

# THREE STEPS AHEAD

## CHANGE AGILITY EMERGES AS DEFINING CAPABILITY FOR CHIEF HUMAN RESOURCES OFFICERS

BY GEORGE ATKINSON AND KIM SHANAHAN

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Learning Agility—the ability to learn from experience and apply those insights to thrive amid new conditions—represents an important indicator of leadership success. New research shows that human resources executives score particularly highly in a factor of Learning Agility called Change Agility (the ability to cope effectively with the discomfort of rapid change). In fact, HR executives score much higher than their peers in other functions or general managers, suggesting that Change Agility is crucial to develop in HR managers before they rise to the executive ranks.

The time has come to augment the chief human resources officer's (CHRO's) reputation as a “people person.” New research indicates that although CHROs and other senior HR executives can continue to lay claim to serving as their organizations' most people agile leaders, they also rank among the most change agile leaders in an enterprise.

The research also shows that the aptitude for Change Agility, a key component of the Learning Agility leadership competency (see “The Ascension of Learning Agility” sidebar), increases significantly from one job level to the next in the HR function, with a particularly notable leap between manager and executives. This finding, drawn from an analysis of Korn/Ferry International's proprietary assessment data, points to the importance of cultivating Change Agility capacity in those with high potential to become HR leaders.<sup>1</sup>

Discussions with leading HR executives confirm these research findings and also identify specific practices CHROs can deploy to nurture their future successors' Change Agility skills.

“The CHROs who succeed in their roles today are well aware that they constantly have new and important issues coming at them,” notes LeighAnne Baker, Chief Human Resources Officer for The Hertz Corporation. “As CHRO, I am part of the executive team, yet I am also a coach to executive team members as I help them address people issues and, especially, how people respond to all the new and important changes coming at them. People Agility remains extremely important. However, to be truly successful today, CHROs need to focus on change.”

## The Ascension of Learning Agility

Change Agility is one of several component factors of the competency Learning Agility. Decades of research show that Learning Agility (the ability to learn from experience) is a key indicator of high potential, particularly for leadership roles. The seminal research in this area appears in a 1988 book, *The Lessons of Experience*, in which the authors show that many managers who produced positive results based on their current technical skills did not perform well when they were promoted.<sup>4</sup>

Since then, a steady procession of studies has demonstrated that the ability to learn from experience differentiates successful executives from unsuccessful ones.<sup>5</sup> Successful executives have strong and active learning patterns from key job assignments. They learn faster, not because they are more intelligent, but because they have more effective learning skills and strategies. In other words, they are “learning agile.”

The factors of Learning Agility include:

- **Mental Agility:** Comfortable with complexity. Examines problems carefully. Makes fresh connections between different things.
- **People Agility:** Readily deals with a diversity of people and handles tough situations.
- **Change Agility:** Enjoys experimentation. Copes effectively with the discomfort of rapid change.
- **Results Agility:** Delivers positive results in first-time situations by inspiring teams and having significant impact.
- **Self-Awareness:** Knows one’s own strengths and limitations. Seeks and acts on feedback. Admits (and learns from) mistakes. Reflective.

## Change Agility’s ‘aha’ moment

The CHRO’s role, indeed the very nature of the HR function, has changed rapidly and frequently in recent years.

“I have very few peers in the HR profession who have not been personally affected by a merger or acquisition, a bankruptcy, a workforce reduction, or another major change to the employment contract,” says Kalen Holmes, whose HR executive career has included leadership roles at Starbucks, Microsoft, and PepsiCo. “Being agile in terms of managing these types of changes is critical.”

To better understand what makes senior HR leaders effective in today’s turbulent business environment—and, by extension, what leadership competencies HR professionals need in order to rise into executive roles—Korn/Ferry International’s Research and Development Team analyzed the Learning Agility scores of 752 HR professionals from 127 companies in sixty-one countries.

