



Executive Education Programs in Times of Economic Crisis: Considerations for Learning and Development Professionals

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Foreword

With the current financial and economic crises and expectations or reality of a recession companies are looking at ways of optimizing the use of their resources and reconsidering their investments. Efforts at developing management talent and leadership capacities of company employees are often associated with significant costs and may, therefore, be among the first to undergo scrutiny in terms of feasibility and expected effectiveness. On the other hand, underinvestment in preparing people for leadership and management roles and tasks may come at a cost for the organization's survival, competitiveness, and future success. Although leadership development can take many forms, executive education courses and programs traditionally play a large role in the process, and constitute a major part of leadership development costs. This business brief outlines a number of issues that need to be taken into account when designing, developing, and delivering leadership and management development programs under the conditions of scarce financial resources. For the purposes of this Business Brief we limit our discussion primarily to leadership and management development courses rather than discuss a much larger topic of leadership and management development in general.

In response to the challenges faced by the leadership development professionals, learning and development officers, human resources managers, and organizational decision-makers, the ESMT Center for Leadership Development Research prepared this Business Brief to outline approaches to increasing the efficiency and effectiveness of leadership development programs, courses, and other structured interventions under adverse economic conditions and limited resources available for learning and development initiatives. This business brief is based on our look into the history of leadership development in organizations, accounts of practical experiences of companies running leadership development programs under adverse conditions, recent academic thinking and research about management and leadership development, as well as our own experience in designing, developing, and delivering leadership programs in various parts of the world.

Executive summary

This business brief starts with outlining how executive development programs can be used productively in crisis times. In particular, we argue that management and leadership development courses can and should serve as a tool for making change happen and mobilize people for organizational survival and success. The business brief continues with design considerations for leadership programs in challenging times. In particular, we call for going beyond the 'training mentality' when designing programs. The business brief calls for: increased customizing of programs, reconsidering program design, creating opportunities for personalization of learning, and broadening executives' horizons with economically feasible methods. We then consider important elements of participant's program experience that can help increase effectiveness of the learning intervention. In particular, we pay attention to pre-program experience, surprise and learning to use the space of executive development programs, exploration of past and present, experimentation, and stepping out of the program and making a connection to getting things done.

1. Executive development programs in challenging times need to have vs. nice to have?

Lucy Kellaway, a popular columnist with the Financial Times, indicates in her recent column entitled “The Scarcity in Silliness”¹ that the current crisis is a good litmus test for what she calls ‘management bullshit’. She notices, for example, that she has stopped getting invitations “to attend a management training course based on a study of ancient tribes.” As she remarks, “[w]hen there is no money there is not a lot of sense to be found in sending one’s entire team off on a two-day course to learn the leadership lessons of, say, King Lear or Attila the Hun.”

Ironically, in the same issue of the Financial Times Colin Carnall, Chief Executive of CassExec at Cass Business School in London, argues that the current crisis has revealed bad management in today’s organizations. Getting out of the crisis and running successful companies in the future requires talking about the business models organizations use and the capabilities required for it. Carnall argues that this is the task of leadership. Economy, in his opinion, needs leaders with a coherent approach to defining business models, which should be seen as a developmental activity closely interlinked with other activities in the company.²

¹ www.ft.com accessed on October 6, 2008

² Ibid.

Despite the reality of the economic crisis, a recent Harvard Business Review article advises to companies fighting in the war for talent in the emerging economies to offer their managers accelerated career paths from the first day on the job and to promise virtually unlimited prospects for growth. In essence, offering accelerated development becomes part of a psychological contract between the organization and its members. Failure to develop employees for managerial and leadership role may be costly due to both the needs of the company and the expectation of the employees.³

Discontinuing leadership development efforts would mean risking disruptions in the management pipeline and potential scarcity of qualified employees for leadership positions in the future. Executive development at large can be also seen a process of influencing organizational culture and involving managers in the process of taking responsibility for the company's sustainability and success. During crisis times executive development efforts may be seen as a tool for mobilizing organizational talent towards transcending current difficulties and taking the organization to the next level of performance and success.

