

DRIVING ORGANIZATIONAL PERFORMANCE Through Leadership Development

Developing a high performing organization starts at the top, with effective leadership. Poor leadership can result in mismanagement of resources, strategic misalignment and a host of other organizational problems that can undermine a company's performance.

With so much at stake in today's competitive business environment, organizations cannot ignore the importance of developing their leaders and the impact it can have on the company as a whole. Companies must equip their leaders with the tools they need to skillfully navigate the demands of an increasingly diverse workforce and evolving global marketplace. And that starts with effective training.

TRAINING EFFECTIVENESS

Leadership is the cumulative impact of an individual's attempts to influence the beliefs, attitudes or behaviors of others; put more simply, leadership is any attempt to influence. In this context, leadership includes attempts to influence up, down and across the organization, ultimately impacting business results by driving behavior change. Training can help harness the full potential of leaders and maximize business impact.

Leadership training endeavors aim to 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.

"For any organization that really sees bottom-line value in retaining talent, leadership development should be at the forefront of any operational strategy," said Dr. Sam Shriver,

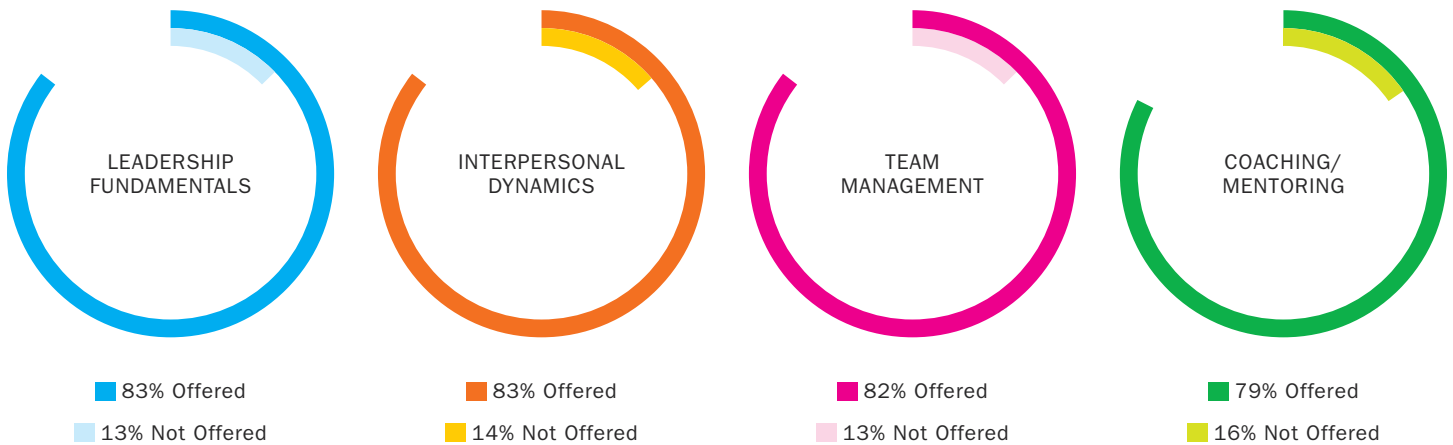
senior vice president of commercial operations and product development at The Center for Leadership Studies. "Poor leadership can impact productivity, engagement, employee retention and drain company resources."

According to a recent research study, "Influence in Leadership Development: Bases of Power in Modern Organizations," conducted by The Center for Leadership Studies and Training Industry, Inc., approximately 70 percent of organizations were rated as being effective at leadership development. Interestingly, the most effective organizations offered influence training on an ongoing basis, whereas 51 percent of ineffective organizations did not offer any training on influence.

Providing leaders with the skills they need to succeed is essential to the long-term viability of an organization.

FIGURE 1A

LEADERSHIP TRAINING TOPICS Offered Most Frequently



The ability to change or direct others' behavior is an invaluable attribute for leaders in an organization to possess and can ultimately set great leaders apart from average leaders. Providing leaders with the skills they need to succeed is essential to the long-term viability of an organization.

TRAINING ESSENTIALS

When designing and deploying leadership training programs, learning leaders must plan a curriculum that aligns with business goals to ensure training delivers the intended outcomes. The training topics offered most frequently are 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. (See *Figure 1A*.)

On the other hand, the training topics offered least often were leading through uncertainty and leading millennials. (See *Figure 1B*.) 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. Given the well-documented outflow of retiring boomers and the influx of millennials into the workforce, this may disadvantage companies seeking to grow in volatile markets and appeal to various employee demographics.

