# CAPABLE COMPANY

Adaptive organizations from adaptive leaders

Prospects for cohort-based Leadership Development

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When it comes to leadership development, it's no mystery what executives want. They want leaders who are better prepared to meet challenges caused by disruptions, whether social, environmental, growth or technology related.

Year after year, they express concern that their leaders are not ready to lead in the future.[i] They say their organizations lack a strong bench of leaders ready to respond to disruptions,[ii] and they do not see enough business impact from leadership development initiatives.[iii] Frustrated that Leadership Development investments don't produce desired returns, they often turn to consulting firms who know how to:
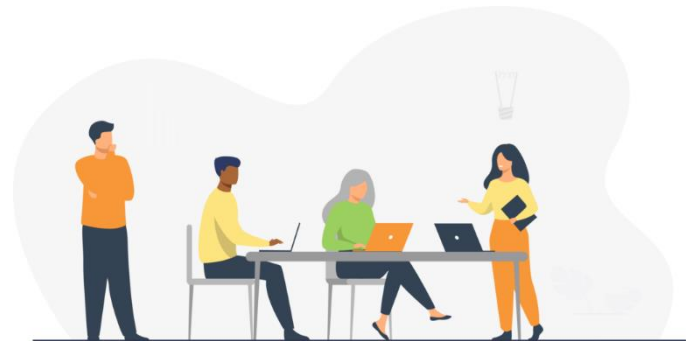
- Frame and tackle business issues around projects to get results
- Facilitate collaboration across teams who share a common mission
- Deliver just-in-time learning to teams so that they can produce desired business outcomes

Consultant-led learning follows the **70-20-10 rule**: individuals obtain 70% of their knowledge from job-related experiences, 20% from interactions with each other and their consultant coaches, and 10% from formal educational events.[iv] Recent studies suggest that this ratio differs somewhat company to company but overall, emphasis on experience and collaboration

is high.[v] Cohort learning   - an approach where a group of learners, typically from different companies, move through a course or series of courses together - is a step in the right direction but lacks specific *project and company-specific context* for application that is the starting point for consultant-led learning.

The problem with a consultant led solution to Leadership Development is that it's expensive and not scalable. Common methods shared during the project are viewed as the "consultants work" and fail to get company fingerprints on the work products and courseware to repeat successes.

To scale effectively and efficiently, leaders must be able to do three things well:

(1) Utilize cohort learning in project teams to tackle a real business problem.
(2) Adopt a common language for business transformation that helps connect the dots for leaders at all levels.
(3) Change their behaviors by getting their fingerprints on the project work and facilitate Just in Time (JIT) learning and coaching.

This jumps out to us as a huge opportunity for Learning and Development groups inside organizations as well as external providers who offer learning content and delivery platforms.

We are beginning to see the right words framing leadership development in provider posts and on websites such as *"Accelerate business transformation"* … *"Future-proof your team"* and *"Empower leaders to collaborate and inspire*." Digging deeper, what they offer is more of what they know how to do: add more courses to their burgeoning catalogs and match skills to learner roles. Some providers offer short cohort-based programs or bootcamps that bundle related courses. While moving in the right direction, they fail to meet the business outcome requirements of executives.

The reason project-based cohort learning is slow to catch on is that it is an adaptive challenge not a technical challenge.

Adaptive challenges require a change in behavior, mindset, and systems in order to be solved. These types of challenges are often complex and require a holistic approach. They can be difficult to predict and manage and require learning and experimentation to address them. This is different work for leaders who fix problems where technical solutions are known.

Let's look at hurdles that Leadership Development groups and their content and platform providers face with project-based cohort learning.
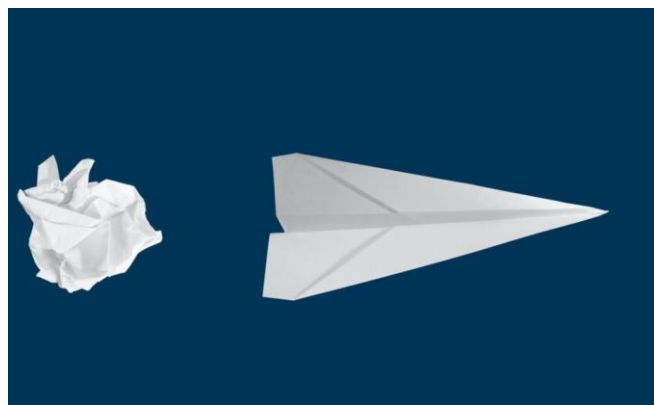
Column 1 in the table below lists key characteristics of the corporate eLearning industry today. These capabilities helped to create and expand the market especially during COVID where learners sought to advance their career through skills development. Project-based cohort learning is different and pushes CLOs and their content and platform providers into a new environment. Column 2 lists new capabilities that need to be explored, experimented with, and developed to address the adaptive challenge.

