Contents

Introduction .................................................................................................................................................. 3

Key Findings ............................................................................................................................................ 5

Study 1: Leadership Training Effectiveness ............................................................................................ 6

Leadership Training for Influence ......................................................................................................... 10

Influence Across Employee Demographics ............................................................................................ 13

Demographics – Study 1 (Leadership Training) ...................................................................................... 16

Study 2: Bases of Power .......................................................................................................................... 18

Bases of Power Across Employee Generations ..................................................................................... 21

Demographics – Study 2 (Bases of Power) ............................................................................................ 23

Summary ................................................................................................................................................ 25

About This Research ............................................................................................................................... 27

About The Center for Leadership Studies (CLS) ................................................................................... 27

About Training Industry ........................................................................................................................... 27
Introduction

Leadership development is one of the most important types of development investments an organization can make. Despite the collective skills and expertise of the wider employee base, poor leadership can result in mismanagement of resources, strategic misalignment, and a host of other organizational maladies that undermine a firm’s performance. In nearly all cases, leadership training endeavors accomplish two objectives: to provide leaders and managers with the tools to influence others, and to help them appropriately cultivate and exercise their power to influence and affect change.

The Center for Leadership Studies, through its leadership curriculum, posits that leadership is the cumulative impact of an individual’s attempts to influence the beliefs, attitudes, or behavior of others. Leadership in this sense encapsulates attempts to influence up, down and across the organization, ultimately impacting business results by driving behavior change. Further, power in an organization can be conceptualized as the potential to influence others. Whether power is formally granted to an individual by an organization, or informally earned over time through workplace interactions, the ability to change or direct others’ behavior is an invaluable attribute for leaders in an

### BASES OF POWER

- **Coercive** power is based on the perception that one can administer consequences for unacceptable behavior
- **Connection** power is based on the perception that one is associated with important and influential people
- **Reward** power is based on the perception that one can distribute rewards and recognition
- **Legitimate** power is based on the perception that one’s influence attempts and decisions are appropriate for someone with one’s title or role
- **Referent** power is based on the perception that one displays behaviors and personal characteristics that earn the respect and trust of others
- **Information** power is based on the perception that one has access to information that is valuable to others
- **Expert** power is based on the perception that one possesses subject matter knowledge, judgment and experience
organization to possess. Historically, John French and Bertram Raven developed a widely popular model of the sources of power in 1959\(^1\), which has been adapted and refined in the decades since. Dr. Paul Hersey, founder of The Center for Leadership Studies and Walt Natemeyer expanded interpretations of these bases of power\(^2\) which are presented in the blue-shaded box on the previous page. These will be explored further in this research.

To examine these issues, Training Industry, Inc. and The Center for Leadership Studies conducted a two-part research effort to assess the relationship between organizations’ leadership development effectiveness and practices when training leaders on influence. For both studies, all data were collected during April/May, 2015. In Study 1 on leadership training for influence, 296 companies completed a survey reporting their organizations’ leadership development practices, including the use of influence training. In Study 2 on manifestations of bases of power, 197 companies completed a survey reporting the effectiveness of different bases of power across generational, technological and geographic classifications.


Key Findings

Across both studies, a number of findings related to leadership effectiveness, the role of influence, and bases of power were uncovered. While 70 percent (Study 1) to 75 percent (Study 2) of organizations were rated by survey respondents as being effective at leadership development, the most effective organizations offered training on influence on an ongoing basis, whereas 51 percent of ineffective organizations did not offer any training on influence. Additional key findings included:

- The most common training topics covered in leadership development:
  - Leadership fundamentals (83%)
  - Interpersonal dynamics (83%)
  - Team management (82%)
  - Coaching/mentoring (79%)

- The most frequently used training materials:
  - Individual assessments (60%)
  - Introductory leadership courses (53%)

- Biggest challenges to leadership development:
  - Limited resources (59%)
  - Sustaining training impact (57%)

- 51% of organizations rated ineffective at leadership development do not offer any training on influencing behavior

