

Developing Leaders

Big picture leadership, *fine-tuned*

Quarterly

Leadership at Every Level

Wharton's Monica McGrath
in Conversation

The Millennial Management Challenge

Tyler Waye

From Burberry CEO to Google No. 2

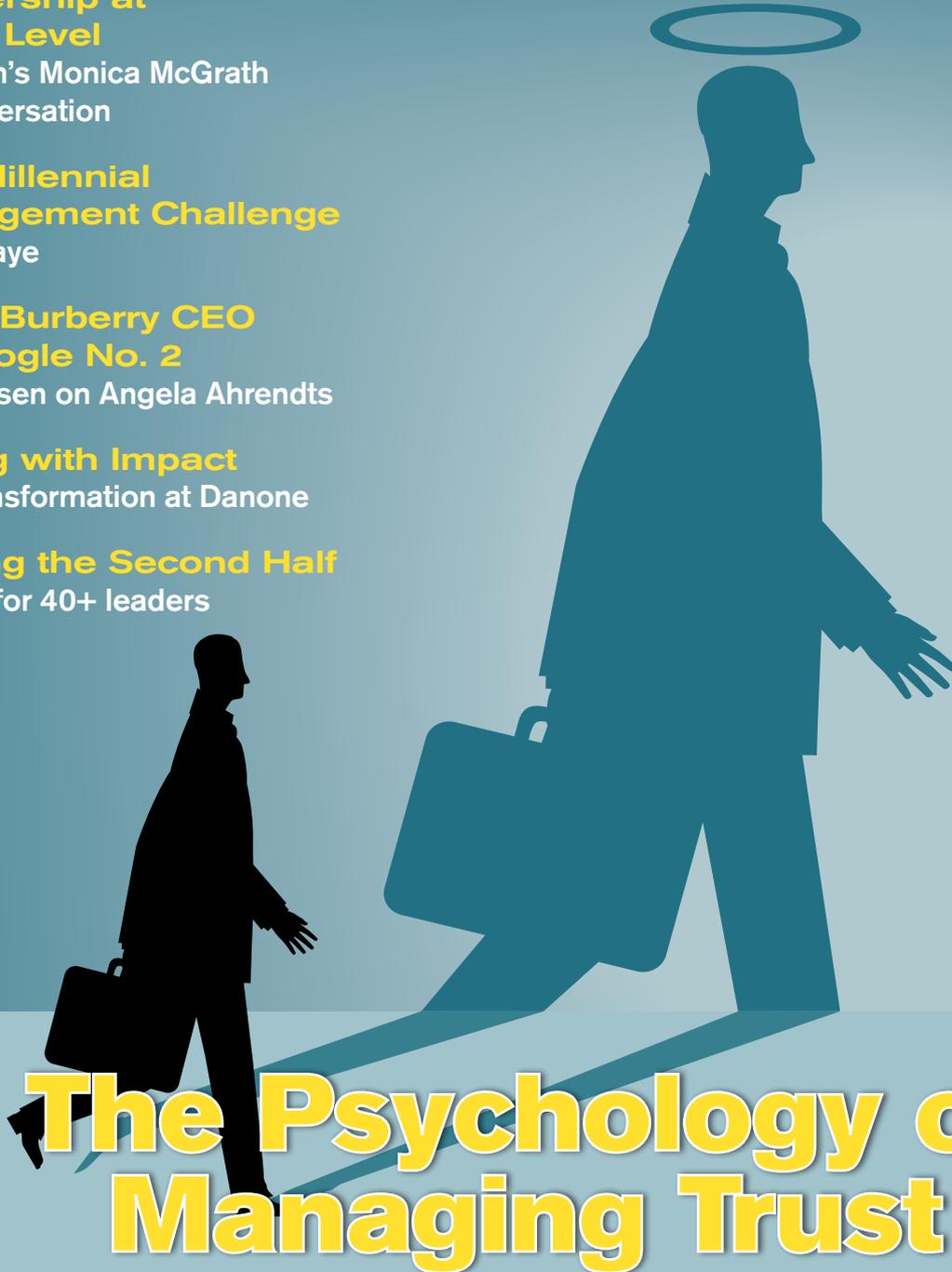
Bob Rosen on Angela Ahrendts

Acting with Impact

HR Transformation at Danone

Playing the Second Half

Advice for 40+ leaders



The Psychology of Managing Trust

Insights from Alberta, Ashridge, Cranfield, ESADE, INSEAD, Saïd, Michigan Ross, Wharton and others





Leadership at Every Level

A conversation with Monica McGrath, Vice Dean, Aresty Institute of Executive Education, The Wharton School, University of Pennsylvania

By Peter Chadwick

Monica McGrath is a passionate believer in adult learning and in business schools as places where leaders can go to stimulate their development and to hone and practice their skills. At Wharton, one of the world's oldest and most prestigious business schools, leaders can develop the sophisticated skills they need, to face both personal and business challenges, supported by faculty with a vast range and depth of experience around the issues organizations contend with today.