Classroom programs, courses, or seminars usually play a noticeable part in the overall executive development efforts of an organization. They also make an important item on the learning and development budgets. Although we at the ESMT Center for Leadership Development Research strongly believe that leadership development goes significantly further than programs or courses, we realize that many other ways of developing leaders (e.g., mentoring by top executives, individual leadership coaching, developmental assignments with support from inside and outside organization, secondment to other countries or parts of the company, etc.) may shrink due to fewer opportunities and less time available for the top management's involvement. Besides, courses and programs give an opportunity to help influence cohorts of managers, rather than a limited number of individuals.

Discontinuing leadership development programs or postponing them until 'better times' may lead to losing opportunities of mobilizing managers in the middle of the organization towards realizing the strategies developed at the top. Participants in leadership programs, often middle managers, should serve as change agents in organizations, as a link between the top management and rank-and-file employees, and as balancing force that simultaneously keeps the company operational and promotes change.⁴ To play such a role, middle managers need motivation, encouragement, support, information, knowledge, and tools. They also need trust in their leaders' capacity to move the company forward.

³ Ready, D. A., Hill, L.A., & Conger, J.A. (2008). Winning the Race for Talent in Emerging Markets. (*Harvard Business Review*), 86(11): 62-70.

⁴ See, for example, Huy, Q. (2001). In Praise of Middle Managers. (*Harvard Business Review*), 79(8): 72-79.

Organizations should ask themselves about the importance of the human factor for their survival and competitiveness. If people's buy-in into the actions of the top management and mobilization of their resources are seen as critical, then executive development programs may be a necessity. Management and leadership development programs under conditions of economic scarcity can be used as a tool for:

- Explanation and clarification of the top management's expectations from the managers and employees of the organization
- Modeling the behavior that is expected to contribute to the success of the company
- Mobilizing middle managers towards execution of the measures designed at the top
- Equipping managers with concepts and tools for new actions or behaviors
- Creating or enhancing a feeling of a common identity
- Increasing the feeling of responsibility of managers for the organization's survival and success
- Providing a network for mutual support and motivation.

In essence, under the conditions of economic scarcity, executive development programs should become not just sources of new information or interesting pass-time, but rather truly transformational opportunities with impact not only on the cognition of managers, but also on their emotional and behavioral sides.

On the other hand, investing in developing leadership competencies that are not necessary (e.g., due to scrapped growth plans, postponed acquisition decisions, or slowing down of a global expansion) doesn't make too much sense. Peter Cappelli, a Wharton professor, suggests that companies should consider very carefully the challenge of balancing the risks of under-producing talent internally and overproducing it.⁵ With reference to executive development activities in the organization, the recommendation we make is linked to the above-mentioned argument. We suggest that organizations should continue to exercise effort in putting their people through executive development programs, if they really believe that they need involvement of these managers in pushing the organization forward. They should, however, start by asking themselves what kind of people they involve in the programs, how these people are selected, what goes into the content of leadership development programs, how the programs are linked to the challenges faced by the company, how the learning outcomes are translated into managerial actions, and how those actions contribute to the achievement of organizational goals.

⁵ Cappelli, P. (2008). *Talent on Demand: Managing Talent in the Age of Uncertainty* Boston, MA: Harvard Business School Press.

2. Executive development program design considerations

Learning and development professionals may be concerned with the pressing needs of continuing to help their organizations through leadership and management development under budgetary constraints. This section outlines some of the possible measures that can help manage costs while delivering expected impact on participants and the company at large.

2.1 Going beyond 'training' mentality

One of the critical things for learning and development professional is to help their organizations, as represented by managers and top leaders, go beyond 'training mentality' when it comes to executive development. Investments in leadership and management development need to be considered not in terms of courses or programs planned and delivered, but rather in terms of the tasks resolved through them and an overall impact on longer-term development of the organization and/or individuals

concerned. Such a mentality change would require involvement of the bosses of the targeted participant population in a careful needs analysis, as well as strong involvement in the pre- and post-program stages of the leadership development intervention.