- The greatest areas of functional importance when leading through influence:
  - Human resources (64%)
  - Sales (57%)
  - Customer service and support (56%)
  - Marketing (52%)

- Comparable levels of importance ratings across demographics for leading through influence:
  - Generation X’ers (83%)
  - Millennials (81%)
  - Baby boomers (78%)

- The most important bases of power to managing employees:
  - Referent power (79%)
  - Legitimate power (77%)
  - Expert power (77%)
Study 1: Leadership Training Effectiveness

To establish a baseline for leadership development, the survey first asked how effective organizations were at providing training to leaders and managers. As shown below in Figure 1, 70 percent of participating organizations were rated as being effective, demonstrating that the majority of organizations are preparing their leaders and managers in general, independent of the training topic or delivery modality. For purposes of comparing training practices across organizations with varying effectiveness, several comparisons in the following pages will examine the contrast between the 25 percent of organizations rated “very effective” at leadership training versus the 30 percent of organizations rated “somewhat ineffective” and “very ineffective.”

Figure 1. Leadership training effectiveness

When it comes to leadership training, seldom does the phrase connote a particular topic or content area—instead, leadership training can represent an amalgam of subjects that may or may not be offered in every organization. As shown in Figure 2, the most frequent training topics reported by learning leaders as being offered in their companies were leadership fundamentals, interpersonal dynamics, team management, and coaching/mentoring skills—all of which directly and indirectly focus on influencing the behavior of others in the
workplace. These offerings were further differentiated in survey ratings by whether training was conducted using in-house L&D resources or via an external provider. Though the order of offerings is slightly different from Figure 2, the most frequently endorsed in-house training topics were team management (59%), leadership fundamentals (59%), coaching/mentoring skills (55%), and interpersonal dynamics (54%).

Figure 2. Leadership training topics

![Figure 2. Leadership training topics](image)

Also of interest are the training topics offered least often, such as leading through uncertainty and leading millennials. Although at least half of organizations reported offering training on these particular topics, nearly 40 percent of organizations are not providing anything to address these leadership challenges—which, given the well-documented outflow of retiring boomers and the influx of millennials into the workforce, may disadvantage companies seeking to grow in volatile markets and/or with protean personnel.

Next, survey respondents were asked what types of materials are frequently used in their leadership training. As shown in Figure 3, individual assessments (e.g., psychometric, skill, performance, or value-based assessments) and introductory leadership courses (e.g., key concepts, business language/communication, models) were most frequently used as part of training, followed by pre-work e-learning and coaching sessions. Utilized less frequently
were specialized workshops (e.g., corporate communications, change management, soft skills), experiential courses (e.g., practical examples, case studies, reinforcement sessions), and group sessions to examine or improve group dynamics—all of which may be more resource intensive to conduct for a company’s leaders. Of interest is the comparatively low endorsement of all post-training materials and assessments, suggesting that only about 30 percent of organizations are conspicuously taking steps to encourage sustainment following formalized leadership training sessions.

Figure 3. Training materials used in leadership training initiatives

Although the above charts provide information on the topics and tools companies use to develop leaders, they do not indicate what these companies are hoping to accomplish. Leadership training is nothing if not intentional—when investing budget in leaders and managers in an organization, there are a multitude of ways to consider ROI. To that end, Figure 4 on the following page displays the ranking of the training objectives deemed most important by survey respondents when considering L&D initiatives targeted toward the upper ranks of an organizational hierarchy. Perhaps unsurprisingly, increasing effectiveness was resoundingly endorsed above all other objectives, and improving engagement was important to more than half of the companies participating in the survey.
Of particular note in Figure 4 are some of the misalignments between achieving objectives and utilizing metrics. For instance, while 56 percent of respondents cited improving engagement as important, tracking content usage/relevance was only endorsed by 34 percent, and only 26 percent identified measuring participation as an objective—itself, ostensibly, a metric that feeds the conclusions many L&D organizations seek to make about the degree of engagement in training. In other words, while engagement may be seen as important, many L&D efforts may fall short of effectively demonstrating engagement without a concurrent attempt to collect data to substantiate engagement levels during training.

