You have to take the ones with the most potential and send them where the action is. That way you achieve two ends: You get the problem taken care of, and you get a manager who’s grown through experience. Leaders are formed in the fire of experience. It’s up to the head of the company to prepare a new generation and send them to hot spots as part of their training. He must prepare for a smooth transition by training people, guiding them, pushing them forward, but not too hard. Then, from among them, he must choose the successful ones, the future managers and directors, the ones he has confidence in, not because they’re someone’s protégé but because they’ve faced difficult tasks and accomplished them.

Carlos Ghosn
Chief Executive Officer
Nissan and Renault
(Ghosn & Ries, 2005, pp. 152–153)

This isn’t HR speak about development; this is the language of a driven line executive facing a daunting challenge who recognizes that he needs to develop talented leaders if the company is to be successful. If you are wondering what experience-driven leadership development is, Ghosn’s description provides a
starting point. Business success, he is saying, requires identifying people with potential, giving them challenging assignments, and holding them accountable for both results and growth. The process is driven by the senior leaders and, most importantly, by the chief executive. In other words, it’s not the responsibility of human resources (although they have a crucial role to play); it’s the responsibility of line managers. It’s not about training or educational programs (although they can contribute value); it’s about learning from job experience. And it’s not about a process that is a nice extra benefit or a “human resource strategy,” it’s a part of the business strategy. Or, as Moheet Nagrath, former chief human resources officer at Procter & Gamble, put it, “Is leadership development a business necessity or a hobby?” (Nagrath, 2013)

That challenging experiences are central to developing leaders is what successful executives first told us almost three decades ago and we originally documented in *The Lessons of Experience* (McCall, Lombardo, & Morrison, 1988). It turns out that all “hot spots” and “fires” are not the same—experience comes in many shapes and sizes and its lessons are equally diverse. But the types of experiences that matter can be identified and are consistent across corporations and even across cultures (McCall & Hollenbeck, 2002). What differentiates experiences and at the same time makes them potent learning events are various kinds and degrees of adversity and challenge (McCauley, Ruderman, Ohlott, & Morrow, 1994). The specific lessons offered up by the different kinds of experiences are to some degree predictable and consistent (Lindsey, Homes, & McCall, 1987; McCall & Hollenbeck, 2002).

Knowing what experiences matter and what they potentially teach is a good beginning, but applying that knowledge requires answering additional questions. How do you identify who should have the relevant experiences? If the needed experience is across a boundary—say in another division or business or country—what mechanism can be put in place to move people in a safe and timely manner? Obviously, learning from experience is not automatic. Barbara Tuchman observed that, in politics at least, “learning from experience is a faculty almost never practiced” (1984, p. 383). So what can be done to increase the likelihood that the appropriate lessons will be learned? And finally, what does a successful leader look like in a particular organization,
and how do the strategic business needs of the organization drive the use of experience to develop those leaders?

These questions led McCall (1998) to propose a framework to guide practice in more systematically using experience to develop leadership capacity. Simply put, the framework suggests that if people with potential are given the opportunity to engage in strategically relevant experiences, and something is done to ensure that they learn the lessons of those experiences, it increases the probability of having the leadership talent necessary to lead the business strategy. Each of the six elements—strategy, experience, talent, mechanisms for moving across boundaries, catalysts for promoting learning, and the resulting increased leadership ability (“the right stuff”)—is a potential leverage point for improving the overall process of developing leadership talent (see Figure 1.1). For example, the ability to learn from experience is a key ingredient in identifying leadership potential (Spreitzer, McCall, 1998).

Figure 1.1. Examples of Leverage Points for Developing Leadership Talent

Using Experience to Develop Leadership Talent

& Mahoney, 1997), so organizations can leverage that knowledge by finding ways to assess potential leaders on that dimension prior to giving them strategic experiences.

Putting Experience at the Heart of Development

Some organizations have worked to put experience at the heart of development, or at least to use it more effectively. At the request of the Society for Industrial and Organizational Psychology, we have gathered a number of contemporary efforts at doing so. Twelve of the eighteen chapters highlight a specific organization that is, in one way or another, using experience to develop leadership talent. Their efforts range from a focus on first-level management to very senior executives; from very specific programs to systemic interventions; from U.S.-based corporations to those based in India and Europe. The remaining chapters (excluding this introduction and the conclusions) dive into special topics: virtual reality experiences, everyday disciplines to enhance learning, bosses who are exceptional people-developers, and driving on-the-job development into the whole organization. While only some of the chapter authors have consciously used the McCall framework, it provides a guide to a number of the issues raised in the chapters and to the ways in which the organizations represented here have leveraged each of the six elements.