Technical Solutions (we know how to do this)	Adaptive Challenges (this is new to us)
• Provide individual skill development via self-paced eLearning (e.g., Python, project management, effective communication)	➤ Provide in-company, team based experiences that develop curiosity and critical thinking in context of a business issue
• Offer microlearning in the flow of tasks	➤ Apply learning in the flow project-based work and context
• Award certificates (e.g., for AWS)	➤ Build capabilities in the organization
• Utilize case studies to simulate practical application	➤ Tailor content to actual business challenge and culture
• Expand course offerings in their catalogs	➤ Expand program access to leaders at all levels
• Curate content	➤ Extend curation to include only courses that are relevant, compatible, and complementary
• Establish relationships with university professors and other experts for "video professors"	➤ Start with experts but move to leaders as teachers /coaches to get fingerprints on the models, methods, and tools in the work context
• Utilize technology for course to student matching, video content, and assessments.	➤ Utilize technology for team development of work products and share them across teams boundaries.
• Support for multiple languages	➤ Adopt a common language for discussion of adaptive leadership and strategy execution

Leadership Development groups and their content and platform providers have several choices when it comes to project-based cohort learning.

1. Continue to focus on individual skill development and certifications and ignore cohort learning. Skills development for things like AWS, Python, Java, Agile, and

communications skills is still a very large market. However, new skills are surfacing to the top such as analyzing issues and situations based on evidence and creative thinking to generate new ideas, solve problems, and imagine solutions beyond the status quo.[vi] These are likely best developed in the context of project teams. Furthermore, leaders will need to be proficient using digital tools, and effectively collaborate with hybrid workers, fully remote workers, contractors, and other employees who flow between projects and teams. Learning and Development could seize this opportunity in the way they deliver their programs.

2. A technical response would be to force fit project-based cohort learning along the lines of individual skill development. That means mixed cohorts, short courses, and case study based practice applications. We think this approach misses the adaptive challenge.

3. An adaptive response would be to view project-based cohort learning as a new growth platform and seek to develop new capabilities and systems that enable leadership development in the context of the work of leaders.

What This Means for Leadership Development Organizations

We see an exciting role for learning and leadership development professionals. Principles to guide the adaptive challenge response to project-based cohort learning include:

- Embrace project-based cohort learning delivered in a hybrid model (self-paced and moderated group work).
- Allow leaders including project leaders and subject matter experts to access courses and tools to set Vision and Mission, cascade Goals, align Strategies to Key Results and assess and build Capabilities required.
- Leverage learning experiences from premier content providers to continuously extend in-house programs.
- Scale programs through leaders as coaches on leadership models, method, and tools as well as courseware.
- Learning and Development professionals grow as experts in leadership learning and development coaches.
- Continuously adapt methods and tools to align and accelerate collective and individual action.
- Prepare Leaders at all levels regardless of title or tenure by building leader competence and *leadership* capability while producing business results.

What This Means for Content and Platform Providers

We see more 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 "Dynamic Network of Guided Self-Organizing Teams."

- Teams will be stewards and operators of *business capabilities* – the building blocks of adaptive organizations
- Teams will be entities with their outcome-driven aspirations, intentions, and pathways to delivering results
- Teams will have their own culture, values, business rules, and performance measures that best enable mission accomplishment
- Enterprise-level core *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 make decisions with confidence, thereby accelerating team problem solving, direction setting and time to action
- Short-lived teams (aka project teams) set *mission objectives*, create new capabilities, and transform processes
- Intact teams operate long-lived processes that meet ongoing and repeating promises to internal and external customers

Parting Thoughts

We are watching who will emerge as leaders in cohort learning for Leadership Development.

Content and platform providers will have to adapt their business models to include revenue streams from new customers, hybrid delivery and new pricing models. This means letting go of some paradigms such as the academic classroom led by experts who are researchers versus accomplished leaders coaching teams on project work. With the acquisition of CorpU and its cohort-based platform, Udemy Business has the early lead. We are watching for other players such as EdX and Coursera to respond. But if history is any guide to the sources of innovation, new players may move up quickly such as Maven Learning, Section4, and Quantic.

Some CLOs may decide to take the reins themselves as technology is no longer a barrier to entry. For example, Microsoft Teams with LMS 365 provides much of what is required for administration, virtual collaboration and creating, sharing, and storing work products. When leaders lead by example, as both coach and learner, they can foster a culture that is open to growth. But organizations need a new schema for leadership development to solidify and sustain this culture. Learning and Development can align learning opportunities with business goals to do that. What is missing is a framework of models, methods, tools, and courseware to create shared practices for leaders at all levels to act on what Executives want: leaders who are ready for any future, Adaptive Leaders, prepared to take on initiatives such as business transformation, strategy alignment, new growth platforms and capability development.

[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] Based on research conducted in 1987 by Morgan McCall and colleagues at the Center for Creative Leadership

[v] The OSF (on-the-job, social, formal) ratio

[vi] The Top 10 Most In-Demand Skills For The Next 10 Years, Bernard Marr, (Forbes August 22, 2022)