



Learning from Experience

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When effective managers in organizations are asked to think back over their careers and identify the events that have had the greatest impact on how they lead and manage today, they are most likely to point to challenging job assignments, developmental relationships, and adverse situations they endured. Through their eyes, learning to be a more effective leader is the result of a wide range of experiences that stretched and challenged them. Such experiences are a normal feature of managerial careers. However, we believe that organizations can be more proactive and intentional in using experiences to accelerate leader development. To do so, organizations need a deep understanding of how leader development happens, both inside and outside the classroom; they need to know what kinds of experiences are developmental and how such experiences can be sequenced and combined to maximize learning.

In this chapter we describe how leadership is learned from experience and the implication for leader development. After an overview of three decades of research on the developmental experiences of managers, we describe the variety of experiences that prepare managers to lead and how different experiences

translate into learning and development. We next introduce the concept of return on experience, which emphasizes that through experience, leaders can develop in mastery and versatility and that the transfer of learning from experience has broader benefits for the organization. The chapter ends with examples and suggestions for how organizations can maximize individual and organizational return on experience.

LESSONS OF EXPERIENCE RESEARCH

A central question has captivated the interest of researchers and educators at the Center for Creative Leadership (CCL) for thirty years: What are the processes by which executives learn, grow, and change over the course of their careers? To shed light on this question, CCL's Lessons of Experience (LOE) studies were initiated in the United States in the early 1980s. Based on interviews and surveys of 191 senior executives from six large U.S. corporations, the CCL researchers gleaned the key developmental events in executives' lives and the lessons learned from those events. In their book, *The Lessons of Experience: How Successful Executives Develop on the Job* (McCall, Lombardo, and Morrison, 1988), the CCL research team concluded that stretch assignments and developmental relationships were critical to the development of successful executives, more so than the formal training they received.

As the managerial ranks in the United States became more diverse and began to include women, African Americans, Hispanics, and Asian Americans, additional studies were conducted to investigate their experiences and lessons learned (Douglas, 2003; Morrison, White, and Van Velsor, 1987). Outside CCL, the same research methodology was applied to examine the experiences of international executives (McCall and Hollenbeck, 2002) and business executives in the Netherlands and Japan (Brave, 2002; Works Institute Recruit Company, 2001). In 2003, CCL extended the LOE research globally, with comparable interview and survey data gathered from over five hundred senior leaders in forty-seven country-based organizations across seven industry sectors in the United States, India, Singapore, and China (Conway, Van Velsor, and Criswell, 2006; Wilson, 2008; Yip and Wilson, 2008; Zhang, Chandrasekar, and Wei, 2009; Zhang, Wilson, and Wei, 2008). An overview of the most relevant studies is shown in Table 2.1. In this chapter, we draw heavily from the findings of these recent studies in China, Singapore, India, and the United States.

Table 2.1
Overview of Lessons of Experience Studies

Country	Year Completed	Number of Participants	Organizations
China	2009	54	Four state-owned and two private sector companies
Singapore	2008	36	Twelve government ministries and eighteen government agencies
India	2007	71	Eight global private sector companies
United States	2005	354	Participants in CCL's senior executives program: 72 percent U.S. based, 28 percent based internationally
Global (36 countries)	1999	101	Sixteen global private sector companies
United States	1996	288	Participants in CCL's leader development programs
United States	1985	76	Twenty-five Fortune 100 companies
United States	1984	191	Six Fortune 100 companies

Across countries, industries, and organizations, the LOE studies consistently found more similarities than differences in the types of events that managers say are developmental. In an extension of CCL's earlier research, we identified fifteen types of events that are grouped into five general clusters: challenging assignments, developmental relationships, adverse situations, course work and training, and personal experience (see Table 2.2). This table represents the synthesis of the various LOE studies by researchers at CCL, working in collaboration with the Tata Management Training Center in India, the Civil Service College in Singapore, and Jean Lee of the China Europe International Business School.

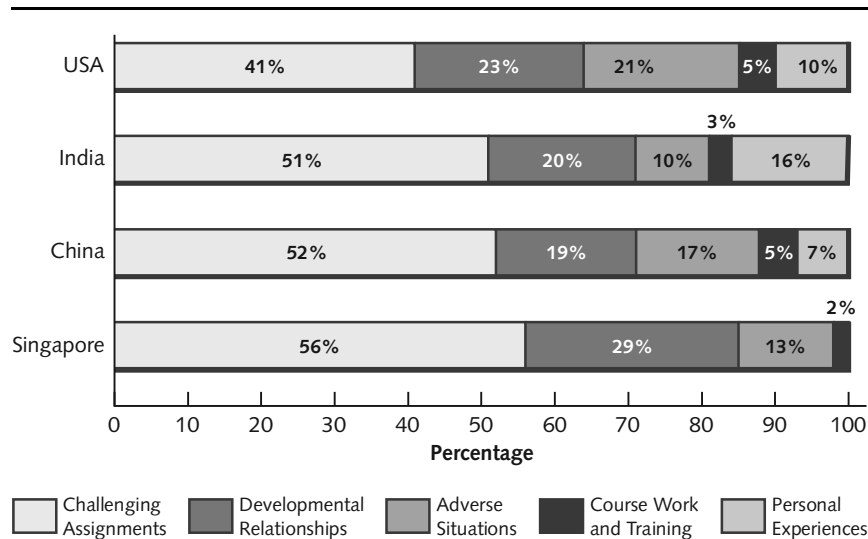
Table 2.2
Five Event Clusters and Fifteen Event Types

Challenging Assignments	Developmental Relationships	Adverse Situations	Course Work and Training	Personal Experiences
Increase in scope	Constructive bosses and superiors	Crisis	Course work and training	Various experiences that create emotion-laden memories and influence leaders' principles
First supervisory job	Role model	Business or financial scandal	Self-initiated	Early life or work
Increased supervisory scope	Teacher	National security or health	Organization sponsored	Midlife transition and trauma
General management job	Catalyst	Mistakes		
Creating change	Mentor	With personal impact		
Project or task force	Difficult people	With organizational impact		
New initiative	Ineffective boss	With personal impact		
Fix-it or turnaround	Problematic subordinate	Career setbacks		
Organizational growth or downsizing	Conflict-creating coworkers	Being fired		
		Demotions, missed promotions or opportunities		

<p>Job rotation or transition Cross-functional transfer Cross-regional move Cross-company career shift Stakeholder engagement Within the organization With other organizations With external constituents Work in a different culture Working for a foreign multinational company International assignment Merger, acquisition, joint venture</p>	<p>Nonwork guides Parents and other family Others</p>	<p>Ethical dilemmas</p>	<p>Early life or work Midlife transition and trauma</p>
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Note: From the experiences of executives in the United States, India, Singapore, and China.

