Seven Leadership Development Trends
1

Complexity is the new normal

According to the Economist Intelligence Unit, organizations are launching more major change initiatives than ever before: three to five per year, on average.

The Corporate Executive Board reports that globally, half of employees expect a major change in six months.

IBM’s Global Chief Executive Officer Study: 79 percent of CEOs say level of uncertainty and complexity will get even higher; less than half say they are prepared to manage it.

Forum global survey of 700 leaders: 72 percent report high or extremely high increases in uncertainty in their companies.

Forum VOC research: Twice as many business leaders say “the ability to lead change” is a top business challenge as compared with 2010.
What to do?

Here are the critical practices to help leaders navigate:

1) Build your context agility
2) Exercise judgment in action
3) Develop professional intelligence
The talent shortage is intensifying

"Expect a shortage of management talent for some time as economic growth outstrips home-grown talent in emerging markets and managers in advanced countries choose entrepreneurship in increasing numbers."

"Investments in workforce training will be required to lift skill levels in new markets and to remain competitive in developed ones."

Bain Brief
“The Great Eight: Trillion-Dollar Growth Trends to 2020”
GLOBAL: STRATEGIES EMPLOYED TO OVERCOME THE TALENT SHORTAGE

- Providing additional training and development to existing staff: 25%
- Broadening search outside of local region: 12%
- Appointing people without job skills currently, but do have potential to learn/grow: 12%
- Focusing more on staff retention in jobs where recruitment is difficult: 9%
- Increasing starting salaries: 8%
- Enhancing benefits packages, including signing bonus: 7%
- Increasing the focus on improving pipeline: 7%
- Partnering with educational institutions to create curriculum aligned to talent needs: 7%

Graphs source: Talent Shortage Survey by ManpowerGroup
Don’t expect to be able to hire fully capable managers from outside. Instead:

1. Grow your own: Hire promising talent early and invest in their training and retention.

2. Look for emerging leaders and, again, invest in them.
First-line leaders make up 50-60% of management on average and directly supervise 80% of the workforce. They are central players in a company’s business strategy.

HBR blog, “The Frontline Advantage,” Fred Hassan

Annual investment per first-line leader has grown from $533 in 2009 to $1671 in 2012, 3.1x increase. Investment at mid-level and senior level has also gone up, but not as much as first-line.

Bersin data on annual investment in leadership development, 2009-2012
To keep up with competitors, invest at least one-third of your total leadership development budget in your first-line leaders.
The ability to lead people effectively — people-leadership skills — is roughly three to four times more important to a leader’s career success than are other skills and knowledge.

The Carnegie Foundation, Forum research, and multiple other studies over decades

Organizations whose leaders use certain people-leadership skills to a higher degree tend to perform better in their industries. Industry-leading organizations report much higher use of key people-leadership practices than lower performing organizations.

Leadership IQ, “Talent Management in America and China”

Forum research: Four people-leadership skills that are most critical:

1) Think like a leader
2) Coach your team
3) Get results through others
4) Engage people
What to do?

Ensure all your leaders, and especially first-line leaders, are trained in these four critical practices.
Why employee engagement is a growing concern and what you can do about it

An engaged workforce is a huge market advantage:

- In organizations with engaged workforces, absenteeism is lower by 37%, turnover by 37%, safety incidents by 49%, productivity is higher by 18% and profitability higher by 16%.

Multiple studies over the past few years show that...

- Around 20% of employees are actively disengaged and only around 15% are highly engaged.

Forum global study on engagement validated this research:

- 20% not engaged, 65% somewhat engaged, and 15% highly engaged.

Forum's research uncovered 25 engagement factors and five core engagement needs.

By knowing these factors and the core needs, a leader can have a big impact on team and individual engagement.
What to do?

Educate your leaders about the critical importance of employee engagement, and how to boost it by appealing to core engagement needs.
Many thinkers today (Clay Shirkey, Andrew Hargadon, Josh Bernoff, Charlene Li) suggest that innovation, change, new directions, and strategies emerge not from individuals, but from the social network.

**Forum’s engagement research:**
It’s not just about employee engagement anymore. In today’s connected world, leaders need to be concerned with engaging these groups of stakeholders in addition to employees: suppliers, non-employee associates, partners, customers, and consumers.

**CCL:**
“If leadership is thought of as a shared process, rather than an individual skill set, senior executives must consider the best way to help leadership flourish in their organizations.”
Center for Creative Leadership:

“The story of the last 50 years has been the story of the individual. It began with discoveries about what makes a good leader and was followed by the development of practices that helped a generation of individuals move closer to that ideal…”

“However, in the last 15 years this model has become less effective... The complexity of the new environment increasingly presents what Ronald Heifetz calls ‘adaptive challenges’ in which it is not possible for any one individual to know the solution or even define the problem.”
Create multi-level leadership development systems,

1) Ensure consistency between the levels: consistent competencies, concepts, language, and themes;

2) Give each level a strong role in the programs for the next level down;

3) Be intentional about bringing together leaders from different business units, functions, and geographies for training and development opportunities.
Seven

Boot-camp training is out

Forum survey of 700 leaders globally:

91 percent said they feel they have too many projects, activities, and responsibilities. 75 percent said they have “little or no” capacity to “do more with less.”

Multiple studies show that employees around the world are working harder than ever, getting less downtime, and feeling a greater sense of information overload.

And, the pace of change and uncertainty (see Trend 1) continues to increase.
In order to justify the time and cost of training, many L&D organizations have for several years been emphasizing the “nose to the grindstone” approach in learning programs.

But, we’re starting to see a backlash.

Learners have no desire to come to a training class in which they’re forced to work at a breakneck pace all day, complete difficult assignments in the evening, and at the same time keep up with all their regular work.

Learning that’s relevant, practical, and challenging is appreciated; boot-camp-style learning is not.
Give learners a break. They’re tired, and “pedal-to-the-metal” training will only make them more tired. Design learning that’s practical and challenging, but that also includes chances for:

1) Team bonding and laughter
2) Quiet time and reflection
3) Free-wheeling discussions with colleagues
4) A bit of surprise and adventure
Further Resources:

Go to www.forum.com/business-challenges/develop-your-leaders.aspx, you can download The Strategic Leadership Development Kit:
- POV: Leading in the Hurricane: Three Ways to Get Yourself and Your Team into the Eye of the Storm
- Webinar Replay: How to Manage Change and Complexity
- Booklet: The Challenge of Change
- Research Report: Developing Leadership Bench Strength Assessment
- Brochure: Forum Helps Create the World's Best Leaders

Forum Europe & Middle East – 44 (0) 20 7017 7150
Forum North America – 617 523 7300
Forum Asia-Pacific – 65 6505 2050

Forum is a recognized global leader in linking learning to strategic business objectives. Our learning solutions help organizations effectively execute their business strategies by focusing on their most important asset: their people. We provide clients with practical and research-based advice and tailored programs that mobilize employees, accelerate business-initiative implementation, and improve agility. Forum’s 40-year legacy as a pioneer and thought leader continues with the release of our latest book, Strategic Speed (Harvard Business Press).

For more information, visit www.forum.com.

© 2013 The Forum Corporation.