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Oslo, May 2017

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Summary
The purpose of the present study is to explore how leaders learn and develop competent leadership through a qualitative examination of middle managers in a large Norwegian financial institution. This study investigates how leaders learn through leadership development initiatives, and found that such initiatives may yield effective learning outcomes when combining practices and adapting to organisational context. In particular, leaders appear to learn and develop through formal acquisitions of tools and methods, cooperation, and networks that allow for reflective thinking. Additionally, the study illuminates aspects of competent leadership and propose that leadership development initiatives may contribute to the development of competent leader characteristics. Hence, the study provides insight to the understanding of how leadership development initiatives may target skills, knowledge and expertise that can lead to competent leadership.
**Introduction**

The financial sector face rapid and increasing developments, discussed as digital transformations that require banking corporations to be innovative, customer oriented and prepared for change (Sintef, 2015; Meld. St. 27, 2015-2016). To remain competitive, financial institutions must embrace digital banking and move from a supportive function to an interactive service point for customers and their bank-related needs (Harvey, 2016). Hence, in a fast-changing market, traditional banks are left with the mere alternative to continuously adapt to major technological changes and innovations (A.T. Kearney & Efma, 2014). In light of the radical changes, most organisations will require leaders to adapt and develop their skills and abilities as “(...) leaders will have to initiate and lead the conversation about digital vision and increase the bank's ambition” (A.T. Kearney & Efma, 2014, 8). Thereby, leaders that show adaptability, engage in learning and development, and successfully manage change may be of value to meet demands of the future (Harvey, 2016; Filstad, 2016).

Many organisations invest in leadership development initiatives to enable leaders to effectively manage and lead change (Amagoh, 2009). Learning and development practices enable leaders to effectively utilize new market trends, regulations and innovations (Amagoh, 2009). Hence, leadership development initiatives targeting leaders ability to manoeuvre in continuously changing environments may constitute a beneficial solution to develop leaders in the financial banking industry. Nevertheless, few organisations evaluate the effects of leadership development initiatives (Arnulf, Glasø, Andreassen, & Martinsen, 2016) and it is therefore of interest to investigate the outcomes of such initiatives. In exploring and identifying learning practices, one may gain a better understanding of how leaders may enhance their ability to adapt their leadership in accommodation to situational requirements.

Based on the aforementioned, the concept of competent leadership is of interest. Competent leadership refers to the ways in which leaders best adapt their knowledge, skills, abilities and attitudes to the situation and social relations (Filstad, 2016). In other words, competent leadership is a practical execution of leadership where the processes of learning, knowledge and competence interplay with the organisational members and its context (Filstad, 2016). It is therefore of interest to examine the concept of competent leadership, the ways in which
competent leaders interplay with contextual changes and organisational members, and how competent leader characteristics may be acquired and developed.

In light of the major changes in the financial service industry and the relevancy of competent leadership, the purpose of this study is to explore the ways in which leadership development initiatives and learning may influence competent leadership. We thereby propose the following research question:

How may leadership development initiatives influence the learning and development of competent leadership?

The research question will be addressed by exploring Transform, a leadership development initiative targeting middle managers in the financial service industry.

**Transform: A Leadership Development Program at DNB**

The Norwegian Bank, *Den Norske Bank* (DNB), face major changes in response to the digital transformation in the financial service industry. Changes in customer behaviour and in the competitive market has led DNB towards large restructuring and downsizing processes, as well as towards new innovations. Such processes indicate that financial institutions, such as DNB, must challenge their traditional way of working and emphasis innovative thinking to capture current customer needs and adapt to market trends. DNB Norway consists of about nine thousand employees of whom eleven-hundred are leaders (DNB Group Annual Report, 2016). DNB acknowledge their leaders as key actors to sustain their competitive advantage and adapt, and encourage innovative methods to develop their leaders. According to DNB, the most important leader qualities involve adaptability, change management and an ability to continuously learn and develop:

“With the wave of technological diversity and its competitors, leadership as we know it is without doubt changing. Leaders are required to stimulate and motivate to rapid change processes and support creative business developments” (CEO of DNB Rune Bjerke, Skjennald, 2017).

DNB developed a new leadership development program, *Transform*, with the purpose of enabling their leaders to manage and lead through change, as well as to
utilize new trends in the financial service sector. The present study will attempt to gain an understanding of how Transform may contribute to learning and development of leaders in the financial services industry.

**Objectives and Participants**

*Transform* is built upon three primary objectives:

1. To understand how DNB’s competitive advantage is challenged in a digitalized and globalized world.
2. To comprehend how these changes provide challenges and opportunities for leaders’ working unit.
3. To improve leaders abilities to streamline the process of implementing change.

*Transform* was primarily created for middle managers that are influenced by change and want to acquire new knowledge on how to innovate their working unit. Participation is voluntary, although managers are encouraged to participate. To this date, seven groups have completed the program with almost two hundred middle managers from different working units.

**Structure and Content**

*Transform* is built on the assumption that effective learning occurs in combination with different learning practices where the most effective learning arises through personal experience in combination with elements of formal learning. Much of its content and structure is parallel to the 70:20:10 Framework (Jennings, 2013) established to guide organisations seeking to maximise the effectiveness of organisational learning. The framework suggest that the optimal source of learning is when individuals obtain seventy percent of knowledge from job related experience, twenty percent interaction with other people, and ten percent from formal education events (Jennings, 2013). The structure of *Transform* follows the 70:20:10 approach and consists of 1) practical assignments, 2) interactions with colleagues (informal learning) and 3) formal learning practices.

The primary part of *Transform* involves a practical assignment targeting improvements or innovation implemented in the leader’s working unit. The leaders are free to choose an assignment that is already initiated or a topic that they believe will benefit from the learning process. The
participants may focus on either adjustments or more comprehensive tasks, however, the assignment must include an actual change that requires the leader to think innovatively. Furthermore, the assignment should support DNB’s superior strategies and goals, and aim at creating results at the top- or bottom line. Interacting in a program as such allow participants to receive immediate feedback on their performance and enables them to discover and refine their job-related skills, address challenges and interact with employees.

The secondary element of Transform includes aspects of cooperative learning through networks and interaction with colleagues. For this part, DNB encourage learning activity such as interviews and field research, sharing of knowledge through discussion, voluntary ‘food for thought’, business coaching and DNB@work. Business coaching includes 30-60 minute individual conversations with a consultant to ensure effective initiation and progress. DNB@work is Facebook’s business platform - a virtual arena for cooperation, experience building and knowledge sharing for all employees at DNB. A closed group within DNB@work ensures that Transform participant maintain opportunities for cooperation.

Lastly, the program offers a formal learning arena with lectures, theoretical discussion and case studies to provide tools necessary to solve the practical assignment. This constitutes the smallest portion of the program. Tools learnt was, among others, Design thinking, which is a tool designed to develop organisational members abilities to think in new, innovative ways (Kolko, 2015). Throughout the program, leaders participate in High Impact Events, which are gatherings to initiate the program, assistance to overcome obstacles and ensure successful outcomes. At the high impact events and throughout the program, participants are directed by Transform Moves that involves guiding elements in the change process. These elements include the understanding of employees involved, focus on progress and creating value, the benefits of diverse teams and openness to innovative thinking. Thereby, the participants in Transform are guided by important principles when developing their ability to manoeuvre in changing environments.
Literature Review

Leadership and Leadership Development

Situational factors, such as market forces and changes, greatly impact how leadership is practiced and set new requirements for leaders (Ahn, Adamson, & Dornbusch, 2004). The situational approach and contingency theories could provide an understanding of the ways in which situational factors influence leadership. The Situational approach argues that variables such as follower characteristics, the nature of the external environment and the leader’s work unit influence leadership processes (Yukl, 2013). Contingency theories, despite critiques, build on the assumption that there is a need for flexible and adaptive leaders in rapidly and changing environments (Yukl, 2013; Vardiman, Houghton, & Jinkerson, 2006). Moreover, leaders manoeuvring in changing environments have a key role in both the employee and business perspective of change (Ahn, Adamson & Dornbusch, 2004). For instance, leaders are essential to the implementation of new processes (Filstad, 2016), and may influence the ways in which employees’ respond and commit to change, reducing stress and anxiety (Oreg & Berson, 2011; Abrell-Vogel & Rowold, 2014). Thus, a contextual approach could be of importance in exploring and understanding leadership.

In light of the rapidly changing environments and technological forces, leadership development may be of essence for leaders to optimise their potential and adapt to changing situations (Kuvaas & Dysvik, 2008; Cossin & Caballero, 2013). In particular, the majority of the skills and abilities that constitute leaders’ practices are learnt and developed (Avolio, 2005). Therefore, many organisations invest in developing their leaders to accommodate to future requirements and needs and view leaders as a source of competitive advantage (Kempster, 2009).

