Leadership Development Best Practices

By Russel Horwitz

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KWELA
LEADERSHIP & TALENT MANAGEMENT

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THE CASE FOR LEADERSHIP DEVELOPMENT

Great companies understand that leadership effectiveness is the key differentiating factor that will determine the culture and performance of the overall organization. Excellent leaders are more likely to make the right decisions, attract and retain staff, and maximise the use of resources. All of this increases the probability of success.

While leadership development starts with getting the right people on the bus in the first place, most successful organizations have some form of leadership development process or program for developing the people they have. The purpose of this white paper is to summarize the best practices in developing leaders and offer practical tips that you can actually use.

CREATING A STRATEGY

Developing an approach to leadership development that works for your organization can be achieved by following the following steps:

1. Align to organizational strategy
2. Identify links with other HR processes
3. Ensure that there is support from the top
4. Design a program using tools that work
5. Measure the outcomes and refine

BEST PRACTICES

1. ALIGN TO ORGANIZATIONAL STRATEGY

BEGIN WITH A GENERAL COMPETENCY MODEL

Designing a leadership development approach typically involves many stakeholders, including HR, the Executive team and others. The use of a good *general* competency model that covers most areas of leadership can help everyone to share a common language, making discussions and decisions more effective. Here is a high-level summary of a general competency model:

Competency	Explanation
Customer Relations	The extent to which leaders understand and respond to the needs of their customers
Critical Thinking	The extent to which leaders are able to properly diagnose problems and opportunities and develop innovative responses
Strategic Planning	The extent to which leaders are able to think far into the future and develop effective vision and action plans in response
Communications and Conflict resolution	The ability of leaders to practice effective advocacy and inquiry with others and resolve conflict
Influencing without Authority	The extent to which leaders are able to influence others towards needed change without reliance on positional power
Teamwork	The extent to which leaders are able to work collaboratively with individuals outside of their immediate area for the greater good
Managing People	The ability of leaders to get work done through others
Time Management	The ability of leaders to stay organized in terms of management of their time and commitments
Personal Growth	The willingness of leaders to invite feedback, learn from mistakes and seek to build their own skills

IDENTIFY THE MOST IMPORTANT COMPETENCIES

Alignment starts with the question: "what must the organization achieve in the *future,* and what kind of leadership is needed to get there?". Here are some examples:

Organizational Strategy	Likely Key Leadership Competencies
Retention of talent	Managing People
Better follow-through on plans	Strategic planning, Influencing, Time Management
Optimize the use of resources	Critical Thinking, Influencing, Managing People, Time Management
Organic growth	Customer Relations, Strategic Planning, Managing People
Merger and acquisition	Strategic Planning, Critical Thinking, Teamwork, Influencing
Breaking into a new market	Customer Relations, Strategic Planning, Critical Thinking

IDENTIFY THE GAPS

Identify how your leadership team stacks up with respect to the competencies they need. Very often, the answers will be quite obvious, but empirical data can also be collected. The most common methods for doing this include:

- Focus Groups

  Well-facilitated focus group sessions can go a long way to uncovering the current reality with respect to leadership strengths and gaps. It is recommended to hold focus group sessions with leaders at multiple levels as well as individual contributors, as these groups often see things differently.

- Composite 360 degree feedback

  360 degree feedback, which we will discuss later, is an excellent tool that can be used to create self-awareness for leaders at all levels. By looking at composite 360 feedback, the overall strengths and weaknesses of a leadership team can be found. Survey tools that use dual rating scales to perform gap analysis are particularly good for developing this data. This information can be used to design a leadership development program. Be careful when comparing 360 data to normative samples – there is no one "golden" way for leaders to behave, even for organizations in similar industries.

- Employee opinion surveys

  An alternative method that can be used quite effectively to identify gaps is to use an employee opinion survey process, making sure that there are sufficient questions included that relate to leadership competencies. Employee opinion surveys work particularly well when the organizational strategy itself relates to employee satisfaction for example: Retention of top talent. Again, while comparisons with other organizations may be relevant, do not overemphasize, since there is no one successful culture, even within the same industry.

- Exit interviews

  When people leave, more often than not they are leaving their manager. Well executed exit interviews can be an excellent source of information relating to leadership gaps. Note that the quality of exit interviews depends on the trust that employees have with the interviewer, and in environments with low trust, departing employees may not be honest enough to draw good conclusions from the data.

