



Leadership Development in the Age of Disruption

Best Practices to Reinvent
Leadership Development amidst
Continued Turbulent Times and
Technology Transformation



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Introduction

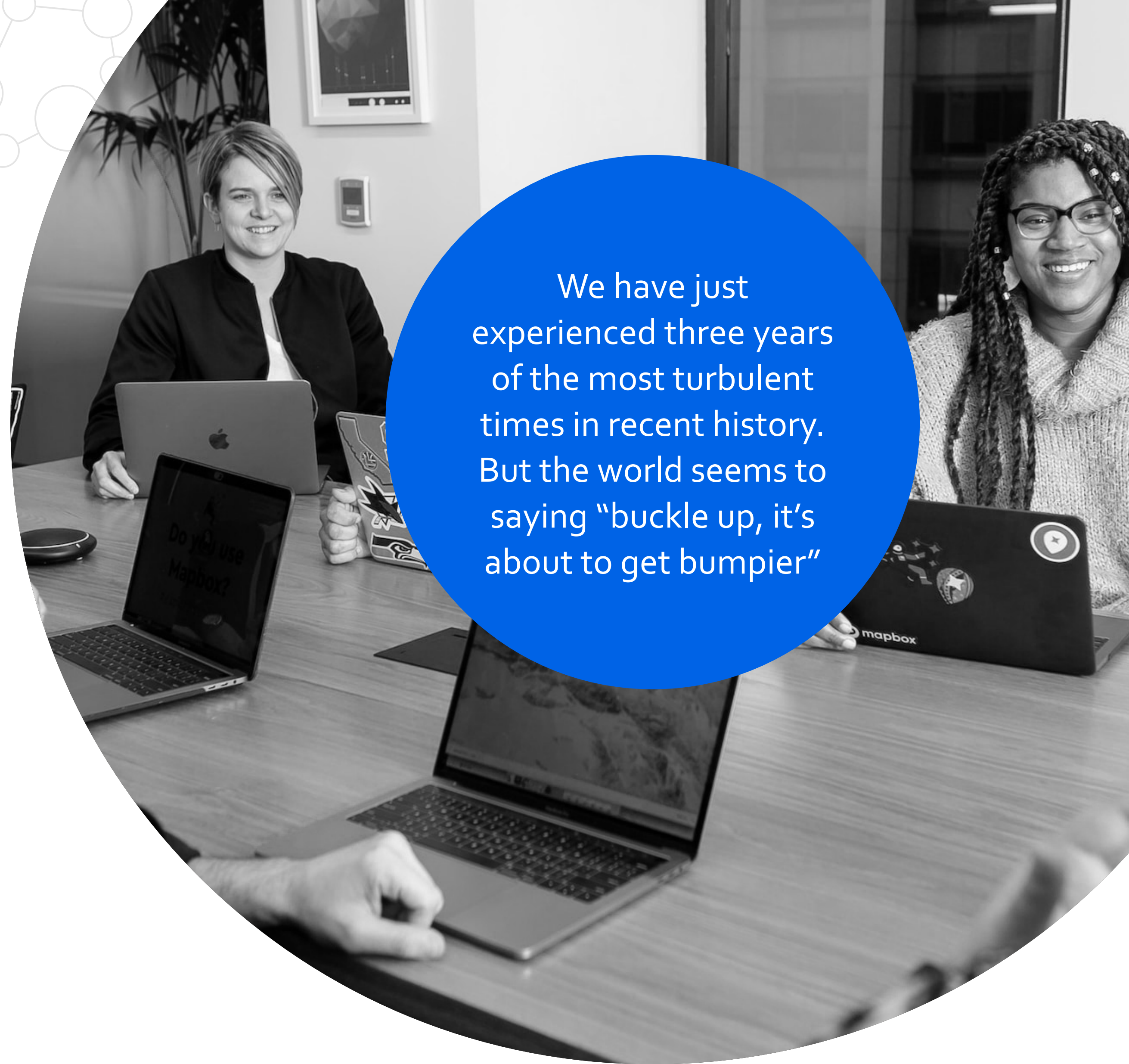
The global pandemic, inflation, and near-recession have fueled several new challenges for leaders. Additionally, they must figure out how to handle the dramatic changes that resulting from emerging technologies such as ChatGPT and other artificial intelligence-based tools.

On top of their traditional responsibilities, today's leaders must also deal with trends such as the "Great Resignation," "Quiet Quitting," and "Bare Minimum Mondays." All this while piloting their employees and organizations toward optimum performance.

For the seventh consecutive year, Training magazine and Wilson Learning Worldwide have teamed up to conduct a survey focused on what creates effective leaders. This year we focused on results that help organizations navigate a period of turbulence amidst the need for high performance and retain their valuable talent.



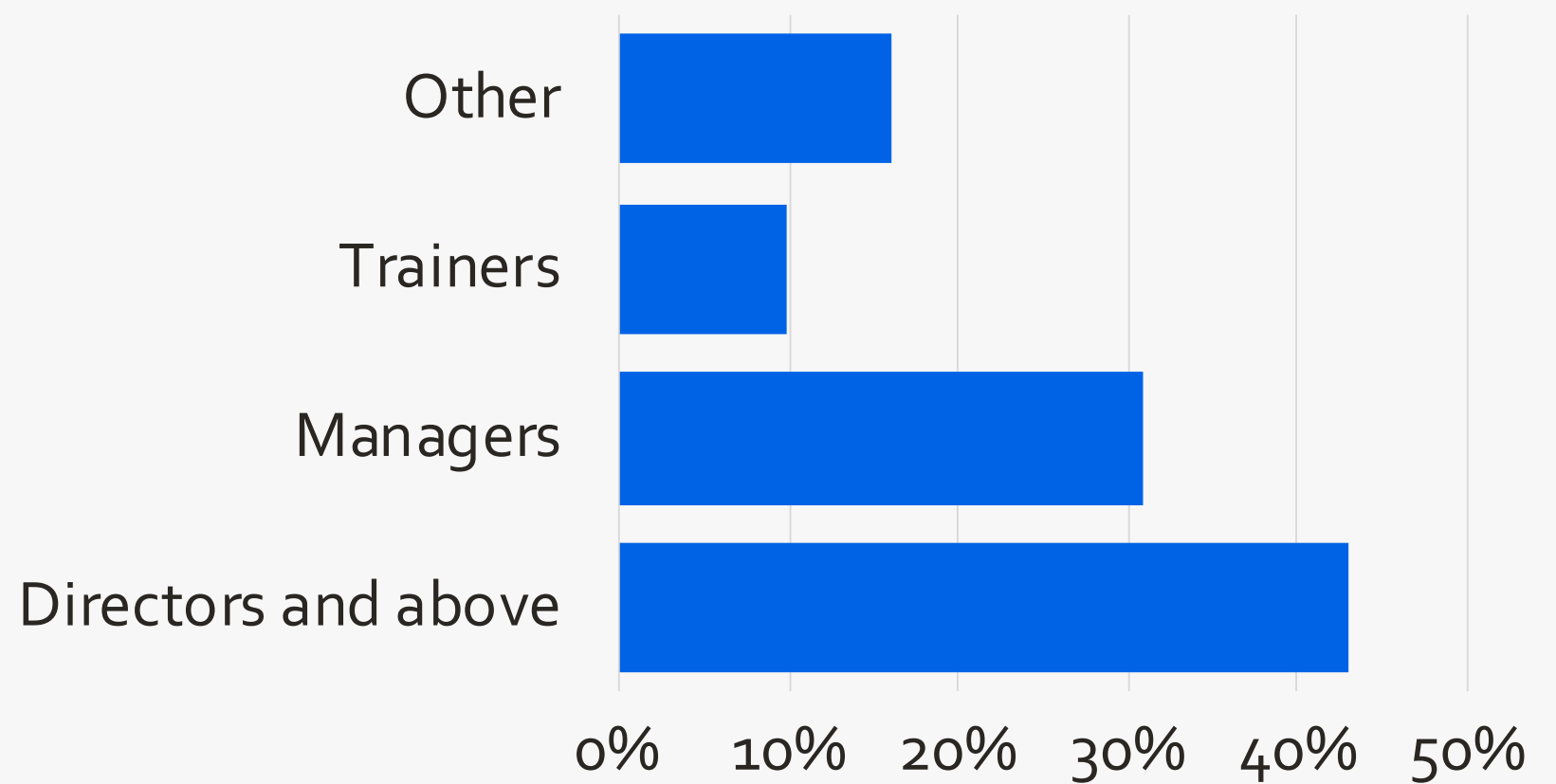
We have just experienced three years of the most turbulent times in recent history. But the world seems to saying "buckle up, it's about to get bumpier"



Who Participated in the Survey?

