

From Watching to Leading: Adding the Observational Learning Perspective to Leadership Development

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Summary:

Leadership development is often viewed as an individual endeavor, emphasizing traits, behaviors, and experiential learning. Expanding this perspective, we apply Bandura's social learning theory to highlight the role of observational learning. We explore how role model selection, leader identity formation, and the interplay between career tenure and intrapersonal conflict shape leadership development. Examining the management consultancy sector—where dynamic teams offer diverse leadership exposure—our findings suggest that career ambitions drive role model selection, while leader identity evolves through recursive learning of observed behaviors and values. Organizational context plays a crucial role in shaping leadership development processes and outcomes. These insights challenge trait-based paradigms, advocating for integrative approaches that incorporate social and contextual dimensions. Practically, organizations should facilitate mentorship programs and job-shadowing opportunities to enhance observational learning and leader identity formation, fostering closer proximity to influential role models.

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Introduction

The field of leadership development has gained increasing attention and emerges as a distinct and separate scholarly discipline (Day et al., 2014). Since the seminal contribution of Day (2000), scholars have addressed several perspectives, including development through experience (McCall, 2004), developmental trajectories (Lord and Hall, 2005), the cultivation of social capital (Bilhuber Galli and Müller-Stewens, 2012) and the significance of temporal dynamics and hierarchical levels in leadership evolution (Day and Dragoni, 2015). Furthermore, there is a growing body of knowledge regarding leadership training (Lacerenza et al., 2017), development programs (Vongswasdi et al., 2023), and adult learning processes (Scholtz, 2023, 2024), which enhances our comprehension of leadership development.

Notwithstanding its progress, existing literature on leadership development still lacks a complete understanding of the process through which leadership can be learned. One such process pivotal to understand leadership development processes (Day and Dragoni, 2015) is learning within the social and organizational work environment (Day, 2000), such as action learning (Bilhuber Galli and Müller-Stewens, 2012) and experiential learning (Scholtz, 2024). However, while these approaches focus on active engagement and learning through practical experience, one major learning process has been overlooked in research on leadership development. Central to Bandura's social learning theory, *observational learning* posits that individuals acquire new behaviors, attitudes, and skills not only through direct experiences but also on a vicarious basis through observation (Bandura, 1977). Given the profound influence that the potential to learn from role models can have on an individual's leadership development (Zacharatos, Barling and Kelloway, 2000), it is about time to examine its potential in this research field more closely.

We frame this conceptual article from a process perspective (Cloutier and Langley, 2020) to fill this gap and investigate the role of observational learning in leadership development. Thus, we follow recent calls to consider alternative perspectives in the context of leadership development (Vongswasdi et al., 2023). In addition to current knowledge on the role of action and experiential learning approaches, we suggest that Bandura's concept of observational learning offers a valuable lens in understanding the process of leadership development, in detail and as a contribution to the whole. Drawing on a review of literature on leadership, leadership development, and observational learning theory, we use the specific context of management consultancies to identify the underlying mechanisms of leadership development through observation. This industry offers a distinctive setting to demonstrate how the relational character of leadership — shaped by multifaceted interactions among the consulting firm, project team, and client — and its industry-specific culture and structures influence the observation of leadership by the consultants. Grounding the deductive phase of our article in this context we highlight the complexity that arises when we integrate observational learning as a key-factor influencing leadership development. Through contextualization, we aim to avoid biases, reflect on situational specificities, and in the second phase foster a cohesive, more generalizable understanding, increasing the practical relevance advocated by Johns (2024).

The unique context of consulting firms is particularly well suited to explain the role of observational learning in leadership development: Their structural configuration (Smets et al., 2012) and the client project work, which entails the continual reassignment of teams and leaders (Noury et al., 2017), offers individuals multiple opportunities for observation throughout their professional trajectory, both within and outside the company. This enables their members to gain a comprehensive understanding of leadership and develop their own approach, making them valuable

to other organizations (Smets et al., 2017). As Avolio et al. (2009) argue, leadership interventions in such settings can yield impactful outcomes when tailored to the unique relational and contextual factors, making consulting firms a compelling environment for testing observational learning frameworks. However, given the multitudinous role models, it remains unclear how exactly this learning occurs. Individuals must navigate which behaviors and strategies to emulate, discern what to learn from whom and decide for which specific conditions the observed behavior is relevant. Observed situations individually, as well as over time, may be incoherent, or even contradicting.

