

The Leadership Imperative

A Report of Findings and Guidebook for Talent Leaders Creating Leadership Capability at Scale

FranklinCovey
Institute



We Enable Greatness in People and Organizations Everywhere.

FranklinCovey

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The Leadership Imperative
A Report of Findings and Guidebook for Talent Leaders
Creating Leadership Capability at Scale
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Introduction



Why We Wrote This Guidebook

At FranklinCovey, we have been working with clients and researching critical organizational and leadership issues across 163 countries for more than forty years. In our recent conversations with CEOs, chief operating officers, and other senior business leaders around the globe, we hear a common concern. These leaders wonder whether their organizations have the leadership capability, the talent and culture, and the execution disciplines required to achieve their strategic agendas over the next three to five years in today's rapidly changing and challenging world.

Their concern is validated by abundant data. In PwC's recent survey of 4,700 CEOs globally, 45%—up from 39% in the previous year—expressed worry that their firms will not be viable in ten years if they continue down their current path.[1] At the same time, in Deloitte's recent Global Human Capital Trends report, although 94% said that high-quality leadership was vital to navigating a challenging world, only 23% said their organizations' leaders were up to the task.[2] Finally, and even more pressing, in a survey of more than 2,300 CEOs and more than 800 board members by the executive recruiter Heidrich & Struggles, 39% of CEOs and 43% of directors expressed low confidence in their organizations' ability to achieve even the current year's strategic plan.[3]

While these worries weigh heavily on CEOs and boards, the chief human resource officers, chief people officers, chief learning officers, and other senior talent leaders we also work with wonder how, in a world where talent is scarce and employees' commitment to organizations is often fleeting, they can develop the kind of leadership, culture, and execution capabilities their CEOs are desperate for.

Senior leaders across the board understand that success can rarely be achieved solely by writing a check, deploying a new technology, or buying another company—although you may need to do these things as well. More often, meeting these challenges will require a large number of people to think, act, and perform differently than they do today. They will need to work together in new ways that align to your organization's strategic agenda and move it forward.

Leadership, at its essence, is the work of mobilizing people and aligning systems and resources to get important things done. Creating collective behavior change is, therefore, fundamentally a leadership responsibility. Substantial research shows that when the majority of leaders embrace new thinking and behaviors, the rest of the organization follows. Leaders, in fact, are the leverage point when it comes to confidently

creating organizational change and improving performance.

We wrote this guidebook to support senior talent leaders as they work in partnership with senior business and operational leaders to build the organizational leadership capability needed to address today's challenges and achieve their strategic outcomes. Its title, "The Leadership Imperative," has three implications.

First, it affirms the necessity for a strong, widespread, and highly capable leadership base throughout your organization. That is as valuable as any patent, factory, technology, brand, or other competitive asset you have, not only because it's the essential engine that moves your organization's current strategic agenda forward, but also because it determines its ongoing ability to achieve tomorrow's strategic priorities. . .and the ones after that. In a very real way, the breadth and quality of your leadership are what engages and maximizes all your other assets.

Second, being a leader—at any level—is extremely difficult in today's complex and challenging world. It requires more of individual leaders and much more of your collective leadership capability than ever before. This challenge cannot be underestimated. As a result, we need to be better than ever at attracting, retaining, and diligently developing and supporting great leaders throughout our organizations to achieve our strategic priorities. Our leaders need our full encouragement and support to do their jobs well.

Third, because senior talent leaders own many of the required activities, functions, and processes required to develop widespread leadership capability, they have a great opportunity to become an even



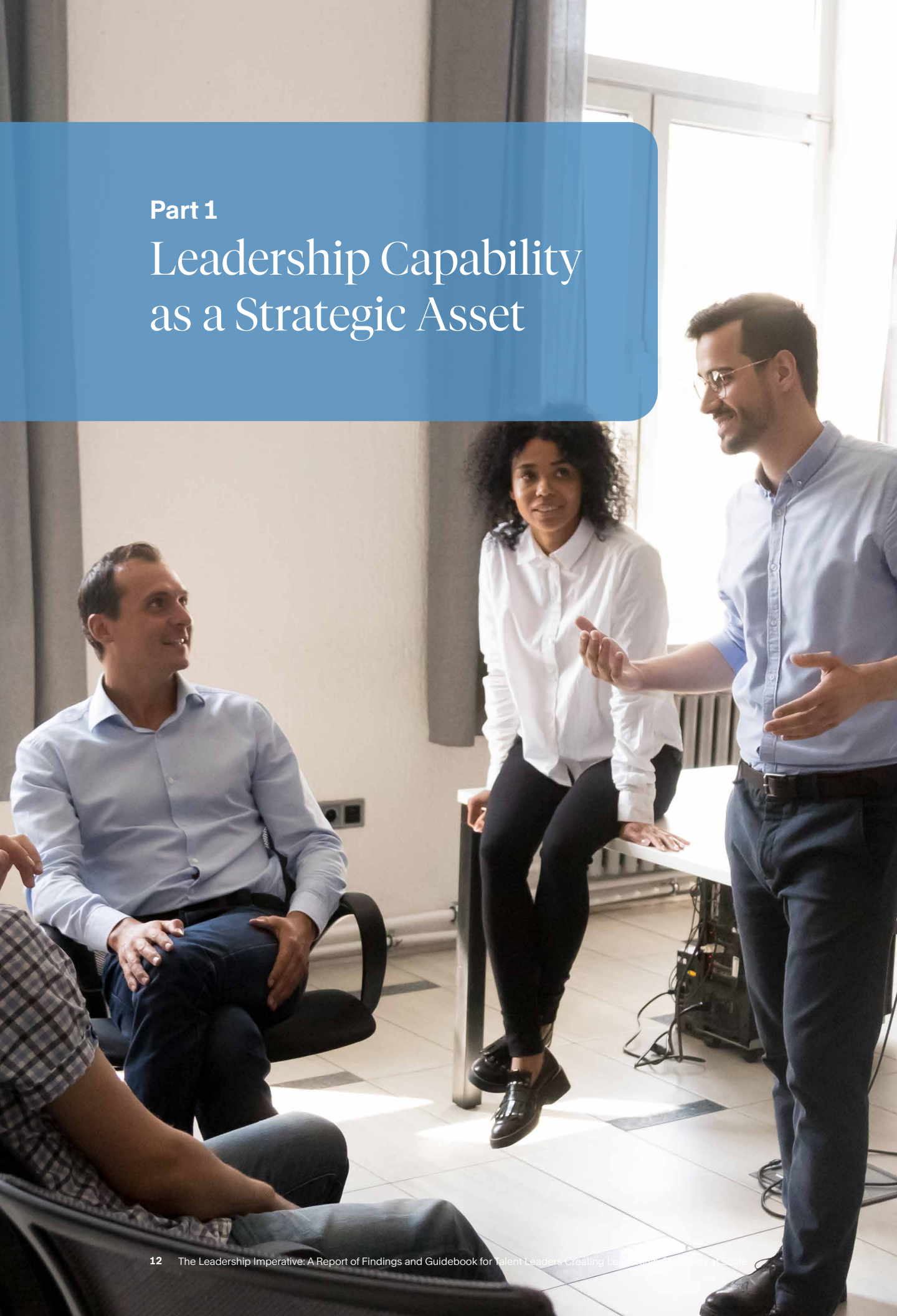
more valued executive partner in leading the company forward.

To do this effectively, senior talent leaders must be able to confidently speak the language of business and strategy and lead out boldly in connecting their efforts directly to the organization's strategic agenda.

Strategic talent conversations are framed less in terms of policies, compliance, and generalized training initiatives, and more in terms of building specific leadership capabilities, driving human engagement, and increasing execution around the organization's most important goals. It also requires talent leaders to engage more directly with their CEO and other senior business leaders around the performance issues that are on their minds. This personal engagement becomes a catalyst that unleashes executive commitment to talent development for leadership and across the board.

In preparing this guidebook, we have combined our more than forty years of global experience with new research, including interviews with dozens of senior talent leaders, operating executives, and industry experts; a global survey of more than 500 talent leaders; a number of deep-dive case studies; and an extensive review of industry research and related academic literature to learn how today's top organizations are tackling the challenge of building leadership at scale. We have sought to distill all this into a clear message accompanied by a simple framework that will help talent leaders work together with business leaders to build the widespread organizational leadership capability required to mobilize talent, execute strategy, and deliver performance in a rapidly changing and unforgiving world.





Part 1

Leadership Capability as a Strategic Asset

The World Is Fundamentally Different…and More Transformation Is on the Way

"When you have a new challenge, the old successful patterns, processes, and practices no longer work—nothing fails like success. It requires an entirely new kind of response. What's the nature of the new challenge today?"[4]

– Stephen R. Covey

In the past few years, the world has changed in dramatic ways. Economic uncertainty, rapidly developing technologies, contentious cultural divisions, geopolitical unrest, and altered expectations around the nature of work and the workplace have forced business leaders to adopt fundamentally new approaches to leading and operating their organizations. Additionally, the pace of change will continue to accelerate and broaden in scope as frontier technologies like generative AI fundamentally alter every market, industry, and organization. As a result, the economic foundations on which we have stood for decades are shifting quickly.

Recent research indicates that 70% of CEOs around the globe expect that in the next three years, generative AI will "significantly change the way [our] company creates, delivers, and captures value." Further, nearly the same number, 68%, believe it will also "increase competitive intensity" in their industry, and 69% say that generative AI will "require most of [our] workforce to develop new skills"—also in the next three years.[5] Gartner, famous for its technology Hype Cycle, also concludes that generative AI will have "profound business impacts…as it reaches mainstream adoption in two to five years."[6]

But accelerated digital transformation is only one of the tectonic trends shaping our future.[7] This period of economic and business history will also be affected by a constrained labor force in many sectors and the continued shortage of skilled workers—a challenge made more daunting by aging populations and falling fertility rates in advanced economies around the world.[8] How we collectively respond to the driving need to develop widespread new skills and capabilities in workforce populations will affect not only individual firms but the competitive positions of entire countries and the global economy as a whole.[9] In the nearer term, as national economies work through current recessionary concerns and again pursue accelerated growth, it will become even more challenging to attract and retain the skilled workers that organizations need.[10]

70%

of CEOs expect that in the next three years, generative AI will "significantly change the way [our] company creates, delivers, and captures value."[5]

These factors in combination will test our ability to absorb and adapt to them. CEOs have consistently identified attracting, developing, and retaining talent as a top priority[11] in the coming years. But an overarching and perhaps more vital question is how to fully engage associates

to deliver on their strategic priorities. Despite substantial efforts to improve wages, extend more time off, and embrace more flexible work arrangements, the post-COVID workforce reports even more dissatisfaction with work than it did during the pandemic.

Recent research by the Conference Board highlights that 84% of employees in the United States and 90% in Europe expect their employers to pay attention to their well-being and take some responsibility for it. This is a particular consideration for Gen Z workers, who will represent 31% of the population in 2025, when deciding which companies to join. And although companies have made substantial investments to engage with their employees, the same research indicates that "the majority of U.S. and European employees report that factors associated with well-being are the same or worse" than in the prior period. These factors include engagement, mental health, and "the level of effort I apply at my job."[12]

For years, FranklinCovey surveys have consistently shown that most people feel they have far more capability, creativity, talent, initiative, and resourcefulness than their jobs require or even allow.

For years, FranklinCovey surveys have consistently shown that most people feel they have far more capability, creativity, talent, initiative, and resourcefulness than their jobs require or even allow. Yet, according to the latest research from Gallup, employee engagement remains around 23% globally.[13] Another report by Gallup suggests that the engagement equation has been fundamentally altered and that "nothing is going back to normal.... Most employees will now operate more like independent contractors or gig workers…it may become nearly impossible to create a culture of committed team members" and that "this disconnect has serious implications for customer retention,"[14] affecting revenue and organizational performance across the board—a chain of logic that should concern every CEO and talent leader. Engagement also affects productivity, profitability, and a host of other performance indicators.[15] According to Gallup, building this culture of commitment to improve organizational productivity and performance is "the biggest leadership issue of our time."[16] One executive we interviewed told us,

> *"Employee expectations of leaders have shifted.... Part of the employee value proposition is providing good and strong leaders who can make a difference in their careers. Employees ask, 'What's in it for me?' It's not just about salary or culture, but the whole package."*[17]

We believe that the significant changes we have experienced over the past several years are merely prologue for the far more expansive, disruptive, and challenging transformations that are coming. One executive told us, "It feels like, either due to business conditions, macro-economic conditions, global differences, or generational differences, we're constantly transitioning." Another senior executive we heard from said, "Business transformation is no longer a project; it is now a constant reality."[18]

The ability to respond to business and market transformations with courage, commitment, and exceptional organizational agility will determine

whether our enterprises succeed or fail—and the driving factor behind that outcome is the collective capability of our leaders.[19]

Figure 1.1: Some of the challenges organizations face today.

ISSUE	IMPACT
Economic uncertainty	• Continued uncertainty about overall economic growth and related policy choices can slow down investments across the board, including investments in people.
Accelerated digital transformation and frontier technologies (generative AI)	• Leaders are concerned about how to maximize the productivity and value potential of new technologies as well as respond to competitors who are doing the same thing.[20] • Many jobs and work processes will completely change as AI enhances some roles and automates or replaces others. • People need to gain new skills to take advantage of these technologies in their work.[21]
Geopolitical unrest	• Operations and supply chains have been fundamentally restructured to ensure business continuity and hedge against future risk—and more disruption is likely. • Ongoing disruption requires new workflows and resilient and adaptive leaders and workers.
Remote/hybrid work	• Leaders are struggling to build cohesive, committed teams that can be highly productive.
Increased cultural divisiveness	• Employees expect that leaders will take a stand on social issues. Leaders find it harder to make policy choices that please everyone.
Labor shortages	• Employees and leaders who can meet strategic growth needs are harder to find, so organizations must develop and train existing employees to achieve growth.
Skills gaps/talent scarcity	• Businesses cannot plan for the future without addressing shortages of talent and skills.
Shifting workforce attitudes/sentiments	• Employees, including leaders, are disengaged, burned out, stressed, and distracted. • Workers are rethinking the role that work and the workplace play in their lives by asking questions such as “Why am I working for a corporation?”

Source: FranklinCovey

New Challenges Require New Leadership Capabilities

"With unprecedented choices and constant change, people are unlikely to be moved by, or ultimately even tolerate, leadership that doesn't match today's world....Our world has changed. Our style of leadership has not."[22]

– Stephen M.R. Covey

In response to recent business challenges and changing workforce expectations, leaders have had to develop new capabilities—many of them related to how they work with and engage other people. This need will only grow in the future. In a recent two-year study on leadership development, The Josh Bersin Company reported, "The traditional models of leadership, which were heavily 'positional', may no longer fit the business models of today."[23] Further, the company says, "While business models have shifted, organizations have been much slower to transform their leadership models.... Fewer than half the companies we surveyed claim they are currently developing any of the next-gen practices well."[24]

According to The Josh Bersin Company,

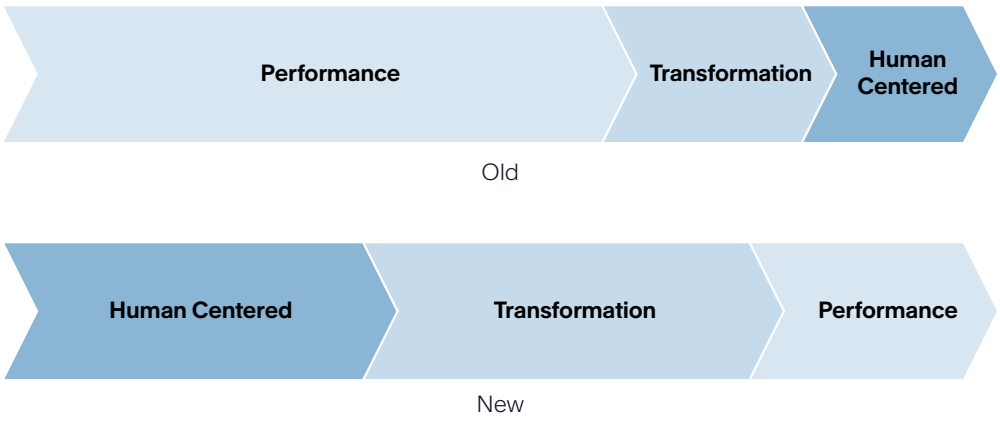
> *"Today's post-industrial organizations are now often organized around networks and ecosystems: teams are agile and temporary, data and analytics are major drivers of success, and leaders are closer to the customer than ever before. As a result, leaders must now drive change through their reputation rather than their title, their ability to empower people rather than manage them, their willingness to experiment and fail rather than their past successes, and their focus on developing people and their teams rather than having people and teams serve them."*[25]

The research identified a "new mix of leadership behaviors" in which traditional "performance" behaviors (such as goal setting and managing down) are augmented by an increased emphasis on "human-centered" behaviors (such as checking in with team members on goals and aspirations, fostering collaboration at all levels, and being open to new ideas and experimentation) and "transformation" behaviors (such as transparency around changes impacting the business and teams, receiving feedback and adjusting as appropriate, fostering team member growth, and leading teams through transformation).[26]

This research, and other studies like it,[28] highlight both the need for new capabilities and the struggle many leaders and organizations have faced as they have tried to adapt to changing realities. According to The Josh Bersin Company's research, most companies are still not very good at developing leaders with the necessary skills. Speaking specifically of navigating transformation, the research shows that "only a quarter of companies claim that this skill exists in their leadership ranks. That of course means that three quarters of companies do not feel they have leaders with the necessary skills to help the workforce through change and disruption."[29] The same was found to be true for a broad range of next-generation leadership skills.

While calls for the abandonment of old-school, industrial, command-and-control models of leadership have been around for a while—ranging from Douglas McGregor's Theory X and Theory Y[30] in the 1960s to Robert Greenleaf's Servant Leadership[31] in the 1970s to modern thinkers like Liz Wiseman's work on Multipliers,[32] Amy Edmonson's research on psychological safety,[33] or Stephen M.R. Covey's work on leadership and trust[34] —unfortunately, what is common knowledge still is not common practice. At best, many leaders retain a command-and-control approach but soften it with human relations skills.[35] But, when circumstances become difficult, they often revert to industrial, control-based approaches, which ironically diminishes their team or organization's collective

Figure 1.2: Josh Bersin's new mix of leadership behaviors.[27]



Source: Shared with permission from The Josh Bersin Company.



ability to successfully address the challenges they are facing. In today's world, with scarce talent and ever more complex challenges, such outdated approaches simply will not work to generate the sustained performance needed today.

The central idea that leaders need to both understand and honor the fundamental principles of organizational performance (profitable growth, shareholder value, customer value, etc.) and the fundamental principles of human effectiveness (trust, empathy, collaboration, engagement, etc.) is what we, at FranklinCovey, have long called Principle-Centered Leadership.[36] Such leaders consistently exhibit the character, mindsets, and behaviors that engage people's best efforts in achieving high-performance outcomes, particularly when times are tough (the character part). Leadership, at its essence, is engaging people and aligning resources to get important things done. Principle-centered leaders do this in a way that honors the foundational principles of performance and people to achieve both immediate and long-term success.

Engagement and High Performance Are Choices

The fundamental reality in today's environment is that most of the people in your organization (and particularly your highest-skilled people) have a range of choices about both where and how much they work. They also make daily choices about whether to volunteer their finest efforts for the strategic goals of your organization. Any reluctance to do so is not because people are inherently lazy. In fact, most people have a strong desire to be involved in and contribute

Figure 1.3: Expanded leadership capabilities are required.

	FROM	TO
Organizations have shifted…	Operational execution	Transformational agility
	Jobs	Skills
	Technology	People and technology
	In-person	Hybrid/remote
	Information	Insight
	Hierarchy	Network
	Stability	Agility
Leaders need to shift…	Command and control	Trust and inspire
	"Know it all"	"Learn it all"
	Industrial	Post-industrial
	Performance	Performance and people

Source: FranklinCovey

to meaningful work.[37] But leaders need to create the conditions in their organizations that encourage people to make the daily choice to offer their best.

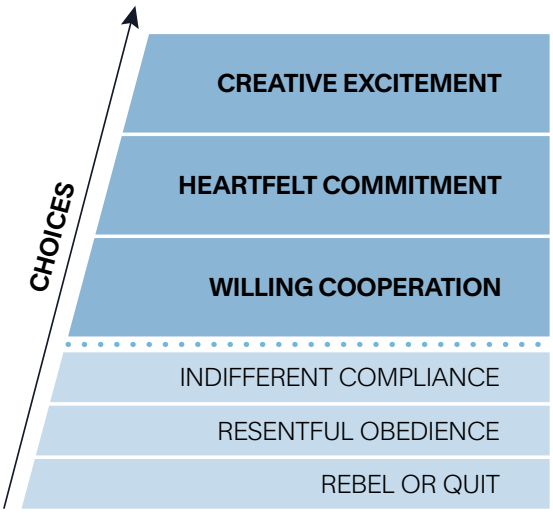
The low engagement data mentioned earlier, as well as related trends around "quiet quitting," "acting your wage," and so forth, continue to underscore the fact that engagement cannot be coerced or simply managed into existence. While you may be able to purchase or compel short-term compliance with old-school approaches, broadly capable and modern leadership is required to create the conditions for people to engage fully and deliver company performance over time.

One global executive told us, "The scales have tilted more towards employee experience and what talent is looking for in the workplace. Leaders need to craft an amazing employee experience to retain top talent, or they will go elsewhere."

Part of that "amazing employee experience" is being part of a high-performing organization. In our strategy execution work with more than 5,000 client engagements globally, we've tracked over 4.1 million client goals and 54.6 million individual commitments made in pursuit of those goals. Our experience with these clients underscores the idea that one of the chief drivers of employee engagement is the feeling of being part of a winning team. As stated in the FranklinCovey book *The 4 Disciplines of Execution: Achieving Your Wildly Important Goals*,

> *"Many believe that engagement drives results, and so do we. [However,] in our experience, nothing affects morale and engagement more powerfully than*

Figure 1.4: People make daily choices about their level of engagement.



Source: FranklinCovey

when people feel they are winning. In many cases winning is a more powerful driver than money, benefits packages, working conditions, whether you have a best friend at work, or even whether you like your boss." [38]

This is not to say that pay and benefits, working conditions, and other things don't matter. Of course they do. But both the fact and the feeling that you are winning are a powerful force for engagement—particularly for your highest-skilled performers.[39] The best and most principle-centered leaders know how to execute their goals and engage their people in a balanced and mutually reinforcing way.

Only 25%

of respondents agreed that their organization's leaders were "engaged, passionate, and inspire employees to the best possible extent." [40]

But again, this modern and high-performing leadership capability is in short supply: One survey by McKinsey found that only 25% of respondents agreed that their organization's leaders were "engaged, passionate, and inspire employees to the best possible extent."[40] Yet, employees report that when they are well led, they are far less likely to leave their jobs. They are also far more likely to be motivated to engage and take on new responsibilities at work when they feel a sense of collaboration with their leaders.[41]

The best leaders of the future will be focused on finding ways to connect people and performance in appealing ways as they meet the challenges that are sure to come. It's a virtuous cycle that drives the strategic direction of the organization forward. One CHRO told us, "We don't get better unless we have people who really believe in the mission and really want to do great work. And we must [create] that environment. Everything starts with the leader."

Shifting the Leadership Capability Curve "Righter and Tighter"

To get this kind of engagement and performance across your organization requires more than the development of a few select groups of leaders. And allowing leaders to develop themselves as they see fit against a broad map of professional skills is insufficient as well. What's needed is a conscious effort[42] to move your leaders forward in ways that align with your strategy—establishing a strong leadership culture[43] that, in turn, will affect your organizational culture and improve your overall ability to execute on your strategic priorities.[44]

One way to represent this is to think of the collective capability of your leaders as a normal distribution curve: Some great leaders are on the right, some low-performing ones are on the left, and most are in the middle. The overall distribution is what determines the level of engagement and performance your organization is capable of delivering.

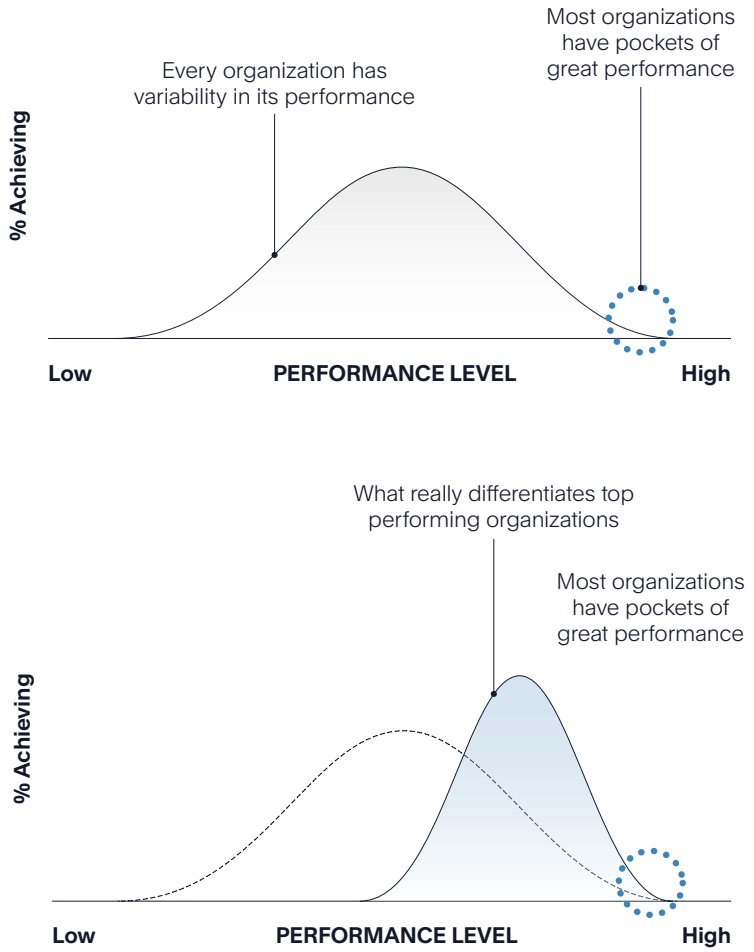
Organizations with a strong leadership capability have shifted their leadership curves "righter and tighter," meaning that more of their leaders are high-performing on the dimensions that matter most to their strategies, and there is less variation or inconsistency among those leaders.

Organizations that are "loose and left" are all spread out, with lots of variation and inconsistency among their leaders. These organizations are also less likely to perform well, as we shall see.

Better Leadership, Better Results

In addition to our own work in this area, one of the best databases we are aware of regarding leadership's impact on organizational performance is McKinsey's Organizational Health Index (OHI).[45] The index is built on over twenty years of data from 2,600 organizations and more than eight million survey responses. It measures the impact of specific management practices on organizational performance. Recent studies drawn from this database reveal that 78% of the variation between organizations in the top quartile of performance and those in the bottom quartile is determined by the quality of an organization's leaders.[46] Further, McKinsey's research shows that "companies with top-quartile leadership outcomes [on the OHI] have 3.5 times greater average total return to shareholders (TRS) than companies with bottom-quartile leadership outcomes, over a three-year period." Additional studies using this data indicate that "organizations

Figure 1.5: Top performing organizations are "righter and tighter."



Source: FranklinCovey

performing in the top quartile on overall leadership effectiveness…outperform bottom-quartile companies by nearly two times on EBITDA (earnings before interest, tax, depreciation, and amortization), and that "organizations that invest in developing their leaders during significant transformations are 2.4 times more likely to hit their performance targets."[47]

The Josh Bersin study mentioned earlier also provides strong data along these lines. In that analysis, organizations that were systematically better at developing leadership capability performed more strongly across the board and were three times as likely to exceed financial targets, three times as likely to delight customers, nine times as likely to have an empowered workforce, seventeen times as likely to be a great place to work, twelve times as likely to engage and retain employees, five times as likely to adapt well to change, and five times as likely to innovate effectively.[48]

The link between overall leadership capability and organizational performance makes perfect sense. And our work for clients in strategy execution consistently validates the general rule that significant improvements in business results are preceded by a significant shift in the leadership capability curve. To execute transformative strategies—particularly those that require larger groups of people to do things differently—a substantial group of leaders in your organization must make a material move in exemplifying the mindsets and behaviors that drive execution forward. As our experience in more than 5,000 engagements globally shows, when that shift in mindsets and behaviors occurs, improved results will follow.

