

HEALTH WEALTH CAREER

# LEADERSHIP DEVELOPMENT TRENDS 2019

A survey report based on a study  
of 200+ organizations





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# PREFACE

It is crucial to have a successful leadership team in place that is exceptional at leading people and driving business growth in a sustained manner, in order to succeed in any business. The leadership of a company is responsible for creating and maintaining a workforce that embodies the company's mission and vision in a way that enables the organization to grow in the right direction consistently.

The term leadership development refers to any activity that forms a part of the organizational effort to develop its leadership team. Leadership development involves planning and execution of two tasks primarily- identifying talent that has the potential to lead the organization; retaining and nurturing them to take up leadership roles. Companies should have an efficient leadership development process in place to ensure continued leadership success.

Leadership success is a metric based on which organizations measure how effective their leadership is. An organization with a successful leadership team in place can achieve business success while developing its workforce to make them future-ready.

Our two-part series on leadership aims to uncover the best practices that can help organizations achieve leadership success. The first part of the series *Leadership Hiring Trends 2019* focuses on challenges, trends and best practices of leadership hiring in organizations of different sizes and industries.

## ‘Leadership Development Trends 2019’

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Is the second part of Mercer | Mettl Leadership series. The report covers current leadership development practices that organizations follow, the challenges that they face, and potential best practices that can help companies overcome those challenges.

The two-part Mercer | Mettl Leadership series compiles insights of over 500 respondents from 200 organizations that include CXOs, L&D specialists, TEDx speakers, world-renowned leadership coaches and influencers in the leadership space. The survey was led by a team of leadership experts at Mercer | Mettl who have more than a decade's worth of experience in guiding start-ups, SMEs, and big organizations alike towards achieving their leadership goals.

Mercer | Mettl would like to thank all the survey respondents, CXOs and leadership development experts that provided us with valuable insights into global leadership development best practices, trends, and challenges. We look forward to your continued support and feedback for all our upcoming publications.

This report covers two major sections:

### CHALLENGES

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Top bottlenecks that organizations face when planning and executing their leadership development programs

### BEST PRACTICES

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Targeted insights on how to carry out leadership development to meet its desired objective



# EXECUTIVE SUMMARY

A company's leadership determines its success to a great extent. Most organizations struggle to create and sustain a strong leadership team. More than 80% of organizations are faced with a leadership talent shortage. Most of the present leaders are either baby boomers (~50%) who are on the verge of retiring or millennials who do not plan to stay in one job for more than three years.



“One of the biggest reasons why we are faced with a leadership talent shortage is the high retirement rate of baby boomers and not enough millennials stepping up to take the leadership positions, owing to a stated feeling of not feeling prepared.”

- **JEFF ORR**  
TEDx speaker, Founder of  
InDemand Leadership

Organizations need a continuous supply of capable and dependable leaders that can take the place of the retiring baby boomers and find a way to retain and develop the millennial leaders.

## WHY CARRY OUT LEADERSHIP DEVELOPMENT?

Organizations are constantly on the lookout for new leaders for multiple reasons. The most common reasons being- the old leaders are about to retire, or a brand-new leadership position has been created and needs to be filled with the right talent. There are two ways to fill these leadership positions- hire new talent from outside or develop existing employees to take up the available leadership positions.

As discussed in our previous report Leadership Hiring Trends 2019, hiring leaders from outside is complicated. Leadership hiring is an extremely time and cost-intensive endeavor and the chances of finding the right talent is low as majority of quality leadership talent is already employed elsewhere. Developing existing employees to take up leadership positions is the most risk evasive path to building a strong and future-ready leadership team.

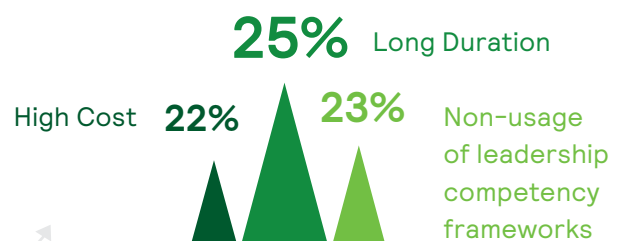
## HOW SHOULD LEADERSHIP DEVELOPMENT BE CONDUCTED?

Different organizations carry out leadership development in different ways. The methods that they follow are based on their specific requirements, objectives and the resources at their disposal. We studied various aspects of the leadership development process such as - why to train, who to train, what to train, and how to train. Our research revealed the following insights:

### Top leadership development challenges:

# 30%

of organizations are unable to create effective leadership development programs due to lack of senior management involvement, followed by

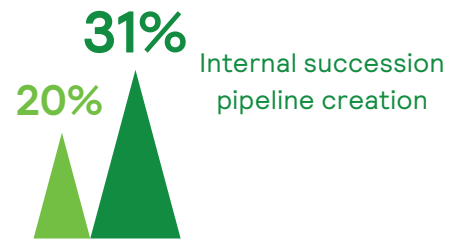


### Leadership development objective:

# 49%

of organizations carry out leadership development for the sole purpose of upskilling & cross-skilling new and existing leaders, followed by

High potential identification



### Leadership development current trends:

- The leadership development process is primarily taken care of by the HR team with assistance from the leadership team in SMEs. In large organizations, leadership development is carried out by the L&D team who are assisted by the leadership team.
- **Eight months** is the average duration of most leadership development programs.
- **23%** of organizations carry out leadership development to enable leaders to drive business growth. **18%** of organizations focus on developing interpersonal and behavioral skills in their leaders to enable them to lead people more efficiently.
- **42%** of organizations do not have a leadership competency framework based on which they can structure their leadership development programs.

18% of organizations focus on developing interpersonal and behavioral skills



### Leadership development best practices:

- Organizations that use competency frameworks enjoy a higher leadership success rate than organizations that don't.
- Organizations that have a leadership development program duration of less than 6 months are more likely to achieve their desired objective than those having lengthier programs.
- The leadership success rate is highest in organizations where HRs, trainees (new, existing and upcoming leaders for whom training is being planned) and senior leaders collaborate to plan and execute leadership development.

As an outcome of this research, we were able to successfully identify patterns between leadership development challenges, current practices, and success rate. We will delve into these trends and practices in detail in the upcoming sections of the report.

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01

# OBJECTIVE OF LEADERSHIP DEVELOPMENT





## OBJECTIVE OF LEADERSHIP DEVELOPMENT

Leadership development can be carried out to create an internal pipeline of new potential leaders or to train & develop existing leaders. Organizations should have their leadership development objectives properly laid out to warrant that their efforts are invested in the right direction.



“Leadership development programs can either - give people a new skill set, or more deeply accelerate the conditions for their personal transformation. Those leading the development efforts need to know what their goals are clearly.”

