chair Grants to Post-Employment Interviews. The Sr. Partner described findings of the study this way.

> *"We help with their tuition, we seed interest through study and chair grants, we recruit lavishly and then they find that they are expected to use ten-year old technology, we only extend education after a $200,000 billing threshold, our top counsel does not give them the time of day, and we urge them to compete with each other and never ask for help."*

He went on to outline a path forward.

> *"We will keep the walnut paneling and green shaded lamps, but behind the scenes we will bring our working environment into the 20th if not the 21st century. We will all need to learn to work in ways that are most productive to our senior citizens, millennial new hires, and all in between. The Sr. Partners do not expect revolutionary change, but we do expect to see a metered transformation from the caste system of today to a more welcoming and rewarding workplace in the future. Engage with me through our Transition Team to design and make the new workplace a better workplace for all of us."*

Copyright 2021, Capable Company; All rights reserved

Challenge	Typical Response	A Better Response
Learning & Development Leaders want to prepare leaders for **engagement in challenging assignments**.	Provide just-in-time learning Micro-Learning Employ cross-functional team assignments such as Lean, Six-Sigma, and Process Improvements	Provide context, value propositions, and application of your organization's *purpose*, *values*, *vision*, *mission,* and *goals* to all leaders. As part of their learning experience, have them apply the learning to themselves and their teams. Encourage them to share, validate, and refine them with peers and internal customers and suppliers.
Learning & Development Leaders want to deliver with **70% Challenging Assignments – 20% Developmental Relationships – 10% Coursework and Training**	We identified no typical response to this challenge. However, we did identify a variety of emerging technical approaches including virtual reality, micro-learning, social media, learner generated content, and artificial intelligence assisted curation of learning content.	Integrate all three sources in one program that builds relationships among leaders as they spend 70% of their time on challenging assignments, 20% developing relationships with their teammates and coaches, and 10% on individual learning. Allow all leaders access to coursework on an ad hoc basis with the expectation that they will have completed it before being engaged in *challenging assignments*.

Copyright 2021, Capable Company; All rights reserved

Learning in the Doing

Our project with 6 Continents Hotels demonstrated why 70-20-10 is a strong formula. We provided a core set of learning to focus, align, and enable leaders to assemble then work together quickly. We integrated work assignment, relationship building, and training. Prescribed conversation topics, methods and practice scenarios put learning in the doing.

Here are a few examples of how one pattern (a pedagogy if you will) sets a cadence for discussion and decision-making.

“Who is the customer?” A simple enough question with a less simple answer. We posed the question to our twenty leader Transformation Team, and we got the response, “Customer for which hotel brand?” The response was a mosaic of Post-It® Notes with overlapping definitions for each hotel brand.

Next, we asked, “What differentiates these brands, in the eyes for those customers, from of your competitors’ brands?” The result, shared understanding for the first time among hotel operators and back-office teams of what creates value in the eyes of customers as opposed to what their hotels were being asked to deliver at each hotel.

In just a few hours, the brand standard for carpeting in the hallways of equatorial properties disappear and five cheese choices for breakfast in Asia got replaced by local favorites. While doing the transformation design, leaders learned the concepts of Target Customer, Product Differentiation, Value Contribution, and Brand Simplification.

Copyright 2021, Capable Company; All rights reserved

A Path Forward

The Organization Mandate (aka Mission Objective)

Ensure that leaders and emerging leaders at all levels, regardless of title or tenure:

- Understand their role and have the information, tools, knowledge, skills, and abilities to provide the organization with the capabilities that it needs to operate their segments of the organization
- Can build and continually evolve competencies and their teams' capabilities in response to changing conditions
- Are proficient in their work as leaders to operate efficiently and effectively, operationalize strategy quickly, and transform capabilities seamlessly, all at the same time

The Solution Schema – Adaptive Organizations Through Adaptive Leaders

Peering into today's adaptive organizations, these characteristics stand out.

