# The Leadership Development Tool Kit

Redesigning Your Leadership Development
Template to Drive Individual and
Organizational Change

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# Dedications

*This book is dedicated to our family providing wonderful support during challenging times and difficult international assignments.*

# Acknowledgements

*We would like to acknowledge all the mentors and coaches who have played an important part in our development and learning.*

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# Preface

If you manage people in today's business environment, you will need to learn how to get your people to accomplish your organizational goals effectively as independent leaders. This is true if your business is experiencing great success in a good economy or troubling times in a bad economy. The reality is 21st century leadership is upon us, which requires supervisors, chief executive officers, and other decision makers to be great leaders. Why is management so different today than it was a generation ago? Steve Denning, author of *The Leader's Guide to Radical Management: Re-inventing the Workplace for the 21st Century,* said it best.

"*Management in the 20th century was about achieving a finite goal: delivering goods and services, to make money. Management in the 21st century is about the infinite goal of delighting customers…*

*The infinite goal of delighting customers is inherently inspiring: helping other people is the essence of moral thinking. It is inherently uplifting for those doing the work, and invigorating to those for whom the work is done. Hence the goal is inherently sustainable.*"

Essentially, workers cannot just go to work to crank out a widget and have that suffice. Instead, in today's world, innovation and problem solving are key competencies every worker should have, not just those at the very top levels of the organization. But attracting *and* retaining innovative problem solvers requires development, which is the responsibility of the employer.

Employees are trading their time and intellectual property for gainful employment as well as other benefits. Thus, employers need to get the best out of their employees so the company can in turn provide the best to its customers. How does an organization empower its employees to perform to their potential? The short answer is through a leadership development program. When this type of program ties personal employee goals to company goals, it has proven to impact productivity and bottom-line profits.

In this book, you'll explore the reasons behind creating a leadership development program, the numerous benefits of such a program, and an actual implementation strategy.

The reason we decided to write this book was to provide a plan and path to great leadership that any individual or organization could implement. Our personal management philosophy has evolved over the course of our careers, and we believe everyone has the ability to achieve their highest potential. Leaders are the key to identifying and demonstrating what that potential looks like in others. We have been fortunate to receive numerous assessments at different times in our careers, and one thing we learned in those assessments was our natural penchant for leadership. We love learning about people and how to affect changes in behavior to ultimately achieve missions greater than ourselves. Assessments are great tools for discovering things about ourselves that we would typically overlook. They are also a great practice in self-awareness. Over the years, as we have moved through promotions into higher leadership positions, we have become increasingly aware of the need for investment in personal leadership and organizational

development at all levels in an organization. If an organization is to accomplish great goals, leaders need to care for the people working toward those goals.

Overall, leadership development programs are also a great way to organize an organization's talent management life cycle. This is the continuous process of attracting, developing, and retaining top talent in a holistic way ensuring mutual maximum benefits. Organizations that make significant investments in perfecting this process will undoubtedly have the competitive edge.

We acknowledge that in an ever-changing and more connected world, diversity and inclusion are crucial. This book however focuses on how to design a leadership development template sans calling out specific inclusion practices. We feel it is important to address this head-on.

To help illustrate principles, you'll discover case stories throughout the book and in the Appendix.

The hope is that this book will help illuminate and demystify the strategies for and approaches to developing empowered and innovative employees eager to accomplish great things for you and your organization's mission.

Cheers to your organizational growth!

Chapter 1
# UNDERSTANDING THE
# CASE FOR WHY

*"There are no secrets to success. It is the result of preparation, hard work, and learning from failure."*

–Colin Powell

According to the online source HRZone, leadership development refers to "activities that improve the skills, abilities and confidence of leaders."[1] Some professionals differentiate between the terms 'leader development' and 'leadership development'. *Leader development* focuses on the development of individuals as leaders whereas *leadership development* refers to the development programs that target collective leadership in an organization. Talented, high-performing employees are often the favorite candidates for leadership development programs. It is a common practice to utilize leadership development programs in succession planning to identify or nurture talented employees. As you read through this first chapter, ask yourself where you and your organization are at in your development with regard to

leadership. To make this easier, go to Appendix 1 and complete a simple self-assessment.