- LAYNE KERTAMUS  
Founder of Asperian  
Nation

Our survey revealed that most organizations carry out leadership development to broadly meet three objectives:

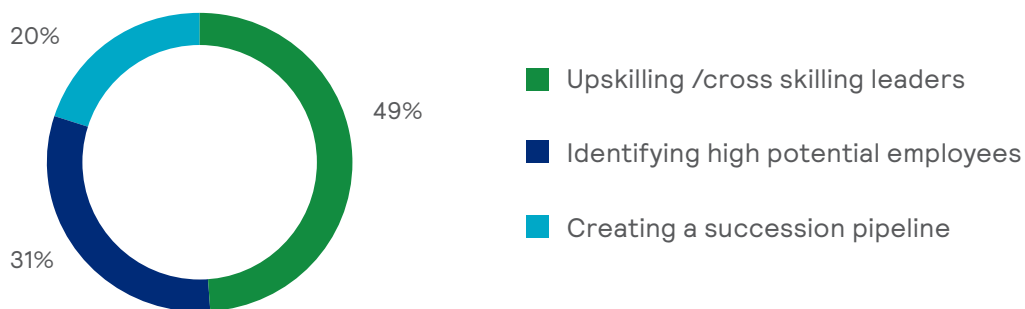


Chart 1: Objective of Leadership Development

### 1) UPSKILLING/CROSS-SKILLING NEW AND EXISTING LEADERS

Leadership skills are very different from the skills that are needed to excel in individual job roles. Often in companies, people land up in leadership positions not because they possess these leadership skills but as a result of gradual career progression. As a result, most leaders (especially new leaders) lack the skills needed to lead people and drive organizational growth in the right direction.

Hence the biggest focus area of most organizations when carrying out leadership development is to equip their leaders with the right skill set that will help them succeed as a leader.

# 49%

Organizations carry out leadership development for the sole purpose of training & developing new and existing leaders.



“In the past, we often hired managers as a logical career progression for someone that had already been on the team. For example, if you were a technician, you became a senior technician and then the manager or leader of the technician team. The problem with this method of hiring is that often what makes you a great technician or team member is a completely different skill set than what makes you a good leader. It’s important for leaders to be trained in the skills that is needed to lead people and drive high team and organizational performance.”

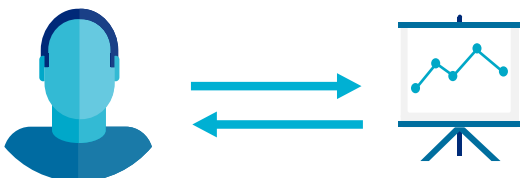
- CAL MISENER

Chief Happiness Officer  
at High Performance  
Culture

## 1.1) Training and developing new leaders

Transitioning into a leadership role for the first time is challenging. New leaders are presented with a lot of additional responsibilities as compared to their previous roles. Their role has very high stakes attached to them and any misstep has ramifications that they were not faced with previously. It is crucial to train them thoroughly to make them ready for their new role and responsibilities in the most seamless and effective manner.

New leaders pose a lot of challenges for any organization. Absence of the right training can cause new leaders to deliver sub-optimal performance at work that can ultimately result in them leaving the job due to poor job satisfaction.



“One of the hardest parts about hiring new leaders is training them so that there is consistent work getting done and that things don’t fall through the cracks. A major problem that organizations face is a mismatch between the leadership style of the newly hired/promoted leaders and what the team prefers. This leads to low team performance and an increase in attrition.”

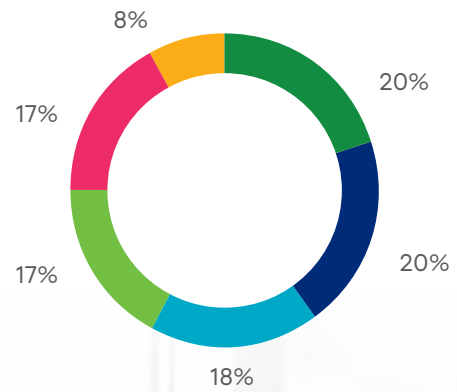
- NATE MASTERSON

Founder of Maple  
Holistics

# 20%

of new leaders have trouble adjusting to the new organization's/team's culture and that impacts their performance adversely (chart 2).

The second most significant challenge that organizations face with new leaders is their low learning agility, followed by their inability to network, lead people, and drive business results. Finally, as discussed before, early attrition is another major problem that new leaders present to organizations. New leaders are under a lot of pressure to learn fast, perform, and deliver results consistently. Lack of proper training to equip themselves for their new roles can cause many to call it quits.



- Lack of cultural fitment
- Inability to learn and adapt to change
- Inability to network, develop partnerships and build coalitions
- Inability to lead people
- Inability to drive business results
- Early attrition

Chart 2: Challenges with New Leaders

“

“New leaders don’t have existing relationships with the team they are inheriting, potentially causing friction and in the most extreme cases, turnover. Is it lack cultural fitment or inability to drive organizational and team performance? The answer is both as often they are interrelated. Because of a lack of cultural fitment, it can be challenging for an external leader to drive team performance of an inherited team.”

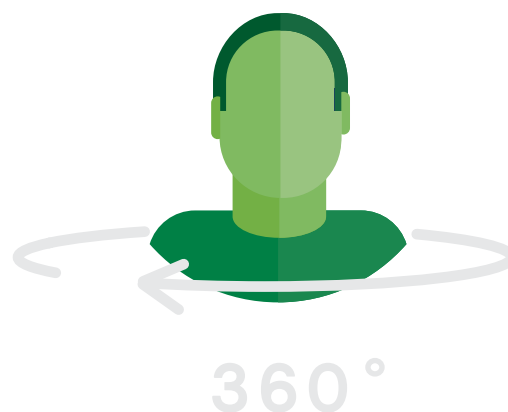
- ARAM LULLA

General Manager of Human Resources Practice at Lucas Group, Member of Forbes Human Resources Council



## 1.2 ) Training and developing existing leaders

Leadership development of existing leaders involves identifying their skill gaps & development areas and addressing them by providing relevant training and support. Most organizations carry out 360-degree assessments or leadership assessments to identify training needs in existing leaders.



“The biggest mistake I see organizations make in leadership development is the lack of experience integration. For new leaders, mentorship programs are extraordinarily helpful as the budding leader can better glean the lessons learned in experience with guidance from a mentor. For experienced leaders undergoing training or development—their past experiences need to be recognized and incorporated into their new experiences. Failing to do so makes any new information seem irrelevant to the leader.”

– PAUL SCHEMPP  
Founder of Performance Matters

## 2) HIGH POTENTIAL IDENTIFICATION

Organizations should ideally identify employees who have the potential to lead from early on so that they can work on retaining and nurturing them for leadership positions. High performing organizations invest a lot in identifying, training, and developing high potential employees as they have the capability to drive organizational growth.

*Helen McPherson, Principal Consultant at McPherson Consulting* shared why organizations fail to identify high potentials successfully – “One pitfall I see is organizational politics influencing the succession pipeline and high potential identification process. An individual with an active, hands-on manager will almost always advance faster than a higher-potential individual with a manager who does not care about employee development.”

*Majority of high potentials place a high degree of importance on being identified as a high potential.* The probability of these employees leaving an organization is very high if they feel that the organization is not putting enough effort into grooming them. Losing high potentials can be extremely detrimental to an organization’s pursuit to develop successful leaders.

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Organizations need to create a culture where managers and leaders are motivated to identify and develop high potentials. *Helen* suggests how organizations can successfully identify and develop high potentials--“*The best way for organizations to identify and prioritize succession planning and leadership development- and to avoid the above pitfall- is to create a culture that rewards managers for identifying, developing, and advancing their high-potential employees.*”

### 3) CREATING INTERNAL SUCCESSION PIPELINE

Not having a ready *internal succession pipeline* can cause derailment of an organization’s business operations from time to time as the organization is not equipped to provide an immediate replacement for a leader, whenever such a requirement arises. Organization without a succession pipeline must hire talent from the outside every time a leadership position becomes available. Leadership hiring- as discussed in our *Leadership hiring trends 2019 report*, is a very costly and time intensive activity. The process of leadership hiring takes three to six months (average), after which the newly hired leader takes another six to twelve months to get settled in the new role and start delivering results. Most organizations cannot afford to disrupt their business for so long without their performance taking a severe hit.