- Leadership Development is the work of leaders at all levels
- There is a bench of future ready leaders
- Leaders develop leaders. They are models, trainers, coaches, facilitators, and mentors
- Leaders learn and teach in the flow of work
- L&D offerings play a pivotal role in attracting and retaining key talent
- A new business dialogue, "capabilities and capability leverage" is taking place in all parts of the organization
- Good data supports good decision-making
- Diversity and inclusion are innovation levers

Copyright 2021, Capable Company; All rights reserved

Capabilities are the focus for development of the organization and its people

Josh Bersin describes a place for employees to go to advance their job-related capabilities, not a physical place. Rather, a virtual place where business leaders and businesspeople decide what capabilities are important. Those, and other business leaders define, design, and deliver learning. He notes Comcast's Academy of Customer Service and Cemex's Supply Chain and Safety academies as examples.[vii]

Josh Bersin defines a capability as "a combination of skills, knowledge, and experiences employees need to succeed. And these capabilities are often unique, exclusive, and proprietary to your company."

He notes a study by IBM that surveyed more than 4,500 senior executives in fifty countries. The data clearly states that these executives consider behavioral / social skills hold the top four, and six of the top twelve, most critical skill gaps. These academies benefit from integrating technical and behavioral skill development.

To get the greatest value from academies, business leaders must apply deep understanding of capabilities and how capabilities create value. From this understanding, they can identify capability gaps that matter and focus academy content and participation.

Capabilities and Competencies

We note a bit of language ambiguity in this conversation and suggest the following distinction between capabilities and competencies:

Organizations need **capabilities**, combinations of people, processes, technology, and culture.

People supply **competencies**, combinations of knowledge, skill, and ability.

Copyright 2021, Capable Company; All rights reserved

A Vision for Leadership Development

To imagine a new schema for leadership development, one that delivers desired business outcomes, we scanned the research and asked executives to get on the balcony to see the bigger picture before getting into fray and tell us what they see. From these perspectives, business executives, our firsthand experiences, learning and development professionals, and technology providers, a vision of a different schema for leadership development presents itself.

Organization as a coordinated set of networks is the new model.

ADP is one company that sees this disruption coming. ADP is in development of a Team-based Human Capital Management System.[viii]

We see more technology providers embracing support for teams as organizations. In the coming year, technology products will support more of the following principles.

- The dominant organizing framework will be the team
- Teams will be stewards and operators of *capabilities*
- Individuals will report to other individuals, but *mission objectives* will direct the work of teams
- Teams will be entities with their own aspirations, intentions, and pathways to delivering results
- Teams will have their own culture, values, business rules, and performance measures
- Enterprise *purpose*, *values* and *vision* will provide cohesion resulting in a core culture that guides and bounds the network of teams
- A set of pre-made choices and decision principles will enable leaders at every level to accelerate team problem solving and direction setting
- Intact teams will operate long-lived processes that repeatedly produce the collections of results
- Short-lived teams (aka project teams) set mission objectives, create new capabilities, and transform processes

ServiceNow Leads the Way

ServiceNow supplies workflow infrastructure to link HCM to L&D and tools for leaders. For example:

ServiceNow supplies workflow infrastructure to support employee Workflows.

Platcore LMS integrates with HCM systems and workflows to deliver performance support in the flow of work.

Accelare supplies leaders' tools for Goal Management and Capability Management on ServiceNow infrastructure.

Copyright 2021, Capable Company; All rights reserved

ADP's Bold Move

ADP has recognized the need to overcome the inability of traditional HCM systems to enable holistic digital transformation across people, teams, and functions to better achieve strategic business objectives. That also includes reversing stagnant leader performance improvement despite ongoing HR technology and Leadership Development investment. Sr. Division Vice President, Linda Mougalian[ix] explains that HCM providers have developed systems to support structural hierarchies and cost centers, rather than networks of dynamic teams She explains how this can get in the way of employee engagement, performance, and the retention of top talent.

Dynamic teams, unblock productivity caused by hierarchical structures because people can work outside organizational boundaries. People are more engaged, less likely to leave and, therefore, more productive. By breaking down silos, dynamic teams help create a culture of connection and collaboration.