Leadership development programs help organizations cultivate their pool of talented employees. The benefits of successful leadership development are evident as soon as the participants complete the program. Prospective leaders are chosen as candidates for entry into the program, and they come out armed with a new skill set as well as the motivation and commitment to improve the company in all aspects. When the same individuals reach a senior position, these cultivated skills will help them not only fulfill their newfound responsibilities with ease, but also explore new ways and methods to drive the business toward success. Leadership development programs empower employees, increase employee retention, and improve productivity, thereby adding to the bottom line of businesses. That said, we would like to acknowledge that the development of an organization does not depend only on a leadership development program; it also requires supporting and implementing equity throughout the organization.

Whether you are the owner of a small business or startup or the Chief Executive Officer (CEO) of a large multinational enterprise, the benefits of incorporating a leadership development program into your business will not go unnoticed. This book is primarily written for the head of a small and medium-sized enterprise (SME). However, an experienced strategic human resource (HR) professional will be able to effectively apply the tools contained herein to develop their organization, although it will require the blessing or buy-in of the CEO or owner.

## The Importance of Leadership Development for Small and Medium-Sized Businesses

Large businesses are not the only ones that require leadership development. Small and medium-sized businesses need to recognize the importance of leadership development for ensuring the success and growth of their company. Usually, SMEs do not have a large HR department; some may not have one at all. This is one of the many reasons that SMEs do not invest in leadership development. If your company has HR staff, no matter how few, they have seen first-hand how employees with leadership skills are more positive about themselves and their organization. These talent management professionals understand this from a technical perspective and, based on their training, they have a sense of what is needed for developing human capital within an organization. But they are in a boxed situation. HR professionals often know exactly what is needed and they can see the overall development trends and benefits, but they do not have the direct authority to develop a program without the permission of senior executives. These talent management professionals are often seen as support functions as opposed to strategic partners, which becomes an additional barrier.

So the biggest challenge faced by these committed HR professionals is getting the buy-in for implementing a leadership development program. They must convince the CEO and/or Chief Financial Officer (CFO) of the financial impact of the leadership development program. Failure to persuade senior executives of this potential for positive impact will result in the

HR department not getting the approval to create a leadership development program.

Alternatively, when the CEOs take the initiative and start looking for programs to develop their people, it is usually because of a need. This could be handling management or operational activities of the organization, developing a marketing and sales program, or formulating new and innovative approaches that are essential for coping with emerging marketplace challenges. Whether coming from an HR executive or a CEO, the initiative to develop leaders will ensure that your employees are passionate about their jobs and perform at the highest levels. Employees who have been developed are more autonomous, have technical competences, become evangelists about the organization, and are less likely to leave the organization. When these employees become leaders, even when they lead only themselves, they are more proactive and are empowered to get things done successfully for the organization.

## Leadership Development Benefits

Employing a leadership development program, one that successfully prepares your employees for future leadership roles, is no small feat. If you accomplish it you will be rewarded with both short- and long-term benefits that will not only help your company to prosper and grow, but will also ensure the loyalty and commitment of your employees to your organization. The following are some benefits that are a direct consequence of successful leadership development:

### 1. Employee Retention

Studies performed by Leigh Branham, a leading authority on the retention and turnover of employees, and author of *The 7 Hidden Reasons Employees Leave*, recognized that at least 9 percent and possibly as much as 32 percent of an organization's voluntary turnover can be prevented through better leadership skills.[2] Branham, who conducted the analysis with PricewaterhouseCoopers, identified trust, hope, worth, and competence as being at the core of most voluntary separations. When employees are not getting their needs fulfilled in these key areas, they start to look elsewhere.