“Many organizations start by looking for managers and executives outside your possessions before they look inside the organization and take advantage of existing knowledge and relationships internal managers and executives would have that would advantage them to address the current organizational challenges better than someone from the outside.”

- CAL MISENER

Chief Happiness Officer at  
High Performance Culture

02

# TOP LEADERSHIP DEVELOPMENT CHALLENGES





# TOP LEADERSHIP DEVELOPMENT CHALLENGES

## Four key challenges adversely impacting the ROI from leadership development programs

Leadership development today is a lot more challenging than it used to be. Leaders are expected to deliver more in less time. They are also expected to have a continuously evolving skillset to meet the changing market demands. Majority of global leaders consider themselves unprepared for their new roles as they have either not received any leadership training or the training that they have received failed to positively impact their work performance.



“Experience in helping organizations select candidates for special advance management training has taught me that advanced management development is given more as a reward with low expectations as to any developmental increases that occur for that executive or manager.”

- **JERRY KABER**  
President of The Strategic Alliance Group

Our study revealed that most of the challenges that organizations face with their leadership development process are significantly related to their suboptimal leadership development practices. How organizations carry out leadership development determines their success rate. We asked our respondents why they are not able to achieve the optimal ROI from their leadership development programs and these were the four challenges that came out as the leading causal factors (Chart 3).

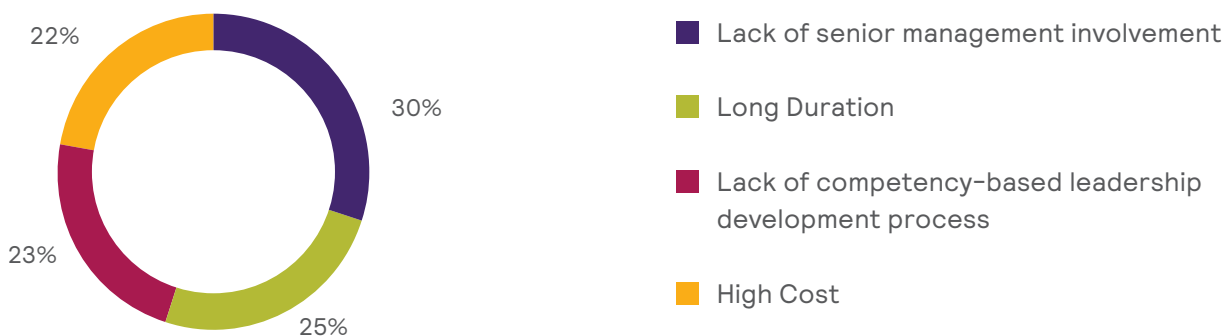


Chart 3: Top Leadership Development Challenges

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## 1) LACK OF SENIOR MANAGEMENT INVOLVEMENT IN THE LEADERSHIP DEVELOPMENT PROCESS:

We found out that in many organizations, leaders themselves do not get involved in the leadership development process, and the reasons are obvious- leaders have extremely packed schedules. Getting the support of company leaders and management to contribute in leadership development is crucial as they are in the best position to suggest what skills are required most in leadership positions and how to best develop those skills in budding leaders.

# 30%

of organizations consider the lack of senior management involvement in the leadership development process as the most significant factor contributing to its sub-optimal performance.



“The problem arises when HR operates independently of the rest of the business. High-performing businesses have comprehensive programs that are championed by the CEO and business leaders to develop talent and leadership skills throughout the organization. HR supports the effort but doesn’t own it. Leaders know what is needed in each area of the business and what strong leaders look like.”

- HEIDI POZZO  
Founder of Pozzo Consulting

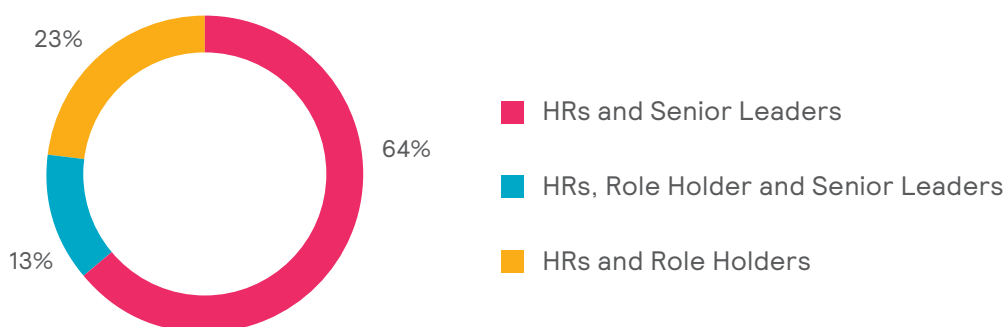
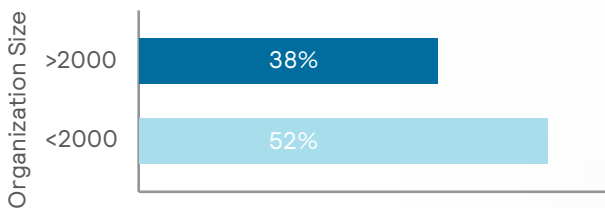
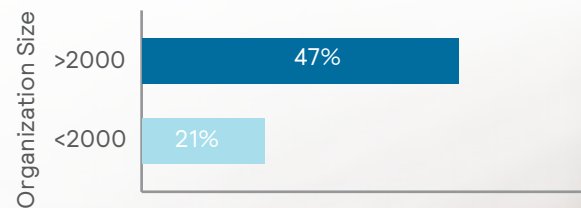


Chart 4: Parties Involved in Leadership Development Process

Our study also revealed that *in SME's leaders partake in leadership development planning & execution 52% of the times. However, their participation falls to 38% in larger organizations. This is because, most large organizations (47% of them) have specialized Learning and Development (L&D) teams in place to carry out leadership development, which is not the case for most SMEs. 79% of SMEs do not have an internal L&D team, which is why leaders have to become more involved in the L&D process (Chart 5).*



**Chart 5.1: Senior Leaders and CXOs Involvement in Leadership Development**



**Chart 5.2: L&D Teams Involvement in Leadership Development**



“Management collaboration to carry out leadership development differs with organization size. In SMEs, it is carried out by different functional heads giving training to new leaders, assisted by the leadership teams. In large organizations, it is mostly carried out by L&D teams. In almost all organizations, HRs are involved in enabling leadership development by ensuring the involvement of the right stakeholders.”

- AJAY VENKATESH  
Leadership Coach

## 2) LONG DURATION OF LEADERSHIP DEVELOPMENT PROGRAMS

The time taken for carrying out leadership development differs based on the target audience. The duration increases with the seniority level of the participating leaders. Also, leadership development programs for newly hired leaders are longer than those for existing employees (Chart 6).

