

BY JOEL SCHESSLER

EXCLUSIVE RESEARCH

That Will Change
The Way You Think About

Leadership

IN CONJUNCTION WITH THE CENTER FOR CREATIVE LEADERSHIP



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t's accepted business doctrine that corporate success begins with effective leadership. It's hard to imagine the opposite. And no doubt, those organizations that invest in leadership development reap just rewards. There's proof: Companies that emphasized leadership development outperformed others by 15 times over the past 60 years, according to a recent report from Cutting Edge Information, an independent research company in Durham, N.C.

In a survey on the state of leadership across organizations, *Training* magazine and the Center for Creative Leadership (CCL), Greensboro, N.C., sought to learn what goals are being established for leadership training, as well as examine how people understand leadership at their organizations. In addition to listing goals, participants were asked to rate the effectiveness of leadership development practice not only for individual advancement, but its function in the "white space" between groups, functions and across the entire organization.

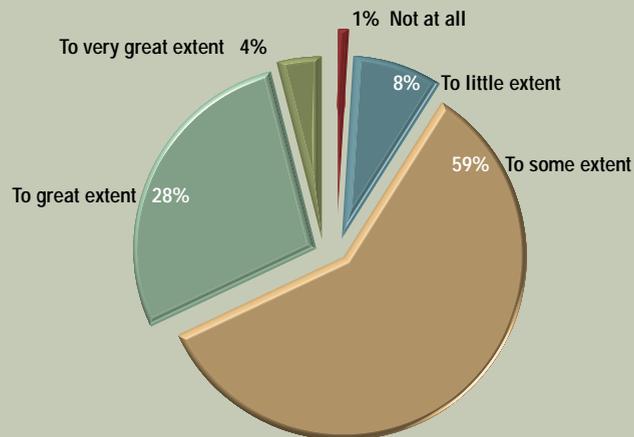
"Too often, the move to more inclusive and collective approaches to leadership is attempted without making this move to the space in between," says researcher Wilfred Drath, leadership systems and strategies group director at CCL. "More often, leadership has been expected to flow from a change in the individual competencies of individual leaders. The persistence of the obstacles to more inclusive and collective leadership comes from the failure to let go of long-held and long-valued assumptions about the individual nature of leadership."

The survey also sought to measure how organizational culture and systems frame leadership development strategy and what situations pose complex challenges for organizations today. Among the biggest leadership challenges is aligning the workforce behind established objectives. Few workers in corporate America are connected to corporate goals, according to recent research from Franklin Covey, Salt Lake City. Only 39 percent of U.S. workers feel their organization's mission is translated to a few goals that are important to organizational success. And only 27 percent say such goals are translated to that of their specific work group.

"From a connected leadership perspective," says Ellen van Velsor, CCL's group director of individual leader development, "we'd hypothesize that this is related to the process of setting direction not being an inclusive one, that the direction is set by a relatively small group of leaders (perhaps each individually very effective and capable), and that the connections between groups within the organization are not well developed." See what your colleagues had to say.

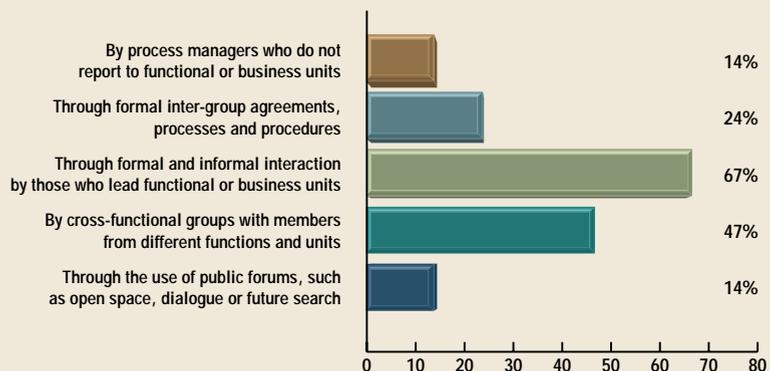
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To What Extent Does Your Organization Accomplish The Work In The "White Space" Between Groups?



How Is Work In The "White Space" Between Organized Groups Accomplished In Your Organization?

(Response Ratio)



Does Leadership Inspire Commitment?