Leadership Capability Requires more than Just Skills

In recent years, driven in large part by new technologies in the HR and training space, leadership development has often been described in terms of skills. This is largely because they are easier for trainers to organize around, design training for, and measure at the end of a learning exercise. And although skills are certainly important, a bit of reflection reveals that truly effective leadership goes much deeper.

Consider, for a moment, your own experience. Think back to a leader who had a meaningful impact on your life. It could be someone at work, a teacher or a professor, or someone else who was significant to you: a leader who motivated you to really lean in, who encouraged you to stretch further and accomplish more than perhaps you thought you could, who fundamentally changed the trajectory of your life and career for the better. Is that person clear in your mind?

What was it about that leader that invited you to step up and engage in that way? Was it the person's "skills," or was it something deeper and more meaningful, such as who they were, how they saw you and your potential, and how they treated you?

If you are like most people who have been lucky enough to have one or more experiences like that, we suspect that it was less about that person's specific skills than about who they were as a person—

their character—and the quality and depth of their relationship with you that formed the basis for such a transformational effect on your life.[49]

At FranklinCovey, our experience is that the best leaders are defined by much more than their skills. Who they are, how they think, and how they consistently behave determine the level of results they get, in terms of both people and performance.[50]

The Difference between Principles and Skills

Experts in any field, whether in business, science, medicine, or leadership, are those who have done the work to deeply understand the principles underlying their discipline. While leaders need to have strong skills in many areas like strategic thinking, decision making, goal setting, and so forth, the power of those skills rests on the underlying principles that make them work—and wise leaders understand that. A lack of leadership depth can have significant consequences. One global executive told us,

> *"I think a lot of the time, we hire or promote people internally because they excel in their work. They're good performers. So, we put them in leadership positions…we keep trying to teach them skills…but it's just not in them. What happens over time is you have immature leaders who make immature decisions, business decisions, that can cost the company millions of dollars."*

Skills, almost by definition, are circumstance-specific, whereas principles apply much more broadly. For example, new leaders may be learning how to productively engage in a difficult conversation with someone. They may learn some approaches, language patterns, and so forth, that can make those conversations flow better. But unless they deeply and authentically understand the principles of effective leadership communication—such as empathy, respect, and a commitment

Figure 1.6: Effective leadership requires more than just skills.



Source: FranklinCovey



to high performance—their skills may fall short if the conversation becomes heated. This can have significant consequences in terms of both people and performance. One global executive told us in our interviews,

> *"What I've learned is that we bamboozle leaders with all of these models and concepts. We say, 'You should follow this process and say this, or follow this guide.' And then people get stuck in the task of giving and receiving feedback. If I am genuinely providing feedback, because it's in the best interests of the person to help them grow, then I need to trust myself that I'm going to do this in a human way and therefore, I'm going to be more authentic, I have the right motivations, and the other person feels it."*

Another global executive had the following to say about helping leaders understand the underlying principles and develop the right mindset around high-stakes decision-making:

> *"It's not about a right or wrong decision. It's about 'What was the most effective decision at this moment?' Because with hindsight, we might all have made a different decision. But in that moment, with the best interests of everybody at heart, with genuinely trying to get a great outcome for all parties, 'What was the best decision I could make at that moment?' is more of a mindset rather than a skill set."*

Effective leaders are more committed to principle-centered mindsets and behaviors than they are to specific skills and practices. That way, when circumstances change, and the specific skills they learned are less effective, they can adapt their skills and move forward.

Becoming Deeply Rooted

Think about how a tree grows. It has three main sections: the roots, the trunk, and the branches and leaves. With each passing season, as temperatures turn from the warmth of spring to the chill of winter, a tree first sprouts and then sheds its leaves. Skills, like leaves, play an important role in developing leadership capability, but they may be transitory, and their value can vary according to the season or the circumstances. The tree's trunk and roots represent a strong and resilient leadership capability that remains steady and continues to grow year after year. Under strong headwinds and other harsh environmental conditions, they keep the tree upright.

In the book *CEO Excellence*, the key leadership attribute "consistency of character" is defined as "following the same principles in all circumstances."[51] Leaders who are deeply rooted in the underlying principles of organizational performance and human effectiveness are not blown off course and exercise good judgment as circumstances change.

One senior learning and development leader from Australia told us,

> *"The first twenty years of my career, we taught people the skills that help them…and then, you know…job done. I think there's a place for that for sure, but that skill-based approach is a bit narrow. I guess I'm leaning more towards, 'It's hard to acquire*

new skills if you don't also have the right mindsets,' if you haven't done the personal work or the personal transformation, like the inner work. It's hard to really shift the dial substantially without that happening at the same time."

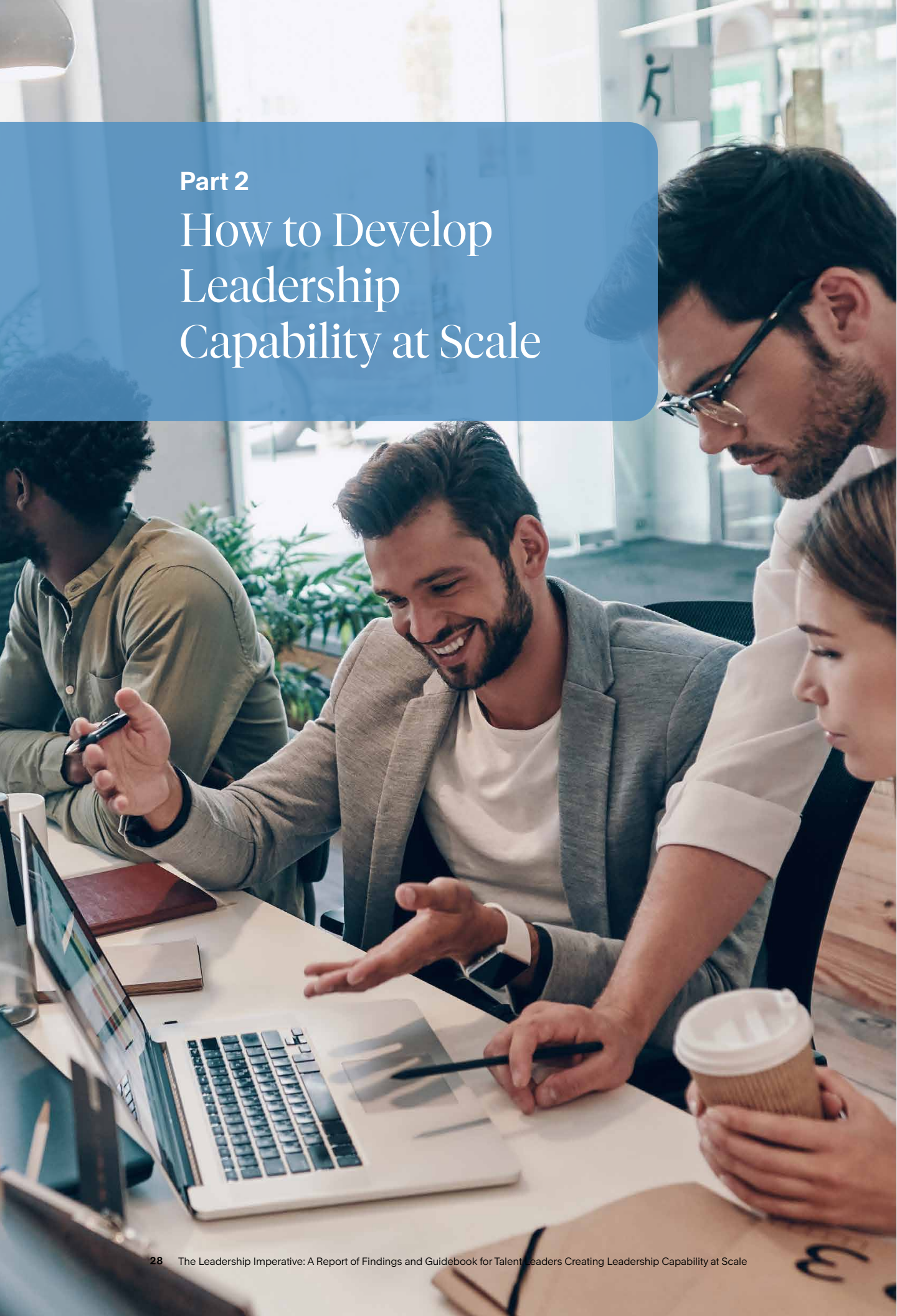
Performance Transformation from the Inside Out

The changing market and economic/geopolitical challenges we face as senior leaders come at us from the external environment—from the "outside in." How successfully we transform our strategies and operations to execute in those circumstances comes from how well we leverage our own internal capabilities—from the "inside out."

That transformation is fundamentally driven by the collective capability of our leaders. In our research around large-scale behavior-change initiatives, leadership involvement was consistently one of the most frequently cited factors as driving both the success and failure of those initiatives.[52] When it comes to organizational-performance transformation, leaders are the leverage point. When their collective performance curve shifts, the rest of the organization tends to go with it.

So, the real question is how can you develop more deeply rooted, principle-centered leaders at scale? That's the focus of Part 2.





Part 2

How to Develop Leadership Capability at Scale

A Transformational Framework for Leadership Development

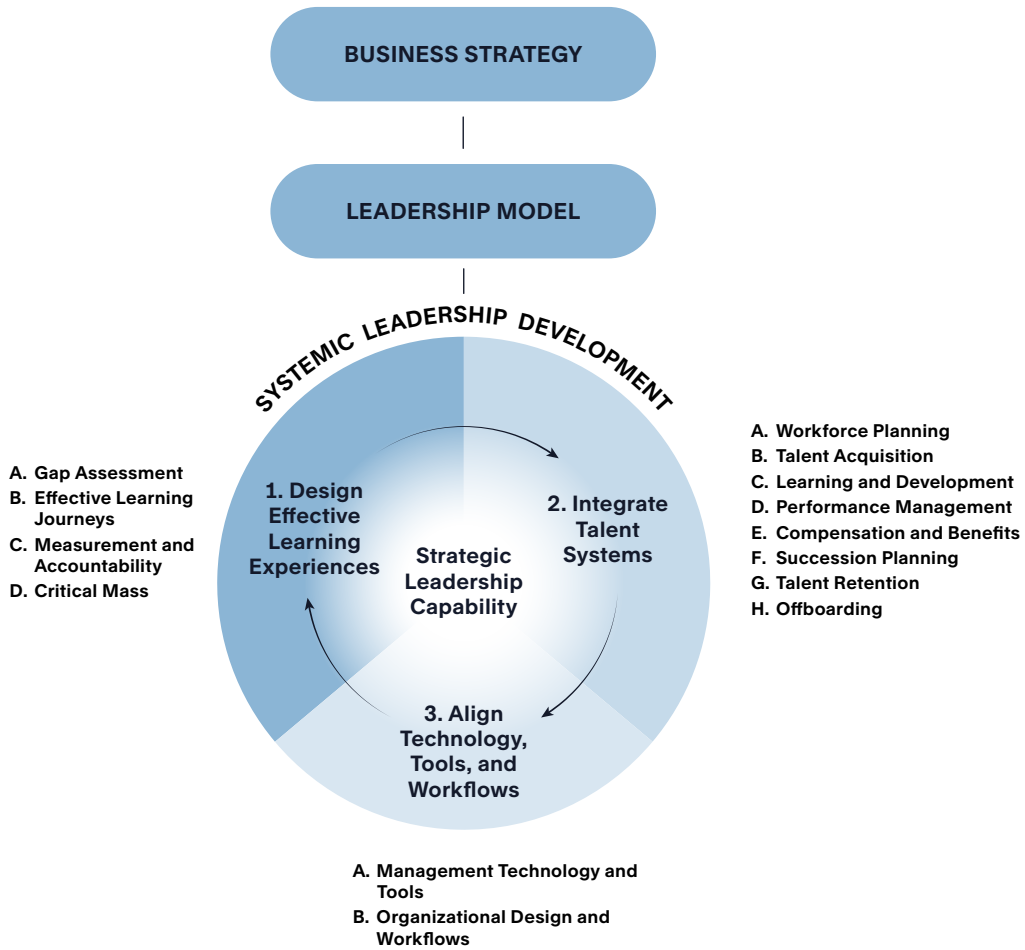
"Unlocking individual potential is not just a matter of personal will and individual behavior change; it is a function of entire systems, and reshaping collective will is hard work."[53]

– Liz Wiseman

In this section, we will introduce a simple framework to help business and talent leaders speak the same language and structure their discussions around creating a strategically aligned leadership capability. This framework will also help you decide where best to focus your efforts for the greatest impact. Some aspects of this framework may reflect practices that are already in place in your organization. That's great—the intent isn't to replace what you're already doing well. Rather, it is to help you organize and focus your efforts by painting a clear picture of how all the activities related to leadership development can operate better together to achieve the kind of leadership capability you seek.

The framework is transformational, because it addresses a variety of elements that are needed to support

Figure 2.1: A transformational framework for leadership development.



Source: FranklinCovey

significant behavior change among your leaders. However, systems do not create leaders on their own. Leadership is a choice, not a position. This framework will help you create the conditions in which the people you have in leadership roles throughout the organization can make more effective choices as they align their efforts, and engage the work of others, toward the organization's strategic priorities.

As you consider this framework, it's important to acknowledge that nobody does all these things well all the time. Our research and interviews with executives around the world have consistently revealed that nobody feels their organization is perfect. However, the best organizations consistently work at building and improving their organization's leadership capability to drive high performance. As a result, organizations that delay taking even a first step are exposing themselves to significant strategic risk of falling further behind, even as they strive for success in a fast-changing world. As you review the elements of the framework, reflect on your own level of practice and look for areas where you can do better.

As a senior talent leader for your organization, you can accelerate your progress in developing a strong, strategically aligned leadership capability. But a haphazard approach will not work. To create consistently great leaders, you must think systemically and align the various organizational elements in ways that will attract, retain, develop, promote, engage, and continually align them with the most important goals. That is what this framework is intended to illustrate. Further, this is not a one-and-done activity. It is about building a robust leadership-development system that will stand the test of time and will evolve and adapt to your changing strategic goals—strengthening both people and performance.

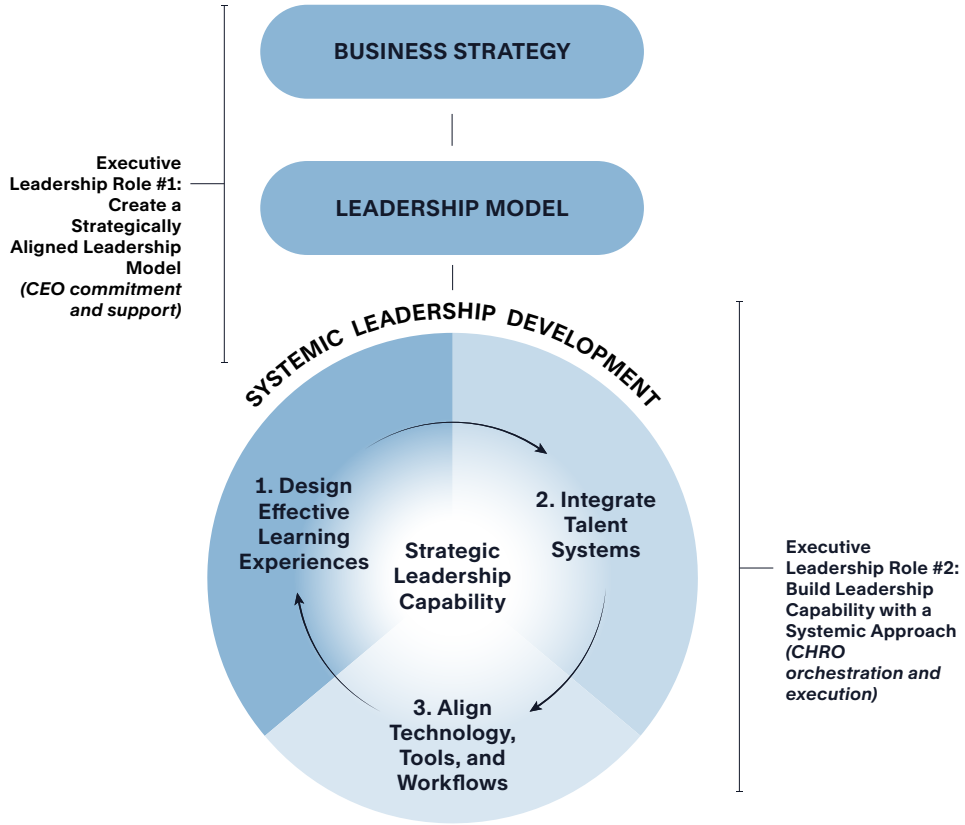
The framework encompasses two executive leadership roles. The first is that of the CEO or similar senior leader of an operational business unit and embodies



an indisputable commitment to, and support of, the activities required to link the organizational strategy to a leadership model and a systemic leadership-development approach. The results of those activities must fundamentally reflect the outlook and vision of the CEO and the combined executive team. Otherwise, your leadership capability will be left to chance and your efforts will fall into the realm of a low-level training initiative rather than the creation of a strategic business asset.

The second executive leadership role is that of the CHRO or the CPO, who should operate as a trusted partner of the CEO and may do much of the work

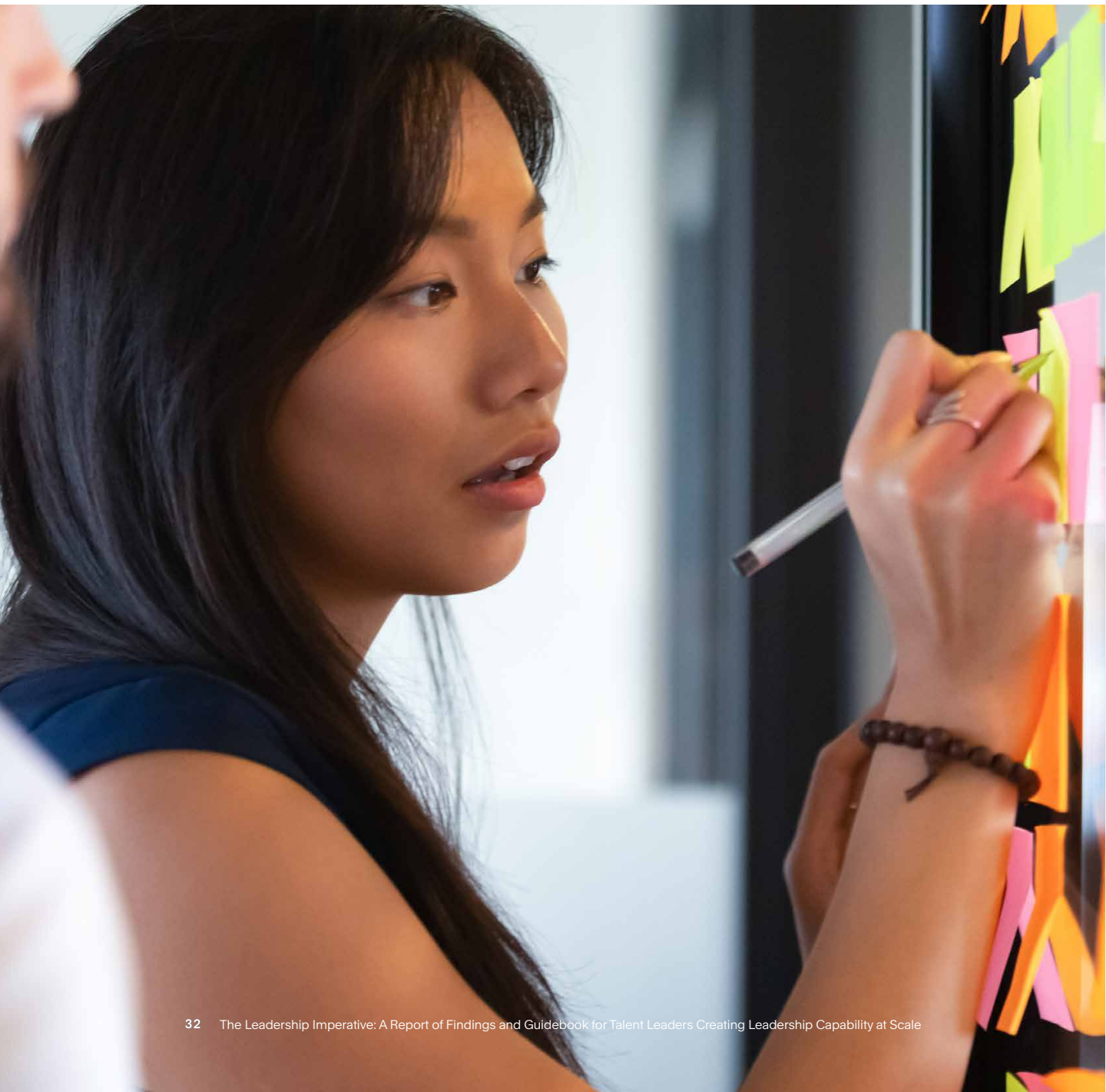
Figure 2.2: Two executive leadership roles.



Source: FranklinCovey

in this process. With the CEO's support, this person orchestrates and executes a systemic effort to build the leadership capability we are describing. We use the word "orchestrate" intentionally, because to make this happen throughout the organization, a variety of the elements shown in the model must be activated, and that will require strong collaboration among the members of the HR/talent team and also their active partnership with a variety of operational stakeholders.

Part 2 of the guidebook is organized around these two roles. It includes insights, illustrative examples, data from our research, and some key questions to help you assess where you are. We've also suggested some actions you can take to focus your energy for maximum impact. Which actions you select will, of course, depend on your specific circumstances.



EXECUTIVE LEADERSHIP ROLE #1:

Create a Strategically Aligned Leadership Model

The first step in building a strategic leadership capability for your organization is to ensure that the strategy is clear and understood. This is the responsibility of the CEO (although others may help). Next, the organization's top team and their respective leadership structures must be mobilized to move the organization forward and execute the strategy. Attention to the leadership and human side of a business strategy matters immensely. Research shows that CEOs who treat the people-related implications of a strategy as rigorously as they would the company's financials, and who ensure that every senior leader is similarly engaged, more than double their odds of a successful strategy execution.[54]

The job of the CHRO or CPO and other performance-oriented talent leaders is to help the CEO get this work done. To do so, they must first fully understand the business strategy themselves and then take a comprehensive and systemic approach to developing leaders in ways that will help achieve that strategy. Unfortunately, this alignment is often not in place. When we asked senior talent leaders how well their company's behavior change initiatives were aligned with their organization's goals and strategy, only half (51%) of respondents felt that the initiatives were "very well" or "extremely well" aligned. The other half ranged from "moderately well" to "not at all" with 3% answering "I don't know."[55]

When we asked senior talent leaders how well their company's behavior change initiatives were aligned with their organization's goals and strategy, only

51%

of respondents felt that the initiatives were "very well" or "extremely well" aligned.[57]

At first glance, a lack of investment doesn't seem to be the primary challenge. In our survey, we asked talent leaders

Figure 2.3: "How would you quantify your organization's investment to the development of the following groups of leaders?"

	I DON'T KNOW	VERY LOW	LOW	MODERATE	HIGH	VERY HIGH
Individual Contributors	4%	5%	11%	35%	27%	18%
High-Potential (Emerging) Leaders	5%	2%	8%	30%	34%	21%
First-Time/New Leaders	5%	3%	14%	37%	26%	15%
Mid-Level Leaders	4%	3%	11%	38%	30%	14%
Senior Leaders	5%	4%	9%	27%	27%	28%
Executive Leaders	8%	6%	8%	24%	21%	33%

Source: FranklinCovey

to rate their organization's investment in developing different groups of leaders. Answers clustered around moderate to high levels for most groups of leaders, with first-time and mid-level leaders ranked last on "very high" levels of investment (even behind individual contributors). So, although there may be some opportunity for more investment, particularly for those leaders, how well those investments are deployed may offer opportunities for greater return.

At the same time, when we shifted the question to focus on barriers to implementing behavior change initiatives, as opposed to leadership development in general, insufficient budget was the number one answer. So, when significant changes in leadership capability are required, both the level of investment and how those investments are deployed warrant strong consideration. The transformational leadership model in this guidebook can help you identify where and how to focus your efforts.

Figure 2.4: "From the list of barriers to implementing behavior change initiatives below, please select those that most commonly occur in your organization."

ANSWER CHOICES	%
Insufficient budget	26.8%
Lack of employee buy-in	26.0%
Low employee accountability	25.0%
Lack of management/leadership buy-in	22.7%
No ongoing reinforcement	22.3%
Not enough participation	21.9%
Not enough executive support	20.5%
Low management/leadership accountability	20.5%
Team is too small (not enough trainers, developers, etc.)	19.9%
Change in business priorities	17.3%
Remote/hybrid workforce (not having in-person touchpoints)	13.1%
Low utilization	12.9%
Too many people to train	11.5%
Physical environment (no training room, no access to computers, etc.)	9.9%
Not aligned to strategy	9.7%
Change in stakeholders	6.2%

Source: FranklinCovey

In 2009, during the heat of the global financial crisis, the longtime CEO advisor Ram Charan shared some timeless truths about leadership that seem exceptionally relevant in today's circumstances:

> *"An environment of fast growth can cover a multitude of sins, but an era of slow growth will magnify every shortcoming of every person in the business, especially the leaders. Not only will many formerly well-regarded managers be found wanting in the new environment, [but] there will also be a shortage of well-grounded leaders who have the mental acuity, fortitude, and persistence to execute well in a tough environment. Competition for the best leaders will be intense.... If you don't have the right leaders for the environment, then it is incumbent to move quickly and make the necessary changes. You must also begin now to cultivate the leaders of the future, testing and evaluating people for their ability to execute in the face of new challenges and circumstances."*[56]

Our work at FranklinCovey on strategy execution in thousands of organizations globally has continually validated the vital importance of having a large cadre of highly capable leaders, with the right mindsets and behaviors around people and performance, to execute organizational strategy successfully. This approach is represented in the framework as the development of a strategically aligned leadership model and the ongoing process of systemic leadership development.

Creating a Strategically Aligned Leadership Model

A company's leadership model can be defined as an articulated set of values, behaviors, or expectations that the company has. In our research, 80% of organizations say they have such a model.[57] And when we talk with learning leaders, they often say they employ it well. But the results can have a wide range of meanings and value to the business.

In the worst cases, a leadership model is nothing more than a wish list of platitudes in an HR presentation deck. In the best cases, it is a serious declaration of what leaders are expected to think and do and is a defining driver of leadership culture and company performance. This guidebook rests on the second definition. But recent research by The Josh Bersin Company suggests that this is rare, with only 36% of respondents agreeing that "our leadership model drives behaviors that link to our business strategy."[58]

Another common mistake is to create a leadership model that is overly complex and filled with dozens of behaviors and a variety of skills that nobody can even remember, much less execute. Such complexity is usually an indicator that it was developed primarily with a training agenda in mind, rather than being focused on the strategic success of the business. The kind of leadership model we are discussing here is one that is focused on the vital few mindsets and behaviors that will define your leadership culture and drive your organization forward.

An effective leadership model also needs to be simple. One strategically-savvy CHRO told us, "I like simple…as simple as possible so that people can get it. Our CEO will tell you, if it has HR-speak in it, I don't want to use it. So, no HR-speak or corporate speak. It needs to be colloquial so that people can easily understand."

Only

36%

of respondents agreed that "our leadership model drives behaviors that link to our business strategy."[58]

The Importance of Both Mindsets and Behaviors

Decades worth of experience and research at FranklinCovey support the idea that the best leadership and organizational transformations focus on changes in both the mindsets and the behaviors that the strategy requires.[59] This idea has long been central to our approach and was often articulated by Stephen R. Covey, "If you want to make small changes, work on behavior, if you want to make significant, quantum improvements, work on your paradigms [mindsets]."[60] Recent research from McKinsey continues to validate this fundamental idea:

> *"Making one's mindset the subject of conscious scrutiny is an indispensable prerequisite of leadership effectiveness. Only about a third of over 2,500 executives in our sample said that their organization's transformations explicitly assessed the mindsets that would need to change to reach their goals. Those that did so were four times more likely to be successful."*[61]

This is because, as we mentioned earlier, people's behaviors generally reflect how they see the world. In fact, it is difficult for people to consistently act with integrity or authenticity in ways that contradict their world view. That, of course, has substantial implications when it comes to changing the behavior of large groups of people.

Consider the mindset and behavior changes a healthcare organization might require as it transitions from in-person care only to increasing telecare. Different behaviors are clearly needed to make that kind of a strategy shift. The transformation might start with thinking about the implications of diagnosing someone on a screen rather than in an office. Simply dictating behavior changes won't work if the people in the organization continue to believe that they can only properly care for patients in person. They won't authentically buy in to the new strategy or embrace the behaviors required to make it successful. That's why a significant strategic shift almost always requires a shift in mindset as well. This can be a challenge. But getting the mindset right can open a whole new business and patient-care model for the organization.

