

The Demanding Character of the First Leadership Role: Experiences, Learnings and Development

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<p>In today's world, one of the most limited resources is leadership talent capable of continuously leading organizations towards success, despite the uncertainty and challenges of tomorrow. Given the significance and demanding character of the first leadership role, it is crucial to be aware of the challenges first-time leaders face in order to help them overcome those challenges and enhance their knowledge and competencies.</p> <p>The main objective of the thesis is to analyze learning and development experiences of first-time leaders within the commissioning party, KONE, as well as to research the leadership talent pool, in order to analyze the leadership pipeline demographics and retention rate. The purpose of this thesis is to present useful information to KONE about how first-time leaders learn, what kind of challenges they face and how they acquire experience in order to support the further development of one of KONE's leadership development programs, as well as the overall leadership development processes in the company.</p> <p>The theoretical framework is divided into two main parts. The first part discusses the importance of talent management and various leadership development strategies. In the second part the leadership pipeline model, and the main challenges of first-time leaders are introduced. Finally, the role of self-leadership, organizational support and continuous learning is presented.</p> <p>The research methods used are quantitative and qualitative. Data analysis and semi-structured interview methods were applied. The interviews were carried out during March and April 2016 with a chosen sample of leaders who reflected on their experiences, challenges and learning experiences as first-time leaders in KONE.</p> <p>The results of the research show that during their first-time leadership position, leaders faced a wide variety of challenges that later grew into beneficial learning experiences. Findings confirmed that alongside organizations, supervisors play an important role in the development of first-time leaders. However, the responsibility for a leader's development fundamentally starts and ends with the leader himself.</p> <p>In order to help KONE to develop its leadership development program and processes, development proposals are presented in the last chapter of the thesis. Among others, they include encouraging supervisors to take a more proactive role in first-time leader's development, creating local leadership development programs and having self-leadership as the foundation of any developmental program.</p>	
Keywords First-time leader, leadership development, continuous learning, talent management, self-leadership, supervisors.	

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1 Introduction

Even for the most talented professionals, the process of becoming a leader is a demanding yet rewarding journey of continuous learning and self-development. The first experience in a leadership role often has serious impact for both the individual and the organization. Executives are shaped irrevocably by their first leadership positions. Many years later, they reflect on those first weeks and months as transformational experiences that impacted their leadership philosophies and styles. (Hill 2009, 151.)

Given the significance and the demanding character of the first leadership role, it is surprising how little attention has been paid to the experiences of new leaders and the challenges they face. The shelves are filled with books describing effective and successful leaders. But very few address the challenges of learning to lead, especially for the first-time leader. (Hill 2009, 151.)

In the 21st century business life it is crucial for companies to have leaders who encourage learning and who master fast, relevant, and autonomous learning themselves. Leaders must get comfortable with living in a state of continually becoming and developing. (Mikkelsen & Jarcho 2015.)

The commissioning party for this thesis is KONE Corporation. KONE is one of the global leaders in the elevator and escalator industry (KONE Corporation 2016d). In order to further develop the LEX Leadership program, which is one of the leadership development programs in KONE, the commissioning party is interested in obtaining an analysis of its talent pool statistics, retention rate as well as in receiving information on what kind of challenges first-time leaders actually face, how they overcome them and how they learn and acquire experience.

To help new leaders pass the first leadership test, we need to help them understand the essential nature of their role – what it means in practice to be in charge. (Hill 2009, 151.)

1.1 Objective, research problems and delimitation of the study

The research problem of the thesis indicates that the first-time leaders' challenges and learnings have not been comprehensively examined within KONE. Another research problem is that KONE has not analyzed the LEX Leadership program participants' talent pool and therefore a study is necessary to research the statistics of the leadership population

and retention rate. These both analyzes will allow KONE to further develop the program in order to make it increasingly up-to-date, relevant and applicable.

The main objective of the thesis is to analyze learning and development experiences of first-time leaders within KONE as well as to research KONE leader talent pool in order to analyze the leadership pipeline demographics and retention rate.

The purpose of this thesis is to present a valuable analysis to KONE about how the first-time leaders learn, what kind of challenges they face and how they acquire experience in order to support the further development of the KONE LEX Leadership development program as well as the overall leadership development processes in the company.

Due to the high number of leaders in KONE, the limited time resources and the precisely defined purpose of this study, this research project is delimited only to empirically research leaders who participated in KONE LEX Leadership program in a five-year time frame, from 2011 until 2015.

LEX Leadership program participants form an international leadership talent pool within KONE. First time leaders were identified through LEX Leadership program graduate's database information. For this study, a leader is considered to be a person who leads a team of subordinates.

Additionally, this research includes only first-time leader's experiences and learnings in KONE, and does not take into consideration their past work history in other companies. The focus of the study is to analyse the data of KONE LEX program graduates and their experiences, but not to evaluate the contents of the program itself.

1.2 Structure of the thesis

The thesis is comprised of six main chapters. The study starts with an introduction chapter which concisely presents the overall background for the report, research objective and problem, delimitations of the study and structure of the thesis.

Chapter two and three introduce the theoretical framework of the study related to the main topic of the thesis. Chapter two discusses the importance of talent management and development as well as leadership as a core driver of the success in a company. Additionally, the role of competencies and various leadership development strategies is presented.

Chapter three examines the leadership pipeline model and positions the first-time leaders in it. Furthermore, the main challenges that the first-time leaders face are explained. Finally, the role of self-leadership, continuous learning, experience as well as organizational and supervisors' support is discussed.

In chapter four the commissioning party of the thesis is introduced. Also an overview of current leadership development processes in the commissioning party is presented.

The fifth chapter deals with the methodology and empirical findings of the research. This chapter is divided into quantitative and qualitative parts. Each subchapter explains the method and sampling used, as well as the main results in detail.

The empirical findings are discussed in the last chapter of the thesis. The sixth chapter presents the main conclusions as well as the development proposals based on the results and on the theoretical framework. Furthermore, research validity, reliability and ethical considerations applied in the thesis are described. The chapter ends with an evaluation of the thesis writing process and own learning.

2 Talent management and leadership

Successful organizations win because they have good leaders who foster the development of other leaders at all levels. The ultimate test of success and a challenge for an organization is not whether it can succeed today but whether it can keep winning tomorrow and the day after. (Tichy & Cohen 1997, 4.)

This chapter considers the role of talent management and its development in an organizational context. It is followed by explaining the importance of a strong leadership base within a firm. Finally, it is revealed how organizations design comprehensive leadership development programs to meet their specific objectives and enhance the leadership competencies.

2.1 The importance of talent development

Talent management is the process of attracting, developing, retaining, and deploying the best people. (Berger & Berger 2011, 120). In the present day business world there are many implications for talent development if companies aim to prosper and gain rewards in terms of attracting and retaining talent, making a profit or achieving their goals (Martin and Jackson 2008, 67).

Key factors to ensure that organizations operate effectively and retain their competitive edge are the knowledge, skills and attitudes of people in the organization (Wilson 2012, 408). It is important to point out the key reasons why organizations educate, train and develop their employees. Willson (2012, 408.) implies that it is done in order to

- ensure the competitiveness of organizations
- improve the performance of employees who do not meet the required standards of performance, once their training and development needs have been identified
- prepare employees for future positions in the organization
- prepare employees for forthcoming organizational restructuring or for technological changes
- improve the skills of individual employees, by helping them, for example, make better decisions and increase their job satisfaction, which in turn should benefit the organization
- improve interpersonal skills and make the organization a better place to work.

Talent development should not be about a few special people but instead it needs to concentrate on boosting everyone's strengths, encouraging diversity, creativity and innovation. As stated by Berger & Berger (2011, 256), "Talent is not a rare commodity, it is simp-

ly rarely released and it should be the ground behind coaching, training, and development.” Organizations often try to set up talent management processes, but true success comes with the engagement of its employees’ hearts and minds. People within an organization need to feel that they are appreciated, listened to and that their contribution makes a difference.

Wollard (2011, 4.) argues that disengaged employees tend to be less productive, whereas engaged employees are more focused, productive and are likely to stay in the company. In fact, it is truly motivating when employees feel that they can contribute to the leading ideas, can be part of the decision making process and can be heard within the company. The best-performing companies know that improving employee engagement and linking it with the achievement of the company’s overall goals will help them to succeed and be more competitive. (Bryant & Kazan 2013, 144.) According with Berger & Berger (2011, 328), engaged workforce is 50 percent more productive than a disengaged workforce and displays retention rates that are 44 percent higher.

In today’s business world employees have less loyalty towards current employers. They are willing to move to another organization to advance their career paths and future possibilities. On top of that, there is a shortage of skilled workers in the labor pool. Therefore, to attract and retain high-quality employees, successful organizations have taken the development of all employees more seriously than in the past. (Blanchard & Thacker 2010, 424.)

In fact, in current business conditions, providing employees with a chance to enhance their skills and develop their potential and talent has outcompeted the traditional reward or promotion. Most employees respond positively to this new trend (Dessler & Cole 2005, 168).

It is very important to assure that long-range succession planning and availability of perspective talent pool is a top organizational priority. Creating and preserving a competitive advantage should be one of the milestones behind recruiting and developing talent. As stated by Muna and Zennie (2010, 170), “Strategic talent is a powerful and sustained competitive advantage, which is not easily copied by competitors”.

Identification of high potential employees is often an issue. A common mistake is failure to differentiate high performance and high potential. A hard-working person whose work performance is excellent is often rapidly and mistakenly recommended for promotion. As it turns out, promoting hard-working employees just because of their high performance and

without fitting training and career development may result in failure. Employees who have demonstrated both high performance and high potential for at least two or three consecutive years, can and should be promoted. Successful and large multinational companies provide their bench strength - available leaders - by carefully selecting potential leaders from their talent pools and providing the talented individuals with career development plans, which are linked to their succession planning. (Muna & Zennie 2010, 60.)

The main task of talent development planning is to retain the best people. Developing talent pipelines and preparing future leaders is the base for talent practice in a company. (Berger & Berger 2011, 537.)

2.2 Leadership as a base for success within a company

There are a lot of different leadership definitions in the field of theoretical research. Researchers usually define leadership according to their individual perspectives. Most definitions of leadership point out the assumption that it involves a process whereby intentional influence is wielded over other people to guide, structure, and facilitate activities and relationships in a group or organization (Yukl 2013, 18).

In academic literature a differentiation often exists between management, leader and leadership development. According with Wilson (2012, 388-389), management development focuses on the manager getting to grips with the process or "hard" aspects of managing such as planning, execution, prioritization and control processes, whereas leader development focuses on the development of a leader or manager's self-awareness and understanding of self as a leader. Furthermore, leadership development focuses on the social dimensions of leadership and includes such issues as interpersonal awareness and skills, team development processes and the processes involved in gaining commitment for vision and strategy.

Additionally, Boydell, Burgoyne and Pedler (2004, 33.) consider management to be about implementation, order, efficiency and effectiveness. They define leadership as concerned with future directions in times of uncertainty, and argue that management may be sufficient in times of stability but is insufficient when organizational conditions are characterized by complexity, unpredictability and rapid change.

Nevertheless, it is increasingly recognized among academics that all managers, including first-line managers, need at some level to be leaders and to understand the concept of

leadership. The higher the organizational level, the more complex leadership becomes and the more it is concerned with broader and rather long-term than short-term goals.

In practice, the terms management and leadership development are used interchangeably and they both represent a set of processes that organizations and individuals use to enhance effectiveness in a variety of management and leadership roles. Increasingly the distinction between the two sets of terms has become blurred, with “management development” being associated with the UK and Ireland, while in the United States, “leadership development” is preferred. (Wilson 2012, 389.) For the purpose of this study, the term “leadership development” will be used.

Leadership is not about wielding power and authority. It is about mobilizing people to make progress on the tough, adaptive challenges that make or break organizations, communities, and societies. It is about being able to both see the bigger picture and make decisions under fire - to “get out on the balcony so you can see the dance floor”. And contrary to popular notions about the importance of charisma, leadership is not about personality, but presence – the capacity to foster collective action. (Parks 2005, 5.)

Most researchers agree that leadership can be taught and learned, although another group of academics believe that certain leadership talents are inborn. This is an ongoing discussion among theoreticians.

The path to leadership success can be truly individual and begins at a very young age. Typically, some leaders are born with certain genetic attributes (IQ and stamina, for example), then they learn from their parents, teachers, peer groups, and from early life experiences, including personal traumas and crises. Young leaders are also influenced by the cultural norms, values, and social systems of their cultures. Later in their path, leaders acquire and cultivate the necessary leadership skills through challenging work experiences, learning from success and failure as well as by direct or indirect mentoring and coaching from their own supervisors. (Muna & Zennie 2010, 28.)

Today’s complex business environments require acts of leadership that encourage people to move into the unknown area of greater complexity, new learning and new behaviors (Parks 2005, 9). Leadership success depends less on the magnetism and social dominance of heroic individuals and more on the capacities of individuals to skillfully intervene in complex systems. Leadership of this century means less power, persuasion, and personality but rather more of the extent to help a group make progress on the toughest issues that lie between known issues and unknown solutions. These require confrontation with competing values, changing attitudes, encouraging new learning, and developing new behaviors. (Parks 2005, 11; 46.)

Companies all around the world are increasingly realizing that to be able to compete they must invest in leadership development. Leadership practices in an organization are considered crucial to improve competitiveness and ensure future growth. (Wilson 2012, 387.)