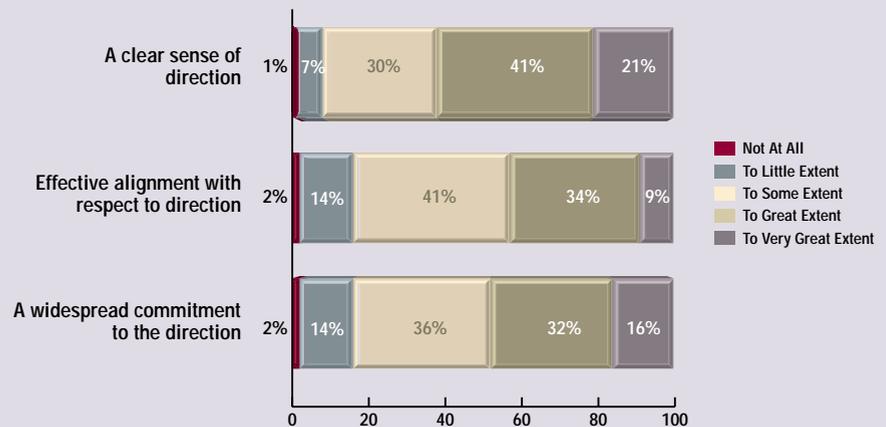
For leadership to impact each individual within an organization, everyone would agree that success must start with a visible plan. Yet, of the various barriers to effective leadership, establishing corporate goals does not appear to be one of them. Nearly all survey respondents (92 percent) said their organization has a clear sense of direction, at least to some extent. Of those, 62 percent indicated to a great or very great extent.

Survey respondents further described their organizations' efforts to provide direction, align the workforce and inspire commitment:

- "We have worked diligently for four years to align our strategic plan. The leadership team is responsible for its content, and the various organizational layers are responsible for its implementation. We communicate the strategy throughout the organization regularly, our performance management process aligns with the company strategy, and our results are posted very visibly throughout the organization for all to see, good or bad. We have a high culture of group rewards with a performance emphasis that makes sure everyone knows how they contribute."
- "Our organization has regular communication meetings and we have 'goals & plans' sessions where we shut down the plants to decide what direction we want to take on our level. The company is very clear on the expectations the employees are going to follow."
- "We are focusing more on strategy over a five- to 10-year period, and we are communicating that plan down further in the organization than it has ever been verbalized."

To What Extent Does Your Organization Have...

(Response Ratio)



A few years ago, strategy was only talked about at the senior vice president level. Now we carry it down all the management levels, and have given those managers responsibility to carry it down even further."

• "The vision is clear and concise, the goals are in place, but getting it filtered down in and having a cohesive group to accomplish it remains the challenge with so many of the day-to-day responsibilities."

• "Being in a nonprofit business that has a high focus on fundraising and having a current shift to community impact, the leadership is making all of the decisions and not explaining or having all team members participate to see and understand how this shift and focus affects what they do."

• "Our company exists as a result of the merger of three companies with very different cultures. We have made some advances over the last year, but we are part of a large multinational corporation who inserted a poor and ineffectual leader in the top position."

Who In Your Organization Is Typically Selected For Leadership Development?

(Response Ratio)

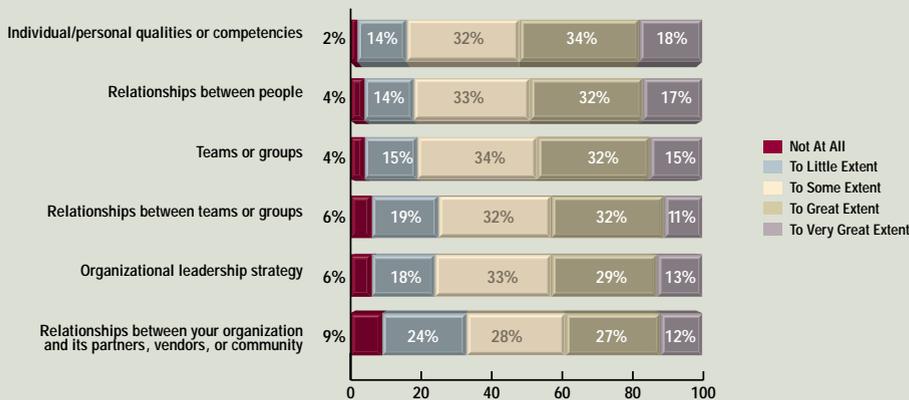


According to survey results, leadership and leadership development are not necessarily becoming more inclusive and collective. The majority of those expected to provide leadership, and those who receive the most opportunities for such training, continue to be senior executives; half of respondents identified this group as that typically selected for leadership development. Groups or teams were least likely to be targeted as a focus for leadership training at 11 percent.

