

Spotlight

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“We’re Giving Ownership of Development to Individuals”

A roundtable with chief learning officers

TO UNDERSTAND how the “personal learning cloud” is changing the way companies think about developing executive talent, HBR editor Amy Bernstein and senior editor Daniel McGinn spoke with three heads of learning and development (L&D). Sankaranarayanan “Paddy” Padmanabhan is the executive chairman at Tata Business Excellence Group. Samantha Hammock is the chief learning officer at American Express. Nick van Dam was formerly the global chief learning officer at McKinsey & Company, where he is currently an external senior adviser; he was recently named chief learning

officer at IE University. (Disclosure: The three firms are or have been clients of HBR’s parent company, Harvard Business Publishing, which sells executive development programs.) Edited excerpts follow.

HBR: Paddy, how is leadership development changing at Tata?

PADMANABHAN: Back in the 1960s we created the Tata Management Training Centre, and for many years that was the primary way we developed leaders. But in the past 15 years we’ve gone beyond that. For very senior leaders—the C-level people in our businesses, and often the next level down—we look to outside institutions, including Harvard Business School, Stanford, the University of Chicago, the Indian Institute of Management, and London Business School. We nominate people for development programs at those schools, and employees are eager to

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attend. Because Tata is a \$110 billion holding company with dozens of operating companies, we also run a leadership culturalization program. It’s very important that people be exposed to various companies within Tata, so we send executives to spend two or three days in different parts of the group. They immerse themselves, meet people, and create informal networks. We also do a lot through webinars. Development has gone far beyond the classroom: Today it’s more of a conversation, with a lot of emphasis on building a knowledge network.

Samantha, what are the biggest changes at American Express?

HAMMOCK: Traditional learning and development has gone from instructor-led classroom training to virtual, global, scalable options. We’ve done this because work has changed. Companies aren’t only more global; they are more virtual. More people work from home, which makes it impossible to do constant classroom training. The virtual approach also gives people flexibility and appeals to the fact that they want to learn differently. Some employees do the programs at night. Others want to do them during working hours. The biggest thing we get from virtual programs is that people can fit them into their lives.

Nick, what about at McKinsey?

VAN DAM: We’re in the intellectual capital business, so we need continual development and learning. That is the central part of our core talent strategy. McKinsey is often referred to as a leadership factory; we have more than 440 alumni serving as CEOs of

multibillion-dollar companies. The biggest change in the past five years is the growth of demand for development. Our culture is now very inclusive in this regard: We look at all 28,000 of our people to determine how they can develop themselves. That requires broadening and deepening our capabilities. Clients expect us to be on the leading edge of thinking and doing and sharing insights, so we need to accelerate the development of people’s capabilities.

With careers becoming less linear, is it hard to know what skills people need?

PADMANABHAN: When you have flatter organizations and fewer career “ladders,” growth can become a challenge. We cope with that by creating a competency framework that addresses the skills and attributes required for every leadership role. If you’re going to be the head of our U.S. business, it spells out the capabilities and attributes you must have. If you’re going to be the production manager of a motor facility, you need different skills and attributes. These frameworks are only 50% or 60% perfect. A person’s attitude, behavior, and presence also matter, so we give people opportunities to develop those, too. As ladder promotions become less common, career growth happens through movement across our group companies. This isn’t a challenge at the C-suite level; it becomes a challenge a level or two down, when people have 10 to 15 years of experience and are ready to become a unit head or take P&L ownership. That’s where bottlenecks can occur.

Is anything lost as talent development programs shift online?

HAMMOCK: You can never replace face-to-face interaction. The feedback from our big in-person sessions shows the value of bringing people together. But it’s no longer possible or effective to have that be 80% of your model. Technology is creating better ways to conduct learning virtually. People can join from anywhere and feel like they’re in class together.

In your programs, has the mix of soft and hard skills changed?

VAN DAM: It’s difficult to cite a percentage, because a lot of development isn’t about what happens in the classroom or on a digital learning platform. Leadership development is an ecosystem. There’s learning on the job; there’s client experience; there’s staffing, apprenticeship, mentoring. Each is a building block. So is our performance culture. We have very clear expectations of people at different points in their careers, and we give extensive feedback that provides ongoing development goals. That lets people personalize their development; we call it Making Your Own McKinsey. The goal is to ensure that people are leading their own careers, exploring what they want to do, and making their own choices. We’re giving ownership of development to individuals.