> *"The success of organizations that support cross-functional teams illustrates that HR professionals can help drive team leader performance by truly understanding their challenges," Mougalian says.*

Copyright 2021, Capable Company; All rights reserved

Leadership Roles for New Normals

Successful programs result when there is cohesion among, members of the C-Suite, Talent Management, People Leaders, Individual Contributors (SMEs) who lead without direct reports and Learning and Development Professionals. On the other hand, when roles are not well defined and respected, learners and the organization suffer. Role clarifications help a lot.

Members of the C-Suite

- Describe desired outcomes of leader development in terms of technical and social competencies. Ensure that competencies enable espoused *purpose* and *values*
- Describe desired business outcomes as quantified outcomes along a timeline
- Provide necessary resources

Talent Management Executives

- Describe stages of leadership proficiency for cohorts of leaders such as individual contributors, subject matter experts, project managers, executives, people leaders, high performers, emerging executives, etcetera
- Incorporate delivery of expected outcomes into recruitment, onboarding, learning and development and performance management practices
- Ensure that leadership practices from thought leaders are adapted to be relevant to your organization's desired outcomes

People Leaders

- Produce and reinforce desired outcomes at team and individual levels
- Actively engage in leadership development by teaching, coaching, and mentoring other leaders

Individuals

- Own accountability for self-development and taking advantage of available development resources
- Seek opportunities to demonstrate, develop, and leverage competencies

Copyright 2021, Capable Company; All rights reserved

Learning & Development Professionals

- Design learning opportunities that remain stable as their core and are relevant to all leaders
- Coach learners using scenarios that leverage the core to address specific leader issues and challenges

  Prefer integration over specialization. Integrate behavioral and technical skills and integrate doing and learning

Copyright 2021, Capable Company; All rights reserved

Foreground activities and results

Leaders develop leaders

Leaders develop leaders while doing real work creating organizational leadership capability and business impact.

- Coaching and mentoring are considered fundamental leadership skills
- Learning Coaches develop relationships among otherwise disconnected parts of the organization
- Facilitation Coaches bring method specialties to bear where needed

Leaders learn and teach in the flow of work

When leaders teach using scenarios that introduce concepts with application, they learn with the learners about how their organization operates. A common core of leadership practices evolves to accelerate getting work done.

- Learners are provided with step-by-step methods, templates, job aids, and information that they tailor to the work at hand and contribute to the framework
- When operating conditions or desired outcomes shift, coaches provide scenario updates as required

A bench of future ready leaders develops organically

Leverage of focused, aligned, and enabled leaders at all levels who are ready before being called upon allows organizations to sense and respond to disruption sooner and more effectively. Leaders throughout those organizations:

- Know what drives value for the organization and how the organization's capabilities enable value creation
- Understand the internal and external conditions that affect the organization's ability to produce value.
- Operate their parts of the organization effectively and efficiently, operationalize changes to operations quickly, and implement substantial changes that transform capabilities without interrupting service delivery.
- Work individually or together to creatively address issues across organizational boundaries.

Copyright 2021, Capable Company; All rights reserved

Change also talks place at the organization level

L&D plays a pivotal role in retaining key talent

Two high-leverage conditions for employee retention are (1) having opportunities to gain experience professionally and (2) to contribute to the organization.[x]

Positioning "Leaders Develop Leaders" as a career accelerator gives the Learning & Development team a powerful mechanism to derive impact from learning while contributing to conditions where key talent can be displayed, leveraged, and fulfilled.

- Leadership development is part of employee engagement and retention programs providing steppingstones to growth paths that fill future needs
- Learning in the flow of work encourages leaders at all levels of professional maturity to learn from each other
- Technical and social competence are linked helping leader avoid the "rewarded for results and held back by behavior" syndrome
- Leadership becomes a valued attribute alongside productivity

A new business dialogue takes place

Process discussions are overly detailed. Such conversations dive into minutia quickly. Enterprise Architecture discussions leave participants trying to connect the dots from architectural elements and the work they need to get done. Results make for good discussion but are too far from the work required to produce them.