Involvement of top leadership is critical in determining the issues and challenges that need to be worked on during the learning and development intervention. Deciding what kind of issues are to be addressed by the programs or other interventions will help course designers see how to affect participants at the cognitive, emotional, and behavioral levels. Recent research of Manfred Kets de Vries and Konstantin Korotov indicates that a truly transformational program needs to touch participants at all three of them.⁶

Participants in the program should understand that the learning and development intervention is not 'training', but rather a workshop or a work-related meeting dedicated to dealing with an organizational issue. In order to achieve this, participants have to have a constant connection to their work reality. This can be achieved through a number of design elements for the program:

- Engagement in a discussion with top leaders from the company
- Working on a specific work-related issue throughout the program
- Conducting an analysis of current situation and developing recommendations for the top management
- Looking at one's own behaviour as part of the learning process and analyzing its appropriateness for the current work requirements
- Preparing a presentation for top management.

Program design may involve specific developmental projects for participants to engage in. It should be noted, however, that such projects need special attention. There are two opposing, but equally risky, situations with developmental projects in organizations. On the one hand, HR and learning and development professionals take full control over developmental programs and fail to truly involve organizational leaders. Helped by consultants, they create artificial projects with a learning purpose. Participants are offered a lot of support from coaches in implementing these projects. However, the organizational impact is insignificant, and the participants prefer not to get truly engaged in the process. In the context of crisis situations such projects may be viewed as waste of participants' time and organizational resources.

On the other hand, participants often deal with real life situations that bring with them a strong learning potential (for both themselves and their companies). However, although these projects have a real importance for the organization,

⁶ Kets de Vries, M., and Korotov, K. (2007). Creating Transformational Executive Education Programs. *Academy of Management Learning & Education*, 6(3): 375-387.

the HR professionals are not necessarily capable of supporting them with guidance and coaching. As a result, there are no reflective moments and learning discussions. The situation is exacerbated by the fact that for many top leaders, who may be objectively interested in the success of the project and in the development of the subordinates, a coaching leadership style is still foreign and difficult to grasp. They may also be too busy trying to fight crisis-induced fires in their companies. The learning and development and HR professionals need to bring together program participants, top management, and executive education providers (business school professors, consultants, coaches, etc.) together. Although that may require a bit of upfront investment (e.g., in terms of time), the results of the project and the learning potential would be significantly improved.

2.2

Customizing, customizing, and customizing

Investing into an executive development program in crisis times makes sense when the latter deals with the company's specific issues. For that purpose, providers should be able and willing to customize the program to the needs of the organization. However, very often it is not enough to have a benevolent provider who is ready to invest time and effort in understanding the organization and its issues. The company has to be able and willing to help the provider prepare customized case-studies, vignettes, role plays, etc. That requires time and access to the organization and its decision-makers. Unfortunately, in many parts of the world companies are still a bit wary about letting in researchers and educators and having them look at an acute issue and developing a case about it.

Customization also means involving a group of carefully selected and well-prepared internal speakers or instructors. The latter need to feel the importance of their involvement in the learning intervention, and should invest time in making their appearance a relevant and motivating experience for the participants. Nothing de-motivates more than an in-house instructor or speaker who is not prepared or is not willing to engage in meaningful discussions.

Sometimes the company doesn't have resources for a fully customized program, or it doesn't have a critical number of participants that would justify the investment. In that case, the organization may consider creating a consortium program together with two- or three- other noncompeting organizations that may face similar issues.

2.3 Reconsidering the structure of leadership and management development interventions

The recent thinking on and experience with transformational executive education programs calls for programs that have several modules and are spread over time.⁷ This may sound counterintuitive due to the costs associated with travel and time that the executives spend away from their offices. However, the above-mentioned need to go beyond the 'training' mentality suggests that a program with several modules would create a better touch with reality and more opportunities to experiment with actually doing something outside the classroom. Rather than sending participants for a week-long one-module program, we would recommend considering two or three two-day modules with a couple of months break between them. This would allow the participants use the modules as laboratories for exploration, and time between modules for experimentation with new ideas and concepts. Participants should be expected to carry out experiential activities and to report back to the class or peer-coaching group on the results of their experiments.