### 2. Employee Productivity

Providing employees with the skills, tools, resources, guidance, and support they need to perform at their best level is the key to crafting a high-performance work environment. Research conducted by Dr. Paul Leone with Fortune 100 financial services companies involving 300 managers and 1,200 direct reports found a 5 to 12 percent increase in productivity among employees of managers who had attended leadership development training and immediately began applying the new skills they learned.[3]

### 3. Performance Management

Providing effective and constructive feedback to employees motivates them to perform better and self-improve. Successful leaders are known to provide effective feedback, but not undue criticism. This helps boost employee morale and improves employee engagement. As a direct consequence of this

feedback, employees strive to give their best on a daily basis, are more committed to their organization's goals and values, and are highly motivated to contribute to organizational success.

### 4. Better Decisions

By developing a leadership mindset and skills in your high-performing employees, you are actually providing them with the tools to make better decisions in the interest of the company. Leaders with the right skills and tools have the ability to make informed and intelligent decisions that will help your company grow and prosper.

### 5. Future Insight

Incorporating a leadership development program can provide you with valuable future insight and help you target critical areas of the company or business that could jeopardize success. Leaders think and plan ahead and survey trends in the marketplace and industry to ascertain the future conditions in which your business is expected to flourish. By developing leadership qualities in your employees, you are in fact safeguarding the future of your company through the development of assets that will help you maneuver out of tight spots and adverse situations.

### 6. Leadership Influences Profits

At a very fundamental level, leaders help employees set goals. In addition, leaders make sure those goals are aligned with the corporate strategy, which is often aligned with profits. Leaders are responsible for providing the direction and support

that the employees need to succeed on a daily basis and follow up to make strategic corrections as necessary.

### 7. Employee Engagement

The implementation of a successful leadership development program also provides intangible benefits—such as a collaborative work environment, positive company culture, and positive attitude of the employees toward work and the company in general.

Although a leadership development program can be seen as falling outside typical business operations and being financially challenging, like any initiative, taking no action is often the most expensive choice of all. Most executives intuitively know that robust leadership is crucial for organizational success. By assessing and cultivating leadership practices throughout your organization, you can remove a continual strain on financial results enabling your organization to grow and prosper.

## The Elephant in the Room

Let's address the elephant in the room up front. Leadership development programs can fall short or even fail.

Why? Many organizations have no clue about leadership development – how it works, where to start, and why. Without this base knowledge or roadmap, they then have trouble finding the right trainer, facilitator, or coach to implement the program.

## Let's explore this in more detail. Why Leadership Development Programs Fail

While fairly simple to understand, the concept of leadership development is far more difficult and complex to implement. Most businesses recognize the need to develop effective leadership development programs, but not all of them are successful in accomplishing their program goals. Somehow, even with all the planning and timely execution, these programs fail, proving to be ineffective in cultivating future leaders of the company.

So where are they going wrong? It turns out that there are many factors that influence the success of leadership development programs.

Here are some reasons why leadership development programs can fail:

1. The program participants are not ready or open to be trained or coached.

2. The program does not pick the right facilitator to lead the process. Even a great facilitator can fail if they do not fundamentally understand or agree with your approach. You have to make sure there is a good fit between what you want to accomplish and the skills of the facilitator.

3. Program objectives are not clearly stated. Without clear goals, leadership development can quickly go from a great idea to being just another thing to do.

4. Progress and performance are not monitored, measured, and/or evaluated. Leadership development must be goal oriented. Without goals, there is no way to confirm the benefits or the return on investment (ROI).

5. There is no structure in place to deliver the program. The lack of a defined agenda, the failure to continually follow up on the progress from the sessions taking place, and the absence of proper planning on what needs to be done between meetings will doom the results.

6. There is a lack of tools for providing feedback, such as 360 Degree Feedback, psychometric assessment tools or organizational assessments. Your job helps the organization achieve its goals. You will need proper feedback to ensure that the organization's goals are being met.

7. Participants fail to see how they can apply their training to real-world situations. If the training or coaching sessions are not transferable to the participants' daily responsibilities and functions, the value of the training program will be hard to determine.

