

## **Transforming leaders, transforming organizations**

Why successful companies invest in their top talent

## Introduction

Most people agree that the long-term success of an organization depends on the abilities and performance of its leaders.

In these turbulent times, implementing a leadership development program can provide a foundation for continuity and future growth, and help organizations to achieve the four pillars of sustained success.

1. Implementing strategy

2. Successfully navigating change

3. Recruiting and retaining talent

4. Improving financial performance

If you're considering whether your organization needs to implement a structured program of leadership development, follow our practical guide.

In 15 clear steps, we'll take you through the entire process.

From defining the strategic issues caused by gaps in leadership competencies, through the creation and implementation of the program, to measuring success and taking it to the next level.

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# What is leadership anyway?

First, let's start with a basic question. What is leadership? Each organization will have its own definition. At the same time, multiple research studies reveal three basic areas of competency a leader must possess.

#### **Communicating vision**

Leaders need to communicate their vision of a desired future to others. This is why great managers, who may be experts in their field, sometimes need help to achieve the transition to leadership. A leader's aim is to take as many people as possible on the road to success – and to keep the vision in sight, regardless of how tough it may seem. When people see their leader has the confidence and clarity to overcome obstacles—they'll support and follow willingly.

#### **Empowering others**

Leaders make decisions that clearly support the organization's vision and goals. They create a team that's fully engaged, proactive and accountable. To achieve this, they need to know how and when to delegate. How and when to support, and when to take a "hands-off" approach. How and when to praise a job well done. And, if it all goes wrong, how to give constructive feedback that builds confidence to learn and try again.

### **Modelling excellence**

Operational excellence itself is a given. Managers are promoted based on their subject matter expertise.

Leaders set the highest standards of professional and personal behavior for themselves. They know that respect has to be earned and honesty and integrity are key.

No one is inspired by a "good-enough" mentality. The performance of any team will reflect the performance of their leader. Leaders are those who look for better, more effective, or faster ways to get things done. In a fascinating white paper based on their survey of 30000 leaders from around the globe, Zenger and Folkman identify 16 competencies that differentiate extraordinary leaders from good or average leaders.

We've outlined them on the next page.



	CHARACTER	<ul> <li>1. Displays high integrity and honesty</li> </ul>
	PERSONAL CAPABILITY	- 2. Technical / professional expertise
		3. Solves problems and analyzes issues
		4. Innovates
		5. Practices self-development
	FOCUS ON RESULTS	- 6. Drives for results
		7. Establishes stretch goals
16 competencies		8. Takes initiative
that differentiate extraordinary leaders	INTERPERSONAL SKILLS	<ul> <li>9. Communicates powerfully + prolifically</li> </ul>
		10. Inspires + motivates high performance
		11. Builds relationships
		12. Develops others
		13. Collaboration and teamwork
	LEADING CHANGE	- 14. Develops strategic perspective
		15. Champions change
		16. Connects group to the outside world



# Define the organization's current and future leadership needs

Leaders develop leaders-managers develop managers.

To allow your organization to scale and thrive, what will the L&D team need to achieve? Strategic leaders may need you to help them with a number of initiatives.

## Ensure that leaders at all levels operate in line with company values

Are they demonstrating behaviors which reflect the desired company culture–like integrity, fairness, and decisiveness?

## Build critical skills and competencies as the company scales

Or is in the midst of change, or needs to outstrip the competition.

Expectations of leadership have been transformed over the past decade, with employees now valuing an inclusive workplace where they feel empowered, and have opportunities to grow.

Old-style "command-and-control" or "my-way-or-the-highway" just won't cut it any more.

## Create a leadership pipeline to replace those who leave

Consider the cost to the company when a key leader leaves. Not just the cost of finding and attracting a replacement (up to 100% of annual salary), but also the loss of organizational knowledge, loss of efficiency, use of leadership time, potential disruption to customer service.

Leadership development and succession planning are two sides of the same coin. Far-sighted organizations will develop a succession plan for every key role.

# Create or reinforce a culture of diversity, inclusion and belonging

#### Mckinsey's 2019 analysis of 1000

businesses confirms a strong business case for both gender diversity and ethnic and cultural diversity on corporate leadership teams.