Pre-program and between-modules work should significantly increase the effectiveness and efficiency of the classroom learning. This can involve reading, distance learning, case-study analysis, preparation for 360-degree feedback, going through structured reflection exercises, etc. If participants have done background reading and preparation tasks, the classroom time (arguably, one of the most expensive elements in leadership programs), may be immediately converted into a laboratory-like problems for discussion of organization's issues.

There is a huge potential related to the time participants spend together during leadership and management development programs. Meals, evening activities, semi-structured discussions, site visits, etc., can be turned into powerful extensions of the learning process. Fire-side chats with top managers or invited guests also serve as exploratory and experiential opportunities for participants (and, actually, for the top managers involved). These activities don't need to be carried out in plush environments with expensive food and drinks. A cup of coffee or a glass of wine (depending on the culture) could be equally good for creating a warm atmosphere for a deep conversation.

2.4 Creating opportunities for personalization of learning

Programs are more effective for participants (and, eventually, for the organizations) when they have an opportunity to analyze their own situation through the theoretical 'lenses' discussed in the program. Ideally, group executive coaching should be added to program design. Coaching refers to a set

⁷ Ibid.

of methods and techniques aimed at helping individuals increase the degree of realization of their potential in short-, medium-, and long-term projects undertaken at work or in non-work life. It aims at increasing one's performance and learning ability, as well as satisfaction from engagement in personally exciting activities and working towards personally and organizationally meaningful goals.

Executive coaching is a professional service whereby a trained consultant helps an executive or a group of executives clarify and distil their goals, find ways of meeting them, and overcome obstacles towards their realization. In a group setting, coaching allows to use the collective brain, heart, and experience of the group in order to help a particular participant make sense of his or her situation and clarify the best course of action, as well as make a public commitment to working towards achievement of goals. Through participating in a group coaching session participants also quickly learn being a coach, a skill helpful in any leadership role.

In addition to executive coaching, or as a substitute for it, peer coaching may be used. Peer coaching in executive education programs is a methodology that uses the power of work and life experience of fellow participants in helping other members of the class clarify their goals, assess the reality of their situation, elaborate available options or alternatives, identify necessary resources and support mechanisms, and, last but not least, commit to action through development and peer approval of an action plan and agreeing on a follow-up with the peer coach throughout the process of implementation of the action plan.⁸

Peer coaching is particularly effective when participants pair up with a fellow executive classmate from a different organization or a different part of the same company. Having been through common emotional experience, participants can overcome the feeling of "being lonely" at the top when it comes to discussing their ideas, hopes, feelings, anxieties, etc.

2.5 Broadening executives's horizons without fancy and expensive methods

Crisis may be the right time to reconsider the learning effects from the methodologies that have recently become very fashionable in the executive development industry. Expensive forays into exotic woods, reflective sessions on top of mountains, helicopter rides, parachute-jumping, swimming with the dolphins, production of videos, conducting real orchestras, working with professional actors imitating real life, and other esoteric and expensive

⁸ Korotov, K. (2008). Peer Coaching in Executive Education Programs. *Training and Management Development Methods*, 22(2): 3.15-13.24.

edutainment activities may be relatively easily substituted for with powerful, yet inexpensive horizon-broadening opportunities.

Here is a list of possible activities that are often used in ESMT's leadership and management development programs.

Participants reflective capacity can be, for example, enhance through attending special or permanent exhibitions in local museums and discussing participant's experience and feelings while going through them. For example, we have taken participants to such events as the Berlin Jewish Museum's exhibition "Typical: Clichés about Jews and Others" or the same museum's exhibition about Sigmund Freud's life and work. These evening excursions allowed us to have discussions, respectively, about managing diversity and about irrational in leadership behavior. A visit to the Berlin's Communication Museum's exhibition called "Miscommunication" was a good opportunity to discuss leader's communication qualities. A tour of the Jewish Museum's building and discussion of Daniel Libeskind's architecture served as an introduction to the topics of organizational culture and symbolic management. The cost per participant of these activities is really negligible, despite rich emotional response and valuable discussion opportunities.

Similarly, participants may get involved in visits to local NGOs, charities, public organizations. They may practice their consulting skills while working on life cases of these organizations. A visit to a subsidiary of their own organization may often be an eye-opening experience for the participants as well. Asking participants to act as mystery clients or even offering them a chance to be a front-line employee in their own organization may have a powerful a-ha effect without high costs.