Figure 2.1
Percentage of Developmental Experiences in Each Event Cluster
Across Countries



Across the studies there was also a consistency about which event clusters were cited as most developmental (see Figure 2.1). Most frequently cited were challenging assignments; next-most frequent were developmental relationships. Course work and training was the least frequently cited.

Also in the studies, five of the fifteen developmental event types stood out as the most widely cited. These (they range across the clusters shown in Table 2.2) were

- Creating change (India, China, and United States)
- Increase in scope (United States and Singapore)
- Job rotation (Singapore and China)
- Constructive bosses and superiors (Singapore, United States, and India)
- Early life and work (China and India)

WHERE LEADERS LEARN

Each of the event clusters—challenging assignments, developmental relationships, adverse situations, course work and training, and personal experiences—

provides a unique context for learning and development, and the outcomes of learning are different in each. The evidence is clear: managers who wish to develop to their full leadership potential must actively seek to learn and develop by taking on each cluster of experience and encourage their subordinates to do so too. For those willing and able to learn from experience, every experience adds to the depth and breadth of their leadership skills.

Challenging Assignments

Challenging assignments are, by definition, difficult tasks, promotions, or postings that organizations assign to managers. The challenge and difficulty cause the managers to struggle and stretch beyond their current capabilities. Table 2.3 describes five types of challenging assignments that are particularly developmental: an increase in scope of responsibilities, an assignment in which the individual is responsible for creating change, job rotations and transitions, stakeholder engagement assignments, and working in a different culture.

Significantly more lessons are learned from challenging assignments than from any other event cluster, and different assignments sharpen different leadership abilities. For example, managers whose scope of work is increased by new responsibilities have to learn to motivate and even inspire their subordinates. For those who accept a job rotation to a different function or region, new learning may include a cross-organization view of operations and strategy. In the course of creating changes in support of a new initiative, such as introducing new technology or entering a new market, managers learn how to build trust and influence others.

In different countries, leaders report different types of challenging assignments as being most common. For example, in India, executive leaders of homegrown global for-profit organizations cite international assignments for offering a wealth of important lessons about cultural differences (Wilson, 2008). Singapore's public sector leaders describe stakeholder engagement events, which call for exercising influence despite limited authority (Yip and Wilson, 2008). To run Singapore, senior public service leaders have to secure cooperation across agencies, citizen groups, industry sectors, and countries and adopt a "whole-of-government" approach. In China, the senior executives who lead state-owned or private enterprises cite organizational reform events, which involve restructuring a business toward a market-oriented culture.

Table 2.3
Challenging Assignments: Examples of Events

Event Type or Context	Description	Examples of Events
<p>Increase in scope: Occurs as a part of normal career progression</p>	<p>Responsibilities and pressures are assumed that are broader and different from before. With that comes more decision-making power, influence, and visible success or failure.</p>	<p>A new employee is promoted and has to manage a team of direct reports for the first time, including former peers. A high-potential manager is appointed as general manager of several functions and experiences job overload, pressures, scrutiny, and public accountability.</p>
<p>Creating change: Triggered by regional or global growth and inducements to improve productivity</p>	<p>Decisions and actions are required under business, political, or social conditions that are neither clear nor predictable.</p>	<p>New initiatives present opportunities to create or launch new products, adopt new technologies, or build a plant or unit from scratch in another region or new country. Change, or a turnaround, must be effected to fix problems left behind by previous managers. An underperforming or failing business operation must be stabilized, sometimes by restructuring or downsizing.</p>

<p>Job rotation and transitions: Aimed at providing a holistic perspective on the organization's structure, operations, strategy, and culture</p>	<p>New knowledge and expertise are needed that the manager does not possess but requires for proving himself or herself. Previously effective behaviors, work processes, and mental models are inadequate.</p>	<p>A variety of transfers is possible. The transfer can be self- or company initiated, one or several, and in either direction:</p> <ul style="list-style-type: none"> From line management to a staff role From policy work to fieldwork From administration to operations From headquarters to a regional office From an urban to semiurban or rural setting From private to public or the nonprofit or educational sector
<p>Stakeholder engagement: Proliferating due to globalization and changes in the structure of organizations</p>	<p>Leadership influence must be exercised but with little or no formal authority. Two or more competing points of view must be reconciled.</p>	<p>Negotiations with potential clients, vendors, and government officials are necessary to move forward on a technology transfer; tensions result if the process does not proceed according to expectations.</p> <p>Two organizations undertake a collaborative venture with initial enthusiasm; unexpected differences in how decisions are made and information is shared cause complications that stall the work.</p>

(continued)



Table 2.3
(continued)

Event Type or Context	Description	Examples of Events
<p>Work in a different culture: Becoming pervasive due to the global aspirations of organizations</p>	<p>Leadership tasks involve regular, direct contact with coworkers whose values, motivations, language, life routines, and cultural customs are different. Even beliefs about leadership and the practice of leadership are dissimilar.</p>	<p>While remaining in his or her country of origin, the manager is accountable for global operations of a function, product line, or business.</p> <p>Business objectives must be met under political, legal, and economic conditions that are unlike what the manager has previously experienced; hazardous and even life-threatening situations may be features of the overall expatriate assignment.</p>

Challenging assignments can contribute to remarkable personal and leadership growth. Note that wisdom traditions from each country where the research was conducted uniformly advise individuals to face up to challenging situations without flinching. In the Chinese culture, Mencius (372–289 BCE), a Confucian philosopher, observed: “When Heaven is about to confer a great responsibility on any man, it will exercise his mind with suffering, subject his sinews and bones to hard work, expose his body to hunger, put him to poverty, place obstacles in the paths of his deeds, so as to stimulate his mind, harden his nature, and improve wherever he is incompetent” (translated in Chan, 1963). In the Indian wisdom tradition as framed by the Bhagavad Gita, individuals are urged to enter the battlefield of action. This allows them to engage fully with their role responsibilities, that is, duty or dharma, and practice and achieve equanimity in the face of difficulties. In the Western tradition, the stories of managers’ learning journeys echo the path of the hero’s journey (Campbell, 1949). Each challenge is a call to venture into an unfamiliar zone of experience, endure trials, overcome obstacles, and accept aid from helpers. By surviving the intensity of the tasks confronting him or her, the hero or heroine receives the boon of knowledge and powers and can return from the journey to improve the world.