As Figure 2.5 illustrates, one paradigm, if sincerely held, will generate very different behaviors than the other. When a shift in thinking occurs, behaviors change much more naturally—almost automatically—and new vistas of possibility result.

Consider another example shown in Figure 2.6, involving an organization that is shifting from a hybrid work environment to a fully virtual one. This has been a big challenge for many organizations in recent years, and some have made the shift more successfully than others, depending on their culture, history, and work requirements. Organizations that view hybrid work as a way to propel their strategies forward may need to create a significant mindset shift, driving new behaviors, to ensure that employees remain productive and connected to their leaders and the mission and strategy of the business. This shift will involve a conscious effort to ensure that every person feels seen, acknowledged, engaged, and valued.

A learning and development leader in India told us,

> *"I would say our organization, specifically, being a manufacturer, always kind of had this belief of we want you here, we want you in the office. And, you know, it's probably a little bit of that old-school mentality.... If I see you here, I know you're working. And I can trust that you're doing what you're supposed to be doing.... And what we've learned… is that people are productive, even when they're not here. Things are still happening, we're still improving, we're still able to operate effectively as an organization…and I think that trust has increased as a result."*

A strategically focused leadership model will usually include critical mindsets on the business side—such as those involved in a transition to telehealth—as well as the human side—such as those required to create a high-trust, high-performance culture with a "hybrid workforce"—and combine them in a way that is relevant for your strategy and organization.

Getting this right takes hard work and a lot of involvement from the senior business and talent leaders who will need to support and implement the leadership

Figure 2.5: A mindset shift in telehealth.

OLD MINDSET	NEW MINDSET
Our purpose is to provide high-quality care to those we serve. That can be done only on premises, in direct physical contact with doctors and other medical professionals.	Our purpose is to provide high-quality care to those we serve. We can provide *even better care* to more people when we combine telehealth approaches with in-office visits as needed.

Figure 2.6: A mindset shift in hybrid work.

OLD MINDSET	NEW MINDSET
If people are not in the office, they will not be focused and productive. Further, we will not be able to build the culture we need to innovate, solve problems, or mentor and develop new employees.	People can be more productive when working remotely or in hybrid settings. This flexibility will allow us to attract needed talent and, if we approach it intentionally, we can build a strong culture that is more agile and enables great performance across the board.

Source: FranklinCovey

model. But the process is critical to the payoff. The intense effort that goes into articulating the needed mindsets (and then the related behaviors) in a way that honors the principles of people and performance is the first step toward driving meaningful strategic impact.

The CEO's Responsibility for the Leadership Model

Defining new leadership mindsets and behaviors is one thing. Making them stick at scale is another. The CEO has two basic responsibilities to ensure that the company's leadership model has teeth.

1. **Fully own it.** The CEO needs to stand firmly behind what is in the leadership model. To do that with integrity, they must deeply believe that if the majority of leaders think and act as the model describes, it will help the company move forward. If that is not the case, the model should be revised to reflect the leadership capabilities that the CEO and executive team feel are needed to win. Then the CEO must fully support the systemic development efforts required to establish these capabilities broadly among the leaders in the organization and to personally ensure accountability for whether or not that happens.

> **"All eyes are on the person in the most senior role."[68]**

2. **Intentionally model it.** The CEO's most important responsibility is to lead by modeling the mindsets and behaviors they want to see in others[62]—a deliberate and powerful signal to everyone else that they are serious about change.[63] Doing it intentionally and regularly takes practice, and requiring it in others takes courage. This makes a difference in how well other leaders make the change for two primary reasons. First, it demonstrates that this is not something just being run by the training department; it is coming from the top. Second, it is one of the CEO's most powerful teaching levers. Leaders are teachers in many

> ways, and others may not know what the behaviors mean in practice unless they see them. When the CEO articulates the mindset and models a representative behavior, other leaders have a clear example to follow. CEOs should do this openly, and if they make a mistake, they should call it out and try again. This will do more than anything else to give people space to learn the new behaviors themselves.[64]

The first of these two responsibilities is foundational, and the second is personal. But both are vital if CEOs are serious about changing the mindsets and behavior of others. Everything else is just writing a check.

In the well-researched book *Scaling Leadership*, Robert Anderson and William Adams share the following about the CEO's responsibilities in leading change:

> *"The leaders who make the most progress scaling leadership do two... things: (1) They take a long-term systemic approach to development, and (2) They lead the change publicly, personally, and vulnerably. Individual and system change happen together.... It is the only way that works. We cannot cite a single organizational transformation effort that succeeded without senior leadership doing this work. Not one."*[65]

They also state,

> *"There is no faster way to develop other leaders and high-performing leadership teams. When you lead the development agenda, you do so personally. If you are willing to learn out loud, let go, be vulnerable, and do it all in deep relationship, the organizational transformation accelerates."*[66]

Edgar Schein, a legendary organizational scholar, calls this willingness to learn in such a public way "humble leadership."[67] It matters a lot. As a senior learning expert for a global organization told us,

> *"If it's modeled from the top, our people know what it means, and what is expected, and can apply it to themselves, in their teams. Our executive team is great because they don't push this stuff out as training, per se. What is pushed out and what they model is part of the performance management and talent review processes. That's why everybody knows about it. Because it is woven into everything else."*

Perhaps unsurprisingly, effective leadership modeling is also called out in McKinsey's *CEO Excellence* research, whose authors note that "all eyes are on the person in the most senior role."[68] The CEO's visibility, by design, exerts an extreme influence on people's thinking and behavior. How they personally reflect the leadership model, even when making mistakes, will tell the rest of the organization's leaders how serious they are about it and what it really means in practice.

The CHRO's Responsibility for the Leadership Model

Clearly, some CEOs are more naturally inclined to engage with the people side of the business than others. Many CEOs may only really go there when there is a

specific catalyst, like a merger, a bold new growth agenda, a significant downturn, or a strategic threat. In all circumstances, however, the most effective CHROs and other senior talent leaders are constantly involved with the business strategy and goals and are actively building the leadership and human capabilities needed to help their organizations succeed.

This requires talent leaders to invest proactively the personal and relational energy needed to build strategic acuity and act as full partners to their business leader peers. Such performance-oriented partnerships are built as talent leaders consistently engage with the business, understand the challenges, and bring solutions that enable operational leaders to achieve their goals. The best partnerships reflect a complementary executive team in which the whole is greater than the sum of its parts, and business and talent leaders work together to define a leadership model that shifts the leadership capability curve righter and tighter around the mindsets and behaviors that will move the company's strategy forward.

To make this happen, CHROs and other senior talent leaders have three basic responsibilities:

1. **Understand the business strategy.** Senior talent executives should be fully conversant in the business strategy and the external and internal challenges faced by their organization. This includes all parts of the strategy, not just the people factors. They should be able to engage with their fellow leaders about the financial and operational implications of the strategy and to capably communicate the full strategic picture and the resulting priorities to their own team as well.

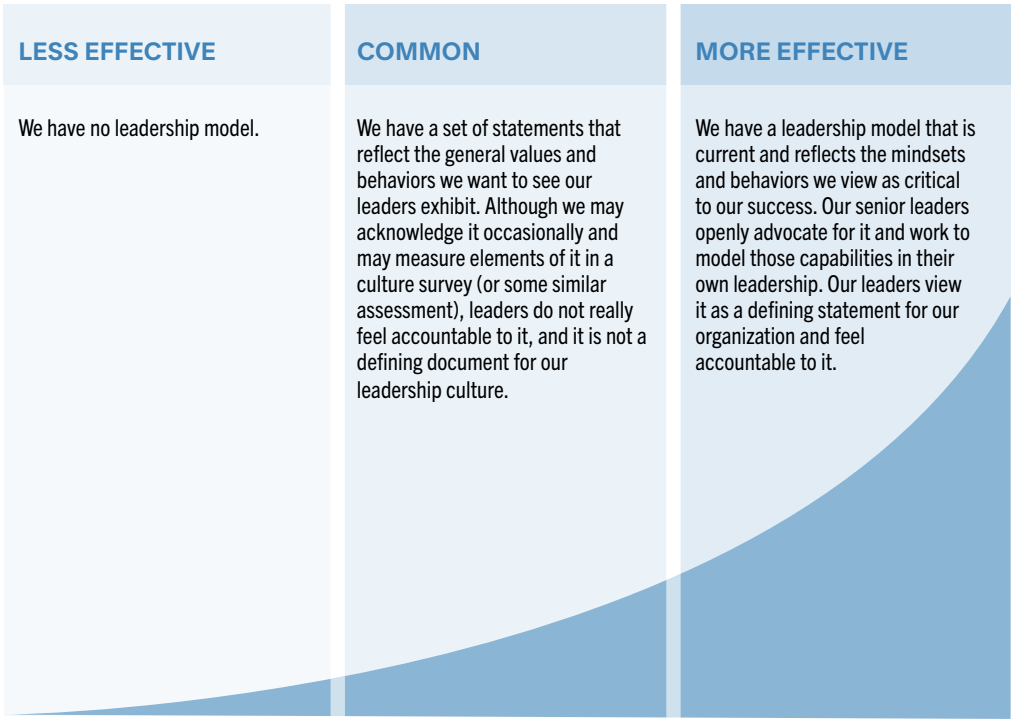
2. **Create credible connections.** Based on their understanding of the strategy, senior talent leaders should be able to clearly connect their efforts to the goals of the business. While this is generally true for all their work, for our purposes here, the connection between the business strategy and the leadership model is paramount. This also implies another form of connection, which is a high-trust, performance-oriented relationship between talent and business leaders themselves.

3. **Think systemically.** Transforming the mindsets and behaviors of your organization's leaders at scale is challenging work. While there tends to be a general sequence of activities, described later in this guidebook, and some levers will have more impact than others, talent leaders seeking to develop widespread leadership capability need to consider how they can build it into their total systems, so that it becomes an enduring organizational asset. Again, this does not mean that everything can or should be addressed all at once, but a systemic view can help you see where the levers are and which ones might be most impactful in your circumstances.

As you go through the rest of this guidebook, there will be opportunities to reflect on the maturity of your organization's efforts in a variety of areas. The Maturity Continuum below and the questions that follow are the first of fifteen such charts. Use this to consider where you are and where you could improve. All fifteen of these charts are in the back of this guidebook in the section "Comprehensive Evaluation Tool."

Additionally, we have included three cases later in this guidebook that illustrate how different talent leaders, in different organizational circumstances, were able to define a leadership model and effectively engage their CEO and other executives to make substantial progress.

Maturity Continuum: Create a strategically aligned leadership model.



Source: FranklinCovey

Reflection Questions

- Does your company's leadership model clearly support your current business strategy?
- Does your CEO personally own this connection? Are they convinced that if the majority of your organization's leaders consistently exhibited the mindsets and behaviors described in the model, they would be significantly more likely to achieve their strategic goals?
- Does the CEO actively model the mindsets and behaviors they want to see in other leaders? If we were to ask ten leaders that the CEO interacts with regularly, would they agree?
- As the CHRO (or other senior talent leader), do you fully understand the business strategy, and could you convincingly and specifically articulate to your CEO and other business leaders how the mindsets and behaviors in your leadership model will help drive the strategy forward? Would they unhesitatingly agree with you?

Recommended Action

- If the CEO is not convinced that the leadership model will help the company accomplish its current strategy, identify whether the model is misaligned or what else might be needed to strengthen that connection.



EXECUTIVE LEADERSHIP ROLE #2:

Build Leadership Capability with a Systemic Approach

With a clear, strategically aligned leadership model and a CEO-led commitment to creating and maintaining a strong leadership capability, talent leaders can move forward in much more effective ways. The strength of this posture enables a shift from leadership development as a training program to leadership development as a core business process that creates significant competitive advantage.

As shown in the framework, a systemic approach describes consistent, aligned effort that falls into three basic areas:

1. **Design effective development experiences**. This area describes the content and approach of learning programs that help leaders understand the mindsets, behaviors, and skills of effective leadership and encompasses what many organizations envision when they think of "leadership development." The design and tactical execution of this work are typically the responsibility of a chief learning officer, a director of leadership development, or similar role.

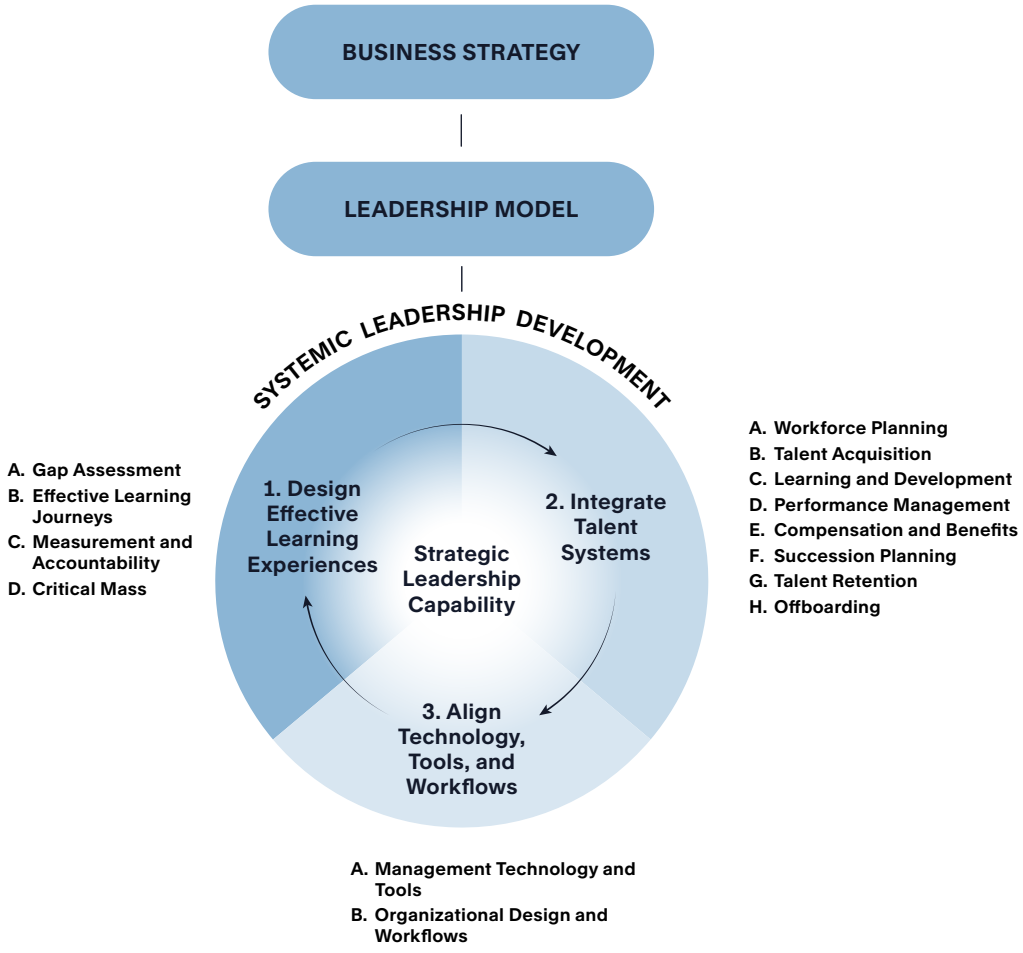
2. **Integrate talent systems.** This area focuses on aligning various elements of the talent ecosystem (or talent life cycle) to continually attract, retain, develop, promote, and engage your leaders in ways that are consistent with the desired leadership model.

3. **Align work processes, technology, and tools**. This area examines the systems and tools that support a leader's work as well as the design of the organization to ensure that the mindsets and behaviors in the leadership model are encouraged. Tools, systems, and processes that promote ineffective mindsets and behaviors should be removed, while those that encourage the right mindsets and behaviors should be promoted.

Before we dive into the details, let's acknowledge that getting things right with a systemic mindset can sometimes feel like an impossible task. But don't despair. Senior leaders don't need to "boil the ocean" and align everything perfectly across their organizations in order to get a payoff. This framework is designed to help you identify high-value, practical actions that you can take in your specific circumstances in order to move forward. You can decide which of these areas is best to focus on first given your context (see also the section, "Next Steps: A Path Forward," on page 96). Even improvements in just one or two high-value areas (our recommended approach) will strengthen your leadership culture. The ultimate goal is to do enough of these things consistently to move your entire leadership culture righter and tighter on the way to higher future performance.

As we examine the sub-components of these three areas, we'll describe the basic ideas, offer a Maturity Continuum to help you evaluate where you are, and provide some questions for reflection and some recommended actions. Again, we recognize that how those actions might work in your organization is unique to you, so our suggestions will be specific enough to help you get the main idea, yet general enough for you to consider in your particular setting. We'll also share some insights, thoughts from other talent leaders, and data from our research that might help you decide how best to move forward.

Figure 2.7: A transformational framework for leadership development.



Source: FranklinCovey

AREA 1:

Design Effective Learning Experiences

"The passion for stretching yourself and sticking to it…is the hallmark of the growth mindset."[69]

– Carol Dweck

Although developing leadership capability is not limited to formal learning experiences, it can't survive without them. If leaders are to adopt new mindsets and behaviors, they need to know what they are and why they matter, and gain some practice using them along with feedback to help them improve. This is as true for business capabilities—such as how to move to a telehealth model—as it is for human capabilities—such as how to engage people throughout the process of organizational change.

The resources on modern learning design are abundant, and up-to-date learning professionals will be aware of them, so we won't go through all the details here. Rather, we will focus on the importance of four high-value areas:

A. Gap Assessment

B. Effective Learning Journeys

C. Measurement and Accountability

D. Critical Mass

A. Gap Assessment

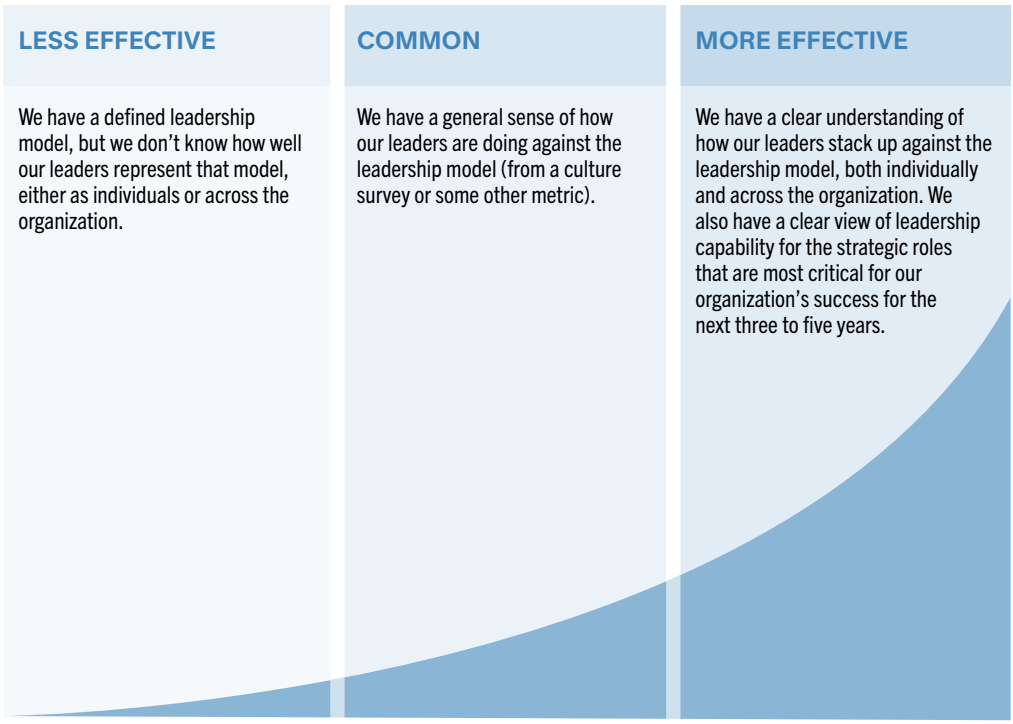
The foundation of a great development design is to first know where your gaps are. We are referring not only to individual leadership assessments but also to an organizational view of your overall leadership, including the strategic mindsets and behaviors identified in your leadership model. How right and tight (or left and loose) are your leaders?

Chances are that although you may have other culture and leadership assessments, you don't have a gap assessment that reflects your organization's current strategy in a precise way. The good news is that creating one, and assessing where people are, is itself an act of leadership that strongly communicates the importance of the mindsets and behaviors in the model.

Some aspects of this assessment may lean on measures you already have in place, such as manager ratings, employee Net Promoter Score (eNPS®) scores, or culture survey data. But you may need to create something more specific to get an accurate and comprehensive view. The objective is to understand whether your organization has the leaders in place, particularly in key roles, to move the company forward, and a number of approaches might need to be combined, including both quantitative and qualitative methods. To do a good job of gathering the data, business and talent leaders must work closely together with a clear focus on the desired mindsets and behavior. In doing so, you may decide to prioritize specific divisions that are critical to achieving your organization's strategy for the next three to five years.

Once you have identified your leadership gaps, you have some basic options: hire, reallocate (for key roles), or develop. Whereas hiring and reallocation may work for some key roles, it's obviously unrealistic to replace all your leaders to get the mindsets and behaviors you need. And even if you could, the replacements probably wouldn't have the mindsets and behaviors you will need the next time the strategy changes. Therefore, you need to get good—really good—at continually developing the leaders you have moving forward.

Maturity Continuum: Gap assessment.



Source: FranklinCovey

Reflection Questions

- Assuming you have a leadership model in place, do you have a clear picture of where the majority of your leaders stand in relation to it?
- Do you have a system or process to get that information reliably and regularly so that you can measure your progress over time?
- Is that process viewed with suspicion or welcomed by the leaders in your organization? If it is perceived negatively, what can you do to change that?

Recommended Actions

- If you don't have a way to assess the gaps, begin to design one that will work for your organization.
- Communicate that the process is meant to help leaders gain the capabilities needed to move the organization forward. This works best when it is part of a larger communication plan in which the top leaders openly assess where they themselves are, indicate what they need to learn, and make visible progress.

B. Effective Learning Journeys

Becoming a wise and capable leader is the journey of a lifetime. Nevertheless, talent leaders can design significant learning experiences that accelerate a leaderhip development. This is particularly important for the most strategically critical mindsets and capabilities related to both people and performance.

Creating effective learning journeys in these critical areas stands in contrast to an open, free-for-all approach whereby people are given access to thousands of distinct, skills-focused courses in the hope that they will find what is needed to become more capable leaders. While such open access to learning resources can have a place in an organization's overall learning program, strategically significant capabilities need to be developed much more intentionally.

"The better question is: 'What are the five critical skills my organization needs?'"[71]

Industry thought leader Josh Bersin has long advocated for the creation of "capability academies"[70] to help organizations develop the high-value skills and capabilities that are crucial for a company's success, and his concept is generally consistent with what we are talking about here. But regardless of what you choose to call it, focusing diligently on developing your most critical competencies is essential for future performance.

As one U.S.-based CHRO said,

> *"Each leader could go out and find what's comfortable to them, but then you have no cohesion. If you want to drive change in behavior, you have to identify the leadership behaviors that we value as a company. You have to ask what are the organizational leadership behaviors that we believe will drive the culture of the company and the results of the company."*

Learning departments make a dangerous mistake when they spend most of their energy building out large skills taxonomies, with tens and even hundreds of thousands of skills, while neglecting the relatively few capabilities most critical for their organizations' success. Our conversations with senior talent leaders suggest that although the concept of a skills-based organization is meaningful for a variety of reasons, and the idea of a comprehensive taxonomy can be appealing, it can also become unwieldy, and the technology is still trying to catch up with the promise. But even as the technology matures (generative AI will likely help), the best organizations will still be very much aware of the capabilities most vital to their strategy and will be focused on developing them. One CLO we spoke with cautioned, "People considering a skills taxonomy now may be already outdated; skills management may become the next competency model. The better question is: 'What are the five critical skills my organization needs?"[71]

When it comes to developing cohesive leadership culture that is anchored around the most vital mindsets and behaviors, several elements stand out

for learning design. Although modern learning leaders have a lot of options to draw on, the best tend to be those that emphasize social connection, human interaction, and deliberate practice with high-quality feedback.[72]

Even in today's highly digital learning environment, our survey of global leaders in learning and development found that, when it comes to driving actual behavior change, some form of live or in-person learning is still preferred. While digital tools can also play a key supporting role, these richer modalities are seen as driving actual changes in performance. Coaching and mentoring, also very human experiences, were rated very highly as well. Depending on your leaders and the context of your work, you will likely use a mix of these learning methods. What is important to remember is when it comes to leadership development, rich human experiences should be given particular emphasis.[73]

This emphasis on social learning is important for two primary reasons. First, leadership is a social skill. It is inherently human, and practice with other humans in a supportive environment (whether in person or virtual—with a preference for at least some in-person components when possible) is the best way to develop it. Second, the goal is to develop not just individual leaders but the organization's leadership capability as a whole—to create a cohesive leadership culture. This can happen only when leaders share a common mindset and language that allows them to engage with one another, and with people throughout the organization, in consistent and mutually reinforcing ways. A shared mindset and language are at the very heart of any culture, and its formation requires a social experience. Weaving the right kind of social engagement throughout a learning journey helps turn "training" into transformation.

Also important is the quality of the experience itself. One executive told us, "Think about how people change their behavior in a profound way. They have to have a profound experience." Profound

Figure 2.8: Learning modalities identified as "proven most effective in large-scale leadership development initiatives" by leadership level.

	INDIVIDUAL CONTRIBUTORS	HIGH POTENTIAL/ EMERGING LEADERS	FIRST-TIME/NEW LEADERS	MID-LEVEL LEADERS	SENIOR LEADERS	EXECUTIVE LEADERS
In-person training	64%	46%	54%	46%	42%	39%
1-on-1 coaching	37%	43%	43%	40%	37%	34%
Mentoring	41%	41%	44%	35%	29%	27%
Live virtual training	30%	27%	27%	24%	24%	22%
Group coaching	21%	19%	24%	24%	18%	18%
Cohort-based learning	18%	23%	21%	21%	18%	14%
Self-paced online modules	23%	19%	19%	20%	17%	16%
Blended learning journeys	18%	20%	20%	17%	17%	15%
Virtual reality (VR)	13%	11%	13%	14%	13%	13%
I don't know	4%	5%	5%	5%	9%	12%

Source: FranklinCovey

learning focuses on shifting mindsets rather than just conveying information or teaching surface-level skills. It derives from the power of story, interaction, engagement, and other meaningful factors that can't be had from a generic or random set of tips and tricks.

Additionally, in their attempts to be helpful, inexperienced learning professionals sometimes fall prey to the "law of good intentions" and add all sorts of unnecessary activities, touchpoints, and modalities, creating a cumbersome learning-journey design that nobody wants to engage in. They forget that people don't come to work to take training; they come to get their work done. The best design principle is "fewer things done better" within a time frame that makes sense.

Whatever you do create should be tightly woven into your organization's specific goals and context. To accomplish that, many companies choose to develop leadership content on their own. Others find involving carefully chosen external partners can help them create the most powerful learning experiences. Often this choice depends on the topics in question and your level of internal development capability. When you do involve external content partners, make sure to clearly connect it with your leadership model and strategic goals. Creating that connection can be accomplished in a variety of ways, and overall philosophical alignment is usually more important than cosmetic adjustments. In any case, our experience suggests that the programs with the greatest impact resonate with the overall cultural values and "feel like us" or "who we aspire to be."