While those slated to receive leadership development are chiefly individuals, the objectives of the leadership training itself are intended to develop teams or groups—47 percent responded that their organizations focus on groups or teams to a great or very great extent. Team-building ability is becoming a more valued skill and one that is being developed at various organizations; 59 percent of respondents reported that developing team capabilities is among the established leadership-training goals at their organizations.

Many opportunities exist in organizations to focus more leadership training on developing not only groups or teams, but the relationships between those groups or teams. Slightly less than one-third of respondents (32 percent) said their organization's leadership focuses on developing relationships between teams "to some extent." Another 25 percent focus "to little extent" or not at all.

To What Extent Does Your Current Leadership Development Practice (In House Or Contracted) Focus On Developing... (Response Ratio)



81

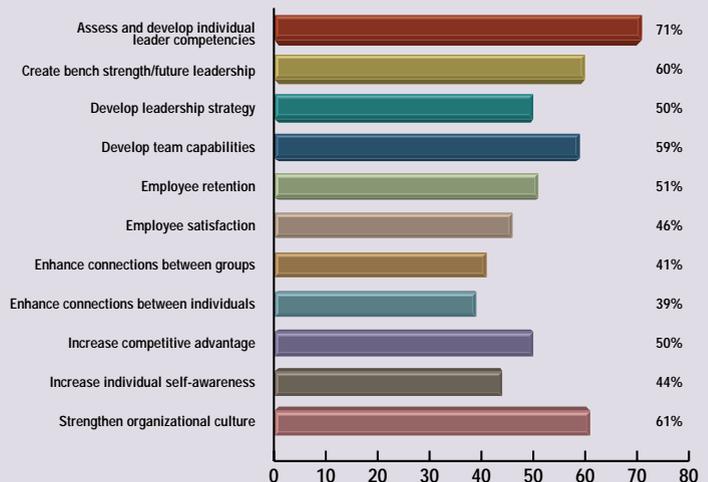
Percentage of respondents who felt to some or a great extent that leadership is getting harder to accomplish today.

59

Percentage of respondents who replied that a goal of leadership development at their respective organization was to develop team capabilities.

Of those surveyed, 39 percent said leadership training initiatives focus on "enhancing the connections between individuals." The extent to which such training focuses on developing the relationships between people measured at much the same levels as that directed at developing teams. One-third of respondents said their organizations focus leadership training initiatives on developing relationships between people to some extent; 49 percent focus to a great extent or a very great extent.

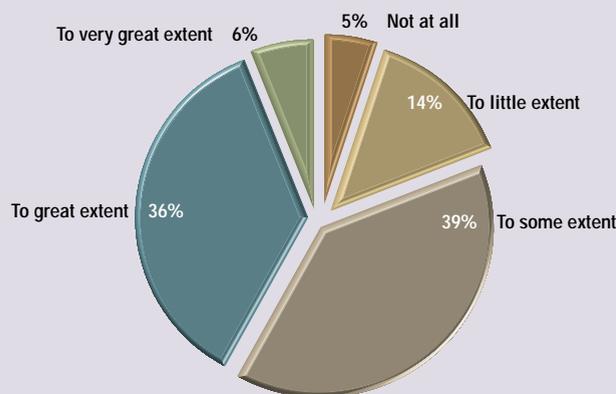
Which Of The Following Do You Believe Are The Goals Of Leadership? (Response Ratio)



Leadership Or Followership?

For all of the money organizations spend on leadership, more than 80 percent of respondents agreed to some extent that leadership is becoming more difficult to accomplish. Here's what your colleagues had to say:

To What Extent Do You Feel Leadership Is Getting Harder To Accomplish In Organizations Today?



- “Leadership is no longer complemented with ‘followership.’ We do not have leader-quality people who are willing to be equally competent followers (supporters of the designated leaders).”

- “It appears that professionals coming through the business don’t understand the difference between managing processes and leading people. And they don’t grasp the fact that you have to get things done through the very people that they are supposed to lead—and lead by example, not just a do-as-I-say mode.”

- “People rotate through jobs too quickly.”

- “It is very easy to show why leadership is important today (Enron, White House ethics, etc.) and how having a strong leadership pipeline has helped us to grow. The only hard part is setting aside the time commitment. I would arrogantly state that those who find leadership is harder to accomplish have not set their focus on creating leadership as a strategic directive.”

