

SKYLINE G

Developing Leaders in the
21st Century:
Outdated Methodology is Giving Way to
Technology-Enabled Solutions

Skyline Group, Inc.
www.SkylineG.com



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Executive Summary

Over the past decade, the workplace has changed dramatically. Organizational structures have gotten flatter, managers and employers are spread around the world and often work together virtually, and everyone is being asked to do more than less. Meanwhile, the rapidly changing workforce includes boomers, Gen Xers, Millennials, Gen Ys, and a rising number of contract and part-time employees, all bringing different backgrounds, needs and expectations.

At the same time, most leadership development programs seem stuck in the past. Most coaching is focused on senior executives and is conducted in their offices or by videoconference. Coaching for mid-level leaders – who are crucial to the success of organizations – usually takes place in group classroom settings, or is skipped entirely.

Researchers have identified several shortcomings of current leadership development efforts, including:

- A one-size-fits-all coaching approach
- Failure to address the needs of mid-level leaders
- A gap between learning and actually leading under real-world conditions
- Inadequate metrics for assessing the impact of leadership development programs
- A lack of scalability that makes it hard to provide customized and rapid coaching to large teams

In addition, there has been almost no technology-enabled innovation in leadership development, despite the fact that we live in the age of anytime, anywhere communication. Even as organizations move many of their operations to cloud-based solutions, leadership development remains largely stuck in a pre-Internet mindset.

Clearly, the marketplace demands a new approach to leadership development, one that addresses the shortcomings identified above and does so through a technology-driven solution. Skyline Group’s C4X Coaching for Excellence suite is one such solution and is a needed improvement that has recently emerged on the leadership development landscape.

Strategic Shortcomings of Current Leadership Development Solutions

Leadership development is a \$14 billion industry¹ that serves large global corporations, startups, and virtually every type of company in between. The service providers are split between two distinct types: well-known brand names with global offices, and solo consultants who serve a handful of clients. Even though the needs and expectations of 21st century leaders are radically different from their predecessors, leadership development methods are largely unchanged from decades ago.

The typical program takes place either in the leader's office or by videoconference, with the assigned coach using tried-and-true methods to address what they perceive to be the executive's greatest weaknesses and challenges. Some coaching takes place after the executive undergoes a leadership assessment (which is sometimes only a self-assessment), while others simply start with the issues the executive thinks they should work on.

There are numerous problems with this model. Most leadership development programs are one-size-fits-all, despite the fast-changing needs of today's organizations and the demographics of a workforce that includes leaders from many ethnic backgrounds, as well as women leaders, high-potential leaders, and fast-rising young leaders.

Issues identified by leadership development researchers include:

- **Overlooking Context:** Context is a critical component of successful leadership, according to a recent study by McKinsey, *Why leadership-development programs fail*.² "A brilliant leader in one situation does not necessarily perform well in another. Too many training initiatives we come across rest on the assumption that one size fits all and that the same group of skills or style of leadership is appropriate regardless of strategy, organizational culture, or CEO mandate."
- **Failing to Support Mid-Level Leaders Within the Organization (aka "The Barbell Approach"):** The majority of today's leadership development resources are still being spent on senior executives or "rising stars," largely ignoring the vast numbers of mid-level leaders who are often tasked with the most demanding roles within the organization. "Many companies recognize that they need to do a better job on middle management training. An April 2012 Harvard Business Publishing survey on emerging trends in leadership development found that only 28 percent of organizations felt their development programs had evolved to match the changing needs of middle managers," said the authors of *Danger in the Middle: Why Midlevel Managers Aren't Ready to Lead*, from Harvard Business Publishing. "This 'barbell' approach—heavy on the ends, light in the

¹ Karen O'Leonard and Laci Loew, *Leadership development factbook® 2012: Benchmarks and trends in US leadership development*, Bersin & Associates, July 2012, www.bersin.com/library or www.bersin.com/ldfactbook

² Pierre Gurdjian, Thomas Halbeisen and Kevin Lane, "Why leadership-development programs fail," *McKinsey Quarterly*, January 2014, http://www.mckinsey.com/insights/leading_in_the_21st_century/why_leadership-development_programs_fail.

middle—has exacted a heavy price in terms of underperforming and demoralized middle managers who lack the networking, planning and team-building skills necessary to excel in the flat organizational structures that are so prevalent today.”³ “Middle managers receive fewer resources, manage more people, and are less engaged than all other employee groups,” according to a Bersin & Associates 2011 report titled *Maximizing Middle Managers*.