Developmental Relationships

Across cultures, developmental relationships are consistently the second-most cited cluster of learning experiences. This squares with findings from other studies (APQC, 2006; Conference Board, 2005) in which relational feedback, coaching, one-on-one mentoring, and peer and group mentoring are identified as best practices for leader development.

Managers learn from a variety of relationships with people within and outside the workplace. Developmental relationships involve memorable people who transmit important lessons about leadership. Managers attribute their effectiveness as leaders to the imprint these special individuals make on their values, attitudes, or behaviors. Developmental relationships can occur between a manager and a constructive boss or superior, a difficult person, and a nonwork guide (see Table 2.4). Of these, across our studies, constructive bosses and superiors are the most frequently cited (Douglas, 2003; Morrison et al., 1987; Wilson, 2008; Yip and Wilson, 2008). Their impact is particularly prominent in countries such as Singapore and India where status and authority command respect and deference (Wilson, 2008; Yip and Wilson, 2008).

Table 2.4
Developmental Relationships: Examples of Events

Event Type or Context	Description	Examples of Events
<p>Constructive bosses and superiors: Engages with subordinates regularly rather than intermittently or not at all</p>	<p>The boss or superior takes a personal interest in the manager and his or her career and life. This may happen infrequently or on a daily basis; however it happens, it leaves a profound impact.</p>	<p>A boss or other superior possesses exceptional skills or charisma. The subordinate's views and actions are shaped by watching and learning from this positive role model.</p> <p>Mentors help managers steer through their careers by loyally providing introductions, opportunities, and expert guidance about job requirements and the organization's culture.</p>
<p>Difficult people: Conflicting personality preferences, working styles, and opinions supersede commitment to project and organization goals</p>	<p>Discomfort with the actions of a boss, subordinate, or peer leads to conflict, resentment, and disputes that may or may not be handled skillfully.</p>	<p>An incompetent subordinate has to be confronted with a performance problem or human resource policy violation such as alcohol abuse or absenteeism.</p> <p>Too much competition between peers leads to unfair practices, jealousy, betrayal, and confrontation. Occasionally differences are worked through, leading to common ground and friendship.</p>

<p>Nonwork guides: In some cultures, highly renowned, successful individuals and family elders are respected or revered</p>	<p>A member of one's immediate or extended family has a significant positive or negative influence that lasts over time and shapes the manager's aspirations and performance.</p>	<p>The life, work, and sayings of an iconic or historic individual are used as precepts to guide choices, attitudes, and behaviors. Older and more experienced individuals, such as parents, guardians, uncles, or respected community members, intervene with advice about career choices and work dilemmas. A grandfather or older brother sets high and strict standards by being exemplary in what he says and does.</p>
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What precisely is learned from bosses and superiors? Depending on culture, positive, inspiring relationships with a boss motivate subordinates to emulate them. By imitating behaviors, subordinates acquire and practice culturally acceptable ways of handling themselves and managing people and situations. They evolve into leaders who have a significant influence on their own subordinates' behaviors and performance. Thus, learned managerial behaviors cascade through the organization, and leadership beliefs and practices are transferred across organizational levels.

Anecdotes warn that the behaviors expected from bosses and superiors are distinctive and different across countries and cultures. We surmise that cultural differences affect the nature of developmental relationships, and these relationships have a ripple effect on the organization. For example, in countries where bosses wield considerable influence, guidance from bosses is vitally important for extracting nuggets of leadership learning from challenging assignments. Since all experiences are more developmental when the elements of assessment, challenge, and support are present, informal assessment and support from a boss or superior activate and compound the leadership learning embedded in challenging assignments.

Bosses and other superiors are a mix of positive and negative leadership qualities. Managers' stories illustrate their influence in different ways, including four prototypical roles: positive role models, teachers, catalysts, and mentors. Bosses and superiors often play more than one of these roles.

The *positive role model* sets an example of high competence, particularly concerning relationships with others. Their influence is not premeditated. Many do not set themselves up to be models and do not seem to realize that they are being closely observed. By the manner in which they conduct themselves, they become exemplars whom subordinates strive to emulate. One manager confided that he imitated a boss who was able to remember the names of up to two hundred managers and their spouses: "I am not so good at remembering names, so I started designing a way. If I am going to have a meeting with my marketing staff, I make it a point to have my secretary get me the names of all the managers in the marketing department and their spouses' names."

Note that some bosses are negative role models who create conflict-ridden relationships. Such bosses can still have a constructive effect on subordinates: they vow never to incorporate similar behaviors into their own leadership style.

The *teacher* boss is described more frequently by Indian and Singaporean executives than by other groups. Teacher bosses are remembered for giving direct

and helpful, but almost obtrusive, instructions. “I had a very good boss, who gave me the ten commandments—what to do and what not to do when working with community leaders,” commented one executive. Another was coached on the clothes to wear when he visited headquarters and the counsel to talk softly. He felt lucky because “this type of instruction is not given to everyone.”

The *catalyst* boss makes a crucial contribution in the lives of early-career managers and those making a career transition. In contrast with the situation-specific words of wisdom imparted by *teachers*, the catalyst boss arranges momentous experiences and opportunities to learn. They are fondly remembered for the trust they bestow: setting up subordinates with difficult assignments, assurances of guidance as needed, and then leaving them to their own devices. One manager described how “we were in the midst of negotiations and my boss kept silent, and left it to me. His purpose was really to make me lead.” Particularly for young managers, the trust, autonomy, protection, and cheerleading from a catalyst boss result in a significant boost to their self-confidence.