The average time taken to carry out leadership development is



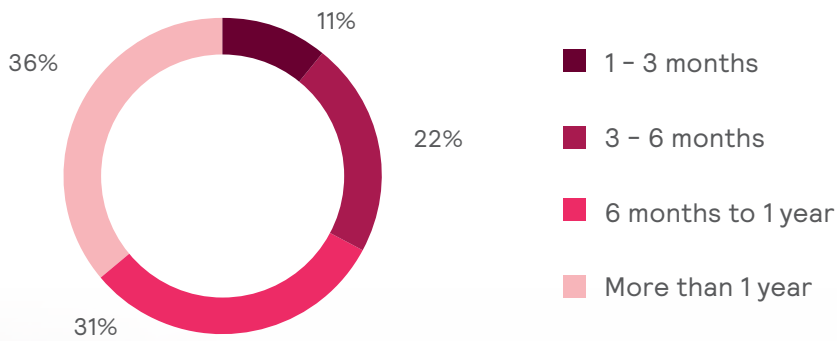


Chart 6: Time Taken to Carry out Leadership Development

**25%**

of organizations consider time required to carry out leadership development as the most significant challenge preventing them from achieving leadership success (Chart 3). Overall, time required to carry out leadership development is the second biggest challenge that prevents these programs from yielding good results.

**36%**

of organizations take more than a year to complete their leadership development programs.



Although most leadership coaching experts agree that leadership development is not a two-day or one-week activity and the common practice of sending newly appointed leaders on short management training outbound trips is not very effective, extremely lengthy training programs present a different set of problems.

Extensive training programs are not as effective as targeted training programs that are more compact. Long training programs are often unable to attract high level of interest and participation from the trainees throughout the program, eventually leading to increased absenteeism, which adversely impacts the success rate of these programs.

## According to Mercer | Mettl's report State of Workplace Learning and Development – 2018

the biggest challenge for L&D professionals is to get them to attend training. 29% of L&D professions state this is the biggest challenge that they face when it comes to employee L&D. The report also mentions that the biggest reason why employees don't attend training is that it consumes a lot of time.

Employees continuously work to prioritize huge lists of tasks and meetings, and often in all this, training sessions take a back seat to anything that directly contributes towards business growth and revenue.

### 3) LACK OF COMPETENCY-BASED LEADERSHIP DEVELOPMENT

Most organizations do not have a structured leadership development process. Lack of clarity on job role wise competency frameworks causes organizations to provide generic leadership development programs that fail to yield good results.

**Ajay Venkatesh** further shared how most organizations carry out leadership development currently- *“Most organizations send new leaders to leadership development outbound sessions where they are made to go through activities that are meant to hone their leadership skills. Mid to large sized organizations often conduct leadership development by outsourcing it to an external leadership coach or firm. For first and second-line managers, organizations, provide training via MOOCs (Massive Open Online Courses) and e-modules (Udemy, etc.). MNCs in developed nations are moving towards using VR to conduct training. The classes are pre-recorded, and the VR gives the trainees a near real experience of being coached one on one.”*



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Leadership development is not a one-size-fits-all endeavor. Every leader has specific training needs, and every leadership role has a different competency requirement.

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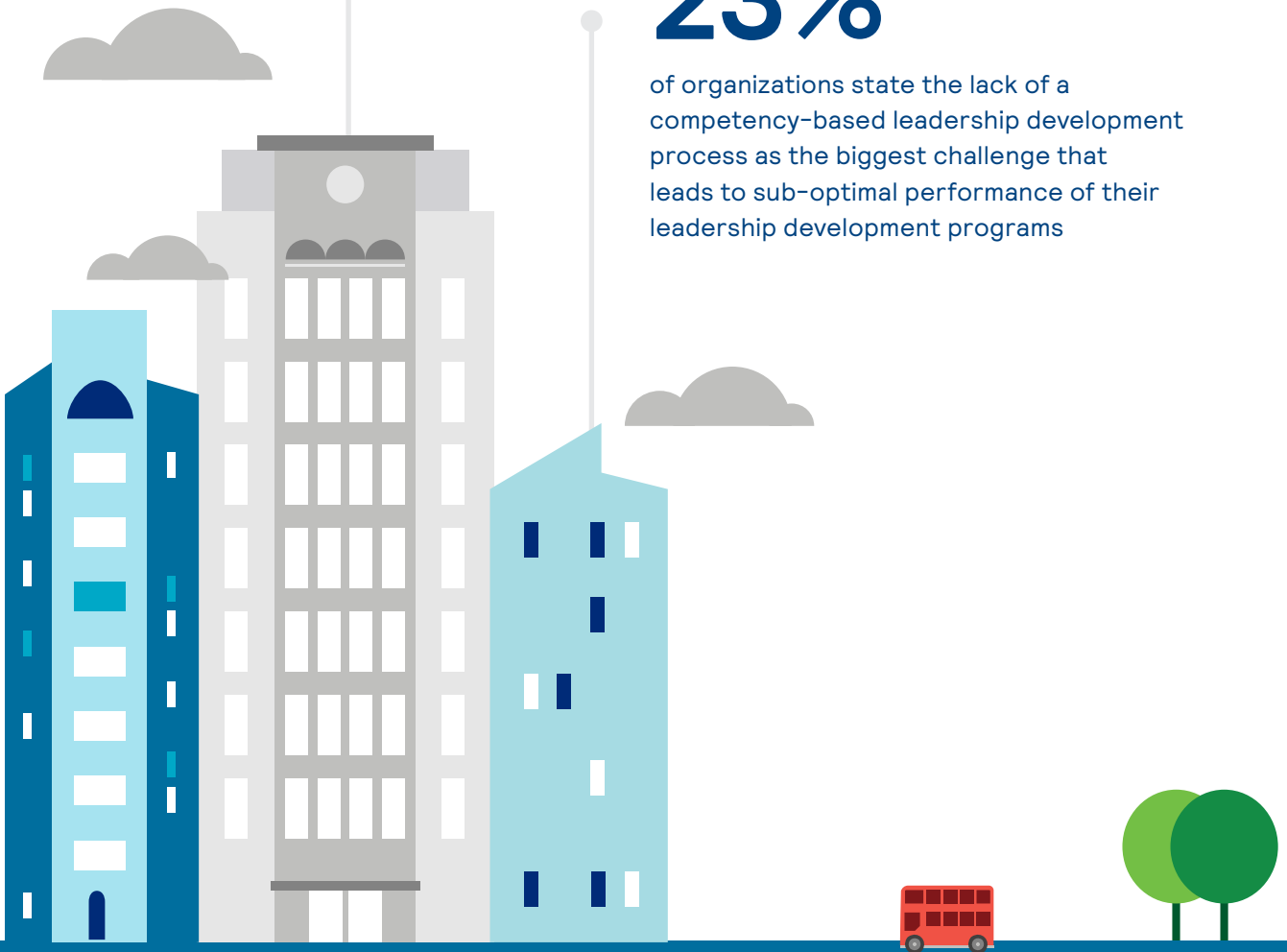
# Organizations Competency Framework Adoption Rate

**42%**

of organizations do not have a leadership competency framework to guide their leadership development efforts (Chart 7)

**23%**

of organizations state the lack of a competency-based leadership development process as the biggest challenge that leads to sub-optimal performance of their leadership development programs



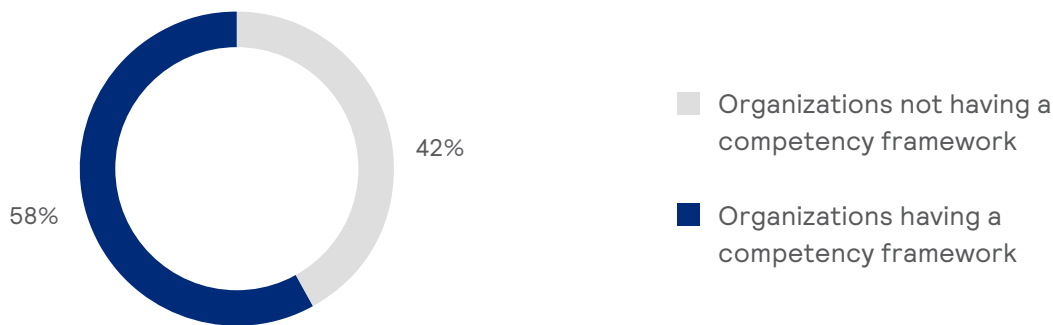


Chart 7: Organizations Having an Accurate Leadership Competency Framework

#### 4) COST OF LEADERSHIP DEVELOPMENT

Learning and development is a \$140 billion business, globally.

