2020 GML White paper

"How larger companies in Denmark approach
corporate leadership development"

16 semi-structured interviews with HR executives in 2020

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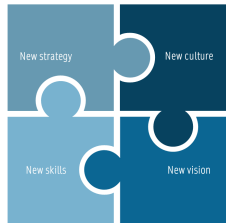Kolding | Odense | Copenhagen

Overview

We all know that great leaders are good for the business and we are constantly striving to attract, develop and retain the best leaders to have the competitive tailwind.

US companies invest more than 120 billion USD in leadership development. The Danish government has allocated 300 million DKK to increase the leadership level in the public sector and the majority of business invest time and effort in developing their leaders. It's a strategic priority to invest in leaders to gain the competitive edge – short and long term.
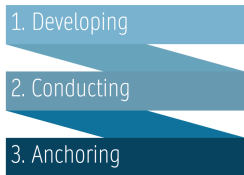
...but how to spend the resources the best way? GML-HR RESEARCH has asked HR executives in 16 larger companies in Denmark that question by investigating *how they identify what to train? How they conduct the training? How they ensure business impact – and how they measure it?*

The objective is to present to the HR community an overview of the different methods and approaches when launching a leadership program.

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Contents

New strategy

New culture

New skills

New vision

1. Developing

2. Conducting

3. Anchoring

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Purpose: The change we seek

New strategy

New culture

New skills

New vision

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Purpose: The change we seek

The key driver for investing in a leadership program is change. But what are the changes that you want to see and what are they worth?

- New vision...
- New culture...
- New strategy...
- New skills...

New directions require different demands to the leadership delivered in order to deploy new behaviour.

It is only fair to develop when you change the demands...

New strategy

New culture

New skills

New vision

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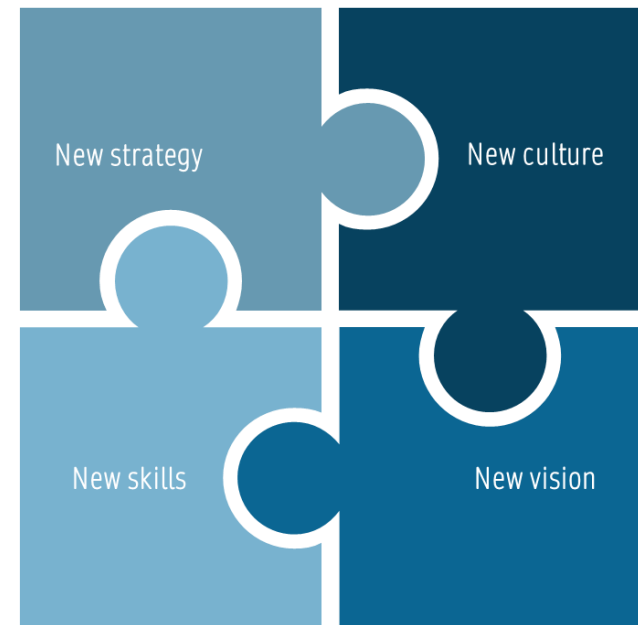
Three steps in corporate leadership development

1. Developing

2. Conducting

3. Anchoring

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1. Developing

2. Conducting

3. Anchoring

Step 1: Developing

1. **Developing** is the initial activities:
   - Align to the strategy
   - Identify key capabilities
   - Connect to corporate values
   - Frame purpose
   - Scope target group
   - Involve stakeholders
   - Calibrate impact-metrics
   - …

"Where to begin…" Two examples:

1. Two international companies choose to build the leadership academy toolbox based on the **yearly HR-activities**: Set objectives; build personal development plan; follow-up dialogues; employee assessment and career discussions. *On-time* and *on-demand* training with sprint-modules following the yearly HR-cycle.

2. Three large Danish companies asked the top-management about **the ideal leadership profile** in the company and settled with five principles for *great leadership*. The principles served as the foundation for the leadership toolbox.