2.3 Leadership development and its strategies

More and more companies recognize that in order to be competitive, they need to attract, retain and develop their leadership talent. Development is a crucial factor because effective leaders want continued learning opportunities. This subchapter discusses the role of competencies and various leadership development strategies to enhance the leaders' knowledge and skills.

2.3.1 Competencies at the core of leadership development strategy

In the present day business world, competency or behavioral frameworks are being widely used to develop the employees and leaders (McCall & Hollenbeck 2007, 91). It is necessary to realize the difference between terms "competence" and "competency". Wilson (2012, 392.) describes competence as "the minimum acceptable standard of performance which relates to the aspects of the job that has to be performed efficiently; competency refers to what leaders need to bring to their roles to perform efficiently".

Competencies are the building blocks of performance. Competencies can be assessed and they can be learned (Berger & Berger 2011, 22-24). A framework for growing and developing talent that is aligned with the organization's strategic business goals may be set up with the help of competencies.

Competency frameworks are often mistaken for skills, qualifications, and certifications. They can all be efforts that define a competency but should not be looked upon as the competency itself. Berger & Berger (2011, 184.) states that "a competency is a set of measureable, performance-related characteristics that are critical to driving the organization's strategic goals and it should be targeted and behaviorally performance-driven to meet strategic organization needs."

Many companies use competency frameworks for selection, development and promotion decisions. Leaders who want to succeed in an organizational environment, need to be

aware what the framework presents and what behavior is expected of leaders in each of the fields it covers. (Armstrong 2008, 11.)

However, Fernandez-Araoz (2014, 48.) argues that for the future, discovering and developing new talent will be more learn-based, than competency based. In the past, organizations have stressed the importance of competencies in hiring and developing talent. Nevertheless, as the author argues, 21st-century business is too volatile and complex – and the market for top talent too tight – for that model to work anymore.

Nowadays companies must focus on the potential of the candidates: the key is the ability to adapt to rapidly changing business environments and grow into challenging new roles. Fernandez-Araoz insists that these days the question is not whether your company's employees and leaders have the right skills; it is whether they have the potential to learn new ones. (Fernandez-Araoz 2014, 49.)

Potential is a lot harder to distinguish than a set of competencies but it is not impossible. According with Fernandez-Araoz (2014, 51-52), companies need to learn to assess current and potential employees on five key indicators:

- The right motivation – a strong commitment to succeed by reaching unselfish goals; high potential people have great ambition and they also aspire to big, collective goals and invest in improving themselves.
- Curiosity – a tendency for seeking out new experiences, knowledge, and responsiveness to learning and change as well as feedback.
- Insight – the capability to accumulate and understand the information that offers new possibilities.
- Engagement –using emotion and logic to transfer a compelling vision and engage with people.
- Determination – the courage to fight for challenging goals despite demanding situations and to recover from failures.

Taking into consideration these five key indicators does not mean forgetting about other important elements like intelligence, experience, performance, and specific competencies, especially the ones related to leadership. Recruiting people based on potential and effectively retaining and developing the ones who possess it – at every level of the organization – should be the top priority in the companies around the world. (Fernandez-Araoz 2014, 56.)

2.3.2 Leadership development strategies

Increasingly, development is being understood to be a much more complex set of activities than just training. The 70-20-10 developmental model provides a concept of three components which reinforces one another: 70 percent of development is taking place through workplace experiences; 20 percent through connecting with others, coaching, and mentoring; and 10 percent through formal training programs. (Berger & Berger 2011, 536.)

The model is based on research revealing that individuals retain information most effectively when they gain it in an applied and practical context. Learning is even more powerful when the lessons of experience are strengthened through informal discussion with people who have similar work experience. Formal learning is still important though, even more so when it provides skills and theories that apply directly to what is learned through experience. (The Bridgespan Group 2015.)

Leadership development activities can be organized in formal and non-formal as well as organization-directed and self-directed forms. Organization-driven development initiatives are directed by organizations, built around competency models and they consist of a variety of activities including coaching, mentoring, formal programs and feedback-intensive programs (Garavan, Hogan & Cahir-O'Donnell 2008, 315). Nevertheless, more and more organizations are recognizing the importance of self-directed leadership development which they promote in order to engage their leaders in self-directed learning. Appendix 1 provides a summary of the leadership development strategies in an organization. Each organization can freely choose which approaches to use in order to boost the leadership competencies and learnings for their own leaders.

However, there is strong evidence to suggest that most learning to lead takes place informally on the job through people's work practices. Informal learning is side product of other activities, occurs through day-to-day work processes and is unplanned and unintentional. It evolves from experience. (Dawes, Bennett & Cunningham & Cunningham 1996, 210.) Tacit knowledge, which evolves from experience, is knowledge that people do not know they have. It is often regarded as being the most valuable for a successful leadership career. (Yukl 2013, 366.)

The current theoretical viewpoint is not to see formal and informal leadership development as competing paradigms, but to consider them as two sides of the same learning process. Garavan & al. (2008, 58.) suggest that formal and informal learning activities are integral

and interrelated, committing in different manner to the knowledge and competency building.

Most leadership training programs are designed to develop skills and behaviors important for leadership effectiveness and advancement. The training is usually designed more for lower-and middle-level leaders than for top executives. (Yukl 2013, 368.)

Besides training programs, various activities can be used to facilitate learning of relevant skills from experience on the job among with informal coaching by the supervisor or in conjunction with formal leadership training programs. They include: multisource feedback programs, mentoring, executive coaching, simulations, personal growth programs and special assignments which gives an opportunity to enhance leadership skills by doing the regular job duties. (Yukl 2013, 371.)

360-degree-feedback is used as a tool for supporting the development of leadership skills. Due to the fact that talent management has become a critical concern for organizations, 360-feedback is an important component which helps to assess the strengths and weaknesses of employees, pin-points the developmental needs and presents a basis for training or coaching plans. To retrieve an accurate analysis of leadership potential, the 360 process considers feedback from multiple coworkers, including peers and subordinates. Benefit of 360-degree feedback is the fact that it provides information on worthwhile directions for individual learning and growth. (Berger & Berger 2011, 227, 235; London 2002, 135.)

Feedback is crucial to leadership development for all levels of leaders. Without feedback, leaders would often not be aware of the effects of their decisions and impact on their organizations and relationships. As stated by London (2002, 116), "Feedback directs, motivates, and rewards behavior". Feedback must provide accurate, timely, and specific information about how the leader's behavior led to performance improvement. Feedback also builds up learning and increases motivation by showing what behaviors contribute to successful performance. (London 2002, 116.)

Previous academic research has indicated that feedback can be effective in most situations, but it does not support the broad belief that feedback is always an effective method of leadership development. Feedback from co-workers or supervisor can help leader identify his strengths and weaknesses, but the leader may not be willing or able to handle and apply it. Some individuals may even reject the negative feedback or alter its meaning.

Therefore, in order to enhance the effects of feedback, follow-up activities has to be arranged as well as individual coaching, skill training. (Yukl 2013, 374.)

Mentoring takes place when a more experienced person (mentor) guides a less experienced person (mentee) in acquiring competencies for professional development. The mentor is usually at a higher leadership level and is not the mentees immediate supervisor. Mentoring can help both junior and senior leaders to advance their development through a new sort of relationship. Notably, it gives junior leaders a chance to experience different leadership styles and exposes them to diverse viewpoints. Several studies have indicated that mentoring results in career advancement for the mentee. (Bunker, Kram & Ting 2009, 55; Yukl 2013, 377.)

On the other hand, coaching as an employee development strategy is usually a short-term, one-on-one approach that focuses on specific issues or projects. Coaches can be external experts, peers, supervisors, or subordinates – and the coaching often takes place on the job. Every time a new task is delegated to someone, a coaching opportunity is created to help the individual learn any new skills or techniques which are needed to do the job. Every time feedback is provided to an individual after a task has been completed, there is an opportunity to help that individual do better next time. For a successful coaching process, the supervisor should provide suggestions rather than directives and rules. (Berger & Berger 2011, 190; Armstrong 2008, 23.)

There is a difference between the immediate supervisor as a coach or mentor and an external professional consultant. The external coach or mentor is an objective outsider, free to question the leader about different issues which are hard to discuss with an internal person and may be sensitive. The external person poses little threat and can be very effective when the executive wants more insight to support a decision and creative suggestions for actions, support for change management, and a guide through unknown or unexplored areas. (London 2002, 162; 167-168.)

Professional growth and learning is greater when job experiences are varied and challenging. Diverse job experiences prompt leaders to adapt to new situations and handle new kinds of problems. It is beneficial for leaders to have early experience with a wide variety of problems that require different leadership behavior and skills. Special developmental assignments, rotating leaders among positions in different functional subunits of the organization, providing assignments in both line and staff positions, and making foreign and domestic assignments are among ways to provide new challenges and learnings. (Yukl 2013, 371.)

A number of companies are starting to implement a new approach to leadership development by reversing the traditional leadership development “equation” which postulates that if you give leaders the right skills and experiences, they will change their behaviors and produce better outcomes. The new approach insists that companies should start at the end – with the results. (Ashkenas & Hausmann 2016.)

The approach states that leadership development needs to start with a real business challenge that has to be solved by leaders. In order to overcome the challenge leaders need to perform, go outside their comfort zone and adapt their ways of working. The new approach believes that by focusing on ongoing experimentation, leadership development can be a driver for success. Short-term, safe-to-fail experiments can be tested in a controlled environment in order to confirm the processes work as expected before rolling them out to a wider group. This way the leadership lessons become more hands-on when they are being tested on actual challenges. (Ashkenas & Hausmann 2016.)

An intertwined talent management system, as opposed to several individual developmental activities which are not linked among each other, is a crucial part of the organization’s value proposition by attracting future talent and establishing bench strength to execute critical strategy. (Berger & Berger 2011, 233.) Companies taking a systematic approach to leadership development produce more leadership talent, and most successful organizations are characterized by the intensity and quality of their leadership development interventions (Wilson 2012, 387).

3 Becoming a leader for the first time

In today's world, one of the most limited resources is leadership talent capable of continuously transforming organizations to win despite tomorrow's challenges. Companies that build leadership pipelines and invest in leaders developing other leaders have a sustainable competitive advantage. (Tichy & Cohen 1997, 8.)

Third chapter presents the leadership pipeline model and emphasizes the role of first-time leaders in it. Next, the most typical first-time leadership challenges are being examined. Furthermore, significance of self-leadership, continuous learning, and reflection on experience as well as role of the organization and supervisor is being discussed.

3.1 Leadership pipeline model and first-time leaders in it

As organizations fight to increase their profits and demographic tendencies continue to shrink the talent pools across the globe, the presence of strong leadership in a company is one of the main business challenges. Building a leadership pipeline creates the bench strength in order to have the right people to be allocated to the right leadership positions in a company. In order to build a strong leadership pipeline it is crucial to continually identify, develop, nurture and retain leaders as part of a continuous talent development strategy. (Berger & Berger 2011, 324.)

Often there is rather little or no attention paid to defining and preparing for a successful leadership future in a company. However, without adequate measures and role clarity it is almost impossible for a person to prepare for multiple challenges of the new role. For that reason, many companies are failing to develop their leaders and their leadership effectiveness. A need exists for central leadership architecture, a framework which must be understood and used by leaders at all levels. The leadership pipeline is a flexible model which can be adapted to each organization's size and settings. (Charan, Drotter & Noel 2011, 11.)

In order to produce and develop leaders at all levels, the organization needs to adjust its strategy towards two things: winning today and building for tomorrow. Winning organizations are continuously recruiting and developing new talent and the leadership pipeline development must be inherent in the organization from top to bottom. (Tichy & Cohen 1997, 287.)

In a large company hierarchy indicates six major career passages or pipeline turns which indicate major events in life of a leader. Each of these passages serves as a shift in organizational position – a different level and complexity of leadership – where a significant turn has to be made. The turns mean a major change in job requirements, demanding new skills, time applications and work values. (Charan & al. 2011, 8.) Figure 1 illustrates the six major passages leaders face.

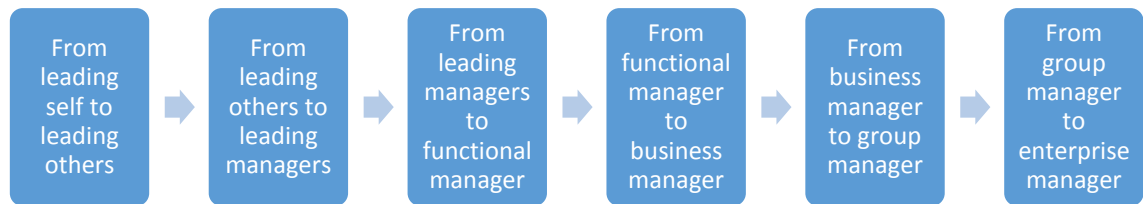


Figure 1. Critical career passages in a large business organization (Charan & al. 2011, 8.)

The number of passages presented in Figure 1 differs by company and its size. In some companies there can be six or seven but in smaller ones only three passages. Being aware of each passage helps to acknowledge hidden leadership problems and challenges at every level. Often organizations are not aware that leaders are not performing at their full potential because they are not holding them accountable for the right things or leaders execute at the wrong level. Succession planning and leadership development can be improved by creating convenient and appropriate requirements for each of the leadership levels. Each passage requires that people acquire a new way of leading and leave the old ways behind in skills requirements, time applications and work values. (Charan & al. 2011, 9.)