- Observation and common sense

  Experienced leaders at the senior level and HR practitioners may have the background to recognize leadership gaps with little need for gathering empirical data. If one uses this method, it still pays to bring a number of people together, because any one individual may not see the whole picture.

2. IDENTIFY LINKS WITH OTHER HR PROCESSES

It is important that the leadership development strategy not be developed in isolation of other HR processes. Instead, look for synergies by integrating leadership development with other processes, for example:

a) Succession planning

   The people who will show the most improvement on leadership development programs are those that are willing to accept feedback and are self-motivated to take action. We call these “high-potentials”.

   Also, if your organization has a succession planning process, consider including participants that are earmarked for future promotion, and consider using individual results (typically the 360) as an input into the succession planning process.

b) If your organization uses a particular competency model/language, keep this consistent in the leadership development program. Specifically, one should align the 360 questionnaire with the competency model (the 360 is typically a superset as it must be broad enough to deal with all aspects of leadership to properly diagnose root causes of behavioural challenges).

   In addition, there should be appropriate links/customization between the organizational competency model and any skills training that is part of the program.

c) Performance management

To eliminate confusion, ensure that there is alignment between personal development goals identified in the leadership development program with those that are developed as part of the performance management cycle.

If the 360 is to also be used in performance management, consider sharing the report with each person's manager and/or HR (note that this may come at the expense of participant buy-in).

3. ENSURING ORGANIZATIONAL SUPPORT

a) Getting buy-in from top management

Do not expect top management to invest in leadership development unless a strong case can be made for it. It is important that HR is able to make strong links between actual business problems or opportunities and leadership competency in order to do this. Remember that persuasion is not a one-shot effort, but rather a process that needs to be managed over time.

b) Getting buy-in from participants

Many leadership development programs do not achieve their full potential, simply because senior leaders fail to show adequate support. Senior leaders can show support by engaging in any of the following behaviours:

- By taking part in the leadership program themselves.
- By introducing the program and/or individual sessions.
- By role-modelling the desired behaviours themselves.
- By notifying participants that their attendance is more important than attending meetings, even the ones that *they* schedule.
- By regularly checking with any of their direct reports that are participating on the program.
- By talking regularly about the program and its importance.

4. Design the Program Using Tools That Work

Try and avoid a condensed, training-only approach to leadership development. A study performed on over 350 companies by Warren Bennis and Linkage, Inc. yielded the following response to the question[1]:

"Please indicate the top four key features that most impacted the success of your leadership development program.":

Action learning:	73%	Global rotations:	13%
360-degree feedback:	67%	Informal mentoring:	7%
Exposure to senior management:	67%	Internal case studies:	7%
Exposure to a strategic agenda:	53%	Executive MBA:	7%
Other (Personal development plans, training, cross-divisional networking, sharing best practices, etc.):	46%	Formal mentoring:	0%
External coaching:	26%	Accelerated promotion:	0%
Cross-functional rotations:	20%	Conferences:	0%

Let's examine the tools that really make a strategy work...

Spread Learning

People cannot "drink from a fire hose" – they learn in bite-sized chunks. Programs that compress all learning into consecutive days (typically for logistical reasons) are unlikely to yield maximum benefit for your investment. Learning should be spread over time, and the ideal duration ranges anywhere from 3 to 18 months.

360-degree feedback

Research has consistently shown that 360-degree feedback is one of the most effective tools available for developing leaders. The main benefit is that it develops the essential self-awareness that motivates people to develop themselves. The implementation of 360-degree feedback is non-trivial and needs to be done correctly to achieve its benefits. Please ask for our white paper on "360-degree feedback best practices" for a comprehensive description of the necessary steps.

[1] Linkage Inc.'s Best Practices in Leadership Development Handbook

Personal development planning

People cannot improve on a "laundry list" of development areas. A critical component of any leadership development program is that each individual identify one (and at most two) area to focus on for the duration of the program. Furthermore, to be effective this development goal must be transformed into actionable steps and must be followed up through the program.