- Leaders discuss substantial changes in terms of required capabilities that will be employed, not about specific people, process, technologies, or systems
- Leaders share a common language about strategy and strategy execution, the language of capabilities, capability performance, capability availability and capability value contribution

Diversity is an innovation lever - Individuality x Diversity = Inspiration

Providing a climate that embraces individuality and diversity is not only the right thing to do for individuals, but also the productive thing to do for the organization.

- Teams set aside time to understand elements of team process that maximize sense of inclusion and leverage available diversity

Copyright 2021, Capable Company; All rights reserved

- Individuals experience inclusion and higher quality work-life with open opportunities
- Individuals experience appreciation for their uniqueness and what it brings to the team
- Teams capitalize on diversity of thought and background to see further and more broadly
- Problem-solving benefits from diverse perspectives and dynamic team interactions

A Proposed Framework

Think of any organization as a focused and aligned set of teams, each with well-defined *purpose*, *values*, *vision*, and *mission*. *Shared values* create *core culture* and organization-wide mission mobilize leadership to deliver Results for members of the organization, its customers, and its investors.

Visualize two parallel and supporting organizing and operating models. A hierarchical structure of reporting relationships based on competencies and competence management, and a web-network of teams that build and manage the capabilities (made up of people, processes, technology, and culture) that dynamically arrange and scale to deliver desired results.

Bersin Network Model

Josh Bersin described the fundamental challenge most organizations are experiencing this way.

> *"The challenge we face is that most of our talent and business systems are designed around a hierarchy. Managers in charge, delegating work downward to their functional groups. In this new world of empowered teams, how do we "design" the organization to drive customer results, employee engagement, and a focus on quality and communication? How do we reward people, what roles do leaders play, and how do we move people from team to team as the business evolves?"*

For decades, those organizations have been doing what Josh Bersin describes but not at the enterprise level, at the project/program level. The efficiency and effectiveness of such structure has been proven over and again albeit not without glaring failures when not commissioned, managed, and led properly.

Copyright 2021, Capable Company; All rights reserved

Two *discoveries* from dozens of large-scale change projects are that (1) hierarchical structures hinder team performance, and (2) most “team leaders” are really process managers. Often, they are operators lost in and innovation world. Heifetz and

and paraphrase from Heifetz and Laurie here. Management of things is about addressing Technical and Routine situations through protections, order, clear roles, and responsibilities, and maintaining norms. Leadership in today’s organizations is about sensing adapting teams to a constant inflow of challenges that disrupt order, blur roles, demand shared responsibilities, and constantly create new norms.

How do we develop new and current leaders to be adaptive and maintain the routine at the same time? We develop their abilities to operate processes, operationalize new strategies, and transform to new norms seamlessly and simultaneously.

We propose a **Framework for Adaptive Organizations**:

A few framework principles:

- The collection of all Teams working to a common a common *purpose*, *values*, and *vision* is referred to as the Enterprise which is led by a Top-Team of direction setters and resource allocators.
- Members of the enterprise have at least one to many reporting relationships. They are members of a Home Team lead by a Manager/People Leader, and optionally, members one or more additional Work Teams each, with its own internal structure.
- Team is the only name for groups of people working to a common purpose, values, and mission. We do not use Function, Business Unit, Department, and others. because the framework applies to teams of all sizes and types.
- Each Enterprise and each Team within it, work to a core set of Aspirations, Intentions, Pathway to Capabilities, Results Enablers, and Results. We refer to these as the five Components of the Framework. Each is described below.

The first three Components, Aspirations, Intentions and Pathway unify all teams. Enablers distribute delivery and operation of Capabilities to specific teams. Results is where Mission Objectives and accomplishment of those objectives are actively managed for relevance and realization.

The Five Framework Components

Aspirations

Copyright 2021, Capable Company; All rights reserved

Aspirations provide focus and the broadest boundaries for the outcomes that the Enterprise strives to produce and how it will behave as it pursues those outcomes.

