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DEVELOPING GREAT LEADERS DURING THE GREAT RESIGNATION

By Michael Leimbach, Ph.D.,
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LEADERSHIP DEVELOPMENT IN THE AGE OF THE THE GREAT RESIGNATION

A ROADMAP TO HELP ORGANIZATIONS ACHIEVE A GREATER RETURN ON THEIR LEADERSHIP DEVELOPMENT INVESTMENTS BY CULTIVATING LEADERS WHO MAKE EMPLOYEES WANT TO STAY. **BY MICHAEL LEIMBACH, PH.D.**

Fueled in part by the COVID-19 pandemic, droves of employees continue to voluntarily leave their jobs. Deemed the “Great Resignation,” this exodus will continue for the foreseeable future, workplace experts believe. In a recent survey by Ecsell Institute, 25 percent of employees carry a moderate to high risk of leaving their jobs in the next year.

Leadership often is a critical factor in employee turnover. We’ve all heard the adage: “People don’t leave jobs; they leave managers.” While many leaders struggle to retain or replace employees, this is not true of all leaders. In fact,

high-performing managers are four times more likely to retain employees than low-performing managers. The key is to discover what organizations can do to create high-performing leaders.

In this year’s Annual Leadership Development Survey Report for *Training* magazine, we uncover the leadership development best practices that differentiate high-performing organizations from other organizations and highlight the specific steps organizations can take to create high-performing leaders. The results provide organizations with a clear roadmap to achieve a greater return on their leadership development investments.

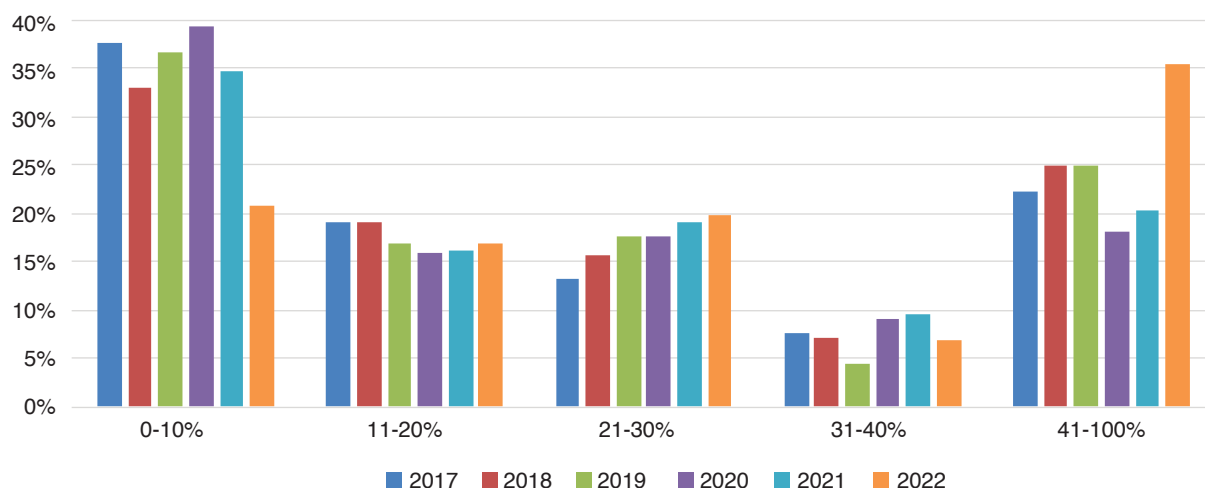
SURVEY METHODOLOGY

More than 820 Learning and Development (L&D) professionals responded to the 2022 Leadership Development survey. Overall, in the last six years, we have collected data from nearly 4,000 professionals. All were employees of companies that create and use leadership development services with their own employees; external providers of learning and development services were excluded from the results.

The majority of respondents (65 percent) had management responsibility, with the largest groups having the title of Director and above (36 percent) or Manager (29 percent).