Adapting a process perspective, we contribute to advancing the leadership development literature by emphasizing the potential to deepen our understanding of its micro-foundations. This aligns with the invaluable work of Day (2000), who, although not explicitly using the term “micro-foundations”, has demonstrated the critical importance of examining leadership development through an individual perspective, particularly in dynamic and complex environments. Building on this initial insight, our study introduces an additional lens that further illuminates the intricate, individual-level processes that underpin leadership development, thereby enhancing the granularity and applicability of existing frameworks in the field. Moreover, practitioners in the thriving and lucrative leadership development industry (Narayandas and Moldoveanu, 2019) can draw on our insights to increase the effectiveness of leadership development programs, particularly in organizational settings, that currently remain subject of considerable criticism due to the lack of established academically informed guidelines (Vongswasdi et al., 2023). Despite the importance of evidence-based practices in leadership development, substantial gaps exist between what is scientifically validated and what is implemented in programs (Leroy et al., 2022). This misalignment often stems from challenges in establishing an evidence-based leader development identity within institutions, which resonates with the broader critique of leader development programs' inconsistent quality standards (DeRue, 2011). Such challenges underline the need for novel approaches, such as observational learning, that align developmental practices with empirical insights.

Theoretical Background

In past decades, the literature on leadership has largely been occupied with functional models of leadership and the question of how to enhance the leadership capabilities of individuals so that they can improve organizational performance (Lacerenza et al., 2017). In essence, leadership science has focused on which leadership approaches are effective under which conditions. These traditional approaches predominantly focus on leaders' personal attributes and capabilities (Bilhuber Galli and Müller-Stewens, 2012). However, at its most fundamental level, leadership is a social process of mutual and reciprocal influence, with the objective of achieving a collective goal (Bass, 2008; Yukl, 2010). In order to facilitate the development of emerging leaders and enhance the capabilities of those in current leadership roles, different development practices have been established.

Leader development and leadership development represent distinct but complementary concepts within the field of leadership research. In his review, Day (2000) defines leader development as the expansion of the capacity of individuals to be effective in leadership roles and processes. He further posits that leader development is concerned with the development of human capital, with the primary focus being on the individual level. In this context, human capital is understood as the development of individual knowledge and abilities (Grandy and Holton, 2013). Consequently, leader development focuses upon building intra-individual competence facilitating the growth of a unique self-understanding and the formation of independent identities (Day, 2000). This process involves enhancing self-view components – such as self-awareness, leader identity,

and self-efficacy – cultivating intrapersonal competencies like self-motivation and engaging in challenging work experiences. Additionally, leader development prepares individuals to assume formal leadership positions within organizations, indicating that the leader development process can occur before individuals assume formal leader positions (Day and Dragoni, 2015).

Complementing this, leadership development focuses on enhancing social capital, shifting the emphasis from solely building individual capabilities to relational, interactive, social awareness and social skills (Grandy and Holton, 2013). Considered as a completer to human capital, social capital develops the ability to build and maintain network relationships among individuals and hence requires an interpersonal lens based on a relational model of leadership (Day, 2000). Kwok, Shen and Brown (2020) emphasize the importance of intensive interpersonal interactions as a central factor in developing individual leadership capacities over time. Consequently, leadership development is understood as an inter-individual development process, highlighting the relational dynamics and social interactions that facilitate the growth of leadership capabilities. This encompasses networks, referring to interactions across diverse functions and areas, along with action learning, which involves experiential, project-based learning aimed at business challenges (Day, 2000).

While the distinction between leader development and leadership development is recognized, the terms are often used interchangeably (Lacerenza et al., 2017). Development occurs over time and encompasses both proximal outcomes, which are often associated with leader development, and distal outcomes linked to leadership development. Consequently, this article adopts the term *leadership development* to encompass both perspectives, reflecting a holistic view that acknowledges the importance of both individual and relational factors within leadership growth.

The relational perspective on leadership is rooted in the recognition that leadership is inherently a social process that involves interactions within teams and organizations (DeRue, 2011). Leadership development, therefore, requires attention to the relational and contextual factors that shape these interactions. Attempting an understanding of leadership based solely on an analysis of individual leaders fails to consider the important contextual influences that shape its development, as leadership always requires some sort of interpersonal relationship (Day and Harrison, 2007). The evolution of leadership theory has important implications for understanding leadership development. It encompasses far more than merely choosing a particular leadership theory and training individuals to exhibit behaviors associated with that theory (Day et al., 2014). Therefore, leadership development must address not only the personal growth of leaders but also the social and organizational contexts in which leadership occurs. This entails facilitating learning within the context of work, rather than removing individuals from their professional environment in order to engage in external learning opportunities (Bilhuber Galli and Müller-Stewens, 2012).