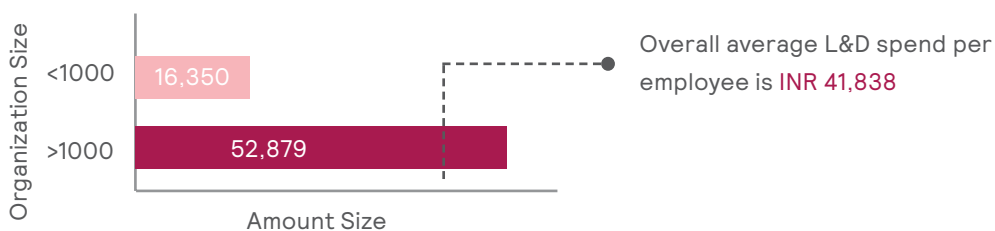


But according to **Juliana Stancampiano**, CEO of Oxygen and author of *Radical Outcomes*, most of that money is wasted on ineffective programs that don't deliver the training that today's employees need.

"There's no doubt that everyone in business must have a continually-evolving skill set," says **Stancampiano**. "Customers have increasingly high expectations, and meeting those expectations demands the ability to leverage evolving technologies and new ways of working," she explains. But all too often, organizations send their staffs to five-day training courses or assign them multiple online learning modules that fail to create measurable results.

Lack of budget needed to carry out leadership development came out as the third biggest challenge faced by 22% of organizations when carrying out leadership development.

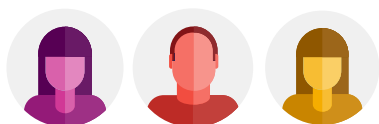
According to Mercer | Mettl's *State of Workplace Learning and Development- 2018* report, L&D Departments are under constant pressure to prove their value to the management. Hence, it's highly essential for L&D experts to design budgets that deliver gains in performance of employees while being justifiable from a business standpoint.



Average L&D Spend Per Employee Increases with the Size of the Organization

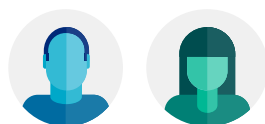


## Average Spend Per Year (INR)



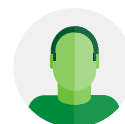
28,759

ENTRY LEVEL  
(0-5 years)



57,518

MID LEVEL  
(5-12 years)



86,277

SENIOR LEVEL  
(12+years)



Average L&D spend per employee at Senior-Level is 3x compared to entry-level.

\*Assumption 60% of workforce of an organization falls in Entry-Level bucket, 30% in Mid-Level and 10% in Senior-Level.

Source: Mercer Mettl's State of Workplace Learning and Development- 2018

03

# LEADERSHIP DEVELOPMENT BEST PRACTICES



# LEADERSHIP DEVELOPMENT BEST PRACTICES

To achieve leadership success, organizations need to identify and overcome the bottlenecks that they face when carrying out leadership development. The best practices that we include here are potential solutions to the most commonly encountered challenges when carrying out leadership development.

For a leadership development program to be successful in creating a strong leadership team, it needs to be practical in terms of the time and cost investment required to execute it.

Leadership development programs that are very expensive and lengthy, often fail as both the organization and the participating leaders feel that the effort is not worth the outcome. Leadership development programs often go parallelly with the regular job responsibilities of the participating leader. Unless the leaders see great value in these programs, they will not prioritize it.



The most crucial aspect that determines the success of leadership development programs is *management involvement*.

The leadership team's time and effort need to be significantly valued as assisting the leadership development efforts of the organization is simply one of the many tasks that they handle on a day-to-day basis. Their expertise should be leveraged in an efficient manner. Our study helped us uncover the best leadership development practices that can optimize the time and cost effort required to carry out leadership development and allow leaders to contribute towards shaping it to yield better results, without getting overburdened.

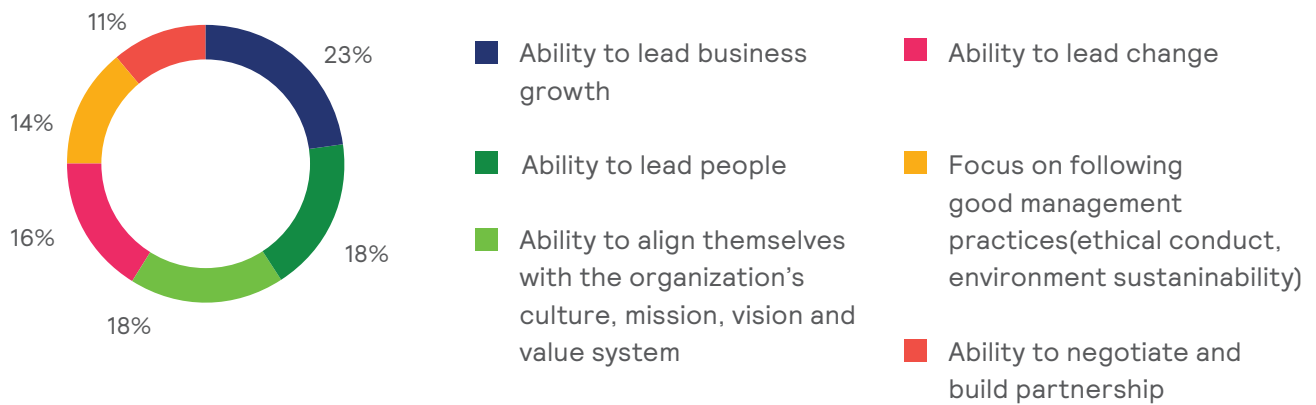
## 1) CONDUCT COMPETENCY-BASED LEADERSHIP DEVELOPMENT

To create great leaders, organizations must be aware of the kind of leaders they want. They need to be aware of the skills that they want their leaders to have and the type of leadership style that will help them lead their teams better.

### 1.1) Defining a leadership competency framework

**What competencies to develop:** We asked organizations – what key attributes of leaders are responsible for them becoming successful at their organization (Chart 9). We found out that the ability to lead business growth, followed by the ability to lead people is the most significant leadership attribute that can help leaders become successful in driving organizational and people growth.

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**Chart 8: Key Attributes Needed to be a Successful Leader**

Once organizations are clear on what attributes of a leader are most crucial for their success, they can focus on developing those attributes in their upcoming and existing leaders. Each leadership attribute corresponds to specific competencies. By developing those competencies, organizations can help hone these key attributes in their leaders.

The **Mercer | Mettl Leadership Competency Framework** throws light on the critical competencies that leaders must have to develop the leadership attributes which are needed to be successful.