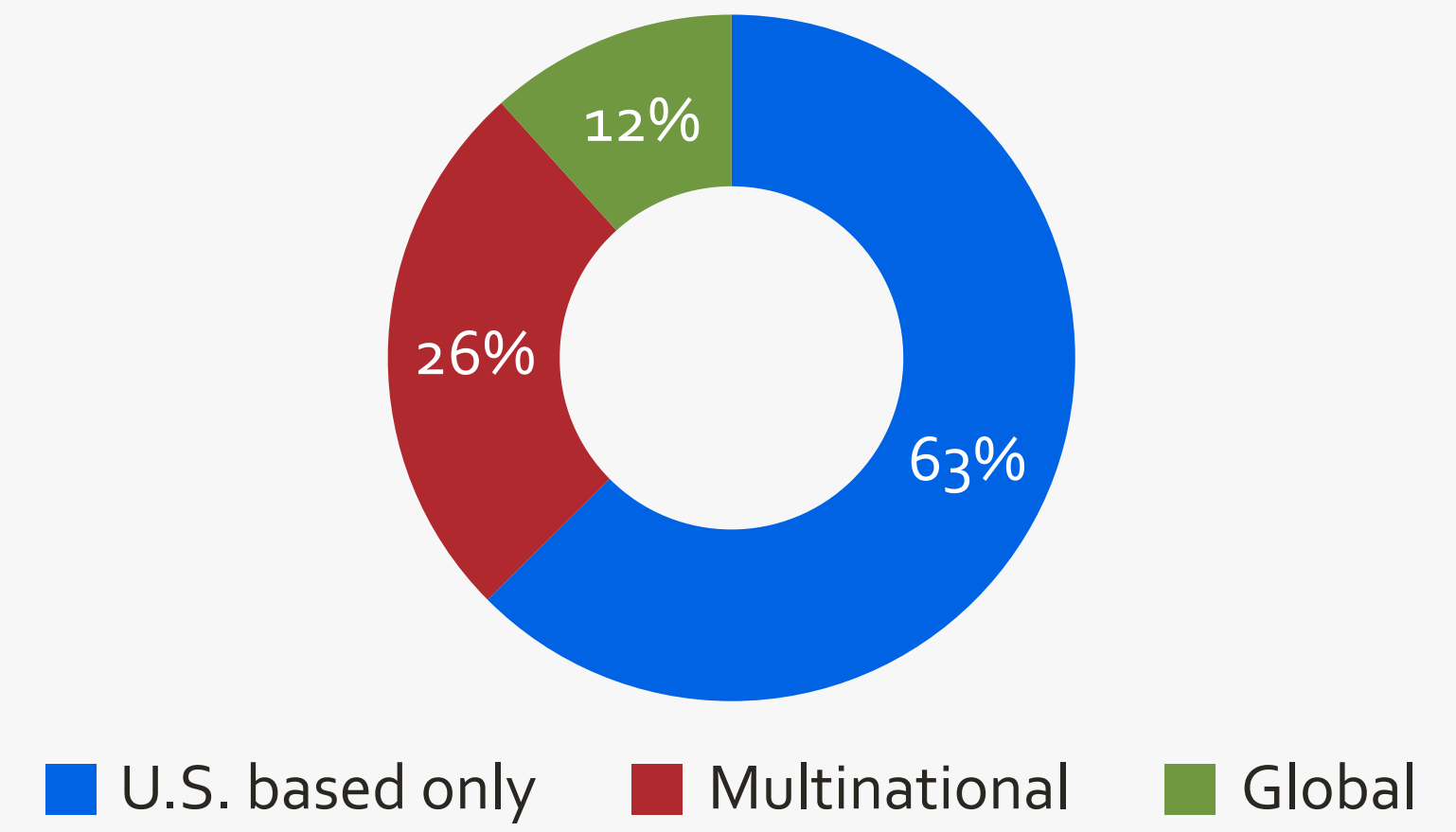


55% in Management Positions



13,835
Average Number of Employees

63% Operated Only in the U.S.



Key Findings

We saw a remarkable increase in responses. 820 professionals participated in 2022. This year over 2200 responded to the survey this year, bringing the six year total to over 6,000 participants. Despite this increase participant demographics remain similar to previous years, with increasing proportion coming from Learning and Development decision makers, Director and above management position.

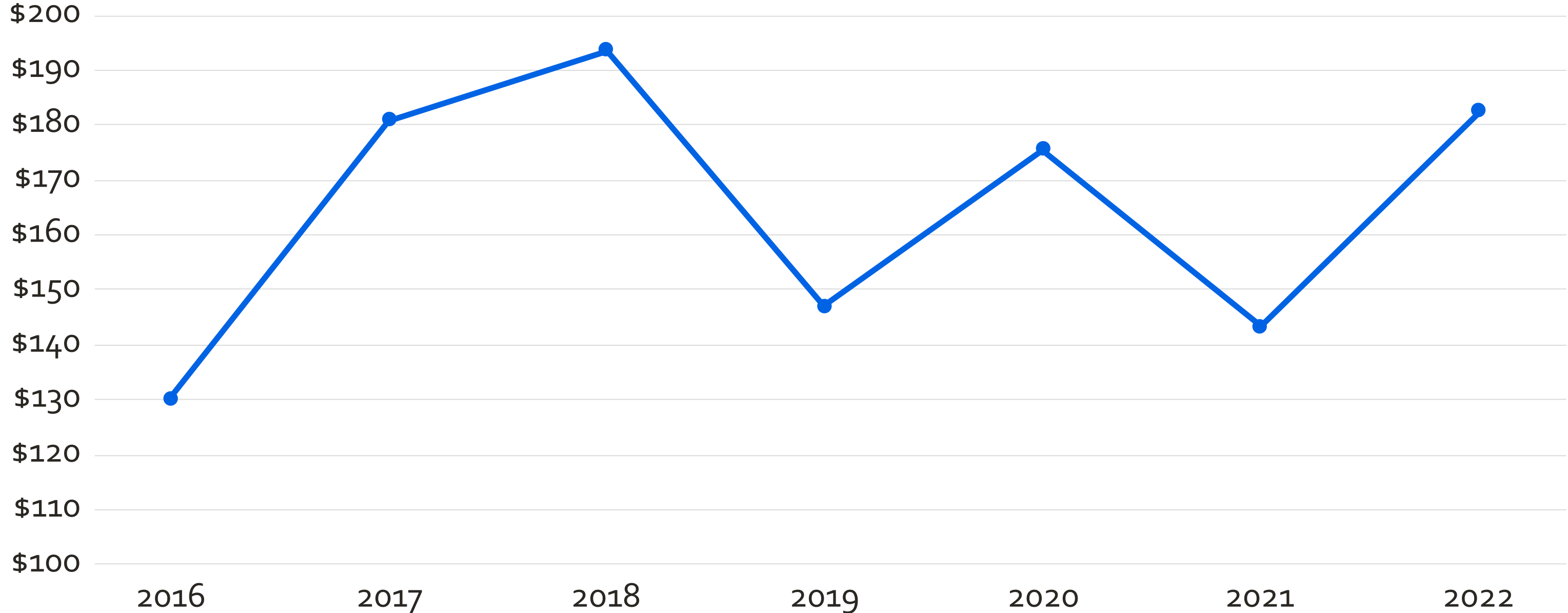


Investment in Leadership Development

Investment in leadership development has varied greatly over the past seven years. The overall trend suggests that support for leadership development is inconsistent and not as strategic as it could be.

Total Training Spending Trends

Total Training Spending per Employee

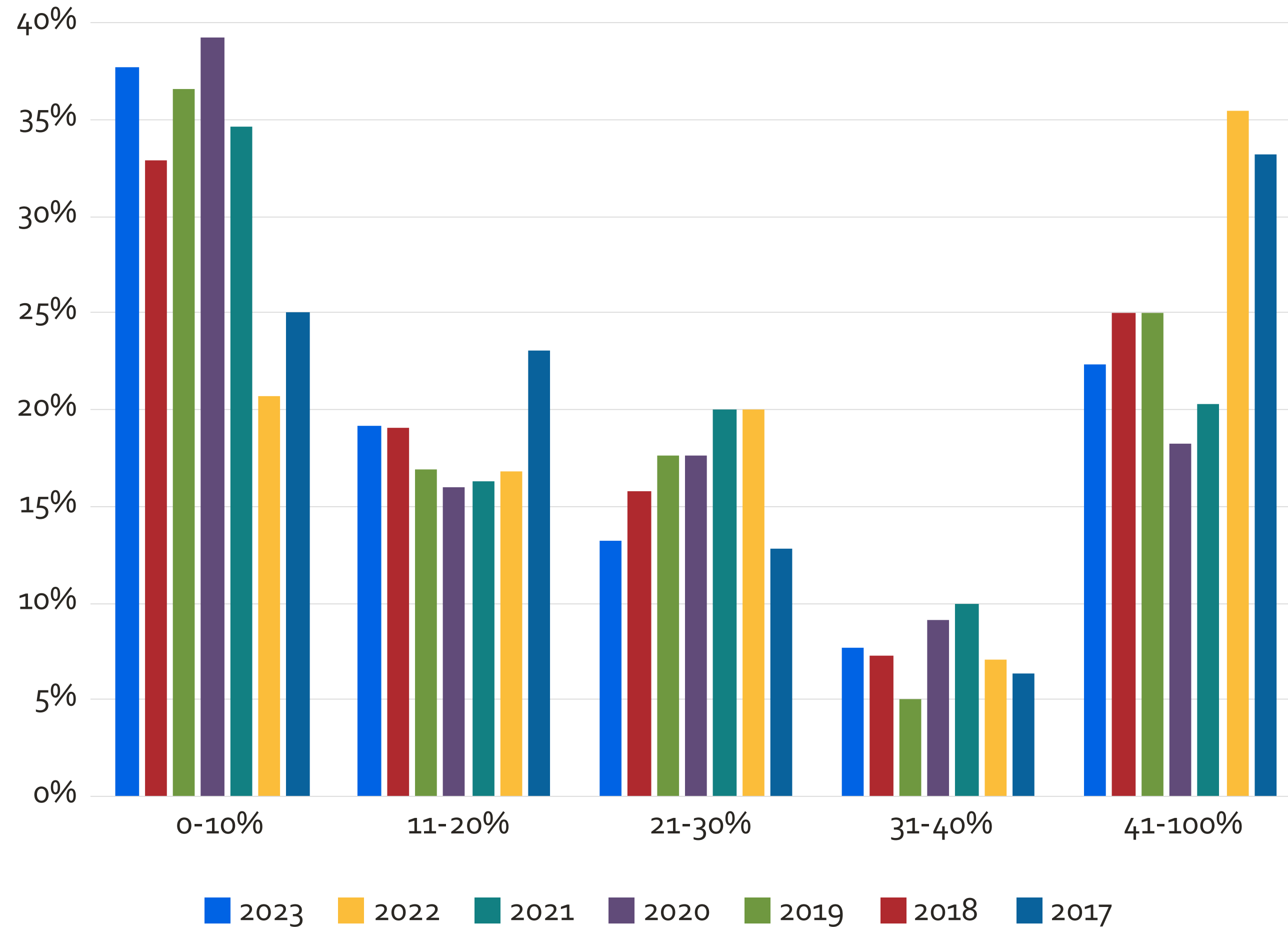


Key Findings

Training and development spending per employee has seen large fluctuations over the seven years of the study. This past year saw one of the most significant increases in spending (+27 percent) after one of the larger decreases in 2021 (-18 percent).