First level of the pipeline model is formulated as “From leading self to leading others”. New employees usually spend a couple first years in a company as individual contributors therefore their skills are mostly technical or professional. At this point it is important to do the assigned tasks in time and generally meet the set objectives. The learning contains planning, punctuality, content, quality, and reliability. When people become proficient and experienced, they usually tend to receive additional tasks and responsibilities. When employees prove that they can take a grip on the new responsibilities and stick with the company’s values, they are often promoted to first-line leader and that means that they have reached the passage one in leadership pipeline model. (Charan & al. 2011, 38.)

Charan & al. (2011, 17.) imply that even if this seems as an easy and natural leadership passage, it is one where people are failing the most often since high-performing employees are often reluctant to change. They want to continue performing in a way that made them into high-performers. Thus, people change job from an individual contributor to a leader without transition that would allow them to switch their behavioral or value-based ways.

Necessary skills for the first level of leadership include planning work, filling jobs, assigning work, motivating, coaching, and measuring the work of others. It is important for first-time leaders to realize that at this passage they do not only need to do their own job but also empower others to perform effectively. (Berger & Berger 2011, 326.)

When the leadership engine starts running in a company, it is impossible even for competitors to stop due to the fact that leaders exist at all levels and they have the right skills and capacity to develop the next generations of leaders. In the current global environment of uncertainty, a company that continually produces and develops leaders at all pipeline levels is set to the right direction to reach success. (Tichy & Cohen 1997, 6.)

3.2 Main challenges of the first-time leaders

In this subchapter the main challenges that first-time leaders face are being discussed. The main challenges are divided into following parts – the demanding character of the new role, when strengths become flaws: switching focus from personal achievements to creation of the team success, lack of emotional maturity for the leadership role and finally, seeking for help from supervisors and overcoming the challenges.

3.2.1 The demanding character of the new role

One of the first things that new leaders notice is that their new position is a lot more demanding and challenging than they had expected. First-time leaders are usually surprised to learn that the skills required to be an individual contributor and skills required to succeed as a leader are harshly different. Further on, they notice that there is a gap between their current competencies and skills and the requirements of the new role. (Hill 2009, 153.)

The most typical problem areas for first-time leaders include: delegating, getting support from supervisors and senior leaders, projecting confidence, thinking strategically, and giv-

ing feedback. These basic factors trip up most leaders at the beginning of their leadership career (and often even throughout their career). (Walker 2009, 62.) In order to deal with the problem areas Walker (2009, 63.) suggests that the supervisors of first-time leaders have a responsibility to recognize and address the problems of their first-time leaders. He implies that not doing so might affect not only the first-time leader but also the supervisor himself and the organization overall.

Misconceptions about their role often guide first-time leaders into a set of transition problems and desperation with their new role. Table 1 summarizes main myths that guide leaders to neglect key leadership responsibilities. By recognizing the following misconceptions, the first-time leaders can help to overcome challenges associated with their new role and succeed in it.

Table 1. Main misconceptions about the new leadership role (Hill 2009, 156.)

	Myth	Reality
Defining characteristic of the new role:	Authority “Now I will have the freedom to implement my ideas.”	Interdependency “It is humbling that someone who works for me could get me fired.”
Source of power:	Formal authority “I will finally be on top of the ladder.”	“Everything but” “Folks were wary, and you really had to earn it.”
Desired outcome:	Control “I must get compliance from my subordinates.”	Commitment “Compliance does not equal commitment.”
Managerial focus:	Managing one-on-one “My role is to build relationships with individual subordinates.”	Leading the team “I need to create a culture that will allow the group to fulfill its potential.”
Key challenge:	Keeping the operation in working order “My job is to make sure the operation runs smoothly.”	Making changes that will make the team perform better “I am responsible for initiating changes to enhance the group’s performance.”

As noted in the Table 1, at the beginning of their new role, leaders usually think that they will have authority and freedom to do whatever they assume is the best. Instead, they suddenly realize they are in the middle between demanding relationships with subordinates, supervisors, peers and others. Furthermore, after few painful experiences, leaders realize that the source of their power is “everything but” formal authority. They recognize that the authority comes with the time when leader creates credibility between him and subordinates, peers and supervisors. Another myth that emerges indicates that leaders often think that they are responsible for their own operations running without problems. In

reality, they need to understand that they are responsible for coming up with and initiating changes that will empower and boost the team's performance. (Hill 2009, 150.)

Most new leaders have the vision of themselves as targets of organizational change initiatives dictated from above. They refuse or choose not to see themselves as possible change agents and that speaks for a fundamental misunderstanding of their role within the organization. Leaders need to be the hub of changes in order to make sure that the environment allows their team to succeed. (Hill 2009, 166.)

3.2.2 When strengths become flaws: switching focus from personal achievements to creation of the team success

A lot of organizations tend to promote employees based on their previous work experience and performance as individual contributors instead of concentrating on their potential to grow and leverage talent (Berger & Berger 2011, 516). Leaders may face challenges because what worked well in the past is not working in a new environment. Furthermore, uncertainty and stress pressures the new leader to rely on what made him succeed in the past but often this choice is the opposite what is needed in the new leadership position. (London 2002, 223.)

Very often people fail to realize that their roles have changed and it is not about their personal achievement anymore but rather about enabling the team members to achieve goals. Besides, when first-time leaders find themselves in an unexplored environment, they hesitate to ask for help. As a consequence, new leaders become insecure and cannot support their teams even if they would like to. That may lead to lack of trust, engagement and motivation between the subordinates. Eventually, first-time leaders recognize that their new position is about building a team rather than cutting a deal. Even the best employees can have difficulties adjusting to the new environment and tasks. An exceptional record as individual contributor does not reveal whether the employee is ready, able or willing to lead and get other people to excel at the same tasks. (Walker 2009, 61; Livingston 2009, 136.)

Walker (2009, 66.) suggested that the first step is to help leaders to understand their new position and recognize that their work now essentially differs from an individual contributor's. Many organizations assume that understanding the new role is evident from the start but they could not be more wrong.

Another challenge for the first-time leaders is the tendency to allow immediate tasks and activities to overshadow important strategic goals. The reason is that activities can be mastered quickly whereas reaching goals means a lot of time investment. Supervisors can help rookies by explaining to them that strategic thinking is a skill crucial for success in the role. According to Walker (2009, 73), for first-time leaders, 10% of the work might be strategic and 90% tactical. Leaders need to learn to demonstrate that they can think and act strategically as well as focus on the big picture. Insisting on a goal-setting routine will allow new leaders to organize their strategic goals in a more systematic and day-to-day manner. (Walker 2009, 72-73.)

3.2.3 Lack of emotional maturity for the leadership role

It is natural to promote the best and most promising employees but promoting smart young leaders too quickly might result in a robbed chance for them to develop their emotional competencies which come with time and experience, for example, ability to negotiate with peers, control their emotions in demanding situations and others. (Bunker & al. 2009, 40.)

The problem is not in the youth itself but in a lack of emotional maturity. It is about developing a full range of interpersonal competencies like patience, openness, and empathy. Emotional maturity involves an essential shift in self-awareness and behavior, and that change requires practice and time. (Livingston 2009, 144; Bunker & al. 2009, 43.)

Bunker & al. (2009, 57.) argue that learning programs and management books cannot teach young executives everything they need to know about people skills since nothing equals experience, reflection, feedback and, above all, practice. Emotional skills should be among the key qualifications which are a requirement that many organizations do not pay particular attention to. Often the focus is rather singular: on hiring and retaining the best and brightest regardless of their emotional competence. (Bunker & al. 2009, 53.)

Supervisors should apply the 360-degree feedback process, offer new leaders cross-functional assignments to improve their negotiation skills, make the development of emotional competencies mandatory, encourage leaders to take part in mentoring process. (Bunker & al. 2009, 40.)

3.2.4 Seeking for help from supervisors and overcoming the challenges

Formal training helps to provide first-time leaders with instruction in some necessary skills but no course can magically make the transition challenge-free. In order to prepare first-time leaders in a company the direct responsibility rests with their supervisors. (Walker 2009, 64; Charan & al. 2011, 18.)

Often when first-time leaders are not yet aware how to delegate or coach, they will on purpose allocate little time for these activities, preferring to indulge themselves in things that they are good at. They do not want to look incompetent in front of their former peers therefore they will choose to do things that make them appear skilled and confident. At this stage help should be available – supervisors should ask questions and offer assistance. Once first-time leaders become confident at their new skills, they will spend more time doing them and finally will start to value them. (Charan & al. 2011, 53-54.)

The supervisor is responsible for empowering the first-time leader, encouraging him to delegate and helping him to overcome insecurities about his value to the organization. Early successes will build the leader's confidence and willingness to take larger risks in the future. (Walker 2009, 66.)

Unfortunately, most first-time leaders see their relationship with their supervisor more as a challenge and threat than of partnership. Often leaders do not consider their supervisors as supporters and that means it is doubtful that the new leaders will see themselves that way for their own subordinates. Additionally, a major challenge that disturbs the relationship is the fact that first-time leader in no way want to show that it was a mistake to promote him or to show his weak sides, he fears punishment for failure. In order to overcome these fears, the supervisor has to define the expectations and advise that open communication is critical to achieve the goals. He should also make sure that he does not expect the first-time leader to know everything and that mistakes sometimes happen. (Hill 2009, 168; Walker 2009, 67-68.)

Downs (2000, 131.) suggested that leaders are their own worst enemies in creating barriers to success. He argued that leaders' fears cripple them into inaction and results in abandoning their strengths. According to London (2002, 225), resilience is the ability to overcome career barriers. It means capacity to adapt to changing environment, even when it is discouraging or disruptive. Resilience incorporates personality characteristics as self-esteem, internal control, the desire to achieve, and the willingness to take reasonable risks.

As people eventually gain more experience, they develop coping skills and focus less energy on behaviors and psychological processes and more energy on ways to remain functional given daily stresses as well as handling tough situations (London 2002, 226). It is important for the first-time leaders to turn career barriers into learning opportunities.

3.3 Learning and experience as main drivers for first-time leader's development

Learning to become a leader requires life-long devotion including to the most important aspect of learning about your own strengths and weaknesses (Muna & Zennie 2010, 63). One thing successful leaders have in common, though, is that they have developed their winning attitudes, behaviors and points of view by reflecting on their lives and by examining and learning from their experiences (Tichy & Cohen 1997, 78).

This subchapter considers the role of self-leadership in the leadership development process as well as significance of continuous learning, reflection on experience and organizational support.

3.3.1 Role of self-leadership in the leadership development process

Self-leadership is the practice to intentionally influence our thinking, feeling and behaviors to achieve our goals. It emerges from self-awareness which leads to reaching our goals by self-responsibility and behavioral flexibility. (Bryant & Kazan 2013, 13.) Self-leaders are efficient at deciding and reaching personal and business goals and they also inspire others to do so. Manz & Neck (2004, 2.) suggest that if we ever aim to be effective leaders of others, we need first to be able to lead ourselves.

Self-leadership should be viewed as the basis of all leadership since all leadership begins with self-leadership. Learning to lead ourselves is the starting position in order to be able to learn to lead others. (Sydänmaanlakka 2007, 5.) The idea is illustrated in Figure 2. Self-leadership is the foundation of personal, team, business, and strategic leadership.



Figure 2. Self-leadership as basis of all leadership levels (Self Leadership International 2016.)

As stated in Figure 2, self-leadership is basis for self-development but often people are not aware of it or they prefer to not to pay attention to it as they view self-leadership as purely obvious. Self-development is a process to upgrade one’s skills, knowledge, and competencies in order to improve work performance, or to achieve future career goals. Additionally, the person must show the initiative. In other words, a person takes responsibility for planning and implementing a strategy to develop oneself by having an active inquiring mind and passion for continuous self-improvement throughout life. (Muna & Zennie 2010, 19; 63.)

Difficult challenges require leaders to be especially good self-leaders (Manz & Neck 2004, 100). To do things well, leader has to cultivate a deep understanding of himself – not only what his strengths and weaknesses are but also how he learns, how he works with others, what his values are, and where he can make the greatest contribution. (Muna & Zennie 2010, 62.)

Managing oneself, according to Drucker (2008, 54), is based on few basic principles. Drucker encouraged leaders to identify their strengths and areas where they can improve. Person should take charge and show initiative by asking questions about how he or she thinks and works and then seek answers. One must then act on these answers. It is important to note that for any self-development to take place a person must be highly motivated to initiate the desired change. Also knowing oneself is important prerequisite since that means openly analyzing own strengths and weaknesses as well as identifying the areas for improvement. As previously stated by Muna & Zennie (2010, 63), “There must be an insatiable thirst, a burning desire, for more knowledge and continuous learning throughout life.” Leaders are expected to take charge of their own development while the organization provides the enabling and supporting resources, such as feedback and coaching (London 2002, 22).

There is a lot of argumentation in the literature for the growing importance of self-leadership at the organizational and individual level. At the organizational level, working environment changes so swiftly, requiring leaders to be flexible, react and execute quickly. On the individual level, more and more people do not know how to find the work-free time balance; they are getting easily exhausted by work. Therefore, self-leadership skills are crucial for maintaining professional well-being and self-fulfillment. (Sydänmaanlakka 2007, 16.)