Driven by the Business Strategy

Most of the development practices described in this book are driven by the business strategy. For some it's a matter of growth and the need for more leaders with specific skills (e.g., JK Organisation and IBM). For others it is a matter of ensuring that leaders have the breadth to lead effectively across divisions, functions, or businesses (e.g., Tata Group, Genentech, and Eaton). Still others have leadership development deeply embedded in the core strategy and it is a core value of the CEO (e.g., GSK and 3M). Starting development early and finding ways to reach the large number of junior managers is a strategic thrust for some (e.g., HEINEKEN and Yum! Brands). The Intelligence Community, in contrast, is responding to a Congressional mandate to develop leaders who have crossed agency silo boundaries.
The importance of a direct and significant link to the business strategy cannot be over-emphasized. Access to specific job assignments, projects, bosses, and resources—the sine qua non of experience-based development—often depends on the business rationale and commitment of senior executives (so much so that Yost argues for getting rid of “HR speak” in favor of business language).

**Focused on Experience**

All of the chapters in this book deal with experience one way or another; it was one of the criteria for selection. It was interesting to observe how ever-present the “70–20–10” dictum has become as a rough guideline for the distribution of experience, other people, and courses. It has found its way into some companies’ performance management processes, where an expectation might be for the development plan to contain 70 percent experience, 20 percent coaching or mentoring, and 10 percent training. Whether or not they follow the 70–20–10 rule of thumb, the chapters illustrate the variety of ways experience can be used and created. At Eaton, for example, an effort was made to systematically identify developmental jobs and experiences and then to build them into the career planning process. This resulted in a tailored set of experiences specific to the corporation, complete with the rationale for why they were important and what learning could be expected from them.

Several organizations designate particular assignments to be used for developmental purposes. For example, in the Intelligence Community, agencies have defined certain positions as “joint duty,” meaning that they are permanently used as cross-boundary experiences. And two key assignments at Kelly Services (head of a global function and country general manager) are reserved for the further development of high-performing senior leaders. One of the most sophisticated uses of experience is at Tata Group, where newly hired high potential managers are given several cross-function, cross-company, cross-industry projects plus a community project in a year, followed by two two-year stints in a group company.

The most common kind of experience used comes in the form of projects of various kinds and degrees of sophistication. IBM and Microsoft both have programs that send talented managers to do
good in developing parts of the world. At GSK you might spend six months in London exploring the future.

Among the more unusual uses of experience are JK Organization’s program aimed specifically at developing managers into better bosses, the Institute for Creative Technologies’ (ICT) use of virtual humans to simulate interpersonal leadership situations, 3M’s emphasis on community service, and Genentech’s 10 percent of time for six to nine months in a different function.

In short, these organizations use special projects, cross-boundary assignments, programmed and time-limited postings, and other online experiences as developmental opportunities, and when those aren’t available, create substitutes for them. Identification and use of assignments for development has been heavily exploited by these organizations.

**Identifying Potential**

While identifying and creating developmental experiences is common across these organizations, the same can’t be said for the identification of leadership potential to decide who gets what experiences. For the most part the organizations described here rely on traditional assessment methods, mostly human judgment applied with varying degrees of rigor. Perhaps the most sophisticated approaches to assessment in this volume are found in our two Indian companies: JK Organisation combines assessment center data with intense evaluations by business leaders, while Tata Group uses a rigorous selection panel and puts candidates through a series of evaluations (“stage gating”).

As a general practice, multiple assessors are used, but who they are varies. In some cases decisions are made by panels or boards consisting of human resources professionals, while in others both line managers and human resources are involved. In almost all cases in which the development processes are not available to all managers, nominees are chosen from a high potential pool or through some variation of a succession planning process or other nomination procedure. One exception is the IBM Corporate Service Corps (CSC), where managers apply for the opportunity to participate and top management prospects are selected by human resource review boards.
Few of the practices described in these chapters are consistent across organizations, and identification and selection of talent is no exception. There does seem to be a tendency, however, for increasingly serious involvement of line managers in assessment as more of the developmental experiences are real assignments with real performance expectations.