Just as leadership training can harbor a range of goals and objectives, it is seldom without bumps in the road. Figure 5 shows the obstacles and challenges to leadership training, comparing those organizations rated as very effective at leadership development versus those rated as somewhat or very ineffective. As shown, many obstacles are reported irrespective of overall leadership training effectiveness, though several stand out as larger challenges for ineffective programs. Namely, limited resources, training consistency and securing support from organizational leadership were reported much more often by ineffective organizations.
Leadership Training for Influence

Focusing on how organizations are promoting influence in their leadership training curricula, we next asked learning leaders how their organization offers training opportunities to foster and advance influence skills. Again, we compared the practices of very effective organizations to those organizations rated as ineffective at leadership development. As seen in Figure 6, effective organizations not only offer training on influence more often than ineffective organizations, but these offerings are much more likely to occur on an ongoing basis. Similarly, half of organizations rated ineffective at leadership development do not offer any training on influencing behavior.
Figure 6. Providing training on influencing behavior (by leadership training effectiveness)

Although influencing the behavior of others is a critical leadership skill, we were also interested in which functional areas within companies were seen as most impactful when it comes to training for influence. Figure 7 on the following page shows that while influence was only rated as unimportant for all functions between 3 and 11 percent of the time, influence skills were most important to HR, sales, customer service and marketing departments.
Figure 7. Importance of influence training across organizational functions

Figure 8 displays the most common methods utilized by organizations to deliver training on influencing behavior. As shown, classroom-based instructor-led training was endorsed most often, followed by team building activities, coaching and mentoring, e-learning, and video.

Figure 8. Delivery methods for influence training
Along with utilization rates for training modalities, learning leaders were asked which delivery methods were most effective for delivering influence training. As shown in Figure 9, classroom-based instructor-led training was endorsed as most effective, followed by coaching/mentoring, team building and experiential learning.

![Figure 9. Modality effectiveness for influence training](chart)

Taking Figures 8 and 9 together, there are some interesting patterns that emerge. It is not surprising that instructor-led training, coaching/mentoring, and team building were both the most frequently used and rated as most effective. However, other modalities such as shadowing were not commonly used (25%), but rated by 58 percent of respondents as an effective means to train leaders on influence.

**Influence Across Employee Demographics**

Although influence in leadership can be considered universally applicable, we asked respondents about the importance of influence to the management of various age groups of employees. While there has been speculation that millennials have significantly different
motivations in the workplace compared to older workers, the results of our survey suggested that influence is equally important to leading younger workers as their more experienced counterparts. As shown in Figure 10, influence was rated “very important” for millennials (age 18-33) and Generation X (age 34-49) employees, and slightly less so for boomers (age 50-68). Across all three groups, influence was rated as important by 78 to 82 percent of respondents. Not only was there agreement as to the importance of influence across demographics, but relatively few respondents indicated that influence was not important to managing across generations—only 13 to 17 percent of ratings for each age group were encapsulated by the “unsure” to “very unimportant” response options. It should be noted that this is relevant to influence in general; the latter half of this report details the ways in which influence may function differently across generations.

Figure 10. Importance of influence to generational demographics

Generational differences are not the only parameters through which employees can be differentiated; however, respondents were also asked about leading employees separated by geographic and technological divides. As shown in Figure 11 on the following page, influence was predominantly rated as important for influencing employees across remote work arrangements as well as across international borders.
Given that there were a portion of respondents for whom this question did not apply, it should be noted that the percentage of “very important” ratings was 39 and 45 percent for international and remote employees, respectively, when considering only the continuum of importance ratings. Nevertheless, these results demonstrate that influence is important to managing employees regardless of where they’re located and where they come from, in addition to what age they are. If leadership is defined as an attempt to influence the beliefs, attitudes, or behavior of others, the data suggest that this is a relatively universal axiom that applies across an entire organization.
Demographics – Study 1 (Leadership Training)