In alignment with the perspective of Day (2000), Bilhuber Galli and Müller-Stewens (2012) identify learning from experience as a pivotal aspect of leadership development, emphasizing that action learning plays a crucial role in enhancing leadership capabilities. Similarly, experiential learning, which is frequently discussed in the literature of leadership development, entails learning through direct experience. This involves individuals engaging in real-world challenges and applying newly acquired skills in practical contexts (Scholtz, 2023, 2024). Both approaches center on leadership development through direct experience and mutual learning within the work environment. However, while experiential and action learning focus on active engagement and learning through practical experience, they omit one crucial mechanism for leadership development: observational learning. Based on Bandura's social learning theory, observational

learning emphasizes the role of social interactions and the observation of others in acquiring knowledge and skills (Bandura, 1977). This process is particularly relevant in organizational contexts, where individuals learn by observing the behaviors, attitudes, and interaction of role models (Posner, 2021).

The social learning theory is widely utilized across diverse fields. For example, Al Halbusi, Ruiz-Palomino and Williams (2023) demonstrated that social learning theory explains the positive effect of ethical leadership on employees' ethical behavior, highlighting the role of moral identity and self-control as critical moderators. Similarly, Shoukat, Shah and Muneeb (2023) applied social learning theory to investigate how shared leadership practices influence team performance, emphasizing the importance of relational dynamics. Additionally Teo, Lux and Pick (2023) showed that social learning theory underpins the relationship between authentic leadership and psychological wellbeing in nursing by reducing workplace incivility and fostering alignments with organizational values. Furthermore, Kenar and Yeşiltaş (2024) found that social learning theory explains how service-oriented human resource practices enhance proactive work behaviors, particularly through the mediating effect of service orientation and the moderating role of service leadership. These studies emphasize the broad applicability of social learning theory in organizational contexts and its capacity to address complex relational dynamics. Based on the widely recognized social learning theory, this study focuses on observational learning. The social relationships in organizations provide an (emerging) leader with plenty of potential role models for observational learning. Moreover, some of those role models may show diverging, inconsistent or even contradicting behaviors making it more difficult for the learner to cognitively organize the observations. As this might hinder leadership development by observation, social learning theory needs critical assessment and extension.

Social Learning Theory and Observational Learning

Social learning theory serves as a theoretical foundation for understanding both organizational behavior (Davis and Luthans, 1980; Manz and Sims, 1981) and leadership development (e.g. Posner, 2021; Zacharatos, Barling and Kelloway, 2000). Noting that learning occurs within a social context, social learning theory posits that individuals acquire new behaviors, attitudes, and skills not only through direct experiences, but also by observing the actions and outcomes of others (Bandura, 1977). Those others serve as role models for those engaged in learning processes and are defined as individuals who exemplify specific leadership behaviors and styles, serving as reference points for others to observe and learn from in the context of leadership development. This process is particularly relevant in the context of leadership development, where the ability to learn from role models can significantly influence the development of an individual's leadership behavior (Zacharatos, Barling and Kelloway, 2000). Learning phenomena resulting from direct experiences can also occur vicariously through the observation of others' behavior and its consequences (Davis and Luthans, 1980). This process enables the observer to acquire a range of complex occupational and social competencies by selecting one or more role models as the primary source of observable behavior. However, individuals rarely limit their observation to a single source, nor do they adopt all of the characteristics of the preferred model. As a result, individuals can often learn faster than actual performers without having to gradually build up the pattern through tedious trial and error (Bandura, 1977; Manz and Sims, 1981).

Based on the widely recognized Social Learning Theory, this study focuses on observational learning, which occurs through a four-phase model – attention, retention, reproduction, and motivation. During the attention phase, individuals focus on behaviors exhibited by role models who are perceived as relevant and aspirational (Bandura, 1979). The retention phase involves

internalizing these observed behaviors, often through techniques like mental rehearsal. Reproduction requires practice in real-world settings, allowing for the refinement of skills and the formation of leader identity (Lord and Hall, 2005). Finally, the motivation phase determines whether the learned behavior is enacted, influenced by expected rewards and observed outcomes (Bandura, 1977). Leadership development entails observing effective leaders, internalizing their behaviors, and applying them in real-world contexts. Feedback and mental rehearsal enhance retention, while opportunities for practical application reinforce learned behaviors (McCall, 2004). Motivation, driven by anticipated rewards or penalties, plays a critical role in enacting observed behaviors.