Insights

- Aspirations need not be considered attainable, but the more pursuit of aspirations appeals to the people that would attract and inspire the right people, the more powerful it will be.
- Aspirations for enterprise and individual behavior should be thoughtfully expressed. The punishment threshold for violation of behavioral standards extends well beyond the boundaries of the Enterprise.
- Apply Aspirations as a litmus test when leaders make choices, "Is this choice consistent with and supportive of fulfillment of our Aspirations."

Violating Aspirations Has Consequences

Google aspires to "Democratize Information."

What does AI Technology development for the US Military have to do with its aspirations? That is what 3,100 employees asked and what lead to "widespread resignations."

Luggage Provider Away's statement of "What we believe" includes, "The world is a shared place - together, we can leave it better than we found it." Co-founder and CEO left the company following a scathing report of her perpetuating a toxic culture. Employees describe their working conditions as a "violation of company values."

Copyright 2021, Capable Company; All rights reserved

Intentions

Intentions take Aspirations to an actionable level for leaders with vivid images of future accomplishments, premade choices that teams can count on as guides and boundaries for their choices without pre-authorization, and specific goals in the form of Mission Objectives for the coming 24 to 48 months.

Insights

- Connections between Aspirations and Intentions must be apparent and when response to operating conditions create disconnects, they must be communicated to all teams to avoid disruption.
- Intentions prepare leaders for the future. They share what the Top-Team is thinking about and how they prefer to pursue future outcomes.
- With long and short-term intentions in hand, leaders can look for and capitalize on opportunities to prepare for, lay in, or reinforce capabilities that will be required in the future.
- When a Mission Objective even appears to be inconsistent with Aspirations and other elements of Intentions, or when it requires the purpose, values, or current capabilities to change radically, teams must deal with resistance to change.

Alignment Facilitates Change

Change Management Programs have four main work streams: Overcoming Resistance to Change, Communicating What is Coming and What to Do, Preparing People for their Role in the New Normal, and Assuring Realization of Benefits (ROI).

Most of the time and energy consumed Overcoming Resistance to Change is waste. When Mission Objectives are consistent with and clearly support common purpose, values, and vision that people are invested in, resistance is minimal and requires little direct attention.

Close attention to continual alignment among Aspirations, Intentions, and Employee Commitment to those components not only accelerates and eases change, but it also increases the efficiency of daily operations.

Copyright 2021, Capable Company; All rights reserved

Pathway

The Pathway is where planning for pursuit of Mission Objectives sets a plan for closing Capability Gaps that would prevent Process Teams from delivering desired Results.

Insights

- The Pathway is where teams thoughtfully create the capabilities necessary to deliver results so that they can be delivered to Processes rapidly and seamlessly.
- Within the Pathway, both operational (what get done), and organizational (how people interact to get things done) Capabilities are set to be provisioned.
- When Intentions describes target customer cohorts and each of their value propositions, value contribution of Capabilities can drive the agenda for closing gaps.

Disney realizes new Capabilities

Cord cutting was accelerating, and streaming services like Netflix were experiencing explosive growth. Disney's board wanted speedy action. So, CEO and Chairman Bob Iger proposed a legacy-defining move. It was time to double down on streaming. After careful assessment of its streaming Capabilities, Disney saw a huge gap between them and success. They could build, buy, or borrow. "Speedy action" dictated "buy" so that bought BAMTechnology to close the gap.

Adapted from**:** NYTimes: Disney's Big Bet on Streaming

Copyright 2021, Capable Company; All rights reserved

Enablers

Enablers is where Capabilities are brought to life and Results are created Produced.

Enablers create and reinforce Capabilities and realize Capabilities in the form of Processes. This is the crossover from Adaptive Challenges to Technical Challenges for leaders.

Insights

- Processes are operated by intact teams that apply methods repeatedly to produce consistent results.
- In management parlance, process team leaders are operators, they wring out waste from work and drive continuous process performance improvement. Their purpose, values, and mission change infrequently but the capabilities that they rely on change continuously.
- Projects are short-lived teams that dissolve when their mission objectives accomplished. They need to assemble, focus, align, and activate quickly.