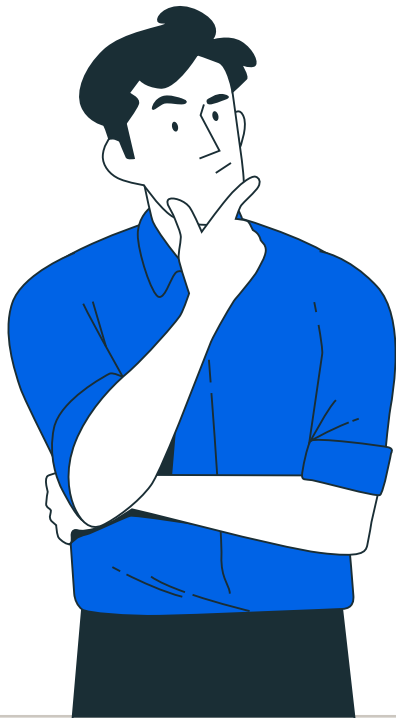


Percent of Budget for Leadership Development



Key Findings

Despite the increase in training expenditures overall, we saw a decrease in the percentage of the training budget allocated to leadership development. More organizations spent on the lower end (0 to 20 percent of the training budget) and fewer on the higher end (31 to 100 percent).

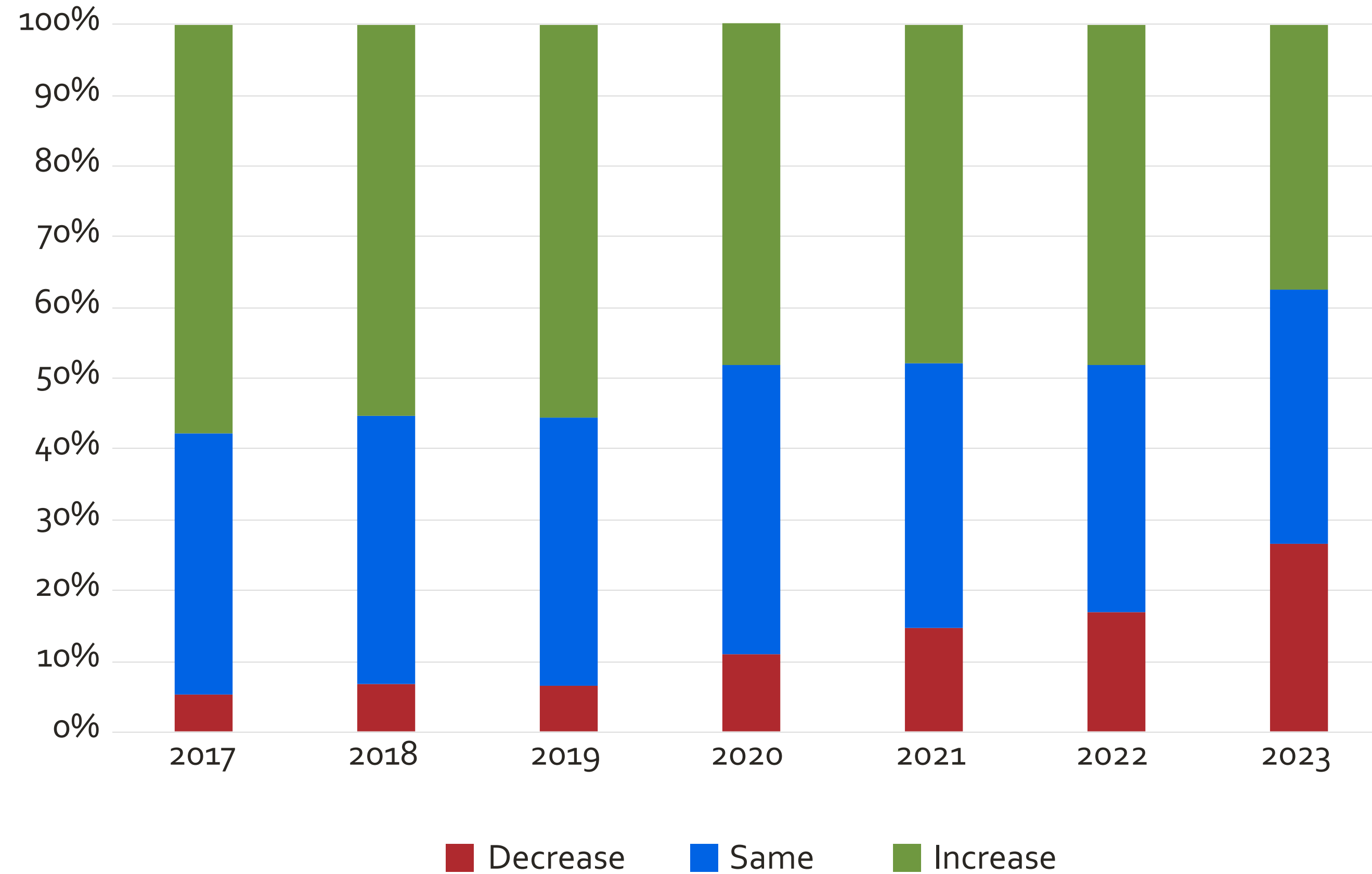


Investing in your leaders is investing in your front-line employees. People don't quit because of the pay, they quit because they aren't happy in their role. If they have a great leader, they will feel fulfilled, challenged and happy.

-Survey Respondent, Best Practice

Future Investment

Anticipated Change in Budget Over Next 12 Months



Key Findings

This year continued a trend of lowered budget expectations for the future. When we started the survey in 2017, only 5 percent of organizations anticipated a decrease in spending. This year, more than a quarter (27 percent) indicated that they anticipate a reduction in the budget allocated to leadership development.













Leadership Skill and Character Priorities

Priority leadership skills has remained amazingly consistent over the years. Coaching skills and communication skills have been the number 1 and 2 ranked skills in every year of the survey.

The top 10 priority skills has shown almost no change over the six years of the study, with the exception of diversity and inclusion skills.

Priority Leadership Skills

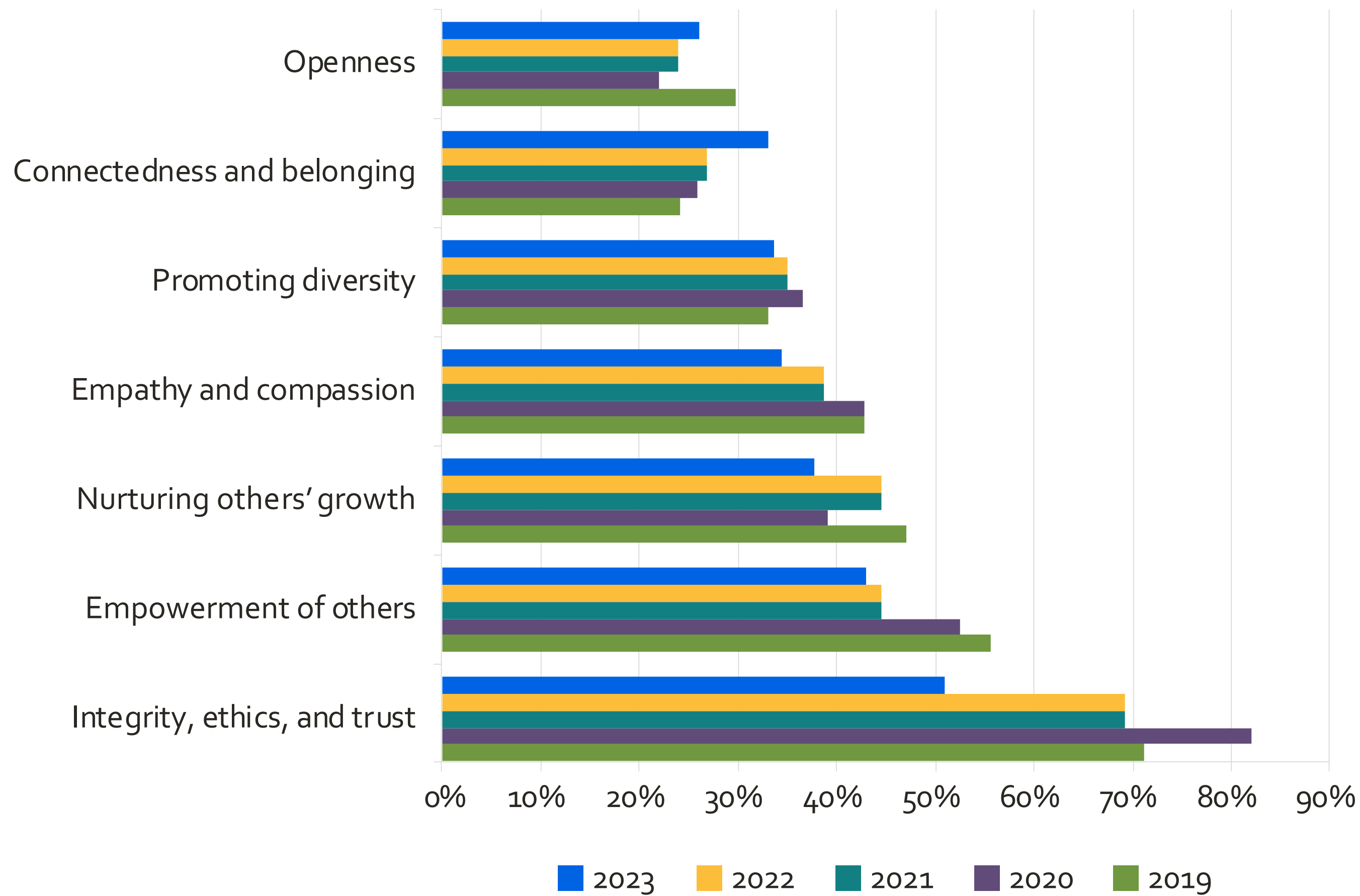
Leadership Skill	2018 Rank	2019 Rank	2020 Rank	2021 Rank	2022 Rank	2023 Rank
Coaching/Developing others	2	1	1	1	1	1
Communication skills	1	2	2	2	2	2
Team leadership	3	7	5	5	3	3
Strategy development and alignment	4	6	7	7	5	4 
Emotional intelligence skills	7	3	4	4	4	5 
Change leadership	5	5	6	6	9	6 
Interpersonal relationship skills	6	13	13	12	8	7 
Performance management	9	4	3	8	7	8 
Adaptive thinking and problem solving	10	10	8	10	10	9 
Moving others	8	15	14	13	12	10 
Creative engagement	11	8	9	9	11	11
Diversity and inclusion			12	3	6	12 
Providing feedback	12	9	10	14	13	13

Key Findings

This year we saw the greatest number of changes from the last six surveys. While coaching and communication skills have remained the #1 and #2 ranked skills for all seven surveys, 11 of the 18 skills changed rank. Diversity and Inclusion had the biggest change, dropping back to its lowest rank of 12th. The largest increase in priority was for change leadership, rising from 9th to 6th. When asked about new, emerging leadership skills, participants pointed to the need to develop remote/hybrid leadership skills as critical new skills.