Leadership Attributes	Competencies						
<b>Leading Change</b>	Creativity	Innovation Management	External Awareness	Openness to change	Stress Tolerance	Strategic Thinking	Vision
<b>Leading People</b>	Conflict Management	Managing Diversity	Developing People	Team Building			
<b>Result Driven</b>	Accountability	Decisiveness	Problem Solving				
<b>Building Coalition</b>	Partnership	Influencing/ Negotiating					
<b>Basic Competencies</b>	Integrity/ Honesty	Open to Learning	Interpersonal Skills				

### 1.2) Benefits of having a competency-based leadership development process

The kind of leaders that an organization needs, differs from job role to job role. Organizations need to have a ready competency framework for each leadership position that will guide them in training and developing leaders for that role. The competency framework should include skills that the previous position holders had, updated to reflect the changing job responsibilities in the present and future.

It's essential to have an organizational competency framework as the skills required to succeed in a leadership role is very different from that needed to succeed in an individual contribution role. Leaders need to be trained on these new skills to equip them with abilities required to take care of their continuously evolving job responsibilities.



“Generally, the skills that make individual performers successful, like being competitive, a desire to win (often against others), and enjoyment of the spotlight are the opposite of what leaders need to demonstrate. Leadership is such a different role. Hard-earned skills like humility, abundance, mediation, empathic listening, patience the list seems endless are needed to become a respected and influential leader. Groom leaders early on in their careers and explain to high potentials that the skills that they view as making them successful, won't necessarily be the skills that will make them an effective leader.”

- SCOTT MILLER

CMO at  
FranklinCovey

A competency-based leadership development program has a much higher chance of achieving its desired objective than generic programs. Our study reveals that Leadership success rate and competency framework adoption rate is highly positively correlated (Chart 9). This means, **companies that base their leadership hiring and development methodology on competency frameworks experience a much higher leadership success rate.**

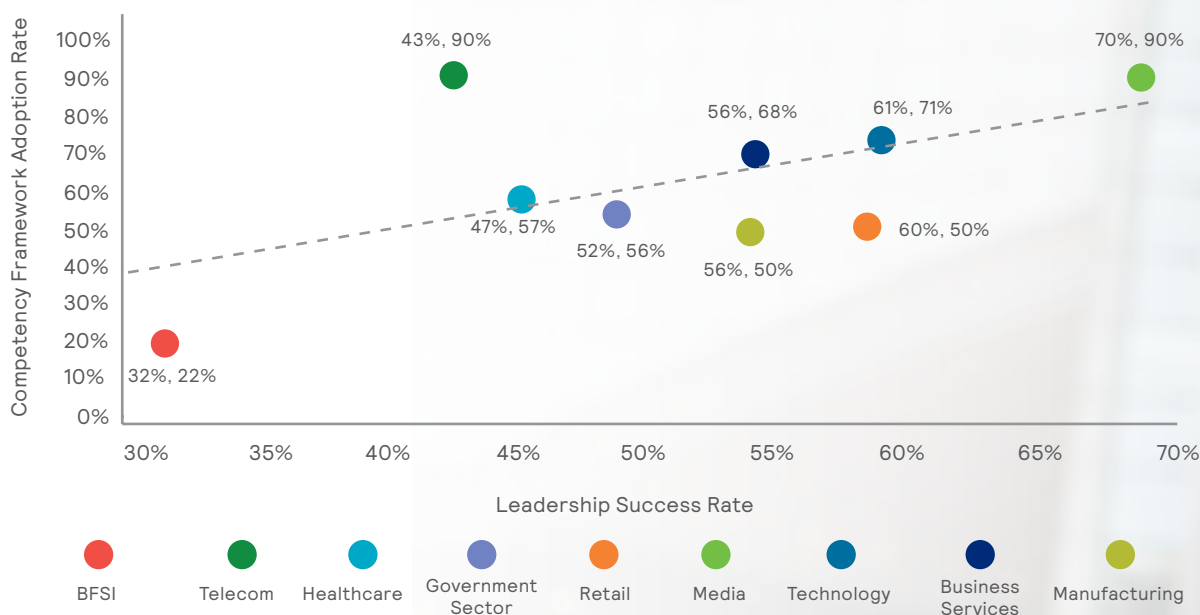


Chart 9: Leadership Success Rate vs. Competency Framework Adoption by Different Industries

### 1.3) How to assess leadership competencies?

Having an accurate and regularly updated competency framework is the first step towards creating successful leadership development programs. The next step is to find a method to assess leaders to find out where they stand in terms of these competencies- what competencies are they proficient in and what competencies they need to develop further. It's crucial to accurately assess the strengths and development areas of each leader so that they can be trained accordingly. Modern scientific talent assessment tools offer an accurate way to assess training needs in leaders.



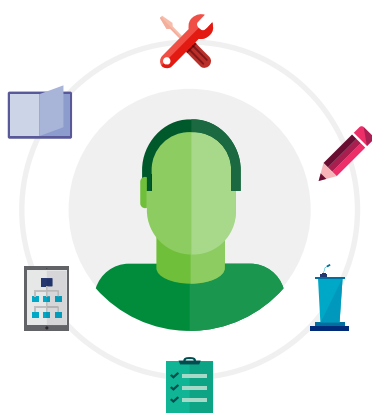
“Validated assessment instruments that measure potential for top performance at the level of the job are the best tools an organization can use to identify training needs in leaders.”

- **KIM TURNAGE**

Director & Leadership  
Consultant at Talent  
Plus



Competency-based talent assessment tools such as 360-degree feedback, assessment centers, and leadership assessments allow organizations to identify and develop present and future leaders in a much more effective manner. Assessment tools that are customized for each organization, job role, job level and benchmarked to meet organizational & industry standards produce much more accurate results.



“

The organizations I’ve worked with have expanded the talent pool beyond the senior manager level by creating leadership development programs for next-generation leaders according to their experience and seniority. Relying on multiple sources of data gleaned from 360-degree instruments, self and manager assessments, panel review to assess talent globally throughout the organization, and focus on identifying and building relevant capabilities, allows organizations to develop leaders that contribute disproportionately to the bottom-line.”

- SUSAN GILELL-STUY  
 Managing Principal at  
 Susan Gilell-Stuy LLC

**Scientific tools to holistically assess individual training needs**

Purpose	Methodology	Training needs from the point of view of	Recommended Talent Assessment Tools
Overall skill assessment	Identify skill gaps by assessing the current skill set of leader/high potentials against those included in the competency framework	Self	Suite of Leadership Assessments including Learning Agility, Personality, Cognitive and Technical Assessments
Practical skill application	Assess the leaders by observing how they use their competencies to solve actual on-the-job problems	Team	Assessment Center & Development Center
Peer Perception	Assess the leaders from the point of view of their peers to identify their perceived skill gaps and development needs	Peers	360-degree feedback