Central to her thinking is the belief that leadership is about the day-to-day application of practical skills, a far cry in fact from the traditional view of the leader as someone 'set apart'. Thirty years ago, when McGrath started her career as a coach to senior executives and their teams, leadership was seen to be the purview of only the chosen few—those with the charisma, experience, and social networks to be able to command and control their employees and organizations. At that time leadership was also seen as a distinctly different thing from management, which was viewed as a lesser activity.

'Over recent years our understanding has changed, and we now see leadership and management to be totally interconnected and no longer as two separate categories. An effective leader must inspire and motivate her team but also be able to do the



management basics well', says McGrath. What is more, the 'inspire and motivate' bits, in themselves, involve skills that can be developed and improved upon and are not, as previously portrayed, matters of innate character and charisma. Also today we have a more collegiate view of leadership, and we see it to be needed at all levels of a healthy organization.

Of course, the benefit of seeing leadership as being about the day-to-day application of practical skills is that skills can be learned, and this greatly opens up the opportunities for executives and executive educators alike, informing the way leaders develop and the way we 'teach' leadership.

This positive outlook is supported by new findings from neuroscience, around the plasticity of the brain, which show that adults are more able to change and learn new skills than we thought previously. McGrath is however keen to point out that this current preoccupation is nothing new in her experience. Adults have always been continual learners. People have always understood that to achieve what they want they so often need to be able to change their behaviour.

McGrath's core message is that each one of us can learn to be a better leader and that the business school 'classroom' can be critical in directing and accelerating our learning. Away from our usual workplace and away from our usual time and workload pressures, the business school environment can provide both the space for deep self-reflection, and the connection with other people and their perspectives on the issues we face, connecting us with both the insight of knowledgeable faculty and the views of peers from a diverse range of industries and cultures.

For senior leaders, some of the key lessons are around the use of emotional intelligence. McGrath points out that a leader can very often successfully delegate technical tasks, but the emotional component of the leadership role cannot be delegated, and it is in this area that leaders often underperform or fail. Good communication, for example, is an essential leadership skill requiring a high degree of emotional intelligence. Too often the poor leader will expect people to understand her intentions without having clearly explained them. The gap between intention and interpretation is a dangerous one in a business



context. Listening at a deep level is another essential skill, and too many business leaders can't communicate and can't listen. But listening and communicating effectively and empathetically is a skill that can be developed.

According to McGrath, 'arrogance' has always been at the heart of bad leadership, and emotional intelligence, empathy, self-awareness, and self-management have always been essential parts of how leaders avoid 'derailment'. She is wary of buzzwords such as 'authenticity', which she thinks is too harsh a way of describing the personal side of leadership capacity. The key to this is self-awareness, understanding 'the impact of the role I have', and mastering self-control. She quotes the legendary psychologist Walter Mischel and his 'marshmallow experiment' at Stanford—a series of studies on delayed gratification in the late 1960s and early 1970s which revealed that children who were able to wait longer for the preferred rewards tended to have better life outcomes. The key to being a successful leader—or anything else in life—is mastering self-discipline.

As well as her role as Vice Dean, Monica McGrath is an adjunct assistant professor of management at Wharton, where she has taught courses in leadership, organizational behaviour, teamwork, and negotiations, teaching in both open-enrolment and custom programs, focusing on topics such as succession planning, mentoring, internal coaching, teamwork, talent management, negotiations, emotional intelligence, and women in leadership roles. In addition to her work at Wharton, she has worked as an executive coach to senior executives and their teams in corporations and non-profit organizations, and designed learning programs for senior executive teams and high-potential managers at a variety of Fortune 500 companies.

This experience, over many years, gives McGrath a perspective not only on current management thinking, but also on the wider business world and the enormous challenges it faces. After the economic downturn and multiple corporate scandals, studies reveal that the public has lost trust in business leaders. Asked how business education can play a role in rebuilding trust, and what the business community needs to do to become a positive force to improve the lives of people and to help solve global problems, McGrath again points to the importance of self-awareness and thoughtfulness.



An organization's culture and its resulting reputation are dependent on people. And senior leaders need to be thoughtful about the people who work for them. The main way this is possible in an organization that employs, say, 40,000 people is through paying attention to core values—avoiding being cynical about them or relegating them to a box-ticking exercise. Gaining and sustaining the respect of employees, customers, and the wider community depends on upholding ethical core values.