3. Understanding the dynamics of participating in executive development programs

Based on a recent research on the experience of learning in an executive education environment, this section of the Business Brief suggests how a participant may go through a leadership program and how he or she can be helped to make the most of the experience with the emphasis on encouraging visible action steps on the part of the participants.

Participating in a leadership development program in economically difficult times should be positioned as a developmental opportunity for the executive and as a part of the change process for the organization. Completing such a program should be then seen as a special kind of experience that goes beyond the purely academic exercise of mastering theories or learning about management tools. Based on the research findings of what happens with an executive when he or she goes through a development program with a transformational emphasis, this section outlines important points that may enhance effectiveness of executive programs.

3.1 Pre-program experience

The pre-program experience of participants contributes to the formation of expectations about their forthcoming learning experience. When an executive program admission procedure requires a significant contribution and commitment from the participants, the latter become engaged in the learning process even before the program begins.

Self-nominations of candidates for talent development programs in organizations can be a valuable way of identifying the people who should receive scarce resources dedicated to development.⁹ Developmental activities that supplement the traditional workload of participants may be exactly those arrangements that reveal the true intent and motivation of the potential participant in an executive development program.

As argued above, a leadership development program that is offered during a time of economic difficulties should be closely linked both to the current reality and future challenges and opportunities. Therefore, participants should be given an opportunity to use leadership development programs to work on their job-related real-life leadership tasks that come as an addition to their normal workload. Discussing with participants how the leadership development program is linked to the organization's objectives, and what is expected of them personally, sets the expectations for participants' level of involvement and commitment to the learning experience. Those employees who self-select to be in the program will be sending a signal of their interest and engagement to the organization. Simultaneously they will also start learning about the expectations that the company has of its aspiring leaders during difficult time.

We also suggest pre-program interviews involving the candidate, his or her manager, a learning and development professional, and, possibly, an executive development program director in order to establish mutual expectation from the incumbent's participation in the respective course. While this recommendation would be also important for 'better times', it becomes particularly critical during a recession or otherwise challenging times. Involvement in such a pre-program discussion is beneficial not only for the program participant, but also for his

⁹ Capelli, Op. Cit.

or her boss and the learning and development professionals involved. For the former, it is an opportunity to reinforce his or her expectations of the program participant and also to start thinking about how to put to use the knowledge and skills obtained through a development programs in the best possible way. For the latter, it is a chance to look once again at the needs of the organization and the executives concerned and use that information in program design and delivery. Pre-program discussions also set the foundation for the follow-up post-program interventions or checks planned for by the learning and development professionals.

Pre-entry experience gives participants a preview of what lies ahead, sets expectations about the rules, and also contributes to the initial feeling of psychological involvement with the course. The pre-learning process serves as a first exercise in dealing with the anxiety associated with the unusual experiences offered to participants during the program. Involvement of the line manager at this stage will increase the chances of offering support to the participant during his or her journey through the program and readiness for using the knowledge obtained through attendance of the program in solving organizational issues.

3.2

Surprise and learning to use the space of executive development programs

Despite the development of initial expectations based on pre-program experience, the actual initial leadership development program experience may turn out to be different from both the expectations and any kind of previous educational experience participants have had. The beginning of such programs often brings about surprise, particularly when managers realize that this is not a “nice to have” or “interesting to listen” event that can be classified as ‘edutainment’ (the programs that Lucy Kellaway refers to in her column are exactly ‘edutainment’ events that should have no place in the leadership development curricula in difficult times). Surprise happens when what an individual has imagined or thought of before entering a particular situation fails to materialize or is significantly different from the actual experience.

In programs that simultaneously affect knowledge, attitudes, and behaviors of participants the major dimensions of surprise are usually about the experimental nature of the learning, its connection to real life, need to cooperate with other participants, and tools used in the program. One of the types of surprise is usually associated with the need to engage oneself as an object of study, having self as a perspective through which personal and interpersonal, team, and organizational issues are to be understood, explained and predicted.

