



Now is the Time to Offer Guidance on How to Improve Leadership

By Dave Ulrich, Norm Smallwood, and Alan Todd

Key Takeaways:

- *HR Leaders should consider the question “What are the best ways to devote resources to improving leadership?” Investing.*
- *Using the Organization Guidance System, business and HR leaders can gather data and shift from descriptive to prescriptive Leadership Improvement.*
- *The implications of utilizing data from the Organization Guidance System suggest desired business results can be met through prescribed Leadership Development.*

Recently, the head of HR from an exceptional company approached us about “refreshing” their leadership development program for 200 of their high potential leaders. The program had been

enormously successful in defining and improving the skills of their future leaders, but the CHRO felt that it might be time to upgrade both content and process.

How would you respond to this request?

It is tempting to dive in and review what is taught in the program and how it is taught so that improvements can be made in the leaders who participate.

But, maybe there is a better question to ask: what are the best ways to devote resources to improving leadership? Is it upgrading the content of the **leadership program**, or something else?

These questions underlie the **Organization Guidance System** (OGS) we have created. We have shown the pilot results which show the impact of **talent**

and **organization** initiatives on key results, we now want to report the Organization Guidance System results for the leadership pathway.

Point of View on Leadership

We have spent much of our professional career defining effective leadership through a rather simple formula: *effective leadership = attributes × results* (see **Figure 1**). Leaders are effective when they demonstrate the right attributes or competencies that deliver results for key stakeholders (customers, employees, organizations, and investors) in sustainable ways. We have particularly shown the efficacy of this logic in Asian organizations. This overall logic may be translated into a Leadership Brand® where the

Figure 1. Overall RBL Leadership Model



promises made to customers define the expectations of leaders. We have identified six elements to create a Leadership Brand (see **Figure 2**). These six elements provide a disciplined process for improvement for those charged with upgrading leaders and installing leadership. This six-element Leadership Brand logic has been the conceptual framework for and validated in the Top Companies for Leaders work published with Fortune magazine and the framework for upgrading leaders and leadership in organizations of all sizes, industries, life cycles, strategic agenda, and geographies.

The six elements of Leadership Brand are summarized in **Figure 3** and may each be assessed.

Report Guidance on Leadership Brand

After 18 months of creating an Organization Guidance System, we can now report how well companies perform on these six elements (see **Figure 4**). This figure reports the overall mean (column A), variance (column B), and reliability (column C) of the measures of these six elements. This figure indicates which of the six Leadership Brand elements score higher (#2 defining what leaders should know and do and #1 clarifying business case for leadership) and which score lower (#5 measuring impact of leadership). The results also confirm that these are valid measures of the six Leadership Brand elements (standard deviation and reliability scores).

Figure 2. Six Elements of Leadership Brand®



Figure 3. Summary Assessment of Leadership Brand®

SIX ELEMENTS OF LEADERSHIP BRAND	INSIGHT	ASSESS (low to high)
1. Build business case for leadership	Have a clear rationale for building leadership; spend time on it.	
2. Agree on what leaders must do	Establish a leadership competency model with code and differentiators to define what leaders should be, know, and do.	
3. Assess leaders and leadership	Assess individual leaders and leadership systems.	
4. Invest in leaders and leadership	Invest in building leaders and leadership through innovative learning experiences.	
5. Measure leaders and leadership	Track the impact of leadership on business outcomes and the extent to which business case happens.	
6. Ensure reputation	Make sure leadership enhances identity with all stakeholders.	

Figure 4. Descriptive Scores on Leadership Brand®

ORGANIZATION CAPABILITIES <i>(Sample of 166 people; 57 companies)</i>	A. How well do we do it? (1-5) Mean	B. Variance Standard Deviation	C. Reliability Alpha
1. Build a business case for leadership <i>We have a clear business rationale for why leadership matters for business success.</i>	3.46	0.82	0.86
2. Agree on what leaders must do <i>We have a definitive leadership competency model that defines the knowledge, skills, and behaviors of leaders that will deliver strategy (leadership profile, standards, expectations).</i>	3.57	0.83	0.81
3. Assess leaders and leadership <i>We have a rigorous assessment of the quality of individual leaders and of our overall leadership group.</i>	3.22	0.92	0.88
4. Invest in leaders and leadership <i>We appropriately invest in ways to develop leaders throughout the organization through training, development exercises, non-work experiences, coaching and so forth (individual development plan, leadership academy, career development).</i>	3.26	0.86	0.380
5. Measure leaders and leadership <i>We make sure we measure the impact of leaders' personal competencies and leadership organizational investments on key outcomes that matter to monitor leadership impact (Moneyball).</i>	2.59	0.91	0.84
6. Ensure reputation <i>We make sure that leadership reputation shows up with internal (employee) and external (customer, investor, community) stakeholders.</i>	3.32	0.83	0.84

Guidance on building effective leadership

To move from these Leadership Brand descriptions (Figure 4) to prescriptions, we utilize the Organizational Guidance System to offer guidance in **Figure 5**. This figure shows the relative impact of each of the six elements (rows) on four outcomes we measured in the pilot (columns B, C, D, and E). We used proprietary analytics (variance decomposition) to understand how different leadership initiatives (rows) will deliver different results (note: in the pilot we focused on 4 results; we now have added a fifth, social citizenship).

The findings from the Organizational Guidance System in Figure 5 dramatically shift the discussion of building better leadership from what is done to what **should be** done. While these findings are with a small pilot sample and while we realize that the desired leadership development may vary by context (industry, pace of change) and strategy, they show quite conclusively that to deliver the four results, leadership improvement efforts should focus on #1 building a business case and #6 ensuring a reputation and NOT on #4 investing in leadership.

Figure 5. Guidance on Relative Impact of Leadership Brand® on Key Outcomes

LEADERSHIP BRAND	A. Global Mean (n=166)	What guidance can we offer? (Relative impact on ... divide 100 points)			
		B. Employee	C. Strategy Business	D. Customer	E. Finance
1. Build business case for leadership	3.46				
2. Agree on what leaders must do	3.57				
3. Assess leaders and leadership	3.22				
4. Invest in leaders and leadership	3.26				
5. Measure leaders and leadership	2.59				
6. Ensure reputation	3.32				
R²		27.0	25.8	29.5	21.2

Implications

The implications of this Leadership Brand guidance are profound. Informed by the data from the Organizational Guidance System, we told the CHRO who approached us that updating the **leadership development program** (element #4) might not have the desired impact as much as creating a stronger business case for leadership (element #1) and ensuring their leadership reputation in the marketplace (#6).

Now is the time for business and HR leaders to offer rigorous guidance on leadership (as well as talent and organization previously reported), and the Organization Guidance System provides necessary data for informed decisions.

Read the Organization Guidance System pilot results of the three other pathways: **Talent, Organization Capabilities** and **Human Resource Department**.

This Organization Guidance System is FREE to anyone. Simply visit www.rbl.ai to get started.

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rblmail@rbl.net