The most diverse companies are more likely to outperform less diverse peers on profitability by as much as 25% in the case of gender diversity.

In terms of cultural and ethnicity, those with the most diverse leadership out performed those with the least diverse, by 36% in profitability.

## Improve retention by offering growth opportunities

This creates more internal stability, retains knowledge, and it's far more cost-effective to retain key talent than to attract from outside.

According to a <u>Gallup survey</u>, 75% of employees who leave their job voluntarily do so because of their bosses and not because of their role or the company.

How much does it cost to replace an employee? Many factors influence that, but here is a widely accepted estimate.

#### ENTRY-LEVEL EMPLOYEES

30% - 50% of annual salary

#### MIDDLE-LEVEL EMPLOYEE

Around 150% of annual salary

#### SPECIALIZED / HIGH-LEVEL EMPLOYEES

Up to 400% of annual salary

## Improve leaders' communication skills

Often dismissed as being a "soft skill," communication has a hard impact on the bottom line: it can reduce conflict and increase employee engagement.

According to research, also by <u>Gallup</u>, an actively disengaged employee can cost their organization \$3,400 for every \$10,000 of salary. In other words, if your employee receives a salary of \$70,000, they'll remove an additional \$23,800 from the company's profit.





## STEP 02 Ensure that you have buy-in and back-up

# Start by building a coalition of support for the project

A leadership development program is not the business of HR or L&D. It has to be perceived as integral to the ongoing growth and success of the organization.

## If the CEO doesn't support the initiative, make a better case!

Assuming you have C-suite support, set up a project steering group.

This will typically include the Project Sponsor (CHRO), Project Leader (HR / L&D department leaders), and members of the senior leadership team.

While the senior leaders may not be involved at every step of the process, they need to agree to the overall direction and the tactics to embed the program in their area and to champion the changes that are about to come. Without support from across the business, you won't be launching an organizational leadership development program, you'll be launching an HR Leadership Development program. And you'll face a lonely battle.

With the right people around the table, you'll have the initial go-ahead to create an ambitious plan capable of driving organizational transformation.



# Identify overall goals for the program

Project team: project sponsor (CHRO), project leader (DL&D), and team members

Gain a consensus from across the business about how a leadership development program will solve their problems.

Solicit input from these people.

#### CEO

How does she feel her team could be strengthened to improve performance?

### **Mid-level managers**

What are the leadership challenges they're facing? Where would they like support in increasing their overall effectiveness? And where do they see their team leaders facing challenges?

### **Senior executives**

What areas would they like to strengthen further? Where do their teams have gaps in their leadership skills?

### **Inexperienced managers**

What kind of "people issues" are they finding difficult to deal with? How would they like to be supported and developed?



Take additional data from these sources.

#### **Performance reviews**

What reasons are given for less than optimal scores? Are there clear themes which need to be addressed?

#### **Exit interviews**

What drives your employees to move on? Of course, it may be money—or inadequate leadership.

#### **Complaints to HR**

Are the same complaints being raised time and again? You're looking for patterns which suggest that specific leadership behaviors (or the lack of them) are an issue you could help to address.

"The greatest danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it."

Michaelangelo

#### Examples.

Leavers cite conflict with their manager as a reason for departure.

Multiple managers complain that their teams are unfocussed and disinterested. (Perhaps they blame HR for recruiting the wrong caliber of employee!)

Minor workplace conflicts escalate to the level of formal complaints, or whole departments are involved in a `cold war' with others.

This is quite a high-level investigation. But-you'll be exposing multiple pain points-and hopefully, opening up an important conversation.

After this initial analysis, it's time to define some high-level goals for the program.

In Step 01, you identified some of the issues the organization was facing. When defining your goals for the program, ensure that they're aligned with what the business wants and needs.

What skills will your leaders need to accomplish the strategic priorities?

What skills will your leaders need to drive company culture?

What skills will your leaders need to drive change?

What skills will your leaders need to retain talent?

Get ready to demonstrate visible links between the high-level goals you're creating for the program and the way they'll move the business forward.

At this point, it's time to communicate with the executives, and ensure they're talk about how to set yourself up for success in Step 07.

#### HINT

To help you align expectations at this stage, create a project charter template—use our example (Appendix 1) to get you started.