Similarly, it is possible to assume that participants have pre-conceived notions, or their own system of coordinates, regarding the topics and teaching approaches typically used in executive education programs, as well as the issues that are of importance to the company in crisis situations. Therefore, they may have certain expectations about the treatment of leadership-related topics. Leadership development program situations may represent a surprise stemming primarily from the need to immediately think about application of what is being discussed in class to their work situations, and their personal responsibility for getting things done.

After realizing the novelty of the situation participants have to learn how to use this new learning environment. There are three types of issues that participants have to become comfortable with:

- managing the boundaries of the learning space;
- identifying resources and instruments available to them and starting to use them; and
- figuring out the rules of behaviour and the limits of those rules.

The psychological boundaries deal with the issues of what is safe to express, question, show or demand during the program. Managing the boundaries in this case means developing trust in the people (both participants and faculty) involved in the program, working out how broadly or deeply they want to share their ideas, questions, or concerns, and involve others in the process of the personal development and organizational change. Naturally, a short-term one-module program is very limited in terms of providing opportunities for participants to start really trusting others. Some researchers even suggest that in crisis times employees may be naturally expected to show less of an initiative and take fewer risky steps. Leadership development programs in crisis times should help people overcome this natural inclination. The challenge is to create a psychologically safe environment for raising critical issues and experimenting with difficult or charged issues. Participants may be cautious under the risks of potentially losing face in front of other participants (who may sometimes be seen as potential internal competitors for jobs or important projects) or in front of the management, if the latter is involved in the program. Multi-modular programs are better suited for overcoming these challenges, as participants gradually develop trust in others and in their own ability to work with important but ambivalent issues. As mentioned above, such programs allow for taking the learning out of the classroom into the real life between the modules, and then having an opportunity to reflect on it and get peers' and faculty reaction in the subsequent parts of the program.

Learning how to use the program's space includes mastering the rules of the process and the tools available to an individual executive attending a program.

For example, participants need to work out how to make the most of the activities designed to take place before the classroom session or between the modules or at the end of the formal program. Thus, participants in an action-oriented leadership development program may be asked to prepare a pre-program analysis of their current work-related issues, or they may be asked to develop ongoing case studies about their progress in implementing ideas gathered during the course, or collect and analyze feedback about their leadership behavior. Participants also need to learn to make the most of their fellow participants' involvement, and use their experience and knowledge in the learning process.

Another dimension of learning how to use the space of the executive program is using the time of the faculty members, consultants, coaches, and guest speakers who accompany the participants throughout the course. Our experience shows that there are some people who are more active than others in seeking consultations, advice or just a critical ear from the faculty involved in their program. The same refers to other resources that often become available in a leadership development program such as use of library and information resources, getting access to participants in other courses taking place simultaneously, being introduced to other professors or consultants working in the same institution, gaining more information on coaching resources available, etc.

Managing the boundaries, figuring out the rules of the program and identifying resources and learning to use them may, overall, be seen as a part of the learning process for subsequent growth and development of leaders.

3.3

Exploration: examining the past and present

As an individual goes through a leadership development program, he or she puts under scrutiny his or her own leadership qualities and the current situation of the organization. Part of the learning in a crisis or recession situation refers to examining what is crucial for success today and tomorrow, and which parts of the practices or identities of the organization and/or individual concerned are no longer valid and require reconsideration.

An important part of the participants' experience in change-oriented executive programs is self-exploration, which happens with the help of structured activities included in the program by design, as well as through an individual's overall experience of being in an unusual group, going through exercises, getting feedback, self-reflection, and interaction with other members of the class. The formal activities usually include 360 degree feedback on leadership competencies, 360 degree personality assessment, individual non-anonymous feedback reports, Emotional Intelligence instruments, cross-cultural readiness questionnaires, etc.

Our experience suggests that participants also need some help with structure or templates for thinking about their current organizational issues or challenges, their departmental strategy, and their functions' opportunities and threats. Participants need to learn not only to go through structured analytical exercises, but also to be able to present them in a convincing manner to people who may not necessarily be fully informed about the issues faced by a particular department or organizational function. They also need to be ready to get feedback and then use that feedback in fine-tuning their ideas or presentation styles.

