

01 | THE CURRENT STATE OF LEADERSHIP DEVELOPMENT EFFORTS



Measuring & Managing Talent with Scientifically Validated Assessment

Leadership & Individual Development

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I'd like to open this article by posing some questions for you, the reader, to reflect upon:

- Do you believe that there is enough focus on leadership development within organizations?
- Can we improve current leadership development efforts?
- Does leadership development training provide a worthwhile return of investment?

These questions (and others) were examined by Multi-Health Systems Inc. and the Human Capital Institute. Between April and May 2013, leadership development efforts were examined using a survey involving 784 respondents from over 500 organizations worldwide. In this series, we will present (and

elaborate on) the key findings from this survey.

If you answered "yes" to any of the questions above: This series can help you create a stronger business case for leadership coaching and development.

Our report reveals the following:

- Most organizations use at least one type of leadership development training method, suggesting that the importance of developing strong leaders is well-accepted.
- Organizations who spend a considerable amount of their training and development budget (31% or more) on leadership development are 12% more likely to report positive revenue growth.

- Unfortunately, many organizations spend 10% or less of their training and development budget on leadership development.
- Many employees are dissatisfied with current organizational efforts towards leadership development (Figure 1).

These findings suggest that there are many opportunities to improve, or incorporate, leadership development training efforts within various organizations.

To address why this dissatisfaction exists, we asked which training methods are used most frequently (Figure 2), and which methods are deemed to be effective (Figure 3). Our findings suggest that the most commonly used leadership development methods are rated among the least effective.

Figure 1. How current leadership development efforts are perceived in organizations today.



1 out of every 5 report their Leadership Development efforts are ineffective

Workshops and classroom training are two of the most frequently used leadership training methods. Cromwell and Kolb (2004) suggested that as little as 15% of classroom training efforts leads to sustained behavioural change within the workplace. How does one differentiate his/her services from what happens in a classroom setting? As Drew Bird mentioned in his 2013 Choice Expert Series, the answer may lie in a coaching plan which supports a cycle of increasing awareness, defining strategies



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and evaluating outcomes in a very personalized relationship.

Ultimately, the most effective leadership development methods are not used regularly. Why does this disconnect between frequency and

effectiveness exist? Is there a way to make leadership development efforts more fruitful, using widely available and inexpensive toolsets?

Part Two of this series will examine challenges and disconnects in

leadership development, while Part Three will elaborate on the return of investment from leadership development. Part Four will delve into one of the most effective methods of leadership development: Emotional Intelligence assessments.

Figure 2. Leadership development methods most commonly used within organizations.

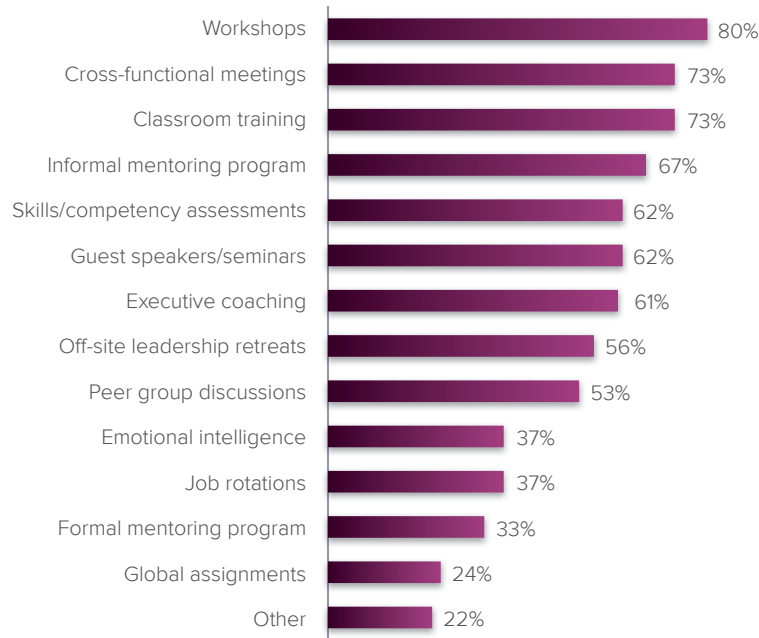
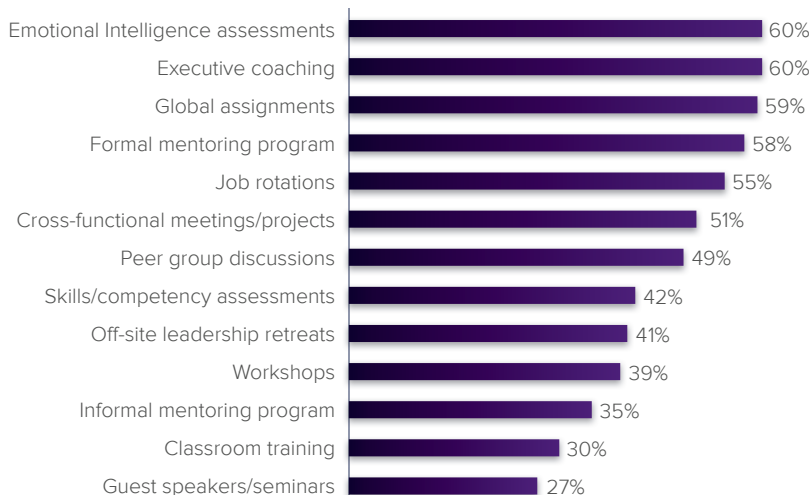


Figure 3. Percentage of HR managers who find each method to be "effective" or "very effective".