Leadership Character Priorities

Top Seven Leadership Character Elements



Key Findings

This year the greatest increases in the number of organizations offering programs on character development. Overall, 78 percent of organizations offer some form of leadership character development, almost double that of 2020.

Integrity has remained the priority in developing leadership character in all seven years of the survey, but its prominence has declined. In past years, over 70% saw Integrity as a priority, only 51% this year. What has increased? Openness and Connectedness.



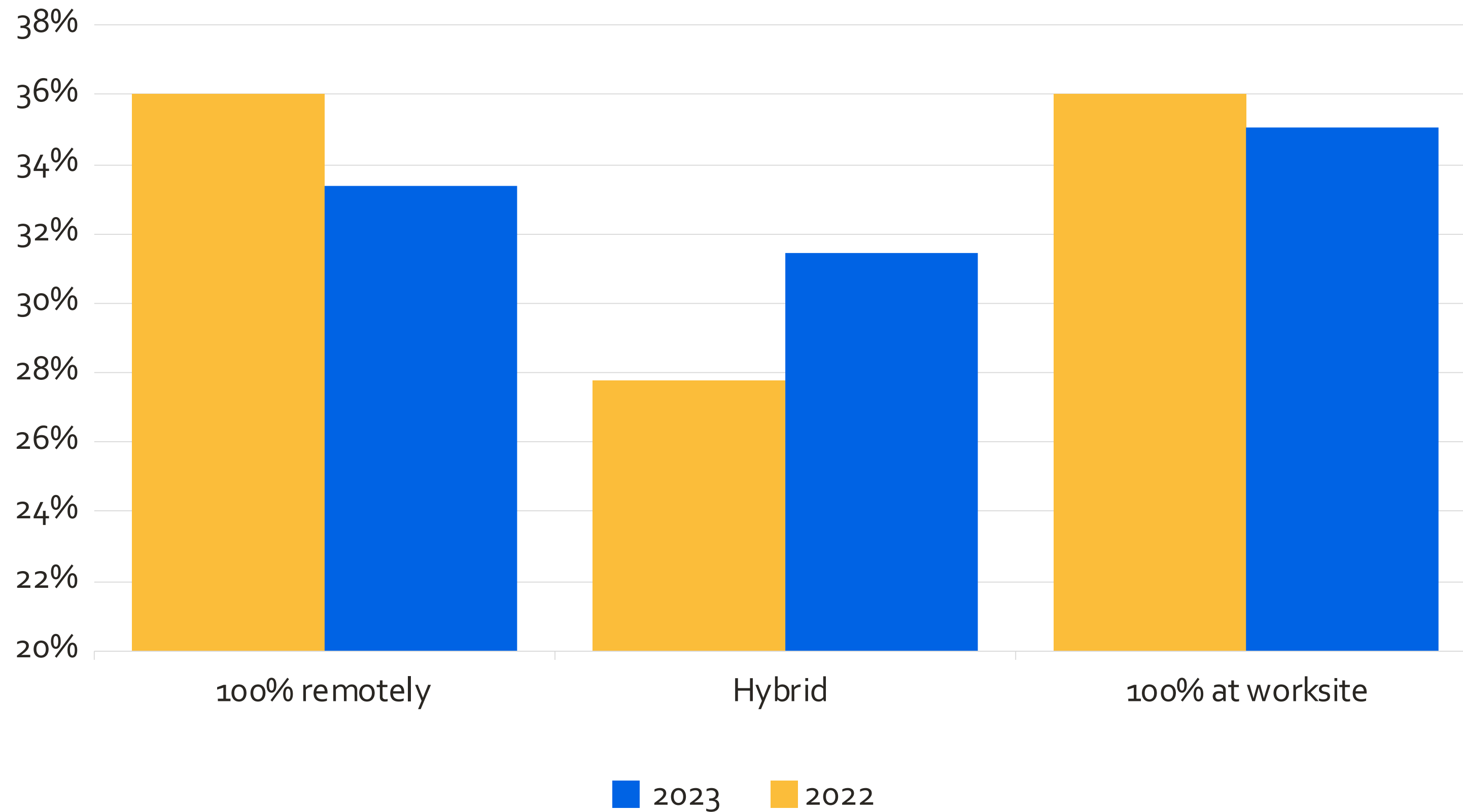
Changing Work Environments

One of the widespread impacts of the pandemic has been the increase in remote and hybrid work environments. In last year's survey, the trend was toward either 100 percent remote or 100 percent at the work site. This year is different

The pandemic has shed a bright light on leadership effectiveness. Good leaders excelled during this period of rapid change. Poor leaders were brutally exposed for their shortcomings.

Hybrid Work Environments

Current Work Environments



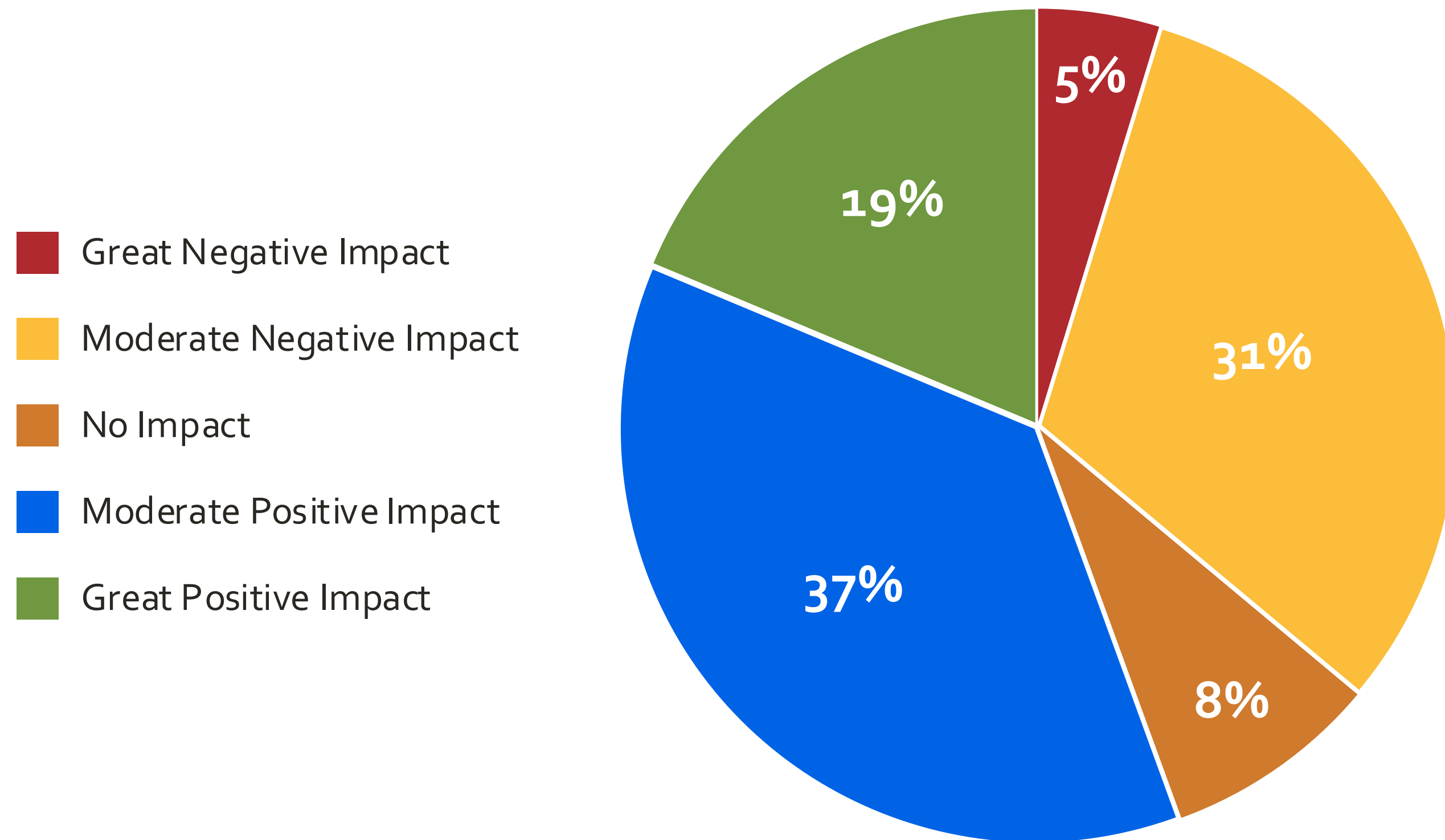
Key Findings

This year, hybrid work environments was the only category to show an increase. Hybrid work is now roughly on par with full worksite and full remote work.



Impact on Leadership Effectiveness

Hybrid Work Impact on Leadership Effectiveness



- Great Negative Impact
- Moderate Negative Impact
- No Impact
- Moderate Positive Impact
- Great Positive Impact



Key Findings

Hybrid work environments seems to be having a positive impact on leadership effectiveness. Fifty-six percent indicated that hybrid work has been a net positive for their organization, only 36% feel it has been negative.



Pre-pandemic, we had folks who were remote due to their location and we often sort of 'forgot' about them when we planned events and meetings. Now everyone is remote, so we are more inclusive.