Figure 12. Organizational Size

<table>
<thead>
<tr>
<th>Organizational Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10</td>
<td>10%</td>
</tr>
<tr>
<td>11-50</td>
<td>6%</td>
</tr>
<tr>
<td>51-100</td>
<td>5%</td>
</tr>
<tr>
<td>101-500</td>
<td>12%</td>
</tr>
<tr>
<td>501-1k</td>
<td>15%</td>
</tr>
<tr>
<td>1k-5k</td>
<td>21%</td>
</tr>
<tr>
<td>5k-10k</td>
<td>8%</td>
</tr>
<tr>
<td>10k-20k</td>
<td>8%</td>
</tr>
<tr>
<td>20k-50k</td>
<td>6%</td>
</tr>
<tr>
<td>50k+</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

53% over 1k
47% under 1k

Figure 13. Industries Represented

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Construction</td>
<td>10%</td>
</tr>
<tr>
<td>Business Services/Consulting</td>
<td>10%</td>
</tr>
<tr>
<td>Health care/Medical/Pharma</td>
<td>9%</td>
</tr>
<tr>
<td>Government</td>
<td>8%</td>
</tr>
<tr>
<td>Training and Development</td>
<td>8%</td>
</tr>
<tr>
<td>Durable Goods/Consumables</td>
<td>7%</td>
</tr>
<tr>
<td>Education</td>
<td>7%</td>
</tr>
<tr>
<td>Technology/Telecom</td>
<td>6%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>4%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3%</td>
</tr>
<tr>
<td>Entertainment/Hospitality</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
Figure 14. Departments Represented

- Learning and Development: 25%
- HR: 21%
- IT: 12%
- Finance/Accounting: 7%
- Customer Service: 6%
- Sales: 6%
- Operations: 5%
- R&D: 1%
- Marketing/Advertising: 1%
- Other: 16%

Figure 15. Job Titles Represented

- Manager: 60%
- Executive Level: 15%
- Consultant: 7%
- Trainer: 5%
- Specialist: 5%
- Instructional Designer: 3%
- Instructor: 2%
- Analyst: 2%
- Associate: 1%
Study 2: Bases of Power

The bases of power are a framework to understand the various avenues through which influence attempts succeed or fail across different situations. As mentioned previously, power can be formally granted to an individual by an organization, or informally gained through interactions with others. In practice, attempts to influence typically rely on a combination of these sources, such that they are interdependent and representative of a process of influence that occurs over time. As such, influence should not be conceptualized as an isolated cause-effect relationship that governs a discrete event or work task. Power is a function of both the job and the individual holding that job—in other words, the ability to influence others is a combination of position power and personal power.

Position power is the extent to which an individual has a recognized formal role, is seen as a resource for distribution of rewards, or is perceived as being able to administer negative consequences. Position power is granted by an organization to a particular job role, often dictated by the organizational hierarchy.

Personal power is the extent to which an individual demonstrates behaviors and personal characteristics that earn the respect and trust of others. Personal power is earned and maintained through interacting with others.

The bases of power represent a more granular explication of position and personal power, and describes how influence can be implemented across a variety of interactions and situations. In this study, we relied on the definitions provided above to assess how the ability to influence others may change based on factors external to the leader or manager.

**Bases of Power**

*Coercive* power is based on the perception that one can administer consequences for unacceptable behavior

*Connection* power is based on the perception that one is associated with important and influential people

*Reward* power is based on the perception that one can distribute rewards and recognition

*Legitimate* power is based on the perception that one’s influence attempts and decisions are appropriate for someone with one’s title or role

*Referent* power is based on the perception that one displays behaviors and personal characteristics that earn the respect and trust of others

*Information* power is based on the perception that one has access to information that is valuable to others

*Expert* power is based on the perception that one possesses subject matter knowledge, judgment and experience
For each of these external factors, respondents were directed to think of a situation in which they supervised and/or influenced someone else and decide how likely it would be that each statement would be the reason that subordinates or co-workers would comply when asked to do their job somewhat differently. Though tangential to exploring bases of power in this sample, it is worth noting that 75 percent of respondents reported that their organizations were effective overall at leadership development.