Thoughtfulness is also needed in really understanding the people we employ; we cannot otherwise expect to lead the organization. When it comes to change in an organization, corporate boards too often take a superficial approach and look for a 'rock star' to come in and lead change. They do not spend enough time with their senior managers really finding out what they are about, and then helping them develop their potential. Superficial thinking at this level can lead to some seriously bad decision making.

Vice Dean McGrath went on to discuss the challenges and opportunities for the Wharton School, in the coming years, in terms of executive education. First of all, she mentioned the challenge presented by the shrinking attention span of the millennial generation. 'We need as educators to respond to this without trivialising the content of the learning experience', to encourage young leaders to 'sit in the space and let themselves learn'.

Staying relevant in a changing world is another challenge, but one Wharton is meeting through the school's commitment to high-quality research. McGrath herself has spent her career in the world of practice, but as she points out, 'Those who create thought-leadership, the scholars, must inform what we do as practitioners. When you are in a Wharton classroom you are benefitting from research which our faculty is currently doing and which will not be popularised in the *Wall Street Journal, Inc.* magazine, or *Fortune* for years. You'll be ahead of the game.'

“Online platforms can provide a useful channel for knowledge transfer, but we need to see what we can add to this, what we can put in place at a deeper level”

Each one of us can learn to be a better leader and that the business school 'classroom' can be critical in directing and accelerating our learning

Technology and the use of data to focus on customer and organizational behaviour and culture will provide significant opportunities in coming years. As far as the rise of MOOCs and online learning, McGrath does not see this as a threat but as a way to supplement the business school offerings. "Online platforms can provide a useful channel for knowledge transfer, but we need to see what we can add to this, what we can put in place at a deeper level to provide people with immersion in a genuinely valuable blended learning experience."

"Once we have mastered this, there may be an opportunity, through the clever use of online delivery, to extend the global reach of executive education and to reach deeper into organizations." Leadership skills are needed at all levels and in small as well as large organizations. But to date, for obvious reasons of logistics, scale, and cost, the spread of world-class leadership development has been limited.

Finally, the big opportunity at Wharton is to leverage its long-established global presence to have a real impact on the development of global organisations. McGrath refers to a Japanese business Wharton has been advising, that has recently bought companies in Latin America and Abu Dhabi. Creating an effective organisational culture across these territories is their challenge—one that is indicative of the challenges that will increasingly face so many companies over the next 10 years.

In another example, McGrath mentions the 100 executives from the largest real estate firm in China that were attending a Wharton program in Philadelphia at the time of this interview. We might have a pre-conception that for some cultural reason this cohort would sit silently taking notes as the professor spouted knowledge. Far from it; these Chinese leaders of the future wanted to fully engage in a learning dialogue and exchange ideas with faculty and peers, as much as any US or European cohort might.

Executives come from 80 countries to attend Wharton programs in Philadelphia and San Francisco; and for organizations, the school is recognized for designing programs that are customized for a cultural fit, with more than half of its custom engagements being with companies based outside the US.

The school also delivers programs in India and in 2015 is opening a new centre in Beijing—The Penn-Wharton China Center. This will be a focal point for interdisciplinary scholarship providing a bridge between academia and business, government, and society. Wharton has long collaborated with China's leading organizations to deliver world-class executive programming. Establishing the new centre will enhance its capacity to serve clients in their home market.

There are enormous opportunities ahead for Wharton Executive Education to help organizations and their leaders as they look to expand their global reach, validate their global strategies, and strengthen their global leadership capacity. "The future for all of us at Wharton, and particularly at Executive Education, will challenge us to build a robust pipeline of smart, thoughtful leaders at every level of the organization, in every community and across the world. It's an exciting challenge," says McGrath.

*For more information about Wharton Executive Education, please visit:
<https://executiveeducation.wharton.upenn.edu>*

Despite much discussion about the need for leadership development in corporate and public organizations, and the considerable industry that surrounds it, this is the first authoritative periodical focused entirely on this area.

Developing Leaders looks at the critical confluence between the provision of executive education and the real everyday needs of organizations to strengthen their management teams, their corporate performance, and their leadership.

The publication presents the latest thinking and most recent developments in both academic and commercial executive education provision worldwide, what it is achieving and which are the best models for success, sharing the experience and expertise of top leaders and world class educators.

Developing Leaders is published in both hardcopy and online “page turning” format. The quarterly magazine complements the IEDP website - the definitive resource for executive developers worldwide.

www.iedp.com