People who are facing issues with reaching their goals in business and personal settings, might have a lot of doubts about themselves by thinking they do not possess the abilities to do anything about it and they refuse to ask for help. On the contrary, effective self-leaders try to avoid self-defeating beliefs, make advantage of their strengths and ask for help which develops into reaching goals and ability to lead others more efficiently. The successful leaders in the future will all have one feature: good self-leadership skills. They need to be swift and adaptable learners with high self-esteem and self-knowledge, who can cope in unpredictable situations. In new leadership, boosting the continuous self-examination is a must. (Sydänmaanlakka 2005, 63-64; 198.)

3.3.2 Continuous learning as pre-requisite for development and success

Continuous learning is an ongoing action by which people acquire knowledge, skills, and abilities throughout their career in reaction to changing performance requirements. Becoming a continuous learner means having a strong and ongoing awareness of the need for and value of learning. Efficient leaders recognize that in order to succeed they need to learn all the time since the environment is changing constantly and in order to be up to date and effective, they need to learn how to respond to the changes. Learning accumulates experience, providing a base that must be continuously strengthened. (London 2002, 131.; 234.)

In a recent Deloitte study, Global Human Capital Trends 2015, 85% of the respondents cited learning as being either important or very important. Yet, according to the study, more companies than ever report they are unprepared to address this challenge. (Mikkelsen & Jarcho 2015.)

In order to be on the top, leaders and employees are expected to learn faster, better, smarter. People with learning agility have more chances to adapt to change and succeed. Therefore, one of the aims for every organization should be not to only identify employees with a growth potential but also with eagerness to learn - willingness to take a risk for the

chance to learn something new. It mirrors an individual's courage in stretching beyond their comfort zone. (Berger & Berger 2011, 36.)

Informal learning in daily business setting happens by leaders observing others or trying new behaviors on the job, often influenced by demanding situations. Learning is not a result of observing coworkers or hearing others' ideas but also when leaders make mistakes, deal with challenges and problems or help coworkers learn something new. Such learning often is unconscious since people are not aware of what they are learning during the process itself or after they have learned it. Situations that initiate rapid learning are those that most likely occur when the leader experiences a demanding task, there is an element of surprise, the problem cannot be ignored (some action is necessary), an immediate solution is not evident, and/or the leader feels in control – has the capability to take action. (London 2002, 236-237.)

Learning to lead is a process of learning by doing. Various studies have shown that learning in business field is primarily acquired through on-the-job experiences – in particular adverse experiences in which the new leader advances by trial and error. (Hill 2009, 154.)

One of the most important competencies for successful leadership in changing situations is the ability to learn from experience and adapt to change. This competency involves “learning how to learn”, which is the ability to introspectively analyze your own cognitive processes (e.g. the way you define and solve problems) and to find ways to improve them. It also involves self-awareness which is an understanding of own strengths and limitations (including both skills and emotions). (Yukl 2013, 18.)

3.3.3 Reflecting on experience as an essential way of learning

One of the features that set winning leaders apart from others is that they continuously think about their experiences. They roll them over in their minds to analyze them and turn them into valuable lessons for themselves. Leaders store experiences in the form of stories that help them not to only guide their own actions and choices but also teach and lead others. According with Tichy & Cohen (1997, 217), a lot of the leadership is shaped by leader's early life experiences. Often the most crucial learnings come from the situations that create a big emotional impact. The essential thing is to soak up all you can from them: identify the actual experiences, assess the impact they had and what you have learned from them.

“Among the 125 successful leaders interviewed for my book, none suggested that their traits, characteristics, or competencies led to their success. Instead, most said that their life stories and experiences provided the passion, purpose, and values by which they lead. Over three-quarters identified a specific transformative experience, which can be called a crucible, as the most important factor in their success. It was through the crucible – or through reframing it years later- that they discovered the authentic leadership that enabled them to become fully integrated leaders.” (Bennis & Biederman 2009, 131.)

Leaders often analyze and reflect on experiences by understanding their life stories. Continual self-exploration often leads to developed self-awareness. Leaders find their strength through reflecting on transformative experiences. As a consequence, leadership emerges from leader’s life stories. (George, Sims, McLean & Mayer 2009, 172; 178.)

The previous research in the leadership field revealed that leaders who had to face failure earlier in their career were more open to changes and likely to develop, compared with leaders who experienced early successes. Nonetheless, a person needs to take responsibility for experiencing failure and overcome it; otherwise it may not turn into a valuable learning and change. (Yukl 2013, 370.)

Armstrong (2008, 13.) argues that experience is an important way of learning to improve but it is an incomplete instrument. Guidance from a supportive supervisor and other sources is additionally needed in order to interpret our experiences and learn from our mistakes.

3.3.4 Role of the organization and supervisor in supporting the leader’s continuous learning

Companies where organizational support is strong are expecting leaders (as well as employees) to set continuous learning as a part of their job. Supportive organizations motivate leaders to identify areas for future job requirements and needed skill updates, to set development goals, to participate in learning activities, ask for feedback and track progress. Organizational support also means establishing a climate which let any employee to assume a leadership role because the employee has special knowledge or experience, is able to coordinate activities and is fitted for the role. (London 2002, 247.)

Additionally, according with London (2002, 244), motivational model of self-development implies that organizational culture of continuous learning supports self-development (i.e., feedback seeking, goal setting and tracking progress). Leaders can become more willing to indulge in self-development by teaching them constructive thought processes and by

demonstrating that continuous learners are rewarded because they are most likely to be top performers.

The amount of leadership training and development that takes place in an organization depends in part on attitudes and values about development, called “learning climate”. It also influences the support of the immediate supervisor. In an organization which views continuous individual learning as highly crucial for organizational effectiveness, more leadership development is likely to take place. In a learning organization more resources will be allocated to training and more effort will be made to measure and reward learning. Supervisors will provide more coaching and support, more employees and leaders will be encouraged to seek opportunities for personal growth and skill mastering. (Yukl 2013, 383.)

A leader is more likely to be self-determined and encouraged as a continuous learner if the leader’s supervisor provides a basis for learning that the leader finds personally important and meaningful. Consequently, the leader will see the value of learning to the organization and to own enhanced performance. The supervisor supports continuous learning by making sure that the leader has choices of action and the choice to decide which direction to follow in decision making process. Correspondingly, decisions become learning experiences. (London 2002, 226.)

Supervisors also should support continuous learning by providing relevant and timely information about organizational changes and constructive feedback. It is crucial that feedback is not threatening or compares the leader to others but rather states the effects of leader’s actions. Negative events can be put in a positive light by the right support. The supervisor should help the subordinate understand the reasons for the career challenges and suggest ways to overcome them. (London 2002, 246.)

It is important to remember that supervisors should provide the support and direction but not full answers to all the questions, since, as stated by Parks (2005, 5), “People cannot simply be told what they need to know in the complexity of practice. They must learn to see for themselves.”

4 Commissioning party and its leadership development processes

KONE was chosen as a commissioning party for this study. KONE is one of the most international and successful Finnish companies. I worked in KONE for two years and three months in KONE Distributors Department Order Management team, therefore I have a great interest in KONE processes and ways that KONE grows, nurtures and leverages its talent and leadership pipeline.

Following two subchapters gives an overview of KONE Corporation as a global field leader as well as provides insight into company's leadership development processes.

4.1 KONE overview

KONE is one of the global leaders in the elevator and escalator industry, founded in 1910. The company has been dedicated to understanding the needs of its customers for the past century, providing industry-leading elevators, escalators and automatic building doors as well as innovative solutions for modernization and maintenance. (KONE Corporation 2016d.)

KONE's objective is to offer the best People Flow experience in the industry with innovative and eco-efficient solutions by developing and delivering solutions that enable people to move smoothly, safely, comfortably and without waiting in buildings in an increasingly urbanizing environment. (KONE Corporation 2016d.)

In 2015, KONE had annual net sales of 8.6 billion EUR and sales had grown for 18% compared with the last year. The biggest sales (44%) came from Asia-Pacific region, followed by Europe and Middle East (39%) and Americas (17%). At the end of the year close to 50,000 employees worked in the company. (KONE Corporation 2016d; KONE 2015, 2-3.) Figure 3 shows the employee division by KONE markets in 2014. Most of the employees (44%) come from the EMEA (Europe, Middle East and Africa) region as well as Asia-Pacific region (44%), rest of the employees are from Americas (12%).

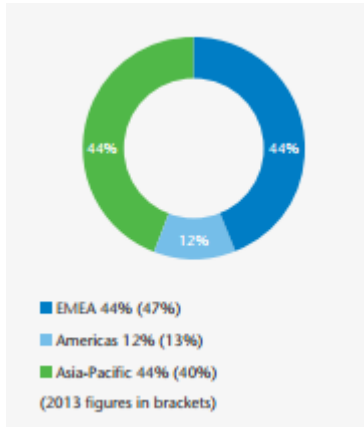


Figure 3. Employees by KONE markets in 2014 (KONE 2014.)

KONE’s key customers are builders, building owners, facility managers, and developers. In addition, architects, authorities and consultants are key parties in the decision-making process regarding elevators and escalators. The main segments are residential buildings, hotels, office and retail buildings, infrastructure, and medical buildings. KONE also serves special buildings such as leisure and education centers, industrial properties and ships. (KONE Corporation 2016e.)

Company has more than 1,000 offices in over 60 countries around the world. KONE has seven global production sites located in the main markets, as well as eight global R&D centers. In addition, KONE has authorized distributors in close to 80 countries. KONE’s head office is in Helsinki, Finland. (KONE Corporation 2016e.)

KONE has set leadership and employee engagement as two of the main elements on the path to company’s success: “We trust that strong leadership, a common set of values and dedicated employees are what makes us successful” (KONE Corporation 2016a).

At the beginning of 2014, KONE defined “A Winning Team of True Professionals” as one of its five development programs. It concentrates on providing that all employees perform at their best, on developing field competences, and attracting the best talent to join KONE. (KONE Corporation 2016a.)

Availability, engagement, motivation and continuous development of the employees are all directions for the personnel strategy in the company. Company’s strategic targets include having most loyal customers, being faster than market growth, having best financial development, being leader in sustainability and among others – strategic target to make KONE a great place to work. (KONE Corporation 2016b.)

4.2 Leadership development in KONE

KONE provides broad career development opportunities globally. Employees may proceed with horizontal moves in the company or take on more challenging roles, or combination of both. KONE has three main Career streams and they characterize the main career options within the company. The three streams are Occupational stream, Professional stream and Leadership stream (KONE Corporation 2016c).

The Leadership stream is further divided into five leadership pipeline stages – first level is Supervisor/Team Leader followed by Manager, Director, Senior Director and finally – Executive Vice President. The Supervisor/Team Leader leads a team of 3 or more technical and/or administrative operatives and staff, and is at the first level of leadership pipeline in the company. Important to note that the Leadership stream illustrates only vertical leadership passages within KONE but the employees may take also horizontal career move from one function to another or one stream to another. (KONE Corporation 2015.)

In order to fill the company pipeline with the right talent for the right positions, KONE strives to improve performance through inspiring, engaging and developing their people. Development is at the core of companies' human resources strategy. The development actions are aimed to fill the possible knowledge gaps, to support the new career advancements and to develop the employees further in their career.

In KONE 70-20-10 approach for competence development is being promoted. According to 70-20-10 development model, 70% of competence development happens on the job (which means trying out new tasks in the current role, taking stretch assignments, joining new projects and also via internal job rotation), 20% by learning from others (through mentoring, coaching, networks and getting feedback) and 10% from formal training and self-study. KONE believes that the most effective learning happens on the job since it ensures direct transfer to practice. (KONE Corporation 2015.)

At KONE two sets of competencies are defined: Leadership competencies and General competencies. KONE Leadership competencies define the most important behavioural competencies for the leadership roles. They include Decision Making, Executing, Winning through People (inspiring, energizing, coaching and empowering the team, developing high-performing talent), Collaborating and Strategic&Business Acumen. For overview of the KONE Leadership competencies, please see Appendix 3. Competencies are to be

reflected and demonstrated by all KONE leaders alongside with KONE values. (KONE Corporation 2015.)

Competencies are discussed in an Individual development plan (IDP) with the rating scale of five levels. First level is Beginner, followed by Practitioner, Competent Practitioner, Knowledge sharer and finally, by Expert. Levels allow to gather an overview of the employee's current status, possible development goals and progress already made. (KONE Corporation 2015.)

Every employee's learning is planned in the IDP in order to ensure that all sorts of learning – whether it is on the job or from formal training programs – have learning goals, clear further steps and follow-up measures.

The purpose of the Individual development plan is to provide each employee with the skills, knowledge and behaviours necessary in order to reach the ongoing and future goals. Additionally, IDP allows to evaluate what skills are needed to prepare for the career role. IDP consists of action points that are set on a yearly basis, reviewed and followed throughout the year. (KONE Corporation 2015.)

The IDP is discussed in the performance discussion with the supervisor in the beginning of the year (performance review) and in mid-year (focus is on the individual development). Concrete development actions to provide support are being set as well as employee well-being, career development and variety of growth opportunities are discussed in these discussions. (KONE Corporation 2015.)

In order to assess the individual leadership development of KONE people leading other people and provide valuable feedback, 360 online leadership feedback tool is being used. 360 is a continuous process which means that each of the leaders should be receiving feedback at least once in three years.