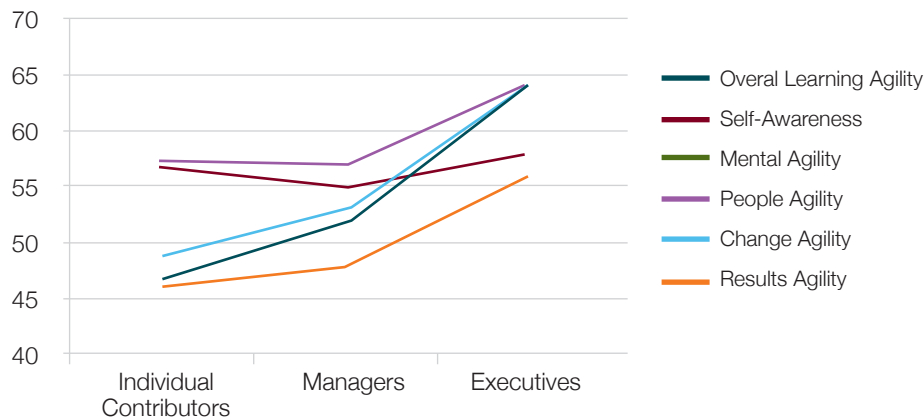
On the whole, HR professionals post fairly average composite Learning Agility scores (54th percentile). They score highest in the People Agility factor (59th percentile), a result that seems natural given how HR practitioners must be skilled at understanding and interacting with people, keep an open mind, and be comfortable dealing with diversity and differences of opinions.

However, the research also produced a revelation. When comparing Learning Agility factor scores across job levels (individual contributors, managers, and executives), the largest gap relates to Change Agility, which jumps from the 49th percentile at the individual contributor level to the 64th percentile at the executive level. In fact, senior HR leaders score as highly on Change Agility as on People Agility (see Figure 1).

Figure 1

**Learning Agility scores of HR professionals by management level**

Learning Agility scores usually rise from individual contributors to managers to executives. But in HR, there is a notable jump in Change Agility between managers and executives, which has ramifications for succession planning and development.

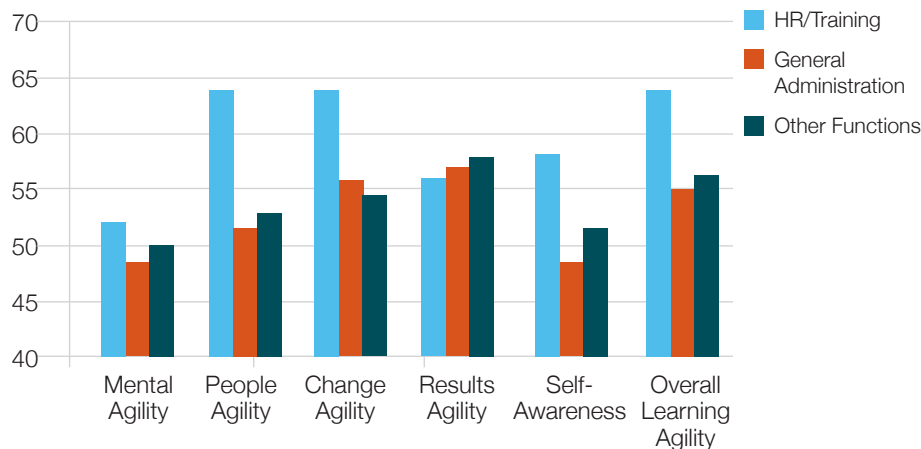


Comparing HR executives with other functional and operational executives underscores the extent to which these competencies are needed to lead in HR (see Figure 2). HR executives have higher composite Learning Agility scores, and score significantly higher than other executives on Change Agility and People Agility. Together these findings suggest that HR executives would be well-served to develop Learning Agility in general—and the capacity to handle change more specifically—in themselves as well as in high-potential HR managers.

Figure 2

**Learning Agility comparisons by function**

Among general management executives or other functional executives, Results Agility elicits the highest average scores. HR executives, on the other hand, score significantly higher than other executives on Change Agility and People Agility.