Enabling Enablers

Speed and effectiveness of enablers is maximized when:

- Aspirations, Intentions, and Pathway are consistent with each other
- Pathway addressed both technical and organizational capabilities in its design
- The Teams that will operate Capabilities are the Customers of Project Teams that deliver Capabilities

Copyright 2021, Capable Company; All rights reserved

Results

Results are what everyone is after. To assure delivery, Results must be managed from Intentions through Pathway to delivery and appreciation by intended recipients. When we refer to Results, we are talking about two kinds: Tangibles such as products, revenues, margins, value of assets, and Intangibles such as goodwill, customer loyalty and brand image.

Insights

- Intangibles often get left out of the measurement program yet how much people appreciate the outcomes often determines perceived success or failure of outcomes.
- Intangibles can and should be measured qualitatively if not quantitatively.
- Measurement of Results starts with Results Realization Risk Assessment way back at the opening of the Pathway and continues through delivery and application of Results by their intended recipients.
- The most common thing to interfere with benefit realization is make deliverables on time, on schedule, and on budget. Deliverables have a way of diverting attention from desired results.

Do not Let Results Get Away from You

Keep in mind that conditions, response to conditions, and available opportunities, at the time of setting Mission Objectives, do change. As such, Mission Objectives and Team Objectives may need to change as well.

Too often, long-running projects such as ERP and Big Data initiatives deliver results for organizations that no longer exist.

Benefit Realization is the desired outcome of investments, and not necessarily the original set of Results put forth as Enterprise and Team Objectives.

Copyright 2021, Capable Company; All rights reserved

The Framework as We See it Implemented

Individual and Organizational Benefits of Applying the Framework

- Build individual leader competency and organization leadership capability simultaneously.
- Develop competency in the flow of getting the work of leaders done.
- Embed critical thinking, leveraging diversity, culture development and other behavioral skills into methods, tools, and the learning experience.
- Share common language, methods & tools, across learning to enable leaders to learn and operate as a leadership team and as individual leaders.
- Coach organizations to continuously adapt frameworks to their context of purpose, Values, vision, and mission objectives.

eLearning with models, methods, and tools integrated and tailored to your business context, current conditions, and immediate goals.

Economical and designed to be coached in ways that make the same framework relevant to leaders at any maturity level.

Flexible delivery modes including self-registration to coached sessions opens the same core learning to all members of the organization.

Core eLearning includes generic models, methods, tools, and representative artifacts bringing the same ways of thinking and working to all learners

Copyright 2021, Capable Company; All rights reserved

The Why of the Framework

We identified seven problems that CEO's and CLO's want to solve through their leaders and leadership development.

The Missing Middle	Provide leadership development to the 70 percent of leaders who do not get formal training and are not privy to essential information about the organization that would be beneficial to decisions that they make daily.
The Three-Legged Stool	Focus, align, and activate leaders up, down, and across the organization to adapt quickly to disrupting conditions and opportunities.
Differing Terminology	Accelerate team formation and work with a common language for conversation about the organization and pursuit of mission objectives.
Learning in Silos	Learn as a community of leaders. Lean in the doing of work.
No Collective Mindset	Document pre-made big choices and decision principles and share them broadly through leadership to accelerate and improve the quality of decisions.
No Artifacts	Provide continually updated documentation team artifacts for peer review and incorporation in framework delivery. Leave a trail of what, why, and how to learn from.
Cost	Develop core leadership competence and leadership capability. Use the framework to get a one-to-two-year head start on an internally evolved custom program.

Copyright 2021, Capable Company; All rights reserved

The What of the Framework

We envision a broad set of learning and application support tools and learning delivery modes.

Learning Support

Courseware – eLearning modules for each of the five components that provide real examples of the component in action at a representative organization. All modules are interactive and are supported by attached or linked models, methods, and tools used to perform work individually or in teams.

Models – Infographics and imagery that can be used as cheat sheets and conversation pieces in group discussion or teamwork.