The tool is based on KONE values and Leadership competencies. In 360, leaders complete self-assessment and nominate stakeholders to give him/her feedback on observed leadership behaviours. The stakeholders have to be people that the leader closely works with. The results are being analyzed, key development areas and strengths are defined and development actions are discussed. (KONE Corporation 2015.)

360 tool allows to gather honest feedback about the leader's strong sides and possible development needs from the peers or other employees with who the leader works with.

That allows leaders to reflect on their performance and recognize the weak points needed to be further developed.

In order to empower and support the employees and prepare them for the changing business environment, KONE has recognized the need to use the coaching and mentoring skills in order to maximise individual and team performance. Learning from others plays crucial role in KONE leaders development, therefore coaching and mentoring is widely used to develop leaders and engage them.

The main differences between two processes are that coaching is focusing on a case/task/problem and it is usually a short term relationship during which explicit feedback is received. On the other hand, mentoring focuses on progress/development and is often a long term relationship during which intuitive feedback is being received. Coaching is used more to tackle daily challenges in formal or informal settings, whereas mentoring is being used when a person is taking on a new role in the organization, a new person joins the team or organization as well as when a person wants to accelerate his/her growth potential in the company. (KONE Corporation 2015.) Coaching is used in formal situations as well as applied during everyday informal working life situations. The GROW Model is used globally across KONE to help to maximise the effectiveness of the coaching sessions. It is presented in the Table 2.

Table 2. The GROW Model (KONE Corporation 2015)

GOAL	Selection of task or goal / objective
REALITY	Capability to achieve goal
OPTIONS	Choice of different ways to achieve goal
WILL	What will you do? How? By when?

The model in the Table 2 allows to set specific goals for the coaching sessions and evaluate the chances for achieving these goals. It also prepares to analyse the different ways that would help to reach the goal, prognose the time when it could be done and creates concrete actions on the way to the goal.

Also mentoring is offered in order to advance employees development. Mentoring programs include the ones provided within KONE as well as cross-company mentoring programs (KONE Corporation 2016c).

Mentoring at KONE takes place with participation of mentees and their mentors - leaders who have been at KONE at the minimum of two years. The rule about mentoring indicates that the mentee's direct supervisor cannot be his/her mentor.

KONE Human Resources is providing necessary support for both – mentor and mentee – by offering working materials such as mentoring toolkit and learning journal. Recommended length of the relationship is one year and recommended meetings would take place every month but it depends on the agreement made between mentor and mentee according with the mentorship aims. (KONE Corporation 2015.)

Formal training programs are important instruments in order to enhance the competencies and improve the performance of the staff. KONE Human Resources offers various global learning programs to particular target groups, starting from specialists to top management. The contents are always aligned with KONE strategy and leadership competencies. The leadership development program topics cover different areas of leadership and management skills focusing on the leadership competencies.

KONE arranges learning programs in order to boost competencies and various professional skills. Learning programs are designed to strengthen the common operating models, to promote collaboration and cross-cultural knowledge sharing and to ensure the development of current and future leaders. (KONE Corporation 2016c.)

In order to apply for the various learning programs within KONE, a person needs to clarify a clear link of program to the career development as well as knowledge/competency gaps that would need to be filled. Participation is ideally discussed in the Individual development plan prior applying. (KONE Corporation 2015.)

Leadership development programs are organized for Supervisor Development Program (includes common modules to all first-level leaders), KONE Leaders (common leadership program modules for all KONE leaders, including Leadership Experience program) and Senior Leaders (includes modules for senior KONE leaders). (KONE Corporation 2015.)

Some of the learning programs for leaders include Leading People (for all leaders), Change Management (for all leaders), Supervisor Development Program (for supervisors and team leaders), KONE Leader (for all leaders), Virtual Team Leadership (for all leaders and specialists who lead virtual teams) and other programs. Global Induction is a specific learning program aimed at new leaders and key specialists at the beginning of their career in KONE to introduce the company and it's business, strategy and processes. (KONE Corporation 2015.)

KONE offers LEX Leadership Experience program for the individuals with a potential to take on a leadership position in the near future or for the leaders in the beginning of their leadership career, in short – future leader potentials early in their career. Main aims of LEX program are

- to create a systematic framework for participants' long-term development
- to develop participants' KONE Leadership Competencies
- and to increase their personal leadership skills, KONE business knowledge and strategic understanding of the global KONE. (KONE Corporation 2015.)

Participant nominations for LEX program is done in the Leadership and Talent Review process which is an annual process. Its purpose is to evaluate the internal talent pools, future leader potentials and to create succession planning for the key positions in the company. The candidates for LEX are identified in this future leader evaluation process. It takes place in the unit and area level. All area management teams are included in the process which comprises around 300 key management team positions. Supervisors of the leaders are proposing the fitting participants (in some cases also unit management team or local HR). (Rantanen 12 April 2016.)

The program consists of four face-to-face modules over a six to eight month period. Learning methods used are e.g. 360 degree feedback, mentoring and project work. The main goals of the program in terms of leadership development are to enhance participants' knowledge of different leadership styles and tools as well as personal leadership style, to enhance participants' ability to use various tools and styles in different situations and linked to the own personal style. (KONE Corporation 2015.)

5 Research methodology and main findings of the study

The fifth chapter presents the research methodology chosen for the study, planning and designing the research, data collection, analysis methods, sampling as well as the main findings. Evaluation, conclusions alongside with recommendations follow in chapter six.

In order to portray an accurate profile of people, events or situations, descriptive research is being used and it can be a sample of explanatory research (Saunders, Lewis & Thornhill 2009, 140). Choosing the right research methods depend on the type of data needed to answer the research objectives. The objective of the thesis and empirical research in particular was to analyze learning and development experiences of first-time leaders within KONE as well as to research KONE leader talent pool in order to analyze the leadership pipeline demographics and retention rate.

The purpose of the research was to present a valuable analysis to KONE about how the first-time leaders learn, what kind of challenges they face and how they acquire experience in order to support the further development of the KONE LEX Leadership development program as well as the overall leadership development processes in the company.

The theory review was the starting position to create the outline for the research and determine the principles of the theoretical framework. Based on the objective and questions of the study as well as theoretical framework, the data collection methodology chosen for this research is multiple methods approach which allows the researcher to use more than one data collection technique and analysis procedures (Saunders & al. 2009, 151). The research study uses quantitative and qualitative methods which are further discussed in the subchapters below.

The quantitative analysis of the study relies on secondary data, provided by KONE and consisting of the information on the LEX Leadership program participants. The primary data was used in the qualitative part of the study and it was collected through interviews with a pre-determined sample group of program participants.

After gathering all the necessary data, the analysis was the next step for the study. The analysis included

- summarizing and analysing LEX participant statistical data
- summarizing chosen sample's interview responses and further analysing them.

5.1 Quantitative research – data analysis method

Quantitative research is used for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data (Saunders & al. 2009, 151). The quantitative data collection method – data analysis – was chosen in order to analyse the statistics of LEX Leadership development program participants and their retention rate in KONE.

The main reason for the research was to give KONE a valuable insight into their leadership talent pool characteristics and give an overview whether people have left or stayed in KONE after finishing the leadership development program. LEX Leadership program participants' statistics were gathered from the company employee data system in December 2015. The quantitative data was analysed using statistical methods.

5.1.1 Sampling

Considering that KONE is a multinational corporation with a substantial leader population across many countries, a sample was chosen for the quantitative (as well as qualitative) analysis to research only the leaders within KONE who have been part of the LEX Leadership development program.

In order to research the statistics of the program, the sample of leaders within KONE was identified through LEX Leadership program graduates' database, taking into consideration all the participants who were part of the program within the period of five years (from 2011 to 2015).

5.1.2 Main findings

The following key indicators were set for analysis in order to explore the LEX participant statistics in a five-year time period. Table 3 summarizes the findings.

Table 3. LEX Leadership program statistics 2011-2015

Number of participants:	168
Number of participants in one year:	Min 23, max 50, average 33,6
Number of different nationalities:	29
- from following number of continents:	5
Gender distribution:	44 females, 124 males
Age:	Min 28, max 54, median 36
Years in KONE (at the moment of graduating from LEX)	Min 0, max 21, median 5
Retention rate:	89%

During the time period from 2011 up to 2015 a total of 168 people participated in LEX Leadership program, as shown in Table 3. The number of participants has changed during the years. In 2011 and 2015 a group of 23 people graduated from LEX program, in 2013 - 24 people, whereas on 2012 those were 48 people and in 2014 – 50 people. The doubled amount of participants, compared with other years, can be explained by the fact that there were two groups of LEX program organized in 2012 and 2014. On average, 33,6 participants graduated from the program annually.

One of the program targets is to create a culturally diverse team of participants in order to stimulate the multicultural cooperation and culturally sensitive leadership style in a learning environment. Therefore, during the five year period KONE leaders from all around the world have participated in the program, altogether from 29 countries in 5 continents (Table 3).

As shown in Figure 4, most of the participants were from Europe (55%), Asia (31%) and North America (12%). The reason why Australia and Africa has low participation rate of 1% is the fact that there is only one KONE frontline business unit in Australia and only one in South Africa. In fact, cultural diversity is also one of KONE overall targets for the management team members. The target of management team members from Asia and North America by 2018 is 10%. Currently it forms 7% of direct reports from Americas and 4% from Asia. Management team means the top 500 managers in KONE who report to business unit head. (Rantanen 12 April 2016.)

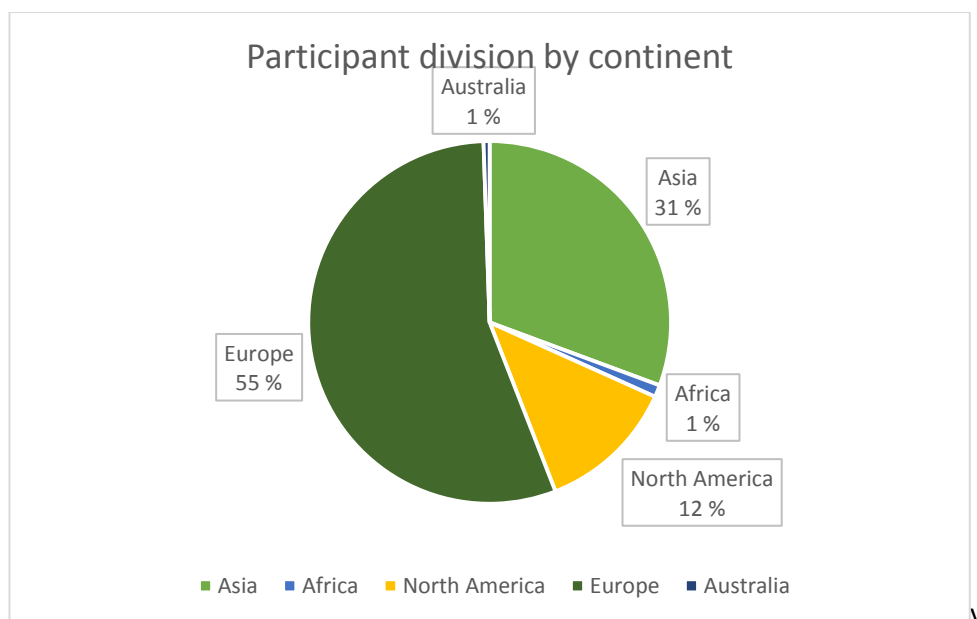


Figure 4. LEX program participant division by continent

As presented in Figure 5, majority of the participants were male (74%). Female participants amounted to a rather low percentage of 26%. Improving the gender diversity is one of KONE's general targets – by 2016 the target indicated that neither gender should count for less than 20% of the management team members. The current percentage from January 2016 indicated that 18,2% of management team members are female. (Rantanen 12 April 2016.) It can be concluded that the result is very close to the desired target.

However, KONE has stated that it does not differentiate between job applicants based on their gender, race or other aspects of personal backgrounds, yet goals are being set for cultural diversity in global teams. (KONE 2014.)

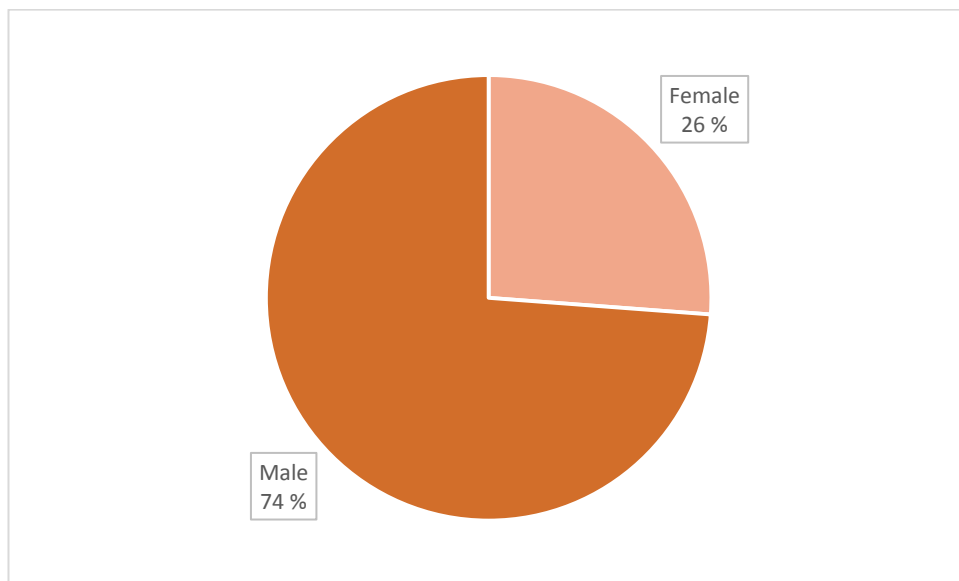


Figure 5. LEX program participant gender distribution

The age of the participants ranged from 28 up to 54 and the median was 36 as presented in Table 3. It illustrates that the age is not a limitation to take part in the learning program and people can initiate their role as a leader at any age or stage in their career - it is never too early or too late to learn something new, acquire new skills and take on bigger responsibilities than before. Nevertheless, the median indicates that half of the participants were in the age group from 28 to 36.

