



# Leadership Development for Organizational Success

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Leadership development involves a wide range of practices acknowledged as essential for maximizing the potential of an organization's human capital and growth opportunities. This is reflected in the estimated 40 billion dollars spent by organizations on leadership development annually in the United States alone<sup>11, 18</sup>. To maximize the return on this significant investment, leadership development programs and initiatives must be designed with attention to current research and best practices.

Leadership development initiatives include formal programs and policies instituted by an organization to improve the quality of leader performance. These initiatives can be structured training programs targeted at cultivating leadership skills, or experiential learning that presents leaders with novel challenges to overcome. Both forms are described in detail below (also see Figure 1 for a summary of the leadership development process).

When implementing a leadership development program, it is essential to begin by forming a leadership competency model or a framework of relevant knowledge, skills, abilities, and other characteristics (KSAOs) particular to the organization<sup>5</sup>. Not surprisingly, leadership scholars emphasize the multifaceted nature of leadership skills, which can involve cognitive, interpersonal, business, and strategic skills, each of which may be necessary at different levels of the organizational hierarchy<sup>17</sup>. Therefore, recognizing that the same KSAOs may not be relevant for all leaders across the organization and that identifying the KSAOs relevant to a particular leader at a given level is essential. This type of planning behavior acts as a catalyst for creating effective leadership development initiatives, while also identifying the specific elements of a leader's identity that align with the organization's needs.

Leadership development programs should consider the formation, maintenance, and transformation of a leader's identity (how a leader views him/herself) throughout the development process. A leader's identity refers to how the individual sees him/herself as a leader and leadership theory recognizes leaders develop and shape different identities over time. Through learning and experience, leaders can shift from a strong individual-based identity (self-directed goals) to a preferable collective-based identity (setting group/organization-level goals)<sup>6,12</sup>. A dynamic workplace requires that leaders activate various identities when communicating with different individuals or groups. A strong development strategy should integrate the perspectives of the leader as an individual, a member of a dyadic relationship with subordinates, and a member of the collective organization to understand how different identities influence a leader's psychological state and behaviors<sup>12</sup>. Someone in a leadership position who identifies with that

role will more likely seek opportunities to develop and practice leadership skills, which can lead to consistent behaviors and role modeling for followers<sup>5,6</sup>

In addition to fulfilling organizational demands for strong leaders, studies suggest that taking the perspective of both the leader and followers are equally necessary for effective leadership development. If a leader is unable or unmotivated to develop, a development program, regardless of quality or length, will be ineffective<sup>9</sup>. In these cases coaching and preparing leaders for development may be one solution. Furthermore, it is important to consider follower expectations, reactions toward the leader throughout the development process, and what efforts can be put in place to develop strong “followership”<sup>13</sup>. Follower expectations and reactions are not only indicators of a leader’s success or failure but they can also influence a leader’s future development. This suggests that leadership is not just about the leader but is shared and distributed as a result of interactions between the leader and others<sup>13</sup>.

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Regardless of the method used, research shows effective leadership development requires deliberate practice. Leadership development can be conceptualized in an expert performance model where leaders develop from novices to experts as a result of intentional practice<sup>6,14</sup>. For example, leaders can practice conflict management, teamwork, and communication skills by seeking out, accepting, and embracing projects, assignments, and roles that provide opportunities to build the knowledge, skills,

and abilities necessary to become an expert leader. Other behaviors that leaders must engage in to become experts include minimizing ambiguity for themselves and subordinates by clarifying roles and expectations, clearly organizing workgroup activities, communicating with members inside and outside of their immediate work team, as well as inspiring, motivating, and empowering subordinates by building strong relationships and leading by example<sup>1</sup>. These are all behaviors leaders should be practicing by the time they enter the leadership pipeline.

Leadership pipelines allow organizations to: (1) identify high potential employees that are perceived to have leadership ability and (2) develop them into leaders through structured training and experiential learning. Structured training programs are designed to improve a potential leader’s skills and utilize initiatives that can be distributed into four general categories: (1) individual skill development, (2) socialization of organizational vision and values (3) strategic leadership initiatives to foster large-scale change, and (4) action learning initiatives targeted at addressing organizational challenges<sup>3</sup>. Organizations may use one or more of these types of initiatives (which will be described in more detail below) to develop leadership based on what best suits their current needs and conditions.