# Define how you will develop your leaders

Identify the groups you're going to focus on which will make the greatest impact on the organization.

#### Senior team

Would bolstering their leadership skills help to drive the organization towards achieving its goals?

#### **Mid-level leaders**

Would a focused intervention at this level benefit the organization, preparing them to face the challenges of scaling up or dealing with turbulent market conditions? Could it help them to develop their own skills as well as supporting the creation of a leadership pipeline?

#### **First-time leaders**

Often outstanding individual contributors, promoted into positions where they're responsible for the performance of others. Lack of support in developing leadership skills can result in general unhappiness for their teams as well as operational ineffectiveness.

#### **Emerging talent**

Looking to the future, is the priority to create a cadre of fresh new leaders, able to take the organization forward? With the so-called "war for talent" raging anew, a powerful development program can engage your Hi-Po group and decrease their risk of high turnover.

#### Fast-track program

Taking those with little or no work experience to "hot-house" them for one or two years, equipping them with the skills and attitudes they'll need to progress and succeed.

Are you going to focus on one or more of these groups?

You're likely to need a different menu of interventions for each distinct group.



#### **Executive team**

## Retreats Workshops / Programs External Coaching Academic study MBAs Developmental assignments 360 feedback Books / articles

#### **Mid-level leaders**

#### Retreats

Workshops / Programs External Coaching External courses, e.g. MBAs Developmental assignments

#### **First-time leaders**

Workshops / programs External coaching Coaching skills training Working with internal mentor Developmental assignments / projects

#### **Emerging talent**

Workshops / courses

**External coaching** 

Manager coaching

**Developmental assignments** 

Micro-learning

Game-based learning

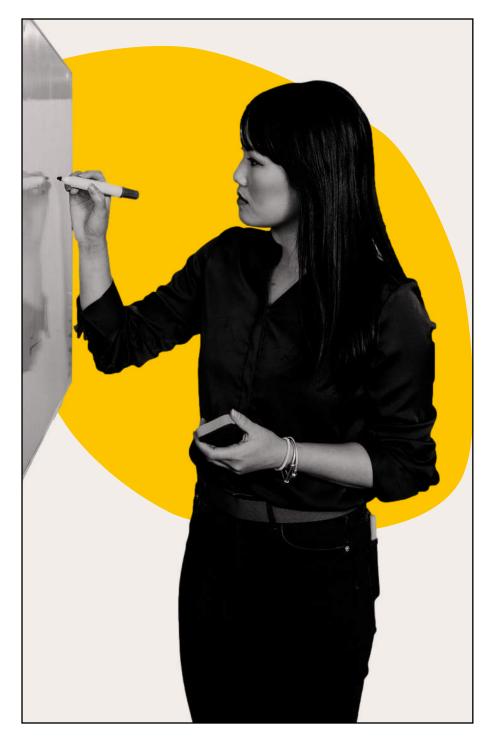
Books / articles

#### HINT

While you're going through these steps of detailed analysis, don't stay silent. This program is going to have a major impact on the organizations's long-term performance.

Regular updates to the executive team will keep them engaged with the concept and onboard with the process.

It will also smooth the process of securing the budget you'll need to deliver the goals of the program.



## **Create measurable goals**

Ok, so you've got the support you were hoping for, and you know what you want to achieve. You've even been told that the budget you'll need is available for you!

Once you have the green light, it's tempting at this point to jump in and get started. But there are a couple of things to attend to first. How will you define success?

#### Workshop participation

Does the attendance rate correlate with learning or behavioral change?

(Short answer: No.)

#### **Event feedback**

Is a participant's reaction to a program an objective evaluation of its value to the whole organization?

(While it can provide insights, the short answer is: No.)

#### **Coaching hours**

Unless a change in performance / behavior is seen as a result, it's no guarantee of success.

#### Number of job rotations

#### As above.

#### Target group turnover

Possibly, but it could be attributed to other factors.

#### **Overall turnover**

Possibly due to improved leadership, but could be attributed to other factors.