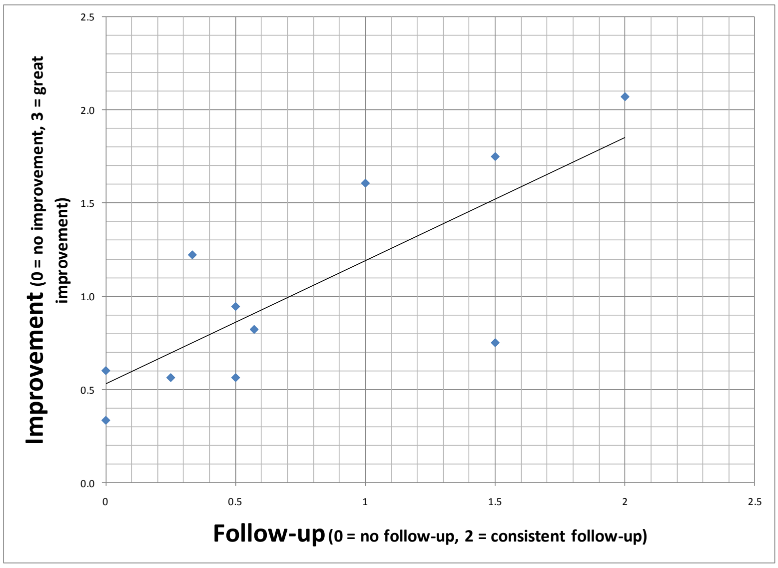
Manager involvement

There is a strong correlation between getting the support of one's manager and being able to improve as a leader. A leadership development program should include some formalized level of manager involvement to ensure that the manager knows and agrees with what the participant is trying to get better at, while providing ongoing support over the duration of the program.

Note that while it is important that there be open dialog regarding the development goal, it is typically not necessary for participants to share their 360 reports with their manager.

Involving others

In the words of Marshall Goldsmith, "leadership is a contact sport". Individuals tend to make little progress when the entire plan is kept in their own head. It is essential that individuals be encouraged to share their development goal and action plans with those around them, and ask for regular feedback. Our own experience shows that individuals who do this show up to three times more improvement than those who do not involve others in their journey. The graph shown demonstrates this point by showing a 360 measurement of an actual group that completed a leadership development program:



COACHING

Any good leadership development program should include an element of coaching to assist participants with formulation and implementation of development plans. There are three main options:

1:1 coaching

Having a great personal coach can be far more powerful than attending the best training. More and more organizations are making use of personal coaching for leadership development. Key ingredients of a great coach are training, relevant experience and objectivity. For the latter reason, it is often advisable (if budget permits) to use an external coach, who is not subject to internal biases and can act 100% in service to the participant. Alternatively a trained individual from another part of the organization such as HR can be used. This is typically the highest cost option and is used more often with senior participants.

Peer coaching (self-directed or facilitated)

Peer coaching can be implemented by designing facilitated or self-directed sessions whereby participants provide coaching to each other. Participants almost always enjoy peer coaching, and develop high levels of camaraderie through the sharing that happens in the sessions.

Self-directed sessions are the lowest cost option, while having a facilitator present can bring many of the benefits of 1:1 coaching (objectivity and professionalism) for a moderate cost (approximately 25% of the cost of 1:1 coaching).

TRAINING

Training does not equal leadership development. However, targeted and well facilitated training is typically an essential component, and this is the most important part of the leadership strategy to customize to the needs of the group. Certain skills, particularly anything interpersonal such as conflict resolution, performance management, coaching, presentation skills, etc. are best learned in a classroom environment. Great training requires great facilitation above all else, and should include a balance of group discussions, case studies, skills practice and lecture. Note that for more senior groups, there should be less theory/lecture (they have seen it before...) – the training should place more emphasis on overcoming their specific challenges.

ACTION LEARNING

Action learning involves putting participants into groups (called action learning teams) and having each team solve a strategic challenge for the organization. The outcome is typically a recommendation to senior management that is either accepted or rejected. With the right levels of guidance, studies have shown action learning to be one of the most powerful leadership development tools available.

Examples of typical action learning topics include employee attraction, retention and engagement, improving customer satisfaction, process improvement, mentoring programs and telecommuting.