Observational Learning in Leadership Development within the Context of Management Consultancies

Management consultancies provide an ideal setting for studying observational learning. Their dynamic team structures and frequent role reconfigurations expose individuals to diverse leadership behaviors (Smets, Morris and Malhotra, 2012). Observing multiple role models across projects enables consultants to develop a nuanced understanding of leadership, though navigating inconsistent or contradictory behaviors poses challenges. This dynamic environment facilitates extensive observational learning but also introduces challenges, such as reconciling conflicting leadership behaviors.

Management consultancies differ from traditional organizations in structure, client work, and leadership development practices (Malos and Campion, 1995; Smets, Morris and Malhotra, 2012). Retained by clients, the professionals engage in short-term, customized, one-off projects, which typically span a few weeks to months, with changes in both team composition and project focus occurring with each new project (Noury, Gand and Sardas, 2017). This non-standardized work stems from the division of teams and the unique nature of each client project (Bayer and Gann, 2006). Such a setting exposes consultants to a variety of role models throughout their career, both within their own organization and on the client side, a characteristic feature of management consultancies (see Figure 1).

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Throughout their career, management consultants can develop from the associate up to the partner level. The career path starts with young recruits typically being selected from top-tier business schools (see Figure 1: Individual L1) (Noury, Gand and Sardas, 2017). During their time in this role, associates participate in numerous projects (Bayer and Gann, 2006) where they interact directly with their managers, client (project) managers, and the latter's team (Kornberger, Justesen and Mouritsen, 2011). In general, they work in peer groups and are expected to support their superiors (Ibarra, 1999). This structure exposes associates to various leadership dynamics and allows them to internalize diverse leadership behaviors. Furthermore, associates are not only influenced by their immediate project-environment, but also by less frequent interactions with senior managers and partners (Malhotra, Smets and Morris, 2016). This indirect influence provides insights into leadership responsibilities, including decision making and guiding a project team (Empson and Langley, 2017). This is a crucial feature affecting the leadership development approach in management consultancies.

In contrast to traditional hierarchical organizations, where investing in leadership development is common (Billhuber Galli and Müller-Stewens, 2012), the focus in management consultancies is primarily on human capital in the form of technical training aimed to enhance the expertise of associates (Smets et al., 2017). The interpersonal skills, i.e. social capital, which are necessary for leadership are not acquired through formalized programs; rather, they are learned by closely observing successful senior colleagues within the work environment. Such observation shape the members' understanding of appropriate leadership behaviors, values, and traditions (Empson and Langley, 2017). Additionally, they facilitate the development of relational abilities that are essential for client work (Ibarra, 1999) and prospective leadership roles (Kornberger, Justesen and Mouritsen, 2011).

The development of leadership abilities within management consultancies is significantly influenced by the simultaneous exposure to multiple leaders at various hierarchical levels. In each project, associates are exposed to multiple experienced professionals (Smets, Morris and Malhotra, 2012) with different leadership styles, ranging from the hands-on guidance of managers to the more strategic oversight provided by senior managers and partners (Empson and Langley, 2017). Additionally, individuals interact with the client's team (Kornberger, Justesen and Mouritsen, 2011), which presents further opportunities to observe leadership in action, particularly given that the client's leadership style often differs from that within one's own company (Empson et al., 2017). This constant reconfiguration of project teams provides further opportunity for observation of diverse leadership approaches, which in turn facilitates leadership development.

Following the completion of a variety of projects, individuals are promoted from the associate level to the role of a manager (see Figure 1: Individual L2). This transition signifies a substantial shift in their leadership development, as they now take on leadership responsibilities themselves, leading their own team of associates (Kornberger, Justesen and Mouritsen, 2011). Throughout this period of transition, individuals continue to observe and learn from more experienced senior managers and partners (Empson and Langley, 2017), with the interactions with these seasoned colleagues becoming more direct (Malhotra, Smets and Morris, 2016). Moreover, the role provides the opportunity to engage with new leadership dynamics through more profound interactions with clients and their respective teams (Kornberger, Justesen and Mouritsen, 2011), with the potential to refine their leadership capabilities (Ibarra, 1999). Consequently, individuals at a manager level not only assume leadership responsibilities but continue to observe and learn from role models.

Summarizing, the exposure to various role models throughout the career trajectory of a management consultant offers plenty of opportunities for observational learning and, hence, for leadership development. The observation of a diverse range of leadership styles, behaviors, and interpersonal interactions of experienced professionals within the management consultancy or within client organizations will support consultants in developing their leadership abilities and leader identity. However, due to the sheer number of role models available and the likelihood of inconsistent observable leadership behavior, it remains to be clarified how one can make meaningful use of observational learning to develop leadership abilities and leader identity.

