

Leadership Development

An Interview with Anthony Abbatiello,
Principal, Global Head of Deloitte Leadership, Deloitte Consulting LLP

EDITORS' NOTE Anthony Abbatiello is a principal in Deloitte Consulting LLP's Human Capital practice and the global head of Deloitte Leadership. He specializes in leadership development, culture transformation, and HR strategy. He serves global clients as a senior advisor in leadership development, talent strategy, and digital HR.



Anthony Abbatiello

COMPANY BRIEF Deloitte (deloitte.com) provides industry-leading audit, consulting, tax and advisory services to many of the world's most admired brands, including 80 percent of the Fortune 500. They work across more than 20 industry sectors to deliver measurable and lasting results that help reinforce public trust in our capital markets, inspire clients to make their most challenging business decisions with confidence, and help lead the way toward a stronger economy and a healthy society. The Deloitte Leadership business unlocks the power of leadership to achieve the unexpected.

When the opportunity was presented to you to join Deloitte, what excited you and made you feel it would be the right fit?

Here's how I would describe it – I was running to something, rather than running away as I was truly excited about the opportunity. Our Human Capital service line is a firm priority within Deloitte Consulting and we were looking to invest in growing new businesses. Deloitte is always on the cutting edge of Human Capital, and the opportunity to study the market and understand the right place to enter gave me such great energy. The leadership market is one of the most fragmented and schizophrenic markets, so it's a code to crack. I wanted the intellectual challenge, as well as the diversity of experience in building a world-class business within the market leading firm.

Will you talk about how HR and leadership development interrelate with your clients at Deloitte?

The buyers for our leadership services vary from C-suite and executive business leaders to more strategic and individualized development investments for senior leaders. HR is critical to this, as they own the talent strategy.

Functional transformation leaders (e.g., HR or Finance Transformation leads) work with us as they're developing their vision and strategy and determining the right leaders that are required to meet the goals. HR partners with us to identify the right candidates for

the role, and we collaborate on development strategies for the teams.

Finally, we have HR and Talent clients who we work with on identifying and developing the future leaders of the organization. Together, we work to involve business leaders in these strategies to build the future pipeline of leaders, particularly with Millennial leaders.

When working with business leaders, we encourage them to bring in their HR partner because they perceive leadership as core to the business, rather than just a talent exercise.

Are your clients primarily large multinationals or does it also reach to emerging companies?

Our leadership clients reach all types of businesses. In the leadership industry, size does not matter as there are some small companies that spend as much in the space as larger multinational companies. In our leadership practice, we're focused mostly on the growth of the executive and senior leader level talent.

Is it challenging to differentiate in this space?

There are several firms that work in leadership strategy and many are scattered throughout leadership development. What we don't see are firms that can translate business strategy into leadership needs, assess internal and external talent to meet those needs, and curate development experiences across all levels. This is the power of Deloitte.

Our research has proven that what expert leaders do well doesn't change much – the context around them changes. Thus, it's been easier for us to differentiate in the market based on three things: a simplified model for what great leaders need to be; differentiating between potential and capability; and bringing the meaningful science into this space to enable leaders to do the unimaginable. Combine this with our unmatched experience in transforming clients' business globally, we stand out and the market has rewarded us for it.

How much can you really develop a leader?

Our research reveals that there is a difference between potential and capability. Potential is about how fast a leader can develop – this is more innate. Capability is about knowledge and skills. Capability is the "muscle" that one can develop as a leader and can propel them to new heights. So, potential factors are ones you assess to determine if someone has the ability to develop capabilities faster than others. You absolutely can develop a leader

if you focus on teaching them how expert leaders think and provide them with exposure to external factors or businesses.

Have the skills that make great leaders changed over time?

The focus we have around our capabilities – what we know – has stayed the same over time.

What has changed is context for modern leaders. Several years ago, we were working more in silos and there weren't things like instant messaging and e-mailing. Today, that context has shifted to organizations with less hierarchy, and with tools that allow for 24/7 work and instant response, or reaction to ideas. Collaboration has become a stronger capability needed for leaders. Great leaders always knew how to collaborate, but the need for collaboration for lower level leaders has strengthened. In today's digital world, it's critical to accelerate the development of these capabilities that many talented leaders have always known.

How critical is it that the development starts early on?

What is most critical now is that organizations start the identification of leadership potential earlier on. It is far more expensive to bring a leader in from the outside than it is to develop internal leaders. Additionally, Millennials are known as the "leadership generation" and with almost 49 percent of Millennials today in leadership roles – leading two or more people – companies have to start thinking about how they equip the right leaders with the right capabilities. By the way, almost 80 percent of those Millennial leaders have received ZERO formal training, so we are going to have an even bigger problem in the future.

Is it challenging in this space to evaluate impact with metrics?

No. At Deloitte, we have worked with clients to move away from ROI of specific programs and toward a more capital investment approach – a return on leadership perspective. Our research found that only 25 percent of organizations had high levels of leadership maturity and generated better business outcomes through leadership; resulting in an average of 37 percent greater revenue per employee for those organizations and 9 percent greater gross profit margin.

Money has to be spent in order to run and grow the business, and it has to extend to growing current and future leadership. Those who keep the workforce in the palm of their hand ensure that they understand the direction of the organization, carry the culture, and engage the workforce, which ultimately drives growth for the organization. ●