One particularly unique approach is used by Kelly Services. The recruitment process involves a rigorous assessment of each candidate’s strengths and weaknesses, and that information is used to tailor a development plan for each of them.

While who does the evaluation of candidates and the process they go through in doing it are frequently spelled out, less often specified are the criteria used in evaluating candidates. Competency models of various sorts have stormed the corporate kingdom, so they, along with consideration of career goals or target jobs, often comprise the criteria for assessment discussions.

**Mechanisms for Movement**

It is often preferable and certainly less risky to develop people by reshaping or adding to their current jobs rather than by giving them new assignments. Sometimes, however, the business strategy requires that future leaders have broad exposure across organizational boundaries (e.g., see Eaton, 3M, Tata, and Genentech), or the experience a developing leader needs simply is not available in the current job.

For a variety of reasons, making cross-boundary moves can be problematic. To take just a few examples, managers may not be sanguine about giving up their most talented people, even for such a good cause as their development; people being “developed” may not want to leave their current geography, assignments, or units; the organization may not want to risk derailing one of its talented managers (crossing boundaries is one of the situational factors that can trigger derailment); or the recipient of the developee may not be comfortable taking on an unknown or lesser known quantity while simultaneously denying the position to one of its own (much less risk a decline in performance if the newcomer is not up to speed). Even in an
organizational culture that supports cross-boundary moves, managers may not have sufficient knowledge about what experiences are available in various parts of the organization or why exposure to them might be important.

When significant resistance exists or knowledge of jobs is limited, there has to be some process in place to facilitate cross-boundary moves. We have labeled such processes “mechanisms,” and they may be as simple as the hiring manager making the call or as complicated as a formal succession planning process starting at the bottom and working its way up to the senior management team. Organizations intent on using experience to develop leaders address the issue in a variety of ways. For example, at Kelly Services decisions are made at talent summits and accountability for follow-through is assigned. At IBM selection decisions for the Corporate Service Corps are made by a cross-agency board with representatives from relevant stakeholder groups. 3M uses executive resource committees, tier reviews, and succession plans that are reviewed by the CEO for their developmental implications.

Obviously, there are efficiencies when the same process that identifies or assesses talent also makes placement decisions, but whatever the actual mechanism there seem to be two critical ingredients: the deliberating body must have the authority to move people, even if there is resistance, and the deliberating body must have the knowledge to make informed decisions that take into account specific developmental needs of individuals and the risk to both business performance and to the individual’s career. Both of these criteria suggest that accountability for developmental moves and their outcomes should reside in high-level executives (authority) from the various domains under consideration (knowledge).

Catalysts for Development

It seems obvious that experience does not come with guarantees. People can be amazingly immune to learning anything from their experiences and, with a little creativity, can even learn the wrong things. It is no surprise, then, that the organizations in this book add numerous catalysts to the potential-plus-experience mixture in hopes of precipitating the desired outcomes. These catalysts
include a buffet of interventions for both the developee and the boss, including:

• Feedback from multiple sources, including senior management, coaches, 360 assessments, sponsors, mentors, bosses, panels, and peers. JK Organisation, for example, involves eight different stakeholders to provide feedback as well as a safety net. At 3M there are three distinct roles—mentors (all top executives serve as mentors), sponsors (who provide career guidance and advice), and champions (who nominate people for important projects).
• Accountability for development, for example, at Kelly Services, where bosses are held accountable for developing their people, or at Yum! Brands, where development is assessed in individual development plans and at people reviews.
• Online training and processes, such as Genentech’s self-serve website and the extensive online processes Yum! Brands used to achieve global scale.
• Various forms of support and safety nets, such as the ongoing reviews at Tata.
• Workshops designed to provide tools and knowledge that could be applied immediately in the current assignment, like those at GSK to support teams working on a strategic project and at HEINEKEN for first-time supervisors.
• Workshops and programs designed to build networks and supplement or even replace job experience, like the programs at Microsoft and the leader-led sessions at 3M.
• Special attention to transition points, a part of career assessment at Kelly Services, and a focus at re-entry from a strategic assignment at GSK and from a joint duty assignment in the Intelligence Community.
• Developing a methodology for deliberate practice as part of leadership self-development, as described by McHenry & McKenna.
• Group sessions before, during, and after assignments, as in the intensive preparation for and debriefing after the projects in IBM’s Corporate Service Corps and in HEINEKEN’s continuous learning groups for first-line managers.
In addition, the chapter by Yost outlines a series of possible interventions from a human resources perspective, and McCall and McHenry report on a study of what exceptional bosses do that enhances learning from experience.

