

Outperform: It's Time to Improve Leader Development in Your Organisation

The task for Boards and CEOs, is clear: To lead organisations that will outperform.

As the success of organisations relies on effective leadership, and change is all around, it stands to reason that leadership development is a necessity. After all, in a fast-changing context, your organisation needs leader capabilities that develop continuously.

With this in mind, it is alarming that most leadership development initiatives are reported to have very low business value, and the problem has been getting worse.

The Way Ahead Series, by Mercuri Urval

Our team advise and support thousands of leaders across all sectors.

In this series of articles our CEO, Richard Moore, distils practical advice from real leader successes and challenges.

Advice focussed on how leaders can ensure their organisations – teams – outperform.



“Only 7 percent of CEOs believe their companies are building effective global leaders, and just 10 percent said that their leadership-development had clear business impact”¹

“The good news is that organizations seem to recognize that there is a leadership crisis and are willing to invest resources to address it. The bad news is that despite a decade and a half of increased spending, the problem seems to be getting worse. This raises serious questions about the efficacy of leadership development, questions that go straight to the core of the [leader development] industry.”²

Fortunately, emerging research can guide us to better understand what is going wrong with leader development. Understanding these problems means you can avoid them when developing your leaders.

How Can You Learn From Failed Leader Development to Reliably Improve Your Leader's Success?

Problem 1: Generic leader development interventions utilise stereotypical leadership behaviours that are considered attractive or generally positive but don't meet specific individual or organisational needs.

- **Flaw:** Even if such stereotypes are based on data, in leadership advisory and development, 'one size' does not fit all. Stereotypical models used in leader development reduce opportunity for diversity of leadership behaviour and fail to provide advice to leaders that is specific to them and their context.
- **Solution:** For leadership effectiveness to be increased and leadership diversity to be assured, development must be tailored to each leader. Each leader works in a unique context. Each leader has a unique motivation and skill set. This means a unique approach to each leader's development is required. A focus on practical actions that will improve their results and enable their behaviours to change will be most effective. Actions routed in self-awareness that match each leader's sense of purpose and motivation to learn will further increase the chances of success. Leaders improve by developing a few carefully selected and already existing capabilities in real life. Leader development should be precisely tailored.

Problem 2: Leadership development without properly defined impact measures leads to unclear results and differing opinions of business value.

- **Flaw:** Without clear agreed goals and follow-up measurement based on evidence, subjective opinions of participants and programme sponsors are inadequate to sufficiently evaluate impact.
- **Solution:** Effective leader development must be quantified beyond satisfaction measures to determine if business value is created longer-term. Fact-based measurement and follow up will keep development actions connected to important business requirements. Goals and their measurement should relate to real observed changes in the leader's behaviour and the results of their team and organisation (for example, productivity, engagement, or retention). Leader development should operate against clearly defined goals and verifiable facts.

Problem 3: Quick wins in leader development are an illusion. Focus on individual or organisational development activities that can be quickly and cheaply delivered, often called 'sheep dipping' e.g., one-off training workshops, ad-hoc digital modules, annual leadership team events, etc. will not lead to sustained leader development or performance improvement.

- **Flaw:** There are no shortcuts when sustainable leadership development is required.
- **Solution:** Effective leader development requires that each leader has good advice from an expert they trust. It should start with a high-quality analysis of their work situation and required results, valuable personal feedback, and provide sufficient opportunity to think and plan sustained change. Leaders must know how to change and be convinced about the need to change and have the opportunity to change. To effectively transfer learning into their 'real-world' work context the work-system around your leader must also be in scope for development (e.g., some changes to role and tasks, team, organisation design or KPIs, etc. will need to be made). Only systematic development that encompasses change in the leader's behaviour and their work-system will succeed sustainably.

Conclusion:

Addressing these common problems in leader development will create better results for your organisation, it's leaders and your teams. Leader development must relate to specific changes that can be measured, are valuable to the individual and their followers and are realisable in the needed timeframe. Through precisely tailored leader development interventions – that include systematic action plans and clear business impact measures – it is possible to develop leaders to perform in their new situation. As change is ever faster, leader development is ever more important. Getting leader development right for each leader in your organisation will accelerate – perhaps even define – your team's success.

¹ Claudio Feser, Nicolai Nielsen, and Michael Rennie "What's missing in Leadership Development?", McKinsey Quarterly, 2017, McKinsey.com

² Robert Kaiser and Gordon Curphy "Leadership development: The failure of an industry and the opportunity for consulting psychologists", Consulting Psychology Journal: Practice and Research, 2013, Vol. 65, No. 4, 294–302

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