To establish a baseline for how leaders influence others in a traditional context, respondents were asked to rate each base of power as it applies to why others respond to their attempts to influence behavior when interacting with them face-to-face. As shown below in Figure 16, legitimate (77% likelihood), referent (79% likelihood), and expert power (77% likelihood) were rated as the most likely sources of influence in the workplace.

**Figure 16. Bases of Power (Baseline)**

Next, respondents were asked to provide ratings on the bases of power when attempting to influence the behavior of employees working remotely, such that interactions primarily occur through phones, computers and so on. As seen in Figure 17, legitimate power (73% likelihood) and expert power (74% likelihood) were the most likely sources of influence. In other words, influencing the behavior of others who are not co-located appears to be based mostly on the title or role of a leader and their subject matter knowledge. That said, referent power garnered the highest proportion of endorsement on the “extremely likely” end of the rating scale, and it should also be noted that both referent and information power were endorsed as likely reasons for behavior change 70 percent of the time.
Next, respondents provided ratings on the bases of power when attempting to influence the behavior of international or expatriate employees, such that interactions may be impacted by differences in culture or language. As seen in Figure 18, legitimate (68% likelihood), referent (68% likelihood), and expert power (68% likelihood) were the most likely sources of influence.
The results displayed in Figure 18 suggest that interpersonal aspects signified by the earned trust and respect of referent power is vital to influencing across cultural divides. Of note is the high “likely” rating for information power, suggesting that some of the mechanics of influence for this employee group is based on a leader being seen as a resource.

**Bases of Power Across Employee Generations**

Next, respondents were asked to provide ratings on the bases of power when attempting to influence the behavior of millennial employees 18-33 years of age. As seen in Figure 19, information power (78% likelihood), referent power (75% likelihood), and expert power (75% likelihood) were the most likely sources of influence. While no bases of power received significantly lower ratings, the dominance of information power suggests that millennials want as much information from their managers as possible, and may see them as a conduit for the information millennials need to complete work tasks.

**Figure 19. Bases of Power (Millennial Employees)**

Respondents were also asked to provide ratings on the bases of power when attempting to influence the behavior of Generation X employees 34-49 years of age. As seen in Figure 20 on the following page, referent power (77% likelihood), information power (75% likelihood) and expert power (78% likelihood) were the most likely sources of influence.
Lastly, respondents were asked to provide ratings on the bases of power when attempting to influence the behavior of baby boomer employees 50-68 years of age. As seen in Figure 21, legitimate power (72% likelihood) and referent power (73% likelihood) were the most likely sources of influence. It should be noted that information power (71% likelihood) and expert power (71% likelihood) were also likely to be sources of influence.

Figure 21. Bases of Power (Baby Boomer Employees)
Demographics – Study 2 (Bases of Power)

Figure 22. Organizational Size

Figure 23. Industries Represented

- Manufacturing/Construction: 17%
- Health care/Medical/Pharma: 16%
- Education: 12%
- Durable Goods/Consumables: 10%
- Entertainment/Hospitality: 9%
- Technology/Telecom: 9%
- Business Services/Consulting: 6%
- Banking/Finance/Insurance: 6%
- Government: 4%
- Non-profit: 3%
- Utilities: 2%
- Other: 8%

© 2015 The Center for Leadership Studies and Training Industry, Inc.
Figure 24. Departments Represented

- IT: 25%
- Operations: 14%
- Customer Service: 11%
- Sales: 8%
- Learning and Development: 7%
- Finance/Accounting: 7%
- HR: 5%
- R&D: 4%
- Marketing/Advertising: 4%
- Other: 17%

Figure 25. Job Titles Represented

- Manager: 63%
- Executive Level: 10%
- Instructor: 6%
- Associate: 5%
- Consultant: 5%
- Specialist: 4%
- Analyst: 4%
- Trainer: 3%
- Instructional Designer: 1%
Summary

As shown in the preceding pages, the majority of organizations are effective at training their leaders. According to the results of Study 1, the most effective organizations include training on the ability to influence others as either part of a general training or as a specific stand-alone training course—however, they offer this training on an ongoing basis to their upper ranks. This is in stark contrast to the practices of organizations who struggle with leadership development—51 percent of organizations rated ineffective at leadership development do not offer any training on influencing behavior. Moreover, compared to effective organizations, the challenges faced by ineffective organizations when implementing leadership development programs were more likely to be related to limited resources, issues with training consistency, and problems securing support from organizational leadership. Some challenges are more universal, however, as many organizations reported facing problems with sustaining the impact of leadership training, defining evaluation metrics, and gauging the effectiveness of training.