## Observation of learning by managers and others

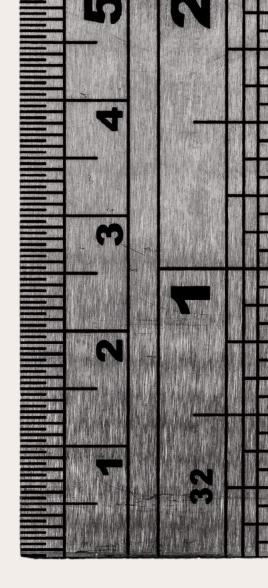
Now we're getting there.

### Achievement of goals set in Step 01 and Step 03

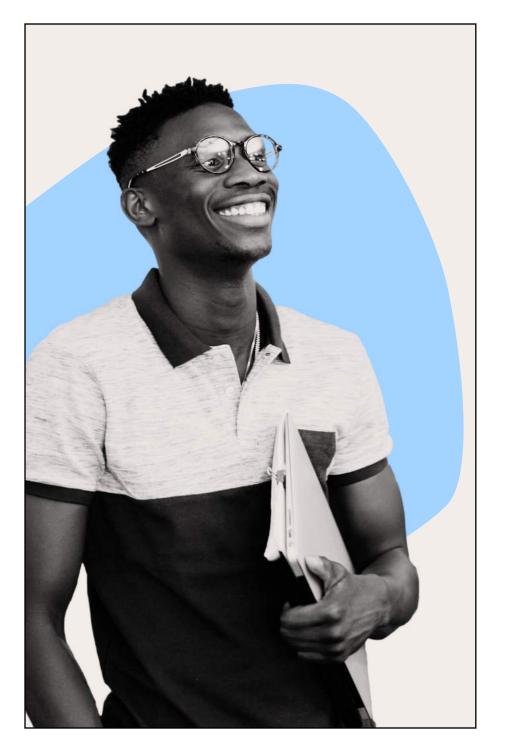
For example:

Number of rising stars ready for promotion into leadership

Reduction in turnover in target groups



In other words, be prepared to measure success against the goals you set earlier.



# Identify the individual talent you will focus on

You've already come a long way.

Now it's time to define your participant group. Depending on the size of your organization, you may have to narrow this down.

Who exactly will this Leadership Development program develop?

Senior leaders who need their outdated skills updated so they can meet the challenges ahead?

Only managers who've been appointed within the last 12 months?

All potential leaders with glowing performance reviews?

Are you going to carry out a detailed needs analysis of every leader, perhaps based on 360-degree reviews?

Or include people based on their line manager's assessment of their leadership potential—perhaps using an objective measure such as Zenger and Folkman's competency criteria. An example of entry criteria for a leadership program for new and aspiring leaders could be:

1 or 2 years with the organization.

Rated "above average" on last 1 or 2 performance reviews.

Participation supported by their leader, based on competency assessment (see example: Appendix 2).

Willing to make the case for inclusion to the senior panel.

The key is to set the criteria for participation, and be transparent about what they are.

Then, stick to them rigidly–exceptions could lead to claims of favoritism. Those not included could claim unfairness and discrimination. In addition, how will you ensure the entry criteria support a diverse and inclusive leadership team?



## STEP 07 Use your resources

To some extent, the scope of your program and the participant profile, will be defined by the availability of resources – financial and human.

How to calculate the budget required for a leadership development program? Typically, organizations allocate 1%–5% of total salary costs for employee training and development.

Given that part of this will be ring-fenced for onboarding, technical, and statutory training, you'll either have the resources to fund the program, or will be able to cut "the fat" off current costs (e.g. replacing travel with video-conferencing. Or you'll need to build the case for additional funds.)

Based on the information you gathered in Step 6, you'll have a clear picture of where the gaps in your leaders' competencies lie.

Now it's time to create a learning ecosystem that will most appropriately address these gaps.

#### Listen to your learners

It's worthwhile to consider that there's often a perception gap between the interventions considered most worthwhile by L&D teams and employees. Both are listed on the right for your reference.

There's clearly a huge difference in perceived values here.

Hi-Potentials don't see peer coaching as a worthwhile means to develop their leadership expertise. And being asked to read books or articles – forget it!

But what is most striking is that external coaching, while barely scraping onto the list of L&D resource choices, is the No. 1 development choice for Hi-Po's.

