



**Michael Meier**

Strong leadership is a hallmark of strong companies. But it is often a resource in very short supply.

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“It’s not like there’s this overwhelming abundance of great leadership talent, and every company gets who they need,” says [Bernard Banks](#), a clinical professor of management and associate dean for leadership development at the Kellogg School.

This means that cultivating leaders internally, while challenging, has a lot of advantages. And Banks would know, having spent more than 25 years in the U.S. Army before retiring in 2016 as a Brigadier General. In his role leading the Department of Behavioral Sciences & Leadership at the United States Military Academy at West Point, Banks found value in maximizing the leadership potential in every cadet, as well as in members of the Academy’s staff and faculty.

But in the business world, Banks has noticed a disconnect in how companies treat leadership development. Even as more and more companies tout self-improvement opportunities as a perk in order to recruit new employees, internal talent development is not always resourced as a strategic imperative. Banks highlights that building a sustainable leadership team requires an ongoing investment in an organization’s own human resources—and careful consideration of the talent it will need in the future.

“All effective leaders are effective leader developers,” Banks says. “The challenge becomes, are companies growing the leaders they need for today or the leaders they need for tomorrow?”

Banks tells *Kellogg Insight* how companies can engage and develop their next generation of leaders.

### **Groom Future Leaders Before They “Make the Leap”**

Banks describes the process of talent development through the lens of *intentional leadership*. “It’s this notion of starting with the end in mind,” he explains. “Instead of letting things simply unfold, it’s trying to foster a predetermined outcome.”

Straightforward as it may seem, Banks contends that this lens on leadership is a departure from the norm. More often, a person will be promoted to a management position simply because they had excelled in a functional, nonmanagement role. But once they arrive in the new position, they often lack key leadership skills and thus fail to live up to executives’ high expectations.

“Because there wasn’t intentionality in developing that individual, they’re almost using hope as a method when they throw them into their first management role,” says Banks.

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According to Banks, a better path is to begin grooming future managers when they are still in nonmanagement roles, so that they can develop *prior* to moving up the ladder. For example, a company might place people on teams where they have no formal authority, but are nonetheless expected to work collaboratively with others. Or a company might temporarily provide leadership assignments. When a manager leaves for vacation or is occupied with another assignment for a finite period of time, a nonmanager—rather than a colleague already in a managerial role—might be asked to fill in.

This early investment can feel like a risk at the time, admits Banks, but he has seen it pay off in future leaders. “When they make that transition, they have a reasonable expectation of succeeding in that new role.”

## Bet on Everyone

Of course, in order to start grooming leaders early, companies may find themselves trying to predict the future.

“Organizations, because they don’t have an unlimited amount of resources, tend to identify a select subset of their folks to invest resources in,” says Banks. “Now the challenge is, did they make the right bet?”

Banks suggests an alternative strategy: bet on everyone.

“There are tremendous benefits to saying, ‘Let’s invest in everyone, but we will differentiate the amount of resources we invest in people,’” he says.

That is, a firm might still pinpoint particular individuals to participate in a costly leadership course or formal training program. But Banks emphasizes that others should not be left behind to stagnate or find their own way. Instead, the firm can make it a point to expose them to new on-the-job experiences, offer informal training sessions, and help foster new relationships that will encourage their development.

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“In the Army, I used to assign people varying responsibilities routinely in order to broaden their experiential base and stretch their perceptual set,” says Banks. “Giving a junior person oversight of an activity formally designated for someone with one or two years more experience can really accelerate their growth.”

Banks says that this approach not only cultivates leadership across the organization, but helps retain talent as well.

“Many times you’ll see individuals say, ‘I left the firm because I didn’t feel like anyone was taking a marked interest in my development,’” he says. “Sometimes people construe that as, ‘They just didn’t send me to this course.’ But it’s more than that.”

### **The Best Leadership Training Is Immersive**

The Army is renowned for creating immersive experiences designed to make people better at thinking and responding.

“We are very good at accelerating the accumulation of experiences,” Banks says. “It’s not training in the typical corporate sense, where an individual goes to a class to learn a very specific skill.”

Rather, again and again people are dropped into an entirely new context, in which they are forced to respond in real time against a thinking adversary. After-action reviews help determine what went well—and what could have been done differently.

Banks has seen how these sessions build capacity in ways that traditional training or coursework could not. “When people are put in an ambiguous situation in the future, they know *how* to think, not just *what* to think.”

But the business world lags behind in this kind of immersive training, often because there is not enough time in the day. Banks understands how difficult it can be for a company to pull staff away from their day-to-day projects and to allocate precious capital to training with no easily defined goal.

“In industry, 95 percent of your time is spent operating on the thing that you’re currently engaged in,” Banks says. “In the military, even if you’re in the midst of combat operation, you will still conduct these training exercises to continue building capacity. Imagine if a company was in the midst of delivering goods and services to its customers. Yet it still created some scenarios—like, what would HR have to do in order to merge systems associated with an acquisition?—and ran through them via a short-duration exercise while also meeting its external obligations.”

Some businesses have begun to latch onto this idea, creating innovation incubators that let them experiment in real time, or even sending employees to immersive, multiple-day business simulations. Banks expects more organizations will soon follow suit.

“Organizations have to learn how to take smart risks in service of growing their people. The challenge is, are you willing to invest those resources?”

### **Keep Employees in the Driver’s Seat**

Companies stand to benefit from investing in talent development—but they also have to know when to back off. If a firm plays an overly active role in development, employees can get accustomed to the organization telling them what to do next in order to progress in their careers—at the expense of having agency themselves.

This can lead to a number of undesirable situations. For one, the company might push somebody into a leadership role before they are ready—or alternatively, wait too long before promoting them. “Typically you’d like someone to enter a role with around 70% of the skills associated with true mastery,” says Banks. “All too often organizations wait until someone already possesses 80 or 90% of what a role calls for.”

Furthermore, if a person is not encouraged to plot out their own trajectory, they can quickly wind up in a position in which they are unhappy.

“We know that good development is self-directed,” says Banks. “Because, ultimately, you’re the one responsible for doing the work.”