-Survey Respondent, Best Practice

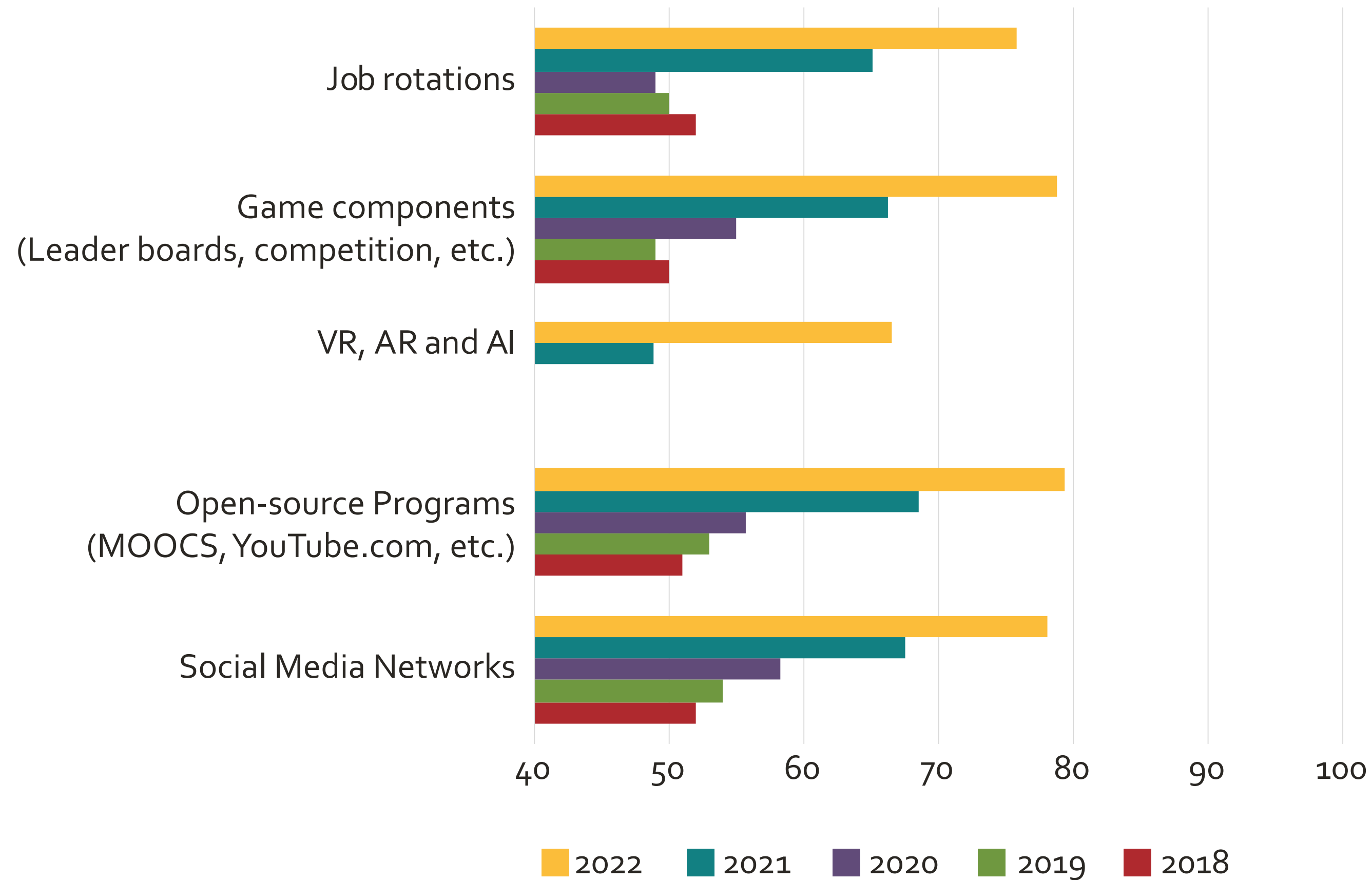
A man with glasses and a beard, wearing a dark polka-dot shirt, is standing in a meeting room. He is gesturing with his hands as if presenting. In the background, there is a whiteboard and a window with blinds. The image is overlaid with a blue semi-circle on the left and a large yellow circle on the right containing text. A network diagram of circles and lines is visible in the blue area.

Approaches to Leadership Development

In previous surveys, we found that the percentage of organizations using different learning methods had not changed significantly. That was not the case this year. All 24 methods showed an increase in the number of organizations using them.

Use of Learning Methods: Five Greatest Changes

Changes in Learning Methods used (2018 to 2022)



Key Findings

There was a noticeable uptick in technology-focused delivery methods such as:

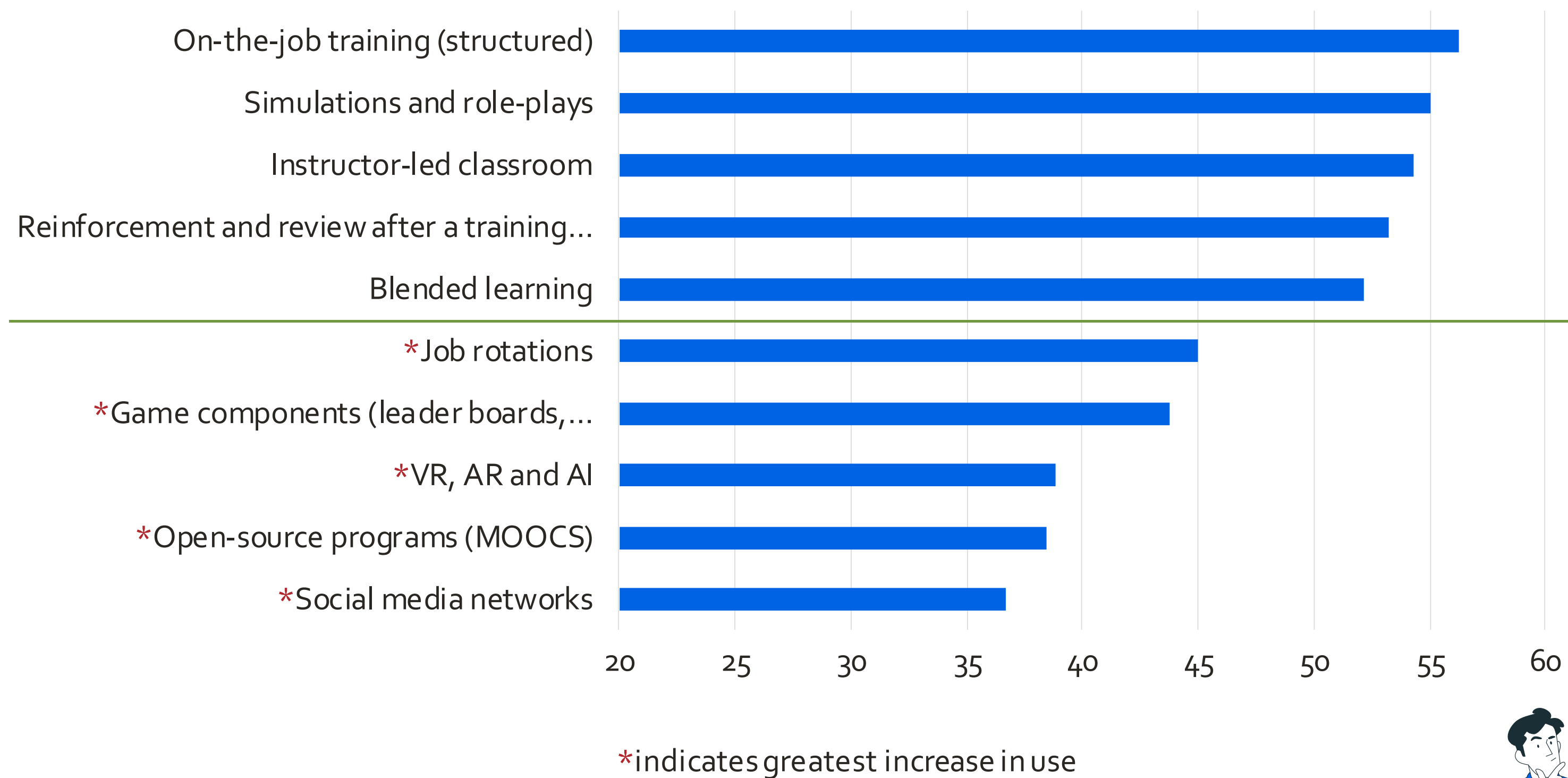
- Virtual and augmented reality
- Artificial intelligence
- Open-source programs
- Social media

In addition, there was a significant increase in the use of a more traditional learning method, Job rotations.

However, usage does not mean effective, and the next page delves into that contrast.

Effectiveness of Learning Methods

Learning Methods Effectiveness



Key Findings

The five methods that increased the most in usage, unfortunately were among the lowest in effectiveness. Overall, the most effective methods were among the most tried-and-true traditional approach:

- Structured on-the-job training
- Simulations and role-plays
- Instructor-led classroom training
- Reinforcement and review after training
- Blended learning



We have used a wide variety of different learning mediums; certain things work at certain times but not at others. The increased investment in personalized coaching has been the biggest change to date.