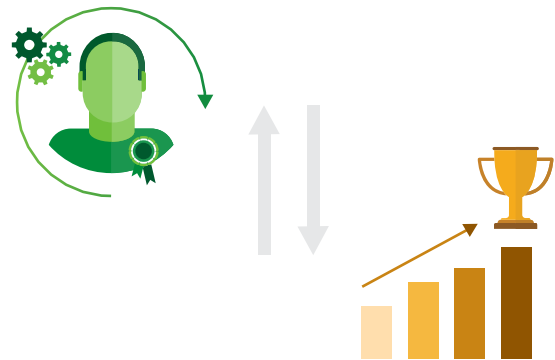


## 2) OPTIMIZE LEADERSHIP DEVELOPMENT TIME AND COST

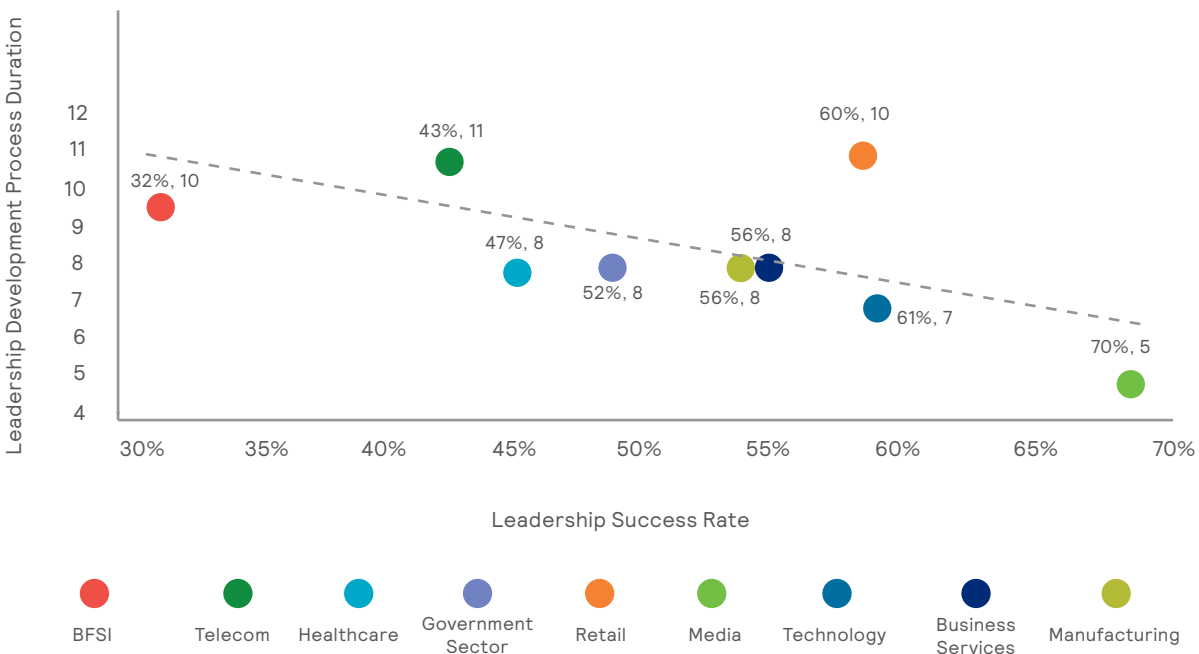
In the past decades, when spending one’s entire career of 30–40 years working at a single company was the norm, it made sense for companies to invest in their development extensively. The working population of today, which consists majorly of millennial workers (~48% of the workforce presently, which will increase to 75% by 2020, according to Forbes), believes in changing jobs every 18 months. This leaves companies with very less incentive to invest in their development to prepare them for leadership roles in the future. Less than 50% of organizations are willing to invest in the development of their employees, mostly because of the cost and time intensive nature of these programs, followed by their low ROI.

# -68%

Our survey showed that leadership development program duration and leadership success rate are highly inversely correlated (-68%). Higher the leadership development process duration, lower is the organizational leadership success rate (Chart 10).



### Shorter leadership development programs are more successful in reaching their desired objective



**Chart 10: Leadership Success Rate vs. Leadership Development Process Duration by Different Industries**

## 2.1) How to optimize leadership development time and cost?

The best way to reduce leadership development duration and cost and more make it more effective is by structuring it properly. Customized competency-based talent assessment tools help in accurate identification of individual training needs and provide data-backed insights on what skills each leader needs to be trained on. This makes the training more streamlined, enabling the creation of a more structured leadership development process that is shorter in duration, less expensive, and much more effective.

**Cherita Weatherspoon** from **Spoonfed Motivation** agrees—*“While it’s easier to use pre-fab leadership assessments, I caution organizations against doing that. It’s much more important to determine what the needs are for a particular role at that time than it is to determine if a candidate meets a certain set of predetermined criteria.”*

When the leadership development process is customized to address individual development needs, instead of being generic, the efforts are more targeted and the results more favorable.



“Leadership development should be highly customized for the outcome desired by the organization.”

– **JESSICA PRATER**  
Founder of J.  
Prater Consulting



**Optimize Leadership Development time and cost via training customization & competency framework adoption**

	<b>What to train</b>	<b>Who to train</b>
Competency framework adoption	<ul style="list-style-type: none"> <li>Identify competencies relevant in each leadership role. Update them regularly to reflect competencies needed to be developed in the near future</li> <li>Provide trainings to build the competencies included in the framework</li> </ul>	<ul style="list-style-type: none"> <li>Identify trainees with skill gaps and train them instead of all trainees</li> <li>Identify high potentials to build future talent pipeline</li> </ul>
Customization	<ul style="list-style-type: none"> <li>Identify training needs accurately in each trainee by using scientific talent assessment tools and holistic peer feedback</li> <li>Create an Individual Development Plan (IDP) for each leader based on their development needs</li> </ul>	<ul style="list-style-type: none"> <li>Provide targeted trainings to the selected individuals to upskill/ cross skill them</li> <li>Create a future-ready leadership pipeline by developing the desired skill set in each high potential</li> </ul>

**3) WORK IN COLLABORATION WITH SENIOR LEADERS AND TRAINEES**

There needs to be a synergy between the existing leaders and new leaders for an organization to have a truly successful leadership that works together to promote organizational growth and productivity. Organizations that involve senior leaders in the leadership development process have a higher leadership success rate than organizations that do not follow this practice.

The leadership talent pool presently consists of millennials and baby boomers. The generation gap between these two causes a lot of conflict in organizational leadership, causing it to suffer in terms of performance delivery.

Involving the present leaders in the leadership development process can help bridge this gap by developing the skills in new leaders that have been known to be extremely relevant in driving performance historically, along with new skills that are needed to take care of changing organizational requirements.

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“

“Organizations wanting to develop and train up their younger leaders are discovering a relational disconnect between Boomers and Millennials. The leadership focus for Boomers has been on honing their skills in critical thinking, stakeholder management, business management, and global/cultural acumen. Millennial leaders are instead focusing on skills involving leadership impact and interpersonal skills.”

- JEFF ORR

Found of InDemand  
Leadership



Our study shows that the leadership success rate is maximum when HRs work along with Senior Leaders and Trainees (new, existing, and upcoming leaders) to plan and execute leadership development:

- CXOs are involved in defining the leadership competency framework based on which leaders are hired, trained, and developed. They are in the best position to decide what skills are needed in each leadership role currently and in the future. Their involvements can enable the creation of a future-ready leadership team in the organization.
- HRs are responsible for planning and executing leadership development programs by identifying who to train, what to train and how to train.
- Trainees contribute by actively participating in training need identification process. They are the best judge of their own as well as their peers' areas of development.

**Involve senior leaders and trainees to create successful leadership development programs**



Collaboration	HRs only	HRs & Senior Leaders	HRs, Senior Leaders & Trainees
<b>Leadership Development program type</b>	Generic	Competency-based	Customized for each individual and competency-based
<b>Duration</b>	Long	Moderate	Short
<b>Cost</b>	High	Medium	Low
<b>Target Audience</b>	<ul style="list-style-type: none"> <li>• All trainees (existing and new)</li> <li>• All upcoming leaders (part of the succession pipeline)</li> </ul>	Trainees and high potentials with skill gaps in accordance with the competency framework	<ul style="list-style-type: none"> <li>• Trainees with specific and customized 'areas of development'</li> <li>• High potentials identified using scientific tools</li> </ul>
<b>Trainee interest and participation</b>	Low	Medium	High
<b>ROI</b>	Low	Medium	High

# CONCLUSION

Involvement of right stakeholders along with a structured and scientific approach can help organizations create high performing leadership development programs that are able to meet their desired objectives time and again.