According with Table 3, the middle value of LEX participants' career in KONE is 5 years which indicates that leaders take time to build their individual competencies before taking part in the leadership program. The median was calculated not in December 2015 but taking into consideration which year each of the participants graduated (to get information about objective amount of employment years). Furthermore, minimum years spent before

taking part in LEX was 0 which means that some of the participants were nominated for participation right at the start of their career in KONE; maximum amount was 21 which showed that person had worked in KONE for 21 years before being nominated for the program.

In December 2015, the retention rate of LEX program participants was 89% according with Figure 6. That indicates that majority of the leaders who took part in LEX program in timeframe from 2011 to 2015 (altogether 150 leaders) still continue working in KONE.

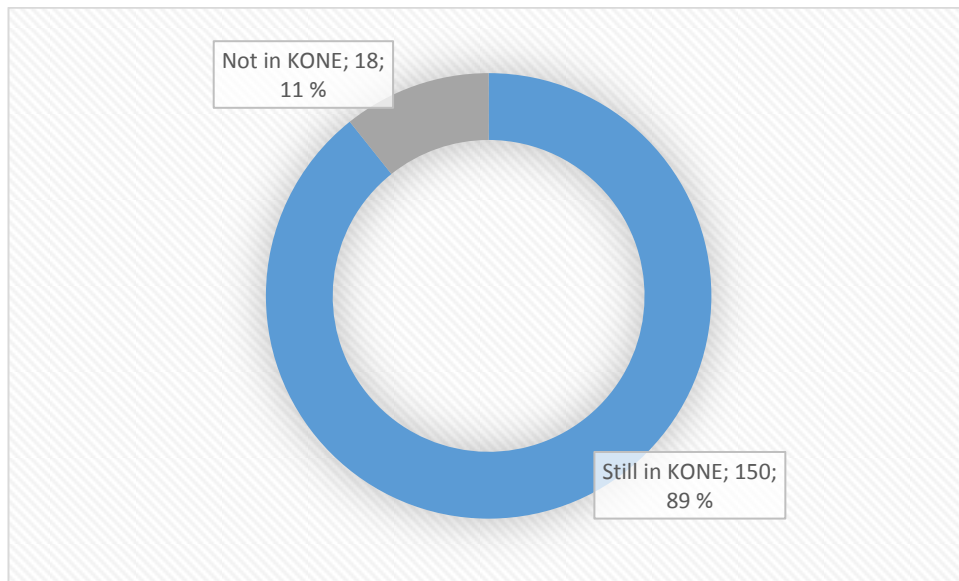


Figure 6. LEX program participant retention rate (as in December 2015)

The retention indicator shows a positive picture in KONE strategy of growing and retaining their inner key talent. Leader retention is a crucial issue, since leaders are among the major productivity and growth drivers in a company. Employee replacement generally means high costs and it increases the indirect costs such as decreased productivity, loss of talent and company knowledge. Retaining high potential talent is one of the main talent management goals in KONE.

5.2 Qualitative research – interview method

The qualitative research method applied was a semi-structured interview in order to gain a comprehensive understanding of how new leaders reflect on their experiences, learn best, overcome first leadership challenges as well as develop themselves within KONE.

The advantage of qualitative research is its capacity to provide textual description of how a population experiences a particular research topic (Silverman 2010, 175). Qualitative

research offers information on the “human” side of the research – opinions, emotions and beliefs of people.

According to Silverman (2010, 190), “Interview studies which are based on a relatively small number of cases and use open-ended questions are usually treated as examples of qualitative research”.

The major reason why interviews were chosen was the fact that interviews can be developed and clarified during an interview (Bell & Waters 2014, 178). One advantage of an interview is its adaptability. In interviews motives and feelings can be investigated and ideas followed up (Bell & Waters 2014, 151). Participants in a qualitative research can respond in more detail than when participating in a quantitative research. Interviews study situations comprehensively. Additionally, semi-structured interviews were chosen in order to collect extensive insights on each individual’s personal learning habits, challenges and experiences.

The main aim of the interviews was to encourage the participants to speak personally and open up about their experiences. Therefore the interviewing style was rather conversational and semi-structured. Interviews consisted of open-ended questions (for the main interview questions, please refer to Appendix 2). A set of broad questions was asked; they often included some prompts to often help the interviewee. Individual interviews took place over phone, Skype or face-to-face during March and April 2016.

The qualitative interview data was analysed using categorization. The analysis process included transcribing and summarizing all the interview data and finally analysing and drawing conclusions.

5.2.1 Sampling

As previously mentioned in the subchapter 5.1.1., the sample of leaders within KONE was identified through Leadership Experience program graduates’ database, taking into consideration all the participants that were part of KONE LEX Leadership program during a period of five years (from 2011 to 2015).

Due to the fact that part of the objective of the study was to gather information about learnings and development experiences from the people who have turned from individual contributors to first-time leaders within KONE, a selected amount of leaders was chosen

as the subsample from the KONE LEX Leadership program sample (used in quantitative research method) to act as representative of the population.

The subsample included leaders in KONE who:

1. graduated from LEX program (therefore are in the LEX database) and currently continue working in KONE
2. were part of LEX program in the timeframe from 2011 to 2015
3. have turned from individual contributors to first-time leaders within KONE.

The sampling technique used was non-probability sampling and the method was purposive sampling. Purposive sampling is a non-probability sampling method that obtains characteristic samples by including groups or typical areas in a sample. The researcher can choose who would be relevant for the research. Purposive sampling is used when there is a limited number of people that have expertise in the area being researched, or when the interest of the research is on a specific field. The researcher possesses sufficient knowledge of topic to select sample of experts and subjects are chosen in this sampling method according to the type of the topic. (Research Methodology 2011.)

It was crucial for this study to carry out interviews with leaders who have had their careers turned from individual contributors to leaders within KONE, not taking into consideration any previous experience in other companies. The LEX Leadership database included all the participants who had taken part in the program from 2011 to 2015 and they were all treated anonymously. Based on the data available in database about the participants' previous experience within KONE, it was possible to identify which of the participants have had their career turned from individual contributor into leader.

Nine leaders were chosen as the subsample for the interviews based on the three criteria, taken into consideration that they would represent different geographical backgrounds. The respondents included one participant from Germany, USA, Norway and India. Three of the respondents were from Finland and two from China.

All nine respondents were invited to participate in the interview by an e-mail. There were two non-respondents who did not respond to the invitation and were unreachable. Seven people participated in the interviews - two of them on the phone, two face-to-face and three on Skype.

5.2.2 Main findings

The results of the interviews can be divided into following parts: first-time leadership challenges, main learnings, access to support in the transition time to first-time leadership, reflection on own strengths and self-leadership as well as suggestions for the future leaders.

As previously stated by Hill (2009, 153), one of the first things that new leaders notice is that their new position is a lot more demanding and challenging than they had expected. First-time leaders are usually surprised to learn that the skills required to be an individual contributor and skills required to succeed as a leader are harshly different. Further on, they notice that there is a gap between their current competencies and skills and the requirements of the new role. First-time leadership can be a challenging journey.

The most common **challenges** that majority of first-time leaders faced when they turned from individual contributor into a leader were

- realizing that it is not anymore about “how am I performing” but rather “how are my team members performing” – switch to leading, developing and empowering others
- not knowing how to let go of the ways of working used in the previous role and adjust to new tasks and necessity to lead others
- thinking in long term vs. dealing with current issues
- at the very beginning in a new leadership role there was no time to think about subordinates’ development – so many new tasks and challenges simultaneously
- understanding that it is important not to micromanage the team but the key should be setting the vision and trusting that subordinates will excel
- balancing between achieving good business results and building up and leading a team of motivated individuals
- gaining trust
- leading in a virtual environment when the team is not at the same location as the leader. Additionally, one of the participants had to lead a team which is working in shifts 24/7 which means that some of that leader’s subordinates were working after-hours and they had limited chances to meet their leader.

Additional challenges mentioned in the interviews were: starting to lead a team with problematic individuals who were burned out and underperforming; challenge to lead team with a big age gap – managing the difference in their working styles and attitudes; stress management and lack of prioritisation skills; need for being a strict leader but at the same time understanding – not only delegating but trying to “get into the shoes” of employees and understand their challenges; encouraging the team to think independently and take responsibility, not to come to ask for advice for every little issue; working overtime – excessive volume of work and inadequate efficiency of the procedures; lack of specific KONE knowledge; challenge of keeping up the motivation of the team and finally – being unprepared and underestimating the time needed to lead people.

In fact, one of the respondents stated that it took them 75% of their time only to deal with leadership issues within their position, and as examples they mentioned solving conflicts, personal issues of the subordinates, training matters etc. In fact, majority of the participants admitted that it was a surprise for them how much they need to deal with peoples' personal issues in a leadership position, since often people open up about their family problems, their health issues etc. and the leader has to be there to show support.

Cultural challenge was also a major challenge for one of the participants – men generally do not accept and respect women as leaders in the country where the participant is from. She soon learned that she needed to show confidence and bravery working with a team that consisted of a lot of men. It was very crucial to learn not to take things personal and to be on top of the job. She needed to learn how to be strict and rigid in the situation when she felt she was not being accepted as a female leader. Gradually, when people noticed her leadership style - being transparent, strict and trustable - as well as after first positive business results, the team started to trust and accept her more and more.

After transition to leadership position a lot of time was spent on daily issues and making sure that everything is being done - at the beginning there was no time to focus on people or think about their development. First months of leadership are very important in shaping the leader's approach and how much change will be needed. Some participants reflected that they should have addressed problems (for example workload or division of work) earlier on. Instead, they were more focused on the current tasks rather than the people who they were leading.

The leaders mentioned that they were not aware of most of the above mentioned challenges before starting their new role. Five of the participants all shared that they have had major challenges taking on the first-time leader's role. One of them added: "I basically was thrown into cold water and I felt like the company was looking at me whether I will drown or swim. Nevertheless, I felt like I am in a trusted and supportive environment." However, two of the respondents stated that the main challenges consisted rather of their own time planning and dealing with increased workload, but there were no outstanding leading-related challenges.

As previously stated by Walker (2009, 62), research confirmed that the most typical problem areas for first-time leaders among others include: not knowing of how to let go of the ways that used to work in the previous role, delegating, getting support from supervisors and senior leaders, projecting confidence, thinking strategically, receiving and giving feedback and switching from focusing on their own performance to performance of others.

These basic factors trip up most leaders at the beginning of their leadership career and often the same challenges continue to haunt leaders even throughout their career.

When asked how did the first-time leaders overcome their challenges and what were their **main learnings** in the process, most participants stated:

- Biggest learning was to realize that “now it is about team’s performance, not my individual performance”.
- Clear communication with the subordinates and the supervisor: making sure the direction is clear, having open discussions, asking questions. As one of the respondents pointed out: “Without clear and flowing communication you cannot drive the team to perform better”.
- Huge importance of being a listener whether it is about every day’s matters, expectations or feedback. This is especially crucial when needed to manage issues that might arise within the team – individual pressure on the job, family issues etc.
- Importance of giving feedback to the team and reaching out for feedback in return to further develop yourself.
- Time management is the key.
- Need for empowering the team to perform on their own but at the same time being there and supporting team members.
- Setting the bar high and constantly motivating the team.
- Giving the subordinates freedom of action yet be there to guide them.
- Making sure that everybody feels good about their job, personal approach, a good team spirit.
- Understanding, appreciating and accepting different opinions.
- A lot of valuable learnings can be gained by observing and reflecting how the supervisor leads.
- Realizing the importance of trusting the team and not micromanaging.

Additional learnings mentioned were that the new leaders needed to rearrange one’s mental framework from thinking about “what to do” into “how to achieve it”; to treat people in a way one wants to be treated himself; to find ways and new ideas how to work faster and in a more efficient manner while not affecting quality; to try getting project management experience – it helped to shift to a leadership role since you are leading project even though you do not have subordinates but that still can be a valuable experience.

As two of the participants reflected on their learning during their first-time leadership: “One of my main learnings when I turned into a leader was that I needed to realize that leadership is about getting things happen, not showing my authority” and “people are all the time looking up to you for decisions so do not let them down, think twice!”

According with London (2002, 236-237), informal learning in daily business setting happens by leaders observing others or trying new behaviors on the job, often influenced by demanding situations. Learning is not a result of observing coworkers or hearing others’ ideas but also when leaders make mistakes, deal with challenges and problems or help

coworkers learn something new. Such learning often is unconscious, because people are not aware of what they are learning during the process itself or after they have learned it. Situations that initiate rapid learning are those that most likely to occur when the leader experiences a demanding task, there is an element of surprise, the problem cannot be ignored (some action is necessary), an immediate solution is not evident, and/or the leader feels in control – has the capability to take action. (London 2002, 236-237.)

