



## Creating leaders who can transform the bank



### Setting the scene

Our client, a global high street financial institution, recognised that although their management capabilities to run day-to-day operations were good, they did not have sufficient leaders with the transformational capabilities needed to change the bank. As they were operating in very volatile and competitive environments, they needed new leadership capabilities which would enable staff and ultimately leaders to change the bank, rather than just simply run the bank as it was today.

They wanted to create a sustainable pipeline of emerging and senior leadership with capabilities which would enable them to navigate their environments in more sophisticated ways. In doing so, these leaders would find different and innovative solutions to some of the complex challenges they were experiencing, bringing a transformational approach across the entire organisation.

### The solution

In an initial project instigated by the organisation's talent management team, MDV Consulting had introduced the concept of adult development (see textbox) into the development of 'high potentials' in the organisation, enabling them to build more sophisticated ways of sense-making. With feedback from this pilot project described by the business sponsor as "*off the scale*", the organisation wanted to expand that preliminary work to create a sustainable capabilities framework for everyone in the organisation which supported all staff in their continued development of more elevated sense-making and decision making.

### Adult Development Theory

For those unfamiliar with this psychological theory, a little detour - skip to the next section if you are already familiar.

The concept of Adult Development is built on the theory that in the same way that children mature through predictable stages, thinking in more sophisticated ways as they are faced with new experiences, adults also continue to develop in stages. Each stage requires more complex thinking processes and sense-making.

However, the difference between child development and adult development, is that whilst a child's maturity happens automatically, adult development is not automatic, requiring the experiences and conditions to aid this growth.

This project was a collaboration between the client, MDV Consulting and Harthill Consulting, and was championed by the organisation's Global Head of Learning and Development. Like many large organisations, our client already had a plethora of descriptions - around 12 competency frameworks for various aspects of their leadership system. They did not want to delete these altogether but instead wanted to transform these into an integrated Capability Framework targeted at a working context which was experiencing rapid change and times of uncertainty and ambiguity. This new framework was informed by and built on using the Leadership Development Framework (LDF; see textbox), due to the success of using this staged model of development in the pilot with High Potentials.

**The Leadership Development Framework**

The Leadership Development Framework 'LDF' has been created by Harthill Consulting as one approach to looking at an individual's stage of development which has been shaped with time, experience and learning (otherwise known as 'Action Logics', determined by the way they reason and behave). These stages also relate to how they construct their reality and respond to emerging situations. The framework builds on the theoretical work of Susanne Cook-Greuter, Jane Loevinger and Bill Torbert.

This integrated framework was based on four core leadership capabilities, things which leaders have to do to build more expansive perspectives and agile responses. MDV Consulting helped identify the categories in which these capabilities might fall, but the organisation named the capabilities themselves using their own language. MDV then determined which adult development stage the descriptions of the capabilities were associated with.

These capabilities promoted behaviours and habits which emphasised greater collaboration, a wider analysis of and reflection on differing perspectives, the building of resilience, as well as seeking more adaptive styles.

The organisation did not use the terminology used in the LDF descriptions of the different stages of adult development. Instead, the descriptions used were interpretations of these, aligned with the bank's own specific organisational context, to make them more understandable and relatable. The developmental stages were named levels 1-4 and organisation-relevant descriptions were given to explain each. Rather than positioning later developmental stages as more desirable, the approach demonstrated how each stage added value to the organisation in some way, while highlighting the potential for development. This was necessary in order to make each concept understandable to those who were not necessarily subject experts, or in any way familiar with adult development theory. This was continuously developed to make the levels more and more understandable.

MDV Consulting trained members within the organisation to implement the framework. Alongside this, a unique 360-degree feedback tool was developed for use by coaches and consultants with individual leaders, as a tool to help them think about how they operated against the different capabilities. It also indicated how an individual was seen in terms of adult development stage and directed users to relevant developmental opportunities. The training of bank staff in the framework and 360 tool helped ensure it remained part of an 'in-house' intervention, as it was important to the organisation to enable a sense of ownership over the framework.

**How the framework has been embedded in the organisation**

One of the key ways the framework has been embedded within the organisation is in the creation of a self-assessment version of the in-depth 360-feedback tool. Aligned with the organisational leadership capabilities, this was made available on the organisation's learning portal, enabling any individual to reflect on their behaviours against these capabilities. It also provided them with guidance on where to go to access appropriate developmental resources to build specific capabilities, also providing and directing them to relevant development opportunities.

Rather than enforcing this approach on every unit of the business, the decision was made to adopt a bottom-up approach. The tool was introduced in small segments, and success in each unit resulted in desire for the tool in other units where they would then request it themselves.

**Challenges**

Despite the many successes of this project, it was also open to an element of challenge. With any new framework with new descriptions and terminology, it understandably took some time for the HR community to feel comfortable with and understand the different levels of the framework in practise.

Furthermore, the working of the later stage descriptions in the framework was also challenging and time consuming. This was due to the complexity of these descriptions, making them harder to convey to those who were not subject matter experts.

Another challenging aspect of the project was experienced where the organisation wanted to ensure the 360-feedback was linked to existing development resources. To deliver this, all of the current resources were examined for links with the new leadership capability framework – a challenging and time-consuming process.

Decoupling the capability levels from organisational hierarchical levels was a major conceptual shift. Instead, levels relate to the complexity, not seniority, of the role.

### Outcomes and learning

The organisation had launched an online learning portal which was seeing variable take-up across the organisation. As a result of the newly introduced capability framework, there has been a greater focus on development interventions, with the organisation seeing a significant take up in the use of these online development resources.

A key learning for the organisation was that they recognised the importance of different approaches to the presentation and communication of the framework across the core business areas, due to cultural differences. For example, while the framework made complete sense to the areas of the business which were more innovative and agile, areas which were more technical struggled to understand the concepts so took longer to adapt.

Some areas struggled to understand the idea that adopting different mindsets can help navigate complexity. The structure of the model where it was not hierarchically linked to organisational grades (unlike many traditional leadership models) made it a more complicated model to communicate and understand.

In introducing the framework from the middle of the organisation, it became apparent that a real turning point was when the CEO got behind the framework. He came up with the strapline behind the bank-wide communications campaign, giving it the sponsorship it needed for others to support it.

Over the last 18 months, the organisation has been continuing to communicate the leadership framework across the organisation, and has begun explaining the underlying theory of adult development. In terms of the next phase, they will be weaving the framework into other areas of the employee life-cycle, such as recruitment and performance management.

To discuss MDV's leadership solutions please contact: [Mike Vessey](#)



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