Leader vs. leadership development

According to Day (2001) there has been a conceptual confusion regarding the distinction between leader and leadership development. The perspective of leader development focus on the intrapersonal competencies of leaders, such as self-awareness, self-regulation and self-motivation (Day, 2001). Development of intrapersonal competencies may lead to more effective performance in organisational roles by improving the individual’s knowledge, skills and abilities. Hence, leader development provides little attention to the complex interaction
between the social and organisational environment. In comparison, the leadership development perspective considers the situational contexts, and proposes that development consists of using social systems to build commitment among employees (Day, 2001). Leadership development is therefore oriented towards building organisational capacity in anticipation of unforeseen challenges, such as change. Although there has been a conceptual confusion, one may consider leader and leadership development as equally important aspects of development to enhance the effectiveness of leadership. Hence, a combination of leader and leadership development may be beneficial, and this paper will apply leadership development to ensure the combination.

**Leadership development initiatives**

Training and development in organisations are systematic processes aimed at creating permanent changes in the knowledge, skills, or attitudes of organisational members for purposes of personal growth and organisational effectiveness (Kraiger, 2003; Aguinis & Kraiger, 2009). For instance, leadership development initiatives have primarily intended to improve performance management (e.g. 360-degree feedback), facilitate corporate socialization (e.g., mentoring), or enhance productivity (e.g. job assignments, action learning) (Day, 2001; Kempster, 2009). Although training and development are often referred to as a common term, one may differentiate the two concepts. Kraiger (2003) describes training as activities aimed at acquiring knowledge, skills and attitudes with a near-term application need, such as a promotion. Development activities, on the other hand, are reserved for the acquisition of attributes or competencies, where there is not necessarily immediate use (Kraiger, 2003). Training thus differs from leadership development by its learning outcomes, where leadership development often targets more complex competencies that are less connected to individuals jobs, when compared to training activities (Salas, Tannenbaum, Kraiger & Smith-Jentsch, 2012).

Moreover, there has been a shift in the design of leadership development initiatives, moving from being broadly educational, classroom-based activities, towards action based activities occurring within the context of daily activities and interactions within the organisation (Kempster, 2009). Although the effectiveness of action-based activities in leadership development has been equivocal, learning
theory suggests that learning through practice and participation contribute to effective learning processes (Filstad, 2016). With this in mind, leadership development initiatives has the potential to enable leaders to more effectively lead their employees, manage change, utilize new market trends, and develop their self-awareness (Salas et al., 2012; Amagoh, 2009).

**Evaluating leadership development initiatives**

The development of leaders is important to preserve high organisational performance and sustain effective and innovative leadership (Amagoh, 2009). Although organisations invest greatly in leadership development, few organisations evaluate the effect of their development initiatives, or the extent to which the programs improve organisational performance (Arnulf et al., 2016; Collins & Holton, 2004). Moreover, several studies on leadership development practices find it challenging to conclude on whether such practices have an effect (Avolio, Reichard, Hannah, Walumbwa & Chan, 2009; Collins & Holton, 2004; Day, Fleenor, Atwater, Sturm, & McKee, 2014).

Nevertheless, some studies indicate that leadership development initiatives may yield positive outcomes. For instance, Sirianni and Frey (2001) reported improvements on six of seven indicators in a study of a multinational financial services company, suggesting positive outcomes of a leadership development initiative. Moreover, a meta-analysis of 70 empirical studies on management training reported positive effects, supporting the notion that development programs can yield beneficial outcomes for leaders and the organisation (Burke and Day, 1986). Hence, the literature consists of conflicting evidence on the extent to which leadership development initiatives yield successful outcomes.

The outcomes of leadership development initiatives may be contingent on a variety of factors, such as the design, delivery and implementation of the program (Day, 2001; Spector, 2012), and research suggest that leadership development initiatives leads to more positive outcomes when built upon science and theory of learning (Salas et al., 2012). In particular, it has been suggested that informal, naturalistic practices within a formal learning practice may enhance leaders’ learning
and development (Kempster, 2009). Additionally, Day (2001) highlights that linking initiatives across organisational levels within the context of a strategic business challenge is key to effectiveness. Thereby, designing a program with relevant learning theory and targeting a particular business challenge may be of importance to yield desired developmental outcomes.

The conflicting literature suggests that several elements may determine the effectiveness of leadership development programs and calls for further research on the topic. The purpose of this paper is therefore to investigate whether leadership development initiatives ensure learning and development of leadership.

**Learning Leadership**

Learning in organisations is important to sustain the competitive advantage as market changes lead to a requirement of new knowledge, skills and abilities in organisations (Raelin, 2008). Learning theory may therefore provide valuable insight to the understanding of how leaders may best learn and develop.

Learning has traditionally been recognised as individual acquisition of knowledge and/or participation in social practices (Sfard, 1998). However, the two approaches may struggle to ensure both individual and collective learning (Elkjaer, 2004). Therefore, Elkjaer (2004) suggest a ‘third way’ of learning, where learning may be understood as the development of experience and knowledge in social contexts. The ‘third way’ of learning may extend the learning process from involving skills and knowledge acquisition or participation, to include both individual and/or joint inquiry and reflective thinking (Elkjaer, 2004). This is based on the assumption that experiences do not automatically result in learning or knowledge, unless it is combined with reflective thinking or inquiry. Hence, reflection has a key role in learning processes and is essential to shape behaviour, generate new experiences and knowledge, which contribute to a cycle of individual learning (Kempster, 2009). Thus, learning leadership may be contingent on the opportunities and abilities to reflect upon experiences occurring in social contexts. The aforementioned approaches to learning will be elaborated on in the following section to understand how leaders learn.
**Formal and Informal learning**

Learning theory suggests that one may acquire knowledge through formal learning and informal learning practices, which are widely applied in organisations (Collins & Holton, 2004). Formal learning is often recognised as the individual acquisition of skills and knowledge, with the aim of enhancing individuals information processing and decision-making skills in organisations (Sfard, 1998). However, it is suggested that knowledge acquired through formal learning is first valuable when applied in practice within the social context (Elkjaer, 2004; Kempster, 2009; Filstad, 2016).

Informal learning occurs in a wider range of settings than formalised training and education, and allows for an interactive learning approach between individuals (Filstad, 2016). Hence, informal learning is recognised as learning that occur both independently, and in participation with colleagues through work-related tasks and activities that foster communication, reflection, observation, and practice (Elkjaer, 2004; Filstad, 2016). Informal learning through social interactions allow for the acquisition of more tacit knowledge (Ryan & O’Connor, 2013). Tacit knowledge refers to knowledge manifested in behaviour rather than overt, verbalized knowledge, and is knowledge difficult to transfer by means of formal learning (Tsoukas, 2011). One may therefore argue that informal practices encourage the acquisition of tacit knowledge and thereby learning leadership.

Furthermore, informal learning allow for cooperation and development of new networks, which may be beneficial in several ways (Kempster, 2009). Cooperation, for instance, may lead to enhanced concurrent and collective reflection on experiences that could allow for greater learning opportunities as leaders put their heads together (Raelin, 2008; Kempster, 2009). Cooperation may also lead to the development of new networks, as individuals may discover shared concerns, passions, identities and practices that could foster naturally arising communities (Wenger & Snyder, 2000). Moreover, networks have been consistently related to higher levels of knowledge sharing (Heizmann, 2011), which entail the ability of individuals to capitalize knowledge-based resources (Wang & Noe, 2010; Wang & Wang, 2012). Sharing knowledge within new networks has the potential to yield greater innovations and effectivity that subsequently enhance competitive advantage (Tsai, 2001; Wang & Noe, 2010; Wang & Wang, 2012). Hence, one may argue that informal learning constitute an effective learning practice as it facilitates for reflection, cooperation and the
development of new networks that influence learning and development of leadership (Filstad, 2016).

Although informal learning arenas may provide enhanced learning opportunities when compared to formal learning arenas, formal and informal learning practices may be understood as complementary rather than mutually exclusive. For instance, formal learning practices may represent a catalyst for enhancing informal leadership development (Kempster, 2009). By removing leaders from their day-to-day job, formal learning practices allow leaders to reflect and make sense upon the quality of the experiences that occur in their everyday work activities, which is indicated as important for leader development (Kempster, 2009). Hence, a combination of formal and informal learning practices may yield the greatest learning and developmental outcome.

