

Business Driven Action Learning: A Powerful Tool for Building World-Class Entrepreneurial Business Leaders

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Abstract

There has been a rapid growth of discussion within learning and development functions – along with business communities – regarding best methods in executive development. While many methods and programs have been tested, few have succeeded. However, action learning may be an exception. This paper provides an overview of one action learning program with a diverse group of high potential leaders in Asia Pacific. It illustrates multiple challenges, complexities and myriad benefits of action learning in executive development.

Introduction

Building a pool of successful global leaders is a topical item among many organizations. Though there are many ways to develop talent, some clearly have proven more efficacious than others. In 2004, The Walt Disney Company in Asia Pacific embarked on a process of building leadership capabilities while pursuing new business opportunities through an action learning program named the Integrated Leadership Development (ILD). The ILD program resulted in identifiable behavioral changes for the participants and tangible business opportunities for Walt Disney. Markedly different from executive development programs, the ILD provided powerful insights into how leaders learn and how businesses should consider their future development. Despite successful results of the ILD, implementing action learning is akin to surfing on the edge of chaos; nothing is straightforward and anything can happen. The paper explores the history of learning, highlights practical experiences with the ILD and shares how crises provide exceptional learning for participants and the organization.

Challenges in Executive Development

Research into organizational executive development practices acknowledges that most do a poor job developing talent. The shortages and battles for executive talent are written about, consulted on, and addressed constantly within these organizations. *The Economist* recently reported the talent war has gone global, as have talent shortages (Woolridge, 2006). Adding to these challenges is the very real need to build global leadership capabilities that equip executives with necessary skills to run diverse and complex global businesses. Some organizations believe they know how to develop leaders; the research again indicates otherwise. A McKinsey study stated that only 3 percent of 6,000 executives occupying the top 200 positions at large U.S. corporations strongly agreed their organization developed talent quickly and effectively (Handfield-Jones, 2000).

Traditionally, executive development meant sending leadership teams to business schools to learn business strategy and the latest in management trends. Today there's much more emphasis and considerable investment in executive development, but in our experience measurable results are seldom achieved. As a result, executives can become disillusioned with their organization's ability to build leadership capability and concerned about their personal future. The current development trend to try and minimize this angst is to move away from traditional training and focus on learning through job rotation, mentoring and coaching. Job rotations include global assignments, learning how to add value, and understanding the impact of bottom line decisions. Executives learn appreciably more from job experience and significantly less from training events. Hence many organizations move away from program-based development and instead focus on experienced based development through job rotations.

Action Learning as a Solution

According to Handfield-Jones et al., the McKinsey study addressed the unique challenges developing executives and suggests action learning as the most viable and successful practice in developing world-class business leaders. Action learning combines leadership and team development while grappling with complex business challenges. The process involves many variables, including adult learning theory, innovation, self-awareness, team growth, entrepreneurial leadership and problem solving. Action learning addresses key leadership challenges and has today emerged as one of the more sound practices in developing executives.

Learning through job experience is another way businesses have historically developed their people. It harkens back to an earlier era when a young apprentice would learn from an esteemed expert. After completion of one assignment, the apprentice would move through series of more challenging roles, working under the same guidance and eventually replacing the leader. While job rotations are one of the better ways for executives to learn and grow, some organizations have never fully explored or exploited this avenue thoroughly. Additionally, it's important to recognize that moving through a series of jobs does not necessarily build an executive. The rotation, assignment and process needs to be extremely well thought out and planned. Unlike local apprenticeships, today's business complexity and geographic dispersions often make rotations challenging and daunting.

An option that mirrors on-the-job experience, embeds leadership and steers business development at an accelerated rate is problem-based or action learning. Action learning incorporates components of job rotations with proper leadership development and providing the same, if not better, results. To ensure success, an effective action learning program requires a select group of leadership talent and a high-profile project, the results of which are important to the business (Handfield-Jones, et al, 2000). When designed properly, action learning achieves much deeper levels of development through team experiments and experiences of multiple challenges, forcing executives to question pre-existing beliefs and assumptions, to reframe arguments, and create new paradigms for actions (Cope, 2003).

What is Action Learning?

Before looking into the details of action learning, clarification is necessary on what action learning is and what it is not. Many organizations, conferences, and training teams have touted the benefits of action learning, but few are engaged in the process of actually doing action learning. The term action learning is now bandied about so much it runs the risk of becoming commonplace, or being seen as a fad that "means everything and thus nothing" (Marsick & O'Neil, 1999, p. 159).

