The New Reality of Leadership

Executive Summary
Welcome to this executive summary of the recent Executive Briefing on the New Reality of Leadership hosted by CorporateLeaders, the business transformation network, in partnership with Raytheon Professional Services.

Held at La Maison des Polytechniciens, an 18th century mansion in the heart of Paris, the event featured keynote speakers Anne-Laure Doutriaux, Country Manager, France, for Raytheon Professional services and Véronique-Sophie Bounaud-Lemoine Global Director Executive & Talent Management - Group HR, AXA Group. Their presentations were followed by a round table discussion and networking dinner where senior executives and HR professionals from a range of global companies shared views and insights on the leadership issues confronting organisations at a time of unprecedented social, technological and business change.

Introduction

It is clear that leadership today is facing a crisis of confidence. While demonstrators around the world loudly express a lack of confidence in their nations’ political leaders, the crisis has also reached the business arena, where trust in business leaders has never been lower. The problem typically results from a divergence between the values and goals of employees, on the one hand, and those of the organisation and its leaders, on the other. Business performance then suffers as employees become increasingly disengaged both from the organisation and their own work.

So what can be done to align the goals and values of leaders with those of the organisation - and then bring employees on board? And what is the role of leadership development and organisational culture in this process? Posing these questions, CorporateLeaders, who moderated the Executive Briefing, kicked off what turned into a lively and frank discussion.

Addressing the trust deficit

Organisations need clear and consistent leadership in order to succeed, according to Anne-Laure Doutriaux, Country Manager, France, for Raytheon Professional Services. Above all, they need leaders who inspire trust, she said, citing the Employee Engagement Report 2011 by BlessingWhite Research, which found that trust in top executives has more than twice as much impact on engagement levels as trust in employees’ immediate managers.

To develop leaders who are able to win trust and therefore engage their workforce, the first thing a company must do is define its vision and direction. It should then ask what key leadership competencies and behaviours are needed to realise that vision both now and in the future. “Then you go through a very fundamental learning plan – something that is personalised for each individual leader,” said Doutriaux. The learning itself can take the form of coaching, e-learning, classroom-based training or whatever other method suits the individual, she added. But its effectiveness should always be measured to ensure that the organisation is growing its competencies in alignment with its vision and strategies and that leaders’ behaviours are consistent with that vision.
As a specialist in providing end-to-end training solutions, Raytheon Professional Services offers the kind of personalised learning that Doutriaux described as critical for effective employee development. Part of Raytheon Company, which employs 72,000 people worldwide, Raytheon Professional Services is itself one of the largest training companies worldwide employing over 1,000 training professionals globally. The company works with clients on the complete learning value chain – from training needs analysis, Training Strategy & Consulting, Curriculum Architecture, Design and Development, training management and administration to training technology, accreditation and certification. It also uses a variety of web-based, mobile and instructor-led methodologies to deliver learning, and helps clients measure return on investment in training activities.

AXA's leadership journey

Keynote speaker, Véronique-Sophie Bounaud-Lemoine, Global Director Executive & Talent Management - Group HR, at AXA Group, also highlighted the importance of linking the development of leadership capability to a clear strategic vision.

Reflecting on AXA’s own leadership journey, she observed that the group was established in its current form just 25 years ago. Yet today the French insurer is present in 61 countries and has 95 million customers across the globe, who are served by 214,391 people (including both employees and exclusive distributors). With International Financial Reporting Standards showing that AXA ranked first in the world for insurance revenues in 2008 and 2009, the group reported 91 billion euros in consolidated revenues in 2010. Underlying earnings for that year came to 3.9 billion euros and net income to 2.7 billion euros. “So we are quite successful and we have won a lot of battles, but we still have a lot of challenges in front of us,” said Bounaud-Lemoine.

The group’s plans for growing its leadership capability are closely linked to its current business strategy – known as the AXA Ambition 2015. But this focus on leadership is relatively new. Between 1994 and 2004, a period that saw the group grow rapidly through acquisition, the emphasis was more on developing managers. By 2004, however, the size of the group and its ambitious goals of doubling revenues, trebling profits and becoming the preferred company for employees and other stakeholders by 2012 were placing new demands on AXA’s leaders. “So in view of our ambition for 2012 and beyond we decided to help our top leaders define their leadership challenges,” said Bounaud-Lemoine.