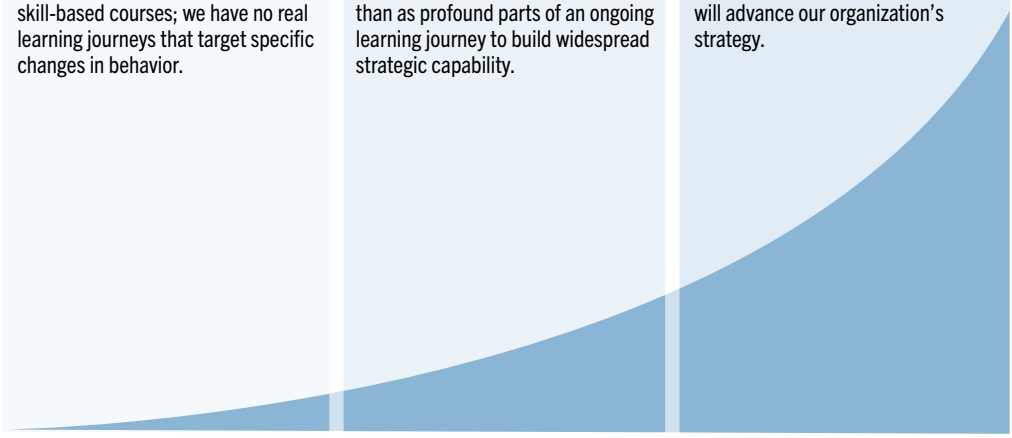
One global CLO based in the U.S. told us,

> *"We used to have some leadership development programs that were vendor-specific, but it didn't resonate with our employees because…it wasn't us. What was huge for us was finding [a partner] that had what we would consider world-class content, with the right global reach, with consultants to regionalize the content for us, and the ability to put our [company name] stamp on it and customize it so that it felt like us. We took the power of their content in a way that made sense for us, our language, and our behaviors. It was customized for our organization and set that kind of essential foundation for our leadership development."*

Finally, no discussion of modern learning methods would be complete without considering the coming transformative impact of generative AI on learning design and learning solutions. Research by McKinsey suggests that one area that could be most fully automated by generative AI is the learning function.[74] In the coming years, generative AI will completely transform the creation, distribution, and personalization of learning experiences. Trends we can already see today suggest that when done well, AI will accelerate both leadership development and performance improvement in powerful ways. Nevertheless, the key to strengthening your overall leadership capability will be to find applications that reinforce the underlying principles of human effectiveness—because for leadership, what is most human is most valuable.

Maturity Continuum: Effective learning journeys.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
Our leadership development programs are eclectic and generic in nature and are not intentionally aligned with the mindsets and behaviors crucial for moving the organization forward. They consist largely of one-off, self-selected, skill-based courses; we have no real learning journeys that target specific changes in behavior.	We have some intentional leadership-development journeys for specific audiences (senior leaders, high potentials), while other audiences are left largely to their own devices. Programs are treated more like training events or rewards than as profound parts of an ongoing learning journey to build widespread strategic capability.	We have a full range of highly focused and intentionally designed learning journeys for leaders at every level. These center on crucial mindsets and behaviors and create profound personal and social experiences over time that will advance our organization's strategy.



Source: FranklinCovey

Reflection Questions

- Have you invested appropriately in developing the few critical business and human capabilities needed to drive your organization forward over the next three to five years?
- Do you over-focus on broad-based skills at the expense of the most strategically critical skills and capabilities?
- Are your learning journeys structured to promote the human connections required for establishing a cohesive and widespread leadership culture, with shared mindsets and language?
- Would participants describe their learning experiences as "profound," meaning that they result in significant shifts in mindsets and behaviors?

Recommended Actions

- If you don't have enough focus on the leadership skills and capabilities needed to accomplish your strategy, consider how you can change the equation.
- If leaders are not experiencing fundamental mindset shifts as a result of participating in their learning journeys, look for ways to improve the power and quality of their learning.

C. Measurement and Accountability

Our own research, and that of others,[75] shows that L&D professionals use a wide range of methods to measure the effectiveness of learning programs. Most practitioners give a nod towards the well-worn Kirkpatrick Model[76] or the more nuanced ROI Model by Jack Phillips.[77] However, participant ratings (some version of "They did or did not like it") and self-reported performance improvements along with other qualitative feedback methods are among the most commonly used. A few try to identify a tangible ROI, but that's rare, and often the insight is not worth the effort. Surrogates such as employee retention rates are frequently used—a logical connection in a talent-scarce environment. But unless retention is a high strategic priority (as retaining skilled nurses is for hospitals), such connections can be tenuous and unconvincing. And to be frank, ROI exercises are often undertaken simply to protect training budgets when the strategic link or business value is not clear. Improved technologies and AI-based workforce analytics are opening up new measurement options and offer solid opportunities. But unless they are approached wisely, they can also generate a lot of data that, although measurable, misses the primary point of strategic impact.

We recommend that to build the few strategic leadership capabilities that drive the business forward, leaders should primarily focus on and measure observed behavior change over time. We do so for three reasons:

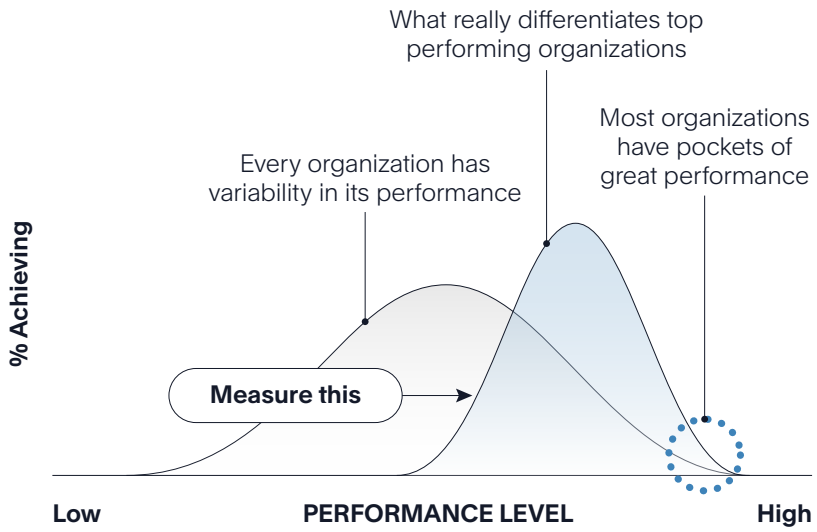
1. If these mindsets and behaviors are part of a strategically linked leadership model, the connection to the business is already acknowledged. If they have no connection to the strategy, they shouldn't be in the model.

2. The link between observable leadership behaviors and accountability is clear and natural. It's hard (and makes no sense) to hold people accountable for reaction measures (Did they like it?) or even knowledge measures (Do they know it?), and it's really hard (and fraught with complexity) to hold people accountable for extrapolated ROI metrics from a training perspective. Business results have their own accountability mechanisms, and that's where such accountability should reside. It is, however, both logical and natural from a learning perspective to create a sense of accountability for changed behavior.

3. When we talk about improving an organization's leadership capability, we are talking about the reliable, widespread adoption of more-effective leadership mindsets and behaviors in order to move the bulk of your leaders righter and tighter on the performance axis. If that's the output we are after, it makes sense to measure it.

The good news is that measuring behavior change is not rocket science, and most organizations already have some experience doing it. When specifically asked, "How does your organization measure the effectiveness of leadership development programs?"

Figure 2.9: Measure what matters: observable behavior change over time.



Source: FranklinCovey

respondents selected "observed behavior change" as the top response (44%), although this response could point to a wide range of rigor in their approaches.

When specifically asked, "How does your organization measure the effectiveness of leadership development programs?"

44%

of respondents selected "observed behavior change" as the top answer.

When critical mindsets and behaviors have been identified, measurement can be as simple as asking team members a question such as, "Does your leader authentically and consistently demonstrate [this behavior]?" By asking if the behavior is both authentic and consistent, the question seeks to discover if it is an expression of an underlying mindset—which would be difficult to measure directly (e.g., "Does your leader believe…?").

When leadership expectations are clearly communicated throughout the culture, and people have been trained on what the appropriate mindsets and behaviors are, it will be no surprise when leaders are evaluated on them. This process provides social accountability and is as much a part of the behavior change process as anything else.

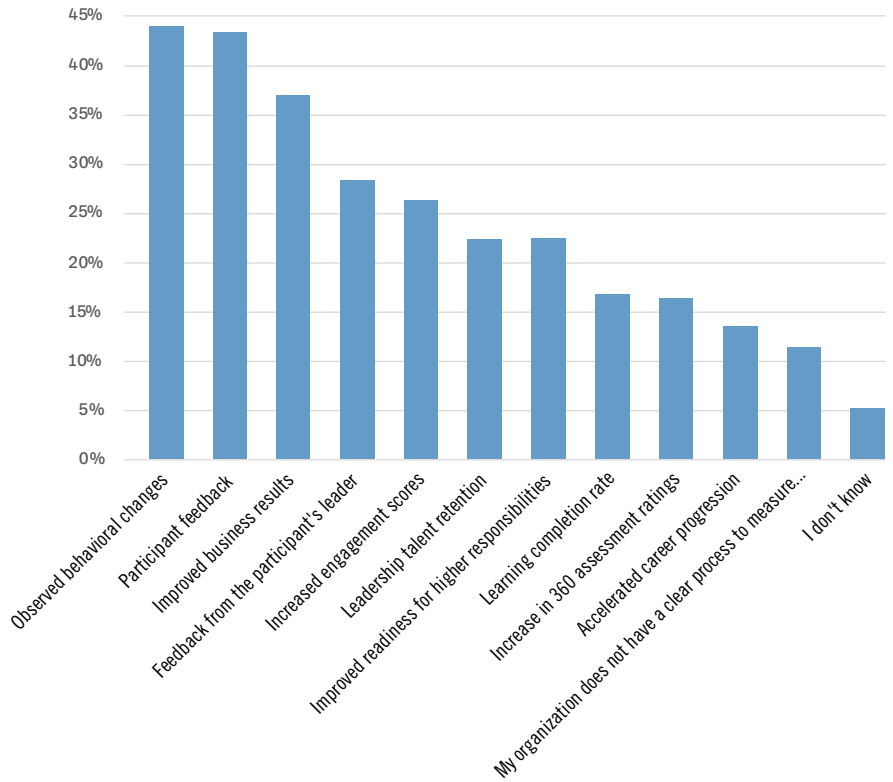


Similar questions could, of course, be incorporated in a comprehensive culture survey, but you might find it more effective to make them part of regular and simple pulse surveys, sending out a single question periodically to assess progress on mindsets and behaviors throughout the organization. The ultimate goal is to get a sense of your total leadership capability (which is an aggregate measure) as well as to give individual leaders information that will help them make improvement where personal gaps are evident.

How this works in your organization will depend greatly on the openness of your culture to feedback and learning. Again, if it takes place as part of a larger effort, with good communication and modeling by senior leaders, people will feel less threatened, and it will become part of a positive change process. Such connections highlight the systemic nature of the transformational framework we are using. If the learning group sent out a question like the above in isolation, with no leadership support, it would most likely be viewed with suspicion rather than understanding.

Finally, a word on accountability. Just as the highest form of motivation is self-motivation, the highest form of accountability is self-accountability. If people become aware of their own performance gaps or areas for improvement, they dive in to fix them. Social accountability can also be a powerful force, and when it's built

Figure 2.10: "How does your organization measure the effectiveness of your leadership development programs? (Please select all that apply)."



Source: FranklinCovey

on a desire to progress together and not let other people down, it can generate positive cycles of learning and improvement. When individual and social accountability combine, you are well on your way to building a learning and high-performance culture.

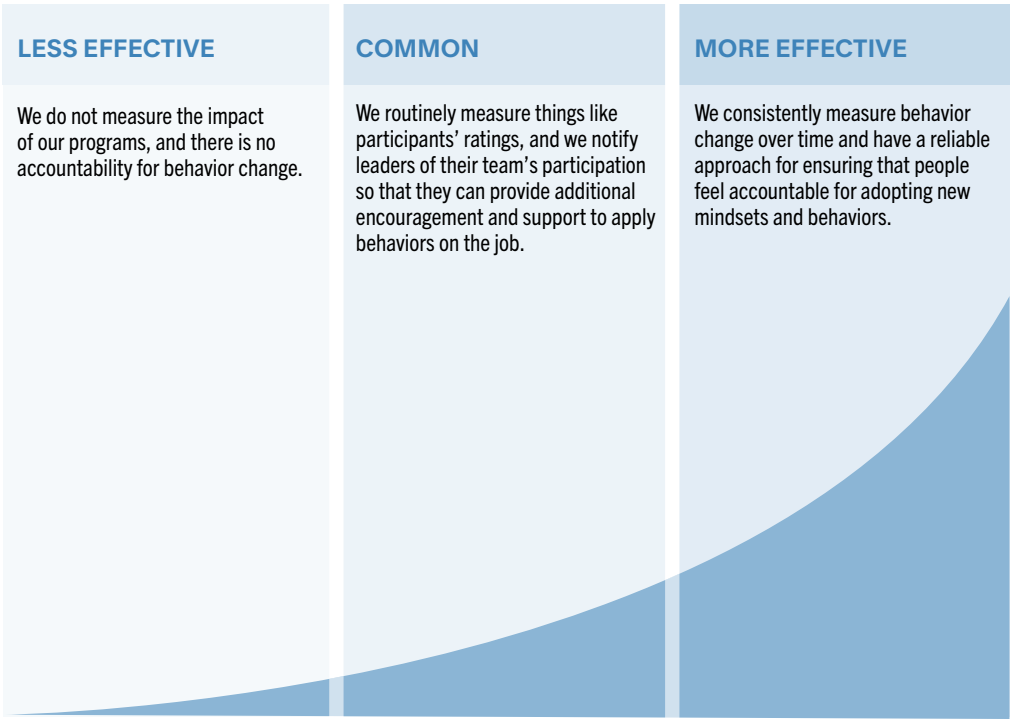
Conversely, the lowest form of accountability is punitive and supervisory in nature. It is more about control and management than about leadership. It may generate short-term compliance, but it rarely creates enthusiastic commitment to ongoing change and improvement.

Your culture's current level of maturity in this area will largely determine how feedback on needed behavior changes will be received. Additionally, senior leaders who model openness to feedback and learning will help other leaders do the same.

The key for measurement in our context is to keep it simple and clearly focused on the behaviors you are trying to change. One U.S.-based director of leadership development told us,

> *"Sometimes it's hard to get people to wrap their minds around what we're all doing. Even if you're just starting, when they start to see improvements on these [key measures], they start to come back for more."*

Maturity Continuum: Measurement and accountability.



Source: FranklinCovey

Reflection Questions

- Do you have a simple way to consistently and reliably measure adoption of the mindsets and behaviors you seek?
- Are these measures welcomed by your leaders or viewed with suspicion or fear?
- Do leaders feel motivated to change their behavior where gaps are evident?

Recommended Actions

- If you do not have aggregated measures of your leaders' adoption of key mindsets and behaviors, what steps could you take, using tools you may already have, to get them?
- If you do not currently give individual feedback on leaders' progress toward the key mindsets and behaviors, what steps could you take, using tools you may already have, to do so?

D. Critical Mass

An effective leadership development program is meant to turn leadership capability into a strategic asset for your organization. That means most of your leaders will lead in the desired way the majority of the time. But how can you get them to do that? And even more important, how can you transfer that impact to the rest of the organization?

Research shows that to change large populations, enough members of the right group must lead the way. When you reach a tipping point,[78] the rest of the population tends to follow, shifting the entire organization's distribution curve righter and tighter around the new behavior.[79] Depending on the study, the tipping point tends to range from 15% to 35% within the population (some outliers suggest as low as 5%).

The tipping point for your organization consists, in fact, of the vast majority

73%

of your leaders.

What the research sometimes omits, however, is the importance of who makes up that percentage of change leaders. To transform the entire organization, this vanguard group must include the majority of formal leaders, as well as other opinion leaders and key influencers.[80] Practically speaking, almost all your leaders must alter their behavior if the organization is to do so as well. Our global survey of senior talent leaders suggests that the 15% to 35% of your population that will lead the transformation—the tipping point for your organization—consists, in fact, of the vast majority (73%) of your formal leaders.

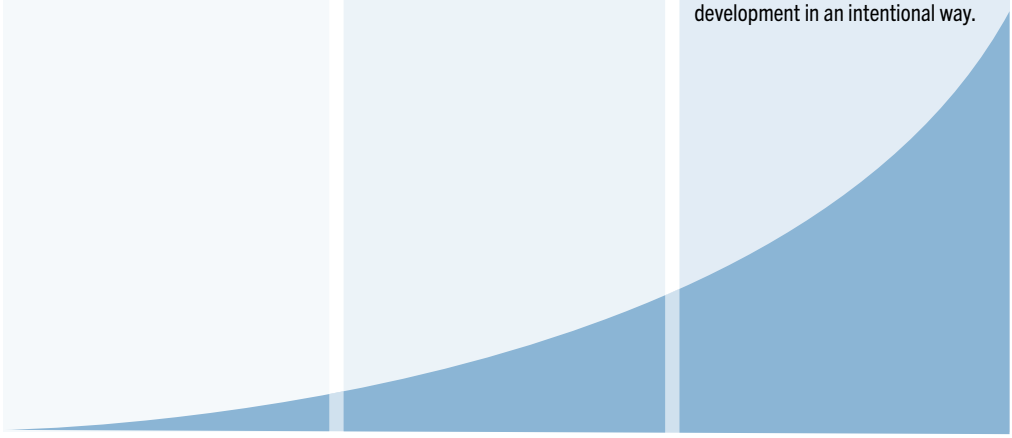
Additionally, senior leaders (the C-suite plus two or three levels down) are vital to enlisting the leadership population as a whole by communicating the change, walking the talk, and actively engaging the next levels down, until the majority of your leaders have changed their behavior. Such processes are seen as *leader-led and training-supported* rather than as being advocated solely by HR. That makes all the difference when it comes to creating widespread behavior change.

Some organizations have found that change gets stuck in the layers of middle management, necessitating a particularly strong focus on those layers. We've seen other organizations work from the bottom up, beginning with first-level leaders for changes specific to frontline behavior, with supportive transformations coming from the middle level. Your approach will depend on what mindsets and behaviors must be adopted to implement your strategy and where they should reside in the organization. The broad point is that most leaders need to demonstrate the desired behaviors if you want the entire organization to follow.

A primary risk in strategic leadership development is that the initiatives won't go far enough or deep enough, and the effort will stall. If improved organizational performance is the goal, the breadth and depth of leadership engagement matters. Once the majority of your leaders have bought in to changing their mindsets and behaviors, you will move the entire organization to higher levels of performance.

Maturity Continuum: Critical mass.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
Our leadership development is focused primarily on people at the top rather than on developing a widespread leadership capability in our organization.	While we want to build a leadership culture that changes our organizational performance, our efforts only reach a small portion of our leaders in the organization at any given time.	Our leadership effort is designed to create significant behavior change and shift the performance of our organization. As a result, most of our formal leaders (73% or more), along with high potentials and other key opinion leaders, are receiving this development in an intentional way.



Source: FranklinCovey

Reflection Questions

- Are you serious enough about creating significant change around these strategic mindsets and behaviors that you will commit to training the bulk of the leaders throughout the organization?
- How much money are you willing to invest to move the majority of your leaders righter and tighter?
- What kind of development is needed at each level? (Some leaders may require a deeper level of experience than others, but they should all be mutually reinforcing.)

Recommended Actions

- As you consider the mindsets and behaviors that need to change, look across your leadership population and identify all those you will need to involve to reach your tipping point. Make sure to include critical influencers, high performers, or others who, for a variety of possible reasons, would be good to have on board.
- Decide what the appropriate learning journey for each group is. For instance, a vice president of marketing might need a different approach than a branch manager, but they both should be in sync with the new behaviors and mindsets. Make sure your effort reaches all the appropriate levels and that each one is given an intentionally designed learning journey.
- Ensure that from a project management and resource standpoint, you are prepared to deliver with enough scale and speed to build an effective critical mass.
- If, for some reason, you can't deliver to the extent you'd like, pick the division that is most critical to achieving your organization's strategy and reset the scale for that division. Be as thoughtful as possible about the people who are trained: They should have maximum impact on executing the strategy. For example, in a company of 30,000 employees, a particular division of 10,000 or even 5,000 might have the most influence on whether your strategy is achieved. Begin your efforts there.



AREA 2:

Integrate Talent Systems

"A system is an interconnected set of elements that is coherently organized in a way that achieves something."[81]

– Donella Meadows

Throughout the world and across many industries, there are a number of standout businesses that have created strong market reputations and great leadership and talent brands, and are considered excellent places to work. Some lists of these companies are more journalistic and well-known (like the *Fortune 100 Best Companies to Work For* lists[82]), while other research is more academic or from consulting firms.[83] These standout organizations are evaluated on a number of factors, including leadership quality and management behavior, overall organizational culture, pay and benefits, and, of course, financial performance.

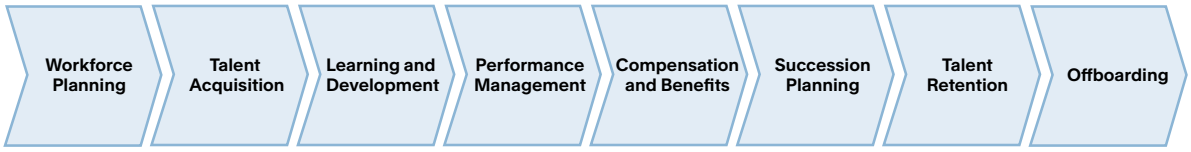
An important takeaway from studies like these is that the companies that consistently earn a spot at the top of the lists are not just good at one thing, they are good at many—success is built into their systems.

This principle applies to the development of leadership capability in organizations. As we've noted, creating a widespread leadership capability as a strategic asset requires more than just formal learning and development programs. They are a vital component, but they are only part of a larger system that enables you to attract, retain, develop, deploy (and redeploy), and engage high-quality leaders throughout your company.

One CHRO cautioned us about organizations that might take training-only approaches to leadership development when she said,

> *"That's not how you drive organizational behavior and change [because] you can't build in accountability hooks…[but] we can build in accountability hooks through our promotion processes, our rewards and recognition processes. We even have interview guides with questions for leaders, and we bake in questions around the leadership model for the interviewer panel."*

Figure 2.11: Common elements of a talent lifecycle.



Source: FranklinCovey

This kind of systemic thinking is vital to consistently building and maintaining widespread leadership capability.

Figure 2.11 shows the common elements of a talent lifecycle (sometimes called a talent ecosystem). Yours may not match exactly, but these elements should look familiar.

We recognize that each element in this model represents an area of specific expertise. This guidebook won't go into all the details of each area. Rather, we want to pose two basic questions:

1. Do the elements of your talent lifecycle reinforce the leadership model and the mindsets and behaviors your organization needs to succeed in the years ahead?

2. Is your talent system largely a bunch of disconnected silos, or do they work together to produce the kind of leadership you want in your organization at scale?

We will briefly review each of the components in the model with these two questions in mind. We'll also highlight a few areas for your consideration and suggest some positive actions you might want to take. Depending on how sophisticated your organization is, some of these actions may be basic, and others may be a stretch. However, upon reflection, you may find that you are not doing any of them as well or as consistently as you'd like.

Remember, nobody does everything perfectly in this model (not even all the Great Place to Work organizations). But the more things you have in place to reinforce the leadership mindsets and behaviors you aim to achieve, the righter and tighter your leadership capability will become. As you read through this section, we recommend that you choose the one or two areas where making some progress will have the most impact and start by working on those. When you've made the desired progress in those areas, move on to the next ones in a continuous process of iterative improvement. That way you will increasingly build the systemic strength that produces consistent leadership excellence.

Here are the elements we will review:

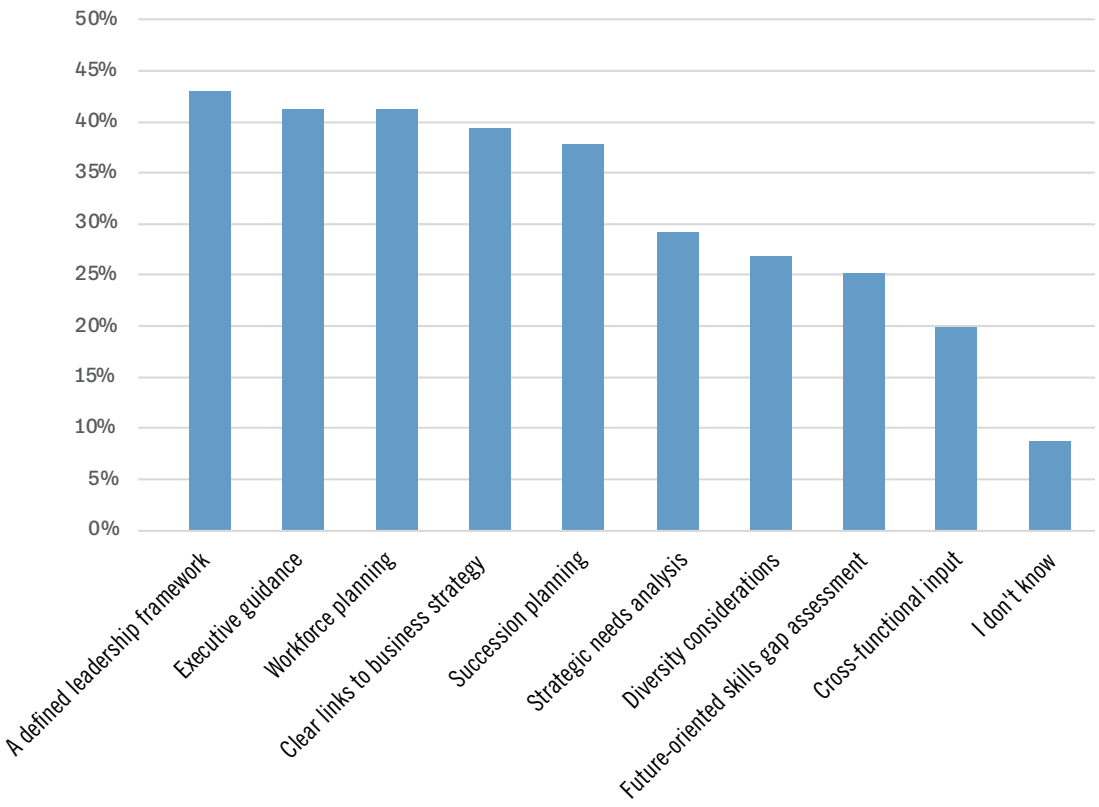
A. Workforce Planning
B. Talent Acquisition (recruitment and hiring)
C. Learning and Development (platforms, content, systems)
D. Performance Management
E. Compensation and Benefits
F. Succession Planning
G. Talent Retention
H. Offboarding

A. Workforce Planning

At its highest level, workforce planning involves looking at your organization's strategy in the context of the economy, employment trends, and so forth; evaluating your current employees against that strategy; and then implementing the appropriate plans so that your organization has the right number of people, with the right skills and capabilities, in the right places, at the right times. It may also include succession planning (called out separately in this talent lifecycle model), productivity metrics, cost modeling and management, and other things.

When we asked the question, "How does your organization ensure that its leadership development programs will meet future business needs?" our survey respondents put workforce planning and succession planning among the top ways to do so, along with a defined leadership framework, executive guidance, and clear links to the business strategy.

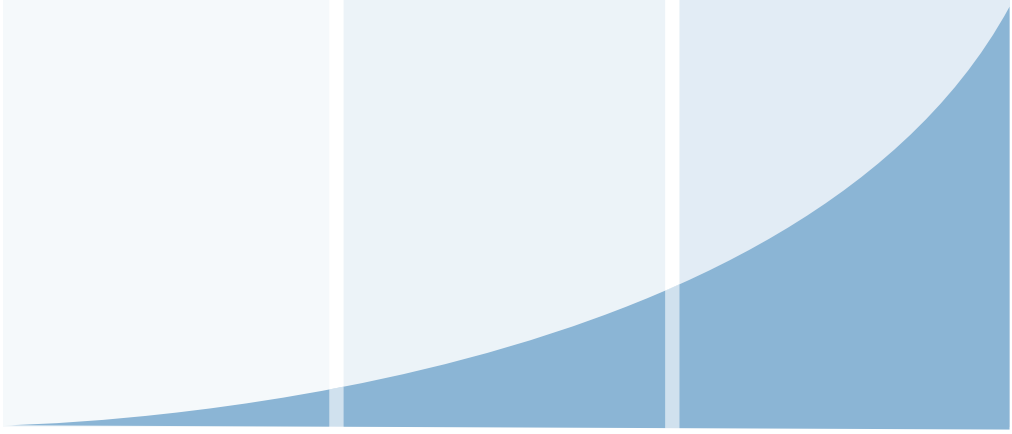
Figure 2.12: "How does your organization ensure that its leadership development programs will meet future business needs? (Please select all that apply)."



Source: FranklinCovey

Maturity Continuum: Workforce planning.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
We do not have a workforce plan.	We have a workforce plan (partial or complete), but it doesn't explicitly connect to our leadership model.	We have a workforce plan and our leadership model and the data around it are integral parts of how we think about the leaders we need to hire and develop.



Source: FranklinCovey

Reflection Questions

- As you consider your strategy and what needs to happen over the next three to five years, how confident are you that you will have the leadership strength in place to accomplish those things with excellence?
- If you are aware of gaps, do you have a clear plan to fill them through hiring, development, reassigning key roles, or some combination of these?

