



Heads in the clouds: How data analytics and online programmes systems can transform leadership development

Oct 25 2012 [Tim Hitchcock](#)

In mid-October, HR received a comprehensive dressing down from 418 senior executives questioned for a [global KPMG study](#) (the KPMG study).

While 81 percent believed that establishing an effective talent management strategy was essential for future success, only 17 percent thought their HR team did a good job of explaining its value and just 15 percent believed it could actually supply insightful and predictive information. Overall the function was seen as relying on instinct rather than hard evidence.

This apparent scorn was reported widely in the business media and cited in Halloween tones by an HR leader at a conference, but reacting in that way could be to miss the heart of the KPMG study's findings, not least because 58 percent of the respondents were senior HRs themselves. Instead, it may show understandable anxiety among executives about how to analyse their workforce accurately to produce the most effective talent development plan possible.



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Two surveys that appeared over the summer showed why there are grounds for concern. One of these surveys was issued by the talent management company SHL and stated that although the UK was currently ranked third out of 37 leading economies in terms of supplying existing effective leaders, it was only 21st in terms of those leaders being developed for tomorrow.

The other survey came from the Institute of Leadership and Management and found that while 93 percent of employers believed low management skills were damaging their business, only 18 percent expected staff to receive training before they were promoted to managerial positions. Some 43 percent said their firm lacked a talent pipeline and half were reliant on expensive outside hires to fill posts, especially at senior levels.

Depending on competitors to develop top talent might just be feasible if budgets were astronomical and economies were awash with people with the right attributes and skills, but they are not. Obviously the economic situation may deter organisations from investing in talent management programmes but the KPMG survey pointed to a possible additional reason. Previous experiences with irrelevant workforce analytics and ill-conceived leadership development plans have made senior managers suspicious of embarking on new HR initiatives unless they are based on that hard evidence referred to earlier, rather than instinct.

"Sheep dip" training

"For at least 15 years, I've watched HR functions try to transform into strategic players," Robert Bolton, global lead of KPMG's HR Centre of Excellence, said in a podcast. "Unfortunately they have tried to do so by rolling out generic HR models based on universal best practices. They don't offer unique solutions unique to their own company's needs. Such ineffective generic approaches actually diminish credibility."

Many leadership development programmes have fallen into this trap, putting whole talent cohorts through every segment of a pre-set generic course whether they need it or not, or whether it would be more useful for them to hone other skills which do not appear on the menu. This so-called "sheep dip" approach to training not only wastes time, resources and opportunities to improve the standard of a company's management, but it can also infuriate those subjected to it: something which they remember, and then associate with HR as they rise up the organisation.

"[Sheep dip style development] gives the illusion of something being done and frequently I think there's very little evidence that there's any great assessment of the data afterwards," Richard Clarke, master coach UK at the talent management company Lee Hecht Harrison, said.

Making wider and better use of data analytics enables a move away from this kind of generic approach. Being "hard evidence" about an organisation's talent supply and any looming problems, data analytics can allow it to respond appropriately and focus on areas of need. The KPMG study found that data

analytics was the HR area most likely to receive investment in the next three years and 57 percent of respondents said they were already identifying future skills gaps, but that required making the best use of the technology.

"Although HR functions today realise the value of data analytics, most teams have stalled in the most basic measurements that don't provide useful predictive data or insights," Paulette Welsing, KPMG HR consultant, said in the study.

E-learning

While data analytics allow a company to see what skills gaps and shortages it has now and might have in the future, other new technologies are being used to provide leadership development that is better suited to individuals. Using web-based resources not only makes it possible to broaden the range of materials offered, but it also makes it easier for employees to select the ones they want, and to access them by smart phone, tablet computer or laptop at a time and place that suits them.

"If you deliver learning and development online you can deliver to individual needs," Michael Moran, chief executive of the leadership and management development consultancy 10Eighty, said. "Individual strengths and needs can be identified and then [solutions] customised depending on the results. It's mass customisation of development similar to build-to-order practice in car manufacture. Online learning reflects the modern way of working where there's not the divide between work time and other activities. You can learn on the train or wherever you want."

The variety of cloud talent development programmes offered by outside contractors or created in-house is rapidly increasing, sometimes using social intranet systems that, in the case of Pearson's Neo, can look eerily like Facebook. On these systems, users generate informal networks and exchange materials they have found online for themselves, driving a cycle of bespoke learning which has never previously existed.

Unfortunately, another driver of online learning is that organisations may see it as a cheap solution and may implement it in isolation without face-to-face coaching, mentoring and follow-up. Clarke warned that the personal skills essential for leadership were particularly hard to develop remotely. Given talent development programme members' common reluctance to admit to their manager that they doubt their ability to inspire or engage (and indeed managers' discomfort about raising the issue), it can be best to bring in outside figures to cover this aspect.

"A lot [of organisations] implement e-learning as cheap learning but you always need some level of direct intervention, whether it's in a group or one-to-one," Moran agreed. "Learning must also be embedded in the workplace so it is a real strategy, and you keep checking that you are applying learning where you need it to get your return on investment."

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