Action learning is not a new science. It has been around since the 1930's. Reg Revans, who might be considered the father of action learning, defined action learning as a means of development – intellectual, emotional, or physical – that requires people to be involved in real, complex business issues, focusing on achieving change in the business as well as change in the behavior of the participating individual (Marquardt, 1999).

A typical action learning program involves six to eight people working as a group to solve a real and complex business problem. Using a defined problem-solving process, the group simultaneously confronts people and business issues, working at an intense pace to develop a type of action. Action learning is neither a role play, case study, nor an experiential Outward Bound-type activity. It is a valuable learning process linked with and embedded in the business.

Action learning provides the best alternative to other development practices because of its applicability to business, as well as for providing a holistic approach to development, and the emphasis on action. Accordingly, action learning has recently resurfaced, emerging as a powerful tool in executive development.

Unlike other development activities, action learning is not a straight-forward process. As is true in life, it can often be chaotic and fraught with challenges. Embarking on an action learning program is not for the faint-hearted; managing the program can be as challenging as being a participant. The benefits more than overshadow the deficits, making a compelling argument to have action learning a sustainable development process. The hands-on experience solving real business problems builds leadership and team capabilities on multiple levels.

Successful action learning programs require a number of elements and a few practical steps. Three critical ingredients are: participants, project and sponsorship. Participants must be diverse and smart; the project complex and related to the business; the organization must unwaveringly sponsor and support the action learning project and the teams.

A Case Study: Integrated Leadership Development (ILD)

The Walt Disney Company in Asia Pacific launched an eight-month action learning program in a perfect storm of conditions to make the program successful – a surplus of potential business ideas and a large talent pool. In addition, one business segment focused solely on entrepreneurship and building new cross-business segment opportunities. The action learning program was entitled Integrated Leadership Development (ILD) and provides one example of using business-driven action learning with a diverse group of high-potentials across Asia Pacific.

The idea of embarking on action learning at Disney was triggered after we read the (2001) McKinsey book, *The War for Talent* and asked, 'How does McKinsey develop leaders?' The program evolved from insights and answers to this inquiry. We selected twenty high-potential emerging leaders to participate in the pilot program. Fifteen of the twenty were participants, the remaining five playing the role of coach and business expert for three action learning teams. The program was co-designed with McKinsey, Disney business leaders, the ILD coaches, and the learning leadership community within Disney globally.

Critical Components of the ILD

Before launching the ILD, one business leader suggested the need to build problem-solving capability across this group of action learners. Everyone in the program, including the organizational development team, needed to learn, understand, and use problem-solving ability to analyze and work through the business challenge. Problem solving became a critical capability for the success of this program. According to Peter Senge (1990), problem solving requires the ability to be a systems thinker. Senge defines systems thinking as the ability to see connections between issues, events and data points – the whole rather than its parts. Interestingly enough, this skill is often in short supply in business. Managers can tend to be linear thinkers with an emphasis in finance, marketing, or strategy. Such linear thinking seldom works within organizations today, given the complexity and interrelationships of people and functions. In order to create systems thinkers, a three-day problem-solving workshop was mandatory for everyone involved in the ILD. The problem-solving methodology was embedded into the workshops and meetings until the skill became "embedded in the DNA" of the participants, the coaches, and faculty.

Creating systems thinkers built upon Disney's leadership competency of strategic thinking; that is, seeing the big picture and making the connections. Viewing the broader context required participants to work outside of their comfort zones, forcing them to take a step back, recognize trends and make connections, and finally to see opportunities which could be turned into reality. The ILD reinforced systems thinking through team discussions and in meetings where everyone began and ended with a reflective inquiry to reinforce the problem-solving skills. The ILD teams mirrored a mini Disney organization; representatives from across business functions: finance, marketing, production and strategy.

The teams worked on creating new business opportunities that could be launched within six months of the ILD program, able to generate significant revenue and impact on more than one Disney business segment. Using a

problem-solving approach, the teams built and refined their questioning skills. Questioning skills are a critical component in understanding and dissecting a business problem before solving it (Marquardt, 2000). Working collectively and thinking collaboratively, the ILD teams shifted away from tackling tasks and leaned towards risk-taking through innovation. For example, one of the ILD teams created and refined a new lifestyle brand, one with its origins in Australia. At the time, Disney did not have any cross-line experiences and products, and this particular business was focused on the brand and product experience, at the time considered a somewhat risqué venture. It touched upon the adventure experience and family participation, and reflected the branding and familial qualities unique to the Disney brand. The genesis for this opportunity was developed through the ILD, and has since worked its way through the various company divisions.