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**Kalen Holmes**  
Former Executive Vice President,  
Partner Resources  
Starbucks

A good place to start is by understanding how Change Agility manifests itself in practice. Leaders who demonstrate a strong capacity for Change Agility tend to:

- Enjoy tinkering with ideas and putting them into practice.
- Pursue continuous improvement and seek out opportunities to better themselves.
- Remain cool under pressure and handle the consequences of being at the forefront of change efforts.
- View problems as opportunities for change and improvement.
- View risk taking as an opportunity for trial and error—and learning.
- Manage to keep things moving forward, even as those around them are uncomfortable with change.
- Ask questions such as “Why can’t it be done?”; “What did we learn that we can apply?”; and “What if we tried this...?”<sup>2</sup>

Change Agility benefits HR executives particularly as they help shape significant business decisions and strategically implement organizational transformations. The senior HR executives interviewed for this paper suggest that Change Agility lies at the heart of how HR leaders demonstrate their business acumen: it is by conceptualizing and driving enterprise-wide change that HR earns a seat at the leadership table. It also falls to HR leaders to coach and challenge other senior executives to create change.

“Part of my job is to make our leadership team uncomfortable at times,” explains Lisa Buckingham, Executive Vice President and Chief Human Resources, Brand and Communications Officer for Lincoln Financial Group. “By that I mean I need to ask them difficult questions and, more important, make sure that our HR function possesses the necessary skill sets, resources, and strategic plans to support the best approaches for our business and workforce.”

Today’s HR leaders also need to be flexible and respond quickly as the organization’s needs and priorities change. A strong, proactive HR leader can work closely with business leaders to anticipate needs and pivot as required, or adjust to stay on course with larger initiatives and change-management responsibilities.

“As HR has evolved over the past twenty years to become the function that is responsible for talent—which is so central and core to any company’s success—HR leaders need to stay three steps ahead,” Holmes confirms.

## Fostering Change Agility as part of succession planning for HR

John Lucas, Lockheed Martin Senior Vice President, Human Resources and Communications, urges HR leaders to expose their staffers to Learning Agility early in their careers. “Clearly the people who are more effective are those who have demonstrated Learning Agility,” he reasons. But don’t stop there, he adds. “Learning Agility is a skill that needs to be honed and further developed, even at the senior-most level.”

Specifically, HR executives can ensure that their own assessment, training programs, development plans, and stretch assignments provide experiences that require coping effectively with the discomfort of rapid change. Some practices include:

**Hire for agility.** HR needs to walk the talk in terms of keeping key competencies front and center when hiring. High aptitude for Learning Agility in general is definitely a differentiator for human resources leaders, and using that whole construct is one way to get beyond hiring a “people person” to hiring those who can steer company-wide directives.

**Assess and monitor.** In addition to annually reviewing the alignment of core competencies and the company strategy, Lincoln Financial Group’s Buckingham assesses her own staff’s progress frequently. “We want to determine whether our learning and development plans foster those leadership competencies, and we want to make sure we’re focusing on what we need to change,” Buckingham says. At Hertz, Baker sends her direct reports to daylong assessment sessions that focus on measuring a wide range of competencies and characteristics, including various forms of Learning Agility.

**Develop through stretch assignments.** To sharpen Change Agility—whether through a full-time “stretch” assignment or a formal development program—high-potential HR leaders need real-world experience in driving change. “I think that anyone who wants to become a CHRO needs to have led a major transformational effort,” Baker contends. “For me, that sort of stretch assignment sorts out who can make the next step and who cannot.” These stretch assignments can range from a massive cost-reduction effort to a systems implementation, Baker says. A new performance management system implementation, for example, requires HR managers to lead a change effort across the whole business, while addressing numerous people as well as structural, process, and technical challenges.