Recommended Actions

- If you have no comprehensive workforce plan, identify the parts of your organization that are most crucial for accomplishing your strategy and start there. Place specific emphasis on the kind of leadership you need to be successful in those parts of your organization.
- If you have a workforce plan but your leadership model is not part of it, take appropriate steps to incorporate it into your planning.

B. Talent Acquisition

Most organizations, especially those that are growing, need to hire new talent from the outside. The question is whether that hiring effort, especially for key leadership roles, is tightly linked to the mindsets and behaviors that are needed to propel your organization's strategy forward. To do that well, your hiring process needs to communicate to potential candidates what those mindsets and behaviors are and also weave them into the screening process.

For example, organizations may lean in to the well-established technique of behavioral interviewing, which seeks to identify whether candidates have previously modeled the kinds of mindsets and behaviors you're looking for. Some psychometric assessment techniques, situational judgment tests, and even future uses of AI may help you in the screening and interviewing processes to find what you are looking for and reduce unwanted bias.

Ideally, your approach to interviewing should filter down throughout the organization, and every hiring manager should have access to similar tools to reinforce the idea that people entering the organization ought to reflect the values defined in its leadership model.

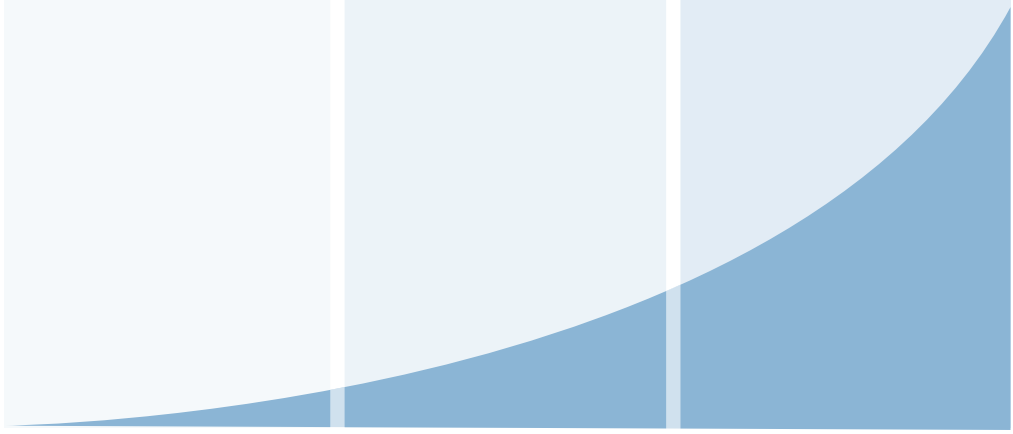
Just as tremendous power comes from hiring highly capable leaders who are strategically aligned and demonstrate the right mindsets and behaviors, a tremendous downside comes from getting this wrong. Research indicates that the direct cost of replacing a management hire can easily exceed that manager's annual salary.[84] That's expensive, but it doesn't include the possible damage to team morale, the wasted time and effort, and the potential loss of other talented players on the team.

Research indicates that the direct cost of replacing a management hire can easily exceed that manager's annual salary.[84]

As you think about how this dynamic can multiply across the organization if your hiring process is not aligned with your leadership model, imagine the negative impact on your ability to achieve your goals. On the flip side, if your hiring process consistently brings in people who fit your leadership model, the odds that you achieve your goals will significantly improve.

Maturity Continuum: Talent acquisition.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
Our hiring of leaders is not systematic and is done differently throughout the organization. It is unconnected to our organization's leadership model.	We have established hiring practices for leaders, and they are generally used throughout the organization. We may mention our leadership model in that process, but we have no real system for evaluating candidates in relation to the model.	We have strong systems for finding and hiring leaders who match our leadership model, and they are used consistently throughout the organization.



Source: FranklinCovey

Reflection Questions

- How confident are you that your talent acquisition systems are bringing you people with the leadership capabilities you need throughout your organization to achieve your future strategy?
- When you have a leadership hiring failure, do you consider your leadership model in evaluating what went wrong?
- How much difference would it make to your organization's performance if you were systematically better at bringing in leaders with the mindsets and behaviors identified in your strategically aligned leadership model?

Recommended Actions

- Identify the areas in your organization that will be most critical to your strategy over the next three to five years. Consider how you might more tightly integrate your leadership model into your screening and hiring processes for leaders in those areas.
- Think about how you can help all your recruiters and hiring managers more clearly understand the desired mindsets and behaviors in the leadership model so that they can better identify candidates who exhibit them. Is there a simple tool you could provide to help them?

C. Learning and Development

We have already discussed learning and development in "Design Effective Learning Experiences," but organizations also have an opportunity to integrate their leadership model into their overall learning platforms and approach and to increase their ability to facilitate effective learning journeys generally.

Over the past several years, advances in learning technologies and platforms have been tremendous. With generative AI, another revolution will soon be underway. Skills-based technologies—which help people know where they are and develop personalized learning paths to make needed progress—are part of the equation, as are improvements in bringing learning into the flow of work on the productivity platforms that people use every day. With generative AI and the potential for rapid, even real-time, development of content that is highly personalized, interactive, continuously adaptive, and instantly available in the formats needed, new opportunities for transformative learning will soon be at our fingertips. For L&D professionals, the need to stay abreast of the latest technologies is great. At the same time, some core principles remain vital, especially as we consider how these technologies can help build leadership capability in our organizations.

Only 45% of organizations "think their learning platforms are fit for the modern workplace."[85]

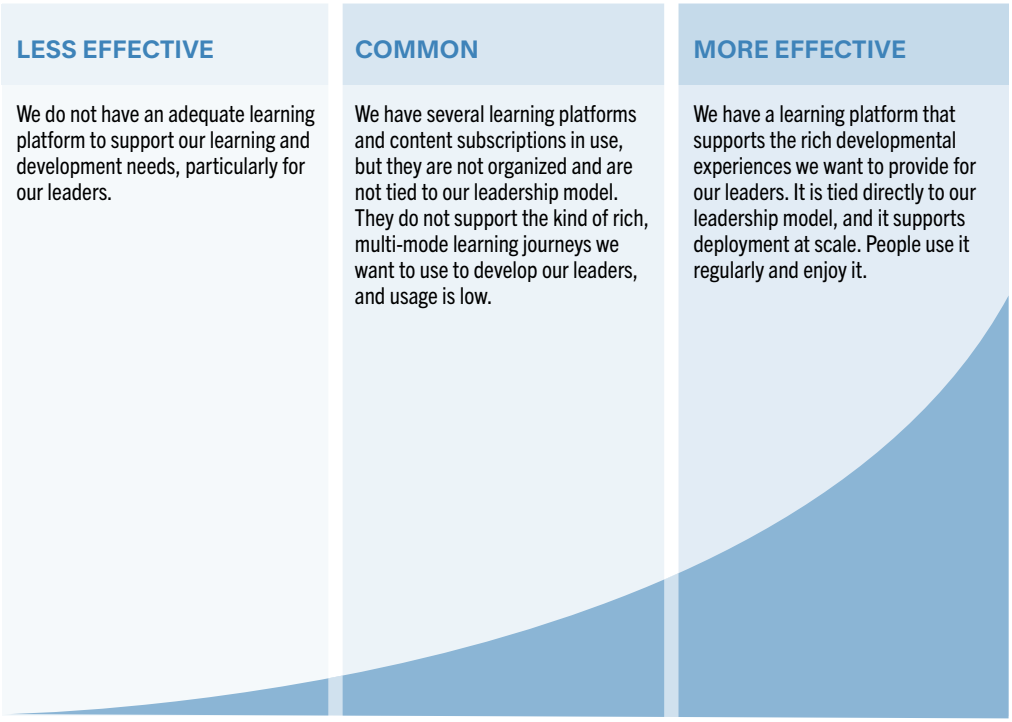
For example, L&D leaders may be tempted to simply buy a learning platform and a few content libraries and turn them loose on the organization, hoping that people will find what they need to improve. As we've mentioned, providing widespread access to skills-based content, when done well, can be valuable for general professional development. But it will not generate consistent, widespread, and strategically aligned behavior change. Most L&D leaders have experienced the low-utilization, low-impact nature of this approach and yearn for something better. To move a large group of people righter and tighter in terms of their behavior, and to measurably improve organizational leadership capability, learning journeys must be more intentionally designed and thoughtfully and deliberately deployed over time, as we've discussed.

That said, a modern learning platform can make a huge difference in enabling effective learning journeys for large numbers of people. As you consider your learning technologies, make sure your platforms have the capabilities required to field rich learning experiences over time, including a variety of modalities such as assessments, coaching, in-person learning, and cohorts. Also ensure that the mindsets and behaviors identified in your leadership model can be used to help people self-assess and show real progress in areas where they need to improve.

Specifically, a good learning platform should be able to support (1) individual and collective gap assessment against your leadership model, (2) the deployment of effective learning journeys over time (with all the content and interaction modalities needed for a profound, mindset-shifting experience), and (3) appropriate measurement and accountability. And it should be able to deliver at scale until the tipping point is achieved.

For many organizations, this process may involve the elimination of existing platforms and careful re-selection of new platforms. According to industry data, most companies have several learning platforms and content libraries scattered throughout, and the European HR Industry analyst firm Fosway Group reports that only 45% of organizations "think their learning platforms are fit for the modern workplace."[85] Ideally, your learning platforms will connect to the larger HR technology stack so that data can be shared across the entire talent life cycle. But most companies also have a variety of HR systems in use,[86] and they often don't connect with one another directly. We expect that this will improve over time and that generative AI will accelerate a more integrated approach.

Maturity Continuum: Learning and development.



Source: FranklinCovey

Reflection Questions

- Do you have a modern learning platform that can support the deployment of rich learning journeys at scale?
- Are the mindsets and behaviors in your leadership model supported by your learning platform?

Recommended Actions

- Assess your current platform(s). Are there features that you are not currently using that could help provide more-meaningful learning experiences for your leaders?
- If you do not have a modern platform that supports your needs moving forward, consider finding one that will.
- Keep on top of emerging technologies like generative AI so you can bring new capabilities to your organization as appropriate.

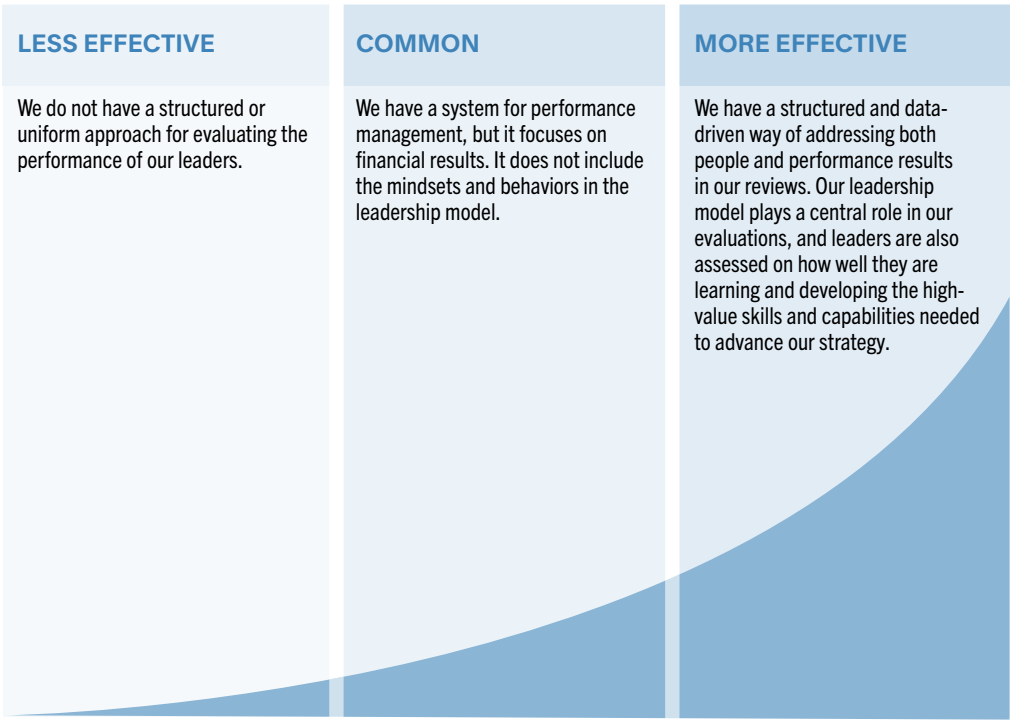
D. Performance Management

How are leaders evaluated in your organization? Is it simply on whether they hit their performance goals? Or do you pair that with an assessment of *how* they hit their goals? The best organizations understand that achieving goals isn't all a leader needs to do. The human side of leading and engagement must also factor into this evaluation. As we said at the outset, principle-centered leaders understand that both people and performance are essential, particularly in such a rapidly changing world. For your leadership model to have teeth, people should be evaluated both on the results they achieved and on how they achieved them.

This kind of evaluation should be done throughout the organization, from team leaders to supervisors and middle managers and all the way up to senior leaders. Whatever system or methodology your organization uses to evaluate leaders' performance, it can probably be modified, without much effort, to include a discussion around the leadership model. Such a conversation will, of course, be helped immensely if you are collecting data on how well leaders exhibit the desired mindsets and behaviors or adopt new skills and capabilities. Leaders can also be evaluated on their learning goals in relation to the leadership model and in other strategically important capability areas. In this way, an evaluation can be about improving a leader's potential for improved future performance as well.

You can work with internal specialists to decide how to best configure your performance management practices so that they drive both your leadership model and business results.

Maturity Continuum: Performance management.



Source: FranklinCovey

Reflection Questions

- Does your performance management process reflect a concern for results—both performance and people—as well as how they were delivered?
- Do you have the data necessary for an informed discussion in both areas?
- Does your performance management process include an evaluation of how leaders are working to improve their capabilities for the future, particularly in the areas most vital to your strategy?

Recommended Actions

- Look for ways to bring your leadership model into the performance review process for leaders. If you don't have the necessary data, start by making the model a topic of discussion and then look for ways to add data in the future.

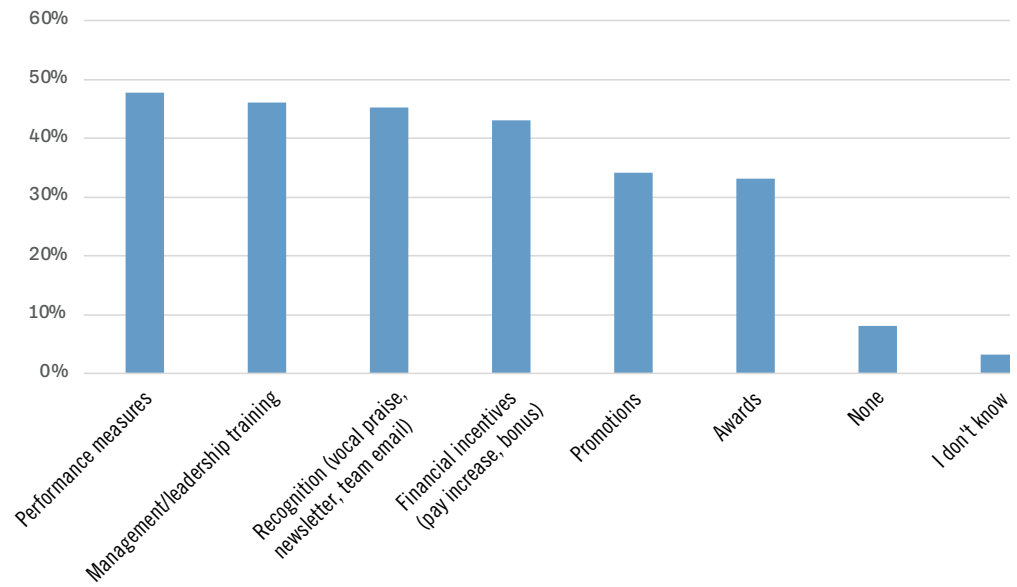
E. Compensation and Benefits

Performance management is a close cousin to another key part of the talent lifecycle: compensation and benefits. As much as we hope that people will make positive changes all on their own, financial compensation is a powerful influence for changing behavior. In our research, when we asked what methods their organizations used to "motivate managers/leaders to engage with and support behavior change initiatives," performance measures and management/leadership training were most frequently selected (at 48% and 46% respectively) but these methods were immediately followed by different forms of recognition (45%) including vocal praise or other forms of communication and then by financial incentives (43%), including pay increases or bonuses.

When used wisely, pay can be a strong way to communicate priorities. Where possible—as allowed by law, governance policy, etc.—and as appropriate in your setting, look for ways to tie aspects of compensation directly to the demonstration of the mindsets and behaviors reflected in your organization's leadership model. For example, you might tie some portion of variable compensation, such as bonuses, to how well leaders exhibit those mindsets and behaviors. If financial compensation options are limited, extra perks and celebrations can be helpful. The idea is to reward and recognize those leaders who best embody the leadership model and create an incentive for others to follow. Consider how, in your specific environment, compensation and other forms of recognition might support behavior change among your leaders.

It is probably obvious, but still worth emphasizing, that having good data will be vitally important if compensation is involved. It's also worth noting that because compensation is such a powerful lever, it should be used thoughtfully to avoid any unintended consequences. But precisely because it so strongly communicates value, compensation should not be overlooked as a way to

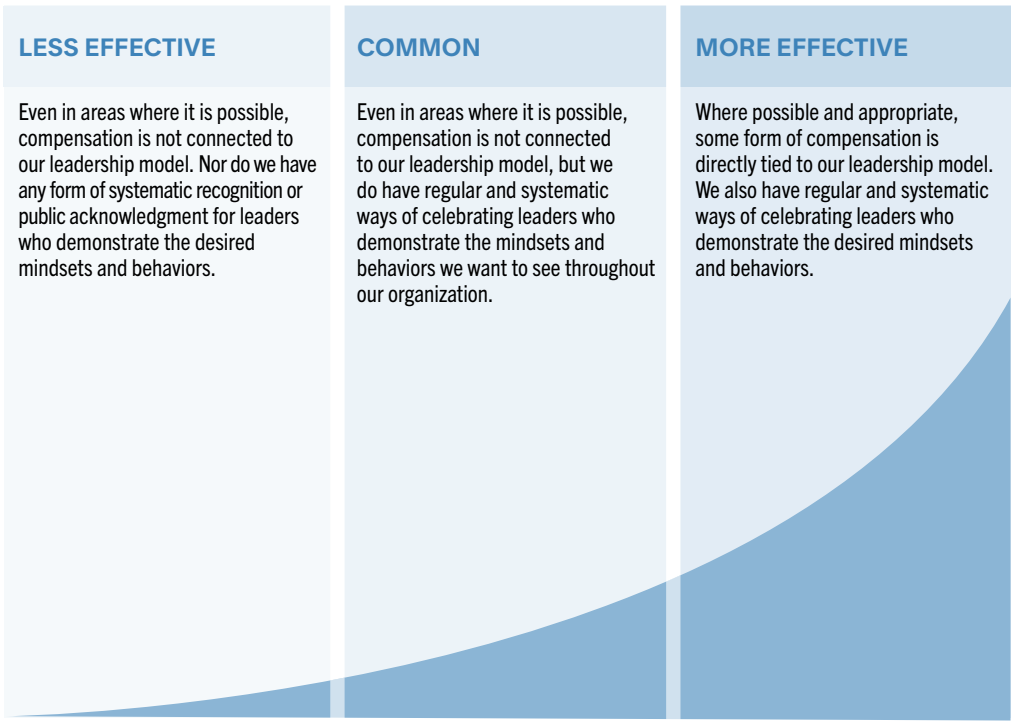
Figure 2.13: "How does your organization motivate managers/leaders to engage with and support the behavior change initiative?"



Source: FranklinCovey

encourage real and widespread behavior change. Regardless of your specific approach, the overall principle of reward and recognition for the things that really matter can be applied in all sorts of creative ways to support and encourage your leaders.

Maturity Continuum: Compensation and benefits.



Source: FranklinCovey

Reflection Questions

- If you could tie some portion of compensation to your leadership model, would it make a significant difference in moving your organization forward?
- If you are unable to affect compensation, what other forms of recognition might be helpful to encourage your leaders to adopt the desired mindsets and behaviors?

Recommended Actions

- Explore what might be possible in your setting and circumstances to connect compensation with your leadership model.
- Find creative ways, beyond financial compensation, to recognize and reward leaders who embody the mindsets and behaviors in your leadership model.

F. Succession Planning

A vitally important part of the talent lifecycle, particularly as it relates to an organization's leadership capability, is succession planning. It is part of the broader concept of a leadership pipeline or overall leadership bench strength. In general, succession planning is focused on fewer and usually high-profile roles and those who are being developed to fill them, whereas a leadership pipeline refers to an organization's ability to develop and progress new generations of leaders at all levels.

There are many firms with deep expertise in this area. At a minimum, for leaders in key roles, it's worth asking yourself whether you have (or are intentionally developing) at least one or two specific people who demonstrate the right mindsets and behaviors and could step up to fill those roles internally. If you have an established history of collecting data on your leaders from both a people and a performance perspective, that data can be very helpful when it comes to moving people into more visible and more senior positions. The systemic approach we are discussing makes such a data-informed history possible.

When capability gaps are identified and you have no logical internal candidates, your leadership model should be helpful in bringing in new talent to fill those roles, as mentioned in "Talent Acquisition."



Maturity Continuum: Succession planning.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
Our organization has no formal succession plan in place. Replacements and promotions are made on an ad hoc, as-needed basis.	We have a succession plan for key leadership roles. Potential candidates are identified primarily on the basis of their performance, but we don't evaluate them according to our leadership model, and we don't have a specific development plan for them that is influenced by that model.	We have a robust succession plan for our key leadership roles. Our leadership model is an important part of how we evaluate and develop people who will be filling those roles.

Source: FranklinCovey



Reflection Questions

- As you think about the key leadership roles in your organization, do you have—or are you intentionally developing—one or two specific people who have the right mindsets and behaviors to step up and fill those roles over time?
- Where is your ability to execute your strategy at greatest risk? Do you have a succession plan for key leaders in the related roles?

Recommended Action

- Start by focusing your efforts on key roles, and incorporate your leadership model as appropriate.
- If your leadership model is not already part of your broader succession planning process, find ways to integrate it.

G. Talent Retention

Tight labor markets in recent years have driven many organizations to take a hard look at how well they retain their key talent. At the same time, Gallup's most recent State of the Global Workplace report indicates that 52% of associates globally are "watching for or actively seeking a new job." When narrowed specifically to managers, that number rises to 56%.[87] While this dynamic will vary by country and industry, global labor trends suggest that labor markets will be tight for some time, particularly for higher-skilled workers.

Of course, talent retention matters across your organization, but leaders who exhibit the mindsets and behaviors in your leadership model, and who deliver great results in terms of both people and performance, merit extra effort in terms of retention. These are the people you absolutely don't want to lose.

The vital question is whether you have the right systems and processes in place to help identify your best leaders while also ensuring that you're doing everything possible to retain them. Compensation and other basics ensure that the job is attractive, but specific engagement plans for key players can help stem flight risk and ensure that people remain with your organization when recruiters call—as they undoubtedly will.

52%

of associates globally are "watching for or actively seeking a new job."

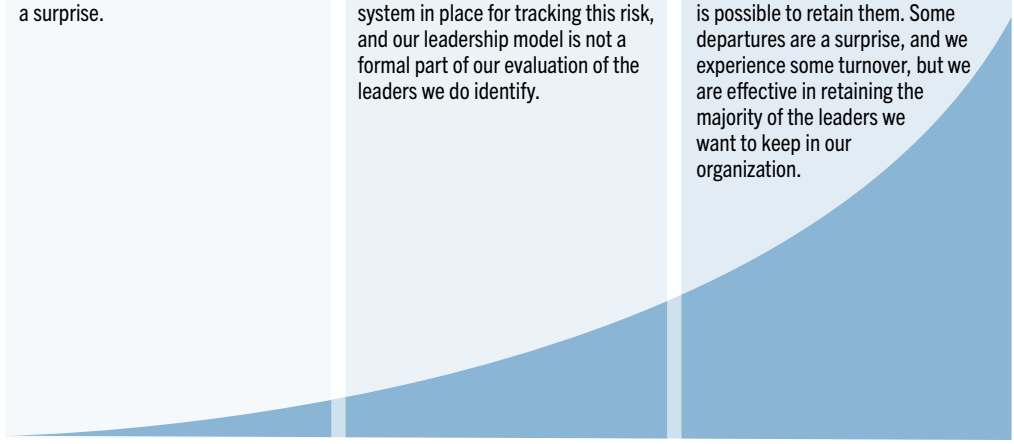
When narrowed specifically to managers, that number rises to

56%[87]



Maturity Continuum: Talent retention.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
We do not have a comprehensive view of who our most talented leaders are or a reliable assessment of their flight risk. As a result, we have no intentional process of engagement to mitigate that risk. When we lose key people, it is often a surprise.	We know who some of our most talented leaders are, and we pay close attention to them. But we are probably missing many leaders who should be on our radar. We largely count on their direct managers to retain them. We have no widespread system in place for tracking this risk, and our leadership model is not a formal part of our evaluation of the leaders we do identify.	We have a process in place to identify our most effective leaders throughout the organization, and our leadership model plays an important role in that evaluation. Where we identify flight risks, we engage with those leaders and do what is possible to retain them. Some departures are a surprise, and we experience some turnover, but we are effective in retaining the majority of the leaders we want to keep in our organization.



Source: FranklinCovey

Reflection Questions

- Are you often surprised by the loss of key leaders?
- Do you have an appropriately broad and accurate understanding of which leaders you don't want to lose?
- Is your overall leadership attrition rate acceptable? Or are you losing more talent than you should?

Recommended Actions

- If you don't have a strong leadership-retention system in place, identify the individuals and teams, groups, or divisions that are most important to your current strategy and start there.
- Look for ways to consider any current flight risks in the context of your leadership model. Make an extra effort to keep those leaders who are high performers and are known for having the mindsets and behaviors needed for the future.

H. Offboarding

Sometimes, despite your best efforts, you will lose some great leaders. When that happens, it is wise to conduct a post-departure evaluation to determine whether any patterns (or people) might cause other talented leaders to leave as well. Some factors may be fairly objective, such as higher pay or significant opportunities elsewhere that you can't match. Others may be more nuanced and may point to internal variables that can be fixed.

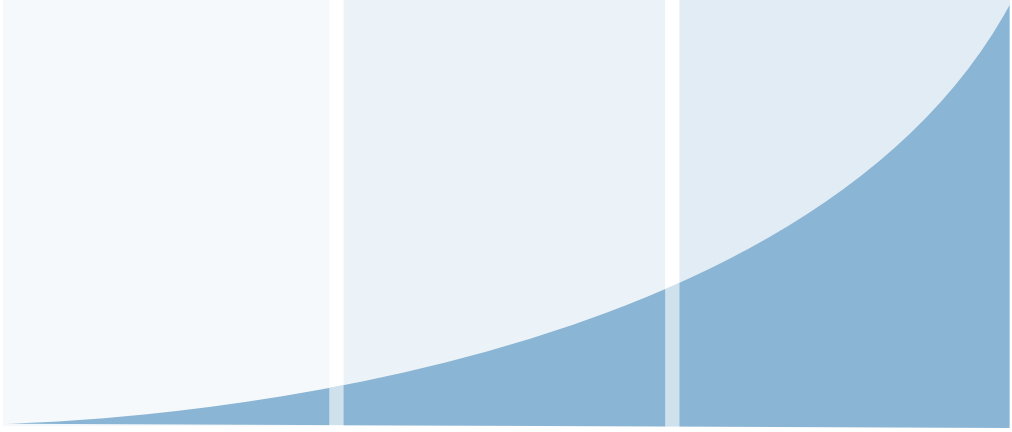
A talented leader who departs will leave an important gap in the organization. You will need to fill it with someone who is similarly talented and also reflects your leadership model well. Whether you fill the role internally or externally, consider this an opportunity to reaffirm the desired mindsets and behaviors moving forward. You can do this by specifically communicating the values and priorities of your leadership model during the hiring process. You can also communicate them to the team when the new leader is introduced. Such deliberate reinforcement will do a lot to shape the culture by demonstrating that the leadership model was an important consideration in bringing on the new hire.

If the exit process for a talented and highly capable leader is conducted with respect and in a friendly manner, the leader may return to your organization later on, and with valuable new experience. At a minimum, that person will remain an advocate for your organization and recommend that others come your way. How you treat exiting "alumni" sends a strong message that can strengthen your company's leadership brand.