The word *mentor* is usually used to describe different kinds of formal and informal relationships. In our use, a mentor is a person who supports the manager’s career progress by sharing expertise, being a loyal advocate, and providing guidance when difficult career and personal decisions have to be made. Traditionally the *mentor* boss affords a long-term teacher-apprentice relationship to upcoming leaders. When managers describe a previous boss as their mentor, they are referring to a meaningful personal relationship that has unfolded over a long period. Note that mentor-protégé interactions are not restricted to boss-subordinate relationships.

In their original study of nearly two hundred managers, McCall et al. (1988) found mentoring “rare or non-existent among these successful senior executives. Between their own rapid advancement and the movement of their bosses, they were seldom with the same person for as long as three years” (p. 12). In contrast, research suggests that mentors are more common in Asia. There, even when mentor and protégé move on to different jobs, they reach out to reconnect.

Adverse Situations

Adverse situations include crises, mistakes, career setbacks, and ethical dilemmas (see Table 2.5). Experiences of adverse situations occur among organizations and managers in all countries: unexpected and highly consequential events unfold that are imposed by the environment and are not within the control of the organization or its executives. Although leadership is viewed as proactively

Table 2.5
Adverse Situations: Examples of Events

Event Type or Context	Description	Examples of Events
<p>Crisis: Unexpected, shocking, and disorderly situations occur, injuring the interests of the organization and its employees.</p>	<p>A situation that cannot be controlled has negative consequences on the entire organization and its top-level leaders; the survival and the reputation of the organization may be threatened.</p>	<p>Crises come in many guises such as financial turmoil, product recalls, tax investigations, regulatory reviews, or terrorist threats.</p> <p>A natural disaster or a situation that jeopardizes health and safety brings work to a halt and closes the operation temporarily or permanently.</p> <p>Fraudulent, illegal, or otherwise dubious activities caused by negligence or poor ethical practices involve the business in public investigation and scandal.</p>
<p>Mistakes: Inexperience, poor judgment, carelessness, or calculated risks that do not work out are the cause.</p>	<p>An error made by an individual manager or a coworker has business consequences.</p>	<p>Negligence jeopardizes safety or causes death.</p> <p>Managerial shortcomings derail team or organization goals.</p> <p>Strategic errors occur, for example, when a business venture collapses due to a poor market-entry plan.</p>
<p>Career setbacks: Unforeseen obstacles block career progress.</p>	<p>Unanticipated events or people impede the individual manager's expected career progression.</p>	<p>The manager gets stuck in an unsuitable job or is demoted or fired.</p> <p>An injustice occurs due to prejudice and discrimination based on gender, ethnicity, age, and regional or cultural affiliation.</p>
<p>Ethical dilemma: One or a few senior leaders are involved in a unique occurrence of immoral or illegal behaviors.</p>	<p>Inappropriate or fraudulent behavior by a senior manager is endured or observed by a lower-level manager. Value-laden conclusions with moral implications are made.</p>	<p>Financial mismanagement is overlooked by company directors who stand to benefit. Executives from different divisions of the same company are heard slandering each other and spreading rumors and lies.</p>

creating and implementing agendas, adverse situations have the effect of limiting the leader to being reactive.

Experiencing adversity is markedly different from experiencing challenging assignments or developmental relationships. Few people seek out adverse situations. Most try to avoid the emotional strains that adversity brings—the tension, fear, apprehension, confusion, and disorientation. Intense feelings of loss are also common (Moxley and Pulley, 2004).

Losses and feelings of loss manifest in various circumstances and forms. Business crises can cause enormous monetary losses. Mistakes, even small ones, can trigger a loss of confidence. Career setbacks, such as being downsized or fired or passed over for a promotion, can give rise to feelings of loss of control or a loss of identity and meaning. Ethical dilemmas brought on by the egregious behavior of one or several leaders can diminish ideals and damage self-respect.

Whether it involves a business mistake, job loss, demotion, lousy job, or personal trauma, adversity is a powerful crucible for leader development. According to Moxley and Pulley (2004), the lessons from adversity are deeply personal. Adverse situations provoke introspection and self-assessment. Personal limitations come to the surface. The need to change one's behavior or pay better attention to people and technical issues becomes apparent. Profound insights are gained not in the moment but after the passage of time. Adverse situations can teach resilience and integrity in the face of events beyond one's control, compassion for others, and a more balanced approach to life.

There is variation across countries in the types of adverse situations that managers learn the most from. For example, U.S. senior executives cite business mistakes and ethical dilemmas as sources of leadership learning. Singapore's senior public service leaders frequently cite crisis events, most likely because they must often endure, resolve, and learn from events such as health epidemics and threats to security. Chinese leaders describe adversity experienced during childhood (particularly in rural areas) or during the Cultural Revolution as sources of lessons about leadership, and many espouse a belief that the experience of hardship prepares one to thrive in better times. As one Chinese saying puts it, "First bitter, then sweet."

Course Work and Training

From self-initiated or employer-arranged course work and training events, managers obtain information, knowledge, and experience that are not available in

their day-to-day jobs and help them to advance or redirect their careers. Examples are formal management development programs, residential executive education courses, academic programs leading to a degree or certificate, international study tours, spiritual training, experiential workshops, and action learning projects.

Since managers spend countless hours on their jobs and only limited periods of time in course work and training, it is not surprising that they report fewer training experiences when asked what has helped them develop. Moreover, course work usually teaches task-related skills or functional knowledge rather than the broad and deep learning needed to become an effective leader. This makes it all the more important for course work and training to be integrated with work-based developmental experiences and supported by bosses and other superiors. Leadership development programs are far more likely to have an enduring impact if they offer new learning and opportunities for growth in self-awareness, reflection, multisource feedback, goal setting, and guided practice of new behaviors combined with follow-on assistance from coaches (see Chapter Three).