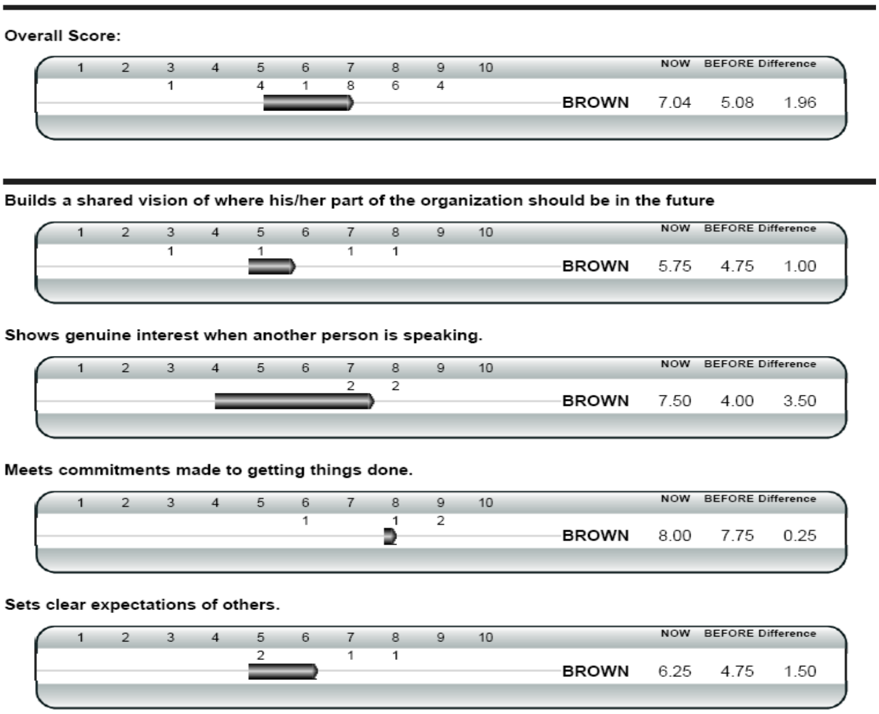
For action learning to be successful, here are some simple guidelines to follow:

1. Topics must be relevant to what is important for the organization
2. Topics must be broad enough so that members of cross-functional teams can relate to them
3. Each team should have an executive sponsor to provide guidance as needed
4. Teams must be self-directed
5. Action learning projects should commence with the development of a team charter that outlines roles & responsibilities as well as guiding principles that are agreed on
6. Expectations on the time commitment should be set up front
7. The project should have a fixed end date

MEASURE INDIVIDUAL PROGRESS

"What gets measured gets done". In order to ensure that you are getting a return on your investment, you will need to measure progress. Another benefit is participants tend to appreciate the feedback on how they have improved during the program. In some cases the 360 can be repeated, although if done too close to the initial 360 this can generate invalid data due to survey fatigue. A more practical method is to use a "mini-survey". This is similar in principle to a 360, but only targets 3-6 questions relating to the development goal, and is only sent to the reviewers that would be affected by it. Here is an example mini-survey report:

Arrows show the difference between before (flat side) and after (pointed side) scores.



(Open-ended responses are not shown here to protect confidentiality)

5. MEASURE OVERALL OUTCOMES AND REFINE

Workshop feedback forms (also known as "smile sheets"), are generally not a sufficient measurement of a leadership development initiative. A lack of discipline in clarifying desired outcomes up-front and then measuring them is a primary cause for the lack of buy-in by key decision makers who must approve the budget and support the initiative for it to succeed. The Kirkpatrick model is a framework that is typically used. The four levels of Kirkpatrick's evaluation model essentially measure:

Level	Evaluation Type	Explanation
1	Reaction	Reaction evaluation is how the participants felt about the training or learning experience
2	Learning	Learning evaluation is the measurement of the increase in knowledge - before and after
3	Behaviour	Behaviour evaluation is the extent of applied learning back on the job – implementation
4	Results	Results evaluation is the effect on the business or environment by the trainee

While it is not essential to measure at all levels, it is recommended to choose a variety of methods. Generally, the lower-order measurements are the easiest to perform, while the higher order measurements provide a better sense of the effectiveness of the program.