There is, of course, another kind of offboarding process, for leaders who do not perform well and who do not, or will not, act in harmony with the company's leadership model. When a nonperforming leader is invited to exit, a similar opportunity arises to communicate (as permissible and appropriate) the reasons for the decision.

Maturity Continuum: Offboarding.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
We have no formal post-departure evaluation process that can help us retain other great performers.	We have a post-departure review process, but the results are not widely shared and are rarely acted on. We do not use leadership transitions as a way to reinforce our leadership model.	We have a consistent post-departure review process, and the results are appropriately shared and acted on. We use leadership transitions (whether voluntary or involuntary) as a way to affirm and reinforce our leadership model.



Source: FranklinCovey

Reflection Questions

- What processes are in place for learning from and responding to the departure of high-performing leaders?
- Do you regularly use leadership transitions to reaffirm the mindsets and behaviors defined in your leadership model?
- Is your offboarding experience designed such that talented leaders would want to return in the future or, at a minimum, recommend your organization to other talented leaders?

Recommended Actions

- If you have a process for capturing insights from departing leaders, go back and review the last several departures with your leadership model in mind. What can you learn?
- Do you have a way of keeping track of and maintaining relationships with high-performing leaders who have departed? If so, consider reaching out to them. They may help you fill some needed roles one day, either by returning or by recommending others.



AREA 3:

Align Technology, Tools, and Workflows

"We shape our tools, and thereafter our tools shape us."[88]

– John Culkin/Marshall McLuhan

The structures and systems we use can have a dramatic impact on leadership mindsets and behaviors and how leaders engage with one another day-to-day. A founding figure of organizational design, Arthur Jones, once said, "All organizations are perfectly aligned to get the results they get."[89] As senior leaders, our job is to ensure that the alignment of structures and systems in our organizations reduces unnecessary friction and supports the leadership behaviors that will help us advance our strategies.

Only 16% of respondents in Deloitte's Global Human Capital Trends survey agree that "their leaders are very ready to use technology to improve outcomes and team performance, and only 18% say their leaders are very ready to develop the right workplace model for their organizations."[90]

We should also ensure that our leaders throughout the organization have the capability to do the same thing in their areas of responsibility. The data show, however, that many organizations have a long way to go, with only 16% of respondents in Deloitte's Global Human Capital Trends survey agreeing that "their leaders are very ready to use technology to improve outcomes and team performance, and only 18% say their leaders are very ready to develop the right workplace model for their organizations."[90]

With this in mind, we'll look at the two areas below:

A. Management Technology and Tools

B. Organizational Design and Workflows

Once again, our intent here is not to plumb the depths of performance technologies or organizational design. You can find numerous solutions and specialists in these areas. Rather, we aim to surface a few ideas that will help you reinforce the kind of leadership you want to see in your organizations at scale.

A. Management Technology and Tools

In recent years, a number of new technology platforms have arisen to help managers do their jobs better and support leaders in day-to-day work with their teams.[91] These platforms tend to focus on specific processes such as performance management, one-on-one conversations, and team goal setting (including "objectives and key results" or OKRs). Some of these platforms also have "employee listening" functions to gather feedback and a variety of team and productivity analytics as well. Many of the larger, more comprehensive HR and human capital management platforms have similar features that support these processes, and some companies have even developed customized systems

for internal use. The space is constantly changing, and with the increasing adoption of AI in these areas, we expect to see further innovation in the years ahead.

Consciously or unconsciously, however, these technologies have an embedded philosophy of leadership and management. In other words, they tend to promote certain mindsets and behaviors. As a result, you should strive to ensure that the approaches embedded in your tools are consistent with, rather than contrary to, the mindsets and behaviors in your leadership model. No technology in this space is completely philosophy-free.

For example, not only is the idea that managers *should* have regular one-on-one conversations with employees embedded in many platforms, but a structure is built into the interface that implies *how* that conversation should be conducted—bringing with it certain mindsets and behaviors.

A good test would be to look at your performance management system. If a specific process is built into that system, ask yourself whether it treats people like cogs in a corporate machine to be controlled and managed, or like sources of talent to be honored and engaged. You may (or may not!) be surprised by what you find. If it runs contrary to the mindsets and behaviors you are trying to establish with your leaders, you have a problem of dissonance.

How leaders address performance can dramatically shape your culture. As we mentioned at the outset, the best leaders affirm both people and performance. But if your tools are out of sync with that message, leaders will end up either conforming to the system or working around it.

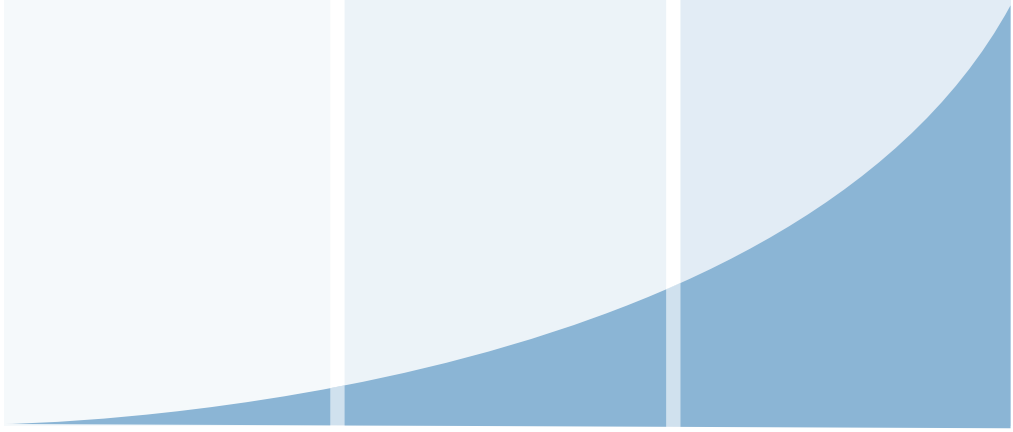
The good news is that modern systems tend to incorporate modern assumptions about how leaders can best interact with employees. Older systems, on the other hand, may have more industrial, command-and-control leadership assumptions built into them, leading to industrial-style mindsets and behaviors. Even newer systems can inadvertently drive those behaviors, depending on *how* they are applied.

No technology in this space is completely philosophy-free.

One of the fastest ways to change behavior is to change the tools people use every day to get things done. Entire fields of study are rooted in that idea.[92] Among the more effective things you can do as a senior leader looking to shift the behavior of large groups of leaders in your organization is put the right tools in place to support their work.

Maturity Continuum: Management technology and tools.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
We don't have any technologies or tools that support our leaders in carrying out foundational management processes.	We have a variety of tools available, but they are not used consistently, and they have not been evaluated in terms of how well they support the mindsets and behaviors we want our leaders to exhibit.	We have a few carefully chosen tools that help our leaders carry out their work in a way that supports the mindsets and behaviors in our leadership model and that we want to establish throughout our organization.



Source: FranklinCovey

Reflection Questions

- If you have some software platforms or tools in place to help leaders with foundational management tasks, do they use them? Do they work around them, and if so, why?
- Do the management tools and platforms you use reinforce the mindsets and behaviors defined in your leadership model, or do they send a different message?

Recommended Actions

- If there is a widely used management tool in your organization that runs contrary to the mindsets and behaviors you are trying to promote, figure out how to revise or replace the tool.
- If some of the behaviors you are trying to promote could be supported by software, find a way to help make that happen, either by building resources or workflows into your existing platforms, or, where the value is clear, by purchasing a new tool.

B. Organizational Design and Workflows

The field of organizational design has a long history and a variety of models and definitions,[93] all of which essentially relate to how senior leaders configure the structure, processes, procedures, and workflows of their organizations to get things done. The best design choices produce clear ownership and accountability, enable rapid decision-making, promote the right levels of flexibility and collaboration, and reduce unwanted friction in strategy execution.[94]

In many cases, small-scale design choices can remove walls and help your overall leadership capability improve.

In the context of this guidebook, "organizational design and workflows" can apply to topics as large as how the business is structured and as small as the approval process for booking travel.[95] We encourage you to identify the design choices, of whatever size, that will encourage the mindsets and behaviors you want to see in your leaders, whether related to performance or to people.

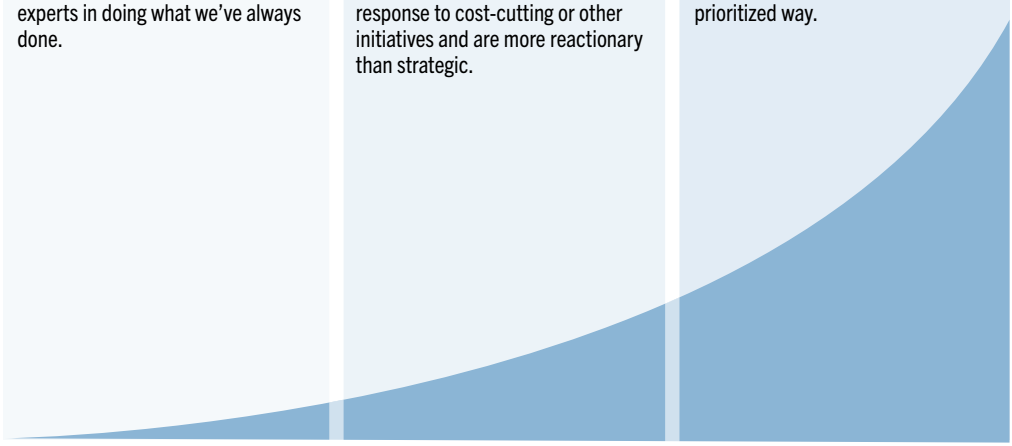
If the way your overall organization (or division or department) is structured makes accountability unclear, hinders collaboration, or regularly stymies change, then bold action is probably required to change the game. It's hard to ask all your leaders to be accountable, to be collaborative, and to enable change if your overall structure makes that difficult. As the organizational scholars Gary Hamel and Michele Zanini recently noted in their wide-ranging critique of bureaucratic organizational designs, "Bureaucracy was designed to produce exactly what it does: compliance, discipline, and predictability. It's a sausage-making machine that produces—wait for it—sausages!"[96] So, if the world you are facing requires more agility and adaptability, some new design choices may be in order.

In many cases, however, small-scale design choices can remove walls and help your overall leadership capability improve. Clarifying leadership roles and decision-making authority, localized restructuring in key positions and departments, and implementing helpful policy changes are some examples.

We encourage you to look at your business strategy, identify the top one or two structural barriers that hold your leaders back and are within your circle of influence to change, and then act on them. If you are a C-suite leader, you have a lot of influence. But choose your targets carefully. An organization can handle only so much change at once, and radical "shock therapy" redesigns often fail,[97] so ensure you involve people or partners with the right expertise, focus on the one or two areas with the most potential for impact, and then move forward.

Maturity Continuum: Organizational design and workflows.

LESS EFFECTIVE	COMMON	MORE EFFECTIVE
Our structure, processes, policies, and workflows have not changed much over the years, and we are having a hard time adapting to the requirements of our current strategy. Our leaders are either frustrated by how we operate or have become experts in doing what we've always done.	We make changes to structure, processes, policies, and workflows where we see a need, but we rarely consider them in terms of our overall strategy and the leadership mindsets and behaviors required to execute it. Changes are usually made in response to cost-cutting or other initiatives and are more reactionary than strategic.	We have looked carefully at how our current structure, processes, policies, and workflows support our strategy and the leadership mindsets and behaviors required to support it. Where changes are needed, we have a plan to make them in a thoughtful, prioritized way.



Source: FranklinCovey

Reflection Questions

- How well does your current organizational structure support the accomplishment of your business strategy for future growth?
- What mindsets and behaviors does your organizational design promote? Are they helpful or harmful to the accomplishment of your strategy?
- Are there some specific changes, large or small, that could make a difference?

Recommended Actions

- Ask your leaders whether they view any structures, processes, policies, or workflows as running contrary to the mindsets and behaviors identified in your leadership model or as obstacles to accomplishing your business strategy. If they do, prioritize and then make the appropriate changes.



Next Steps



A Path Forward

Now that you've had a chance to reflect on a systemic approach to developing and supporting the leadership capability needed to drive your business strategy forward, what's next? How do you organize your efforts to create this strategic asset inside your organization?

There are three basic steps:

1. **Make sure that your leadership model is aligned to the business strategy and supported by operating leaders.** This is the foundational work and is what differentiates building strategic leadership capability from a general training or skills building initiative. Getting this connection right and gaining business leaders' personal support for the leadership model make all the difference.

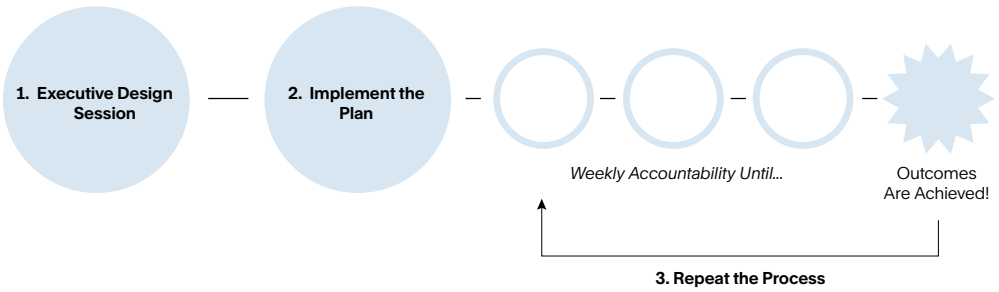
2. **Design and deploy effective development experiences.** This is the first part of a systemic leadership development approach for a reason. You can't do number two (Integrate Talent Systems) or number three (Align Work Systems, Processes and Tools) until leaders have had a chance to engage with the new leadership model and learn about the thinking and behaviors that are required of them.

Once steps 1 and 2 are underway, you can then look for what systemic supports can be created to reinforce the leadership model throughout the organization. Which brings us to…

3. **Integrate and align systems and processes.** This is where you and your larger team identify specific systemic levers that you can directly influence and that would be most impactful in promoting and supporting the leadership mindsets and behaviors in the leadership model. Some of these may be under your direct control and you may be able to influence them quickly, like specific hiring or onboarding processes. Others may require partnership with your information technology group or other partners and take longer to address. There may be other areas where the timing is not right, or it would be counterproductive to address given other considerations. The key is to keep the systemic mindset in place and constantly look for ways to reinforce the leadership model.

It would be unrealistic to try to do all of this at once. The foundational sequence of these steps is vital, followed by consistent effort over time to integrate and align everything else. It is this ongoing commitment to systemic alignment that turns what people can experience as a "training initiative" into a real transformation of leadership capability. Shifting from training to transformation can require a mindset shift and a new set of disciplines for

Figure 3.1: A process for building leadership capability.



Source: FranklinCovey

talent leaders, but it is the difference maker when it comes to fundamentally improving the performance equation for your organization.

Our experience is that the best way to approach these steps is with a process like the one illustrated in Figure 3.1, which includes the following parts:

1. **Executive Design Session:** This is a meeting (or series of meetings) in which you assess where you are and create a prioritized plan to make progress. If your leadership model is inadequate, forgotten, or unsupported by your CEO and executive team, start there. If the leadership model is strong and supported, then the focus turns to the development experiences you have in place and if they are effective and being done at the scale required to "tip" the organization into new levels of thinking and behavior. If both of these are in place, then the attention turns to systemic integration and alignment, and the planning focuses on what you can do in these areas.
2. **Implement the Plan:** This is a process of action and accountability around the key priorities in the plan you developed in the Executive Design Session. It consists of clear progress measures and weekly meetings to review progress and make commitments to move forward.
3. **Repeat the Process:** The mindset here is that this work is never done and the creation of a robust and constantly improving organizational leadership capability requires constant attention. While specific priorities and goals might change over time, leadership culture, like organizational culture, is a living thing.

Our experience is that making meaningful progress on strategically important goals, particularly in the early stages, usually requires that those goals be pulled out of the whirlwind of normal operations and given a dedicated, executive-led process to achieve. Only when progress is clearly under way would you move this effort into your normal meeting cadence.

In Conclusion

We introduced this guidebook with the assertion that all the change we've experienced in recent years is only a harbinger of significant transformations to come. While the future may be uncertain, it is also filled with tremendous opportunity—both for our organizations and the people in them. Our ability to confidently seize those opportunities will be determined by our ability to mobilize the finest talent and capabilities of the people in our organizations, and that requires that we fully engage and equip our leaders for the challenges ahead.

Whatever your starting point, the research, frameworks, and insights we have shared will provide you with a reliable approach to target your efforts. We invite you to thoughtfully and courageously apply them as we all step forward into a truly exciting future.



Case Studies



CASE STUDY 1:

Sanford Health

Introduction

Sanford Health is the largest rural health system in the United States, with nearly 50,000 employees. Its leader-driven organizational agility has been a key advantage as it's flexed with changing times and grown into a top provider of the complete healthcare lifecycle to the communities it serves.

Transformative leaders know when they face an inflection point, a moment that dramatically shifts the strategy to guide the company through change. Sanford Health CEO Bill Gassen is one of those transformative leaders. He led his organization through a merger, the global pandemic, and a leadership development journey that leveled up his leaders and laid the groundwork for employee success at scale.

Those efforts began by answering questions like:

- How do you help leaders change their mindset when the business strategy changes?
- How do you check the state of your organization and make it agile and responsive?
- How do you create a culture of transformational agility?
- How would you design a leadership development program for each stage of a leader's career?
- How would that affect engagement, retention, and culture?

Challenge

In 2019, Sanford Health merged with Good Samaritan Society. The merger doubled the headcount and allowed Sanford Health to lead in their sector. Still, Gassen knew his leadership needed transformational agility—when an individual, leader, or organization dynamically and effectively responds to changes and challenges—to navigate and capitalize on the opportunities presented by the merger.

"If you're not investing in your leaders, all the other things you're trying to accomplish won't happen," said Mike Dishman, Sanford Health's Senior Director of Learning and Development.

The merger presented a business need to level up Sanford's leaders and establish common guiding principles, skillsets, and behaviors to reinforce the leadership they wanted in a "Sanford Leader." And the progress towards this new agile people leader was promising to build the desired sustainable and consistent leadership culture.

However, like other healthcare systems worldwide, Sanford faced another inflection point when the COVID-19 pandemic hit, requiring a shift from its long-term strategy to a short-term one. The learning team's leadership development strategy was paused to prioritize the collective effort of supporting Sanford's healthcare workers.

The pandemic worsened the chronic problems of stress and burnout for healthcare workers. Healthcare systems worldwide face a serious challenge from the projected nurse shortages, and research indicates that between 22–32% of the current nurses are thinking about quitting their jobs, retiring, or exiting the nursing profession completely (see: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10074070/).

Sanford's learning team needed to focus on supporting healthcare workers, so they decided to become Certified Professional Career Coaches (CPCC) to help provide career mapping and guidance to the highly important, highly skilled workforce.

The certification is an intense process, but they felt confident that retooling these employees during this time would establish the primary mechanism Sanford Health needed to retain its workforce in the short term effectively.

They didn't know that reskilling the learning team, now armed with experience covering the whole career cycle for Sanford employees, would ultimately serve as the foundation required to advance the long-term strategy.

By 2021, Sanford Health had achieved its goal of providing excellent care for a complete and healthy lifestyle, allowing the organization to focus again on its long-term strategy. However, to get to where it wanted to go as a business, transformational leaders with an agile mindset who could engage, inspire, and retain employees needed to be hired.

"Look, you can recruit all day," said Dishman. "But in our industry, retention is critical. And the only way you can really work on retention is to give people a really good place to work. And that starts with their leader. So, the leader better have the skills to lead."

Sanford knew retention rates and the employee Net Promoter Score would improve. So, the goal was to continuously improve the employee NPS through ensuring healthy leadership teams focused on engagement, innovation, and education.

The organization faced complexity internally and externally, but Sanford's team was perfectly poised to deliver a leadership development program that would transform each level of people leaders at each career stage into the impact drivers they needed to succeed.

Solution

The Sanford Leader

Dishman's main question was "How do we better equip and empower our leaders to positively impact employee experience and retention?"

Building on their work prior to and during the pandemic, the team created a leadership model for how company leaders should act and behave—the Sanford Leader. That model included three key areas: Principles, Skillset, and Behaviors.

As the team performed a gap assessment of their current people leaders against that model, they were surprised to find that leaders needed more tools and a framework to foster the mindset and behaviors they needed to be effective.

Using their skills as CPCCs, the team examined the elements of Sanford employees' talent systems at each stage of their careers. The idea was to continuously support the leadership model as the standard for attracting, retaining, and engaging the workforce through leadership.

"We wanted to be able to speak the language and be able to back up our strategy and how it aligns with the overall success of Sanford Health's business strategy," said Dishman.

The Sanford team identified three principles that applied to all levels of leadership: Leading Self, Leading Others, and Leading Mission. Then they defined specific skill sets with accompanying behaviors that would change based on a leader's level in the organization.

"These principles, skill sets, and behaviors are not unique to Sanford or even healthcare, because leadership is transversal regardless of industry or organization," said Dishman.

What is unique about the Sanford model is the authenticity of its creation. The mindset behind the model is, "These are the things we think are very important. Whether it comes naturally to you or not, if you can work on these skill sets and demonstrate these behaviors, you can become a good leader."

Executive Buy-In and Advocacy

After building the Sanford Leader, the L&D team sat down with CEO Bill Gassen and the entire executive team and said, "We are going to show you the model, our game plan, and what we're thinking for leadership development. Can we get your blessing and buy-in from the top?"

Dishman's team presented the model and the leadership development roadmap built into Gassen's organizational strategy, using his key objectives and the same language.

Sanford Health's Director of Learning and Development, Linda Kirchhevel, said it's important to know your audience's language with the balance of heart and head.

"When you go into those rooms, you have finance people, tech people, operations, and each of these people wants to receive information based on what they're focused on—numbers," she said. "They want the data, and they want to know if you're meeting the metrics. And then you have people in the room who want to hear the heart, the personal stories of impact and intervention, and how it's changed lives."

Kirchhevel said, "Most presentations should be a 70/30 split, where 70 percent is data and 30 percent is heart. Sometimes, however, it should only be 20 percent heart, depending on the audience, so it's important to know their language."

Gassen listened to the plan they brought in and immediately knew this model was what Sanford Health needed to improve the employee experience and advance the business strategy.

The Sanford Leader Model

Principle	Skillset	Behaviors			
Leading Self	**COMMUNICATION** Expression of words and action that lead to understanding.	Improves Interaction by adapting to others when speaking and listening.	Promotes Dialogue by creating understanding through listening and summarizing.	Inspires Action by sharing relevant information directly and efficiently.	Influences Others by responding thoughtfully to concerns or reactions.
	TRUST Demonstration of character that builds trustworthiness.	Heightens Credibility by providing advice to satisfy team or customer needs.	Demonstrates Reliability by maintaining a consistent presence in relationships.	Promotes Transparency by sharing information that builds trust and relationships.	Displays Authenticity by integrating personal traits and values into daily work.
	EXCELLENCE Pursuit of personal awareness and growth.	Demonstrates Resilience by adapting in difficult situations with help as needed.	Builds Emotional Intelligence by considering own and others' feelings in making decisions.	Develops Self by using tools to assess own abilities and opportunities.	Seeks Knowledge by participating in activities that improve skills.
Principle	**Skillset**	**Behaviors**			
Leading Others	**PEOPLE** Development of individual and team potential.	Builds Relationships by demonstrating concern for others.	Manages Conflict by listening to understand others' viewpoints.	Inspires Action by sharing relevant information directly and efficiently.	Influences Others by responding thoughtfully to concerns or reactions.
	ACCOUNTABILITY Creation of expectations that align with priorities.	Manages Change by planning for effective implementation.	Guides Work by providing feedback and support to encourage progress.	Identifies Priorities by responding to new requests while progressing on current work.	Drives Organizational Initiatives by ensuring that resources are given to organizational priorities.
	ENGAGEMENT Support of individual and team activities that strengthen organizational commitment.	Promotes Collaboration by working with others to solve problems and meet goals.	Inspires Greatness by ensuring teams receive needed support.	Maximizes Strengths by aligning team member talents to the work.	Drives Vision and Purpose by highlighting links between the team's work and the organization's mission.
Principle	**Skillset**	**Behaviors**			
Leading Mission	**BUSINESS** Management of business practices and daily operations.	Demonstrates Understanding by using business knowledge to make quality decisions.	Manages Operations by performing business practices such as staffing and budgeting.	Applies Knowledge by seeking feedback from others to execute business priorities.	Develops Strategy by creating action plans that track progress and meet objectives.
	CUSTOMERS Fulfillment of internal and external customer needs.	Delivers Quality Service by meeting with customers to understand their needs and expectations.	Exceeds Expectations by responding to unexpected customer requests with urgency.	Aligns Strategy by focusing on products and services that meet customer needs.	Engages Community by addressing customer needs that emerge during interaction.
	VALUES Integration of organizational values into daily work and strategic planning.	Acts With Integrity by aligning personal beliefs with organizational values.	Upholds Ideals by guiding others to connect organizational values to daily work.	Adopts a Global Perspective by analyzing organizational relationships to guide work.	Commits to Diversity, Equity, and Inclusion by adapting to different ways of working.

Source: Shared with permission from Sanford Health.

"As part of Sanford Health's vision to become the premier rural health system in the country, we are committed to developing and engaging a talented workforce. Our people are our most valuable asset, so providing opportunities for them to grow and learn ensures we can continue delivering care to our communities well into the future," said Gassen.

Their team had a short timeline to execute the leadership development program.

Luckily, from day one, because it was CEO-led, they had complete buy-in, and members of the executive team asked, "How can we help promote it?" and "Let's go first; we want to model the way."

And they did. The executive team reviewed the new leadership roadmap and training, providing suggestions and revisions before introducing it to Sanford's leaders. They also suggested adding more elements to the roadmap to make it more relevant to the business strategy. For example, the HR department had been simplifying their processes and programs across the organization and linking all initiatives into one comprehensive strategy. Before, there were programs in different areas of the organization, but there was no connection or overarching strategy. So, the team worked to incorporate the same language and goals throughout the organization into the roadmap.

As the Sanford team worked to align different elements of the talent lifecycle, they established a key partner with the employee experience team. Together, they built development opportunities consistent with the leadership model and its desired impact on the employee experience and strategic employee retention goals.

The executive team also requested that the new leadership development program be completed for each level of leader they thought was most important, starting with Sanford's formal leader level (managers and supervisors, also known as "frontline management").

A Systemic Approach with Technology and Tools

"We can have all these anecdotal stories we want. But we need data to back up what we are doing," said Dishman. "I always want to be able to tell our operations team for our organization that they're getting what they're paying for. So we use different tools to tell our value story."

The Sanford team couldn't find technology to track and demonstrate the impact they were having with the leadership development program.

So, they experimented with existing organization-wide tech tools and created a custom solution that allows them to make the leadership development content easily accessible for people leaders to survey and pulse the organization regularly, and to measure outcomes from their efforts.

For example, prime real estate on the corporate intranet landing page is reserved for linking to the Sanford Leader dashboard. The leader can navigate their individualized dashboard with their leadership pathway and links to content, courses, or other educational materials. And, because the learning team is fluid and continually innovates to bring value,

they regularly pulse the employees and schedule quarterly webinars to address key themes identified during the surveys. Lastly, the metrics from leaders accessing their dashboards and any tools and metrics from the courses, webinars, or other offerings are aggregated into a real-time measurement tool to evaluate and demonstrate impact.

The Sanford team can see a snapshot of the organization in data using their custom dashboard, including the number of self-assessments taken, broken down by job family, region, leader level, and date. They know how the leader wants to create their leadership development plan, why they are taking the self-assessment, what roadblocks they encounter, and other questions discovered from the pulse surveys.

The diversity of data points gathered by the technology and tools Sanford's learning team created provides evidence they can use to communicate their value story and make data-driven decisions around content and next steps. Another big differentiator demonstrated by Sanford's team is that their offerings are designed to match the organization's needs. They're only creating offerings to help close the gap between their biggest needs and what the employees and leaders are asking for.

Building It Together

Another way the Sanford team balances the heart and head is by dividing the department's responsibilities among the team. They didn't hire their dream team; the team was inherited by the new leaders, and they built it into the dream team by discussing their needs, asking what their interests were, and aligning it to where they could contribute the most. "If you let people choose to align themselves to where their gifts and talents lie and what they're passionate about, you will achieve results beyond what you thought was possible," Kirchhevel said.

One of Sanford's colleagues said she dreamed of creating content to impact leaders her entire life but never knew how to get there. She just always had it in her heart that she wanted to do it. As she neared retirement, she was allowed to build the curriculum for Sanford's senior leaders. She said, "I've waited my entire career to do this, and we're doing it. We are building this and watching it improve people's lives."