**Learning through practice**

Learning leadership may be understood as a complex, cyclical process where several factors and processes have the potential to shape the learning outcome (Kempster, 2009). Kempster (2009) propose some major elements in explaining the ways in which leadership may be learned through practice, where the concept of practice refers to individual’s fully engaging in a specific task or job (Handley, Sturdy, Fincham, & Clarck, 2006). Among others, Kempster (2009) suggest that the availability of learning opportunities, the variety and quality of experiences, and reflection on own leadership, can shape behaviour and facilitate for learning and development of leadership. Thus, there are several aspects of learning through practice that are of importance. The following section will elaborate on 1) the role of contextual influences, 2) learning in organisational settings, and 3) learning through observations.

Firstly, learning through practice entails the contextual influence on individual learning processes. In particular, the learning process is significantly influenced by the context as interaction in social settings emphasis which elements of the experience is considered as important and salient. By that, the social interactions shape what is actually learnt (Kempster, 2009). Thus, learning through practice may be understood as a socially constructed process where social interaction is key to learning and development (Kempster, 2009).

Secondly, at the workplace, relationships with key individuals and job
experiences significantly impact learning of leadership (Kempster, 2009). According to Raelin (2008), social interactions at the workplace, such as cooperation, may yield valuable learning outcomes. For instance, cooperation enables participants to discuss challenges in their work settings and offer practical suggestions and solutions for one another, which enables sense making of job related experiences (Raelin, 2008). Exchange of experiences as such allow for reflection on problems from different perspectives, creating an environment for exploration and curiosity (Raelin, 2008). Thus, social interactions at the workplace represent important features for feedback and reflection that has a key role in learning processes (Kempster, 2009).

Lastly, learning through practice includes the ability to learn vicariously (Kempster, 2009). By observing others, individuals may imitate and compare behaviour, and adapt and develop their own practices (Ibarra, 1999; Kempster, 2009). Observational learning of leadership may be described through a process where leaders place their attention on distinct attributions in the environment, in which they retain and recall, and later produce into appropriate action (Kempster, 2009). In reproducing observed behaviour, leaders only tend to act upon the observed behaviour if it is likely to result in valuable outcomes (Kempster, 2009). Thereby, one may suggest that leaders may learn and develop through observing others, and are particularly motivated to act upon observed behaviours that yield positive results.

In sum, social interactions, exchanging experiences, reflection, providing feedback and observing others, are aspects of learning through practice that enable leaders to learn and develop.

70:20:10

Based on the aforementioned, formal and informal learning practices, including learning through practice, may constitute insufficient learning practices alone, but contribute to effective learning and development when combined. Based on learning theory, the 70:20:10 learning framework represent a recognised way to combine different learning practices (Jennings, 2013). The approach suggest that individuals may achieve optimal learning and development by obtaining seventy percent of knowledge from work-based experience, twenty percent from social interaction and cooperation, and ten percent from formal learning practices.
Several organisations have applied the 70:20:10 framework to learning and development interventions and procedures, with the benefit of raising the organisational awareness that learning and development occur throughout the working days (Kajewski & Madsen, 2012). Nevertheless, some organisations report challenges with measuring the impact of the informal learning practices when compared to the traditional, formal practices (Kajewski & Madsen, 2012). Kajewski and Madsen (2012) suggest that one may overcome such challenges by creating a shared understanding and support for the 70:20:10 model, and provide relevant examples that demonstrate how the framework is useful to support learning and development. Moreover, the frameworks’ flexible structure may enhance creative and innovative processes (Kajewski & Madsen, 2012). Hence, the 70:20:10 represent a valuable methodology for combining different learning practices.

**Competent Leadership**

Competent leadership refers to the continuous process of which the best skills, knowledge and expertise are constructed and adapted based on the expectations of employees and situational demands (Filstad, 2016). Competent leadership will therefore always be context dependent, where knowledge on how to perform leadership is situated and embedded in the social practices at work (Filstad, 2016). In other words, competent leadership is a practical execution of leadership where the integrated processes of learning, knowledge, knowing and competences interplay in leader-employee relations (Filstad, 2016). Competent leadership is therefore dependent on the social constructions of leader-member relations to influence feelings, values and mind-sets that allow for open minded employees willing to implement decisions made by management (Smircich & Morgan, 1982).

The theory of leader-member relations may provide insight into the understanding of competent leadership. The leader-member exchange (LMX) theory suggests that it is the relationship between the leader and subordinates that make up the foundation of leadership (Kangas, 2013). High-quality LMX can positively influence the working climate and career development by which subordinates receive resources and support and the leader gain loyalty, commitment and trustworthiness (Kangas, 2013). Such relations are usually
determined by behavioural factors (Dienesch & Liden, 1986) where leaders come across as inspiring, and establish and communicate clear organisational vision and goals (Graen & Uhl-Bien, 1995). Moreover, research proposes that leaders who involve employees in learning activities also employ greater leader member relationship (Bezuijen, Van Dam, Van den Berg, & Thierry, 2010). Noteworthy, a good leader-member relationship also require the dyad to engage in mutual learning and accommodation (Graen & Uhl-Bien, 1995), as an important aspect of leadership is to cooperate with and support its employees and to learn from situations and express willingness to adapt the leadership (Mintzberg, 2010; Filstad, 2016). Thus, leaders who engage in these behaviours may acquire aspects of competent leadership.

Based on the aforementioned, competent leadership involves understanding and adapting leadership according to organisational contexts and requirements. Nevertheless, competent leadership require leaders to hold certain competencies that include knowledge, understanding, skills and judgements, which involve both managing business and people, and determine leader's capabilities (Seijts, 2014). According to Seijts (2014), these competencies are underpinned by general mental abilities providing leaders with the tools to comprehend the complex relationships among the drivers of performance in organisations. The drivers are forces such as competitive actions, change in consumer demands and other cultural, demographic and environmental trends that shape the way we live and work (Seijts, 2014). Hence, there is no recipe for competent leadership, it is rather the question of how to best adapt the leadership according to the situational demands and the members involved in organisational decision-making (Filstad, 2016).

**Methodology**

**Methods and Sample**

The aim of this research study is to explore how leadership development initiatives influence learning of competent leadership. Suitable to this study we propose a qualitative methodological approach. A qualitative methodological approach, as opposed to a quantitative approach, takes an epistemological position that allow for the understanding of the social world (Bryman & Bell, 2013). Thus, with the objective to understand the participant’s experiences of a development
program, a qualitative research design will allow for the exploration of participants perceptions through an inductive approach. The inductive approach will allow for flexible exploration and provide a holistic understanding of how leadership development initiatives may influence competent leadership (Bryman & Bell, 2013).

Semi-structured interviews were selected as data collection method, as they allow for flexibility to explore participant’s perceptions, while ensuring interviewers to cover the main areas of interest (Kvale, 2001). Semi-structured interviews have the advantage of ensuring comparability of interviewing style, when compared to unstructured interviews (Bryman & Bell, 2013). This was preferred as two researchers were conducting interviews. Furthermore, semi-structured interviews provide the opportunity to modify the research question(s) throughout the process (Bryman & Bell, 2013). An interview guide (Appendix 1) was developed targeting gaps in the literature.

**Procedure and data collection**

The research sample consisted of eight middle managers in DNB that has completed DNB’s leadership development initiative *Transform*. All informants in our data set have leader responsibility that includes personnel management and lead a department up to 10 employees. The sample was collected in close collaboration with the course coordinator, who initiated contact with some of the middle managers who completed the program. Through e-mail, the course coordinator informed participants on the purpose of the study, data collection through interviews and the expected weeks the data collection was to be performed. Several participants responded and agreed to participate. The final sample consisted of eight participants, five women and three men, and represent a variation in gender, age, department and time since completing *Transform*. We contacted the eight selected participants and provided a more detailed description of the research study and interview context, confidentiality agreements, anonymity and the request to sign up for interview slots through the *Doodle platform*.

The majority of interviews were conducted face-to-face at DNB’s headquarters at Bjørvika in meeting rooms. Three of the interviews were performed over phone due to travelling restrictions. Noteworthy, the variation of
interview settings may lead to differences in responses, which was taken into consideration during the research process. All interviews were audio-recorded with permission from the interviewees and approved by the Norwegian Centre for Research Data (NSD, Appendix 2). Each interview lasted approximately for 50-60 minutes and included a short introduction, wrap up and opportunity for questions.

**Data analysis**

In the analysis of our data, we applied elements of Grounded Theory, theory grounded in systematically obtained data through ‘social’ research (Goulding, 2002, 41). The Grounded Theory method emphasis the interpretive process by analysing the production of meanings and concepts applied by social actors in real settings (Suddaby, 2006). Moreover, Grounded Theory is appropriate when understanding how social actors construct meaning out of their subjective experiences (Suddaby, 2006). This is consistent with the approach of this research study.