This process identified the following five challenges for AXA’s leadership:

- Catalyze high performance
- Build to grow
- Share to succeed
- Focus on customers
- Lead through actions

Bounaud-Lemoine and other members of the HR team considered what leadership behaviours were likely to support those challenges and satisfy three groups of key stakeholders: shareholders, customers and employees. They were then able to define in some detail the dimensions of leadership behaviour that AXA needed to develop. For example, the challenge ‘Build to grow’ was underpinned by two leadership dimensions: strategic vision and building capability – the ability of leaders to develop their people and organization. Similarly, for “Catalyse high performance” the dimensions were team leadership and change leadership.

In total, eight competence-based dimensions were incorporated into a new leadership framework describing how leaders at various levels of the organization were expected to act. So, for example, level 1 sets out the behaviours expected under each dimension of executives in their first leadership position, while level 5 describes what is expected of the organisation’s top leaders.

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Véronique-Sophie Bounaud-Lemoine, Global Director Executive & Talent Management - Group HR, AXA Group.
The HR team also worked with the top leaders themselves to define derailing behaviours. For example, actively resisting collaboration would be a clear case of derailing behaviour under the challenge “Share to succeed.”

Executive assessment

In 2006, AXA launched an assessment process to measure the performance of its 300 most senior leaders against the eight leadership dimensions that the HR team had previously defined. New recruits and those approaching retirement are exempt from this process, which was initially tested on the organisation’s 15 most senior leaders.

The assessments begin with structured interviews lasting for as long as four hours. During that time, executives are measured against AXA’s leadership dimensions and questioned about their current role and future aspirations. At first, these interviews were all conducted by an external assessment consultancy, which subsequently trained and certified Bounaud-Lemoine and some of her colleagues to act as assessors. They now carry out some of the assessments, although the time it takes to develop new assessors means that the external consultants are still involved.

Following the initial interviews, executives go through a rigorous 360 degree feedback process that usually involves around 15 people, including at least five of their direct reports, five peers from different parts of the group and, in some cases, external people such as customers. The executive’s boss is also asked to provide feedback.

The combined outcomes of the assessment interviews and 360 degree feedback then form the basis of a report on where the executive stands in relation to AXA’s leadership dimensions and associated levels. Bounaud-Lemoine admitted that these outcomes can come as a shock to the executives—especially those whose bosses have been giving them a more flattering picture through the separate annual appraisal process. “Sometimes it’s very hard for them to discover that they can be on some dimensions under the level of expectations set, but it’s our duty to provide them with the right feedback, in order to help them to develop,” she said.

However, she also stressed that the purpose of AXA’s executive assessment process was purely developmental. “So after the assessment, each executive will work on their development,” she said. “Even if some of their behaviours are derailing, we try to do something about them, to help the executives improve.”

Executives receive the results of their assessment at feedback sessions typically lasting at least two hours. During these sessions they also receive material to help them reflect on their performance and devise personal development plans to address any areas of weakness and to build on the strengths identified by the assessments. They meet their assessors again a few weeks later to discuss these plans.

But even that is not the end of the process because each executive then meets his or her boss and local HR Director, who will modify the development plan if that proves necessary.
Chief Executive buy-in

The executive assessment process and associated development programmes enjoy the strong support of AXA’s CEO. “He really believes that if the group is to continue to succeed, he needs to help develop its leaders,” Bounaud-Lemoine told the Executive Briefing.

When individuals’ assessment have been completed, the reports summarising their strengths and development needs go to the AXA Group’s Management Committee. This enables the CEO and his fellow committee members to better know each individual, what is globally the Senior Executive team dynamic and where the Group stands in terms of strengths or weakness to achieve its strategy.

Participants in the round table discussion appeared struck by the level of interest in the assessment process shown by AXA’s top leadership. As one remarked to Bounaud-Lemoine: “You seem to have a very high level of commitment to the assessment from your CEO, which I think is vital for the success of this type of activity.”

“...needs to help develop its leaders...”

Véronique-Sophie Bounaud-Lemoine, Global Director Executive & Talent Management – Group HR, AXA Group,

Developing leaders

After completing their assessments, executives are offered development opportunities. The form that these take depends on the development needs identified through the assessment process. So, some receive coaching, others go on developmental assignments, while the majority take appropriate modules on the AXA University leadership development programme.