The results obtained through the use of the feedback instruments or through presentation and analysis of departmental, functional, or organizational strategy documents are particularly powerful when used in small group executive coaching sessions¹⁰, and in subsequent peer-coaching work. Other elements of self-exploration may include presenting one's personal case to the class, involvement in fishbowl coaching sessions (being coached in front of the class), undergoing peer coaching, writing case studies and reflection papers and, in some programs, preparing a final report or presentation for the organization's top managers. Personal case studies, for instance, help individuals put on paper the story of their journey - where they are or were before a certain tipping point. Further discussion of the case studies with fellow participants and faculty members allows individuals to crystallize some of the problems or issues that they want to deal with, including some of the identities that they want to leave in the past.

The exploration stage helps executives find an explanation for their behaviour patterns and allows them, when necessary, to launch an experiment with a different set of behaviours. As program participants sometimes say, transformation-oriented courses may resemble a therapy experience. It is more correct to describe such courses in terms of what many authors call 'not a therapy, but therapeutic.' Many therapeutic approaches, and, in particular, psycho-dynamically-oriented ones, as well as many schools of executive coaching, see helping the clients achieve self-understanding as one of their essential tasks. A significant portion of a transformational program's emphasis is on helping participants learn about themselves and make links between these findings and their effectiveness in organizations and other settings. However, it is important to emphasize, that transformational efforts in an executive education program or in leadership coaching that often makes part and parcel of a leadership development course, are focused on the future, and not in the past (like in therapy).¹¹ Therefore, there is no risk of offering therapy on the company's cost, if the self-exploration efforts are linked to company's performance and future needs.

¹⁰ Kets de Vries, M. (2005). Leadership Group Coaching in Action: The Zen of Creating High Performance Teams. *Academy of Management Executive*, 19(1): 61-76.

¹¹ See, for example, Coutu, D., & Kauffman, C. (2009). What Can Coaches Do for You? *Harvard Business Review*, 87(1): 91-97.

Sensemaking is the process of placing elements of one's history or one's environment into a framework, responding to surprising situations, gaining meanings, and developing interactions in order to come to a mutual understanding of events and the environment. Sensemaking is not a simple interpretation of things (i.e. not explaining one word by using others), but rather the phenomenon of simultaneous authoring and interpreting. Here is how Weick defines the challenge of sensemaking:

"In real world, problems do not present themselves to the practitioners as given. They must be constructed from the materials of problematic situations which are puzzling, troubling, and uncertain. In order to convert a problematic situation to a problem, a practitioner must do a certain kind of work. He must make sense of an uncertain situation which initially makes no sense."¹²

In a similar vein, participants in leadership and management development programs often come to the course with a number of problematic situations either in their organizational life or personal careers and lives. Very often there is a perceived need for change or a transition, although what exactly needs to be changed remains vague. The problematic situations are given further shape through the self-exploration work. As an outcome, executives develop an explanation for themselves, primarily, and, in some cases, for the internal world situated within the boundaries of the course, about who they are and how they have got to where they are. The vague problematic situations (e.g., being unsure about organizational strategy, feeling challenged as a leader, being dissatisfied with one's career, or even feeling unhappy about one's life) then start gaining the form of a specific set of issues that are easier to deal with.

3.4 Experimentation

Executives stage both mental experiments, where they try to see themselves in a new role or with a new identity or identities, and more tangible activities associated with experimenting with new possibilities for themselves, their teams, functions, departments, or organizations. The mental experiments include contemplations, discussions or presentations of their personal and organizational issues and thinking about potential changes in their roles, preparing reflection papers where they mention the feelings and insights that come upon them during a particular module, developing reports to top management or presentation where they elaborate on their possible future steps and directions for development, etc. In addition, exercises during such programs often require working out an action plan of some sort and discussing it with fellow participants and leadership coaches.

¹² Weick, K. (1995). *Sensemaking in Organizations*. Thousand Oaks: Sage.

