

Outperform:

Research Shows That Only 10% of Leader Development Has Impact – We Share 3 Steps to Succeed

The task for Boards and CEOs is clear: To lead organisations that will outperform. As the success of organisations relies on effective leadership, and opportunities and demands change quickly, your organisation needs its leaders to develop continuously and successfully.

But leadership development initiatives usually fail. Research typically cites only around 10% of leader development effort has business value. (Read more about the reasons leader development fails in our article: "It's Time to Improve Leader Development in Your Organisation").

So how can you beat the odds and develop yourself and your leaders effectively?

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.

Three Steps for Successful Leader Development

Following these three steps will make sure your leader development is effective.

- 1. Know how you will measure the impact of development:** Precisely tailor development towards specific outcomes – and know how you will measure organisational impact.
- 2. Conduct an individual GAP analysis to select development actions:** Decide what development will achieve the required impact, and make sure it's achievable by the leader in their situation.
- 3. Act and follow up systematically:** Move into action and follow up impact measures long-term to ensure sustained focus and effort.

Development action that is focussed on measurable outcomes, that is tailored to the organisations needs and the individual's situation, and that is sustained long term is not easy. But it will increase success at work.

1. Know How You Will Measure the Impact of Development

Effective leader development must be quantified beyond satisfaction measures to determine if business value is created longer-term. For each individual leader, know what you need to achieve, and how to measure it:

- What specific organisational (or people) result should the leader's development achieve?
- Precisely how should the leader's performance impact result(s), and when?
- What are the most suitable impact measures to assess the leader's development?

As there is no general or stereotypical leadership behaviour that ensures success – each impact measure will be unique to each leader and their context. They will also change over time as circumstances change. This requires effective decisions to be made about what impact to focus on, and for those decisions to be continuously reviewed and adjusted:

- What should the leader do (tasks)?
- How should the leader work (behaviour)?
- What should the leader achieve (results)?
 - Shorter-term objectives
 - Longer-term objectives
- What organisational contribution (within and beyond their role) is required?

Useful impact measures should be quantifiable and relate both to observed changes in the leader's behaviour and to the results of their team and organisation (for example, productivity, engagement, or retention). Confidence in accurately predicting a return on development investment is increased when specific outcomes are set and measured.

2. Conduct an Analysis of the Gaps to Required Capabilities and Behaviours and Decide If They Can Be Closed and How

With a clear understanding of what impact should be achieved and how to measure it, the leader needs to be guided to select the most effective development actions. An individual GAP analysis specific to the leader's unique situation, capabilities and motivation should be agreed, documented, and used for later follow up.

The aim is that the leader and their manager both clearly understand how to build on strengths, mitigate weaknesses or change things in the leader's work system (e.g., changes to role, tasks or KPIs, etc.). Or as is often the case, all three. Selecting specific GAP closing actions that can be measured and are valuable to the individual requires addressing these key questions:

- What action(s) is the leader able to do?
- What action(s) is the leader willing to do?
- When will the action be completed (and what support is needed, if any)?
- How will the action impact the development result(s) to be measured?
- How can the leader's work environment be adapted to ensure action success? (To effectively transfer learning into their 'real-world' work context the work system around your leader must also be in scope for development).

Even if this GAP analysis work is comprehensive in scope, the outcome should be carefully refined into the fewest most important actions – with a clear prioritisation over time. What should be done now, and what later. Focus on one thing at a time.

Sustained leader development is achieved when a leader is willing and able to act on what is needed in an environment that facilitates repeated practice and change. Leaders must know how to change, be convinced about the need to change, and have the opportunity to change in order to improve their performance.

3. Act and Follow Up Systematically

With the leader's most important actions identified through an effective GAP analysis, development can now take place.

Leadership effectiveness is developed not learned. Expert leaders don't just know more than those with less competency. Their knowledge is organised differently, in structures that enable them to make better use of their knowledge, faster and 'on the job'. Experienced leaders develop in the context of their work situation by acting into new behaviours and they sustain these new behaviours by realising their impact on success. Efforts to aid and accelerate your leader's development should focus on using information from current or prior experience to act differently. Effective development action is:

- Result orientated: The leader must see the link between their effectiveness, the action, and the business result. Actions need to show a return greater than the effort to pursue. Actions must be relevant to the leader and focused on their situation. Focus on practical actions that will improve their results and enable their behaviours to change. Avoid excesses and distractions.
- Achievable, just: Actions should be reasonable, realistic but stretching, and agreed with others who can credibly give feedback. Actions rooted in self-awareness that matches each leader's sense of purpose and motivation to learn increase the chances of success. Incremental changes are more sustainable than revolutionary changes. To anchor new behaviours, leaders need to practice. Skills are acquired and expertise is built through repeated practice and experience. Avoid easy and avoid trying to do too much.
- Single action-focused: Planned achievements must be well defined and focused with an owner. Actions should be measurable to make objectives clear. A small action is better than no action. Avoid vague objectives and try to not pursue more than one action at once.
- Short-term: Actions need to have a deadline to secure urgency and monitor and be evaluated in an organised way to ensure they remain sound as conditions change. Use fact-based follow-up to keep development actions connected to impact measures. Avoid out-of-date goals and long-term dreams.
- Network-centric: In the past, it was often said that developing a leader was about the individual leader's leader competencies – their own skills and abilities. But the full impact a leader has relates as much to the network power they can bring to bear on problems and opportunities. Leader development must focus on strengthening their network. Avoid only developing what is inside the leader's own head.

Leaders develop through focus, self-awareness, specific actions, extensive practice, leveraging their network, and continual effective feedback. They develop 'on the job' by building on personal experience that was earned in current or previous leadership tasks.

Through precisely tailored leader development interventions based on clear business impact measures – that include systematic action plans and follow-up – it is possible for leaders to develop to perform more effectively in their new situation.

As change at work is fast, leader development is ever more important. Effective leader development for each leader in your organisation will define your team's success.

Whenever you need help our experts are at hand, delivering a proven science-based service that will increase success in leader development – wherever in the world you need them.