- “It is harder to find senior level leadership who are team players, and not solely focused on ‘I,’ and ‘Where will this get me?’ It’s also hard to find people who are willing to think and act out of the box to get the job done to the company’s and customer’s satisfaction.”

- “Diversity is a challenge as we continue to hire all different ages and cultural backgrounds.”

- “Leadership is leadership—it doesn’t get harder or easier, it just gets different.”

- “It’s only harder for people to accomplish because people expect shortcuts for work—shortcuts in process, shortcuts in ethics, shortcuts in preparation. The issues we face today have all been faced in the past without the aid of today’s technology; certainly the uncertainty. But it is, in many cases, a less seasoned group of managers than would have led organizations in the past and a business culture that has begun to accept inappropriate practices. So, I believe it is a choice to skirt leadership, a choice to put unskilled leaders in key roles without mentoring.”

- “The focus of most organizations is very short term. Leadership requires investment in both the leader and the people that they lead. As with most investments, the best returns are gained over time. Society as a whole tends to forsake what is wanted most, for what is wanted at the moment.”

- “Hard to keep focus when the targets and conditions continue to ebb and flow.”

- “The economic conditions today have put all of our managers in a hands-on client service position. The organization time needed to be good leaders is put on a lower priority level as they provide the service level our company guarantees the client. The dual role the managers face can be challenging as they end up trying to lead by example while on the job.”

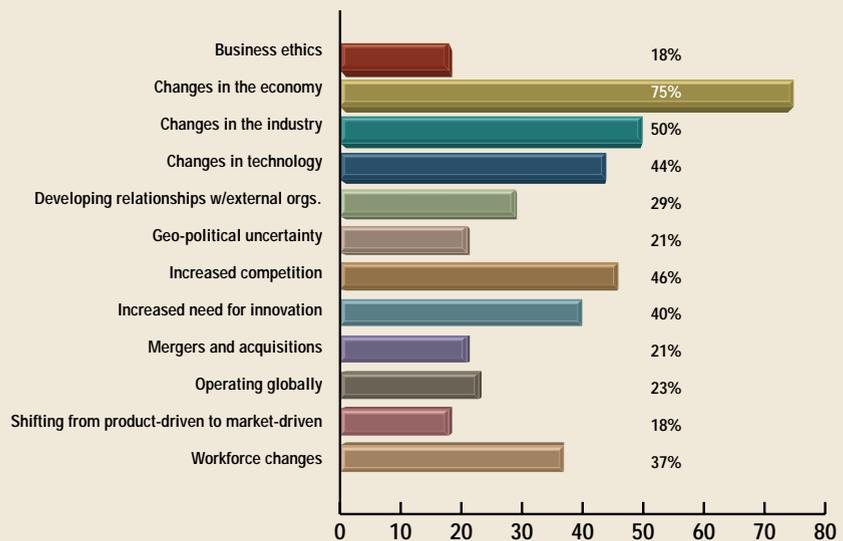
ABOUT THE SURVEY

We invited nearly 10,000 training managers and executives representing all industries to participate in an online survey regarding the state of leadership in organizations. More than 3 percent of those invited participated in the survey. Those who completed the survey represented a myriad of job responsibilities within their organizations, with the highest percentage working in human resources (29 percent) and senior management (20 percent) positions. More than half of the respondents (55 percent) have held their current positions for more than five years.

The task of effectively articulating and implementing leadership goals may differ for managers depending on the size of their respective organizations. The sample was balanced with regard to organizational size: 54 percent of respondents worked in organizations with less than 500 workers, while 23 percent worked at organizations employing between 500 and 4,900 employees, and the remaining 23 percent at organizations with more than 5,000 employees. The sample was also balanced with regard to industry, representing organizations from aerospace and defense to utilities. Diversified services was the largest industry represented in the survey with 12 percent of respondents, followed by manufacturing (11 percent) and health products and services with 10 percent of respondents.

Which Of The Following Situations Or Events Are Currently Presenting Your Organization With Significant Challenges? (Response Ratio)

Of those surveyed, it's not surprising that 75 percent of respondents identified the changing economy as the biggest challenge to their organizations, and the most common barrier to leadership training. However, operating globally was identified as a barrier by 23 percent of respondents. Other barriers included changing technology (44 percent), increased competition (46 percent) and changes in the workforce (37 percent).



39

Percentage of respondents who replied that a goal of leadership development at their respective organization was to enhance connections between individuals.

For Which Of The Following Are People Rewarded By The Formal Reward Systems In Your Organization? (Response Ratio)