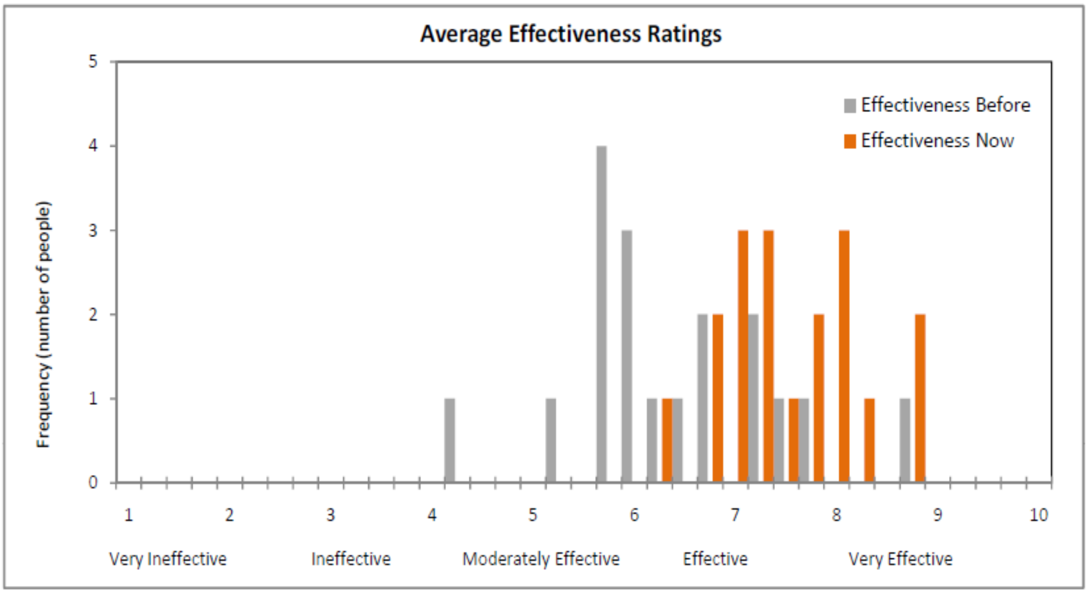
Here is an example measurement plan for a leadership development program aimed at staff retention:

Level	Evaluation Type	Measurement Method
1	Reaction	Reaction questions on workshop feedback forms
2	Learning	Before and after questions relating to skills covered on workshop feedback forms
3	Behaviour	Mini-survey executed an midpoint and end of the program
4	Results	Employee engagement data, customer satisfaction metrics, business performance, comparing leaders that have participated in the program vs. leaders that did not Can be empirically determined or collected through more subjective means where the former is not possible

Here is an example of a composite mini-survey (Level 3) response received for an entire group, which helped understand the effectiveness of the program:

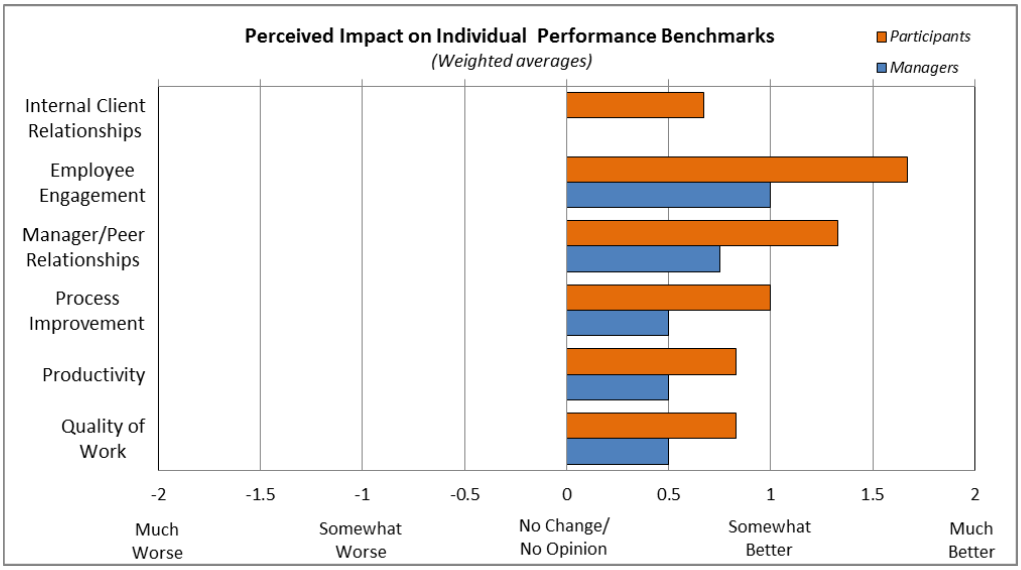
Q1. Observers were asked to rate the participant's effectiveness in a range of leadership behaviours that they targeted for development during the program.

Distribution of average ratings for targeted leadership behaviours:



