Building the perfect leader

From MBAs and Masters to coaching and mentoring, the leadership development options are daunting. Here’s a guide to what you can expect.

Similar to mechanics who look after everyone else’s cars except their own, HR professionals often look after everyone else’s development needs except their own.

Julie-Anne Tooth, herself a former senior HR professional and now associate of the Institute of Executive Coaching, says the difference is, “As an HR professional, I was always interested in developing the HR skills that really mattered, which were interestingly enough not ‘HR’ skills but ‘business’ skills and most importantly the commercial and business acumen which is the chosen dialect of our key stakeholders in the business,” she says.

However, now that she’s a coach who adopts a strengths-based approach to working with clients, Tooth sees the equation somewhat differently. “As a coach, I think the more interesting question relates to what strengths HR professionals possess and how might they use those more effectively in the business.”

Nonetheless, Tooth believes it’s important (and healthy) for HR professionals to take a critical look at themselves from time to time. “I do agree that sometimes HR professionals do not prioritise their own development or give emphasis to the right type of development opportunities for themselves.”

On that note, here are some of the most popular options for both HR professionals and senior business leaders.
MBAs AND MASTERS

Anne Ross-Smith has extensive experience in tertiary education. She was involved for many years with the University of Technology, Sydney MBA program as head of the School of Management, she studied a Masters degree at the Macquarie Graduate School of Management, and is now director of Graduate Studies at Macquarie University’s Faculty of Business and Economics. If anyone is in a position to assess the pros and cons of executive education – particularly at postgraduate university level – it is her.

With literally hundreds of short courses, Masters degrees, MBAs and other business education offerings, it’s hardly a surprise that some candidates – who may have been out of the education loop for many years since they completed their undergraduate degree – find it confusing.

“There are a lot of courses on offer,” concedes Ross-Smith. “Those who have been in the workforce for a number of years and are perhaps thinking about their career – usually it’s a career change or career improvement – are typically in the 25–40 age bracket. They may be confused about what choice to take. However, my experience is that they make sure they do become very well informed before they make that choice.”

What do students assess? Ross-Smith says the number one factor is the value for money proposition. With high-end MBAs offered by Melbourne Business School and Sydney University costing up to $100,000, it’s a significant financial investment usually borne out of the student’s own pocket (although employers that sponsor students to undertake further education will often reimburse them).

The prestige of the institution, the reputation of the teaching, where it can lead post-degree – where your career path might go, how much extra income you may earn as a result of having a postgraduate qualification – all become part of the mix of this complicated decision making.

Another important consideration is work-life balance.

“Four generations of business leaders are concerned about balancing home life with work life and study. Many women also undertake postgraduate business courses, so in some instances that often transcends the reputation of the institution. The key concern becomes, is it close to home or close to work?” says Ross-Smith.

There are three categories for postgraduate Masters in business. Most tertiary providers offer these or slight variations:

- Firstly, there’s the MBA – a generalist degree; in terms of course structure there’s a heavy focus on development to become a general manager. It can take up to four years or more of part-time study. ‘Executive MBAs’ are specifically designed for senior executives or those aspiring to be senior executives. The focus is typically on executive leadership. These typically take two years part-time study.

- Secondly, there’s Professional Masters (e.g. Master of Accounting or Master of Economics). Fast track and intensive, these programs offer an executive-style qualification directly relevant to career environments. Time to complete is between 12 and 18 months full-time study or part-time equivalent.

- Finally, there’s Generalist Masters (e.g. Master of Commerce, Master of Business). Sometimes these have majors such as HRM or marketing. However, there can be an option for students to complete a general track – at Macquarie University it’s called a Master of Commerce with no specialisation. Most comprise of coursework, project work and research in varying combinations. They are designed to enhance professional skills or help you acquire a deeper understanding of a specific area of knowledge. Time to complete varies due to the range of entry pathways, but most require the equivalent of two years’ full-time study.

“Your classic MBA student was an engineer or an accountant who found themselves in a management position after many years of working in those professions, and lacking skills in general management. That’s changed significantly. Although I still find many people from those professional backgrounds in my classroom, students now come from a wide range of professions – doctors, nurses, lawyers. I once had a well known rugby coach moving into the management area and needed the skills,” says Ross-Smith.

She adds that typically, for a student weighing up whether to undertake an MBA or generalist Masters, it often comes down to what undergraduate degree they have done. For those who have done an undergraduate business degree (as opposed to an Arts degree or other), an MBA is not a logical follow-on.

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“If you’ve got an undergraduate Bachelor of Business degree why would you then do an MBA? You’ve already got the basic skill sets. What makes students do the MBA is...
The 2011 National Learning and Development Index found the following topline results:

- 64.55% of respondents report that L&D is part of the HR function in their organisation, 14.1% report that it's a stand-alone function and 21.4% report it's both within and external to HR.

- 92.5% of respondents report that L&D activities are determined in the performance review process. 75.3% that they arise from compliance requirements, 75.3% that they are employee initiated, and 60% that they are decided in relation to core job skills.

- The main types of L&D activities reported as being provided by organisations include in-house training (95.1%), induction (87.9%), formal education funding (83.2%), leadership development (79.8%), e-learning (68.3%), professional association membership (66.2%), individual career planning (63.4%), coaching (61.9%) and mentoring (61.2%).

Source: The 2011 National Learning and Development Index by Australian Human Resources Institute / Australian Institute of Training and Development / Learning Beat

that often the marketplace demands it. But if I was advising someone who had a good business degree, I'd say you've got your skills there, why not think about specialising in an area you're working in to see your future in?" Suggests Ross-Smith.