Methods – Step-by-Step instructions for completing units of work such as mapping and assessing capabilities for efficiency, effectiveness, and value contribution.

Tools – Guides and job aids to accelerate work.

The How of the Framework

Learning and Work Coaching

Individual Work – eLearning prepares individuals for group work. Thoughtful individual preparation improves the diversity of ideas that will be brought to group work. By incorporating some Individual work in eLearning modules, learners and self-enroll to get ahead of demand for their contribution to teams.

Group Work – Facilitation guides that are application scenario-based make learning delivery and leader work repeatable to form a basis for building self-forming teams and continuous improvement of the framework.

Coaching – Certified coaches are called upon to proctor ad hoc and assigned learning groups.

Social Learning & Support - Coaches and Application-Specific Facilitators selected from leaders can be brought to bear on leader work that demand specific expertise such as leading a Merger Due Diligence Team.

Copyright 2021, Capable Company; All rights reserved

Copyright 2021, Capable Company; All rights reserved

About Capable Company

Interested in joining us to develop this schema? We would welcome collaborations and feedback as we prototype and pilot the approach.

CAPABLE
COMPANY
Adaptive organizations from adaptive leaders

Capable Company is a startup, putting leadership development into the customer's work context and making it accessible and affordable to leaders at all levels. The Company designs and develops integrated models, methods, tools, guides, and courseware to develop adaptive leaders at all levels at scale. Capable Company's first product, a **Framework for Adaptive Organizations** is in development.

Contact us to contribute or learn more at Info@capablecompany.com

Copyright 2021, Capable Company; All rights reserved

About the Authors

Jim Dowling

Capable Company Co-Founder

A business maker, learner, and coach with a keen interest in helping individuals, teams and organizations realize their performance aspirations. After leaving Engineering and Information Technology, Jim found his work/playground: a place where people, process, technology, and culture can align to produce amazing results. Jim has led Enterprise Architecture, Teaming, Leadership Alignment, Leader Development, Organization Design, Change Management and Strategy Clarification programs at more than one hundred companies on four continents.

Rich Lynch

Capable Company Co-Founder

Rich has been on the front line of business innovations including the balanced scorecard, reengineering, capability-based planning, and new growth platforms. He is the lead author of “Measure Up! Corporate Renaissance, and The Capable Company. More than an idea generator, Rich has led many business transformations and has been running Strategy to Execution workshops for leaders at all levels across multiple industry segments.

Copyright 2021, Capable Company; All rights reserved

References

[i] McKinsey: What's Missing in Leadership Development: The authors found that only 7 percent of CEOs believe their companies are building effective global leaders

[ii] Josh Bersin: Why Leadership Development Feels Broken and How We're Fixing It: research found that 14 percent of companies feel they have a strong bench of leaders

[iii] Op cit. McKinsey research found that just 10 percent of companies believe that they have a strong bench of leaders.

[iv] Zenger/Folkman: We Wait Too Long to Train our Leaders: Jack Zenger and Joe Folkman found that the average number of years a supervisor is leading without formal training is 19 years, A long time to develop bad habits or watch the exit of younger employees looking for purposeful development opportunities on the job.

[v] LinkedIn: LinkedIn Learning 2020 Workplace Learning Report: 94 percent of employees would stay at a company longer if it invested in their learning and development.

[vi] IBM Institute for Business Value: Find Your Essential: How to thrive in a post-pandemic reality: 56% of CEOs emphasize the need to aggressively pursue operational agility and flexibility.

[vii] Josh Bersin: The Capability Academy Where Corporate Training is Going : Bersin notes that capability academies are a way to strategically align learning in the flow of work.

[viii] ADP https://flowofwork.adp.com: ADP's Next Gen HCM is designed around organizations as a network of teams.

[ix] Adapted from Human Resource Executive: Five critical steps for transforming HCM to future-proof your organization ADP embraces our core tenet of "prepare leaders for any future."

[x] Harvard Business Review: Why People Really Quit Their Jobs: People quit their jobs not just their boss.

Copyright 2021, Capable Company; All rights reserved