### **Typical L&D choices**

Workshops / courses Manager coaching Short-term developmental assignments Books / articles Peer coaching Long-term developmental assignments Micro-learning External coaching

### High-Po L&D wish list

External coaching Workshops / courses Short-term developmental assignments Manager coaching Long-term developmental assignments Micro-learning Game-based learning Books / articles

#### Zoom or in-room? Why off-job training programs deliver poor ROI.

So while high-profile external courses are still seen as desirable by both groups, they lead to a "sheep-dip" approach which wastes time and money.

The 24 attendees at a "Conflict Management", a "Diversity", or a "Resilience" workshop will all be at different starting points, with different levels of interest.

For some, the content will be too basic, for others, it will feel irrelevant or impenetrable. Most will forget what's been presented within hours of leaving the room. There's also a certain passivity implied—an expert comes and fills participants with the knowledge they lack. They'll do some activities and discuss – and – problem solved!

The expert moves on, and another batch of participants can be recorded as "trained." They've all got a folder to take with them and all is well. Or maybe not.

Because that approach rarely requires participants to take any responsibility for implementing their learning so all that knowledge could benefit the organization very little. And for globally distributed teams, travel and accommodation costs for can soon become prohibitive.

### Laser-focused learning

It seems that people now demand learning interventions that address highly specific needs in their daily work.

That allows them to develop greater selfawareness, to progress rapidly, and to monitor their own development.

Which is why expert external coaching is seen as so desirable and why experienced and aspiring leaders are clamoring for it.





# Communicate the details to confirm buy-in

Once you have a clear idea of the needs of the organization and each individual, it's time to get specific.

Return to the executive team to present details and obtain final support and sign-off. Connect potential and current leaders with external coaching for individualized learning and support.

Ensure you have the budget you'll need to deliver the program.

Select resource providers and set calendar dates for executive retreats, workshops, etc.



# Create a buzz around the launch of the program

As we mentioned earlier, this isn't an "HR initiative". It's owned by the business and needs to be branded as such.

Give the program a name that suggests growth and excitement.

Need inspiration? There are plenty of lists <u>online</u>, just choose or adapt one.

Harness the resources of your marketing team and your internal communication channels to create the initial buzz.

Create previews and progress updates to share across the organization.

Create a team of ambassadors to promote the benefits of the program-as they perceive them.

Consider how you're going to launch the program—what kind of event will build excitement and get it off to a great start. This is a strategic organizational initiative so active CEO and executive participation will be required at kick-off.



## STEP 10 Co-create individual development plans

Ensure that each participant on the leadership development program, regardless of their title, has a detailed individual development plan, co-created with their line manager and if required, facilitated by L&D.

This should address:

Their career goals (1-2 years, 2-5 years, 5-10 years)

Their current strengths

Their areas for development as leaders

Their preferred development methods (e.g. external coaching, long or short term assignments, workshops etc.)

SMART goals—some of which should benefit the team, as well as the individual

#### Who owns the IDP?

The plan is then co-owned by the employee and their manager. It is their joint responsibility to drive it forward.

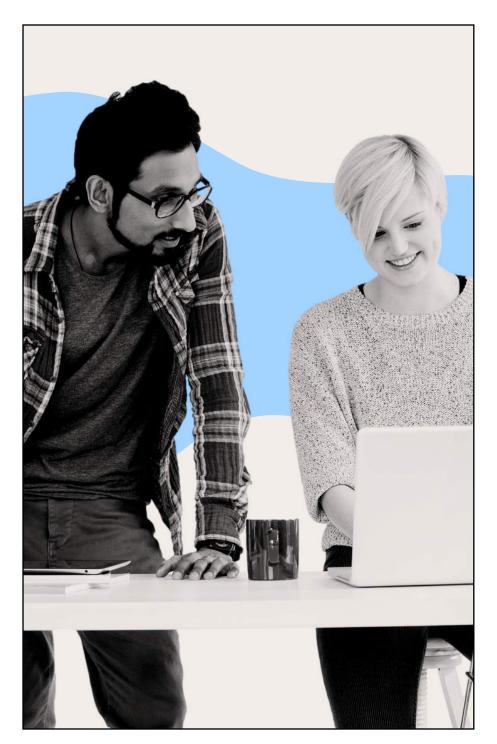
These development plans also provide valuable data for the future direction of the program.