HAMMOCK: In terms of hard versus soft skills, they might shift in the future, but I don’t think they have changed drastically to date. What *has* changed is how quickly hard skills can become obsolete, especially in technical roles. People struggle to stay ahead on the technical side, and they tend to be reactive—waiting to see how technology evolves so that they know what they need to learn next.



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“There’s a tremendous opportunity to turn the workplace into a learning place.”

How challenging is it to personalize talent development?

VAN DAM: There are challenges. One relates to how you define people’s career paths. Development experiences will vary according to career paths, and different roles require different competencies. Even in a classroom environment, different people will require different levels of proficiency. When it comes to digital learning, we curate content that we believe is the best fit for people’s capability development. Our people like to know what’s expected of them, and they don’t want to spend a lot of time trying to figure out which of the 50 digital learning objects might be right for them. They want us to direct them to the best, most relevant content. Some people like to learn by watching a video rather than reading a PDF. That’s another level of personalization. Finally, personalization is also about how much time people can allocate to learning programs.

When employees are learning virtually, how important is it to form relationships with other participants?

HAMMOCK: Cohorts are critical. Even with virtual work, a top success factor is a well-rounded, diverse cohort that helps people feel engaged. We put a lot of care into assembling these groups so that our employees have a positive experience.

With the shift to digital learning, do you worry about whether people are taking the time to participate?

PADMANABHAN: For midlevel employees and below, most knowledge is delivered via digital media. Every company has its own method. Take a store manager in

a retail chain. That person will receive content on his or her smartphone that’s focused on building the capabilities necessary to manage the store. That kind of content is largely about convenience, so there might be 15-minute modules. The convenience increases utilization. For people who are 25 or 30, who grew up on YouTube and online, this form of learning is prevalent, so utilization isn’t a problem. For people over 45 and at senior levels, digital learning isn’t as common. For them, leadership development continues to be in the classroom and on the job, partly because that provides better networking opportunities.

How do you measure L&D’s success?

PADMANABHAN: For the CEOs who lead Tata Group’s 100 or so businesses, we assess it on the basis of their performance. Within a couple of years of moving into the job, can the CEO manage multiple stakeholders? Is the CEO comfortable in the role? Many things contribute to how each CEO develops, but we look at whether learning and development programs and job rotations have contributed to creating an effective CEO, CXO, or group head. It’s very difficult to measure the effectiveness of these programs for leaders. At lower levels there are more-measurable skills—a link to productivity, or better customer satisfaction. But at high levels it’s hard to attribute leadership to the effectiveness of training in any systematic manner.

VAN DAM: For us, it’s about how we can make sure we have more impact for our clients and how we can expand the scope. Can we do it better? We can grow only if we have more partners in the

firm, so one measure is how well we are developing people to become partner. We also see the value of investments in L&D when we are attracting people. Today more people decide to join an organization because they believe it’s a place where they can take their skills to the next level, so L&D is linked to recruiting. Nobody at McKinsey would ever ask me to do a purely financial return-on-investment calculation about every dollar we spend on learning and development; you can’t do that. But we know there is an ROI and a huge client impact. We also know that formal leadership development is only one piece of the pie. Globally and across industries, the typical person spends something like 40 hours a year in formal learning programs, out of 1,800 hours on the job. So there’s a tremendous opportunity in many organizations to advance on-the-job development by turning the workplace into a learning place.

Is the cost of developing talent hard to justify when people are likely to leave the firm for their next job?

HAMMOCK: We’ve spent a lot of time debating that, particularly in the past year, when we made a large investment in our flagship leadership program. Ultimately we decided that we want to grow great leaders, and we want American Express to be known for that. For instance, we encourage employees to list the certifications they earn on their LinkedIn page, even though that increases their visibility externally. Ideally we want them to find their next opportunity internally, but we know some of them will move on, and that’s OK. ☺ **HBR Reprint R1902B**