When regarding the **support** first-time leaders received, majority of the interviewees said that there were sufficient amounts of organizational support resources available at the time of their first leadership experience (training program offerings, coaching, mentoring etc.)

The leaders especially expressed appreciation for the fact that they felt KONE was placing a lot of trust in them with their first leadership role – the organization gave them responsibility and freedom to make their own decisions and do things their own way, yet at the same time feeling guided through the process. The environment and business culture generally was encouraging and supportive. One of the interviewees shared: “It is crucial to have a work climate where you feel yourself safe and I felt safe at KONE.”

All of the participants expressed that the support from their direct supervisor was one of the most crucial factors in overcoming their first leadership challenges. When asked to reflect on their own experiences, four of the respondents said that the support from their supervisor was excellent or good and three stated that more support would have been vital.

One of the respondents said that even though they liked that they were given the trust with the new position, more monitoring and supervision from the supervisor would have been needed. A supervisor was available but more proactiveness would have improved the trust and communication. They felt that it was a one-way direction (only them asking for help) but it would have been nice for the supervisor to ask: “How are you dealing with things? How is it proceeding?” They felt that in their first leadership role they had a lot of new responsibility but nobody was “watching their back”.

At the same time, in another interview the interviewee said that whenever they were not sure about their decisions, they knew that there is a person to turn to for advice. They felt safe since the supervisor provided environment where one felt trusted by knowing that the supervisor is having their back.

On the other hand, another interviewee shared that the support at the time when they took the first leadership role was rather poor. The supervisor was really busy with their own work and had no time or interest to guide them through the role. When going and asking then the help would mean receiving an answer: “Do this, do that!” There was no coaching but more of instructing. The interviewee concluded that coaching and general support would have been useful and would have made the transition easier.

However, the same respondent noted that this situation changed radically when they were assigned a new supervisor. In fact, they even mentioned getting a new supervisor as one of the main events in their career that made the difference in the way they are leading now: “My new supervisor was a great coach and an example of how a leader must be so observing his actions daily was a big learning moment for me. The new boss noticed that I was interested in learning from him therefore he recognized me as a high potential individual and encouraged me to apply to different training programs, LEX included, which developed the understanding of my leadership role and what it means to be a leader. The new supervisor discussed challenges with me very openly, gave advices and on top of everything was a great listener.”

Another respondent added: “My supervisor had crucial role for me to overcome my first-time leader challenges because I could openly discuss with him all the topics. In fact, my supervisor asked me to highlight the top 3 areas that I want to discuss with him in our meetings that are a) relating to daily business, b) to future career growth. Further on, my supervisor coached me and we could discuss several hot topics in our meetings as well as set development targets. If your supervisor is willing and able to create an environment where you feel yourself safe, then the new leader is willing to take risks and try new things, develop and grow himself.”

Despite the fact that all of the participants expressed mostly very positive feedback about support and resources available at KONE for leadership development, there were also some critical points mentioned. One of the respondents shared that when they started the leadership position, they felt like the initiative for planning the further development or career was lacking – they were not aware of the leadership course planning or the bigger plan for their further leadership development. They felt like it should have been better communicated.

Additionally, another participant said they felt what could have helped would have been 1-2 meetings containing structured chats and concrete discussions with an experienced leader in the company who is not the direct supervisor. The meetings would take a form of

coaching and would be about leadership issues – he/she would share about first challenges, analyze, check on you, to advise what to consider, would share with his/hers experience and wisdom, point to some practical resources (for example, employment law), advise on mindset change ideas for a new leader. In contrast to typical mentoring, those would be very concrete discussions which would include questions: “Now when you are starting as a leader, have you thought about this, this and this? How do you feel like you might react to things like ...?” It would not be the same as mentoring which is a longer term relationship and aimed at personal development. It would take place immediately after taking on new leadership responsibilities. It would mean somebody with whom to discuss how you are going to arrange your work now in order to avoid early mistakes.

Most of the leaders reflected **that the way they learned best on their first leadership position** was through learning on the job, getting support, feedback and coaching from their supervisors as well as reflecting on their experiences.

Other tools mentioned were mentoring (internal and external), 360 evaluation, learning from peers and other leaders in the company, feedback from subordinates, training programs, stretch assignments (for example new tasks in project management), reading books about business and leadership, discussing with friends and family.

Interviewees who mentioned mentoring as a learning tool also added that having an external mentor helped to discuss tough and difficult issues which is sometimes easier to do with an external person. External mentors are professionals who are invited to cooperate with KONE for the purpose of developing the company’s employees and leaders.

One of the participants reflected: “I totally agree with 70-20-10 learning module. Classroom training should be only 10%. Learning from others is very important but if you learn from others and don’t apply it then it is for nothing. Therefore practice on the job is the key.”

The research finding is in accordance with previously stated theoretical framework which indicates that increasingly, development is being understood to be a much more complex set of activities rather than just training. The 70-20-10 developmental model provides a concept of three components which reinforces one another: 70 percent of development is taking place through workplace experiences; 20 percent through connecting with others, coaching, and mentoring; and 10 percent through formal training programs. (Berger & Berger 2011, 536.)

Additionally, Garavan & al. (2008, 58.) suggested that formal and informal learning activities are integral and interrelated, committing in different manner to the knowledge and competency building of an individual.

When asked to reflect on their **main strengths** that helped with the transition into first-time leader role, there was a variety of answers: can-do attitude, ability to empower the team, setting focus on the team, business understanding, ability to see the big picture, prioritization skills, multitasking mindset, open-mindedness, willingness to change, not being afraid of taking risks, personal discipline, openness to feedback and critique, persistence, listening skills, capability to adapt to different situations, being authentic and respecting every employee, ability to earn trust by simply being himself, accepting your flaws and working on them, acknowledging that you cannot know everything, good communication skills and on top of everything – willingness to learn new things which was the most frequent answer between the interviews.

When leaders were asked what did they need to **develop in themselves and their self-awareness** when they became leaders for the first time, they concluded that they needed to

- understand how to communicate and express themselves better
- learn self-leadership approaches: how to react to disagreeing, to be more calm, think first and then talk, not to show all the feelings straight away, especially to control the negative feelings
- learn to be mentally tough in some challenging situations
- be aware that not always you can avoid all the conflicts therefore it was important to learn how to manage a conflict and bringing tough issues to the table; realizing that conflict can be healthy if you can find a resolution to it
- learn how to say no without demotivating the team
- understand that you cannot please everyone
- enhance prioritization, structuring and managing own work and time allocation
- understand that whatever you read or learn, main thing is to practice, practice and one more time practice.

One of the interviewees admitted that they were very scared to take on first leadership position because they needed to start from the scratch and put extra effort to believe in the leader in themselves before making others believe in them. They needed to ask themselves: “Do I have the motivation? Do I see the real picture? Am I true to myself? Do I trust my team?” They concluded that their passion and fire to grow and learn was the key to be able to answer these questions with a “yes”. Another interviewee stated: “In my opinion, in order to be a successful leader, you need to reflect on what you do.” They remembered reflecting a lot and preparing for possible future challenges.

The research findings confirmed the theoretical framework which stated that managing oneself is based on identifying strengths and areas where first-time leaders can improve. A person should take charge and show initiative by asking questions about how he or she thinks and works and then seek answers. One must then act on these answers. It is important to note that for any self-development to take place a person must be highly motivated to initiate the desired change. Also knowing oneself is an important prerequisite since that means openly analyzing own strengths and weaknesses as well as identifying the areas for improvement. (Drucker 2008, 54.)

Final question suggested leaders **to give an advice** for all the employees who are still hesitating and thinking whether to apply for their first leadership position or not. The advice by KONE leaders included following points:

- Your own personality will have an impact. It is important before applying for a leadership role to ask yourself the following questions: What is the thing that makes you excited? Are you more interested about some specific field and being responsible for yourself or leading people? Do you want to lead others or are you more enthusiastic to manage your own work?
- In the beginning of the leadership positions there is a great uncertainty, the question in mind is: “What if I fail?” However the advice would be “Try it out and do it!” Discuss that opportunity with your supervisor. Then you will see if that is for you or if you are willing to go back to a specialist role.
- “There is nothing to lose”-mind set. Leadership is a valuable experience during which a lot of learning occurs.
- A person needs to be prepared for a life-long learning. They should not be afraid but need to have a thirst for learning in order to improve yourself as a leader. If a person has the willingness and proactive attitude, then there are a lot of opportunities to develop leadership capabilities in the company.
- Everyone has the capabilities of leaders in them. Constant efforts in developing what is required for the role and leadership is needed. Developing competencies is the key and can be achieved through learning.
- Try to get yourself to assessment test centers to get feedback on leadership attributes, how do you work in different situations etc. in order to learn something new about yourself or confirm your strengths/weaknesses.
- Simply: do it and be open, learn by doing. KONE culture and environment allows people to try the leadership position. If you do not succeed you are able to go back to individual contributor role.
- Strengthening the communication skills and being open-minded with feedback and comments when one wants to become a leader. After all no matter which leadership style you adopt, the key is that you have to properly communicate with your subordinates and supervisor to develop a long-term career in a leadership position.

One of the respondents concluded: “Personalities are different, all the people are not the same and everybody will have their own leadership experience, but I believe that all of us can be good leaders. The learning and willingness to be a leader has to be initiated from the individual himself, first of all the future leader has to aim to be continuous life-long learner, to be a “sponge” – to learn from the surroundings and from the leaders around”.

6 Discussion and evaluation

This is the final chapter of the thesis. First, the conclusions are discussed and recommendations are presented based on the previous analysis and theoretical framework. It is followed by the external validity, reliability and ethical considerations of the study. Finally, the self-learning assessment and reflection on own learning is being presented.

6.1 Conclusions and recommendations

The purpose of the study was to present a valuable analysis to KONE about how the first-time leaders learn, what kind of challenges they face and how they acquire experience in order to support the further development of the KONE LEX Leadership development program as well as the overall leadership development processes in the company.

First-time leadership experience is life-changing. Years later, when reflecting on their first days, months, even years in the new leadership role, leaders almost collectively agreed that they were facing a wide variety of challenges that later grew into lessons and beneficial learnings. In accordance with the theoretical framework, as previously stated by Yukl (2013, 387), more development occurs for leaders who experience challenges that require adaptation to new situations and provide opportunity to learn to deal with a variety of different types of problems and hardships.

Participants admitted that often their new role seemed overwhelming since so many things were going on at the same time. They suddenly were in charge of other people when before they had been in charge only of themselves. They had to deal with their own challenges and in the meanwhile be on top of the situation with their team. Difficulties ranged from time management to perception challenges. Leaders mentioned that the problem was usually rooted in the fact that they were not aware of most of the challenges before starting their new role.

One of the most crucial difficulties was named to be not knowing of how to let go of the ways that used to work in the previous role. As previously stated by London (2002, 223), leaders often face challenges because what worked well in the past is not working in a new environment. Furthermore, uncertainty and stress pressures the new leader to rely on what made him or her succeed in the past but often this choice is the opposite what is needed in the new leadership position.

Letting go of micromanaging, delegating, thinking in long-term and strategically, gaining trust, managing stress, giving and receiving feedback and balancing between achieving good business results and building up and leading a team of motivated individuals were found to be particularly challenging.

Additionally, a new leadership position meant a major mindset switch – it was not about leader's achievements anymore but rather about the team, their performance, their well-being and development. Many leaders also faced difficulties to think about subordinates' wellbeing and development while there were so many new "fires to burn" on their own desks. Also cultural differences are important factors that a leader has to be aware of before starting to lead a multicultural team.

When asked if there was enough support available from the supervisor at the beginning of the leadership career, the experiences were differing. The majority of the respondents shared that the support from supervisor was excellent or good, while others said that more support would have been needed. However, all of the participants expressed that support from their direct supervisor was or would have been one of the most crucial factors in overcoming their first leadership challenges more easily and faster. That is in accordance with previous theoretical review, since it was expressed that formal training helps to provide first-time leaders with instruction in some necessary skills but no course can magically make the transition challenge-free. In order to prepare first-time leaders in a company the direct responsibility rests with their supervisors. (Walker 2009, 64; Charan & al. 2011, 18.)

From some of the experiences it was noted that more proactiveness from the supervisors would have been appreciated since the general support was available only when the new leader approached the supervisor. As previously stated by Walker (2009, 68), a first-time leader does not want to continually show that he or she is not competent enough or it was a mistake to promote him or her. In order to overcome these fears, the supervisor has to define the expectations and advise that open communication is critical to achieve these goals.

Leaders felt that KONE organizational environment was encouraging and empowering. A lot of trust was placed in them and vast majority of the interviewees said that they felt there were enough of organizational support resources available at the time of their first leadership experience.

It can be concluded that while the company provides the necessary tools for career development, a lot of the responsibility for the development and wellbeing of first-time leaders is in the hands of their direct supervisors. Therefore, it is suggested that supervisors need to determine and follow-up whether and where the first-time leader is having difficulties with the transition to the new role. As previously stated by Walker (2009, 66), the supervisor is responsible for empowering the first-time leader, encouraging him to delegate and helping him to overcome insecurities about his value to the organization, even more so because often first-time leaders see their relationship with their supervisor more as a challenge and threat than a partnership.