While stressing that her department has been particularly fortunate in selecting successful leaders, Buckingham also points out that failure can help strengthen an individual's Change Agility. She maintains that HR departments—indeed, companies as a whole—should carefully examine how they respond when a high-potential leader does not thrive in a stretch assignment or new role. Did the experience fortify that individual's Learning Agility? How much? Sometimes the cost of failure—granted, preferably small-scale failure—is worth the return on the experiential-learning investment.

## Developing Change Agility while leading

Change Agility, Baker suggests, certainly helps HR leaders thrive once they land in the CHRO chair. “HR people always talk about how we want to have the seat at the table,” she says. “But it's really not about just having a seat—it's about how you contribute once you're there. ... And you need more than brains to be able to contribute in a very positive way.”

HR leaders can continue to strengthen their own Change Agility muscles. The approaches listed below simultaneously let HR leaders leverage these distinguishing abilities even as they increase their capacity for handling change.

**Become a student of the business.** Develop a strong understanding of the business by meeting with strategic partners, top customers, and other important stakeholders. “One of the key things an HR person needs to understand is how the business makes money,” Lucas asserts. “We don't get a pass on that.”

**Make connections and hunt for parallels to generate new ideas.** Connecting dots, creating connections, and “cross-pollinating” insights from your network can lead to new ideas and approaches. It also helps to consider how successful methods from other realms might apply to your own sphere.

**Be an “incrementalist.”** Growth and change require risk, sacrifices, and inevitable errors; try many quick and inexpensive experiments to increase the chances of success and encourage others to do the same.

**Be your own devil's advocate.** Be prepared to explain, repeatedly, what you are doing, how and why. Identify ten objections that others may voice in reaction to the change you are proposing, and then mentally rehearse your response to each.

“It’s more than a matter of having raw brainpower—though intelligence, of course, matters. It’s ability to deal with change and help others, especially those on the executive team, deal with it as well.”

**LeighAnne Baker**  
CHRO  
Hertz

Give others choices. When leading a change, the more you can emphasize what is still in a person’s control and, when applicable, how the change will help him or her, the less resistance you are likely to face.<sup>3</sup>

Change Agility, according to research and reports from the field, may be even more valuable than intellectual heft. There is no improvement, and little growth, that does not stem from the successful introduction of change. When HR leaders demonstrate Change Agility, the effects ripple through the organization.

“It’s more than a matter of having raw brainpower— though intelligence, of course, matters” Baker argues. “It’s ability to deal with change and help others, especially those on the executive team, deal with it as well.”

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## Notes

<sup>1</sup>The scores were assessed using viaEDGE™, Korn/Ferry’s proprietary self-assessment for measuring Learning Agility.

<sup>2</sup>Victoria Swisher, *Becoming an Agile Leader: Know What to Do ... When You Don’t Know What to Do* (Lominger International: A Korn/Ferry company, 2012), [http://store.lominger.com/store/lominger/en\\_US/pd/ThemeID.2815600/productID.247551200?resid=UTYJCwoBAIYAABXNXZ4AAAA7&rests=1362495755089](http://store.lominger.com/store/lominger/en_US/pd/ThemeID.2815600/productID.247551200?resid=UTYJCwoBAIYAABXNXZ4AAAA7&rests=1362495755089).

<sup>3</sup>Swisher, *Becoming an Agile Leader: Know What to Do ... When You Don’t Know What to Do*.

<sup>4</sup>M. W. McCall Jr., M. M. Lombardo, and A. M. Morrison, *The Lessons of Experience: How Successful Executives Develop on the Job* (New York: Free Press, 1988).

<sup>5</sup>Kenneth P. De Meuse, Dai Guangrong, and George Hallenbeck, “Learning Agility: A Construct Whose Time Has Come,” *Consulting Psychology Journal: Practice and Research* 62, no. 2 (2010): 119-30.



George Atkinson is a Senior Client Partner in Korn/Ferry's Human Resources Center of Expertise. He is based in Chicago.



Kim Shanahan is the Managing Director of Korn/Ferry's Human Resources Center of Expertise. She is based in Northern Virginia.

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