-Survey Respondent, Best Practice



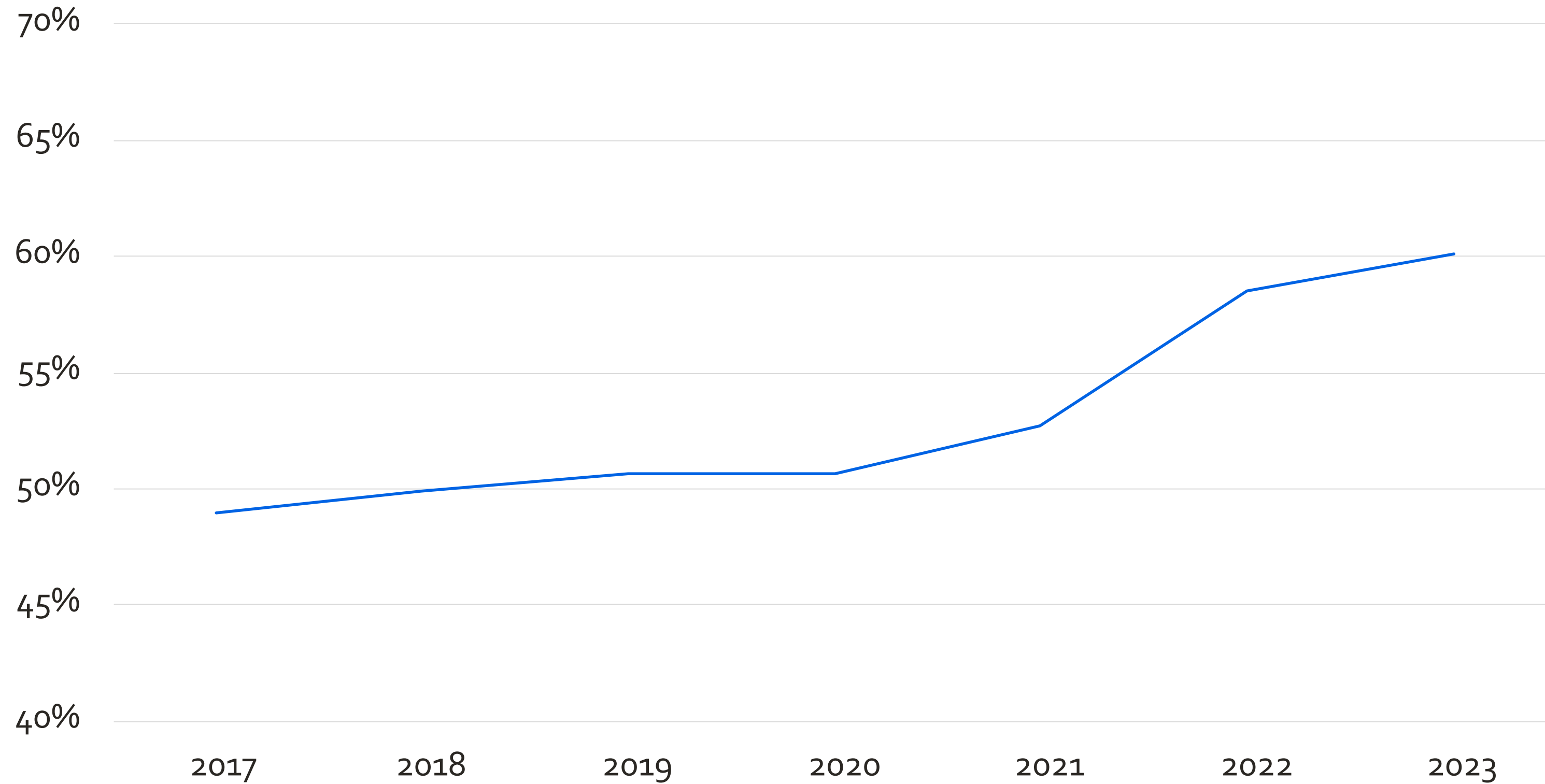
A woman with short, curly grey hair, wearing a dark blazer over a patterned top, stands in a meeting room. She is smiling and pointing at a whiteboard with a pen. The whiteboard contains a bar chart and some handwritten notes. In the foreground, the back of a person's head is visible, looking towards the whiteboard. The room has large windows in the background. A large yellow circle is overlaid on the right side of the image, containing text.

Leadership Development Performance Impact

A large part of searching for patterns is the effort to find what works. To help in this, we include measures of leadership development effectiveness.

Using these measures, we divide the responses into three groups: high-, moderate-, and low-performing organizations. This allows us to benchmark the differences that help determine what works to improve effectiveness of leadership development.

Impact of Leadership Development



Key Findings

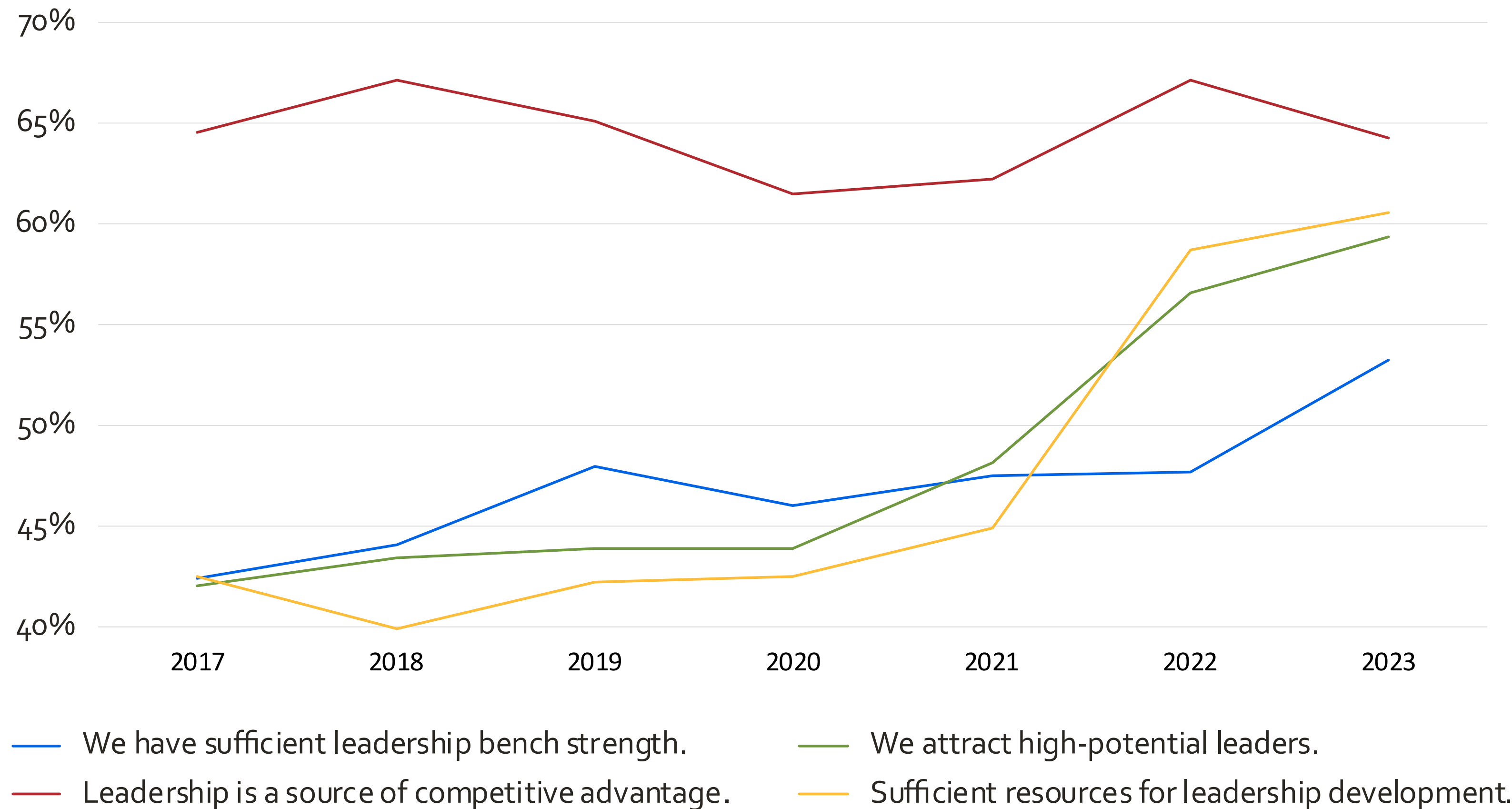
There has been a slow, but steady, increase in the percent of organizations who indicated that their leadership development efforts improve organizational performance.

In 2017 less than half of the participants indicated positive impact. This year 60% indicated that, overall, their leadership development is having an impact on key indicators of effectiveness.



Key Indicators of Leadership Development Effectiveness

Impact of Leadership Development



Key Findings

Among the key indicators of success, the ones that have shown the most improvement are:

- Having sufficient resources to address leadership development issues.
- Improving the ability to attract high-potential leaders.
- Having sufficient “bench strength” to replace departing/retiring leaders.

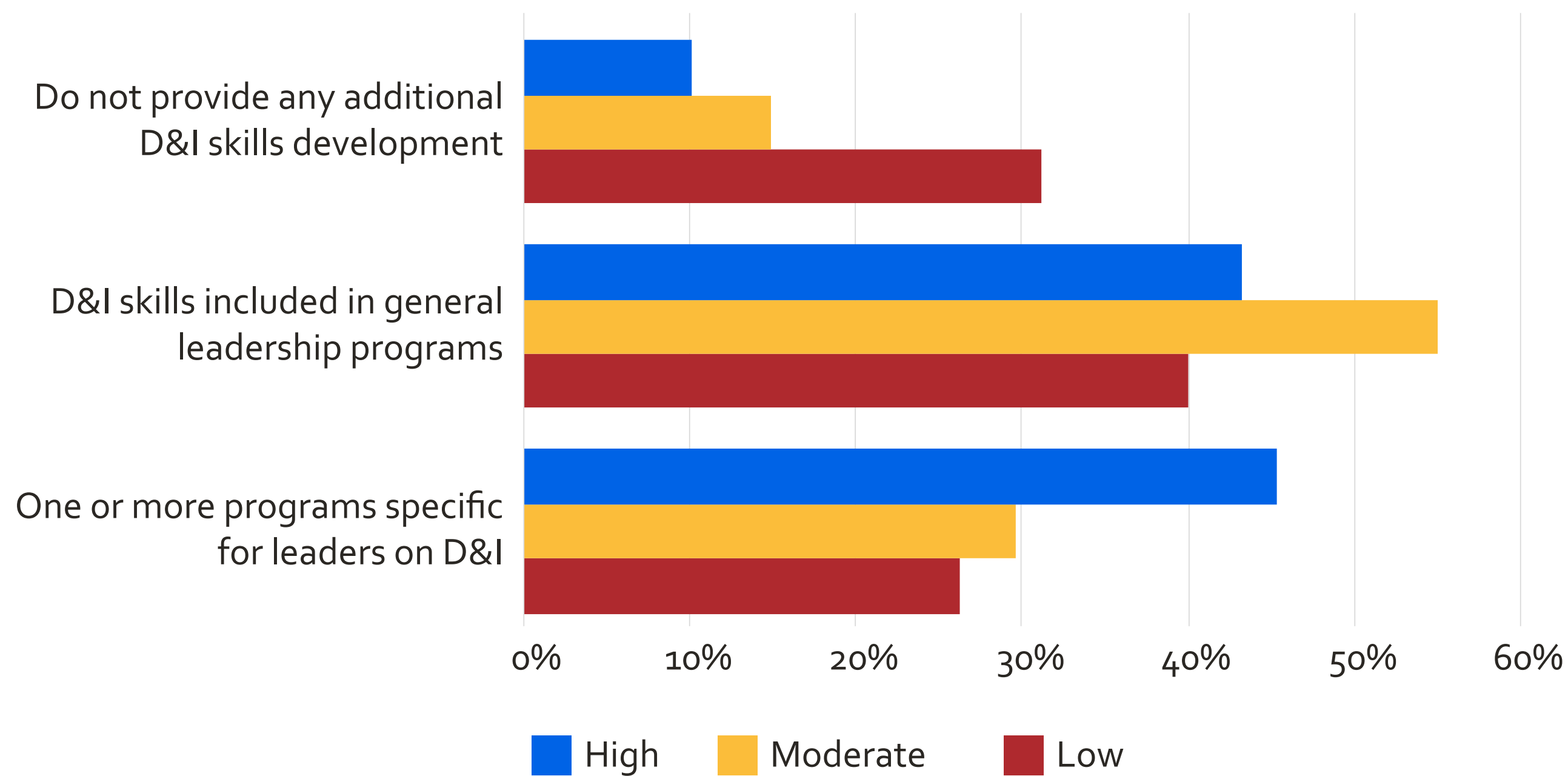


Best Practices of Highly Effective Organizations

There are many important lessons we can learn from contrasting the actions of high performing organizations to those of lower performing organizations. These lessons can help you build more effective leadership development efforts, retain talent for your organization, and improve organizational performance.