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Step 2: Conducting

2. **Conducting** refers to the training approach:
- Learning style
- Technology
- Theory & school
- Internal & external facilitators
- Coaching
- Target group mix
- Business schools
- Tailormade content
- …

"How to approach learning…" **Two examples:**

1. No leadership theory, zero digital platforms, reduced class-room training; Not the same facilitator through the whole program. Instead this global company only used **business cases** and installed the three leadership values in every case and discussion. Highly-specialised external consultants were invited to educate on different business-approaches to qualify the case-work.

2. This global company build a **pure digital 1-year program** as small networks of 8-10 managers with a facilitator and a need-driven agenda. They meet once a month for 2-3 hours to discuss relevant leadership challenges.

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Step 3: Anchoring

3. **Anchoring** in order to make the impact last:
   - Buddy groups
   - Networks
   - Challenges
   - Coaching
   - Immediate manager involvement
   - KPIs & KBIs
   - Follow-up modules
   - Exams
   - …

"How to make it stick…" **Two examples:**

1. Buddy-arrangements; immediate manager and HR follow-up's; coaching; end-project; installed in Appraisals and PDPs; managers as facilitators; exams; follow-up modules; home-assignments… They know all the tricks in order to make it stick and convert learning to impact. But one company only trained what is super relevant for each manager for the up-coming month: **Task-based-training**. It requires a huge manager-pool, a solid training-suite and a well-implemented HR-cycle.

2. How to we measure impact? Let's face it – we can't isolate the impact of manager training because the only two KPIs that really matter is **Results and Engagement**. But 70% of the companies apply the Engagement survey as *the* KPI.

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Findings: How did they prioritise the changes
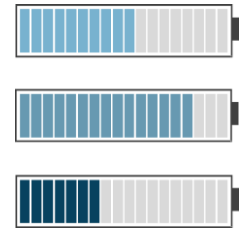
Different priorities for *developing* the leadership program

When starting up the process of building a leadership program there are a lot of different paths you can go. We have categorised the different approaches in four headlines:

Approach A: *"We ask the leaders"*

Dear leader, what do you need in your toolbox to do a better job leading? This is user-driven content based on the needs from asked managers.

Gains: Buy-in from managers because they asked for it themselves.

Pains: Only a snapshot from the past – is it still relevant to train setting objectives after the *Objective-setting-dialogue*...?

Approach B: *"We fill the gaps"*

The strategy requests key capabilities. We assess current level and plan to bridge the gaps with specific development initiatives.

Gains: Clear roadmap. The leadership program becomes an execution-model. The C-suites love the arguments in approach B.

Pains: The assessment-part can become a monster (system, time, model). Not sustainable if the fundamental leadership level is immature.

Approach C: *"We know what is best"*

We define what good leadership behaviour looks like. Build the 3-5 leadership principles/competences/values as a top-management post-it-compromise-exercise and live them with relevant leadership tools. The leadership foundation.

Gains: Company-specific focus. Involves the cultural aspect. Feedback-mirror.

Pains: One-size fits all delivers vague and broad guidelines (e.g. RESPECT and COLLABORATION). What is the validity between the values and performance?

Approach D: *"We build the fundamentals"*

All leaders need a toolbox with the fundamentals. Back in the days it was 3 modules: *1. Lead yourself – 2. Lead your people – 3. Lead your business*.

Gains: Fundamentals are a necessity for strategic competence development.

Pains: It's difficult to build the competitive edge through better competences if all the other competitors learn the same stuff. The program is not stretching the ambition and doesn't cater to experienced, high-performing managers.

Findings that surprised GML-HR:

A. Networking. **Networking** is a frequent answer to "why a leadership program?". Companies see a lot of business critical problems being solved due to better network in the organisation. The leaders simply know who to contact and are able to solve issues cross-functional. Normally this selling point is low on the list when consultants pitch on a leadership program.

B. It is more the exception than the rule that companies **allocate massive resources in the developing phase** because the need is real, now. And it's super demanding to engage with stakeholders in a 6 month developing program; disturbing the business with questions; translate strategic ambitions to leadership behaviour; develop an assessment report; setting up clear KPIs; connect it to everyday leadership challenges etc. etc...