As per our research, leadership development is essentially a five-step process:



## Step one: Create a leadership competency framework

A leadership competency framework should include skills needed to succeed in any leadership role within the organization, customized to meet the specific needs of different leadership positions and regularly updated to include skills needed to create a future ready leadership team.



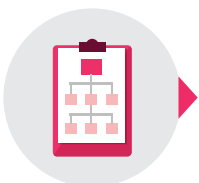
## Step two: Identify training needs

Existing leaders need to be assessed on skills included in the competency framework of their job role to identify training needs in them. Based on their specific development areas, they should be provided with an individual development plan in accordance with which their leadership development training will be conducted.



## Step three: Identify high potentials

The organization should be cognizant of employees who have the potential to become leaders. The selection of high potentials should be done by assessing the skill sets of their employees to identify those who possess leadership skills and are learning agile. The high potential employees need to be identified early on in their job tenure so that they can be retained and nurtured for taking up leadership roles.



## Step four: Create an internal succession pipeline

The high potentials need to be thoroughly trained on skills needed in leadership roles. Their trainings should be based on their individual skill gaps. Post training, their skill levels should be assessed in a practical manner to check if there are no further skill gaps and they are able to practically implement their skills in their job. Once fully trained, they form the internal succession pipeline of an organization as they are ready to take up leadership roles as and when the requirement arises. Organizations should always have a ready internal succession pipeline by consistently identifying high potentials and nurturing them.



## Step five: Measure leadership development process performance

The skill levels of all trainees should be assessed pre and post training in a scientific & data backed manner to ensure that the training needs are accurately identified, and the trainings are successful in filling these skill gaps efficiently. The information obtained should be used to improve the leadership development process efficiency and increase its ROI.

## HOW MERCER | METTL CAN HELP

Based on job, seniority and organization-level, Mercer | Mettl provides a suite of tools to identify skill gaps and track results.

- **Set of pre and post Assessments-** Help identify competency-based skill gaps and measure the effectiveness of training incorporated
- **Assessment & Development Centers-** Identify training needs and high potential leaders
- **Learning Agility-** Measure an individual's ability and orientation to learn new things
- **360 Degree Feedback-** Gather structured feedback to achieve employee developmental goals
- **Suite of Leadership Assessments-** Provide individual insights into leadership styles and work-oriented personality



# SURVEY RESPONDENT DETAILS

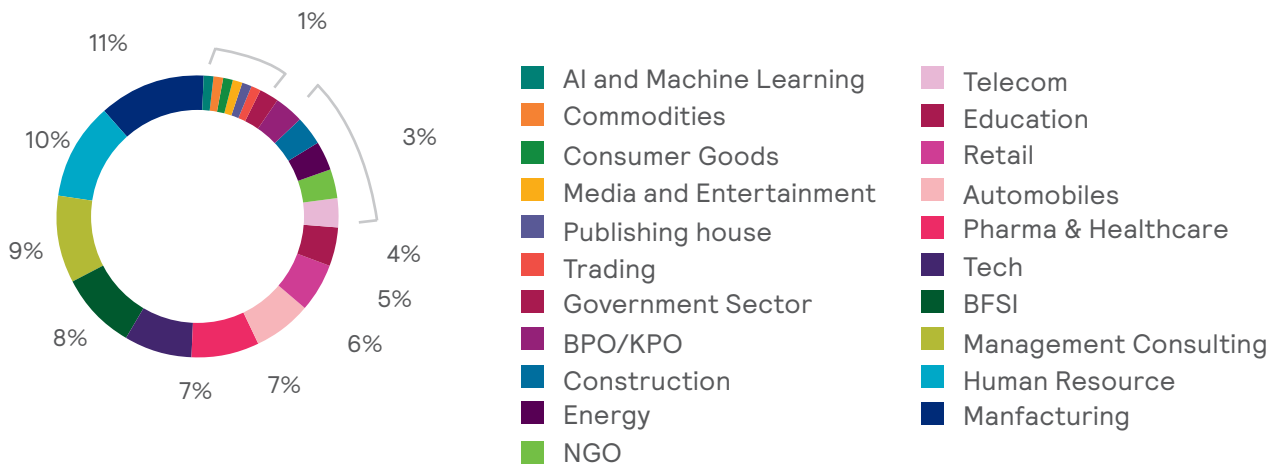
Leadership Development Trends 2019 is a compilation of insights collected from...

## ...Organizations of all sizes



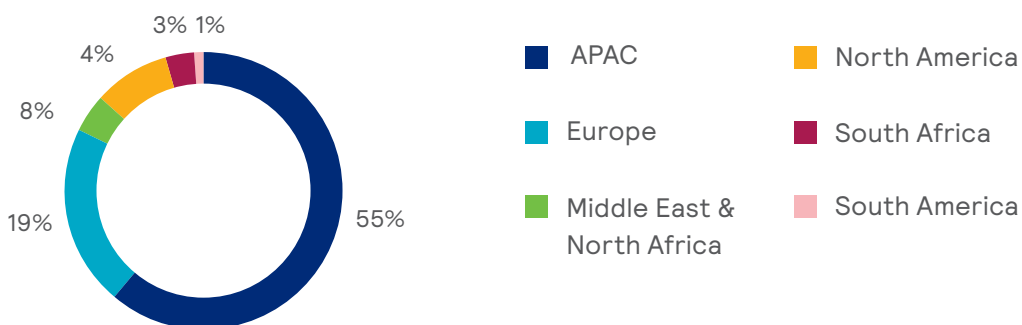
Survey Respondent's Organisation Size

## ...belonging to 23 different industries



Industries That the Respondents Work In

## ...and all major geographies



Respondent's Geographical Location



# WE VALUE YOUR PARTICIPATION

Mercer | Mettl's sincere gratitude to all the participating organizations for making 'Leadership Hiring and Development Trends 2019' survey a great success. We value your opinions and insights and offer this E-book as a token of our thanks. Here's a partial list of the participating organizations:

- Freudenberg Filtration Technologies SE & Co. KG
- Zydus Cadila
- Crest Solutions
- HPM Chemicals & Fertilizers Ltd.
- The L Group
- ZeroMassWater
- GigX
- MTN Group
- NTPC
- Salzer Group
- Knorr-Bremse
- Parle
- Jubilant Food
- Siemens
- Maple Holistics
- KNF&T Staffing Resources
- FranklinCovey
- Target Retail
- Reliance Ada
- V-Guard
- ISS World
- Technicolor SA
- KRIBHCO
- Diebold Nixdorf
- Hindustan Petroleum
- The Hire Talent
- KeyserCo
- McPherson Consulting Group
- Red Beach Advisors
- Accelerated Growth Marketing
- Susan Gilell Stuy, LLC
- Patina Solutions
- Lucas Group
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## ABOUT US

At Mercer | Mettl our mission is to enable organizations to build winning teams by making credible people decisions across two key areas: Acquisition and Development. Since our inception in 2010, we have partnered with 2000+ corporates, 31 sector skill councils/ government departments, and 15+ educational institutions across 80+ countries.

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