The ILD program was an iterative process. At each step of the journey we worked with the participants and sponsors to find ways to make it better and reinforce real-time learning. We built feedback sessions into the workshops and meetings. During one session, participants told us they were overwhelmed with work and too focused on business challenges at hand to have time for such learning. Indeed, the participants expressed concern over what they were expected to learn. This is typical of action learning teams and an issue that must be addressed early on in the design process. Many teams, particularly those with a penchant for entrepreneurship, are caught up in creating opportunities and sometimes forget the learning.

Based on this feedback, we established several periods of solitary critical reflection, as well as time with peers and coaches. Similar to problem-solving skills, time for reflection was critical for learning and going forward *reflection periods were woven into team processes and meetings with the aid of action learning coaches. These reflection periods enhanced the problem-solving skills and allowed the ILD participants the capacity to dig below the surface layer of perception and examine their assumptions and values necessary in order to determine whether they were addressing the right problems* (Marsick, 1998).

Critical reflection not only enhances problem solving, but is also a key element to understanding self, bringing learning to a conscious level.

Learning Through a Crisis

The ILD program was fortunate to have had several entrepreneurial internal and external partners and sponsors. In evaluating how these entrepreneurs learned, critical reflection became apparent, particularly when crucial business events profoundly impacted individuals

and/or business. The ability of entrepreneurs to maximize knowledge as a result of experiencing learning events frequently determines how successful their firm becomes (Cope, 2000). Entrepreneurs do not learn from one event; they are constantly learning and developing as they manage their business. As one internal entrepreneurial leader shared with the ILD teams, "every quarter I take a day off to reflect on my business, myself and my team to determine where we will focus next."

Failures and crises are essential ingredients in leadership development and in building entrepreneurs. Howard Gardner's (1995) book, *Leading Minds* depicts how the recovery from failure at an early age is a common characteristic in a leader's development. A crisis provides learning and often stimulates a deeper level of learning. During the ILD, teams, program office staff and sponsors worked through many crises and events. One team in particular started off in crisis and continued on a path of risk avoidance until confronted again mid-term through the program. As a program office, we soon realized that a crisis jolts the team into a new way of thinking and should be considered a pre-requisite with all future action learning programs. Critical incidents became an integral part of the group process and learning. Such events bond the team and are extremely helpful in moving the team or project forward. But only if the team takes time to understand the event, reflects on how the crisis was managed and resolved, and uses the knowledge to fathom how they would handle it differently. This reflective process is similar to failures expressed in Gardner's (1995) book, enabling the learning to be explored at a deeper level.

Mid-way through the ILD program, one crisis catapulted a floundering group into a high performing team of dynamic proportion. At the ILD's Main Leadership workshop half way into the program, one of the teams presented the first draft of analyzed business ideas to a group of senior executives. The purpose of the presentation was to present initial business scoping to an internal group of business leaders. Prior to the presentations, business leaders were asked to question and challenge the team's feedback to create deeper thinking and possibly shift the business idea to another level. The event was not intended to be contentious, as the culture was not conducive to aggressive challenges. The questions to this particular team were highly thought-provoking. Within minutes of questioning the demeanor changed and the team fell apart. The silence in the room was palpable. Although it took weeks to recover, the team and everyone on the program – in hindsight – view this incident as one of the more powerful learning experiences in the ILD. The team did not recover spontaneously and at times thought about throwing in the towel on their business idea. With the help of time and distance, the learning coach, and through paired reflections, the team

rebounded and ultimately presented a substantial piece of market research and a formidable business idea.

One business opportunity developed by another ILD group was a technology outgrowth of the post dot com bubble. The company's publishing group in the U.S. had finished a commissioned research report, but was at a standstill over how to leverage the data, even though they knew they had the outline for a potential adjunct business. The ILD group was subsequently approached, because publishing believed that ILD teams provided the best avenue and know-how to clarify the potential next steps. The ILD program office was initially counseled by other internal groups not to take the assignment, because the number of interested parties within the organization could likely diminish the team's ability to deliver qualitative results. This opportunity was a cross-business template: Internet, television, video and, of course, publishing. The ILD team worked in tandem with the publishing business to implement the proper steps, and the net result was a business practice that has today (2007) the ability to earn more than \$50 million.