All eight interviews were transcribed and interpreted separately by each researcher. The individual researchers interpreted the transcriptions with the purpose of identifying meaningful perceptions. The interpretations were then compared with the aim of exploring similarities, patterns, and differences. The data was further arranged into premature categories, guided by the data itself. Microsoft Office Word was applied as a tool to arrange and structure the data. We then united and integrated them into categories, before revisiting the theoretical foundations. At this point, the data was compared to and re-evaluated with compatible literature allowing us to keep an open mind throughout the analysis and to reduce the risk of premature conclusions. This process provides exploratory power within the research context. The amount of novel information became limited towards the end of the data collection, suggesting that the collected data was sufficient to our analysis. Therefore, no further data was collected.

**Quality Criteria**

When designing a study, collecting data, and analysing results, assessing the quality of the research is essential (Golafshani, 2003). Qualitative research is often evaluated on the basis of “trustworthiness” (Bryman & Bell, 2013), which consists of the **credibility, transferability, dependability and confirmability** of the
research (Morse, Barrett, Mayan, Olson, Spiers, 2002; Guba, 1981). To elaborate, these concepts allow the researchers to assess how believable the findings are, the extent to which they may be applied to other contexts, how likely the results are to occur at other times, and the extent to which the researchers have allowed personal values to intrude to a high degree (Bryman & Bell, 2013).

The researchers ability to establish trustworthiness may be imperative to the quality of the study (Golafshani, 2003). For instance, researchers face a risk to interpret the answers of interviewees that could result in a bias representation. Morse and colleagues (2002) suggests that the researchers ability to clarify and summarize is of importance to ensure accuracy of informant’s representations. During the interviews, we therefore continuously asked conforming questions and repeated our understanding of their responses. Another quality concern regards the relationship that emerges between the interviewee and the researcher, where both parties engage in a mutual influence during the data collection phase. Therefore, the characteristics of the researcher and the interviewee may influence the data collection (Thagaard, 2003). In this research study, one may consider the researcher's’ age and gender when compared to the interview subjects. The researchers are both female and thereby one should consider the improved connection with female interviewees. Similarly, the interviewees are of considerable older ages than the researchers, which also could pose an influence on the data collection process. Although these factors do not necessarily pose a direct issue, they are still worth considering.

Furthermore, acknowledging biases in sampling and on-going critical reflections is important to ensure a trustworthy data collection and analysis processes. To avoid issues of acknowledging biases, we worked independently in the starting phase of the coding, and further compared notes and ideas on the data. This was to ensure intercoder reliability, which refers to the “extent to which the independent coders evaluate data and reach the same conclusions” (Lombard, Snyder-Duch, & Bracken, 2002). By considering these quality criteria throughout the research process, we hoped to ensure as trustworthy representations as possible.
Results and Discussion

The following section elaborates on the main results found in this study that characterize leaders’ learning and development of leadership, with competent leadership as a possible outcome. The results are discussed in light of relevant research and theoretical perspectives. Processes of learning and development are discussed both as learning through the participation in Transform, and by learning through practice. Furthermore, the subsequent section aims to identify key aspects of competent leadership, and discuss how competent leadership may be acquired through learning and development.

Transform: Learning through leadership development initiatives

A large part of our data explores how leaders learn leadership, with interest in the learning aspects of the leadership development initiative Transform. Transform constitutes of learning aspects ranging from formal lectures, to informal learning processes such as feedback, cooperation, participation and networking. The following section will discuss how these learning elements, independently and in combination, contribute to leaders learning and development.

Formal learning

Several informants report that formal learning, such as lectures and presentations during leadership development programs, constitutes a valuable aspect of the learning process. In particular, formal learning appears to contribute to two outcomes, 1) learning new tools and methods, and 2) developing the participants’ understanding of the organisational environment.

What were highly valuable with the Transform program were all the tools we explored and the understanding of where we are digitally – Informant 4

The majority of informants report that formal learning is beneficial as it provides an opportunity to learn new tools and methods, such as Design Thinking. Some informants describe learning tools and methods as beneficial as it provides a structural approach to problem solving and the opportunity to acquire explicit knowledge. Several informants also report that the tools enable them to work
more efficiently as they are provided with a recipe for how to work with projects and problem solving. Moreover, Design Thinking may provide an enhanced understanding of complex situations, such as organisational change (Kolko, 2015) that has allowed participants to develop skills and abilities important to manage change processes. In other words, learning tools that individuals can apply to their workplace setting as means to understand the current situation and solve challenges, is of great relevancy. One may therefore argue that leadership development initiatives should involve learning aspects of specific tools and methods in order to reach more successful learning outcomes.

Despite our findings and the existing literature suggesting that formal learning practices may lead to valuable learning processes (Collins & Holton, 2004), our findings fluctuate considering the actual application of tools and methods learnt in Transform. For instance, some participants exemplify the use of Design Thinking in own work settings post Transform, while some report having issues of applying the same tool. Although it is unclear why some informants fail to demonstrate the active use of learned material, one could argue that some informants have not yet experienced situations and contexts where learning outcomes were of relevance. This line of argument is supported by Day and colleagues (2014), who suggests that the evaluation of leadership development initiatives often is implicated by the time period between interventions and outcome evaluations. Thus, one may assume that application of learned tools and methods is dependent on the occurrence of a relevant situation.

A lot of the presentations were highly valuable to me as a leader, particularly to understand what is going on with API’s, robots and such … – Informant 6

Moreover, several informants’ emphasis the current major changes of the organisation and express a need to build an understanding of where they are headed and what is to come. Informants report that formal lectures are valuable to develop this understanding, in particular as the lectures targets technological challenges relevant to their organisational context. This finding is in line with theoretical perspectives suggesting that initiating leadership development within the context of a current, strategic business challenge is of importance to ensure effective development of leaders (Day, 2001). Moreover, formal learning
practices often take place in a context away from the office where leaders are distanced from their everyday work experiences (Kempster, 2009). This provides an opportunity for reflection upon business challenges, such as innovation. Thereby, one may argue that it is the formal learning practice in itself, but rather the opportunity to reflect that facilitates learning. This may indicate that leaders have restricted time and resources to reflect during everyday work practices, which propose an even greater value of leadership development initiatives. As such, one may consider opportunities for reflection as essential to learning and development.

In sum, the results could indicate that opportunities for reflection is a valuable feature of formal learning practices, as reflection may lead to consideration, and ultimately adaptation, of own practices. Moreover, the results suggests that formal practices are beneficial to learn new tools and methods that target current business challenges, which ultimately may lead to more effective and successful leader practices.

**Informal learning: Cooperation, feedback and network**

The majority of informants report that informal learning processes during Transform was highly valuable to their learning and development.

[Cooperation with others during Transform] was important to me, to gain support on what I am doing ... Additionally, you can get some good advice and how others see things. You get some new perspectives, angles to consider. How you can solve a problem in different ways – Informant 3

Transform was highly important in regards to feedback. We worked a lot in groups, and had good opportunities to provide each other with direct feedback and tell each other what was good, what could have been focused more on – Informant 2

Notably, the majority of informants report that cooperation was important for the learning processes during Transform, as cooperation provides an opportunity for feedback and facilitates for the development of networks.

In Transform, participants were encouraged to partake in group
discussions and mentoring, which provided them with feedback on their practical assignments and opened up for discussions on general leader challenges. Moreover, a few informants report that cooperation was valuable as it provided guidance, support and new perspectives. Specifically, informants experienced that such feedback led to the reflection of own leader practice. Hence, as informants report that feedback is of importance to learning in leadership development initiatives and for development in general, our results strongly indicate that feedback is an important feature of learning.

The existing literature may elaborate on these findings, suggesting that cooperative learning is valuable as it allows for exchange of experiences and feedback (Raelin, 2008). Interestingly, it appears that feedback is highly valuable as it enables reflection. Reflection during cooperation and exchange of experiences may enable leaders to evaluate different perspectives in assessing own leader practice and challenges. Such reflection may furthermore be important for adapting own leader practice to situational demands. Thereby, reflection is essential to the understanding of how leaders learn, where one may consider learning as a development and adaptation, rather than mere acquisition of information (Kempster, 2009). Hence, leadership development practices that encourage reflection through cooperation, such as Transform, may lead to more effective learning for leaders.