Both a Generalist Masters or an MBA are viable options for HR professionals, Ross-Smith says. "If they're working in the field of HRM and they don't have a background in that area, they may seek to do a Master of Management or Master of Business in HRM - there are a few straight Masters of HRM around but not many. These Masters enable the student to focus on HR in more depth with a wider the student to focus on HR in more depth with a view to building their career in that profession."

"The majority of MBAs, on the other hand, don't have a fully prescribed set of units - some have six, others nine, others 10, but most will offer 12-16 subjects, leaving the option for a student who's interested in a particular specialisation to take 3-4 units in that area. That means the student graduates with an MBA but might have a sub-major in HR. "It really comes down to student choice here - weighting the various value propositions," suggests Ross-Smith.

Ross-Smith is an advocate of face-to-face learning and the peer networking opportunities it presents, and she says that knowledge of what a student's peers or colleagues are doing does play a role in influencing study choices.

However, she suggests that the one thing students don't do enough of is ask what their employer is interested in.

"If I was talking to my supervisor, my work colleagues, the HR department, to find out things like the pragmatics of doing it, their experiences, what the career path options might be if I have a Masters, whether they would be more inclined to advise me to do an MBA or a Generalist Masters, depending on where they see my career going." For $2,500 - $3,000 per subject, 12 subjects in a degree, it's a big personal investment. You want to be sure you're making the right choice."

PEER-TO-PEER LEARNING

Taking a different approach is the CEO Institute, a peer-to-peer membership organisation for CEOs and senior executives. With more than 900 members nationwide, its members meet regularly in small groups to share ideas, experiences and challenges and to be exposed to leading edge business thinking.

Of most interest to HR professionals - for their own development and that of others - is the Annual Leadership Program, which takes up-and-coming managers and nurtures their leadership skills to the next level. Syd Macdonald, former President of the CEO Institute, says the program draws on real-life experiences and adopts a guided learning approach.

Meeting on a monthly basis, the aim is to extend members' thinking and broaden their perspective. They have time to talk about business problems and generate discussions. All group members are from non-competing organisations so they can be free and frank.

For two of the monthly meetings this year, the Institute has engaged Mt Eliza Executive Education's Professor Graeme Coates to deliver case studies on Winning Organisations in Australia and Executing Your Strategic Plan.

"The aim is to encourage the rising stars in organisations and provide them with the knowledge, resources and support to help them make their career path to that top level!" Macdonald says.

For four meetings each year, existing CEOs are brought in to talk about some aspect of management - from international growth and improving financial management to change management and honing media presentation skills.

Each member does an annual presentation on their own experience or current role, to expand the thinking of the group, and there is an annual site visit to a member premises to understand the workings of that business.

For most people the TLP is a 2-3 year experience.

"People stay as long as they're getting a benefit," says Macdonald. "Some stay longer and remain in the same role in the organisation. You might ask, are these people progressing? They certainly are, but they happen to be in organisations where the CEO is still there."

Macdonald says the program is not just for CEO-aspirants, but for all business people who want to be better managers and senior leaders within their own organisations.
“Part of the experience is learning from others, not only their different business experiences, but also different technical backgrounds and how that might fit into a whole,” he suggests.

EXECUTIVE COACHING

Tooth believes all development approaches are relevant and necessary. However, she believes that in developing leaders, businesses have given primacy to the propositional or formal knowledge gained through qualifications and training at the expense of the knowledge gained from professional work and life experience.

“As people move up through organisations, there are few formal qualifications and courses that they have not completed,” she says. “For example, in my PhD research, a senior partner suggested that he had completed his MBA and every training program available to him and he was now in a position of being ‘too senior’ for training. Even so, he was looking for development and support, particularly in understanding his own style and how he was perceived and also in leading others. For this executive, the process of coaching enabled him to meet these needs.”

For HR professionals, Tooth says that looking critically at the traditional approaches to leadership development is fundamental for the future relevance and success of the profession. She adds that she is a fan of Anand Sinclair’s book Leadership for the Dillillusioned. Sinclair emphasizes the important role that reflection plays as the basis for learning about leadership and the important role that learning from experience plays in leader development.

“In my own PhD research, I discovered that executives valued executive coaching as a form of experiential learning and for providing the space to ‘pause and reflect’ in their busy executive lives. I would like HR professionals to consider that in our desire to meet the needs of the business, we too often assume a ‘one-size-fits-all’ approach to leader development.”

An HR professional Tooth interviewed referred to her organisation’s typical approach to leadership programs as ‘spray and pray’. In taking such an approach, employers often overlook the very individual, tailored and personal development that leaders also need. Methods such as coaching and mentoring and experiential learning enable leader development to be individually relevant, real and practical (and therefore ultimately useful).

The IEC has been conducting research into coaching effectiveness since 2003 with the Coaching Effectiveness Survey (CES). Overall, the biggest message to come through is that coaching is valuable in assisting people build self-efficacy. Self-efficacy is the perception/belief that people have about their capacity to achieve in relation to actions and goals. In particular, coaching improves people’s perception of their own strengths and challenges, and their ability to communicate assertively and confidently with their colleagues and staff.

Coaching also provides a prime opportunity for HR. In Tooth’s research, a range of businesses lamented the loss of the HR function as a ‘confidant’ and as individuals that they could open up to and share their development needs and problems with. “To me, a large part of this is about trust and building effective relationships with people in the business, something that I see as a real opportunity for HR. At the IEC, we believe the key to building relationships is the development of shared understanding through dialogue, so for HR professionals to possess skills that enable them to have real, honest and effective conversations with people in the business is a must.”

“IEC