- **The Gap Between Learning and Doing:** While recognizing the value in theory-based leadership development programs, many organizations fail realize that everyday work pressures will likely wipe away classroom learning in short order. “Even after very basic training sessions, adults typically retain just 10 percent of what they hear in classroom lectures, versus nearly two-thirds when they learn by doing. Furthermore, burgeoning leaders, no matter how talented, often struggle to transfer even their most powerful off-site experiences into changed behavior on the front line,” according to McKinsey’s *Why leadership-development programs fail*. They added, “Companies should strive to make every major business project a leadership-development opportunity as well, and to integrate leadership-development components into the projects themselves.”
- **A Lack of Metrics That Matter:** “You can’t manage what you can’t measure” is one of the best summations of the need for measurement tools in any business. Considering the crucial role that leadership plays in the success of organizations, consistent methodology for measuring the value of leadership development programs is still largely inadequate. According to a 2010 McKinsey Global Survey, “Companies still rely mostly on self-reported satisfaction with the [leadership development] program and follow-up 360 assessments to gauge the value of their investment. Companies also struggle to measure the impact of training on business performance: 50 percent of respondents say their companies keep track of direct feedback, and at best 30 percent use any other kind of metric. In addition, a third of respondents don’t know the return on their companies’ training investment.”⁴
- **A lack of scalability that makes it hard to provide customized coaching to large teams:** Since coaching methods have remained largely unchanged, none of the current approaches is suitable for large-scale and rapid coaching, for instance, coaching an entire sales team the leadership skills needs to adapt to a new sales initiative.

Given these critiques and what those of us in the leadership field know from experience, there is obviously a tremendous gap between the offerings of leadership development consultants and the needs of today’s fast-paced and rapidly changing organizations.

³ Robert McKinney, Michelle McMahon and Peter Walsh, “Danger in the middle: Why mid-level managers aren’t ready to lead,” Harvard Business School Publishing Corporate Learning, white paper, 2013, http://www.harvardbusiness.org/sites/default/files/PDF/17807_CL_MiddleManagers_White_Paper_March2013.pdf

⁴ “Building Organizational Capabilities: McKinsey Global Survey Results, March 2010. http://www.mckinsey.com/insights/organization/building_organizational_capabilities_mckinsey_global_survey_results

Skyline Group's Technology-Enabled Solution Addresses the Need for New Approaches

By combining a flexible technology platform with personalized one-on-one coaching, Skyline Group's C4X Coaching for Excellence suite of coaching solutions gives companies the ability to develop all of its leaders consistently and systematically at each stage of the leadership career cycle.

In particular, C4X Coaching for Excellence is built to address organizations' need for a coaching solution that develops mid-level leaders, managers, high-potentials and subject-matter experts to become the future source of senior leadership.

Improving organizational performance, navigating changes and driving initiatives requires that over time each leader is aligned, experiencing and focusing on the right objectives, and implementing the right behaviors. C4X achieves this by providing a comprehensive assessment, content, metrics and coach management system while also allowing for highly effective and personalized one-on-one coaching. It also provides customized content and coaching tailored to each level of leader in an organization and to the specific goals of the company.

The C4X Coaching for Excellence solution follows a four-step process: 1) assessing opportunities, 2) prioritizing objectives, 3) applying new learning, and 4) measuring individual, team and business results.

Below are deeper dives into how the C4X Coaching for Excellence solution works.

1. Assessing Opportunities

To ensure alignment and organizational success, company-specific information is gathered, such as company or organization business objectives and key performance indicators (KPIs); leadership competency gaps the organization needs to fill; expected outcomes from the C4X development process; and environment and context considerations. Skyline Group then works with the organization to determine the optimum way to configure the C4X leadership development system to address individual, cohort and organization goals. Linking individual and cohort objectives to business goals ensures that the return on investment (ROI) for the leadership development initiative can be measured.