Two colleagues on Sanford's team had a similar experience. They "dreamed" of attending an external certification so they could return with the skills to teach a workshop on the content they learned. They repeatedly fill the workshops and have employees on waiting lists. "Do you know why?" Kirchhevel asked. "It's because they care about this thing more than anything else."

One comment from Sanford's post-survey was, "I can't believe how enthusiastic your instructor is. Her personality and enthusiasm are absolutely infectious." Another quote said, "I am so inspired to grow my career after this workshop."

Because the facilitators are excited to give the workshop, they're infectious in how they present.

Similarly, Sanford balanced the heart with the head as they identified the team's strengths and found a curriculum builder who could harness all the ideas and turn them into clear, concise tools for leaders. Another colleague is the metrics guy who uses numbers to ensure the outcomes are aligned.

"I think if you interviewed the people on our team, they would tell you they did not have the skill sets or the confidence when they came into the original job they're in. They have risen to the occasion because they started to believe in themselves."

As they built the Sanford team, they started to build up one another because they became a team that cared about one another. "We care about people first, employees second. When you build up confidence within your team, they will deliver the results because you're investing in them as human beings. It's infectious once they get excited and see success, and they want to do it again.That's where the outcomes keep on generating."

Because transformational agility is crucial to Sanford's people leaders, the learning team influenced the leadership development program and leadership culture through fluid agility and innovation.

One Sanford leader instilled in her teams the 80/20 rule. To create anything, she said, use the 80/20 rule, where 80 percent is managing the work, and 20 percent is refining it—don't wait until it's perfect to launch anything. This mindset is critically important to the Sanford Health learning team because it not only gives permission for them to be agile and always learn but also to experiment, innovate, and continue to try things and find solutions that really drive success.

Kirchhevel said, "When you have leadership with the mindset of, 'I'm not going to hold you accountable for perfection, I'd rather see you try things.' What you see culturally is a playground, a freedom for your people to try things without fear because it's okay if it isn't perfectly right."

Along with this cultural safety to experiment, Sanford leaders are invited to bring their authentic selves to work. "I feel like I have authentic leadership above me, which allows me to be my authentic self, which then trickles down," Kirchhevel said.

Starting with the CEO Bill Gessen, Sanford Health has authentic leadership working from the top down, creating a culture of asking, "How can we do this together? Here are my problems. How can we solve them together? We're in it together and I don't have to worry that it's going down on my performance evaluation as something that isn't going well. Instead, it's, 'We're going to brainstorm together because this is a safe space.'"

Sanford Health's team operationalizes this experimentation to bring offerings to their people in a consumable way for a workforce and organization open 365 days a year, twenty-four hours a day, and using trial and error to ensure that what they're creating will have the maximum impact on their key objectives (and metrics to demonstrate that impact). They decide to continue some things and others they have identified as barriers to taking them to the next level. Because of the team's high agility and learning mindset, they incorporate feedback and keep moving forward.

The Sanford team believes this fluid creation process is a best practice and the secret to their tremendous success. That's how they've been able to adapt quickly, scale throughout the organization, and achieve milestones in short windows of time.

A Culture of Leadership

This same cultural freedom has translated into the leadership culture as Sanford has continued to mature through the leadership development program.

For instance, when the learning team asked what else the managers needed to learn to support their people best, they learned that many of the individual contributor-level employees were aspiring leaders. The managers asked if the learning team could create more offerings around informal leaders because their teams' demand was so high. Now, every employee at Sanford has the chance to learn what being a Sanford Leader means and participate in leadership development. So, authentic and encouraging leadership sets the cultural tone for the people. These aspiring leaders answer with a grassroots campaign to learn and grow the same leadership mindsets and behaviors.

Results

"For the first time ever, I am seeing a culture shift starting to happen around leadership development, which has been amazing," said Kirchhevel.

As a result of the Sanford Leader model and the efforts of the learning team, Sanford Health has experienced a transformative mindset and behavior shift not only among its leaders but also throughout the organization.

"If there's no behavior change, then we're missing the mark," said Kirchhevel.

People leaders are hungry to learn more about leadership development. In fact, the learning team's session on leadership development and retention was the most attended session at the 2024 Sanford annual meeting with vice presidents and above. "We actually beat out AI, twice. That is a litmus test that there's a culture shift happening. That it's important."

Sanford is also seeing a significant shift in leadership philosophy from business- or financial-centered leadership to people-centered leadership.

The executive team bought in from day one but didn't stop there. The executive team has integrated personal leadership development plans as part of the senior-level leadership and higher annual performance evaluation. Traditionally, if an employee receives coaching and leadership development, it is because they were on a performance improvement plan and were likely on their way out. "That's how much of a shift has taken place at the organization, where coaching used to be reserved for the people who weren't operating at the line; they were below the line. And now we've got so many people lined up, it's like, how do you divide and conquer the number of people who have lined up to be coached about how you are at or above the line and moving the bar higher?"

Senior leaders also reinforce the behaviors by elevating leaders doing a good job. For example, a leader recently modeled reinforcing behaviors towards an individual contributor: "Hey, I noticed your consistent scores and appreciated that you took that self-assessment." Then, the leader cc'd the email to their leader, who took it to their leader and up the chain until it reached the executive team. The executive leader called the individual contributor and said, "Your email made it

to me, and I just want to congratulate you on a job well done. You're inspiring our next generation of leaders."

One of the greatest achievements of Sanford's leadership development program is its impact on nurses. The nurse workforce at Sanford fully embraced the Sanford Leader model, and the learning team developed a reoccurring specialized series called, "Leadership Development for Nursing Leaders." The first cohort of nurses voluntarily went through the training and found it so valuable that word spread to other groups of nurses and then another, until over 1,200 nurses had gone through the leadership training. Now, nurses make up the largest job family committed to living the Sanford Leader model and continue to increase their audience. This has resulted in advocacy and buy-in from all the nursing executive leaders in Sanford's major markets: "What are you doing with our nurses? They're going to these sessions, and their leadership is changing. What are you guys doing, and how can we make this bigger?"

The Vice President/Chief HR Officer, Sanford Bismarck DJ Campbell said, "Leadership development is the cornerstone of building a sustainable workforce. By investing in our leaders, we cultivate a culture of growth, collaboration, and innovation. This not only strengthens our organization's capabilities but also enriches the employee experience, driving engagement and satisfaction. Since adopting the Sanford Leader Model, we have increased our hiring, reduced turnover, and consistently raised our employee net promoter score each year."

The Sanford team uses the same metrics as the organization's key objectives as a baseline to define success. The key metrics that Sanford Health measures are retention and employee engagement, so the learning group uses the enterprise standard for these two metrics because the senior leadership is holding the entire organization accountable for it. And if they don't move the needle in those two areas, they need to shift their strategy.

Sanford Health's program is creating a better organization for everyone, better employee engagement, better retention, less turnover, happier employees, and better patient outcomes.

Discussion Questions

- What was essential to the success of Sanford's efforts in leadership development and what might work in your own organization?
- When presenting to the CEO and other senior operating leaders, do your talent leaders speak the language of business and have the right amount of business data in their presentations? What can you learn from the way talent leaders at Sanford Health presented to their CEO?
- What else can you learn from how Sanford used data to understand their progress? The Sanford team "uses the same metrics as the organization's key objectives as a baseline to define success." How could your organization better align leadership development efforts with key business metrics?
- What can you do to better establish a culture of leadership and leadership development?

CASE STUDY 2:

Greif

Introduction

Visionary CEOs recognize that building leadership at scale is a strategic asset necessary to win in the marketplace now and into the future. To fulfill that mission, it is critical to establish a winning vision for leaders inside the organization to follow. But that isn't enough. CEOs also need to take ownership and intentionally live the vision.

Not only does Greif (pronounced "Gryfe") have a CEO who walks the talk, but it also has a strategic CHRO who understands the strategic importance of an organizational leadership model. The CEO and CHRO have created a global leadership framework and a systemic accountability system to motivate leaders to own and model this framework for their teams. The two executives live a new kind of leadership model that transformed a century-old manufacturing conglomerate from a global organization of siloed people leaders into a unified leadership culture.

Background

Almost everything you touch daily, from the medicine in your cabinet to cardboard boxes, could come from Greif's packaging solutions. Greif is a global leader in industrial packaging products and services. And Greif's purpose is clear: to create packaging solutions for life's essentials. Founded in 1877, the company developed a rich history of pursuing innovative solutions and technologies to satisfy its vision of becoming the "best-performing customer service company in the world." The company grew significantly through mergers and acquisitions, and today has a global workforce of 15,000 colleagues across forty countries and over 200 locations.

Challenge

With so much growth happening worldwide, Greif's leaders discussed what they needed to do to drive the business strategy forward and operate as a truly global organization. The vision became very clear: to establish consistency among the people leaders and discover what leadership behaviors needed to look like globally.

Greif used to operate very differently in different regions of the world and business unit. The company needed to transform from a fragmented leadership team—by leadership style, language, and region, with limited insight into the corporate culture—into a consistent leadership culture where they could reach more colleagues at scale.

Like other organizations with this

challenge, Greif realized they had to align the leaders to get the business results they wanted. But how would they successfully align and scale leadership development to meet the needs of the corporate strategy? And how would they overcome the silos and develop a united leadership mindset and behaviors without compromising Greif's financial goals?

Solution

Leader Buy-In and Modeling

To overcome the global silos and begin to unify their leaders, they started from the top. CEO Ole Rosgaard is known for his authentic and personable leadership style. When he presented the vision of "One Greif" to the company, Rosgaard, as expected, fully dedicated himself to practicing the new leadership principles every day.

"Our CEO is 100% invested in our leadership development," VP of Global Talent Tara Plazarin said. "And because he knows it's important, we have succeeded because we aren't pushing our leader initiatives uphill."

Rosgaard shows this investment to every global leader in the Greif leadership course. He participates in their last learning session and leads it as the facilitator. He has a very genuine leadership style, so he begins the session by discussing his support for what they've learned and what he expects from them as a leader at Greif. Then, he opens the floor for the cohort members to share their experiences and have an honest conversation. "What will you do differently?" he asks them.

Rosgaard's involvement is a strong incentive for Greif's leaders worldwide. It helps them feel appreciated and acknowledged, contributing to more committed leaders and strengthening the bonds and awareness among the global leadership team.

"This is all great in theory, but when you hear the CEO join one of our final leadership sessions and speak to his own leadership style, learning moments, and failures along the way, it has a completely different impact. The message that [Rosgaard] reinforces on the importance of action bias, taking risks, and using those as learning moments speaks to the culture of learning and continuous improvement we are embracing here at Greif," Plazarin said.

CEOs show the way by being role models and establishing the expectations for the leadership and culture that the organization requires. The CEO's strong commitment to the leadership framework also shows the organization how important it is and that training is not a mere formality but a core part of the organizational values and strategy.

And the CEO wasn't the only executive leading the way. Alongside CEO Rosgaard was CHRO Bala Sathyanarayanan, the strategic people leader who built the framework to amplify Greif's principle-centered leadership at a global scale and institutionalized a systemic approach to uniting the leaders.

Sathyanarayanan became Greif's CHRO in 2018, and it's easy to understand the powerful impact he's achieved when you meet him. He speaks with wisdom and has a proven track record for success, but his strong character is most evident.

His mindset and behaviors define him. Sathyanarayanan believes every person is capable of greatness, and this mindset consistently influences his behaviors. He will pause to sit down and have a sincere conversation with someone who stops him on his way out, even when he has a flight to catch. The power of this kind of principle-centered leader is that it ignites the individuals around them, sparking a higher level of human performance by making these people feel seen and important in a genuine way.

Sathyanarayanan leveraged this power to ignite the global senior leaders and expanded a Leadership Council comprising eighty of Greif's top leaders. Leaders in the Leadership Council are expected to behave differently, knowing they are responsible for exemplifying Greif's leadership framework and nurturing a diverse and inclusive company culture. They encourage their teams to participate in the learning and keep their colleagues accountable to the leadership framework's values, behaviors, and language.

These 80 senior leaders commit to shifting their mindsets and elevating their actions each day by modeling Greif's principle-centered leadership as one cohesive unit worldwide.

Greif created an intentional communication strategy to increase global visibility and reinforce the business's strategic vision and goals. The company has a Global Kick-Off engaging all global colleagues to start each new year, focusing on sharing the organization's key "Must Win Battles" (MWBs), providing transparency and visibility to create shared ownership and accountability. Every quarter, Greif hosts a Global Town Hall hosted by the Executive Leadership Team (ELT) with updates on key initiatives and an open forum Q&A with Greif leaders. This same practice is modeled by functional and business unit leaders who also host their own town halls, which provide a deeper and more focused update and seek to keep employees engaged and directly connected to the "Build to Last" strategy.

With strong buy-in and modeling from the executive and senior leader levels and with consistent global communication platforms in place, Sathyanarayanan created an intentional and systemic plan to amplify Greif's "One Greif" strategy.

Design Effective Development Experiences

Before addressing the talent lifecycle, good CHROs who want to improve their organization focus on one or two key components, usually identified during a gap assessment. So, one of the first things Sathyanarayanan did was to prioritize the learning and development function and design effective people development. He started by equipping a new Global Talent Center of Expertise (COE) to bring consistency to Greif's global operations and focus on scaling this development globally with a world-class approach.

The talent center, led by Plazarin, interviewed over fifty stakeholders to understand the specific needs within the organization. They interviewed high-performing people leaders, high potentials, and key influencers and heard, "Our supervisors need training. We need leadership training. We need something consistent," according to Plazarin.

The small team got to work identifying themes, challenges, and other data points to help them identify development needs

from an internal perspective. "These interviews were important to us because leaders across the business knew they had input into the Greif leadership program," Plazarin said. They wanted the content to feel relevant to Greif's people, mission, and culture. The team wove together the values, behaviors, and a common language that made sense for Greif and its people into the leadership framework, "Lead to Last," strategically aligning to their "Build to Last" business strategy.

To execute the business strategy, the talent development program containing Greif's leadership framework helped Greif achieve its mission through its leaders and people. "Everything we do is anchored in our business strategy. We have a clear set of values, all foundational with the Greif Way, and it is critical that our leadership development program provides a common language and set of behaviors, reflective of what it means to be a true servant leader at Greif," Plazarin said.

Sathyanarayanan recruited knowledgeable partners across the organization to create a steering committee to provide insight from across the globe and across the business unit in driving Greif's learning and development programs. The Greif University Operating Committee was also born. The committee is a group of critical organizational stakeholders who ensure every learning offered through Greif University is aligned with one of the company's critical strategic learning areas.

The committee partners directly with a team of business leaders representing critical learning needs in the Greif Business System (GBS), including operational, commercial, market, and functional compliance. Every quarter, the committee comes together to prioritize the learning agenda across the organization.

The committee has proven to be a best practice, but how do organizations encourage involvement in key learning areas when the only required training is compliance, and effectively persuade people leaders to volunteer precious time—to step away from their work and commit several hours towards career and leadership development each month?

Plazarin's team carefully crafted a communication strategy to drive excitement and recruit participants for the leadership development program, including:

- Lead to Last and Greif University pages on the company's internal employee website
- Email communication campaigns
- Directed emails
- Town Hall announcements
- Program brochure
- Video about the program
- Video from CHRO Bala Sathyanarayanan
- Lead to Last materials provided by HR partners
- Leaders provided Lead to the Last "Coaching Placement"

Weaving the Talent Lifecycle

To create a lasting impact on a global scale, Rosgaard knew Greif needed to operate as one cohesive leadership culture; Sathyanarayanan intentionally weaved Lead to Last into the fabric of

the HR talent lifecycle and the colleague value proposition (CVP). All companies want to attract and retain top talent, and most organizations have this goal as a critical business strategy to ensure viability in the marketplace. To accomplish this at Greif, the team created a plan to deliver a world-class CVP that balances talent acquisition/retention, learning and development, performance management, employee engagement, compensation and benefits (rewards)—all in harmony with their overall HR mission "to enable a world-class, diverse, and engaged workforce to deliver on our strategic priorities."

According to Plazarin, "All of the work that we do to create a strong CVP is grounded in our desire to impact the colleague experience at every stage of their lifecycle here at Greif and ultimately, achieve our mission." The CVP describes how Greif attracts, engages, and develops its employees and how the people strategy aligns with the business strategy. For example, Greif has excellent employee engagement results compared to other manufacturers and was recognized as an Employer of Choice with 1.7 million job views on LinkedIn in 2023 (a 54% increase). The company fosters a learning culture and a top-notch global leadership development program. Plazarin is focused on empowering Greif's HR partners as they leverage their Global Talent Center (COE) to "Think Globally and Deliver Locally." Her team makes the L&D materials easy for HR partners to access and gives them the tools and resources they need to use the talent development offerings. Her team created an internal site with all program information, reports, and updates to keep the HR community informed and connected. Greif also implemented consistent dashboard reporting for performance management to identify gaps and make data-based decisions.

Recently, Greif introduced a Colleague Stock Purchase Plan, which created additional benefits for the employees and established greater individual buy-in and engagement.

Shifting Righter and Tighter

In 2021, the company launched Greif University with career and leadership development training, and in 2022 launched Lead to Last. The communication blitz was successful, and to date, over 1,000 of their 1,350 people leaders and high-potential colleagues have self-registered to complete the program, with the Greif team seeing clear progress toward a consistent and elevated leadership culture. Cohorts of thirty people, separated by a first-level leader, mid-level leader, senior-level leader, and high potentials (by nomination), underwent a blended learning journey of self-paced and live virtual training for twelve weeks.

"Along with the senior-level leaders, who presented the greatest need to learn these concepts, we wanted the leaders who had the most eagerness to drive it," Plazarin said.

All leaders learn the same standard practices regardless of leadership level because the team found that some things that are common sense might not necessarily mean that it's common practice or that it's consistent. However, trainings differ for varying levels of leaders, for instance, high potentials versus senior leaders, and the team works to provide participants with a customized

workbook with content tailored to the leadership level.

"Within a few weeks, we saw our people leaders touting the program to their team, starting to speak this new language, and adopting the behaviors and practices," Plazarin said. "Our numbers are moving in the right direction when we look at what we would expect from our leadership behaviors to drive controllable results. And I think that's a testament to the caliber of leader we are developing at Greif."

How does Greif unite the global leaders as "One Greif" and provide consistent training in different languages and countries?

Greif uses another best practice to scale the program well with global, multi-language leaders. The program is in Spanish, Portuguese, and Chinese, and more languages are coming. The team chose "Engagement Partners" from each region to guide them on the journey and ensure these programs are as engaging and successful as the first ones. Having a native speaker from the region has made the delivery more effective and helped the international programs grow.

Reinforcing the Learning

The Greif team has curated a multi-tiered approach to help counter potential "learning loss" and create a sustainable way to keep the new values, behaviors, and language alive. Participants receive weekly microlearning articles to allow for consistent learning and reinforcement. All employees receive a biweekly Greif University newsletter containing key concepts from the training and different opportunities aligned to Greif's business strategy to continue their individual development.

In addition, people leaders are regularly assessed through quarterly performance check-ins and annual performance and development reviews for their ability to demonstrate competencies linked to Greif's values, behaviors, and language.

The goal is for people leaders who complete Lead to Last to align their mindsets, behaviors, and language with the One Greif standard and hold themselves accountable for living this higher level of principle-centered leadership each day.

Results

Greif measures success as a service profit chain: when colleagues are engaged, they drive customer service excellence, which drives performance in the marketplace. The team focuses on creating increased levels of employee engagement as a metric to measure the success of developing their colleagues and contributing to the mission of Build to Last. Since 2018, Greif has seen year-over-year increases in engagement scores from the 32nd percentile to the 85th percentile in 2024, one of the biggest impact areas with a direct correlation.

Additionally, Greif reports high NPS when measuring the content experience. On the most recent quarterly review, the course experience received a 49 NPS (near "Great") and a 70 NPS ("Excellent") on the facilitator experience. Depending on the region, some cohorts measured exceptionally high in the "World Class levels."

Plazarin and her team are developing

a deeper dive analysis of engagement results to show a direct correlation between colleagues who have been through the program and their team's engagement results compared with those who have not. Once this analysis is complete, Plazarin will be able to demonstrate the correlation between leaders who have completed the program and measures like engagement, medical case rate, and operating profit. She said, "When we drive better engagement, we see better safety numbers, and we see better productivity, we see better performance measures." Greif witnessed outstanding service excellence and performance with more engaged colleagues.

Greif collects some of the best measurements of success from testimony and colleague feedback. They get many testimonials from the facilitated discussion with their CEO, Rosgaard, and they believe hearing directly from their colleagues is equally as important as measuring numbers. One thing that surprised the team was hearing that the biggest learning was the importance of having effective one-on-one meetings and having the skills to deliver good feedback—something that seemed common sense but, again, wasn't common practice.

"I think there's still a lot we can do to create this continuous improvement leadership culture," Plazarin said. "But I'm so proud of the team's work and how it has impacted the Greif organization." The results of uniting leadership on a global scale paid off for the company's bottom line, as voiced by Rosgaard: "I am extremely proud of the results our colleagues delivered in 2022. This year has easily been the most successful financial year in Greif's history." This strategic move achieved financial success and fostered a cohesive and empowered leadership culture.

Greif has a unique and special culture; its workplace awards represent that. Greif leaders, like Rosgaard, Sathyanarayanan, and Plazarin, place their people at the center of all they do and don't just say it; they act on it. In 2024, they were recognized for their second year as a Global 100 Most Loved Workplace with three years running as one of America's 100 Most Loved Workplaces. They also won the prestigious 2024 Gallup Exceptional Workplace Award (GEWA). These achievements, Sathyanarayanan said, not only highlight their success in the marketplace but also provide opportunities to attract top talent and enrich Greif's global company culture. (see: https://www.greif.com/sustainability-2023/about-our-company/accreditations-awards) and (https://investor.greif.com/press-releases)

"We truly have the best people in the world. And our success wouldn't have been possible without our leaders taking ownership to execute on our Build to Last Strategy," Sathyanarayanan said. "But the tremendous thing that's come along with exceeding revenue goals is the transformation in our workforce. Our employees are engaged, happy, productive, innovative, and together we're committed in helping Greif achieve new heights."

Discussion Questions

- What would happen if you approached leadership development as a strategic asset to win in the future? How could you demonstrate an alignment with the organization's business strategy?
- You may not be able to secure the level of buy-in and modeling demonstrated by Greif's CEO, but what influential leaders could help you in the critical business units that propel the strategy forward?
- How would participation look if the learning cohorts knew they would share what they learned on a closeout session with the CEO or senior-level leader?
- Imagine the transformative impact on your organization if your top leaders willingly volunteered to advocate the leadership framework and promoted the desired values, behaviors, and language expected of leaders. What would it take for you to demonstrate that kind of support in your organization?
- Following Greif's example, how could you achieve similar success in your organization? What would your impact story look like?

CASE STUDY 3:

Enlyte

Introduction

In times of constant change and unpredictability CHROs are taking on a more critical role than ever. They create a vision that enables employees to do their best while reaching new performance levels. The most effective CHROs can forge a crucial link between the business and people strategies, ensuring the two work together to drive results.

Enlyte specializes in providing cost-containment solutions for the property and casualty industry. Enlyte has adapted to changing times by becoming an industry leader in innovation in response to a highly competitive industry and constantly evolving regulatory environments. This adaptability is fostered by CHRO MG Kristian, who cultivates a culture of innovation, leadership, and results at Enlyte. She helps her people thrive amidst complex challenges and rapid changes.

"We recognize that our leaders are the key to our success," said Kristian. "By investing in their development, we are investing in the success of our people, in and out of the workplace, and the success of our company."

Kristian has successfully navigated the company through the integration of three large and established companies within the last five years, in addition to many smaller acquisitions during her tenure at Enlyte. She also oversaw the transition to a nearly 95% remote workforce across the U.S. and Canada.

However, Enlyte continues to innovate to enhance its ability to drive performance and achieve business results by aligning its business and people strategies. To help accelerate that move, Enlyte has defined the role and clarified expectations for a people leader at the company.

Kristian has embraced authentic leadership in her role. For example, she joins virtual meetings without a filtered background. She wants to share her home office, the open door visible in the background, and a dog resting on the floor nearby. Most of the conversations she has with her team start with, "How was your weekend? How are the kids?" And sometimes, she enjoys the occasional appearance of her employees' children on the screen: "Hi, Bea! How are you?"

She aspires for Enlyte to be a safe place for her employees in today's tumultuous and changing world. Her motto is to create an environment where her people can do their best work.

"The world is distracting for our employees," Kristian said. "And it's real for all of us as leaders. Think about what people are confronted with and how they're dealing with all the distractions and noise outside of work. But it's our job to try and make their work life as conducive as possible for them to do their best work."

Kristian also understands the role of a people leader in helping deliver results that meet the organization's strategic needs. Her exceptional ability to align the people strategy with the organization's business strategy sets her apart from other top HR executives and makes her a valuable asset to the company.

"We don't move the strategy and we don't improve results unless we have people who really believe in the mission and want to do great work," Kristian said. "And we've got to have that environment. Everything starts with the employees. We say, 'Take care of the employee, they take care of our customers, and then the shareholder value is created.'"

How did Kristian redefine the role of a people leader at Enlyte? How can her strategies and tactics be applied to drive success? How can an organization operationalize similar principles to enhance leadership effectiveness and adaptability?

Challenge

Working for Enlyte in recent years has given Kristian ample experience with acquisitions. However, the combination of larger organizations brought new challenges. Each organization came with deeply entrenched leadership styles, decision-making processes, and cultures.

In addition to the cultural challenge, Enlyte needed to align its business strategy under one cohesive vision.

Part of that challenge resulted from Enlyte onboarding several people leaders through acquisitions who had very different experiences as leaders and approaches to achieving the business's strategic goals. Some people leaders were very consensus driven, whereas others were more directive in their approach.

Additionally, the global pandemic brought about a visceral shift to remote work, with 95% of Enlyte's over 5,000-person workforce now working remotely.

"Previously, managers on site could count on being present in the same space as their people to ensure the work gets done," said Kristian. "It's a different challenge inspecting what you expect in a remote environment."

This required leaders to develop new skills to engage their teams and drive performance in a virtual environment.

"The good news is, now we can significantly broaden our talent pool," Kristian said, since most jobs can be done remotely.

However, leading a geographically dispersed and remote team created other challenges since leading people in person allows for visual oversight of their productivity and the opportunity to lead individuals with similar regional characteristics.

"We are managing people who are different than we are. They come with more diverse backgrounds, there are regional differences, and that powerful dynamic is brought to work. We literally have five generations in the workplace, for example," Kristian said.

Kristian recognized the need to align leadership expectations within the organization with the changes occurring in the talent landscape as a whole. She knew Enlyte leaders needed to adapt their management style and learn new ways to lead their team effectively.

"I was determined to define, 'What does it mean to be a leader at Enlyte?'" Kristian said.

Solutions

Success Starts with a Mindset

"If you get MG [Kristian] on something, she will work and move the needle. Whether that's productivity, performance, engagement, or all the above, she moves what needs to move," said Seth Connors, Senior Manager of Learning and OD.

Kristian has earned a reputation as a strategic HR leader with a demonstrated history of achieving business results through her people strategy. This success hinges on her holistic approach to her work.

"She has that mindset of 'my job is to achieve the result,'" said Connors. "She's not thinking, 'My job is to engage, retain, and protect the business,' and so forth, although all of those things are critical components. Her mindset is, 'My job is to help the business achieve results. The way I do that is by attracting, engaging, and retaining talent, among other things.'"

With this mindset focused on the business's needs, Kristian positions herself well as a strategic HR leader who is not there to check the box or do the activity; she's there to move the needle and get traction toward business results.

Assess the Need

With the changes happening inside the organization due to the business integration work, transitioning to remote work, and other challenges facing leaders, people leaders needed to know their role in driving the business's goals forward.

Kristian identified the need to create a unified leadership model to level-set and align all the people leaders across the enterprise with what is expected of them as leaders. And she knew the timing was right to simplify and clarify the role leaders were expected to play.

"When you give your people clarity, they thrive because they know what you expect," said Kristian.

Get the Timing Right

Kristian is recognized as a key executive team member whose strategic contributions are crucial in advancing the company's business strategy.

"As for having a seat at the executive table, she's constantly looking for ways to add value that are tailored to the needs of the business," said Connors. "She understands the strategy, she understands the business, and she watches what is happening in the industry."

Typically, when a new leadership model or other HR-led initiative is introduced, its goal is to benefit current employees.