[Network] was important to maintain high levels of motivation from the beginning ... until we completed [Transform] - Informant 1

Moreover, informants’ states that Transform contribute to the development of new networks in the organisation. Firstly, several of the informants report that network is an important driver for participating in Transform. Informants express that new acquaintances allow for greater insight and knowledge about the organisation, which enhance their motivation. One may argue that voluntary participation in Transform may reflect a mutual passion and concern for the organisational challenges, which in turn could foster greater interest to partake in communities of practice where knowledge can flourish. Thereby, the mutual engagement by which the interplay of experience and competence is discussed through participating members (Wenger & Snyder, 2000), may lead to greater knowledge. The certitude that networks may yield greater knowledge could explain an
increase in motivation for leadership development initiatives.

[During Transform] we could discuss things, leader challenges … to discuss with other parts of the bank that has different perspectives provides, in a way, completely different inputs… I think that is important - Informant 4

The group assignments we had, the network group, was very useful [during Transform] … We could challenge each other within the theory we learned and compare it to the assignment, and learn from others competence – Informant 7

Secondly, several informants report that new acquaintances across the organisation enable discussions, new perspectives and exchange of experiences. Accordingly, leaders can draw on experiences and knowledge from individuals in other departments and units of the bank. Furthermore, some informants suggests that they value new networks because networks can be beneficial for future situations where they might come across new challenges and need to draw on greater sources of knowledge. The literature support this notion, suggesting that networks within organisations are important components of learning processes, where interaction between units and departments may lead to the discovery of new opportunities and knowledge (Tsai, 2001). Moreover, gaining access to knowledge through organisational networks may increase the unit or department’s innovative capacity, which emphasis the importance of networks on knowledge sharing (Tsai, 2001). Furthermore, continuous interplay with organisational members and sharing knowledge across departments may enhance leaders understanding of new situations and demands, and thereby, their ability to adapt.

The current study remains limited in the attempt to systematically understand the social processes that underlie how new networks contribute to knowledge sharing and how departments may learn from each other and develop their innovation capacity. The findings from this study indicate that leaders value networks as they gain extended sources of knowledge, which they perceive to be important for own development. Nevertheless, many informants offer vague reports on actual access, use and integration of the knowledge from networks they developed during Transform. As several informants have difficulties in exemplifying the use of new networks, one may discuss the extent to which networks represent an important learning outcome of leadership development
initiatives. Although it remains unclear why some informants fail to demonstrate the use of new networks, one may suggest that informants have not yet experienced situations where the extended sources of knowledge are needed. Moreover, one may assume that it is highly likely that informants in the present study already rely on the knowledge from other established networks. In addition, it is important to consider that network development is a time consuming process, and dependent on the participant's motivation, identity or interest to join a particular network (Wenger, McDermott, & Snyder, 2002). Nonetheless, the results of the present study suggest that the leaders’ individual ability to access the knowledge from new networks and integrate it effectively in their own unit or department may vary and will determine the learning outcome.

In sum, our findings suggest that there are several features of informal learning practices that contribute to learning leadership. In particular, cooperation consisting of feedback that leads to reflection of own leader role, and learning through experiences, encourage adaptation of own leader practice. Moreover, participants are motivated to learn when they acknowledge opportunities for networks that provide greater knowledge resources across organisational departments. Hence, the results of the present study suggests that informal learning practices that encourage cooperation, discussions and exchange of experiences enables feedback, reflection and knowledge sharing, which may facilitate successful learning outcomes.

**Combining learning practices**

Although most informants report that formal and informal learning practices alone contribute to valuable learning processes, the majority of informants’ emphasis that it is the combination of formal and informal learning practices that yields effective learning. This is in line with existing literature on leadership learning, which concedes that formal training alone is somewhat limited in shaping leadership practices (Kempster, 2009).

I think it was the combination of theory and practice that I found very good, and the discussions that we had. I think that if it were only theoretical … it would not work like that. So the combination of theory and practice provided the most learning – Informant 4
In particular, the combination of learning methods allows for a practical exploration of formally learned tools and methods that involves immediate feedback from other participants. In turn, one may suggest that formally learned tools and methods could be trained and incorporated in leader practices. For instance, the majority of informants report that learning Design Thinking enabled them to develop their ability to communicate change, involve employees and ‘think ahead’ as a result of the practical exploration of its formal presentation. Not only was Design Thinking a valuable tool learnt, the method in which it was acquired also constitutes one of the greatest learning practices of Transform. Thus, informants report ways in which the combined learning practices in Transform contribute to learning and development towards effective leader practices.

Moreover, it appears that reflection is a common feature across various learning practices. Formal learning practices encourage reflection by removing leaders from their everyday work setting, while informal practices facilitate for reflection through cooperation and learning in teams (Raelin, 2008). Despite differences in learning practices, reflection appear to be important as it assist leaders to assess the quality of their leader practices, the experiences that occur at work, and how they manage their employees and new challenges. Hence, reflection allows for a cycle of learning where reflection of experiences may lead to a continuous evaluation and adjustments of behaviour. Thereby, reflection appears to be essential to ensure successful learning processes.

In sum, our findings indicate that Transform’s formal learning is perceived as important to develop an understanding of the organisational situation and learning new tools and methods to tackle the changing circumstances. On the other hand, informal practices such as cooperation, facilitates for feedback and the development of new networks that enable leaders to gain new perspectives and knowledge on business challenges. Although findings indicate that both formal and informal practices in Transform are capable of generating valuable learning outcomes, the combination of practices is suggested as the most valuable. The combination of practices provides participants with the opportunity to test and use the knowledge and tools acquired. Additionally, reflection appears to represent a key feature across learning practices, and an essential aspect of learning leadership. Thus, the aforementioned provide insight into how leadership development initiatives may yield successful learning outcomes.

The following section will discuss learning through practice, and explore
the ways in which it may add to the understanding of how leadership development initiatives contribute to learning and development.

**Learning leadership through practice**

The majority of informants’ reports that practice constitute an essential source of learning. Informants propose that experiences throughout their working life, both as employees and leaders, has taught them to manage challenging situations.

> Yes [the ability to communicate can be developed through] practice. You must be in a particular situation and practice it and all the time as a leader be interested in improving clear communication, I believe that can be practiced - Informant 7

For instance, the majority of informants express that challenging and negatively loaded conversations are difficult to manage and that experiences with this issue enhance their ability to bring up difficult subjects. Several informants believe that their communication skills have been improved as a result of practice and existing literature support the notion of experience as an important source of learning. For example, Kempster (2009) suggests that leadership can be effectively learnt through experience in natural settings, often through daily interactions and practises. Moreover, social interactions and practices allow for individual and collective reflection and may thereby lead to an interactive process of learning between individuals in organisations (Elkjaer, 2004). As such, one may assume that experiences with certain abilities, such as communicating challenging messages, may be imperative to develop such abilities. Hence, one may argue that learning through experience is an essential aspect of learning leadership.

Noteworthy, the learning processes that occur in naturalistic settings are in nature difficult to replicate in leadership development initiatives, indicating that leadership development initiatives may find it challenging to adopt aspects of learning through practice. Nevertheless, identifying underlying features of practical learning processes, such as experience, could allow for an easier transfer of practises to leader development initiatives. Thereby, one may bridge the understanding of learning through practice and constructed initiatives, to build an understanding of key essentials for effective organisational interventions.
Observing own leaders, and leaders around me … or others I have seen in the organisation, that is where I have learned the most – Informant 1

[Learning leadership] is complex. One, you have been an employee for many years and have had different leaders … The greatest experience there, relates to the bad leaders that are unable to motivate you. What you would have done differently. Viewed in opposed to good leaders that makes you want to perform well for them … – Informant 7

Learning through experience extends beyond gaining experience from employees and leader roles. Most informants emphasis that they have learned important leadership traits by observing other leaders throughout their working life; both own leaders and other leaders in the organisation, which emphasis how learning is contingent on relations and context. Informants express that observing role models typically involves the observation of bad leadership, identifying unwanted behaviours and then attempting to avoid such behaviours when executing own leadership. Similarly, observing good leaders leads informants to identify traits and factors that motivate and inspire, and informants report that they attempt to adopt such behaviour. This may be explained by research suggesting that individuals tend to act upon observed behaviour only when it is likely to result in valuable outcomes (Kempster, 2009). Moreover, learning through observation may also illuminate the acquisition of tacit knowledge, which allow for learning and development that extends beyond knowledge learned through formal practices (Tsoukas, 2011). Observational learning may therefore represent a process where tacit knowledge is utilized in the organisation. Thus, observation constitutes a valuable source of learning where tacit knowledge can be utilized to develop own practices. In sum, our findings and existing literature suggests that aspects of best leader practices can be observed and adopted.