Additionally, individual assessments and introductory leadership courses are frequently used as part of

training, followed by pre-work e-learning and coaching sessions. Interestingly, there is low endorsement for post-training materials and assessments, suggesting that only about 30 percent of organizations are taking steps to encourage sustainment following formalized leadership training sessions.

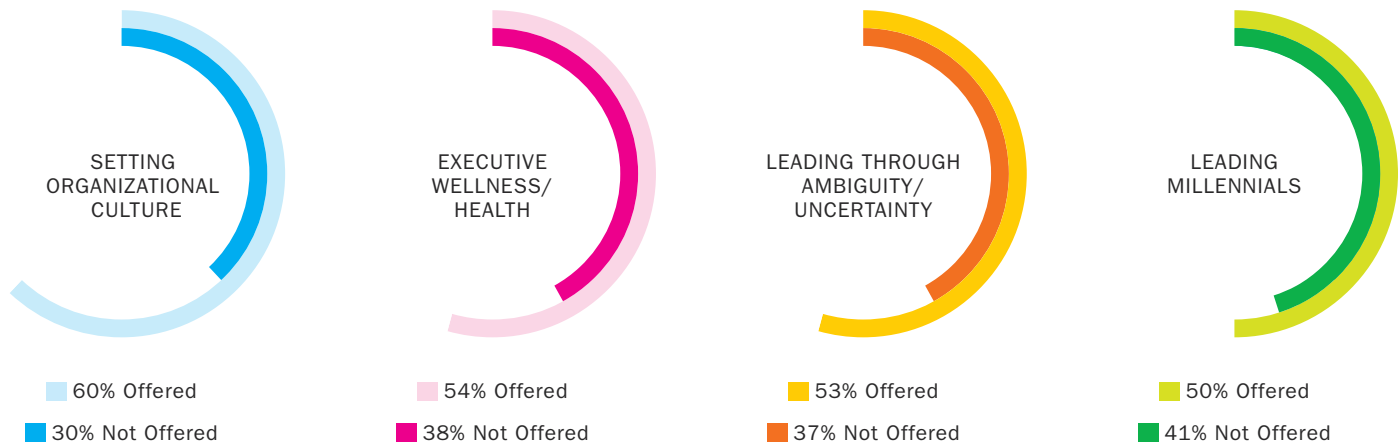
When investing budget in leaders and managers in an organization, there are a multitude of ways to consider ROI. To that end, increasing effectiveness and improving engagement are top reasons why organizations invest in leadership development, but there appears to be a misalignment between achieving objectives and utilizing metrics. For instance, while 56 percent of organizations 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. This feeds the conclusion that while engagement may be seen as important, many organizations fall short of effectively collecting data to substantiate engagement levels during training.

PERCEPTIONS MATTER

When it comes to leadership training, the perceptions of the direct reports and those who the training impacts is an important indicator of whether the training is delivering the intended result. According to a second study, "Influenced by Others: Bases of Power Across Employee Generations," 73 percent of respondents rated their company's leadership training for their manager

FIGURE 1B

LEADERSHIP TRAINING TOPICS Offered Least Frequently



as effective. This indicates that the bulk of followers perceive leadership training to have a net positive effect on managerial behavior.

Additionally, effective leadership training may contribute to fostering emotional and social bonds between an employee and their work, as well as instilling confidence in the abilities and skills of leaders who undergo training and development.

In terms of training outcomes, employees perceived their managers placed the most emphasis on the transfer of learner skills to the employees' current roles, while enjoying the training experience and finding it useful received the lowest ratings. This suggests that employees believe that their managers are slightly less concerned with immediate reactions to training than they are with the impact the training will have on job behaviors and business outcomes; further underlining the importance of ensuring that training is strategically aligned to business goals.

MOVING FORWARD

Leadership development is the backbone of a high performing organization. Companies with strong leadership cultures embrace ongoing development to influence and affect change across the organization. If there is a breakdown in leadership, then other facets of the organization will ultimately follow suit.

"An organization only has so much energy," Dr. Shriver said. "The more that energy is expended internally on

morale and engagement problems, the less it can be expended externally, focusing on competition, creativity and innovation."

In today's fast-paced global marketplace, organizations cannot afford to ignore the importance of leadership development. Having effective leadership practices in place can help organizations excel within an environment of continuous change and gain a true competitive edge.

For more information, read the full research report on "Influence in Leadership Development: Bases of Power in Modern Organizations."