8. People tend to focus on technology and systems first and the people second; meaning financial investments are made in software and systems that solve problems without first investing in the people (and their corresponding needs) who will use these systems. This can be dangerous.

9. There is a lack of executive or top leadership sponsorship for the leadership development program.

Senior leaders in an organization need to be conscious of resistance and try to figure out where the resistance is coming from and why. This should be addressed up front as resistance to a leadership development program or any significant organizational change is usually based on the fear of the unknown and could result in the derailment of the program or isolation of the implementers of the program.

A 2014 study, "Why leadership-development programs fail," performed by Gurdjian, Halbeisen, and Lane (McKinsey Quarterly)[4] investigated the reasons behind the failure of leadership development programs. The biggest takeaway from their study is that leadership development programs must apply the learned knowledge to real-world work situations in order to be effective. Without a built-in program for application, the participants will not be able to sustain the new skills and knowledge delivered during the program. In addition, without the correct context, they will be focusing on the wrong things. For the correct application of the training program, long-term attitudes have to change. Without this behavioral change, people will go back to doing what they have always done and getting the results they have always achieved. This will lead to failure of the leadership development program. To ensure its success, results must be measured and evaluated. Without measurement, there is no way to assess and quantify the ROI for your organization.

Korn Ferry's 2015 "Real World Leadership" study of more than 7,500 executives from 107 countries revealed that a "lack of executive sponsorship" is an obstacle to successful leadership development efforts.[5]

## The Leadership Gap

The Center for Creative Leadership (CCL) reported that the leadership gap still exists. This shortage of leaders is a global concern, which is in part due to the rapid changes in the nature of work, such as the early retirement of baby boomers and organizational practices like poor planning and lack of effective development programs, which have not kept up with the times when selecting and developing talent for leadership.

Research also conducted by CCL has found that "today's leadership capacity is insufficient to meet future leadership requirements." The research identified the four most important future leadership skills: strategic planning, leading employees, change management, and inspiring commitment. Coincidentally, these are among the weakest skills of today's leaders; this is no surprise considering our habit to emphasize technology and tasks over people. Developing people and people skills such as the art of negotiating, delegating and communicating cannot be left to happenstance. The study indicated that the leadership gap occurs most noticeably in high-priority areas of self-awareness and employee development. This shows that it is high time for businesses and enterprises of all sizes to prioritize their efforts on employee development for leadership skills and roles. Without leadership development, the current and future needs of your business will not be met.

By knowing the areas and skills that your employees and leaders lack, you can structure your leadership development program to target those weak spots and strengthen them. The four most important traits of leadership, as highlighted by the

CCL study, need to be worked on and targeted specifically to train leaders in using and applying those skills in their workplace. This will empower the existing and future leaders to lead their teams and employees efficiently, to close the gap, and to allow them to reap amazing benefits and rewards, both on organizational and personal levels.

CCL also suggested five steps by which businesses and organizations can bridge this leadership gap.

1.  Starting with a needs assessment, organizations should first identify the skills that their leaders and managers need now and will need in the future to execute and sustain the organizational strategy and achieve organizational goals.

2.  By understanding what is required, a leadership strategy that targets the specific behaviors and business goals can be developed.

3.  The individual strengths and weaknesses of the current leaders should be evaluated against the needs assessment, and specific goals and strategies should be developed to target the weak areas.

4.  Systems should be put in place to effectively recruit, select, and develop talent. You should also be able to evaluate performance and provide constructive feedback.

5.  Creating systems that evaluate individuals as well as their progress and training will help you achieve the desired outcome.

Bridging the leadership gap requires a deep understanding of your leaders' strengths and weaknesses. This will help you target the weak areas and work on them to develop new skills that will aid the managers and executives in accomplishing company goals. It is necessary for businesses to align employee development goals with the long-term objectives and the organizational strategy of the company so that the time and effort you dedicate to developing and designing a leadership development program pays off and rewards you with fruitful results.