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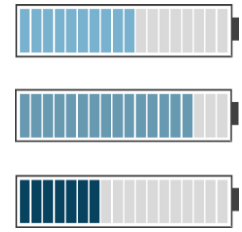
Different priorities for *conducting* the leadership program

The programs expose managers to different didactic methods to accelerate learning and install behaviour benefitting the business and the people. But what is the content and what is the value proposition?

## Program methods (100% = all of the interviewed applied the method)

- 94% Face-to-face classroom training applied
- 81% Modules with more than 3 days in total
- 75% Mandatory leadership training
- 75% The content is both Leadership tools and values/cultural awareness
- 44% The training is connected to the different leadership tasks (HR-cycle)
- 44% Competence matrix linked to job role/description and learning path
- 25% Individual coaching (with a psychological profile)
- 25% On-demand/-time learning suite to customise the learning path
- 19% Ending the learning flow with a group project or individual exam
- 19% Optional participation depending on the topic and need
- 19% Flow is build and managed in a digital learning universe
- 13% Pass an assessment evaluation to obtain access to the training course
- 6% Learning games (e.g. change game)

Program selling points (randomised)

- On-demand, scalable, simple to use (plug&play)
- Task-based daily leadership focus (works Tuesday at 10:05 AM)
- All leaders (incl. top-management) are enrolled
- Learn and live our leadership principles
- Retention of high-performing managers
- Succession pipeline to managerial positions
- Build a fundamental leadership toolbox in the organisation
- Deploy common leadership lingo in the whole organisation
- Build a cross-functional network of business leaders
- Boosting all manager's knowledge around relevant topics when needed
- Build role models and ambassadors for our values
- Grow the ability to solve complex business challenges the "X" way
- Translate and live the corporate purpose

Findings that surprised GML-HR:

A. Two different schools where applied approx. 50-50: **Horizontal VS. Vertical Development.** The role and task specific training with 360-feedback VS. the magical touchpoints to enable followship and infuse purpose and values to boost business impact. A small number have tried to combine the two schools.

B. *"To build a common leadership language"* is still a dominant selling point… When the **CEO sponsorship** is explicit it is a massive selling point…

C. No **team-building** in the programs(?) – maybe all leaders now have learned to build something in LEGO blindfolded in rainy weather….?

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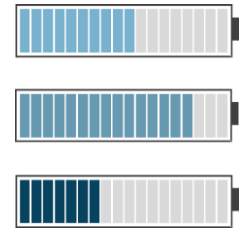
Different priorities for *anchoring* the leadership program

The million-dollar questions are *How do you measure impact?* and *How do you convert learning activities to behaviour that sticks?* The amount of follow-up activities varies from many to none AND Engagement scores is popular as an indicator.

The follow-up activities (100% = all of the interviewed applied the method)

25% Cascades of different leadership task are submitted (to keep momentum)

25% Integrated in the performance management cycle

19% Small virtual network groups (both facilitated and self-facilitated)

13% Follow-up modules to maintain and refresh knowledge

13% One-to-one with HR business partner

13% Self-driven implementation (you're in the driver seat). Own responsibility

13% Coaching program to follow the training program

6% Peer-to-peer online sessions to discuss learnings in own context

6% Activity-based implementation (you need? You learn! You use!)

6% The immediate manager coaches the trained manager to anchor learnings

6% Buddy-programs to ensure activity via social pressure

6% The next module... (on-going leadership training)

Relevant indicators (both KPI and KBI) (100% = all of the interviewed applied the indicator)

69% Engagement survey

25% Appraisal and people review scores/evaluation

25% Pre and post 360 feedback to assess progress

13% HR collects informal feedback from surroundings

13% The degree of retention and promotions within the manager pool

6% Self-assessment

6% Quality of the appraisals and PDPs (data evaluation)

6% Survey to participants after the training (Kirkpatrick's model)

6% "Great place to work" ranking

6% Exit interviews with employees to the trained manager

6% The manager-pipeline quality

6% No correlation between our leadership behaviour and performance

Findings that surprised GML-HR:

A. As consultants we always get the question: *"So, how will you measure impact?"*. HR generally acknowledge a struggle with building the **business case**. GML-HR has a solid catalogue with measurements but it's cost-adding and the resources are allocated to the development – not the measurement.