2. Prioritizing Objectives

C4X uses Skyline Group's Competency-Driven Leadership Development model to assess leaders on 28 competencies using the 360-degree assessment tool that is part of the C4X technology platform. The competencies that make up the assessment have been validated by empirical research as critical-to-effective leadership and fall under four categories: leading self, leading others, leading the organization and leading implementation.⁵ Although the 28

⁵ Thuy Sindell and Milo Sindell, *Hidden Strengths: Unleashing the Crucial Leadership Skills You Already Have*, Berrett-Koehler Publishers, Oakland (2015), 30-40.

competencies are universal across companies and industries, C4X allows for the terms used to identify them to be customized. In this way, C4X supports a shared company language and a cohesive development effort.

Based on the results of the assessment, the coach, leader and the leader's manager identify three competencies for development and the related goals that further the company's current objectives. Open communication is key during this step as the three parties work together to establish clear objectives and set reasonable expectations.

3. Applying New Learning

The C4X program is then configured to support the leader in achieving these goals using an on-the-job learning model. It provides individually tailored development roadmaps whereby new content is opened up weekly and can then be accessed online at any time. In addition, the leader works one-on-one with a coach who supports the learning process and helps him or her apply the learnings to his or her work life.

A majority of the development effort stems from testing out new behaviors when and where it counts: in the workplace. New concepts, methods, and tools are introduced via the technology platform and one-on-one coaching provides context, guidance and new thinking to help bring learning to life and make it stick. The coach reinforces the connection between the program, company initiatives and the individual's own goals, projects, and motives. The connection and personal relationship between coach and coachee enables a lasting transformative experience.

4. Measuring Individual, Team and Business Results

A major issue associated with leadership development programs—and coaching in particular—is the lack of measurement and tracking capabilities. As a digital platform, C4X allows multiple streams of data to be tracked, synthesized and presented to authorized administrators. Tracked data includes individual participant goals, participation and engagement, goal and skill improvement, as well as big-picture cohort and program-wide analytics. Administrators can easily understand not only the impact of the program on individuals and cohorts, but also identify skills gaps, strengths and opportunities within the company as a whole. In this way C4X allows a company to be proactive in making strategic decisions.

The C4X system reassesses participants halfway through and at the end of the development process to measure improvements in the competencies they have been developing. Other metrics C4X can track include business results like time-to-productivity for new hires, increased revenue for sales teams, increased customer retention for customer service teams, project cost-savings for strategy executives and teams, and career development and turnover for leaders.

Conclusion

Leadership development is a huge challenge facing many organizations, which continue to invest significantly in such programs, but with uneven and unpredictable results. Leadership development programs often fall short due to a lack of context, little or no real-world application, an absence measurable results, and a failure to adapt to leaders at all stages of the career cycle.

Furthermore, most leadership development solutions are stuck in a pre-Internet mindset, relying almost exclusively on face-to-face meetings with senior executives and group training sessions for other leaders. There has been little innovation thus far that addresses organizations' increasing demand for scalable, rapid, technology-enabled leadership development programs, particularly for mid-level leaders.

By combining a flexible and scalable technology platform with personalized one-on-one coaching, Skyline's C4X Coaching for Excellence suite of coaching solutions gives companies the ability to develop all of its leaders consistently and systematically at each stage of the leadership career cycle.

About Skyline Group

Skyline Group is the leading provider of scalable leadership solutions with a foundation built upon decades of executive coaching with some of the most recognized companies in the world. We are revolutionizing the leadership development industry with our C4X coaching platform. C4X is the only coaching solution that gives you the ability to develop all of your leaders consistently and systematically from onboarding to executive development. C4X combines a flexible technology platform (integrated assessment, content, metrics, and coach management system) with the personalized impact and connection of 1:1 coaching. Learn more at www.SkylineGroup.com and www.C4X.com.



Leadership Coaching



Research & Assessments



Leadership Solutions



C4X Coaching Scaled