Conclusion and Lessons Learned

The ILD started with many challenges. It was postponed due to SARS, a health crisis in Hong Kong and Southern China. After delaying the launch, the kick-off workshop began during severe weather conditions, and that same day one of the business leaders, an ILD sponsor, left Disney. With other hiccups along the way, the ILD's six-month journey stretched to eight months, but ended on a high note for everyone involved. For example, the three teams developed two new business opportunities and one integrated business and marketing strategy for India.

The eight-month program produced obvious behavioral changes among the ILD participants and ILD coaches. Participants were stretched intellectually and personally and achieved much more than expected. Many stated the experience changed their lives. Besides the business achievements, each created a leadership plan outlining the type of leader they envisioned themselves to be in five years. Many, if not all, have achieved the aspirations outlined at the final funding event.

Everyone involved with the program walked away with tremendous knowledge and all were enriched in the process. An important by-product of the program, although not an intended outcome, was learning who was ready for leadership and who needed more development. While many of us have been involved in determining selection criteria and talent potential for future leaders, this action learning project provided tangible new insights and learning. The program itself actually became an opportunity to assess talent: Action learning – through its

real-time strategic planning, communication, execution, and other challenges – reveals the capabilities of participants, as well as those areas that require additional development.

The ILD provided insights and hints into other development areas. Besides leadership, action learning builds on cross-cultural skills by having diverse teams work together through long periods, but cultural challenges must be addressed and resolved before moving forward. The action learning process creates a forum for innovation as teams are forced to work through challenges, creating different solutions to problems. Ultimately the team builds leadership capabilities across many levels.

Many public companies today repeat the need to re-introduce entrepreneurship, innovation and risk taking. Ironically, it appears that most have systems, processes, and cultures that actually hinder innovation and risk taking. With a rigorous business problem, action learning teams are forced to become risk takers and innovators to solve complex challenges. Action learning itself is a risk taking venture and is the first step in changing mindsets to build innovative thinking and risk taking behaviors inside the organization. Action learning reinforces such skills, making sustainable change necessary to instill knowledge within the participants and organization.

As participants in action learning teams work to solve real business challenges, others in the organization are challenged to take on larger roles by accepting tasks beyond their ordinary responsibilities. Therefore, upon completion of the program, the organization has not only one leader with confidence and skills to move the company forward, but a group of collaborative, innovative and entrepreneurial leaders hungry to take on more. And they do.

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Author's Reflection

My function builds innovative, entrepreneurial executive teams across multiple business segments in support of the business strategy for the Asia Pacific Region. I report to the Senior Vice President of Human Resources for Walt Disney International.

In developing and rolling out this Integrated Leadership Program, our team faced many challenges managing multiple stakeholders, agendas, and business strategies. Many of these challenges were addressed in the scoping and planning of the project. That said, similar to large scale change initiatives the project was not without high and low periods before, during and after the program ended. Given that Action Learning is embedded in the business and this project in particular was designed to build on innovation and collaboration, the challenges running this program varied from the mundane; communication processes to the complicated; building a business from the ground up.

Being an internal consultant provides unique insights and understanding of the culture and close working relationships with the business leaders. Using this knowledge and networks many of the communication hurdles and business challenges were resolved quickly. Understanding organizational complexities, team dynamics and business strategies provided our team with a solid advantage over our external consultation partners. For this program, we did not want to use traditional OD consultants and instead engaged experienced business strategy consultants; McKinsey & Company. Our external partners helped to design the program from a strategic business perspective.

Our external consultants provided the analytical, problem-solving methodology for the Action Learning teams and for our business leaders. Our internal team provided the organizational and cultural understanding to help the teams move their projects forward from an organizational savvy perspective. In hindsight we had the best of both worlds and developed into a well-balanced partnership.

The best advice I can provide to those embarking on an Action Learning program is to have a clear understanding of the business strategy and in-depth awareness of the leadership capabilities and bench strength. With this

in mind, build an action learning program that has support and sponsorship from the business leaders coupled with an energized group of high-potential participants and complex business challenges for the program. Run the program with non-traditional partners, either internal or external business strategy consultants or innovation experts and entrepreneurial thinkers in order to gain diverse perspectives. Finally, be prepared to manage a process that is often unpredictable, frequently challenging but incredibly rewarding.

Author's Bio

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