Observational Learning in Leadership Development: Navigating Complexity in Management Consultancies

Throughout the following development of our research propositions of informing leadership development research through adding observational learning, we consider our work as a recursive process perspective described by Cloutier and Langley (2020).

Proximity vs. Prestige – Whom to observe?

After completing onboarding workshops introducing processes, methods and firm culture, graduates entering a consulting firm are usually staffed directly on client project teams. The hierarchical levels included in these teams represent the pyramidal hierarchy of the firm, i.e., associates, managers, and partners are actively engaged in the client work. Depending on the size of the project and the leverage factor, the team may consist of more than one partner and more than one manager. The new associate is usually assigned directly to a manager leading a group of associates (Smets, Morris and Malhotra, 2012). The associate will thus be able to observe the manager's leadership behavior closely and frequently. At the same time, the associates can observe the partner's leadership behavior towards their managers, other associates, or even themselves. While coherent behavior of both levels most likely encourages the associate to retain the leadership behavior, diverting or opposing leadership behavior can raise conflicts within the associate. The associate may perceive such a divergence as paradoxical, as we will illustrate later.

Learning from supervisors as role models aligns with current empirical findings (Posner, 2021). Leadership literature extensively discusses how, at the initial stage of the career, individuals learn leadership behaviors from observing the behavior of leaders (Lord and Hall, 2005). Therefore, leader's behavior serve as observable cues that influence an individual's perceptions and learning processes. Park et al. (2024) demonstrated that followers interpret these behaviors differently based on their own tendencies. This dynamic provides fertile ground for observational learning, as individuals discern which observed behaviors align with their personal and professional values, fostering or hindering their leadership development. Different criteria exist for how individuals select whose behavior they observe. Proximity, whereby individuals select their leaders from within the same workgroup or department or from among those with whom they interact most frequently, is prominently referenced (Gibson, 2003). At the same time, Posner (2021) also identifies, distinct from superiors, business leaders (i.e., partners) as important role model sources.

In the consulting context, the exposure to each of the styles (the frequency and duration of the (witnessed) interaction) and also the intensity of each (witnessed) interaction falls into consideration as a mediating factor as to which style may be retained. According to Bandura's observational learning theory, the behaviors an individual observes—and potentially retains, reproduces, and uses—are shaped by their regular interactions with the people in their environment (Bandura, 1977). The availability of models also contributes to the individual's learning (Bandura, 1986). The situation may become increasingly ambiguous over time, as associates will be part of several projects and thus members of several teams with changing member configurations (Noury, Gand and Sardas, 2017). While many fast-changing projects allow observing additional leadership behaviors, these do not need to align with other managers or partners.

We could not identify research in leadership development that would address such complex interplay of multiple observational models within organizational settings. Still, we will pick up on this string and even increase complexity. For leadership development, this situation already appears significant to changes in leadership behavior, as the exposure to the superior may outweigh the exposure to leadership programs and even the directives of higher-ranked leaders, rendering them insignificant.

Desired similarity vs. desired position – Which route to take?

The above-stated relations demonstrate the multitude of input sources (i.e., situations to observe from) and presume that proximity and prestige combined with exposure and intensity to the

observed behavior influences the development of leadership. Additionally, the *personal choice* to which observations dedicate one's attention to, plays a significant role, too.

Within the fast-paced and up-or-out-driven career models of consulting firms, whereby those not promoted have to leave (Malhotra, Morris and Smets, 2010), this leads to a tradeoff between at least two forms of role models. On the one hand, the associate may identify with the specific behavior of a manager or partner and whose behavior he would like to replicate (desired similarity). This identification may occur as the demonstrated behavior aligns with the associate's values, needs, communicated corporate culture, or even widely considered agreeable management styles. This mechanism is consistent with the assertion by Bandura (1977) that individuals direct their attention toward models who exhibit engaging qualities while personalizing their observations by focusing on the elements of the model's behavior that most resemble their skills, preferences, or values. As long as this behavior demonstrates the possibility of individual success within the company, we expect no conflicts to arise.

As associates aspire to advance their careers, conflicts may arise when they observe leadership styles from objectively less successful, but subjectively similar role models that deviate from the behaviors of career-wise more successful managers or partners. As a key aspect of social learning theory, individuals are likely to observe and imitate the behavior of models who possess qualities or statuses that they find desirable or relevant to their own goals. The success of the role model is important, as it indicates that observing and emulating the behaviors will prove beneficial in acquiring the essential skills required for success in that environment (Bandura, 1971). As posited by Bandura (1977), the absence of punishment for a specific behavior, coupled with the potential for personal gain (e.g., through the attainment of status and power), may contribute to the replication of analogous actions in the individual who observes this.