Moreover, learning through practice may also involve aspects of feedback, discussions and exchange of experiences with colleagues.

It is always interesting to discuss tasks with others … It is the experience and decision making [that one learn the most from], to be open to feedback and ask my employees, what I can do better, what can I do to make you succeed? – Informant 5
Developing as a leader involves the experiences and input you get from people around you … Receiving feedback and building network, talking with others and sharing experiences, I think that is very important - Informant 6

The majority of informants report that discussing and exchanging experience with colleagues (primarily other leaders) constitute an important source of learning. Many of the informants describe that discussions and exchange of experiences provides an opportunity to receive feedback on own leadership role, on performance or progress on a particular task, as well as the opportunity to receive suggestions for improvements. Literature on learning through practice may elaborate on these findings, suggesting that feedback is one of the most valuable features of learning in social contexts (Raelin, 2008). Through cooperation, leaders may exchange experiences and provide each other with feedback, which in turn enhance individual and collective reflection (Raelin, 2008). Reflective thinking may ensure that experiences result in learning or knowledge and is therefore essential to shape behaviour and adapt leadership practices (Elkjaer, 2004; Kempster, 2009). This was also reported in our findings from leadership development initiatives, proposing that reflection is valuable across learning practices. Thus, reflection is essential to ensure successful learning processes and may arise as a consequence of feedback and in turn cooperation. Moreover, during discussions and exchange of experiences, leaders may offer practical suggestions and feedback from different angles, creating an explorative and curious environment with potential to be innovative (Raelin, 2008). Ultimately, leaders may shape their behaviour and thoughts as a result of discussing and reflecting with other leaders, yielding important learning and developmental outcomes.

In sum, our findings are consistent with existing literature when suggesting that leaders learn and develop through practice. Firstly, experience seems highly important to develop certain leader skills, such as communication. Secondly, observation constitutes a valuable source of learning where tacit knowledge can be utilized, and ultimately lead to the development of own leader practices. Lastly, leaders may learn and develop through discussions and reflections with fellow colleagues. Thereby, one may suggest that learning through practice is of great importance for learning and development of leadership. Moreover, through the identification of practical characteristics of learning, one may exemplify ways in which leader development initiatives can
adopt valuable aspects of learning through practice, such as encouraging reflection, observation and assignments that provide practical experience. In turn, this may build an understanding of key aspects essential for effective organisational interventions.

In light of the aforementioned discussions, it is of interest to explore the ways in which leadership development initiatives and learning through practice may lead to the development of competent leadership. Thereby, the subsequent section will elaborate on the concept of competent leadership and how development of competent leadership can be approached.

**Competent Leadership**

In the present study, informants reflect upon the concept of competent leadership and different leadership skills that they perceive to be of importance for the leader role. Informants constitute competent leadership as 1) the ability to manage employee relations, 2) have relevant professional competence, 3) communicate effectively, and 4) think ahead. In addition, the ability to motivate and influence, among other leadership traits, is emphasised by informants as important for competent leadership.

**Managing employee relations**

The majority of informants’ emphasis management of employees, particularly the ability to guide, advise and see individuals, as important for competent leadership.

Competent leadership ... I think that is related to one that motivates and see the individuals, create results and that constitutes professional support and facilitates for employees and departments to succeed together - Informant 8

I am very concerned with the interpersonal and to be a manager for my employees first. When I first am a leader I want to be one that is concerned with my employees - Informant 4

Informants also highlight these leader qualities when they describe what good leadership is. The literature suggests that leaders that provide resources, support and communicate clearly engage in good leader-member relations (Mintzberg,
Moreover, competent leaders continuously interplay with organisational members and are concerned with this relation (Filstad, 2016). Therefore, one may assume that the ability to guide, advise and see employees is of importance for competent leadership.

It is very important to be involved by own leaders, so that you can try to influence processes ... Therefore, it is important that we carry out high levels of involvement to our employees too - Informant 3

All but one informant discuss involvement of employees as an important leader quality and highlight two aspects of involvement. Firstly, informants’ emphasis that involvement could allow for a closer collaboration among organisational members across the hierarchy, which may lead to learning being spread across the organisation. Thus, involvement may be an important aspect of learning in leader-member relations. Bezuijen, Van Dam, Van den Berg and Thierry’s (2010) examination of how leaders stimulate employee learning may offer some insight to this topic. Bezuijen and colleagues (2010) suggested that leaders who engage employees in learning activities foster greater leader-member relationships, which is important for employee learning and ultimately organisational learning. Furthermore, research propose that involvement and support from leaders may lead to better attitudinal and job outcomes among employees (Ahmed, Ismail & Amin, 2014). Thus, leaders engaging in high levels of involvement might facilitate higher leader member qualities and thereby involvement could represent an essential aspect of competent leadership. Moreover, one may assume that leaders that have been involved by own managers may adopt similar practices and integrate it into their own leader practice. Thereby, one could argue that leaders learn the value of involvement through experiencing and observing other leaders, which may yield a more competent leader approach.

[Competent leadership is when] a leader manages a difficult situation… such as a change process, where the employee is provided with advice and guidance and develops a good understanding for the road ahead - Informant 7

Most people do not like change, so creating understanding and enthusiasm towards change [is important to be a competent leader] - Informant 8
Secondly, involvement appears to be of importance for managing employees through changes. Informants describe employee involvement as essential to create assurance and reduce uncertainty related to change, and as means to produce a safe working environment during change. Informants propose that an important aspect of involvement is the leader's ability to effectively communicate change messages to employees, which they suggest is important to create commitment and reduce resistance. Some informants find it challenging to motivate employees and create commitment to change, which may be a result of poor communication skills. Nonetheless, based on the aforementioned results, informants report that their communication has been greatly improved as a result of extensive practice. This suggests that characteristics of competent leadership can be acquired through practice. The role of communication in competent leadership will be elaborated on at a later stage in this paper.

Furthermore, Hussain and colleagues (2016) propose that employee involvement is one of the most effective strategies for overcoming resistance to change. Leaders may facilitate employee involvement through providing effective communication, emotional support, task support, incentives and cooperation. Thereby, leaders assisting employees in developing motivation and commitment to implement change, lead to more successful organisational change (Hussain et al., 2016). This supports our findings, which suggests that effective management of change is dependent on leaders ability to manage employees through change by involvement. Hence, one may argue that involvement is an important characteristic of competent leadership, as involvement allow for close collaborations that stimulate learning and enhanced management of change.

You need the ability to listen to [be a good leader] - Informant 7

It is a good experience in learning to listen to experienced individuals. It is probably ... what I have learned the most of - Informant 1

Another important leader quality, according to several informants, is the ability to listen to colleagues. The ability to listen is by informants referred to as crucial to receive feedback. Informants report feedback as an important source of learning and development, as it allows for accommodation of leadership behaviour. Our
findings are supported by the literature, which suggests that active listening is one of the most important attitudes to enhance learning and development (Raelin, 2008). Raelin (2008) suggest that listening is valuable as it enables reflection over feedback that may ultimately shape behaviour. Moreover, Raelin (2008) propose that active listening is valuable as undivided attention is provided to the speaker, and empathy, support and encouragement is conveyed. In light of this, listening is not only important to receive feedback, but also to convey leader qualities that may strengthen leader member relations. Hence, the ability to listen may constitute a central aspect of competent leadership, as both existing literature and current results indicate several ways in which listening is valuable.

It is not certain that you and you (pointing at interviewer's) should be handled similarly to reach the same goal. Some people require more support, while with some people one can just say yes we will do it in this way, and great, and then they do it, while others need a more detailed explanation - Informant 2

Furthermore, informants highlight the ability to adapt behaviour to different situations and employees as important for competent leadership. This is greatly supported by the definition of competent leadership, which suggest that competent leaders adapt the leadership to expectations, situational demands and the members involved in organisational decision-making (Filstad, 2016). Our results indicate that the aforementioned characteristic of competent leadership can be learned and developed through informal practices in leadership development initiatives. For instance, cooperation and networking allow for continuous interplay with organisational members, and the exchange of new perspectives, which may enhance leaders understanding of new situations and demands, and thereby, develop their ability to adapt. Hence, leaders’ ability to understand and cope with the organisational context may constitute an important aspect of competent leadership and represent a valuable target for leadership development activities.

In sum, informants highlight certain leader qualities for managing employees that are of importance to execute competent leadership; advise and guide, involve, listen and manage a diverse workforce. These are also supported by the literature. Although this study cannot report the extent to which informants exhibit the aforementioned skills and abilities as leaders, the identification of them
may enhance the understanding of the aspects that constitutes competent leadership and how it can be developed.