About the Author – Justin M. Deonarine



Justin Deonarine is a Research Analyst on the Research and Development Team for the Talent Assessment Division of Multi-Health Systems Inc. (MHS). He holds a Master's degree in Cognitive Psychology (University of Waterloo) and a Bachelor degree in Cognitive Sciences (University of Toronto). His work at MHS includes custom projects, including assessments for reality television. Recently, he has published an article for HR.com and co-authored a chapter on emotional intelligence in *The Handbook of Intelligence*. Justin's professional interests include predicting and improving human performance.

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02 PERSPECTIVES OF LEADERSHIP DEVELOPMENT



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Do you think managers and their direct reports are on the same page when it comes to which leadership skills are important? Research suggests that there is a large disconnect between what managers value in the workplace versus what is valued by employees (Human Capital Institute, 2013). The Human Capital Institute (HCI) and Multi-Health Systems (MHS) examined the relationship between leadership and emotional intelligence, and found that while both groups felt interpersonal skills were crucial to the workplace, managers also emphasized adaptability and problem solving while employees felt it was important for managers to demonstrate coaching and empathy skills.

To us in the coaching world, this disconnect means we need to do a better job of uncovering expectations of leadership, particularly when working with intact teams. Leadership literature has long explained that different leadership qualities are valued at different management

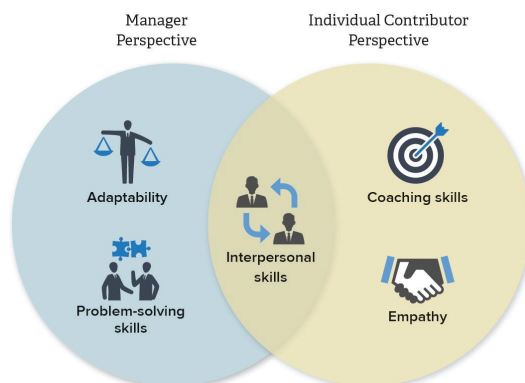
levels – the importance placed on specific leadership competencies will vary depending on the organizational level, culture, or situation in which an individual functions (Dai, Tang, & De Meuse, 2011). For employees, their primary goal is to complete assigned tasks within given time frames. Consequently, in their eyes, successful leaders will provide them with the technical and emotional support (e.g., coaching and empathy) needed for them to succeed and develop in their roles.

However, while employees only need to manage themselves, managers are accountable to people both above and below them in the organization. Managers must demonstrate the ability to empathize, understand, encourage, engage, and connect with employees, all of which are skills encompassed in emotional intelligence (EI). Coaches may use their EI skills to bridge differences in opinion regarding important leadership competencies, as EI skills are the building blocks supporting almost all leadership

competencies. Try the following strategies to help bridge gaps in leadership expectations:

- Advise managers to communicate with their employees to understand the expectations that employees have for people in leadership roles. For example, managers may implement a 360 degree feedback survey or ask their employees questions regarding their perceptions of important leadership qualities. Understanding the gap between manager and employee perceptions is the first step towards creating a workplace that meets the needs of both groups.
- Ask employees to specify the supports they prefer to receive. Research shows that employees want to be included in the decision-making process. Rather than making assumptions, managers may ask employees for their opinions when designing development and support systems.

Figure 1. Top three leadership competencies identified by managers and individual contributors as being most important in today's workplace.



About the Author – Iris Lin

Iris Lin is a Research Associate on the Research and Development Team for the Talent Assessment division of Multi-Health Systems (MHS). Iris' work at MHS includes working with the EQ-i 2.0 Group Report and the MSCEIT assessment (an ability-based measure of emotional intelligence). She holds a Master's in Applied Social Psychology from Memorial University of Newfoundland and is currently completing her Ph.D. in Industrial/Organizational Psychology with the University of Windsor. Iris' interests include studying the influence of culture on workplace interactions and the development of trust in business contexts.



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03

SECURING EXECUTIVE BUY-IN FOR LEADERSHIP DEVELOPMENT



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As professionals in the business of developing people, the quantitative value we bring to organizations is constantly being challenged, even when there is no denying the personal impact we have on an individual's ability to lead oneself and others. In fact, we heard from our recent survey (HCI, 2013) that the top challenge facing leadership development professionals today is gaining buy-in and executive support for their development initiatives. Sound a little familiar?