Personal Experiences

Some personal experiences create emotion-laden memories of how values or an approach to life or work were formed, or life direction was re-formed. These experiences and their lessons are varied and can occur at any time in life (childhood, college, a volunteer experience, early work experience, or midlife transitions) and within or outside the workplace.

Personal experiences are more commonly reported by managers in some cultures and subcultures than in others. In the Netherlands, for example, more emphasis is placed on events outside the workplace, such as leadership roles in a community organization or the consequences of growing up in an immigrant family (Brave, 2002). Similarly, in CCL research on developing leadership capacity among U.S. women leaders, the interview data point to cross-learning between family and work life (Ruderman and Ohlott, 2002). In our research, Indian executives spoke frequently of their early life experiences and the impact of their parents on their leadership ideals. In China, managers talked about the pressures associated with early work experiences and life in rural areas. From this, some Chinese managers learned to value situational adaptability, while others learned to value systems, norms, and procedural uniformity. As personal learning experiences, U.S. managers said midlife transitions and trauma—brought on, for

example, by divorce or a death in the family—taught them how to manage life and work.

Early work experiences probably make a more lasting contribution to the leadership approaches of Chinese and Indian managers. We infer this from the fact that they tell notably more stories about first-job interviews, apprenticeships, and first jobs than do managers from the United States and Singapore. Several interviewees attributed their success to values and principles that they learned early and have used consistently to guide themselves. Bosses of managers in countries such as China and India may wish to draw out stories about their subordinates' first or early work experience and what they learned as a result, thereby achieving deeper insights into their subordinates' personal motivations.

RETURN ON EXPERIENCE

Experience is beneficial, but in what way? How can organizations assess and track the developmental outcomes of experience-based learning? While most organizational initiatives are measured by their financial return on investment (ROI), the outcomes of experience-based learning are broader, deeper, and more qualitative in nature. To complement existing ROI metrics on training (Kirkpatrick, 1994; Phillips, 2003), we recommend organizations consider a return on experience (ROE) framework that acknowledges the substantive outcomes from experience-based learning for the individual manager and the organization. Outcomes can be achieved along three dimensions that we discuss separately in more detail:

- *Mastery*: Increased leader ability as experience deepens a manager's existing skills and ability to lead.
- *Versatility*: Increased leader capacity as experience broadens a manager's repertoire of skills and ability to lead.
- *Transfer*: Increased organizational impact as learning is applied and then transmitted from the manager to the group and organization.

ROE is achieved when individual managers increase mastery and versatility, and the organization benefits from the application and transfer of their learning. To illustrate, consider the experience of a senior executive with a French pharmaceutical firm who recently completed a three-year expatriate assignment in which her task was to expand her firm's business in China. This experience



increased her mastery of business negotiations, an ability that she had honed over the years in her role as a sales executive. She also became a more versatile leader through learning several new skills, such as building and managing local partnerships and becoming cross-culturally effective. When she was repatriated to France, she applied the lessons she had learned abroad to her new role as vice president of global operations. She actively transferred her lessons of experience to direct reports and peers across the enterprise.

The returns on experience can benefit not just the individual; they can cascade across the organization. Thus, human resource practitioners and line managers can guide their efforts to maximize ROE by posing three key questions:

- How might this experience build on and deepen the individual manager's existing abilities?
- How might this experience broaden the individual manager's capacity by adding new skills and perspectives?
- Which processes and systems would aid the transfer of the manager's lessons of experience and benefit the broader enterprise?

Mastery: The Outcome of Increased Ability

Lessons are gradually absorbed from experiences that build on each other, and learning is continuous growth toward more complex abilities. Mastery, the first dimension of ROE, is a progressive honing of the abilities that make one most effective as a leader. Positive experiences can be more than just the context for developing mastery; they can be powerful reference points for a leader's identity and sense of self-efficacy. Sense of self-efficacy matters greatly. While it would be foolish for anyone to assume that he or she can reach absolute mastery in anything, managers on a leadership journey can continually strive toward it.

Various studies document the progressive levels of mastery and the qualitative changes in the learner as he or she moves from novice to expert (Dreyfus, 1984; Lord and Hall, 2005). At CCL, our colleagues have related five levels of learning and performance to the variety of lessons learned from experience, as shown in Table 2.6 (Berke, Kossler, and Wakefield, 2008). Their model is based on Bloom, Mesia, and Krathwohl's (1964a, 1964b) more comprehensive taxonomy of learning. The levels are critical awareness,





Table 2.6
Levels of Learning and Performance

Levels	What Happens at This Level
Critical awareness	Makes the unconscious conscious. Becomes aware of facts, information, terms, and models that previously were not part of awareness.
Actionable knowledge	Learns the conceptual knowledge of the new skills and behaviors. Focuses on how-to and principles.
Guided practice	Actively practices the new skill in a challenged and supported environment, with immediate coaching and feedback on performance effectiveness.
Independent application	Consciously performs new skills or behaviors in selected work situations.
Skilled performance	Automatically performs new skills or behaviors without thought as part of everyday leadership.

Source: Berke, Kossler, and Wakefield (2008).

actionable knowledge, guided practice, independent application, and skilled performance.

According to this model of levels of mastery, moving from critical awareness to skilled performance is an increasingly complex process of accumulating experience and learning over time. As evident in a classic AT&T study by Bray, Campbell, and Grant (1974), even managers identified as high potential can be outpaced by lower-potential employees who, over time, are given the right experiences and developmental support to increase their mastery levels.

Versatility: The Outcome of Increased Capacity

The second dimension of ROE is increased versatility and an expanded capacity to lead, based on new skills and perspectives. Where mastery represents a move toward depth of expertise, versatility represents breadth. CCL's international and ongoing research with executives confirms that from their experiences, managers learn lessons across three categories of leading: leading self, leading others, and leading the organization (see Table 2.7). Versatility involves learning new skills and perspectives that span the three categories.