#### Who should have an IDP?

Consider whether every employee should have an opportunity to co-create their own individual development plan. While it depends on the culture of your organization, restricting plans to participants in the Leadership Development program could create mistrust and a sense that you've created a closed, elite group. Which is not what you want as you build a culture of inclusivity and diversity.

#### **Resources: Be realistic**

Creating and monitoring IDPs involves a significant investment of resources—so create a realistic implementation plan and ensure you can allocate adequate L&D resources to the initiative.



# **Monitor progress and remove roadblocks**

Periodic catch-ups should be scheduled to ensure that the learning opportunities on the plan are being put into action.

Check-in regularly with the participants and their managers. Their leader's role will also include helping to identify and organize development opportunities such as:

Job rotation

Shadowing

Participation on project teams – challenging assignments on with other program participants solving real-life problems

Cross-training in other departments (other locations, or with partner companies)

Providing vacation cover for their manager

#### **Coaching others**

Presenting to executive teams



## Maintain company support and interest

As you originally requested support from your entire organization, you now need to keep the business involved with regular progress reports.

Invite them to open and attend workshops and presentations

Invite program participants to share their experiences with the senior leadership team

Ensure that the program is featured in company newsletters and briefings



# Embed the program into the company culture

Keep commitment high by:

Ensuring that targets for leadership development are included in the company's strategic goals and incentive programs

Ensuring that every manager is encouraged to develop selfawareness and communication skills as foundational skills

Recognizing the efforts of those managers who show outstanding commitment to developing their team



# Assess results, reimagine, and refresh

The Leadership Development Program needs to be agile enough to meet the challenges yet to come.

Carry out regular reviews to refresh the program and ensure it remains closely aligned with the goals of the organization.

Back to the drawing board! Seek the opinions of all stakeholders.

#### **Executive leadership**

Has the program addressed the original leadership gaps and helped the organization to achieve its objectives? Do you have the data to back up results? How have priorities changed since the launch, and where should the focus be on in future?

#### **Mid-level leaders**

How has the program helped them – in terms of their own leadership skills? What skills gaps do they still need to address? How do they rate the impact of the various learning interventions—coaching, long or short-term assignments etc.?

And what impact has the program had on the less experienced or emerging leaders in their team? How is learning being cascaded to achieve greater efficiency and improve business results? How has it changed their approach to developing leaders of the future, and are they building a clear leadership pipeline?

#### New / emerging leaders

Where do they see their leadership competencies have strengthened? And what evidence can they show that their performance as leaders is being enhanced by the program? What's the direction they'd like their learning to take in future?

Bottom line-how many emerging leaders are now fully emerged in positions of team leadership?

# High-Potential individual contributors

How are they finding opportunities to transfer their learning and put their newfound leadership competencies to the test? What additional support do they need from their manager or from L&D?

Based on the feedback from program stakeholders, address any gaps, and strengthen the program where needed. "You don't have to hold a position in order to be a leader." Henry Ford

# How can Lingo Live help you?

With Lingo Live's customized Skills-Based Coaching program, you can empower your emerging leaders to contribute their unique potential and drive performance through the power of oneon-one coaching. Our expert coaches place learning in a realworld context, empowering emerging leaders at multinational companies such as Duracell, NBC Universal and Slack to achieve career milestones—from running an agile stand-up meeting to nailing a performance review.

We partner with L&D leaders to define program goals and easily deploy at scale, and then work closely with managers and learners to provide ongoing guidance and support. It's true personalization at scale, and it delivers incredible results, but you don't have to take our word for it.

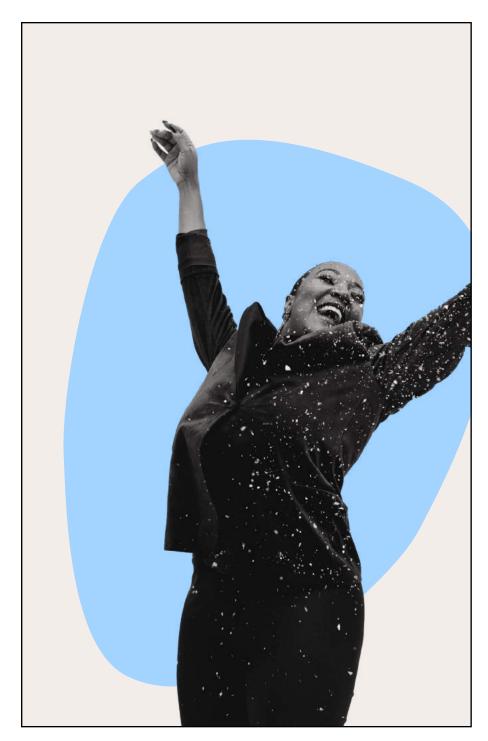
Sound like a good fit for your organization? Contact us.

