

The myth of “transferable skills” for senior executives – key lessons to be learned

Harry Gray

Harry Gray is Dean at Grove International Business School, UK.

A dubious concept

“Transferable skills” is one of the shibboleths of training and development and generally the idea – hardly a “concept” – goes unquestioned. Yet not only is the idea of “transferability” questionable but so is the idea of “skill” itself. This is because in both cases everything depends on context – and contexts are never simple or even themselves transferable. One area where transferability has been assumed to be unproblematic is in the professional skills of senior executives. There is a view that “managing” is “managing”; full stop.

It should be obvious that this view is flawed. Yet there is a persistent common assumption that if you are in a senior management position in one business you can be a senior manager with equal success in another. This just is not the case.

Executive authority

There are an increasing number of cases where the transference of a high level boss has not been successful. One of the reasons is that the criteria for evaluating the behaviour –management style – as well as performance (whatever that may mean) of bosses is becoming more critical and sensitive.

Carol Bartz was appointed to be CEO of Yahoo because she had been a very successful senior executive in her previous posts. Those roles, however, had been in organizations that sold business services to other businesses (Financial Times, 2011). Yahoo was a completely different business and it appeared Ms Bartz had no understanding of the nature of the industry of which Yahoo is a leading player. Furthermore, her managerial skills were appropriate perhaps to one kind of business but not effective in the kind of business organization the board wanted Yahoo to be. So she was peremptorily sacked – ironically by telephone which was perhaps more sensitive than using email.

It seems likely, therefore, that experience and capability in one area can lead to transferred dysfunctionality in another (Schumpeter, 2011). This is because the attitudes, skills and dispositions that are useful in one kind of organization become counter-productive in another. Straw-polling among management teachers suggests that some groups of professional are difficult to teach even among managers in other industries. For example,

- school teachers often find it difficult to be learners in a classroom and head teachers can find it hard to face management views different from the ones they espouse;
- successful sports people are very likely to have compulsive-obsessive characteristics and be highly competitive;
- entrepreneurs are likely to have maverick and counter-intuitive preferences; and

- some professions are notorious for creating an inbuilt incapability or even incompetence in other sectors – , e.g. military officers, emergency services like fire and rescue and bureaucrats.

It is a fundamental mistake in any organizational situation to assume that previous experience can be simply imposed. It is even more foolish to think that importing the detail of managerial behaviour is going to be valid. Detail in organizations is a consequence of overall and general values. Even in basic behaviours there are situation-specific variations that are more critical than is usually apparent. While there are some good principles for organizational situations and settings, such principles also carry values and cultural resonance. Being clean, tidy and well organised with a good sense of purpose might be universally applicable, but how these factors fall out in practice will be a function of personality and group culture, not abstract organizational idealism. Organizations exist in terms of how people actually behave not in terms of how they might wish to behave.

Dysfunctionality within

If professional skills are not transferable between industries and companies, they are just as often not transferable within a business.

There have been many examples of inappropriate managerial behaviours in recent years, especially in financial services. Banking, in particular, has provided many examples of dysfunctionality among senior executives – leading to incompetence and even criminality. One of the problems is that different levels of an organization require different experience-based knowledge and management skills.



Let's stick with Banking as an example. High Street banking used to be relatively straight forward in technical terms, but modern investment banking (so-called Casino banking) is technically highly complicated and often inscrutable to internal non-experts (and many so-called expert outsiders). Banks employed managers to run the business with supposed good people skills, rather than those with deep level technical skills who either lacked people skills or just did not wish to be managers. Notorious examples occurred at Northern Rock and perhaps the most infamous at the Royal Bank of Scotland (Sir Fred Goodwin) but there are many more throughout the banking system, particularly, it seems, in the UK and the US (Hancock and Hazari, 2011).

Need for reflection and support

Hence we need to be very cautious about the uncritical way we assume experience in one location to be useful in another. It means that more managers and senior executives need development of a high order. Good managers are good at reflection on their practice – Schon's (1983) concept – and that is the most important skill they can bring to a new management and executive position. (Note that it is not a transferable skill but a simple skill in its own right.)

I have a strong suspicion that very many senior executives, including CEOs and such, are much more emotionally troubled than we generally recognise because the job is beyond them. We need a high quality of counselling and advice and a new tradition of expert support for senior executives. Organizational rank is no protection from personal vulnerability but should bestow a professional modesty that is responsive to good and experienced advice and support.

Finally, it would make sense if professional careers were to culminate in a national resource of wise and understanding professionals who really could be useful to organizations of all kinds – without having to be paid unduly large salaries for their capability.

References

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Further reading

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About the author

Dr Harry Gray is a former adviser to UK Government departments in employment and education. A university professor with international experience, he has promoted several innovative programmes in management learning in the UK, the EU, North America and the Commonwealth. Harry Gray can be contacted at: h.gray@gmwint.com