### Implications for Practice

The structured approach to developing leaders comes in various formats, which may be used independently or combined, depending on the organization’s goals (see Figure 1). Individual skill development programs are characterized by the assessment of a leader’s personality, values, and behaviors, oftentimes with a 360-degree feedback assessment to identify the strengths and weaknesses of a leader. Coaches are frequently used to deliver feedback then develop and execute an action-oriented plan to emphasize strengths and improve deficiencies<sup>4</sup>. To maximize development, coaches should deliver feedback at the task level rather than at the person level, meaning that feedback should be specific to relevant task(s) and directed at what a leader does rather than who the leader is<sup>10</sup>.

Socialization programs like the assignment of mentors can orient new or newly promoted leaders toward the vision and values of the organization. Mentors and new leaders can be matched internally and should be selected based on job knowledge and compatibility to establish the mutual trust and respect vital to mentoring relationships<sup>19</sup>. A mentoring relationship can also help a leader understand the goals and operational style of the organization.

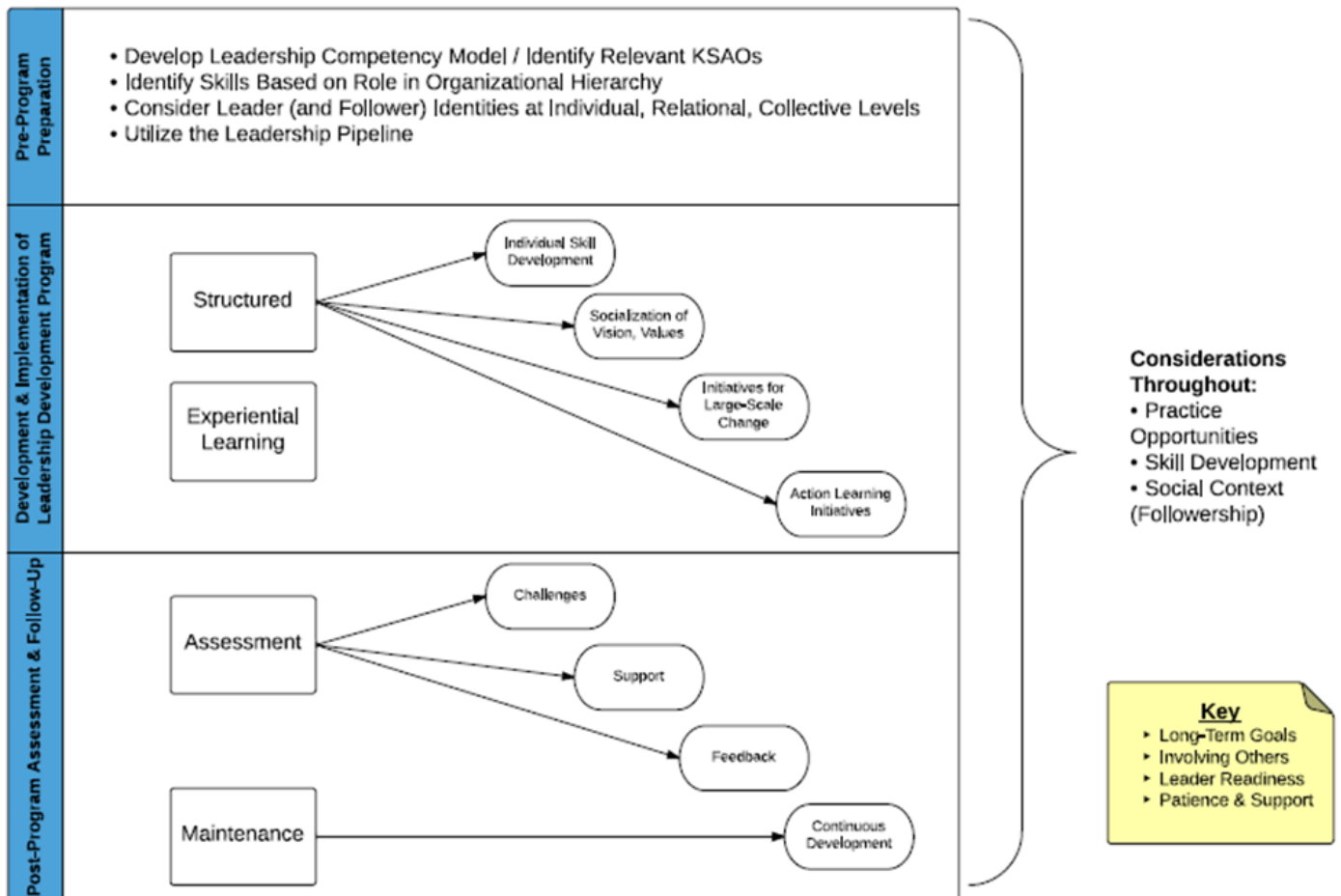


Figure 1. Summary of the leadership development process and key considerations.

Active strategic change strategies evaluate the internal (e.g., organizational culture or change initiatives) and external (e.g., changes in the market or technology) conditions and assess the necessary leadership to overcome challenges. Initiatives are developed with consideration for the organization's strategy and emphasize communication of strategic objectives, agreement with the strategic plan, and developing change agents at different organizational levels<sup>5</sup>.

Action learning involves leaders working in teams to address strategic issues while building self-awareness and learning about leadership using individual and group reflection<sup>5</sup>. The purpose of these programs is to provide structured and guided experiential learning to create holistic and adaptive leaders. When these initiatives are carefully executed they effectively develop leadership skills, but the programs are demanding and require leaders to add action learning to their current responsibilities. This added responsibility could be detrimental to the deliberate practice necessary to develop as a leader, because when busy leaders have to prioritize they may sacrifice learning and development to meet a deadline.

A second approach is experiential learning, where high potential employees identified as having realizable leadership ability are introduced to bigger and more specific organizational challenges. Experiential learning involves both overcoming and learning from these challenges as a leader. These assignments may require leaders to exercise skills such as conflict management, team building, and problem solving that they would not typically utilize as part of their current responsibilities. One sample of successful senior executives reported lessons learned from experience as most crucial to their development<sup>16</sup>. This form of "on-the-job" learning can therefore be seen as highly relevant and impactful. Such experiences develop leaders' mental models pertaining to various situations, so eventually the leader gains expert knowledge that enables him or her to find solutions to new challenges with greater efficiency and effectiveness. How leaders view and conceptualize situations, tasks, and challenges