The research also confirms the previously reviewed theoretical framework by indicating that it is crucial for supervisors to provide regular feedback and coaching for the first-time leaders, especially in the first period of transition. In accordance with Yukl (2013, 387), more learning occurs when people get accurate feedback about their behavior and its consequences and use this feedback to analyze their experiences and learn from them.

As a conclusion, it is strongly recommended that supervisors continually ask themselves following questions:

- How often do I talk with the first-time leader about what challenges her?
- Do I provide honest feedback to first-time leader about what she needs to do to grow and develop?
- Do I provide the first-time leader the resources and information she needs to support her role?

In order to help the first-time leaders to deal with their new challenges and understand their new role, it is suggested to have regular meetings with the first-time leader – in the early stages weekly, continued with biweekly or monthly meetings. That would improve the communication, trust and would gain an access to coaching and feedback for the new leader. Furthermore, helping the first-time leaders reach their goals and adjust to new situation will go far in retaining and keeping them engaged and motivated to set new goals and eventually achieve them.

It needs to be understood that building talent for the future requires commitment to development today. As previously stated by Berger & Berger (2011, 261), the forward-thinking organizations recognize that a motivated workforce does not need to be “managed” in the traditional sense. What employees need, in order to fulfill their promise, is guidance, coaching, and sharing of wisdom.

It is recommended to provide more support to supervisors who are leading first-time leaders in order to give them training in areas related to new leaders' development, for example, creating and utilizing development plans, coaching and giving feedback, supporting new leaders with their challenges, identifying people for learning opportunities and programs, appraising performance etc. It is important to improve the awareness of the supervisor's supporting role for the first-time leaders' professional development.

Supervisors should be held accountable not only for helping in the development of leaders but also for helping senior executives and HR experts define and create a balanced leadership development system for the entire company (Cohn, Khurana & Reeves 2005).

The participants confirmed the earlier expressed theoretical point that the way they learnt best on their first leadership position was mainly through daily learning on the job, hence, experience is the best teacher. As previously stated by Tichy & Cohen (1997, 217), one of the features that set winning leaders apart from others is that they continuously think about their experiences. They roll them over in their minds to analyze them and turn them into valuable lessons for themselves. It is also in accordance with KONE's 70-20-10 competence development model which determines that most of the learning happens on the job since it ensures direct transfer to practice. (KONE Corporation 2015.) Getting support, feedback and coaching from the supervisor as well as reflecting on own learnings and experience was mentioned by participants as equally important in the learning process.

The majority of the respondents mentioned the LEX Leadership program's impact on their learning process. Even though there was no direct question to evaluate the LEX program's applicability, some of the respondents mentioned that most valuable learnings from LEX were experience sharing, broadening the knowledge on leadership as well as cultural exchange due to the participants from across the globe.

The LEX Leadership program participant group profile showed that people's background, cultures and age were diverse. The high retention rate of 89 percent indicated a positive picture in KONE strategy of growing and retaining their inner key talent. It is recommended to continue the clear selection process in order to recognize and select the most fitting participants to the program. Since the participants of LEX are identified with the help of their supervisors, it is crucial to support supervisors of first-time leaders to understand the selection criteria and assist them in identifying participants. In order to improve the LEX program gender distribution balance more female leaders should be encouraged to participate or to be nominated to the LEX program.

It is recommended that the findings of the thesis are at the core of further design development of LEX Leadership program and the content is complemented with subjects that are relevant and challenging for the first-time leaders in the beginning of their leadership career.

Additionally, due to the fact that there are so many leaders in KONE globally, not all of them have the chance to be nominated or attend the LEX program, which takes place yearly or twice in a year. Therefore, it is recommended to create local leadership development program initiatives that would copy LEX model but in a smaller scale. It would address the challenges the first-time leaders' face and would provide them with a framework and tools to overcome these challenges and turn them into learning opportunities.

From the practical point of view, local leadership development program would allow more leaders to get useful training at the beginning of their leadership career as well as save participants' time spent flying and travel costs. However, the downside might be lack of the international environment and diversity that is a characteristic of LEX Leadership program. This aspect could be improved by using modern technologies, such as video conferencing, as part of the developing the local leadership programs.

To sum up, it is important that the organization reflects the importance of employees' and leaders' development in all of their actions by providing the resources and encouraging the life-long learning practices.

Research findings suggested, however, that even though organizational support is crucially necessary, the responsibility for the leaders' development fundamentally starts and ends with the leader himself. Continuous learning and self-leadership is a significant prerequisite for growth and development. Leaders not only cited continuous learning as an important ingredient to their own success, but they also mentioned it when asked to give advice for the future first-time leaders.

The importance of self-leadership is supported among others by Sydänmaanlakka (2007, 5), who emphasized that self-leadership should be viewed as the basis of all leadership since all leadership begins with self-leadership. Learning to lead ourselves is the starting position in order to be able to learn to lead others. Yukl (2013, 388.) concluded that the extent to which leadership competencies are acquired and used depends not only on the type of developmental activities that occur (e.g., training, facilitating conditions), organizational support (e.g., supervisor's support, learning environment) but also on qualities of the

individual leaders (flexible, pragmatic, learning-oriented, self-starter, takes responsibility for self-development).

The research has shown and confirmed the previous academic debate that in order to be able to lead a transformation of other people, a leader needs to be able to lead own development. In order to increase self-awareness of the leaders, it is recommended to have self-leadership as the foundation of any developmental program in KONE. Self-study material outside the formal program settings would be proposed to tackle the importance of self-development and self-leadership either in a form of handbooks or e-learning programs.

The paths on the journey to leadership success vary widely, however, learning to become a successful leader is possible for all who are ready to put some effort, indulge into a life-long learning process and continuous self-development.

6.2 Research reliability, validity and ethical considerations

The assessment of the research includes terms reliability, validity and generalizability. Reliability refers to the extent to which the data collection techniques or analysis procedures will yield consistent findings (Saunders & al. 2009, 156). At the same time validity is concerned with whether the findings are really about what they appear to be about (Saunders & al. 2009, 157).

The key procedures during the research process to ensure the validity and reliability of this study were systematic approach to work and documentation, clear next steps determined in advance, conducting the research based on thesis plan approved by advisor and representative of commissioning party, basing the conclusions of the analysis against theoretical research background as well as using multiple sources (interviews and statistics). Due to the fact that the results were analyzed taking into account the theoretical framework, serious consideration was paid to choose multiple scientific theoretical sources.

Additionally, in order to keep the objectivity of the study, I made sure that I collect the data accurately and fully to avoid subjective selectivity. I paid particular attention to analyze the data in non-biased way in order to exclude the possibility of wrong interpretation and misrepresentation.

Generalizability is sometimes referred to as external validity. It is the extent to which the research results can be equally applicable to other research settings, such as other organ-

izations. (Saunders & al. 2009, 158.) Generalizability was not the primary purpose of this research since the study results are subjective to the individuals and a particular organization. The main research goal was to explain what is going on in the particular research setting and in a particular company. However, Saunders & al. (2009, 156.) argue that if the author is able to relate the research results to existing theory, she will be in a position to demonstrate that her findings will have a broader theoretical significance than the case that forms the basis of the work.

Since there is a huge amount of leaders in KONE globally, it was important to sample the leader population for the research. Identification of the research population took place through LEX Leadership program participants because they form a leadership talent pool in KONE, the participants are international (to avoid country bias by choosing, for example, only Finnish leaders for the study), and the research purpose intended to find out about first-time leaders' challenges and ways of learning to further develop the KONE LEX Leadership program. However, for further empirical study it would be valuable to research also leaders in KONE who has not participated in any leadership program initiatives yet. It would be necessary and interesting to find out their experiences about learning processes and challenges on the path to leadership as well.

Ethics relates to the appropriateness of the behavior in relation to the rights of those who become the subject of the research, or are affected by it. (Web Center for Social Research Methods 2006.) To overcome the subject or participant bias (to reply only in a positive way in order to show the commissioning party in a better light) as well as comply with ethical considerations, the participation in interviews was entirely voluntary and it was assured to the participants before the actual interviews that the results of the study will be anonymous as well as confidential. It was important to ensure that their opinions and feedback would not be disclosed to any third person or commissioning party without the anonymity and the results would be presented without identification of a particular person.

In every interview the permission to record the interview was gathered before the start. In all seven interviews participants gave their consent for recording for the further analysis purposes. Additionally, all the information gathered about commissioning party as well as interview results were allowed to be published in this thesis report with consent of the interview respondents and commissioning parties representative.

6.3 Assessment of thesis process and own learning

The overall assessment of the thesis process and own learning is very positive. The set objective has been reached and the research findings have been reported to be truly interesting and of high practical use for the commissioning party in order to further develop the LEX Leadership program. That was also the main purpose and aim of the thesis.

It was very important to find a valuable, trusted theoretical basis for the study in order to later combine and support it with the empirical research findings. I feel like I have learned a lot from various articles and business books summarized and applied in the thesis process as well as from the open and very insightful interviews with KONE leaders.

The thesis writing process has developed the information retrieval and source criticism skills. I have worked independently and in a highly structured manner. However, it needs to be noted that the process at times was truly challenging due to working full time simultaneously. Nevertheless, I feel that this experience has enhanced my time allocation and project management skills.

High interest in the subject, practical relevance as well as added value to the commissioning party were very important considerations before choosing the subject and title of the thesis. First of all, the subject is extremely interesting to me; therefore the thesis project writing has been an enjoyable experience that provided a lot of new knowledge on the subject. All the acquired learnings will be useful and beneficial on the way to my own first leadership position in the future.

Additionally, my wish is that the research findings in combination with the theoretical background would be a reference material for all the people who are still hesitating whether to take on their first leadership role or who already are on the journey of first-time leadership. The thesis report can be used as a first-time leader's handbook - full of insights, useful advice and real-life experiences in combination with wide theoretical background.

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Appendices

Appendix 1. Possible leadership development strategies in an organization

(Garavan & al. 2008, 316.)

	Organization-directed	Self-directed
Formal approaches	<ul style="list-style-type: none"> – Multi-source feedback – Action learning – Feedback intensive programs – MBA programs – Executive programs – Outward bound programs – Developmental assessment and accreditation centers 	<ul style="list-style-type: none"> – Individual development plans – Individual career planning – Self-directed developmental counseling
Job-based approaches	<ul style="list-style-type: none"> – Stretch assignments – Hardship experiences – Special projects – Secondments – International assignments – Acting up 	<ul style="list-style-type: none"> – Voluntary activities – Shadowing
Relationship-based approaches	<ul style="list-style-type: none"> – Peer coaching – Executive external or internal coaching – Peer mentoring – Hierarchical mentoring – Developmental relationships – Peer support groups 	<ul style="list-style-type: none"> – Feedback seeking – Career exploration – Observation – Questioning
Informal and non-formal approaches	<ul style="list-style-type: none"> – Learning from mistakes 	<ul style="list-style-type: none"> – Communities of practice – Reflection – Interaction with peers – Participation on networks

Appendix 2. Main interview questions

1. Tell me about your career within KONE – how many years have you been in the company, the work you did before your first leadership position.
2. Tell me about your first leadership position within KONE. What kind of challenges did you face when you started your first leadership position? How did you overcome these challenges? Please reflect on the things that you found particularly difficult or challenging in your role.
3. What did you need to learn when you became a leader? What do you think were your main learnings at that time?
4. What resources/support did you rely upon to ease the transition and master your new assignments? Did you receive enough support from your supervisor and what kind of support was it? What are your impressions of amount and quality of feedback and coaching you had access to in process of becoming a first time leader? Do you feel that there was some more support needed in order to successfully develop yourself, what kind?
5. Please identify key events in your career, things that made a difference in the way you lead now. 1) What happened? 2) What did you learn from it (for better or worse)?
6. What did you do to develop yourself and your self-awareness when you first became leader?
7. What do you consider to be your main strengths that helped you with the transition into first-time leader?
8. What would you suggest to other employees who are planning and maybe hesitating to apply for their first leadership position?

Appendix 3. KONE Leadership Competencies

(KONE Corporation 2015.)

Competency	Description
Decision making	Is committed to own area of responsibility and contributes to the overall business. Identifies issues and makes timely, tough and objective decisions, also under pressure. Stands by decisions and takes responsibility for them. Takes calculated risks.
Executing	Turns strategy into objectives and actions. Accepts and provides demanding goals. Leads the team and individuals with attention to detail. Clearly communicates the team's direction, provides support and follow through. Identifies and secures needed resources and delegates work appropriately to others. Communicates clear expectations and takes action when individuals fail to meet them.
Winning through People	Inspires, energizes and coaches the team and individuals and celebrates success. Empowers and gets the best out of others. Keeps difficulties in perspective and demonstrates an optimistic attitude towards work. Provides prompt feedback. Develops high-performing talent. Promotes diversity as a strategic competitive advantage.
Collaborating	Shares information widely. Treats others with dignity and respect. Respects different needs and viewpoints. Creates trust and a sense of team spirit. Maintains confidentiality and holds to agreements. Admits own mistakes. Obtains co-operation by active listening and sensitivity towards situations and people. Establishes strong working relationships and effective internal and external networks. Achieves consensus, closes deals or discussions with clear understanding of agreement.
Strategic & Business Acumen	Understands KONE vision and strategy and is able to contribute to the strategy development. Is future oriented and understands the big picture. Constantly seeks opportunities for improvement. Understands the market and the environment in which the organization works. Shows awareness of profit and loss and added value. Seeks for and acts on opportunities for new business.