More tangible activities involve experiments that are staged outside the space of the program, whereby individuals try to apply the principles studied in the class to their work situations or their side activities. Those who have tried new things return back to the space of the course (for a new module or in a pre-scheduled phone conference or coaching or peer-coaching session) to obtain feedback or some kind of para-supervision (or a professional consultation regarding the issues faced and the methods used to deal with those issues) of their independent experiments. Longer-term programs provide an environment where participants can evaluate the outcomes of their try-and-see experiments outside the boundaries of the dedicated trial environment. The post-experiment follow-up debriefing opportunities (e.g. in formal debriefing sessions held in class, in discussions with peers and with the faculty and in writing reports or case studies or making presentations to top managers) allow the participants to evaluate internally whether the experiment can, and should, be taken to the world beyond the laboratory environment.

3.5 Stepping out of the leadership and management development programs: making a transition to getting things done in real life

Executive programs, even longer ones, inevitably have a dedicated moment at which they end. This is the moment in which participants, if the program was really transformational for them, have a lot of expectations and hope for their ability to implement some of the learned ideas, theories, or skills. This is once again a critical moment for the involvement of the participant, his or her boss, and learning and development professionals. Upon return from the program, participants need to start implementing their learning relatively quickly. The boss, naturally, needs to be informed about those ideas, so that he or she can evaluate their feasibility and support them. The end of an executive program, particularly in a crisis time, is a good moment of reflection. The participant has just spent time away from his or her work, and it is a legitimate moment to discuss the learning points with his or her supervisor.

Such post-program discussions, however, often need to be facilitated, as bosses may be too busy with other things to dedicate time to a meaningful conversation with the executive. The latter may also feel somewhat pressured to get down to daily business. Acknowledging this challenge, it is recommended that such a discussion is planned well in advance, maybe even at the pre-entry, pre-program stage.

Post-program interviews show that transformational executive courses often terminate with the participants realizing the importance of the process that they

have been through to leadership and change-management efforts in their organizations. Executives often leave the program desiring to implement elements of their experience in their work and personal lives, i.e. they want to apply the principles of transitional space for change and transformation. They also often think about implementing elements of their own journey in the learning and problem-solving routines of their teams. Thus we have to think about executive programs not only in terms of their experience, but also in terms of what they can offer to their subordinates. Beyond content, the process becomes an important takeaway from the executive education experience.

Understanding the dynamics of participation in a leadership development program is important for making the time spent in such a program as productive as possible. Unfortunately, quite often companies forget about the importance of the pre-entry stage, and they do not pay attention to the stepping out of the program stage, thus losing valuable opportunities for preparation for the program and post-program momentum for action. Companies also underestimate the importance of the participants' ability to use productively the tools made available to them in the process of executive education. Thus, they may not be able to use productively such tools as 360 degree feedback, executive coaching, peer coaching, reflection, action learning, etc. A careful diagnosis of the participants' familiarity with the tools may help avoid frustrations and time lost due to mismanaged expectations.

4. Conclusion

This business brief has laid out a number of theoretical considerations and practical recommendations regarding designing executive development programs under the times of economic difficulties and reduced budgets. Consideration of the participants' experience in going through executive development programs leads to the need to take into account the influence of the dynamic of the learning process. Specific recommendations outlined in the business brief may be used to deal with the cost-cutting challenges in design of leadership development interventions.

Difficult times force companies and people to re-examine what they have done before and what they are planning to do in the future. Similarly to the experience of the participants in executive education programs described above in this business brief, the current situation forces leadership and management development professionals to explore their own identities and the identities of their interventions. It is also the time to experiment with the new ways of tackling leadership development challenges. That refers to everyone involved in leadership development, including the academics, educators, and consultants. This applies to us as well. Therefore, we would be happy to learn about what you do in your organization in response to the new demands for leadership development, and to discuss with you how we should reconsider leadership development in crisis times and beyond. Please contact the author at konstantin.korotov@esmt.org if you would like to discuss your ideas or experience.

The author

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About ESMT

ESMT European School of Management and Technology was founded in October 2002 on the initiative of 25 leading German companies and institutions. The founders aimed to establish an international business school, based in Germany, with a distinct European focus. As a private institution of higher education, ESMT provides executive education (since 2003) and an international MBA program (since 2006). ESMT headquarters is located in Berlin with a further campus in Cologne. ESMT is fully accredited by German authorities as a private institution of higher education.

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