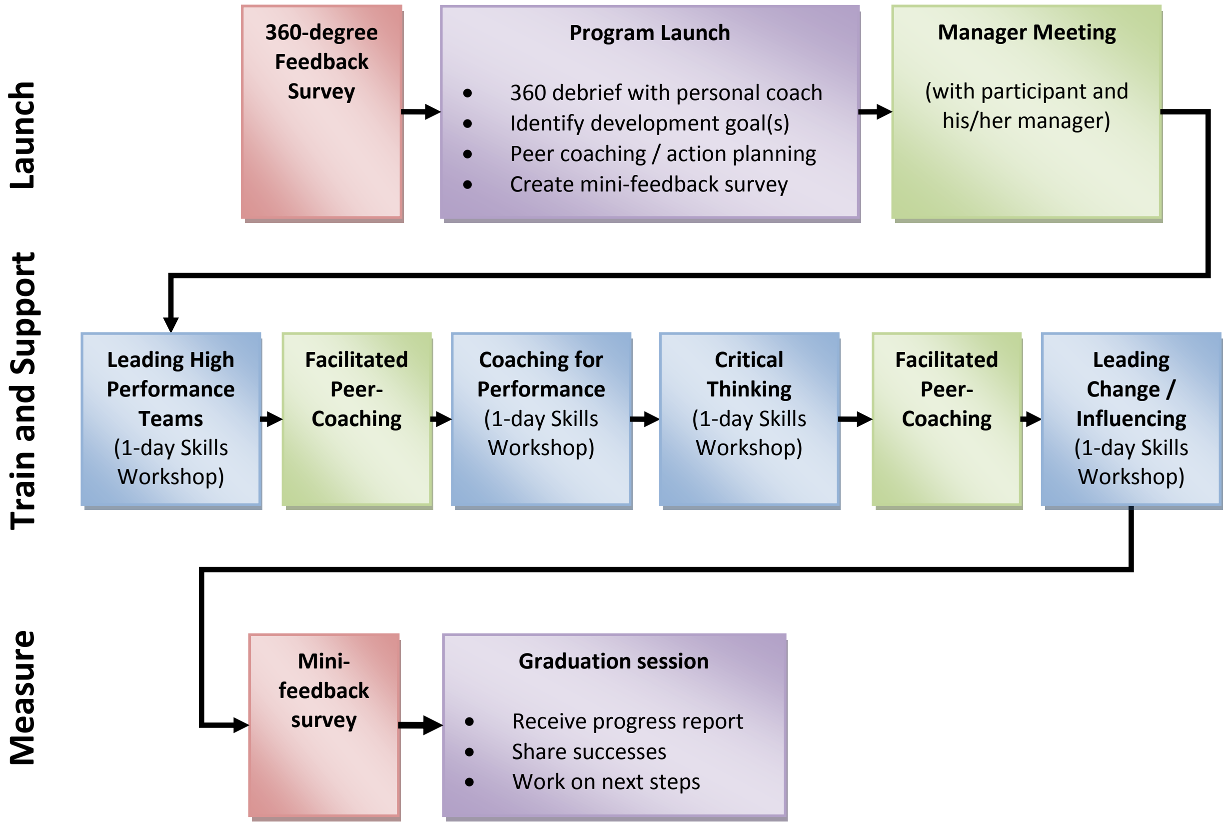
If you plan to repeat your leadership development program on a regular basis, adopt the mantra of continuous improvement. By asking the right questions, you will always find ways to make things better and over time your program will become increasingly aligned to what the organization needs.

Here is an example of a level 4 measurement summary, measured by having participants and their managers rate the extent to which a predefined set of business outcomes were improved due to the program:



A SAMPLE LEADERSHIP DEVELOPMENT PROGRAM

To help visualize what a program might look like, the following sequence illustrates a sample leadership development program that incorporates many of the best practices that we have discussed. The choice of training topics is typically customized to the needs of the organization and the learning needs of participants themselves.



Duration: 7-10 months

SUMMARY

The success of any organization is highly dependent on its leaders. While there is no substitute for choosing the right leaders to begin with, leaders can become more successful through the development of a sound leadership development strategy. Strategy starts with understanding what is important for the organization, and where the gaps are. With the right understanding of needs and support from the top, a leadership development model can be developed that works. To be effective, the model should incorporate best practices such as spread learning, 360 feedback, personal development planning, training, coaching and measurement, while internal programs can also benefit from the power of action leaning. Your return on investment, which should be measured as part of the program, can be maximised by selecting participants based on potential, and by linking the program to other HR processes such as succession planning.

ABOUT THE AUTHOR

Russel is one of Kwela's two founders and his expertise includes leadership development, team development, executive coaching, and training on a wide variety of topics. He has worked extensively as a leadership consultant / trainer since 2004 across a wide variety of sectors, including government, publically-held, private and non-profit. Russel's experience also includes 14 years in the high technology/engineering sector, where he held management roles in product development, marketing, customer service and training. Russel holds a Master's degree in Engineering from the University of Cape Town, South Africa.

Russel can be contacted at (604) 281-2290 or russelh@kwelaleadership.com