Should associates aspire to attain a similar level of success to that of the partner, they may be inclined to emulate some of these traits, even if this does not align with their current leader identity. This may result in intrapersonal conflicts, characterized by an internal inconsistency, wherein individuals experience a discrepancy between their preferences and the desire for outcomes that are, in fact, mutually exclusive (Schelling, 1984). Associates must then choose between retaining behaviors aligned with their desired leadership style, i.e. leader identity, or emulating those linked to their desired career position, given that goal orientation towards perceived rewards, such as promotion, also influences which behavior to be observed (Bandura, 1978). The latter behavior can be referred to as 'deep acting', whereby an individual attempts to modify their feelings in order to align them with the required displays and to appear authentic. Compared to 'surface acting', which is defined as modifying outward expressions without altering internal feelings, deep acting could potentially be a more effective method for fostering authenticity and positive interpersonal outcomes (Hochschild, 1983). Additionally, vicarious reinforcement is important in this situation. Individuals witness others being rewarded for their behaviors and, as a result, desire to emulate the same behavior and attain similar rewards. This desire, in turn, leads them to observe these role models more closely to understand and replicate the behaviors that lead to those rewards (Bandura, 1977).

While Bandura (1977) points out that role models with whom we regularly associate significantly influence our development, he also refers to the influence of the *functional value* of the behavior observed and the "*interpersonal attraction*" (Bandura, 1977, p. 24) one experiences towards the role models. If a conflict arises, the individual must choose between the two, situationally. Considering the above derived mechanisms, the tradeoff gains significance, as the

individual may have to choose between desired, closely, and frequently observed behavior (manager) and the behavior of a desired, prestigious position that is rarely observable and only from a distance. Arguing further and drawing upon similarity attraction (Byrne, 1971), the individual's choice may lead to an almost paradoxical challenge: Desiring to progress, whose role model should one follow at which point?

Culture vs. Reality

As stated at the beginning of this section, associates receive training sessions, sometimes called boot camp, within the first weeks of their jobs, incorporating, among other inputs, the unique organizational culture (Tichy, 2001). Thus, these companies are known for their strong socialization processes characterized by a codified set of cultural, behavioral, and attitudinal norms (Gibson, 2003). Therefore, the corporate culture of management consultancies can intensify the aforementioned conflict, as it profoundly influences individuals' behavior and development compared to conventional organizations (Alvesson, 1992). Every time associates (or managers) observe behavior that follows or contradicts the communicated culture, evaluating the outcome – such as the role model's success or failure in adhering to or deviating from the cultural norms, and the corresponding rewards or punishments for (non-compliance) – will reinforce their learning (Bandura, 1971) and thus their leadership patterns. This, in turn, may challenge any form of formal leadership development program.

From this perspective, understanding the dynamics and extent to which a company practices its culture in leadership is pivotal in the leadership development process, as it continuously influences the interaction among individuals and affects how leadership practices are perceived within the organization (Day, 2000). For the challenge of developing an integrative leadership development theory, this increases the requisite variety and calls for future empirical research to identify the situations in which culture, leadership behavior, and leadership development may clash. It also needs to inform the choice of future (top) managers, as performance as a primary indicator will increase such conflicts.

Firm & Client Organization and the multitude of observations

While we have focused on the mechanism influencing leadership development through observational learning, the context of consulting firms poses an excellent example of client integration in the service industry. In such a setting, boundary-keeping between the consultancy and the client's firm challenges associates to separate between the client's and the own firm's interests and loyalty towards each organization. In this context, leadership is perceived as part of the organizational culture (Alvesson, 1992). As the consultants deeply immerse into the client's organization, they observe leadership behavior. As it is common for consultants to change projects and engage new clients frequently, the number of observed leadership behaviors rises over time. As Bandura (1971) argues, the success of observational learning is influenced by both the nature of modeled behaviors and the observer's capacity to process information. This influx of conflicting leadership behaviors—between the firm and clients or among different clients—challenges consultants in identifying relevant behaviors. Under high-pressure conditions, this complexity may lead to cognitive overload.

Furthermore, projects within management consultancies are often driven by the pursuit of high performance and the politicking that accompanies it (Kornberger, Justesen and Mouritsen, 2011). According to Bandura (1977), observational learning is shaped by the observers' ability to retain and interpret modeled behaviors, which is itself influenced by the social and environmental context.

In politically charged projects, the interpretation of observed leadership behaviors may shift due to the necessity of navigating power dynamics. This indicates that the retention and application of observed behaviors are not only cognitive processes, but also contingent on the observers' capacity to adapt their learning in response to the complexity of politically nuanced environments.

