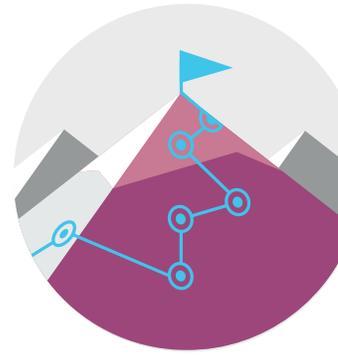


4 STEPS TO  
**UPGRADE** YOUR  
LEADERSHIP  
DEVELOPMENT  
PROGRAM



## CEOs say #1 challenge is leadership development

According to Gallup, managers account for 70% of the variance in employee engagement, which means your managers are the crux of your workforce's motivation and performance.

## 78% of leadership programs are only moderately effective

In fact, DDI's "Global Leadership Forecast 2018" reveals that the #1 challenge facing CEOs is developing their next generation of leaders. And their HR leaders agree: 78% report that their leadership career planning is only moderately effective or worse, with half saying their programs were not aligned to strategy.

DDI's research shows that simply having a leadership development strategy that is tied to the business strategy is the way forward. In fact, companies with a leadership development strategy in place are over 4 times as likely to accurately forecast future leadership needs — and therefore have the ability to ensure a pipeline of capable leaders to meet short- and long-term business needs.

Unfortunately, just one in four HR leaders is involved enough in business strategic planning. Here are the steps to take in order to build an effective leadership development strategy and how your performance management program needs to evolve:

# 4 COMPONENTS OF AN EFFECTIVE LEADERSHIP STRATEGY

## **Define competencies for success**

1

According to Gallup, only half of the workforce clearly knows what's expected of them at work -- and this includes your existing managers and leaders. A culture of coaching must include setting the expectation with existing leaders and actively working with them to develop these critical skills.

## **Focus on the future business**

2

The CEOs in DDI's study identified 9 business challenges their next-generation leaders need to be prepared to face, including: navigating through complexity, agile response to competitive threats, maintaining effectiveness and operating in a digital environment. Aligning your leadership growth strategy to your organization's strategic plans ensures your organization will have the leaders in place to meet both short- and long-term company objectives.

## Measure business impact

3

PWC's Global Technology Survey linked 30% of an organization's revenue to its workforce. To justify continued investment in your leadership development programs, it is critical to measure its business impact. When your strategy is tied closely to business strategy, the business impact can be more clearly articulated and reported.

## Continually reinforce the needed skills, capabilities and mindsets

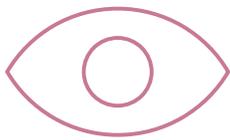
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Your leadership development programs do not live in isolation from your holistic talent management program. In fact, every aspect of your performance management systems play a part in teaching future leaders the desired skills, capabilities and mindsets. Companies with a leadership strategy in place report they have more effective overall talent development programs.



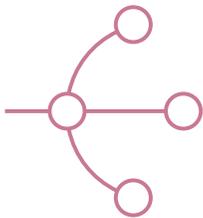
# PERFORMANCE MANAGEMENT IS A KEY ELEMENT OF YOUR LEADERSHIP DEVELOPMENT STRATEGY

To effectively support leadership development, your performance management must have the following characteristics:



## Goals need to be fair and transparent

Transparent and fair performance management alone contributes a 31% boost in the program's effectiveness. Public, transparent goals allow leaders and their teams to see how their efforts directly impact organizational priorities. Goals can also include the leadership skills needed within the organization.



## Performance discussions should be forward-looking

While past actions will inform performance conversations, managers should be encouraged to primarily focus on the future — on what their team members can do to progress and develop. In fact, when performance management discussions focus heavily on development, DDI reports a 25% increase in effectiveness.



## Development conversations must happen continually

When managers connect with their team members daily — even informally — those team members are 3 times as likely to be engaged at work. Yet, according to Gallup Re-engineering Performance Management Study, nearly half of the workforce receive feedback only a few times a year or even less frequently. When people are continually developed with frequent conversations, they can course-correct and improve more quickly.

Looking for a solution to streamline performance management and develop your leadership? Try BetterWorks, free, with your team at [www.betterworks.com](http://www.betterworks.com)



### Conversations

Schedule frequent check-ins so your managers can become better coaches



### Peer Feedback

Easily exchange peer-to-peer and manager feedback in real time



### Recognition

Call attention to high performance and employees demonstrating key values



### Goal Alignment

Set goals to drive more effective performance and career development



### People Analytics

Become data-driven with rich insights into employee performance

#### Sources:

Gallup State of the American Manager  
Gallup Re-engineering Performance Management  
Global Leadership Forecast 2018  
PWC Global Technology Survey



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