Examples can include increasing employee wellness, promoting diversity awareness and inclusion, and providing skill training. While these initiatives

are important, the most effective HR leaders must also apply the strategic needs of the business to determine the most appropriate timing for these trainings to support the organization's goals best. Failing to do so may result in these initiatives detracting from the core objectives that drive results for the company.

At Enlyte, Kristian understood that the bringing together of three companies was distracting—leaders had a lot on their plates, synergizing enterprise systems and processes. She saw this as an ideal opportunity to create the Enlyte Leadership Model and get everyone aligned.

"The timing is now," she said. "Let's make it really simple for them: Here are the three things you do as a people leader at Enlyte."

Kristian understood that defining that new leadership model would require a mindset shift among the people leaders at all levels of the organization. She also knew that the success of inspiring this mindset hinged on partnering with key leaders across the organization to buy in and advocate for this new model.

Build a Winning Team

From the beginning, Kristian knew it would take more than her team of well-qualified HR professionals to achieve culture-changing experiences for their people leaders and employees. To create the mindset shift needed to align the business and people strategies, cross-functional participation and buy-in would be needed. It required a company-wide effort.

Kristian and her team began by drafting the principles they felt were important to Enlyte's culture and success. Then the team met with cross-functional leaders and influencers across the company.

But this wasn't intended to get a rubber stamp of success. The leaders invited to participate on the newly created steering committee included advocates and potential skeptics. Kristian understood this was a strategic opportunity to clarify and simplify the roles of leaders within the organization. And to do that, she needed input from key informal influencers and senior leaders to weigh in on what it meant to be a leader at Enlyte, so they felt ownership for the model.

Kristian had established a reputation for talking straight. "The senior leadership team listened and participated because [Kristian] made it clear she really wanted business leader input to refine this important model that would guide how we think about leadership. So they involved themselves in the ideation phase and contributed to the model," said Connors.

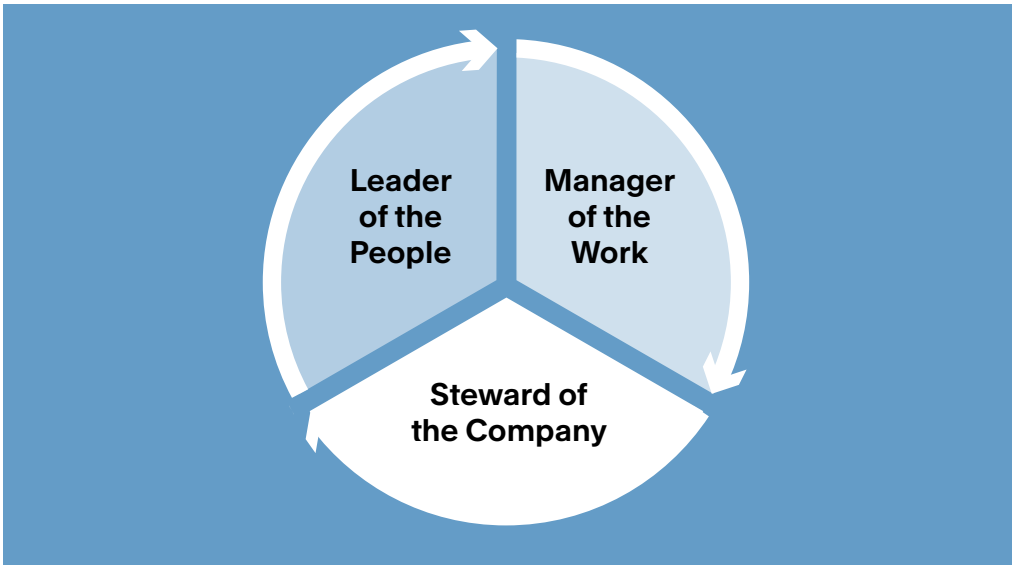
It took multiple conversations curated by Kristian and her team, asking, "What are the three roles our leaders play here? How do we think about leadership? What's your reaction to this model? Does this resonate with you? What would you change about it? Is there something that's missing?"

Provide a Blueprint

With the support of the steering committee, the Enlyte Leadership Model was born.

In addition to providing a framework for people leaders to follow and adapt to their unique circumstances, Kristian also helped institutionalize the model throughout all of the company's talent processes. By incorporating the values of the Enlyte Leadership Model into employee and people leader development planning, rewards and recognition, promotion criteria, and hiring criteria, Kristian and her team created a systemic approach to leadership development that is both effective and efficient. This best practice ensures that the leadership model is fully integrated into the organization, promoting consistency and alignment at all levels and creating a strategic asset for Enlyte.

The Enlyte Leadership Model



Leader of the People
"I earn their trust, engage their minds, and help them see the vision."

Manager of the Work
"I orchestrate and oversee the work that delivers results."

Steward of the Company
"I see beyond myself, my work, and my team for the good of Enlyte."

Source: Shared with permission from Enlyte.

Secure Buy-In

With the blueprint for the new leadership framework, Kristian arranged a meeting with Enlyte CEO Alex Sun. During the meeting, Kristian outlined the business needs she had identified and discussed the timing and participants involved in creating the framework. She shared the business case for how the framework would enhance business results and drive the company forward.

She received a quick response from Sun, who immediately saw the value of Kristian's work in creating the new leadership model for Enlyte.

"Alex Sun makes my job easy because he is such an empathetic and authentic leader," said Kristian. "He leaned in and asked his executive team to lean in too."

Kristian's team filmed Sun introducing the expectations of people leaders at Enlyte and the importance of a cohesive leadership model to drive the business.

"An important thing that Alex Sun did was to tee up the model as Enlyte's model, the business's model," said Connors. "It wasn't an HR model, and it wasn't HR saying, 'Let's roll this out.' It was Alex Sun rolling it out. That leader-led, top-down approach was imperative to the success of the rollout."

Top executives bought into the new model and shared examples of what it looks like to be an Enlyte Leader at the annual meeting.

Create a Culture-Changing Experience

In September 2023, executives and senior-level Enlyte people leaders across the company flew to San Diego, California, for the annual in-person senior leader meeting. To kick off the meeting, Sun, the CEO, introduced and advocated for the model and the subsequent introductory workshop.

"What message does it send when, for the one time a year when all the senior leaders and executives are together for eight hours, half of the meeting is spent introducing the model and that it's the CEO who's taking the lead, talking about the value, and then having them go through the workshop together?" said Connors.

Then, Kristian's team facilitated an interactive workshop.

"[Kristian] says it all the time, 'We don't do training, and check the box," said Connors. "That is not how we roll. What we do is create culture-changing experiences.'"

The in-person meeting was intentionally curated to create an impactful experience for the leaders. Instead of lining up rows of chairs in a conference room or letting leaders choose their seats, they strategically placed an executive at a round table surrounded by their senior leadership team.

Kristian and her team could have trained all 800 people leaders through a series of signup sessions. Instead, they chose a focused, intentional effort that purposefully included the senior leaders

who attended the in-person training. The broader people leadership team at Enlyte subsequently received a culture-changing experience with their senior leaders in intact leadership teams.

These workshops are not only led by senior leaders and co-facilitated with the team, but the leaders are also coached in preparation meetings on the key role they can play. For example, "We need you to champion this. This is what it looks like. These are the behaviors we want to see from you throughout the workshop. Here's how you might approach the opening comments. Here are some times you might want to join the conversation."

The team prepares senior leaders to facilitate the session by encouraging them to become storytellers. Senior leaders are asked to identify informal influencers among their team and engage them in advance to prepare to share personal stories about one of the three roles in the Enlyte Leadership Model. This approach ensures that each role is supported by multiple personal experiences and stories, adding depth and authenticity to the session.

"And we're helping the leader tie in what they need to achieve for their team or business unit's goals and strategies," said Connors. "Like, 'Hey Dave, what's top of mind for you right now? What do you need to achieve in your business unit? What do you think if we emphasize that behavior while talking about this role in the model?' So they see the strategic correlation between this model and how it can help them achieve their business results."

This approach requires more prep work, but Kristian knows it has a significant impact and creates the culture-changing experiences needed to influence the organization as a whole.

Results

Now that the model has been rolled out to all people leaders, the HR team is leading the effort to "institutionalize" the model by continuing to incorporate it into Enlyte's talent processes. One way they do that amongst others is use it as the basis of a leadership program for their newly hired and newly promoted leaders. The company is receiving anecdotal evidence of the powerful impact the sessions are having on Enlyte leaders across the enterprise.

From the post-workshop survey administered to gain perspective from the leader, initial reviews have been positive. For example:

> *"I've never bought into this stuff. I've never liked it. This is the first model that I can both remember and that I buy into."*

> *"This is simple, this is important, I get it."*

The Enlyte Leadership Model is clear enough that people remember and understand it well and recognize its importance. It's already making a huge impact. Participants are asked to rate how much they comprehend the training:

> *"1" is I understand it completely; give me a deck, and I'll go train it myself.*

> *"2" is I can recall and talk about what each of the three roles means.*

So far, the impact is high: 20% of the respondents are ready to train it ("1"), and

80% are prepared to discuss each of the three roles in the model.

In addition to the initial success measurements for the Enlyte Leadership Workshop, Enlyte conducts operations reviews, engagement surveys, and other measurements.

"But at the end of the day, it's, 'How do people feel about working here?" said Kristian. "People vote with their feet. And we are below industry averages for turnover, and it's pretty remarkable to see."

As CEO, Alex Sun has this to say about the progress so far, "While it is still early in the implementation of the Enlyte Leadership model, I view it as a way to reinforce cultural norms and serve as a practical guide to leadership at Enlyte. The three roles, Leader of the People, Manager of the Work, and Steward of the Company clarify expectations for our leaders. The behaviors associated with each role clearly articulate what we know engage our people and drive business results. For example, our managers are expected to have regular 1X1 and team meetings where individual and team priorities are identified and clarified, and advice is given and received. We believe we produce better work products when managers collaborate cross-functionally within Enlyte and partner well with our customers, so those are called out in our model. The model is essentially a roadmap for leading effectively and delivering results."

Discussion Questions

- What are your takeaways from Enlyte's story that will help you achieve the success you're looking for in your organization?
- How does MG Kristian's experience demonstrate the power of a mindset that balances the principles of human effectiveness and the principles of productivity?
- How did the right timing impact MG Kristian's ability to move the initiative forward?
- Based on what you know, what next steps could be taken to further establish the Enlyte Leadership Model inside the organization?

Comprehensive Evaluation Tool

Use this tool to assess where you are in all the areas of the transformation model. Mark in the white boxes at the top of each column where you are in the Maturity Continuum, and use the Comments section to capture your thoughts and/or create a more accurate description for your specific context (see example below). This assessment can help you identify next steps to make additional progress.

Example

Maturity Continuum: Create a strategically aligned leadership model.

LESS EFFECTIVE ☐	COMMON ☑	MORE EFFECTIVE ☐
We have no leadership model.	We have a set of statements that reflect the general values and behaviors we want to see our leaders exhibit. Although we may acknowledge it occasionally and may measure elements of it in a culture survey (or some similar assessment), leaders do not really feel accountable to it, and it is not a defining document for our leadership culture.	We have a leadership model that is current and reflects the mindsets and behaviors we view as critical to our success. Our senior leaders openly advocate for it and work to model those capabilities in their own leadership. Our leaders view it as a defining statement for our organization and feel accountable to it.

COMMENTS

- Our leadership model is somewhat dated.
- Although we had some energy around it several years ago, and it is still inspiring to read, we don't talk about it much any more.
- We have a new CEO, and she is emphasizing different leadership mindsets and behaviors than are in our model.
- We need to revise our leadership model, tie it more closely to our current strategy, and ensure we have our CEO's support.

Executive Leadership Role #1: Create a strategically aligned leadership model.

Maturity Continuum: Create a strategically aligned leadership model.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We have no leadership model.	We have a set of statements that reflect the general values and behaviors we want to see our leaders exhibit. Although we may acknowledge it occasionally and may measure elements of it in a culture survey (or some similar assessment), leaders do not really feel accountable to it, and it is not a defining document for our leadership culture.	We have a leadership model that is current and reflects the mindsets and behaviors we view as critical to our success. Our senior leaders openly advocate for it and work to model those capabilities in their own leadership. Our leaders view it as a defining statement for our organization and feel accountable to it.

COMMENTS

Executive Leadership Role #2: Build leadership capability with a systemic approach.

Maturity Continuum: Gap assessment.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We have a defined leadership model, but we don't know how well our leaders represent that model, either as individuals or across the organization.	We have a general sense of how our leaders are doing against the leadership model (from a culture survey or some other metric).	We have a clear understanding of how our leaders stack up against the leadership model, both individually and across the organization. We also have a clear view of leadership capability for the strategic roles that are most critical for our organization's success for the next three to five years.

COMMENTS

Maturity Continuum: Effective learning journeys.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
Our leadership development programs are eclectic and generic in nature and are not intentionally aligned with the mindsets and behaviors crucial for moving the organization forward. They consist largely of one-off, self-selected, skill-based courses; we have no real learning journeys that target specific changes in behavior.	We have some intentional leadership-development journeys for specific audiences (senior leaders, high potentials), while other audiences are left largely to their own devices. Programs are treated more like training events or rewards than as profound parts of an ongoing learning journey to build widespread strategic capability.	We have a full range of highly focused and intentionally designed learning journeys for leaders at every level. These center on crucial mindsets and behaviors and create profound personal and social experiences over time that will advance our organization's strategy.

COMMENTS

Maturity Continuum: Measurement and accountability.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We do not measure the impact of our programs, and there is no accountability for behavior change.	We routinely measure things like participants' ratings, and we notify leaders of their team's participation so that they can provide additional encouragement and support to apply behaviors on the job.	We consistently measure behavior change over time and have a reliable approach for ensuring that people feel accountable for adopting new mindsets and behaviors.

COMMENTS

Maturity Continuum: Critical mass.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
Our leadership development is focused primarily on people at the top rather than on developing a widespread leadership capability in our organization.	While we want to build a leadership culture that changes our organizational performance, our efforts only reach a small portion of our leaders in the organization at any given time.	Our leadership effort is designed to create significant behavior change and shift the performance of our organization. As a result, most of our formal leaders (73% or more), along with high potentials and other key opinion leaders, are receiving this development in an intentional way.

COMMENTS

Maturity Continuum: Workforce planning.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We do not have a workforce plan.	We have a workforce plan (partial or complete), but it doesn't explicitly connect to our leadership model.	We have a workforce plan and our leadership model and the data around it are integral parts of how we think about the leaders we need to hire and develop.

COMMENTS

Maturity Continuum: Talent acquisition.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
Our hiring of leaders is not systematic and is done differently throughout the organization. It is unconnected to our organization's leadership model.	We have established hiring practices for leaders, and they are generally used throughout the organization. We may mention our leadership model in that process, but we have no real system for evaluating candidates in relation to the model.	We have strong systems for finding and hiring leaders who match our leadership model, and they are used consistently throughout the organization.

COMMENTS

Maturity Continuum: Learning and development.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We do not have an adequate learning platform to support our learning and development needs, particularly for our leaders.	We have several learning platforms and content subscriptions in use, but they are not organized and are not tied to our leadership model. They do not support the kind of rich, multi-mode learning journeys we want to use to develop our leaders and usage is low.	We have a learning platform that supports the rich developmental experiences we want to provide for our leaders. It is tied directly to our leadership model, and it supports deployment at scale. People use it regularly and enjoy it.

COMMENTS

Maturity Continuum: Performance management.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We do not have a structured or uniform approach for evaluating the performance of our leaders.	We have a system for performance management, but it focuses on financial results. It does not include the mindsets and behaviors in the leadership model.	We have a structured and data-driven way of addressing both people and performance results in our reviews. Our leadership model plays a central role in our evaluations, and leaders are also assessed on how well they are learning and developing the high-value skills and capabilities needed to advance our strategy.

COMMENTS

Maturity Continuum: Compensation and benefits.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
Even in areas where it is possible, compensation is not connected to our leadership model. Nor do we have any form of systematic recognition or public acknowledgment for leaders who demonstrate the desired mindsets and behaviors.	Even in areas where it is possible, compensation is not connected to our leadership model, but we do have regular and systematic ways of celebrating leaders who demonstrate the mindsets and behaviors we want to see throughout our organization.	Where possible and appropriate, some form of compensation is directly tied to our leadership model. We also have regular and systematic ways of celebrating leaders who demonstrate the desired mindsets and behaviors.

COMMENTS

Maturity Continuum: Succession planning.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
Our organization has no formal succession plan in place. Replacements and promotions are made on an ad hoc, as-needed basis.	We have a succession plan for key leadership roles. Potential candidates are identified primarily on the basis of their performance, but we don't evaluate them according to our leadership model, and we don't have a specific development plan for them that is influenced by that model.	We have a robust succession plan for our key leadership roles. Our leadership model is an important part of how we evaluate and develop people who will be filling those roles.

COMMENTS

Maturity Continuum: Talent retention.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We do not have a comprehensive view of who our most talented leaders are or a reliable assessment of their flight risk. As a result, we have no intentional process of engagement to mitigate that risk. When we lose key people, it is often a surprise.	We know who some of our most talented leaders are, and we pay close attention to them. But we are probably missing many leaders who should be on our radar. We largely count on their direct managers to retain them. We have no widespread system in place for tracking this risk, and our leadership model is not a formal part of our evaluation of the leaders we do identify.	We have a process in place to identify our most effective leaders throughout the organization, and our leadership model plays an important role in that evaluation. Where we identify flight risks, we engage with those leaders and do what is possible to retain them. Some departures are a surprise, and we experience some turnover, but we are effective in retaining the majority of the leaders we want to keep in our organization.

COMMENTS

Maturity Continuum: Offboarding.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We have no formal post-departure evaluation process that can help us retain other great performers.	We have a post-departure review process, but the results are not widely shared and are rarely acted on. We do not use leadership transitions as a way to reinforce our leadership model.	We have a consistent post-departure review process, and the results are appropriately shared and acted on. We use leadership transitions (whether voluntary or involuntary) as a way to affirm and reinforce our leadership model.

COMMENTS

Maturity Continuum: Management technology and tools.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
We don't have any technologies or tools that support our leaders in carrying out foundational management processes.	We have a variety of tools available, but they are not used consistently, and they have not been evaluated in terms of how well they support the mindsets and behaviors we want our leaders to exhibit.	We have a few carefully chosen tools that help our leaders carry out their work in a way that supports the mindsets and behaviors in our leadership model and that we want to establish throughout our organization.

COMMENTS

Maturity Continuum: Organizational design and workflows.

LESS EFFECTIVE ☐	COMMON ☐	MORE EFFECTIVE ☐
Our structure, processes, policies, and workflows have not changed much over the years, and we are having a hard time adapting to the requirements of our current strategy. Our leaders are either frustrated by how we operate or have become experts in doing what we've always done.	We make changes to structure, processes, policies, and workflows where we see a need, but we rarely consider them in terms of our overall strategy and the leadership mindsets and behaviors required to execute it. Changes are usually made in response to cost-cutting or other initiatives and are more reactionary than strategic.	We have looked carefully at how our current structure, processes, policies, and workflows support our strategy and the leadership mindsets and behaviors required to support it. Where changes are needed, we have a plan to make them in a thoughtful, prioritized way.

COMMENTS

Methodology

Our research design included four courses of exploratory study: a comprehensive literature review, quantitative data collection from a survey instrument, qualitative data collection through virtual interviews and open-ended survey responses, and case studies.

Literature Review

A thorough literature review was conducted by our research team, reviewing hundreds of the most cited academic reports, business articles, and other relevant thought leadership.

Aside from the proprietary primary data gathered by the FranklinCovey Institute, other data referenced in this report were populated from published studies, books, and other referenced sources and can be found in the Notes section.

Survey: "2023–2024 Global Leadership Survey"

The primary survey data in this report comes from the 2023–2024 FranklinCovey Global Leadership Survey. The survey was developed for this study and designed to extract primary quantitative and qualitative data from practicing experts and leaders across industry, discipline, and geographic region around the world on the topic of leadership and behavior change at scale. The survey was globally distributed, available in six different languages (English, Simplified Chinese, German, Japanese, Spanish, and French) and was in the field for five months.

The participants surveyed were primarily learning and development or business leaders at a manager level and/or higher.

From the initial pool of respondents, our research team conducted a rigorous data-cleaning process. This involved removing all personally identifiable information, filtering out incomplete responses, and refining the dataset to a final sample of 503 valid observations with 201 measurable variables.

Virtual Interviews: "Global Conversations on Leadership"

The utilization of virtual interviews as a method of primary data collection was conducted by our research team. We conducted thirty-six open and candid conversations with CHROs, CLOs, and other senior-level learning and development practitioners and twelve leadership experts and consultants from around the globe, totaling forty-eight virtual interviews. Our sampling strategy was grounded in finding professionals who had demonstrated experience that closely aligned with the focus of this report. The structure of the "Global Conversations on Leadership" was to provide a framework to gather consistent data, while offering flexibility in asking follow-up questions to allow emerging exploratory themes (particularly those consistent to region, industry, or perspective). We anonymized and aggregated the data (via quotes), identifiable only by role, location, years' experience, and company size.

Case Studies

The selection of case studies for this report were collected by a purposeful sampling strategy, ensuring the organizations and leaders demonstrated excellent, tactical examples of achieving impact within their organizations. Both FranklinCovey clients and non-clients were interviewed, and the three chosen to highlight in this guidebook include two clients and one non-client.

Notes

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3. "CEO and Board Confidence Monitor: A Worried Start to 2024," Heidrick & Struggles, January 17, 2024. https://www.heidrick.com/en/insights/board-of-directors/ceo-and-board-confidence-monitor-a-worried-start-to-2024. In November 2023, Heidrick & Struggles fielded an online survey with data from 3,156 respondents. Of those, 2,320 were CEOs and 836 were directors. Forty-one percent were in Europe; 38% in North America; 10% in Asia Pacific; 4% in each of Latin America and the Middle East; and 2% in Africa. Respondents represented companies of all sizes; 23% reported annual revenue of $1 billion or more. Companies ranged across all industries.
4. *Whitewater*, "Videos from the 8th Habit," Created by FranklinCovey, https://www.franklincovey.com/resources/videos/the-8th-habit/.
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7. Steven T. Hunt, *Talent Tectonics: Navigating Global Workforce Shifts, Building Resilient Organizations, and Reimagining the Employee Experience* (Hoboken: John Wiley & Sons, 2022). We call these trends "tectonic" because they represent fundamental, long-term shifts that cause a variety of manifestations on the surface. A friend and collaborator who also uses this term is Steven T. Hunt. You can read his take on these and related trends and their implications in his aforementioned book.
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13. "State of the Global Workplace," 24. Gallup, Inc., Accessed July 17, 2024. https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx. Those who feel involved in and enthusiastic about their work -- remains at 23%, matching the record high recorded in 2022, according to Gallup's State of the Global Workplace report. But most employees are not engaged (62%) -- those who show up, do the bare minimum and are uninspired by their work -- or actively disengaged (15%).
14. Jim Clifton and Jim Harter, *Culture Shock: An Unstoppable Force Is Changing How We Work and Live. Gallup's Solution to the Biggest Leadership Issue of Our Time.* (Washington, D.C.:Gallup Press, 2023), 81.
15. Gallup, Inc., "State of the Global Workplace," 22.
16. Clifton and Harter, *Culture Shock: An Unstoppable Force Is Changing how We Work and Live. Gallup's Solution to the Biggest Leadership Issue of Our Time*, inside flap.
17. Unless specifically noted, all comments come from the interview-based research ("Global Conversations on Leadership") related to this study. Quotes are anonymized to respect the privacy of the leaders who shared this information with us.
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26. Ibid., 24-28.

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29. The Josh Bersin Company, "The Definitive Guide to Leadership Development: Irresistible Leadership," 27.

30. Douglas McGregor, *The Human Side of Enterprise: Annotated Edition* (New York: McGraw Hill, 2006).

31. Robert K. Greenleaf, *Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness 25th Anniversary Edition* (Maheah: Paulist Press, 2002).

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33. Amy Edmondson, "Psychological Safety and Learning Behavior in Work Teams." Administrative Science Quarterly 44, no. 2 (1999): 350-383. https://doi.org/10.2307/2666999.

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35. This approach has sometimes been called "enlightened command-and-control" and while it is typically better than hard-core command and control approaches, it still leaves a lot of human potential on the table. Stephen M.R. Covey's research shows that only 8% of leaders operate with what he calls a "Trust and Inspire" style, one that truly leaves the old model behind and taps into the full gifts and talents of the "whole person."

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48. The Josh Bersin Company, "The Definitive Guide to Leadership Development: Irresistible Leadership," 24.

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52. FranklinCovey Institute, "Global Leadership Survey," 2023-2024.

53. Wiseman, Multipliers, 16.

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55. FranklinCovey Institute, "Global Leadership Survey," 2023-2024.

56. Excerpt(s) from EXECUTION: THE DISCIPLINE OF GETTING THINGS DONE by Larry Bossidy and Ram Charan with Charles Burck, copyright © 2002 by Larry Bossidy and Ram Charan. Used by permission of Crown Business, an imprint of Random House, a division of Penguin Random House LLC. All rights reserved.

57. FranklinCovey Institute, "Global Leadership Survey," 2023-2024.

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59. "The Leader in Me Research Guide," FranklinCovey, Accessed July 12, 2024. https://www.leaderinme.org/research-highlights-leadership/. One unique and particularly well-researched source of data comes from FranklinCovey's Education division, which provides whole-school transformation offering to thousands of elementary schools worldwide. That transformation model revolves around six specific offerings that need to change to operate a school more effectively and help develop leadership skills in children. This approach to school transformation, called Leader in Me, has been validated by over 30 independent, university-based studies, and it consistently yields dramatic impacts on everything ranging from improved academic achievement to decreased disciplinary events.

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Liat Eldor, "Leading by Doing: Does Leading by Example Impact Productivity and Service Quality?" Academy of Management Journal 64, no. 2 (2021): 1-35. Accessed July 8, 2024. https://doi.org/10.1007/s11573-023-01176-2. See also, "The findings provide evidence that leading by example improves productivity and service quality. . . .The indirect effect of leading by example on productivity and service quality (through engagement) is even stronger when manifestation of organizational core values is high."

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64. Excerpt(s) from MINDSET: THE NEW PSYCHOLOGY OF SUCCESS by Carol S. Dweck, copyright © 2006, copyright by Carol S. Dweck. Used by permission of Ballantine Books, an imprint of Random House, a division of Penguin Random House LLC. All rights reserved.

65. Used with permission: Robert J. Anderson, William A. Adams, and Ed Catmull, *Scaling Leadership: Building Organizational Capability and Capacity to Create Outcomes that Matter Most*. Hoboken: John Wiley & Sons, 2019) 189 & 191; permission conveyed through Copyright Clearance Center Inc.

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67. Edgar H. Schein, *Humble Leadership, Second Edition: The Power of Relationships, Openness, and Trust* (New York: Berrett-Koehler Publishers, 2023).

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69. Dweck, *Mindset: The New Psychology of Success*, 7.

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87. Gallup, Inc., "State of the Global Workplace," 32.

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Those familiar with the field will recognize the early founder Jay Galbraith and his STAR model, described in the 1973 book *Designing Dynamic Organizations,* the McKinsey 7s Model, and other similar approaches.

    David P. Hanna, *Designing Organizations for High Performance* (New York: Ft Press, 1988). Hanna offered the Organizational Performance (OP) Model in the late 1980s and was an early thought leader at FranklinCovey in this area. His model places a stronger emphasis on the culture-and-people part of organizational design.

94. Robert I. Sutton and Higgy Rao. *The Friction Project: How Smart Leaders Make the Right Things Easier and the Wrong Things Harder* (New York: St. Martin's Press, 2024) 237.

95. Modern methods such as "customer journey mapping" and experience design can be helpful in areas like these, on workflow automation platforms such as ServiceNow and Microsoft Power Automate, with workflow automation features in SAP, etc.

96. Gary Hamel and Michele Zanini, *Humanocracy: Creating Organizations as Amazing as the People Inside Them* (New York: Harvard Business Review Press, 2019) 209.

97. Dewar, Keller, and Malhotra. *CEO Excellence: The Six Mindsets That Distinguish the Best Leaders from the Rest*, Chapter 5: Organizational Design Practice.

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FranklinCovey (NYSE:FC) is a performance transformation company with operations in over 160 countries. We help organizations achieve breakthrough results by systematically improving the effectiveness of their leaders, culture, and ability to achieve their most important goals.

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The FranklinCovey Institute produces research and resources to help leaders increase human effectiveness and improve organizational performance in a rapidly transforming world.



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