With the intense level of customer centricity (Smets, Morris and Malhotra, 2012) and influence of the client on the career progress of a consultant (Kornberger, Justesen and Mouritsen, 2011), a paradoxical situation may arise: Although consultancies emphasize the importance of client relationship, the proximity and exposure to client leadership behavior may result in them perceiving the observed leadership behavior demonstrated by the client more suitable than that of the own firm. From the perspective of observational learning, we posit that consultants, through close interactions with clients, are likely to internalize leadership behaviors exhibited by the client, particularly if these behaviors are perceived as relevant or advantageous for achieving goals. However, in instances where these behaviors conflict with the leadership expectations of their own firm, the consultant may experience cognitive strain and motivational challenges.

The integration of diverse leadership behaviors across organizational contexts complicates the formation of a consistent leader identity. The theory of observational learning contributes to this by highlighting the dynamic process through which individuals internalize and adapt leadership styles, emphasizing the role of contextual factors in shaping leadership behaviors and their retention.

From Associate to Manager – A transition with consequences

Independent of the rigidity of an up-or-out career regime within the focal consulting firm, the need to progress career-wise is immanent in high-performance firms like consultancies (Malhotra, Morris and Smets, 2010). Thus, the transition to a manager or a comparable position, in which the led takes on a leadership role, adds to the dynamics described. The transition from associate to manager (see Figure 1: Individual L2) within the context of a consultancy entails considerable upheaval and restructuring, including changes in leadership behavior (Kornberger, Justesen and Mouritsen, 2011). Managers are now engaged in more frequent interactions with senior managers (Malhotra, Smets and Morris, 2016), allowing them to more directly and more frequently witness leadership at a higher level while gaining insights into their peers' leadership behavior. Additionally, they engage more directly with the leadership levels of their clients, assuming responsibility for managing client relationships (Kornberger, Justesen and Mouritsen, 2011). This increased level of interaction offers the opportunity to gain insights into external leadership behaviors and practices.

The transition from subordinate to supervisor entails a shift in responsibilities with a high level of uncertainty where individuals tend to observe models to understand how to behave within their new roles (Tu et al., 2018). As their leader identity at this career level is somewhat more pronounced, individuals can access different motives relevant to their further progression (Lord and Hall, 2005). During periods of transition, individuals are particularly receptive to the influence of role models as they evaluate the behaviors of the models in comparison to their aspired leader identity (Tu et al., 2018). These comparisons have important motivational implications for individuals, focusing on development and prompting the creation of aspirational possible selves (van Knippenberg et al., 2004), which represent future-oriented conceptions of who one might become or aspire to be (Markus and Nurius, 1986).

Moreover, managers are now responsible for leading their own team of associates (Kornberger, Justesen and Mouritsen, 2011). This transition is crucial, enabling them to reproduce the behaviors they observed during their initial learning phase (Bandura, 1971). In accordance with Bandura's framework (Bandura, 1977), this stage reflects the motivation phase, as the promotion functions as a form of reinforcement, encouraging the application of newly acquired leadership behaviors in practice and motivating individuals to apply and refine these behaviors in their new role. Given the duration of consultancy projects, lasting weeks or months, there is a notable turnover in the composition of associate teams (Noury, Gand and Sardas, 2017). Throughout this new leadership responsibility, managers now have the opportunity to experiment with different leadership styles, allowing them to explore a range of possible selves, thereby facilitating the development and refinement of their identity as leaders (Lord and Hall, 2005). They transform their role from observing and retaining leadership behavior into reproducing it, based on observations informing the presumed situational fit, described as "motivation" by Bandura (1971). Thus, they turn from observers to actors actively dealing with the above-described ambiguity.

Taking over higher responsibility through career transitions, such as promotions, are pivotal in shaping their leader behavior (Miscenko, Guenter and Day, 2017). Lord and Hall (2005) emphasize that leadership development during career transitions involves significant changes in leader identity, as individuals progress from novice to intermediate leadership roles. Similarly, Ibarra (1999) found that young professionals transitioning into more managerial roles engage more in identity work by constructing several possible selves, which helps them explore various meanings associated with the new role. Still, research is required to understand how this influences the leadership behavior displayed by the new managers. We pose the question of how previous observations of leadership behavior by associates are then transformed into action over time and, more specifically, how the iterative tradeoff processes between stakeholder role models imprint the manager's behavior.

The choice of a career trajectory – The choice of style?