**Professional competence**

When addressing the importance of professional competence, many informants specify that professional competence is important, but not sufficient in itself as means to constitute competent leadership. The informants propose that managing employees is the primary objective of leadership.

In general, I believe that it is not enough to be professionally skilled. You have to be concerned with managing your employees - Informant 4

Furthermore, some informants suggest that the importance of professional competence is dependent on the leader role and its related requirements. Some roles require more professional competence to execute competent leadership, while other leader roles are less dependent on professional competence. One may assume that leaders able to correctly identify and adapt to required professional competence enable the execution of competent leader behaviour. Thereby, professional competence constitutes a necessary foundation to execute competent leadership, but only in combination with aforementioned qualities in managing employee relations.

When I read our CEO’s comment in the newspaper this morning, I thought wow, one must … acquire even more relevant knowledge and be in advance of what is happening and pay attention to the new expectations of our competence – Informant 1

Requirements for professional competence can be modified during environmental and organisational changes, which increase the need for change and adaption of skills and abilities. Leadership development initiatives should therefore adapt to current demands to enable a better execution of competent leadership. This is exemplified in Transform, which provided knowledge, tools and methods relevant to DNB’s current challenges that allowed participants to build an understanding of and learn how to manage complex and changing environments. By that Transform
was successful in adapting learning aspects to the situational and environmental demands, suggesting that the program has the potential to contribute to the development of competent leader characteristics.

**Communication**

According to informants, communication is important for the execution of competent leadership.

[As a competent leader] you have to be a part of the value and strategy of the organisation you work in … Believe in the vision that exists today. Then you have to communicate it in a way so that the employees want to be a part of that journey - Informant 3

What I have experienced is to learn to know different personalities, what motivates every single person, and adapt my leadership style based on their personalities … I believe it is very important to adapt my communication to every single one - Informant 6

In particular, informants highlight the ability to communicate the organisational vision and adapt communication according to employees as important for the leader role. Having a clear vision is, according to Bryman (1992), a central part of leadership, and an important attribute of transformational leadership transpiring employee job satisfaction and commitment (Look & Crawford, 2004). Furthermore, communicating a clear vision could reinforce values and beliefs that are effective for decision-making and problem solving (Kelly, 2000). Thereby, one may assume that clear and effective communication is important for creating a shared understanding of the organisational vision and goal, which could contribute to a higher quality of leader member relations - an important aspect of competent leadership.

I have a clear and direct style of communication. I can also be gentle and understanding. So I consider the situation dependent on who I speak to - Informant 1
Furthermore, informants express that the ability to adapt communication according to different conditions such as situations, employees, and leaders, is highly relevant. This is in line with Filstad’s (2016) definition of competent leadership, which suggest that competent leaders adapt knowledge, expertise and skills to the expectations and demands of situations and employees (Filstad, 2016). In particular, informants highlight inclusive, adaptive, direct and clear, honest and open communication as important. Thus, one may draw lines between informants understanding of competent leadership and the discussion of important leadership skills and abilities.

Research suggests that openness and honesty is closely related to effective communication (Mathews & Illes, 2015). Open and honest communication is identified as important to build trust in leader-member relations, where employees that acknowledge their leaders as effective and rich in their communication consider them to be reliable and trustworthy (Mathews & Illes, 2015). It is likely to assume that this may enhance the quality of leader member relations. Thereby, effective communication could arguably constitute an important element of competent leadership.

Communication is extremely important [during change]. It contributes to making the employees as a unity to join the change process - Informant 7

Lastly, informants suggest that communication constitute an important aspect of managing change processes. Some informants talk about the ability to communicate as significant for creating an understanding and awareness of change. Most informants also express that communication is important to reduce uncertainty and fear of change. This is in accordance with theory, which suggests that good communication assist individuals towards managing uncertainty in their environment and lead to more positive employee responses (Lind & Van den Bos, 2002 cited in Seo, Taylor, Hill, Zhang, Tesluk & Lorinkova, 2012). Moreover, effective communication may enhance motivation among employees involved in change (Gilley, McMillan, & Gilley, 2009), which highlights the importance of leaders ability to communicate change. Thereby, leaders effective in their communication might be better able to manage employees through changing circumstances, and in that exhibit more competent leader abilities.
In sum, communication that is adaptive, honest, inclusive, clear and open in its nature is effective and may constitute an important feature of competent leadership. Moreover, one can argue that communication represent a characteristic of competent leadership that can be taught and developed through practice.

**Thinking ahead**

Most informants’ emphasis the ability to ‘think ahead’ as an important component of competent leadership.

To know your job, professionally and employees, but also to think strategically and see where we are in one year, three years, forward in time [is competent leadership] - Informant 1

Competent leadership has been described by informants as dependent on the ability to think ahead and set appropriate goals to accommodate new conditions. This is in line with research, which suggests that leadership is prospective and thus leaders should define what lies ahead in the future and provide inspiration to attain transformational goals (Ahn, Adamson, Dornbusch, 2004). Hence, the ability to think ahead and set appropriate goals could constitute important attributes of competent leadership. Moreover, our results indicate that the ability to think innovatively on future challenges and situations can be developed through leadership development initiatives. As previously mentioned, Transform target the ability to think ahead through learning tools such as Design Thinking, which the majority of informants report as highly valuable to enhance their ability to think innovatively on challenges and issues. Thus leadership development initiatives have the potential to enhance important characteristics of competent leaders.

Although all informants express a great interest and concern for change management, they voluntarily participated in a program targeting changes of their industry. For instance, one informant is clearly concerned with the significant changes affecting their everyday business and express uncertainty about own leader position, and fear of downsizing affecting employees. Several informants also reflect upon own competence and its future relevance in regards to changing environments. Moreover, most informants experience great changes within their departments that could explain their enhanced interest in change. Thus, one could
question whether the interest in change is a result of anxiety to become irrelevant, or based on ambitions and an interest to assert influence and become greater involved. Additionally, some informants may also enjoy change more than the average employee. Hence, the sample could, to some degree, be biased and it is important to consider how this may influence the findings. Nevertheless, our findings suggest that competent leadership could constitute a need for an innovative mind-set to meet challenges in the future.

In sum, this paper propose that competent leadership comprise of the ability to manage employee relations, have relevant professional competence, effectively communicate, and think innovatively. Firstly, competent leaders are concerned with the quality of leader member relations and emphasis the ability to guide, advise, adapt, listen and involve employees to maintain higher leader member qualities. For instance, involvement allows for closer collaborations with organisational members, which strengthen leader member relations as both leaders and employees engage in learning activities and involvement may be taught and developed through experiences and observations. Secondly, professional competence constitutes a necessary foundation for competent leadership and leader development initiatives may effectively contribute to develop the required professional competence. Thirdly, communication that is inclusive, adaptive, direct, clear, honest and open leads to more reliable and trustworthy leader member relations, and is therefore important for competent leadership. Moreover, effective communication can reduce uncertainty and fear during change processes and thereby contribute to leader member relations, which ultimately constitute an important characteristic of competent leadership. The present study indicates that communication skills may be developed through practice and experience. Lastly, this paper suggests that competent leadership consist of the ability to think ahead. Thinking ahead can be targeted in leadership development initiatives that adapt the content and design according to current organisational contexts. Hence, our findings propose several important aspects of competent leadership and point to the ways in which it may be learned and developed.

**Conclusion**

The existing study might add to the understanding of how leadership development initiatives contribute to the learning and development of competent leadership.
Firstly, the study indicates that formal practices are beneficial to learn new tools and methods as it allows for more effective and successful leader practices. In particular, formal learning practices that target current business challenges and provide leaders with relevant tools, methods and knowledge, enhance leaders abilities to think ahead and adapt to situational environments. Thereby, formal learning practices may allow for the development of competent leader characteristics. Secondly, the study suggests that informal learning practices, such as cooperation and networks encourage feedback, reflection and knowledge sharing. In turn, feedback, reflection and knowledge sharing allows for new perspectives and enhances leaders ability to understand and adapt to contexts. Moreover, cooperation may increase leaders’ ability to involve employees, which could increase the quality of leader member relations. Thus, the present study suggests that informal learning practices may allow for adaptation of competent leader practices. Although both formal and informal learning practices are valuable to leadership development, our study emphasis a combination of practices to generate the most valuable learning outcome. The combination of practices provides participants with the opportunity to test and use the knowledge and tools acquired, ensuring reflection and experience that leads to learning. As such, reflection represents a key feature across learning practices, and an essential aspect of learning processes. Thus, the existing study might add to the understanding of how leadership development initiatives contribute to the learning and development of competent leadership.