Diversity and Inclusion

Improving Culture of Diversity and Inclusion



Key Findings

Few leadership skills have seen as much volatility as diversity and Inclusion (D&I). From 2020 to this year, D&I ranking in importance from the 12th most important (of 18 skills) to the third most important and now back to the 12th most important skill this year. Nevertheless, it is also a significant predictor of effectiveness.

More than 45 percent of high-performing organizations have specific leadership programs on D&I. This contrasts with only 26 percent of low-performing organizations. Overall, 90 percent of high-performing organizations provide some form of D&I training versus less than 60 percent of low-performing organizations.



Building a cross-functional cohort of diverse participants helps reduce silos and empowers everyone with opportunities to gain greater perspective of the business as a whole.

- Survey Respondent, Best Practice

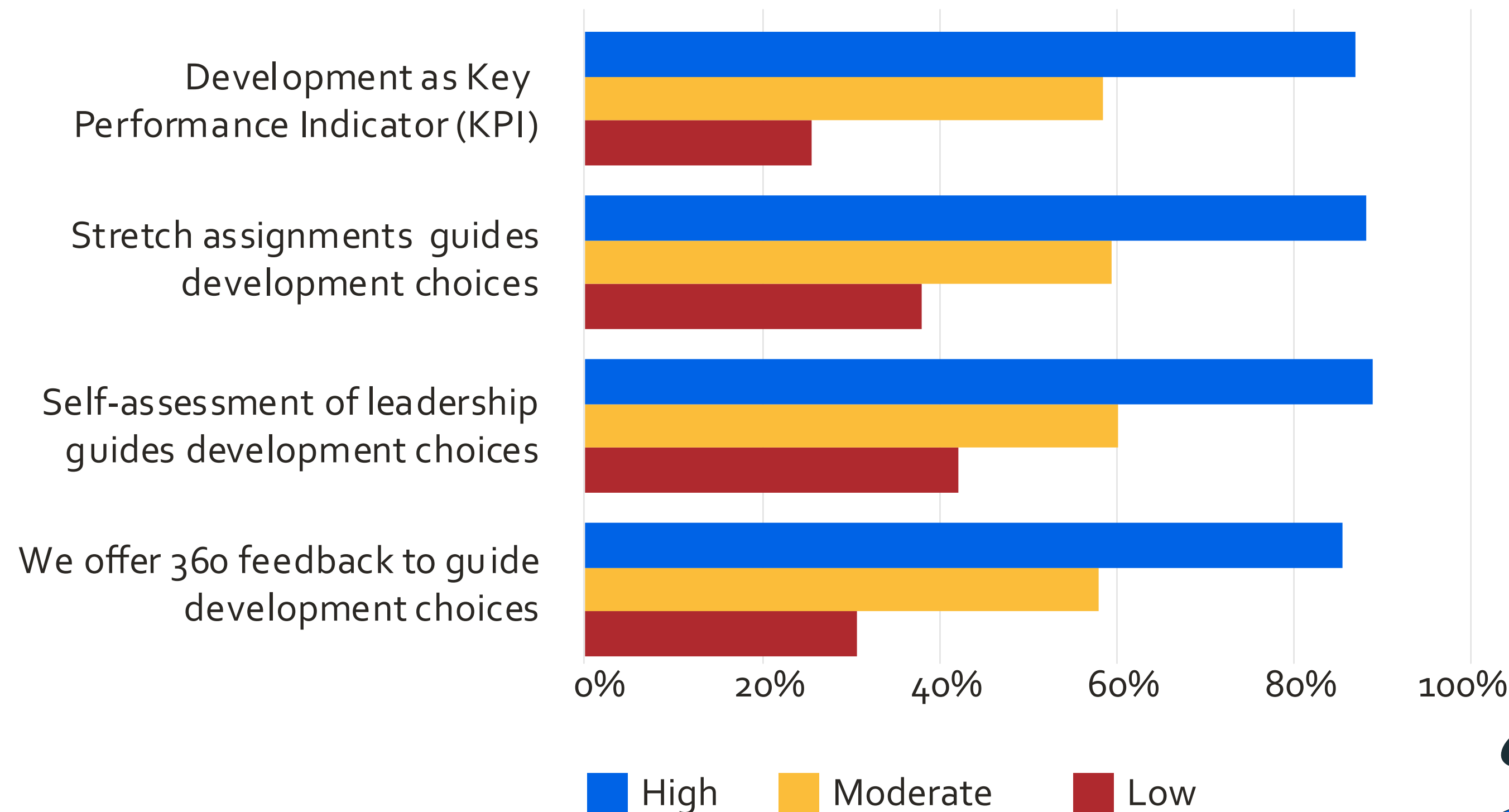


Supporting Self-Guided Learning

Helping New Leaders Take Greater Responsibility

Key Findings

Last year, we saw an increase in the number of organizations expecting leaders to take personal responsibility for their own development. However, a differentiating factor between high- and low-performing organizations is the level of support they provide to new leaders in accepting this responsibility.

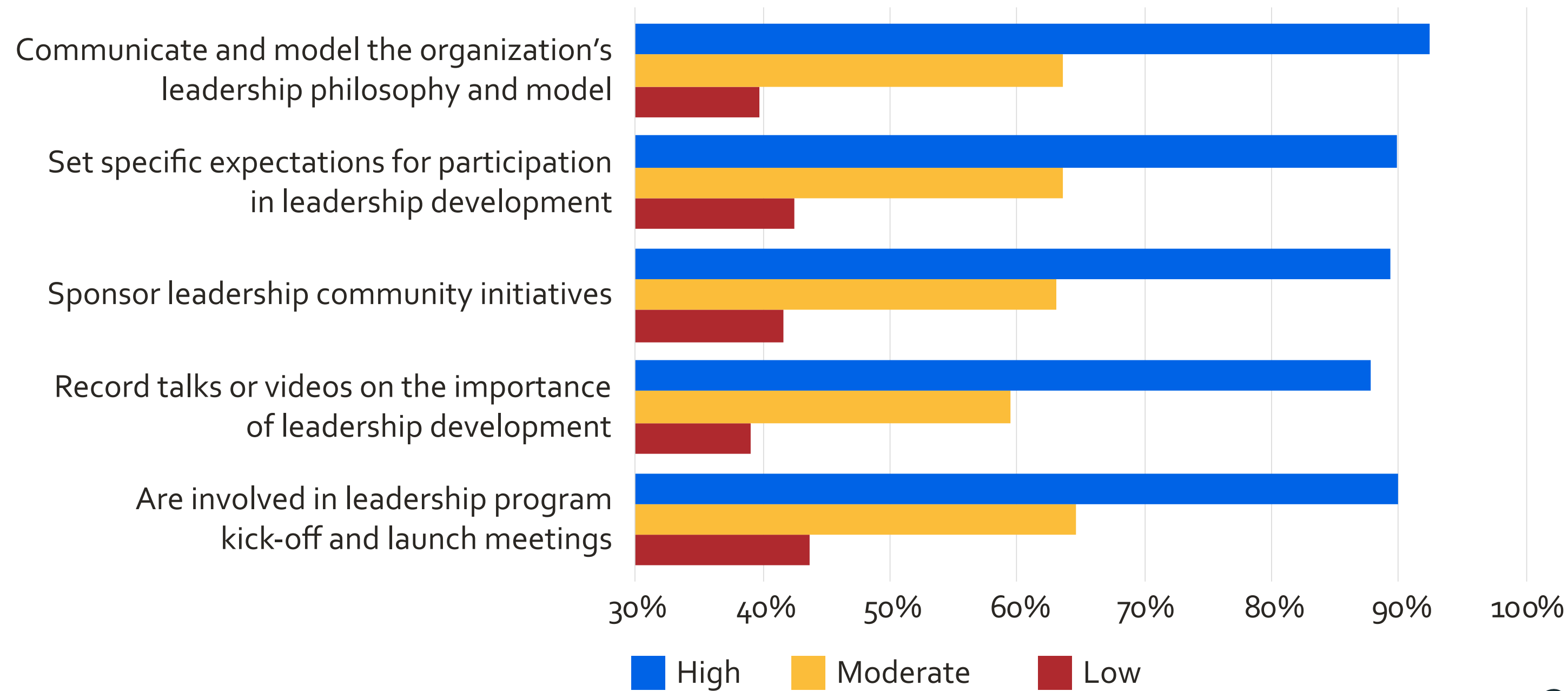


“ Build a vision but give autonomy in making it happen so leaders can work from their strength rather than fit one model of how they lead. Remove fear, teach others how to communicate in productive ways, encourage input, design collaboration, and provide opportunities to try on various leadership skills.
-Survey Respondent, Best Practice



Executive Involvement

Executive Involvement in Leadership Development



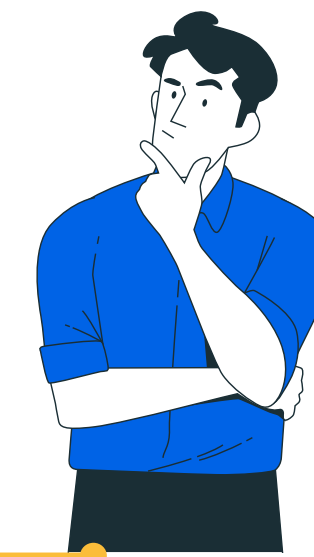
Key Findings

A striking difference between high- and lower-performing organizations is the extent to which executives are involved in leadership development. More than just a cameo appearance at a kickoff meeting, more than mere talk about the importance of leadership development; high performing organization's leaders "walk the talk" about leadership development, getting involved in setting expectations, sponsoring communities of practice, and even teaching sections of the program.