Table 2.7
Categories of Lessons Learned from Experience

Learning Categories	Definition
Leading self	Lessons relate to the inner world of the manager and concern effective ways for this person to lead himself or herself and develop fully as a person. These lessons are developmental in nature, involving a transformation of the manager's self-beliefs, attitudes, identity, and habits of self-improvement and self-development.
Leading others	Lessons relate to the world of people and involve interpersonal and social skills that equip leaders to lead and work with people effectively. These lessons are social in nature, involving insights into other people's perspectives and group dynamics and a greater appreciation of the social process of influence and leadership.
Leading the organization	Lessons relate to working in organizations to address strategic, systemic, and cultural issues. These lessons are technical in nature, concerning strategic, operational, and functional knowledge for getting work done and managing and transforming an organization.

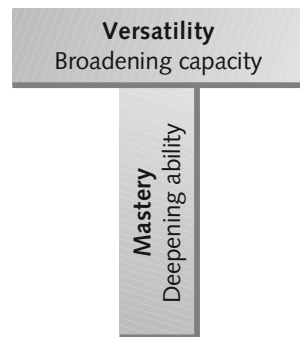
Versatility pays off hugely for organizations, especially when leaders must lead in new and unknown situations. While classroom learning tends to focus on the acquisition of technical lessons, predominantly in the category of "leading the organization," varied and novel experiences outside the classroom can challenge current thinking and break up unproductive patterns of beliefs and behaviors. For example, developmental relationships and personal experiences can foster lessons in leading the self *and* leading others, and they are critical to the development of leader versatility.

Combining Mastery and Versatility

Isaiah Berlin (1953) suggests that leaders can be divided into two categories: hedgehogs, who lead by mastery in one area, and foxes, who are versatile, possessing skills in multiple areas. Along with a progression toward mastery of narrower fields, it is equally important for leaders to widen horizons, challenge



Figure 2.2
T-Shaped Leaders: The Outcome of Mastery and Versatility



perspectives, and develop foxlike versatility. The organization can make this happen with a systematic approach at enhancing leaders' mastery and their versatility. We use a T-shaped image of leadership to suggest how to cultivate mastery and versatility among managers (see Figure 2.2). The T suggests that developing leaders increase their capabilities in both depth and breadth (Leonard-Barton, 1995).

There is one more aspect of ROE to consider: the actual transfer of learning.

Transfer: The Outcome of Increased Impact

The transfer of learning involves the application of the lessons learned from experience to different contexts and other people. This is an important issue for organizations today because they expect their leaders to make a real impact on the people and organizations around them. The literature on the transfer of learning focuses primarily on the transfer at the individual level, but the organizational need is transfer of learning at several levels—not just the manager's application of the lessons learned, but also the transmission of lesson knowledge to other people in the organization (Dixon, 2000). We propose three levels:

- *Individual level.* The lessons learned are transferred to the context of other work required of the manager. The transfer starts when the learner abstracts underlying leadership principles from discoveries in multiple contexts. The transfer of learning takes place when the manager is able to apply the principles

to other contexts—for example, from one role to another or in another organization or culture.

- *Group level.* Lessons learned from experience can be transferred to other people when the learner converses with them, sharing his or her experience and lessons learned, and the group reflects collectively on what has been shared. This is best exemplified in the leader-as-teacher role (described earlier in this chapter), in which the teacher passes insights of experience along informally, through developmental relationships (Tichy and Cohen, 1997). By sharing and practicing new behaviors and skills, managers can transfer the learning they have acquired from experience to other members of their group. Peter Senge (1990) describes this as “the process of learning how to learn collectively” (p. 335).
- *Organizational level.* Leaders can transfer learning from experience by codifying the learning in order to transform general practice. This difficult kind of transfer occurs when an organization’s practices change as a result of collectively processed experience and new shared meanings (Dixon, 1994; Stata, 1989). Studying successful organizations, including General Electric, Hewlett-Packard, and Intel, Tichy and Cohen (1997) found that each of them had a systemic platform for leaders to transfer learning across the organization. One exemplar of this is the U.S. Army, which pioneered after action reviews (AAR)—an ongoing process of codifying, interpreting, and disseminating the lessons learned from experience. Many organizations now use this process to help managers learn from their mistakes and prevent future errors.

ROE and the transfer of learning from the individual to the organization are intrinsically linked. As Stata (1989) observes, “Organizations can learn only as fast as the slowest link learns” (p. 64). ROE is maximized when an experience results in the learning outcomes of mastery and versatility, with a transfer of learning from the learner to the organization.

ENHANCING THE RETURN ON EXPERIENCE

When organizations wish to deploy experience-based learning to develop leaders, the first step is to be clear about outcomes: mastery, versatility, and the transfer of learning. To achieve these outcomes and enhance return on experience, we suggest

the following broad principles: (1) sequence experiences to enhance mastery, (2) diversify experiences to enhance versatility, and (3) integrate experiences to enhance transfer.

Sequence Experiences to Enhance Mastery

Leadership cannot be mastered through any single experience, no matter how intense it is. Similarly, an experience that is developmental for one manager may not have the same effect on another. The path to mastery will differ depending on the individual's needs and work context. While the optimal learning scenario is one in which experiences are customized to the development needs of individual managers, extensive customization is sometimes not practical. We propose that organizations consider broad customization by sequencing experiences to match both the strategic priorities of the organization and the level of mastery needed for managers to advance to higher levels of responsibility.

Sequence Experiences to Meet the Strategic Priorities of the Organization

As noted in Chapter One, many organizations have competency frameworks that describe the types of leadership capabilities and levels of mastery needed to get work done. It is important for developmental experiences to be aligned with these frameworks so that the current and future business priorities of the organization are met. The focus on strategic priorities introduces the long-term view and prepares managers to run the organization in the future. This is different from short-term thinking that assigns experiences based only on immediate work needs.

Cisco's 3E leader development model of education, exposure, and experience exemplifies sequencing experiences to achieve mastery. In this approach, 10 percent of leader development is through education, 20 percent through exposure to fellow employees' practice and expertise, and 70 percent through on-the-job experience (Cisco, 2008). Thus, at Cisco experience-based learning is considered a major development opportunity. The 3E model links special assignments, job rotations, and action learning to strategic priorities of the organization, with close attention to business results. Such experiences are designed to improve specific behaviors that are aligned with the expectations of Cisco leaders.