Moreover, the present study has identified characteristics of learning through practice that exemplify ways in which experience, observation and social relations are essential contributors to learning leadership. For instance, experience with communication is identified as key to effectively communicate and maintain high quality of employee relations, which may have implications for the development of competent leadership. Characteristics of competent leadership may also be acquired by observing other competent leaders, and utilising tacit knowledge observed. Furthermore, discussions and reflections with fellow leaders add to the suggestion that learning through practice is of great importance for learning and development of leadership. Thus, the present study has illuminated aspects important to learning and development of leadership by presenting evidence concurrent for learning through practice and leadership development initiatives. Thereby, one may argue that leadership development initiatives, such
as Transform, are able to capture important aspects of learning through practice, which yield successful learning outcomes.

The present study support the notion that competent leadership represents a process where skills, knowledge and expertise are constructed and adapted according to the situational demands. We propose the ability to manage employee relations, have relevant professional competence, effectively communicate, and think ahead to be characteristics of competent leadership, and suggest ways in which competent leadership may be learned and developed. Firstly, competent leaders are concerned with the quality of leader member relations, and emphasis the ability to guide, advise, adapt, listen and involve employees to maintain higher leader member qualities. For instance, involvement may strengthen leader member relations as it allows for closer collaboration, and the ability to involve employees appear to be a trainable skill that leaders may acquire through experience and observation. Secondly, the present study suggests that competent leaders identify and adapt to required professional competence, an ability that can be targeted in leadership development initiatives and by learning new tools and methodologies. Thirdly, open, adaptive and clear communication allows for more reliable and trustworthy relations, and reduce uncertainty and fear of change that is important to competent leadership. Lastly, we propose that competent leadership consists of an ability to think ahead that can be developed and trained through leadership development initiatives.

The present study is original in the sense that no studies have previously explored how leadership development initiatives contribute to the learning of competent leadership. We suggest that initiatives should be rooted in organisational contexts and combine learning practices to yield effective learning and developmental outcomes that target relevant competencies of competent leadership. Thereby, this study may yield insight into how leadership development programs can assist leaders in learning and developing more competent leader practices. In light of the aforementioned, the study of Transform have provided knowledge and insight to the understanding of how initiatives successfully target competent leader skills, knowledge, and expertise necessary to adapt to the particular organisational contexts. In sum, this paper therefore contributes to the understanding of competent leadership and proposes competent leader characteristics that can be learned through leadership development initiatives.
Limitations

Similar to existing research, the present study suffers from some limitations worth mentioning. Firstly, due to the qualitative nature of our research, the sample size is restricted representing only a single organisation and industry. This may have implications for the transferability of the findings. Future research across industries and organisations may yield valuable insight into the extent to which the findings are applicable to other contexts and whether they are likely to occur at other times. Secondly, the present study is based on participants’ subjective experiences and perceptions of learning and competent leadership, which may have implications for the patterns discovered in this study. Although the study provides insight into what competent leadership constitutes of, future research is encouraged to explore the concept in more detail to uncover the entire spectrum of competent leadership. The understanding of competent leadership may be elaborated on by including employees’ perceptions and evaluations of what competent leadership is. Furthermore, future research may benefit from exploring the extent to which competent leadership is context dependent to improve the conclusions drawn. Thirdly, as the research project is in collaboration with the organisation by which informants are affiliated with and they voluntarily participated in Transform, participants may be more inclined to positive perceptions of the program. Lastly, our findings might have been influenced as the timespan from which the participants finished the program varies. Some participants may be limited in the application of tools and knowledge learnt and recall less than others. Thereby, participants’ ability to exemplify learned material and outcomes could vary, which may have an effect on our results and findings. Future research is encouraged to apply a more longitudinal approach to explore the ways in which tools and knowledge apply to work settings and challenges in order to gain better indications of the effectiveness of leadership development initiatives.
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Appendix 1: The Interview Guide

Prosedyre:
- Semi-strukturert intervju
  - Temaer: lederutvikling, læring, nettverk og kompetent ledelse
  - Hovedsakelig: dine tanker, perspektiver og erfaringer
- Alle opplysninger om deg blir anonymisert og blir holdt konfidensielt
- Opptak og tilbaketrekke

<table>
<thead>
<tr>
<th>TEMA</th>
<th>SPØRSMÅL</th>
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<tbody>
<tr>
<td>Ledelse</td>
<td></td>
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<tr>
<td>Din rolle som leder</td>
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<tr>
<td></td>
<td>● Hvordan vil du si at du har lært deg lederrollen?</td>
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<td></td>
<td>● Fortell litt om din rolle som leder nå (Nåværende stilling)</td>
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<td></td>
<td>● I rollen som leder - hvilke situasjoner er vanskelige?</td>
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<td>● Hvilke oppgaver og situasjoner er lettere?</td>
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<td></td>
<td>● Hvilke forventninger har du til deg selv som leder?</td>
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<td></td>
<td>● Hvordan tror du at dine medarbeidere oppfatter deg?</td>
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<td></td>
<td>● Hva forventer du av dine medarbeidere?</td>
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<td></td>
<td>● Hva legger du i kompetent ledelse?</td>
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<tr>
<td>Lederutvikling</td>
<td>● For den lederrollen du har nå i DNB.. Hvilke kilder til læring og</td>
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<td></td>
<td>utvikling har vært viktig for deg?</td>
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<tr>
<td></td>
<td>● Opplever du et behov for lederutvikling?</td>
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<td></td>
<td>● Du har deltatt i Transform – fortell oss litt om denne erfaringen.</td>
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<td></td>
<td>● Gjennom å delta i Transform, hva har vært mest lærerikt for deg?</td>
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<td></td>
<td>o Hva mener du et slikt program bør inneholde?</td>
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<td></td>
<td>o Noe som ikke ble ivaretatt? Som burde vært vektlagt eller gjort</td>
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<td></td>
<td>annerledes?</td>
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<td></td>
<td>● Hvordan var Transform relevant for din lederutvikling?</td>
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<tr>
<td></td>
<td>● Opplever du at denne kunnskapen har vært nyttig i etterkant av</td>
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<td></td>
<td>Transform?</td>
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<tr>
<td>Nettverk</td>
<td>● Fortell oss om samarbeid eller kontakt du hadde med andre deltakere</td>
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<td></td>
<td>gjennom Transform</td>
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<td></td>
<td>● Opplever du at din deltakelse kan være nyttig for flere enn deg selv</td>
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<td></td>
<td>– for eksempel for medarbeidere i avdelingen din?</td>
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<tr>
<td>Avsluttende</td>
<td>● I begynnelsen av intervjuet snakket vi om din opplevelse av behovet</td>
</tr>
<tr>
<td></td>
<td>for lederutvikling…</td>
</tr>
<tr>
<td></td>
<td>● Har deltakelsen i Transform gitt deg innsikt i de verktøyene eller</td>
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<td></td>
<td>kunnskapen du trenger for å utvikle deg som leder?</td>
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<tr>
<td></td>
<td>● Kan du beskrive hvorvidt Transform, og erfaringer knyttet til</td>
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<td></td>
<td>deltakelsen, har bidratt til at du er bedre rustet som leder i DNB?</td>
</tr>
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Appendix 2: NSD (Norsk Senter for Forskningsdata)

Cathrine Filstad
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TILBAKEMELDING PÅ MELDING OM BEHANDLING AV PERSONOPPLYSNINGER

Vi viser til melding om behandling av personopplysninger, mottatt 09.01.2017. Meldingen gjelder prosjektet:

51976 Lederutvikling i Finansbransjen
Behandlingsansvarlig Handelshøyskolen BI, ved institusjonens øverste leder
Daglig ansvarlig Cathrine Filstad
Student Julie Langaard Solberg

Personvernombudet har vurdert prosjektet og finner at behandlingen av personopplysninger er meldepålagt i henhold til personopplysningsloven § 31. Behandlingen tilfredsstiller kravene i personopplysningsloven.

Personvernombudets vurdering forutsetter at prosjektet gjennomføres i tråd med opplysningene gitt i meldeskjemaet, korrespondanse med ombudet, ombudets kommentarer samt personopplysningsloven og helseregisterloven med forskrifter. Behandlingen av personopplysninger kan settes i gang.


Personvernombudet vil ved prosjektets avslutning, 03.09.2017, rette en henvendelse angående status for behandlingen av personopplysninger.

Vennlig hilsen
Kjersti Haugstvedt
Kontaktperson: Ida Jansen Jondahl tlf: 55 58 30 19

Vedlegg: Prosjektvurdering

Kjersti Haugstvedt
Ida Jansen Jondahl