"Communication skills affect our confidence and credibility. Language can be a barrier for many employees who want to grow into executive roles which require interaction with internal and external stakeholders. Lingo Live removes this block and helps people get to the next step in their careers."

Heather Ramirez, Director of HR, Roku

"We have incredibly talented engineers who work together to build innovative, superior products. Lingo Live is a key partner in unlocking the full potential of our technical talent by helping us remove our only significant barrier to success: communication and leadership gaps."

Pat Poels, CTO, Eventbrite



## STEP 15 Don't forget to celebrate your success!

Gather all the objective data you can to support claims for the program's success.

Improvement in Employee Satisfaction scores—especially in terms of their opinion of their leader's performance

Reduction in employee turnover

Reduction in leadership resourcing costs

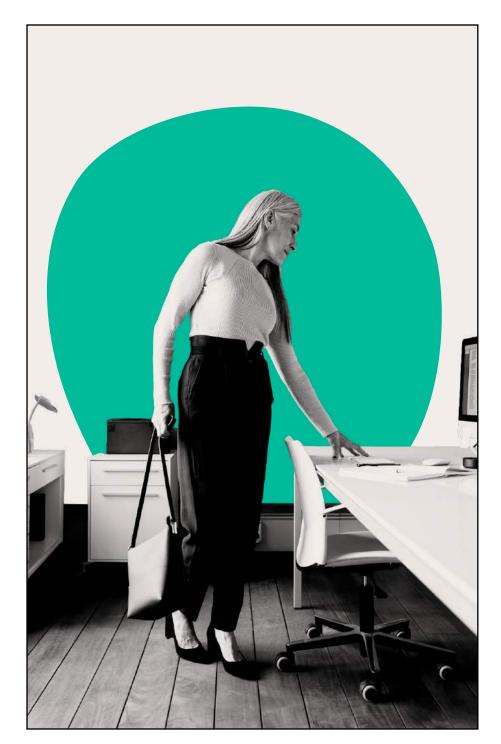
Reduction in complaints to HR

Achievement of ambitious targets by new leader

Successful promotions into more senior leadership positions

Increase in organizational flexibility due to cross-training and skill development

Successful completion of challenging projects by teams of project participants



## **Final thoughts**

"A leader is best when people barely know they exist. When their work is done, their aim fulfilled, others will say: We did it ourselves."

Lao Tzu, The Art of War

Setting up an organizational leadership development program is no mean feat.

When you've taken the leap of faith, put in the work, brought people along with you, and seen your efforts bear fruit congratulations! It's time to feel a glow of pride in your performance as a leader of your organization's transformation, and a key player in its future success.

**APPENDIX 1** 

## **Project Charter Template**

Make your own copy here

**APPENDIX 3** 

# Individual Development Plan Template

Make your own copy here

**APPENDIX 2** 

## **Competency Assessment Framework**

Make your own copy here

**APPENDIX 4** 

## **Project Plan Template**

To help you get started on the planning, here's a project plan template with key action steps based on the stages outlined above. In case some of the steps don't apply in your context, or you feel additional actions are needed, it's fully customizable.

Make your own copy here

#### 🕽 lingo live

## About us

Lingo Live provides 1-on-1 Skills-Based Coaching customized to employee needs and aligned to company goals. Our coaches specialize in coaching teams at geographically dispersed companies that are driving innovation. They understand the unique challenges these companies face, and how to coach the skills that address them.

Lingo Live is a globally distributed, remote-first organization with hundreds of coaches teaching thousands of professionals across 27 countries. It is trusted by fast-growing global companies Slack, Zillow Group, and Stripe.Learn more about personalized Skills-Based Coaching for emerging leaders at LingoLive.com.