Sequence Experiences by Levels of Responsibility Accelerating mastery requires a sequencing of experiences to meet a leader at an existing level with

challenges that appropriately stretch capabilities in preparation for the next level up. From line managers to the chief executive, developmental experiences must become progressively more complex in the service of higher levels of mastery. For example, a chief executive may require a higher level of mastery in strategic thinking than a manager of a work team. To develop a senior manager for a chief executive role, the experience must be considerably broader in scope and more cross-functional in responsibility. To prepare an individual contributor for a junior management role, the experience may be briefer and less intense.

Managers cannot be thrown into situations and expected to develop on their own. Line managers and human resource professionals need to identify the level of mastery that a particular candidate needs to gain from the developmental experience, and they need to decide whether the candidate is ready to take on that level of challenge. These simple diagnostic questions are useful:

- What is the target group for development?
- What capabilities do people in this group need for their next level of responsibility?
- What is each manager's current mastery level for each of these capabilities?
- What experiences can further develop particular managers to their next level of mastery?

Once line managers and human resource practitioners know the strategic priority of the organization and the projected level of responsibility of the manager, they can assign appropriate experiences to challenge and develop the manager in targeted areas of mastery. An individual manager's developmental experience can then be supported by customization using an individualized development plan.

Diversify Experiences to Enhance Versatility

It is not sufficient to focus solely on mastery-oriented experiences. Versatility is another important outcome of experience-based development because managers need to be able to lead in new and unknown situations. To develop versatility, leaders must be continuously engaged in learning from new opportunities that broaden their repertoire of leadership skills and perspectives. Developing versatility requires boundary-crossing assignments.



Table 2.8
Framework of Boundary-Crossing Assignments

Organizational Boundaries	Cultural Boundaries
<p>Vertical: Assignments that require managers to work across organizational boundaries of level and hierarchy. Examples: managerial responsibilities with hierarchical reporting relationships, special assignments with senior executives.</p>	<p>Geographical: Assignments that require managers to work across geographically defined boundaries of regions and nations. Examples: international assignments, regional or global management responsibilities, and management of geographically dispersed teams.</p>
<p>Horizontal: Assignments that require managers to work across organizational boundaries of function and expertise. Examples: job rotations, working in a cross-functional team, or action learning projects involving different subject matter experts.</p>	<p>Demographic: Require managers to lead or work with members from different demographic groups: age, ethnicity, gender, nationality. Where geographical crossings involve cultural boundaries by location, demographic crossings often occur in the same location, with members of different cultures. Examples: management of a culturally diverse team, responsibility for organizational diversity initiatives, mentoring employees of a different culture.</p>
<p>Stakeholder: Assignments that require managers to work across the boundaries of the firm and interface with stakeholders. Examples: managing joint ventures, working with vendors, and responsibility for public affairs or corporate citizenship function.</p>	

Boundary-crossing assignments are those in which managers work across organizational or cultural boundaries with groups that have different sets of beliefs, practices, or goals. For example, a manager might take an international business assignment, join a cross-functional team, or become part of a joint venture with a partner organization. Suchman (1994) notes that “crossing boundaries involves encountering difference, entering onto territory in which we are unfamiliar and, to some significant extent therefore, unqualified” (p. 25). Crossing a boundary places leaders in a new situation where familiar leadership strategies may not apply. In this zone of development, they must either adapt their current ways of leading or acquire new perspectives.





There are two broad categories of boundary-crossing assignments: organizational and cultural. *Organizational assignments* send managers across organizational boundaries of level, function, and accountability. *Cultural assignments* send them across cultural boundaries of identity and belonging.

Table 2.8 further differentiates each category. On the organizational side, leadership development traditionally has focused on a vertical model in which managers develop over time as they graduate upward by levels in the organization. But as Table 2.8 suggests, organizational developmental crossings can be horizontal or can even involve crossing boundaries for engaging stakeholders beyond the organization. Similarly, cultural crossings can be geographic (across distance) or demographic (across identity). To develop versatile and global leaders, it is critical that organizations provide both organizational and cultural crossing experiences.

Diversify Experiences Across Organizational Boundaries Research on executive success highlights the need for cross-functional or lateral moves to instill organizational perspectives and strategic insight (McCall et al., 1988), but coordinating cross-functional moves can be difficult. Many line managers hoard or protect their best people from these moves. Most do not volunteer their best people for transfers, no matter what they endorse as the best way to develop managers.

Sharing talent across an organization does not come naturally and can be risky, but it is possible. The U.S. federal government employs the Intergovernmental Personnel Act mobility program for development. Managers are rotated through assignments within their agency or across agencies to learn how others lead and manage. Peer and managerial feedback and ongoing evaluations are included as best practices for developing leaders (Blunt, 2003). At GE, staffing decisions for the top five hundred jobs begin at the corporate center: HR executives work with the CEO to develop a slate of candidates from all parts of the company. Managers with jobs to fill can then choose any candidate they please.

While traditional career paths that are focused within a singular function may serve the needs of developing technical experts, the development of leaders requires one that zigzags across vertical, horizontal, and stakeholder boundaries. Through such experiences, leaders not only diversify their skills, but also broaden



their organizational perspectives. Different types of organizational boundary-crossing assignments—such as job rotations, working across levels, and working with stakeholders—contribute different essential lessons.

Diversify Experience Across Cultural Boundaries Geographical and demographic boundary crossings can make leaders more versatile. To be effective in a different culture, managers have to learn to suspend their existing beliefs and practices and adapt to their host culture. Companies such as IBM, UPS, Unilever, and Ernst and Young have used geographical boundary-crossing assignments, sending up-and-coming managers into developing countries to learn to lead in a different culture to expand their horizons. IBM's Corporate Service Corps places high-potential IBM employees in emerging and developing countries with specific assignments to address core societal, educational, and environmental challenges (IBM, 2008). The cross-cultural experience exposes managers to diverse policy environments and societal expectations. At the end of their experience, employees return to their previous locale with a broader perspective and new sets of skills that they can apply to their work.