Although we recognize that numbers don't tell the whole story, they can certainly help you pave the road towards executive buy-in and winning that next coaching or consulting project! Here is one statistic that may help the next time you are faced with defending the investment required for your services: in our research we saw that organizations that spend a significant portion of their training budgets on developing leaders are 12% more likely to increase revenue than those that spend less. And the most effective ways to invest that budget? We saw emotional intelligence (EI) assessments, executive coaching, global assignments and formal mentoring programs float to the very top of the

effectiveness chart. What tools do you use for developing leaders? Question and evaluate their effectiveness at a behavioral and business level, so you are well-armed with evidence when making your business case to potential clients.

While it is important to recognize that there are many factors that can impact revenue growth, one of our landmark findings indicates that EI assessments may be among these factors. We found that organizations that take the steps to measure and track EI are 16% more likely to report positive revenue growth (than organizations that value emotional intelligence but don't measure it). This finding can greatly help the coach or consultant who is trying to establish a business case for integrating EI assessments into their toolkit.

Organizations, leaders, and professionals like yourself who work at making people better, need to reevaluate the role emotional intelligence plays in leadership development, particularly if it is something you have yet to add to your coaching repertoire. For those coaches who have been using EI in their practice for a long time, consider the value of measuring it. From our research,

it seems the most powerful ROI comes from using EI assessments both from the perspective of the individual and the organization. EI assessments establish a baseline against which coaches can measure their client's behaviors and they can be that factor that separates high performing organizations from the rest of the pack.

About the Author – Katie Ramoutar

Katie Ramoutar (MOrgPsych) is the Manager of Research & Development - Talent Assessment Division with Multi-Health Systems (MHS). With ten years of experience in organizational development, performance measurement, training and 360° feedback delivery and design, Katie's focus has always been on blending practices grounded in psychological science into individual and organizational development strategies. Katie has been an internal and external consultant to both private and public organizations across Canada and Australia. Her education and global experience is currently being applied to the assessment of emotional intelligence and leadership as well as developing new assessments and international adaptations for the corporate marketplace.

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INTEGRATING EMOTIONAL INTELLIGENCE AND LEADERSHIP DEVELOPMENT



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Recognizing Emotional Intelligence (EI) as a fundamental and legitimate part of the leadership development toolbox is essential to honing and improving your coaching skills. The final installment of this four-part series will examine specifically how EI impacts leadership in the workplace. Previous articles discussed the challenges in leadership development as well as the return on investment (ROI) of EI assessments for leadership development within organizations.

As a coach, how often do you see leaders derail due to a lack of technical knowledge? It's often the finer skill set that surrounds technical aptitude that we spend most of our time coaching on. "If leadership is mainly engaged in human relations, then leadership, at its core, is largely about emotions." (HCI, 2013, p. 6) The understanding, regulation, and use of emotions by leaders can have substantial impact on their ability to lead. This connection is supported by research showing that emotional skills are

critical to the successful performance of individuals at the executive level. Further, the more someone progresses through the organizational hierarchy, the more important emotional skills become in their success (Dulewicz & Higgs, 2003; Goleman et al., 2002).

EI can impact leadership ability in a number of ways. A leader's ability to be empathic and realistic, to solve problems effectively, and be confident has been linked to higher profit earnings (Stein et al., 2008). In addition, a leader's EI can alter the workplace norms in an organization by creating a high-performance work culture that leads to increased financial performance.

Figure 1 illustrates the increase in effective leadership development by organization wide integration of EI. The 25% gap between integrating and not integrating EI highlights the importance and impact of EI on leadership development. Research is also very consistent in confirming the link between higher EI and improved leadership. As a coach, incorporating EI as

a coaching objective and effectively using an EI assessment, like the EQ-i 2.0®, can result in a 36% and 26% increase in EI performance in an organization, respectively.

Integrating EI into your practice contributes to more effective leadership development! As shown in previous articles in this series, incorporating EI into a leadership development and coaching curriculum can have beneficial impacts

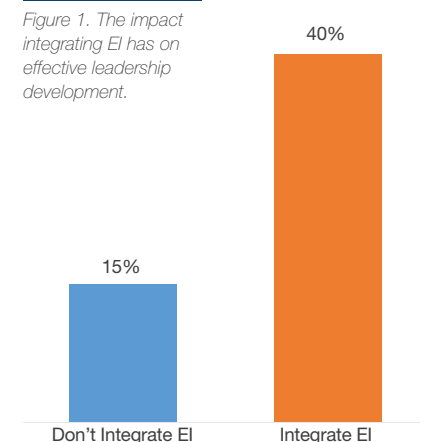


Figure 1. The impact integrating EI has on effective leadership development.

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