## Return On Investment

One study assessing successful organizations that were actively engaged in leadership development found the average investment in those activities was \$500,000 and the average ROI was \$1,000,000. Returns manifested as improved global competitiveness, profitability, sales, and shareholder value illustrate the extensive benefits and potential spillover effect of investing in leadership development<sup>2</sup>. However, research shows the impact of a leader is not fully realized in the organization for about three years<sup>7</sup>, so patience is necessary when evaluating and realizing the full effects of leadership development investments.



also shape moral behaviors, which have ethical implications for the leader and organization<sup>6</sup>.

Assessing the program and consistently providing leaders with challenges, support, and access to feedback are also vital for leader development<sup>21</sup>. Subordinates are one important source of feedback and leadership theory encourages gauging their cognitions, emotions, and beliefs for this purpose<sup>12</sup>. Job rotations, strategic job assignments, and action learning projects can also be effective methods of development if provided in a good feedback environment where leaders have specific goals and are given task-level feedback<sup>20</sup>.

### **Next Steps for Practitioners**

The use of structured training programs, experiential learning, or a combination of the two can be successful tools for leadership development; however, there is some debate over which method produces the most value<sup>15</sup>. Regardless, setting long-term development goals directs practices that harness leadership aligned with organizational strategies and can help maximize the value of whichever technique an organization chooses. Assessing the effectiveness of development programs, providing relevant, useful, and task-focused feedback and/or coaching for continuous development, and understanding how others in the organization react to leaders can provide crucial information about leaders' long-term growth and should be part of any leadership development initiative. Viewing development as an ongoing effort to help leaders maintain acquired skills is crucial, such as through structured reflection and coaching<sup>8</sup>. Practitioners must recognize the importance of providing adequate resources and support to leaders, ensuring their leaders are capable and ready to engage in developmental activities, and that such activities match the abilities and potential of leaders to ensure the most successful outcomes out of this committed, long-term investment.

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