Influence was rated as most important to organizational functions that involve a high degree of person-to-person interaction both inside and outside the organization, such as HR, sales, customer service, and marketing, while least critical to functions such as engineering, manufacturing, and distribution. When it comes to delivery modalities, traditional ILT, team building, and coaching/mentoring were found to be both the most common and effective means through which to train leaders on how to influence others.

As demonstrated by the results of this research, influence is an important part of effectively leading employees regardless of generational divides, cultural divides or technological mediation. Across generations of employees, referent power, information power, and expert power were all rated above 70 percent when it came to likely reasons that attempts to influence succeed. This suggests that when a leader conducts him- or herself in a way that earns respect and trust, is perceived as having access to important information, and is perceived to have expert knowledge judgment, attempts to influence
the behavior of employees have roughly equal chances of being effective regardless of the age of the employees. Additionally, legitimate power was rated as important to influencing the behavior of employees working remotely or from another nationality. However, it should be noted that across all seven power bases under examination in Study 2, no single source of influence was unlikely to play a role in shaping the behavior of others. Evidence for this can be seen in the fact that “unlikely” ratings seldom crested 20 percent across all the demographic groups under study for any basis of power. In other words, while some sources of influence may be generally more effective when managing a particular type of employee, the strategy to changing the behavior of an individual employee is likely to vary slightly from person to person. While that may seem obvious, the takeaway from the results suggest that all bases of power in conjunction are likely to be the most effective. Further, while leaders may focus on specific sources of influence, the results of Study 1 show that influence in general is important for all demographic groups, and the organizations found to be most effective at developing their leaders position influence as an integral part of their core leadership training curriculum.

Finally, it bears repeating that influence must be approached as a dynamic and social process, not an isolated event. That is, a leader does not change the behavior or attitude of a subordinate employee through one or two interactions, nor is the likelihood of that employee’s response to the leader dependent solely on his or her one-on-one contact. Rather, exerting influence on an individual employee is a constantly evolving process, affected by the consistency of the management style of the leader over time as well as the perceptions and reactions of co-workers toward the leader. Leadership training on influence, then, can be a powerful way to equip leaders with the tools to better understand why their own attempts to direct behavior succeed or fail in the day-to-day cycle of management.
About This Research

About The Center for Leadership Studies (CLS)

With over 14 million leaders trained, Situational Leadership® is the most successful and widely adopted leadership model available. Deployed in more than 70 percent of Fortune 500 companies, Situational Leadership® transcends cultural and generational differences and equips leaders around the globe with the skills necessary to address a specific challenge, drive behavior change and increase productivity. CLS services customers both domestically and internationally through an extensive network comprised of over 200 learning professionals in more than 30 countries.

For more information, go to www.situational.com, call 919.335.8763, or email us at info@situational.com.

About Training Industry

Our focus is on helping dedicated business and training professionals get the information, insight and tools needed to more effectively manage the business of learning. Our website, TrainingIndustry.com, spotlights the latest news, articles, case studies and best practices within the training industry.

For more information, go to www.trainingindustry.com, call 866.298.4203, or connect with us on Twitter and LinkedIn.

About This Research

Training Industry, Inc. research captures the collective wisdom of learning professionals, revealing fresh data on trends and practices in the evolving training market. Copyright © 2015 by The Center for Leadership Studies and Training Industry, Inc. All rights reserved. No materials from this study can be duplicated, copied, re-published, or re-used without written permission from The Center for Leadership Studies or Training Industry, Inc. The information and insights contained in this report reflect the research and observations of The Center for Leadership Studies and Training Industry, Inc. analysts.