The up-or-out dynamics, the intense competition within the consulting firms, and their performance-driven culture impose high stress levels on all positions within a consulting firm (Noury, Gand and Sardas, 2017). At the same time, all members know that being pushed out of the firm is a likely scenario (Malhotra, Morris and Smets, 2010). On the other hand, several graduates already join consultancies, not intending to become partners but instead developing themselves and transitioning out of the firm at some defined time (Smets et al., 2017). However, even when entering the firm with the clear career goal of making partner, such goals are always subject to change (Malhotra, Smets and Morris, 2016). How do these (changes in) motives influence the way observational learning takes place regarding leadership development?

It is conceivable that individuals may start selecting leader role models for their observation based on the principle of desired similarity over that of the position within the firm. Alternatively, following the idea of vicarious reinforcement (Bandura, 1971), they could start favoring the successful role models, ignoring the determined corporate culture. They could begin to look outside the firm or entirely focus on the internal role models, ignoring leadership behavior within the clients' firms. All of these choices are based on the career trajectory of the individual. This dynamic further exacerbates the beforementioned intraperonsal conflict (Schelling, 1984), as individuals experience tensions between their leader identity and their desire for career advancement, particularly when the observed behavior diverges from their personal values or preferred leadership style. At the same time, the desired career may be highly influenced by the leadership behavior

observed, making this a recursive, almost paradoxical situation: Choosing to observe negatively perceived leadership behavior and later to replace it with a more favorable style may lead to leaving the firm or industry while staying could lead to reproducing the successful but unfavorable style. Thus, including the career trajectory in observational learning within leadership development forms an imperative factor.

The process of leadership development in consulting firms, as discussed, is not a simple trade-off but rather a conjunctive process comprising interdependent and continuously interacting elements. Decisions regarding the role model selection, the adoption of leadership behaviors and the choice of career trajectory are not isolated decisions; rather, they exert a dynamic influence on one another over time. This iterative and recursive interplay serves to illustrate the inherent complexity of leadership development, whereby the cumulative effect of these intertwined elements ultimately shapes the leadership journey. Central to this process is observational learning (Bandura, 1977), whereby individuals internalize behaviors through observation and interaction with a range of role models, both within and outside the organization. The salience, frequency, and context of these observations have a significant impact on the development of leadership behaviors. In order to establish a robust microfoundation for leadership development theory, it is essential to examine these interconnected components holistically. Viewing them as an integrated process proves a comprehensive understanding of their collective impact on individual and organizational leadership development outcomes.

Implications and Future Research

This study highlights observational learning as a key mechanism in leadership development, expanding beyond individual traits to emphasize social interactions. It underscores the importance of role model selection, leader identity formation, and career influences within leadership development.

Our findings challenge traditional leadership development frameworks by advocating for an integrative approach that includes observational learning. Leadership is not solely an individual endeavor but is shaped by social interactions. Future research should empirically test this approach across different organizational contexts. Applying the social learning theory of Bandura (1977) to leadership development highlights how leaders acquire competencies through observation. Future studies should examine specific instances of observational learning and how leadership behaviors are adopted in various settings. Leadership identity is a dynamic construct, evolving through interactions with role models (Lord and Hall, 2005). Longitudinal research can explore how leaders shape their identities over time and navigate paradoxical situations. Career ambitions significantly influence role model selection, expanding the social learning theory to incorporate motivational aspects. Leadership development research should further examine how career trajectories shape role model selection and the impact of value discrepancies on leadership growth. Context also plays a crucial role (Smets, Morris and Malhotra, 2012), emphasizing the need for comparative studies across industries to assess how different environments shape leadership development.

Organizations should foster leadership development by increasing proximity between emerging leaders and senior role models through mentorship programs, job-shadowing, and structured team interactions. Observational learning complements action-based learning, aligning with Avolio et al. (2009) on experiential leadership development. Leadership development is highly personalized, with individuals selecting role models aligned with their career goals. Organizations should offer diverse mentoring and coaching programs to support individualized learning

(Vongswasdi et al., 2023), ensuring alignment between personal aspirations and observed leadership behaviors.

Limitations

This study's focus on management consultancy limits generalizability. Future research should examine cultural and organizational differences to refine observational learning's role in leadership development.

Conclusion

This paper highlights observational learning as a critical yet underexplored mechanism in leadership development. By integrating Bandura's social learning theory into leadership frameworks, the study emphasizes the importance of social interactions and role model observations in shaping leadership behaviors and identities. The dynamic environment of management consultancies serves as an exemplary context for examining these processes. Organizations can leverage observational learning to enhance leadership development outcomes, fostering adaptive and effective leaders in increasingly complex professional landscapes.

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Figure 1: Typical Trajectory of an Individual within a Management Consultancy