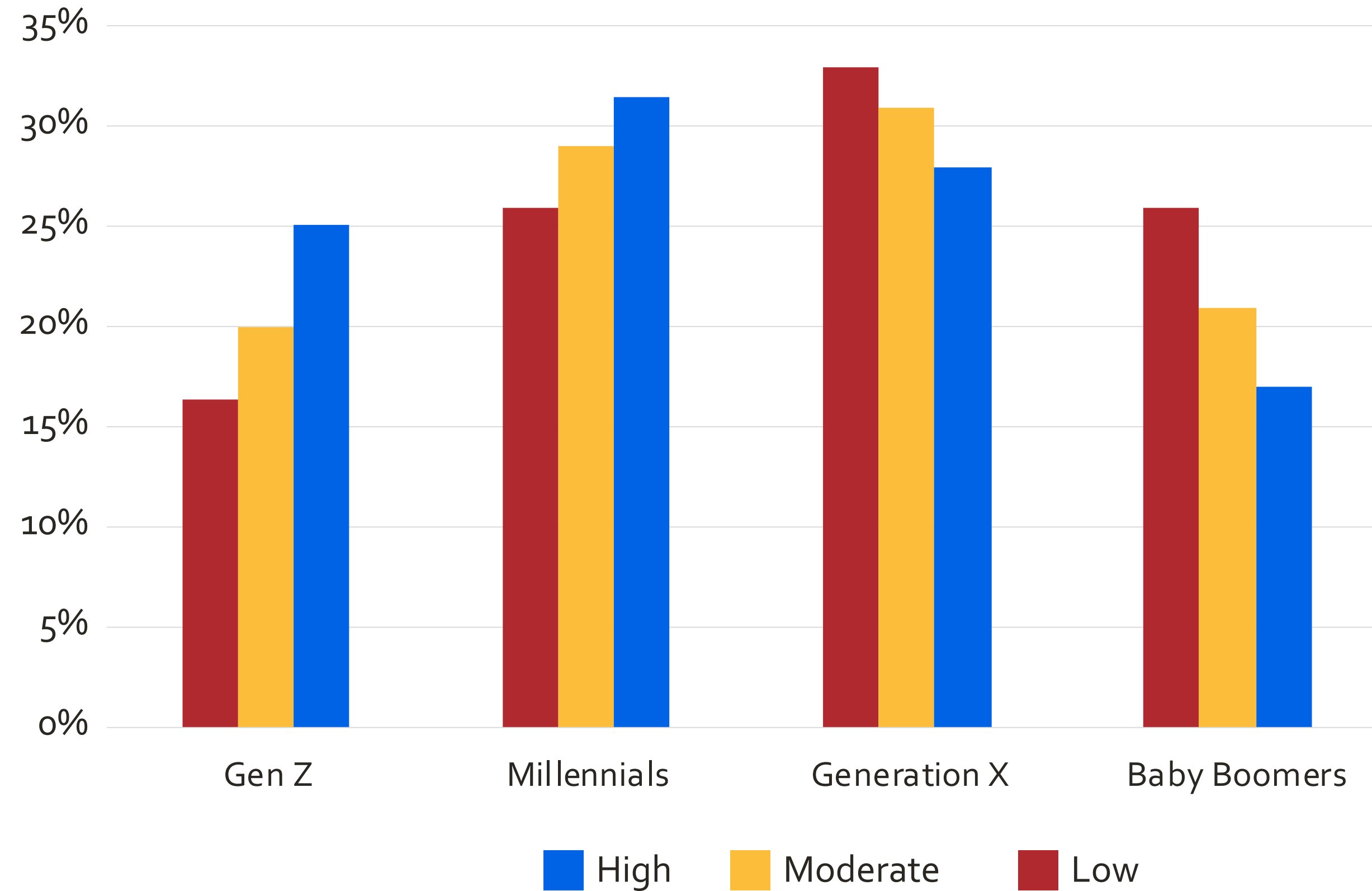
Ensure that top executives are leading by example while endorsing and supporting leadership development programs. Be clear about what leadership means in your organization, and the actions that need to be taken to be an effective leader.

- Survey Respondent, Best Practice



Generational Shift in Leadership

Percent of Leaders from Different Generations



Key Findings

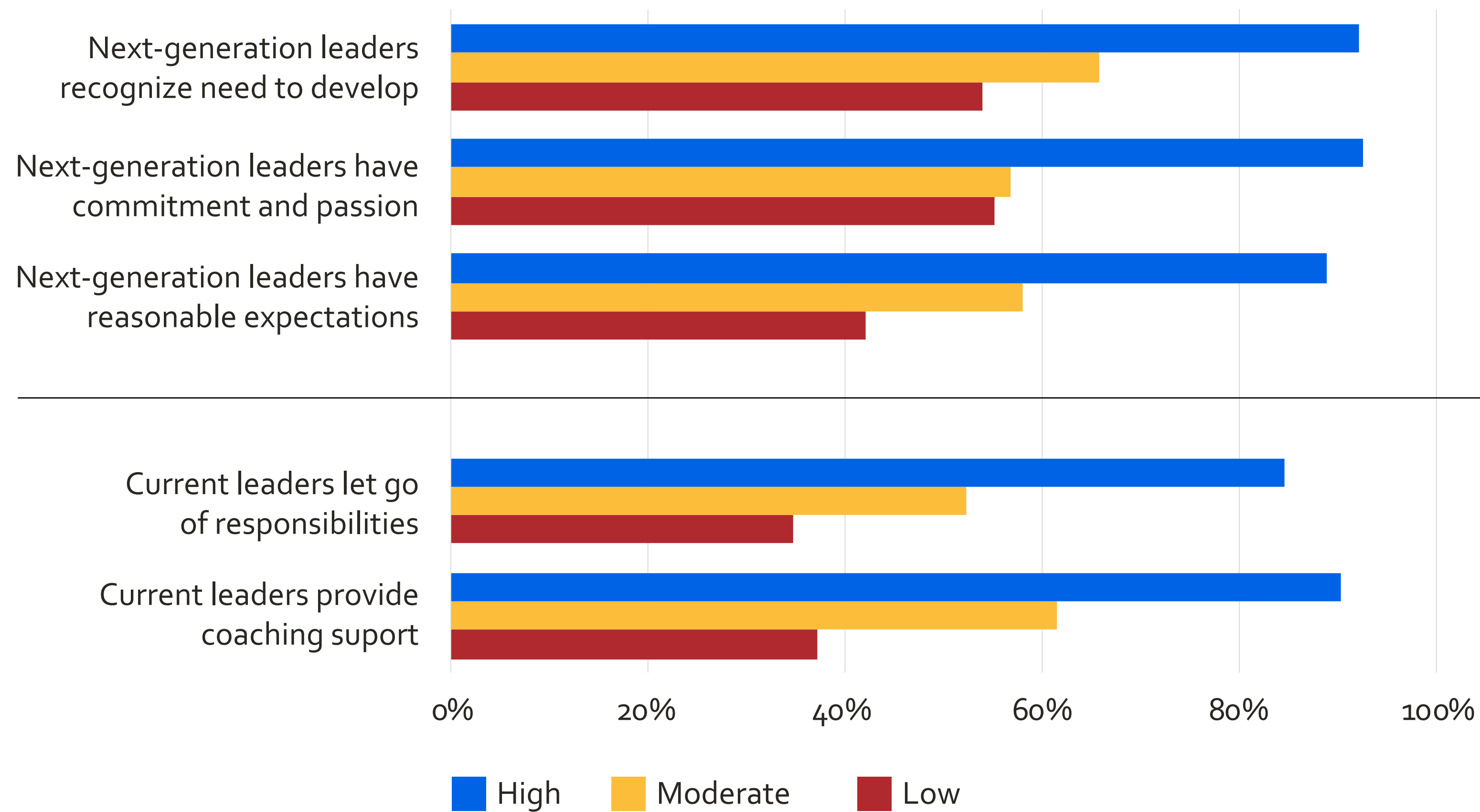
Particularly among high-performing organizations, we saw a shift in the generation leading the organization.

In high-performing organizations, Generation Z and Millennial leaders outnumber Generation X and Baby Boom leaders. The reverse is true for lower-performing organizations, where Baby Boom and Generation X outnumber Millennial and Gen Z leaders.

Given this shift, the involvement of both new and current leaders in leadership development is critical.

Support From Existing Leaders

Cross-Generational Support



Key Findings

High performing organizations also differ significantly on the degree of cross-generational support for leadership development.

High performing organizations were much more likely to have new leaders who take development seriously and have reasonable expectations for advancement. They also have current leaders who work to support the next generation of leaders.



Summary: Keys to strengthen Leadership Development

The results of this research, and best practices shared by participants, point to six core actions that organizations can take to strengthen leadership development during these turbulent times.





Leadership development is not a one-time training or activity; it is woven throughout the organization. Leverage emerging technologies, agnostic of traditional methods. Realign metrics to account for non-traditional progression.

**—Survey Respondent,
Best Practice**

About

The Author

Michael Leimbach, Ph.D.

Dr. Michael Leimbach is a globally recognized expert in instructional design and leadership development.

As Vice President of Global Research and Development for Wilson Learning Worldwide, Michael has worked with numerous organizations throughout the world. He has developed Wilson Learning's leadership diagnostic processes, learning design principles, and performance improvement capabilities. Michael has also served as Editor-in-Chief for the ADHR research journal and on ISO quality standards technical committees. Dr. Leimbach is author of over 100 published articles, co-authored six books, and is a frequent speaker at national and global conferences

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