This programme offers modules at four levels, with levels 1 and 2 targeted at the group’s more junior leadership, Level 3 at group executives and level 4 at senior group executives.

Again, the buy-in of AXA’s CEO and Management Committee has proved critical to the success of the leadership development programme. “Our CEO is not involved in delivering the programme but he promotes and supports it, as does the Management Committee of the group,” said Bounaud-Lemoine. “We never do anything without getting the buy-in of the Management Committee.”

Impact on AXA’s strategy

To date, around 200 executives around the world have gone through the assessment process – two thirds of the target group. An analysis of their results has shown that there are still some gaps between average assessment scores and the targets set out within AXA’s Ambition for 2015. “So now we are working on each dimension, looking at the average results and where we need them to be,” Bounaud-Lemoine explained.

AXA is also revamping its leadership curriculum, while simplifying its leadership framework so that it can be used to assess and develop managers, as well as leaders. The assessment process, however, is now embedded in the organisation and with the number of internal assessors gradually increasing will continue to be used to help AXA “know, assess and grow” its senior executives. The journey continues.
Lessons from AXA’s leadership journey

Véronique-Sophie Bounaud-Lemoine, Global Director Executive & Talent Management - Group HR, AXA Group, offered the following advice to other organisations thinking of introducing an executive assessment programme.

• Make sure you win the buy-in of the organisation’s CEO and other top leaders.
• Really promote assessment as a developmental tool and not as a tool to fire those who perform badly.
• Don’t think that you can introduce executive assessment quickly. It takes time to convince people that this is useful and to show results.

Taking the pulse

Asked what they saw as the top three leadership capabilities for future business success, participants at the Executive Briefing ranked capabilities in the following order:

1. Strategic vision
2. Building Capabilities
3. Customer Focus
4. Team Leadership
5. Results Orientation

Two other capabilities were also mentioned: driving strategic change and leadership versatility. As we argue in the next article in this series on the New Reality of Leadership, these are perhaps the two most critical leadership capabilities in today’s rapidly changing business environment.
Véronique-Sophie Bounaud-Lemoine
Global Director Executive & Talent Management - Group HR, AXA Group

Véronique-Sophie Bounaud joined AXA in January 2008 as Global Director of Executive Management at Group HR. She has more than twenty years of experience in the human resources area.

Bounaud-Lemoine is in charge of global Talent Management processes (succession management, global banding, HR due diligence, internal mobility and external recruitment) and their related HR information system modules. She’s responsible of executive assessments and succession management in Japan, Asia, Central Eastern and Western Europe. She has launched diversity with the Group Diversity Council and the IT professional family Talent Management initiatives.

Prior to joining AXA she was International Human Resources Director at Valeo Group and Wagon Group, Consultant at Garon Bonvalot/Coutts Consulting, heading redeployment antennas for 3 years and then heading the Assessment Centre of Paris working both on the expertise side (business cases, 360°, developmental and transitioning approaches) and operational activities (leader assessment, development, career advice and coaching).

Véronique started her career with Bull Information Systems (IT company -international French Group) at Group Level and then as HR Manager.

Véronique-Sophie graduated from IGS Paris (Master 2 in HR).
Raytheon Professional Services is a global leader in learning services and outsourcing. Its mission is to help organizations meet their critical objectives by designing, implementing and managing efficient training solutions that align their employees, customers and partners to key goals and business objectives.

Delivered by over 1,000 professionals in 100 countries – and 26 different languages – these training solutions typically start with needs analysis. They can also include:

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Assess the performance of an organization’s training function. Develop organizational training strategies and plans, supported by robust business models. Implement governance models.

**Curriculum Architecture, Design and Development**
Design training approaches that blend classroom and hands-on training with Web-, Virtual Classroom or mobile learning. Source, develop, translate and localize training curricula in multiple delivery formats.

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Optimize and manage training administration and delivery processes. Run client support centers that respond to client inquiries, as well as generate awareness and demand for client training. Deliver training in multiple languages and countries across the globe; working with clients’ extended enterprises in diverse cultures, currencies and regulatory environments. Administer learning management systems on a day-to-day basis.

**Training Technology**
Source and implement learning management systems and support tools.

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Manage selective or all of a client’s training function in multi-year engagements, with transition and governance activities to ensure alignment, service levels and business results.

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