Global action learning projects can also be geographical and demographic boundary-crossing experiences. An example is Chubb's Global Executive Program (Kuhn and Marsick, 2005). Managers from the United States, Europe, and Asia work together on action learning projects to address global challenges facing the firm. The projects reflect a corporate directive to increase revenues from non-U.S. operations. The teams are charged with identifying emerging market opportunities that would serve as next-generation growth engines for their assigned business unit or geography.

Integrate Experiences to Enhance Transfer

The most challenging task in maximizing ROE is integrating learning with processes that support the transfer of learning. For example, assignments have to be integrated with developmental relationships and learning systems that support transfer. Without an integrated approach, the benefit of learning resides only within the individual and is not maximized for the organization.

Integrate Challenging Assignments with Developmental Relationships That Enhance Transfer

A study at American Express (Leone, 2008) found that the transfer of learning is enhanced when training or on-the-job learning

is followed through with the support of bosses or supervisors. Managers can play a critical developmental role by following up with direct reports, during and after a challenging assignment, to discuss what is being learned; they can also recognize and reward improved leadership behaviors. When line managers support learning transfer, the lessons of experience generate both performance and learning outcomes within and beyond the work group.

Wipro's Project Management Academy (PM Academy) is a good example of integrating experience-based learning with developmental relationships. Following six months of hands-on training at the PM Academy, participants return to their project teams and work for six months. Participants are assigned mentors who engage them in an assignment to review aspects of their projects. At the end of each assignment, candidates present their findings to PM Academy instructors for review and comment. The entire experience lasts more than one year and incorporates formal classroom training, on-the-job experience, and actual assignments completed with a mentor. Successful participants are picked to return to the PM Academy as instructors to transfer their experience to other participants.

When leaders develop other leaders, a virtuous cycle of leader development is created, and the network of relationships across the organization increases. By working closely with junior managers on organizational challenges, senior leaders can forge a relationship that is both developmental and conducive for the transfer of learning. The increased interaction between current and future leaders serves to break down level barriers and promotes the collaborative and problem-solving capacity of organizations.

Integrate Experience with Learning Systems That Enhance Transfer

Developmental experiences by themselves do not result in organizational impact. To translate individual learning into organizational knowledge requires processes that capture and disseminate lessons learned. One such process is the lessons-learned method pioneered by the U.S. Army. The Center for Army Lessons Learned serves as a knowledge center to assemble, assimilate, and transfer knowledge that soldiers learn on the field. Their four-step model involves identifying learning opportunities, observing and collecting knowledge, creating knowledge products, and deploying expertise (Dixon, 2000). Senior leaders in the army identify where opportunities exist for gaining knowledge about the topics they have identified. For example, the 1994 peacekeeping mission in Haiti was

identified as an opportunity for the army to gain additional knowledge about peacekeeping.

Similarly, NASA, through its Academy of Program and Project Leadership's (APPL) Knowledge Sharing Initiative, has established processes such as knowledge-sharing workshops and forums for the transfer of project-specific knowledge from experienced project managers (both senior level and retiree) to up-and-coming project leaders. Storytelling is the typical medium used in these knowledge-sharing forums and workshops. For example, a one-day transfer wisdom workshop is hosted by individual NASA centers in which project management and team members engage in small group discussions of stories written by top NASA project managers (current and retired agency leaders); this is facilitated by APPL team members (Liebowitz, 2004).

Three steps are necessary to implement this integrated approach. First, a period of facilitated reflection after the experience allows the manager to make sense and deeply assimilate what he or she has learned. Second, a just-in-time process of knowledge capture is needed to codify the lessons learned. Third, a method of dissemination is required for the lessons to be communicated across the organization.

CONCLUSION

The world values experience. In their book, *The Experience Economy*, Joseph Pine and James Gilmore (1999) describe the evolution of societies from agrarian societies, to industrial societies, to service economies, and now to what they describe as the experience economy. They go as far as to say that in this economy, experiences are key value differentiators and that the role of leadership is to create transformative experiences for clients and their organizations. Our research indicates that the experience economy is real: managers today are active consumers of diverse experiences. This represents a significant shift for leadership development—from a top-down instruction-based paradigm toward a learner-centric and experience-based approach to developing leaders. For this paradigm to be most useful, it is important to remember that:

1. *Experience does not always lead to learning.* Learning from experience is not always natural or automatic. To learn from experience involves reflection and relating the experience to its context, connections, and

discrepancies. It requires intentionality and can be enhanced with appropriate systems and processes.

2. *Variation is necessary for experience-based learning.* Differences matter when it comes to experience. In going through diverse experiences, managers can extend the arena of possibilities within which they operate and open up to new repertoires and ways of thinking and acting.
3. *Relationships can catalyze the transfer of learning.* Challenging assignments on their own are insufficient for learning to occur, and often the assistance of a learning partner is necessary for transfer to occur. Relationships provide a source of coaching and feedback through challenging experiences and shape how managers make meaning of their experiences. They are also a source of vicarious learning through observation and role modeling.
4. *Culture matters.* Exposure to different cultures is an important part of each manager's portfolio of diverse experiences. In addition to the substantive cultural knowledge gained, taking cultural learning orientations into account augments the impact of developmental interventions. For example, in collectivist cultures such as China and India, group relationships and relational learning are valued more highly than in individualistic cultures. These learning orientations can be used to shape the type of experiences provided to develop managers.
5. *Learning from experience has clear returns for managers and their organization.* We have proposed three key dimensions to the return on experience: the dimension of mastery, as experience deepens the manager's skills and expertise; the dimension of versatility, as experience broadens the manager's repertoires of skills and abilities; and the dimension of transfer, as learning is transmitted from the manager to their group and organization.
6. *ROE can be enhanced.* Organizations can maximize ROE through sequencing developmental experience to achieve mastery, diversifying experiences to achieve versatility, and integrating experience with organizational processes to achieve the transfer of learning, with impact across the enterprise.

At a time when the demand for leaders and leadership exceeds the supply of either, organizations must consider how they can develop leaders from within. Developmental experiences are a rich resource for doing so. The returns are

evident when leaders who go through the journey of experience-based learning are transformed with broader and deeper leadership capabilities and the transfer of learning through their organization. Experience-based learning, reinforced by the return on experience, can be a powerful methodology for developing and sustaining leadership talent.