**Organization of Chapters**

The chapters are clustered according to their central emphasis. The chapters in Section II, “Putting Experience at the Center of Talent Development Systems,” are the most comprehensive, emphasizing a systemic perspective linking business strategy and experience in a broader context of other organization practices. The second and third sections are more focused: Section III, “Designing Job Experiences for Leader Development,” concentrates on identifying, using, or creating developmental experiences, while Section IV, “Maximizing Learning from Experience,” pulls together chapters dealing with catalysts—helping make learning from experience intentional.

Although clustered together based on their general emphasis, the chapters in this book provide numerous examples for each of the elements of the development-from-experience framework described in Figure 1.1. To help readers find which chapters explore which of the elements with more depth or in a more novel way, we have created Table 1.1 as a rough guide to chapter content.

We should point out that diversity of approach is simultaneously the strength and weakness of an edited book. As editors we have made every effort to assure consistency in the quality of content and writing of each chapter, but celebrate and have taken great care to preserve the differences in perspective offered by each author. You will find, for example, that some chapters provide detailed examples of how to coach individuals as they choose and make sense of experience (e.g., chapters by Wayne and McHenry & McKenna). These chapters can be very helpful to line managers in their role of helping others (or themselves) navigate stretch experiences, and to others like business partners or coaches who provide such advice and counsel. Other chapters take you almost step-by-step through the design of an experience-based system (e.g. Yum! Brands) or program (e.g., Microsoft, ICT, and HEINEKEN), so can be valuable guides for human resource professionals who find themselves responsible for the development
### Table 1.1. Guide to Chapter Content

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**Key**

*Strategy:* Chapter contains at least moderate coverage of how the organization’s particular business strategy or business challenges initiated or shaped the experience-driven development system or initiative.

*Experience:* Chapter contains an in-depth description of the experiences (on line or created) used for development.

*Talent:* Chapter contains a reasonably detailed description of how talent is identified for decisions about who to put into the experiences.

*Mechanisms:* Chapter provides at least moderate coverage of how people get moved into developmental assignments outside of their current jobs.

*Catalysts:* Chapter provides a detailed description of tactics for encouraging and supporting learning from the experience.

*Right Stuff:* Chapter either provides a framework of leadership ability that the experience-driven system or initiative is aiming to improve or reports in detail on the impact of the system or initiative on leadership ability.
of similar things. For those readers interested in high tech or high volume delivery, some chapters describe web-based and evolving technologies to achieve efficiencies and scale (e.g., ICT and Yum! Brands).

We make no pretense that the twelve organizations represented here are inclusive or representative of all organizations using experience in some systematic way to develop talent. While they include four of the world’s most admired organizations (IBM, Microsoft, 3M, and Yum! Brands were in *Fortune*’s top 50 listing for 2013), we chose them based on personal contacts and word of mouth because they were doing interesting things and because we found someone who was willing to write about what they were up to. We have no doubt there are many others out there with still more to offer, but we are satisfied that the people and organizations in this book represent some of the best minds tackling the challenges of implementing experience-driven leadership development. Ironically, one of the oldest and most obvious approaches to leadership development (“of course leadership is learned from experience”) turns out to be one of the most difficult things to actually implement systematically.

It seems that around every corner there is another paradox to resolve—short-term results versus long-term development, choosing the most qualified person for the job versus the person who could learn the most, assessing potential versus current performance, leadership development as a business necessity versus development as a hobby, and one set of leadership competencies versus many ways to lead successfully. It is our hope, and the hope of the authors, that the experiments recorded here will inspire others to take on the challenge of using experience to develop leadership talent. After all, it’s when challenges push us outside of our comfort zones that we learn!

**References**