## Ensuring Success of Leadership Development Programs

There are many factors at play that influence the success of any leadership development program. A 2017 study titled "What's missing in leadership development?" by Feser, Nielsen, and Rennie (McKinsey Quarterly)[6] asked 510 executives about the situations and circumstances in which their leadership development programs were effective. The survey results noted that there is no magic pill that could make the difference between the success and failure of a leadership development program. However, four key findings were outlined that are thought to contribute to the success of these programs.

### 1. Basing the context of the program on the organization's position and strategy

A greater chance of program success exists if organizations focus on the behavior that matters the most according to the context. This requires:

- Translating the organizational strategy into the required leadership qualities;

- Focusing on the leadership behavior that is most essential for improved performance; and

- Determining how the mindset and behavior of employees need to change.

## 2. Ensuring sufficient reach of the program throughout the organization

Organizations that had broadened the reach of the leadership development program were found to have greater chances of success. Ensuring that the leadership development interventions and the organizational leadership model reach all organizational levels is thought to be one of the predictors of the program's success.

## 3. Designing the program with an emphasis on the transfer of learning

The program design should prioritize the transfer of learning so that individuals and employees are encouraged to practice new behaviors that contribute to becoming a better leader. It is essential that the participants link the content and knowledge that they learn in the program to their ongoing projects and apply them in new settings over time.

## 4. Using system reinforcement to support and accept the change

Before designing and staging development interventions, it is advised to review the current formal and informal techniques in place for building leadership skills. By adapting formal

HR systems to reinforce the leadership model, the chances of program success can be greatly improved. This includes recruitment models, employee performance and evaluation largely. This will help employees not only apply their learned skills in work settings, but also practice the new skills and embrace the change.

## Current Trends in Leadership Development

An article titled "Three Trends That Will Shape Leadership Development" highlights two key trends in leadership development that will shape the future of businesses and their management (Cartolari, Forbes 2018)[7]:

- Current leaders are facing more pressure and challenges as organizational restructuring is changing what is expected of them. Currently, leaders' roles are more vast, ill-defined, and quite unpredictable as organizations decentralize decision-making, flatten their structure, and extend authority and control. With the advancements in technology and research, as well as the vast amount of information that is available, leaders are no longer the experts. It's not their responsibility to command and control, but to mobilize, inspire, and motivate others to achieve the organizational goals.

- CEOs and other executives are finding it hard to locate leaders with the new qualities and skills required for growth and success in the unknown and unpredictable business landscape of today.

Even with the entire buzz associated with leadership development and how important it is for businesses, some executives don't consider it a priority as it doesn't directly translate into profits for the bottom line of any business or solve any of the problems they currently face. The answer lies in developing relevant, organization-specific programs that target organizational goals and objectives. The ultimate goal of any leadership development program should be to align the organizational goals with employee development and behavior, encouraging them to learn and apply new skills that will help them to better achieve organizational objectives.

In the present fast-paced marketplace, competition is fierce, and you need to have the best leaders armed with the right skills to navigate the unpredictable landscape. There is no definite road map or a set of clear instructions that you can follow to have a successful leadership development program. However, certain factors influence the success of leadership development interventions because there is no one-size-fits-all approach to leadership development. You need to know and understand your business and employees at a deeper level to enjoy the benefits of leadership development, this book is for anyone who is looking to create a leadership development program specific to their organization. Moving forward, we'll discuss the consequences of poor leadership, understanding the organizational goals and objectives, and how to formulate a leadership development program.

**Key Insights**

- Leadership development programs help organizations cultivate their pool of talented employees.

- Benefits that are a direct consequence of successful leadership development include employee retention, employee productivity, performance management, better decision-making, future insight, profits, and employee engagement.

- Leadership development programs fail when participants fail to see how they can apply their training to real-world situations.

- You can ensure success in a leadership development program by translating the organizational strategy into the required leadership qualities, focusing on the leadership behavior that is most essential for improved performance, and determining how the mindset and behavior of employees needs to change.