B. Two different companies can apply the same cluster of follow-up activities, but with huge **deviation in effect**. The effects of the activities are depending on the organisation, development-attitude, top-management attention and local HR presence – not the activity it self.

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Wrapping up the priorities

It has been enlightening to interview HR executives about their approach to leadership programs and listen in on some of the hard choices building the programs.

We understand the pragmatic approach from HR to get as much buy-in from the organisation and impact in the business as possible. It is a fine balance to "take" time and resources and make a lasting, performance-boosting intervention.
It can easily just be a simple leadership course with no effect, but on the other hand it could also be a massive monster that is draining and disengaging the organisation with poor planning and off-beat processes.
We hope that sharing the priorities from 16 leadership programs will qualify the way that you build your company's leadership development approach in the future.

1. Developing → 2. Conducting → 3. Anchoring

Impact

Monster

1. Developing
- *How will you identify the business critical capabilities for the toolbox?*
- *Where to start – top or bottom? What is the overall purpose with the investment and how does the business case look like?*
- *Who is the target group?*

2. Conducting
- *How to blend didactic methods?*
- *Do we need an APP?*
- *How much can we train?*
- *Is it role specific tool-training or a more cultural and value-based journey?*
- *How do we train? Professors, internal L&D, internal managers? Specialised consultants?*

3. Anchoring
- *Is coaching too time-consuming?*
- *Should we maintain knowledge with peer-to-peer training?*
- *Will the managers conduct the delegated tasks?*
- *Will they attend the online modules?*
- *Will the immediate manager support the development?*
- *How do we report and debrief the impact of the program?*

Recommendation: Impact assessment

Your business is interlinked and interdepending. Assess it!

The GML-HR assessment model is a holistic approach to assess the development needs and effects. Be aware of:

➤ *The program must impact the core of the business – why and what we do – in order to deliver even better on our internal and external promises.*

➤ *The structure in the business model can easily endanger and expose the development ambitions (e.g. a cultural-misfitted performance management system).*

➤ *The leadership toolbox is not only about touchpoint behaviour – it is all about reconciling people, culture, values and capabilities in the leadership style.*

The structured connectivity between employees to **unlock potential** and refine every part and link in the value chain
Are mindsets and structure matched? Are we set up to win or lose? Do we meet the needs from the strategy?

The sum of all our behaviour and **the way we interact**. Formulated as an ambition or a declaration
What are the rules or guidelines for great citizenship that gives us the unique edge to win?

The role modelling mindset and the **business critical skill-sets** in order to deliver both results and engagement
What is a great leader? Which capabilities are you lacking to execute the stra-tegy and deliver the promises?

The company is built on the **promise** to the customers and to the employees (if the driver is shareholder promises we pass).
What are the promises you want to shout out and deliver?

The company delivers a **positive footprint** to someone somewhere while being a sound and profitable business
Why do you exist? What is your intention? For whom?

The dream formulated in **goals** and supportive yearly business plans expressed in targets and **actions**
What, how, when, who and where in terms of building the perfect trade-off between willingness-to-pay and costs

The way we **get things done** in the company
Who meets when? What and why do they discuss? Are we promoting or blocking the business impact? How to qualify, roll-out and do decisions

Connecting KPI and reward to **track and drive impact**
Do we measure the right stuff? Do we measure too much? Are we promoting the right behaviour? Do we match and drive organisational motivation?

People & Organisation

Culture & Values

Leadership & Key capabilities

Purpose & Promises

Strategy & Business plans

Governance & Processes

Performance indicators & Incentives

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Big thanks to all you HR-executives for participating in the interviews!

For the rest of you... We hope that you will get inspirered to build even better leadership programs in the future.

See you out there...

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