The majority of respondents (62 percent) operated only in the United States; the remaining were composed of multinational (22 percent) and global (17 percent) companies. Organizations were fairly evenly distributed in company size, ranging from less than 100 employees to more than 50,000, with the largest group (19 percent) having 1,000 to 5,000 employees. As a whole, organizations spent \$1.7 million on training annually, slightly lower than the \$1.9 million spent in 2021.

GRAPH 1: PERCENTAGE OF TRAINING BUDGET ON LEADERSHIP



THE STATE OF LEADERSHIP DEVELOPMENT

For the sixth consecutive year, *Training* magazine and Wilson Learning Worldwide Inc. teamed up to conduct a survey investigating the steps organizations currently are taking to develop effective leaders. More than 820 Learning and Development (L&D) professionals responded to the 2022 Leadership Development Survey—the largest response rate in the survey’s history. Overall, in the last six years, we have collected data from nearly 4,000 professionals.

When comparing the results from 2017 to today, there are several trends worth examining:

1. Investment in Learning

Total training and development spending per employee showed a steady increase from 2016 to 2018, dipped in 2019, and then rose again in 2020, largely because of the response to pandemic requirements. This past year saw another drop in spending. On average, companies spent

approximately \$143 per employee on training, down roughly 18 percent from the previous year and about equal to spending in 2018.

2. Investment in Leadership

Despite the drop in overall training spend, the percentage of training budget allocated to leadership development increased. **Graph 1** shows there was a decrease in the percentage of organizations spending less than 10 percent of their budget on leadership development and a significant increase in the percentage spending 41 percent or more.

3. Little Change in Priority Skills

Organizations identified their top five priority leadership skills. **Graph 2** shows the change in the rank order from previous years. Coaching has remained the #1 ranked skill for the last four years, and communication skills have remained #2. Diversity and inclusion (#6) dropped in priority but still remains above the 2020 rank of #12. The largest increase in priority was in interpersonal relationship skills, rising to #8 from #12.

GRAPH 2: PRIORITY SKILLS FOR LEADERSHIP DEVELOPMENT

Numbers next to arrows indicate the number of ranks up or down a skill has changed from 2021-2022

Results	2018 Rank	2019 Rank	2020 Rank	2021 Rank	2022 Rank
Coaching/Developing others	2	1	1	1	1
Communication skills	1	2	2	2	2
Team leadership	3	7	5	5	3▲2
Emotional intelligence skills	7	3	4	4	4
Strategy development and alignment	4	6	7	7	5▲2
Diversity and inclusion			12	3	6▼3
Performance management	9	4	3	8	7▲1
Interpersonal relationship skills	6	13	13	12	8▲4
Change leadership	5	5	6	6	9▼3

Results	2018 Rank	2019 Rank	2020 Rank	2021 Rank	2022 Rank
Adaptive thinking/ problem-solving	10	10	8	10	10
Creating engagement	11	8	9	9	11▼2
Motivating others	8	15	14	13	12▲1
Providing feedback	12	9	10	14	13▲1
Self-development	13	11	11	16	14▲2
Creativity and innovation leadership				11	15▼4
Taking accountability	15	12	16	15	16▼1
Influencing others	14	14	15	17	17
Business and financial acumen				18	18

Other declines were in creativity and innovation leadership (at #15, down from #11) and change leadership (at #9, down from #6).

PANDEMIC'S ONGOING IMPACT

As we enter our third year of COVID-19, organizations are still feeling the impact, and that has affected leadership development.

1. Impact on Investment

As in last year's survey, organizations invested less than they had planned in leadership development but to a lesser extent. This year, 43 percent of organizations spent less than planned, down from 48 percent last year. The percentage spending more than planned rose to 18 percent, compared to 13 percent in last year's survey.

2. Impact of Remote and Hybrid Work

One of the widespread impacts of the pandemic has been the increase in remote and hybrid work

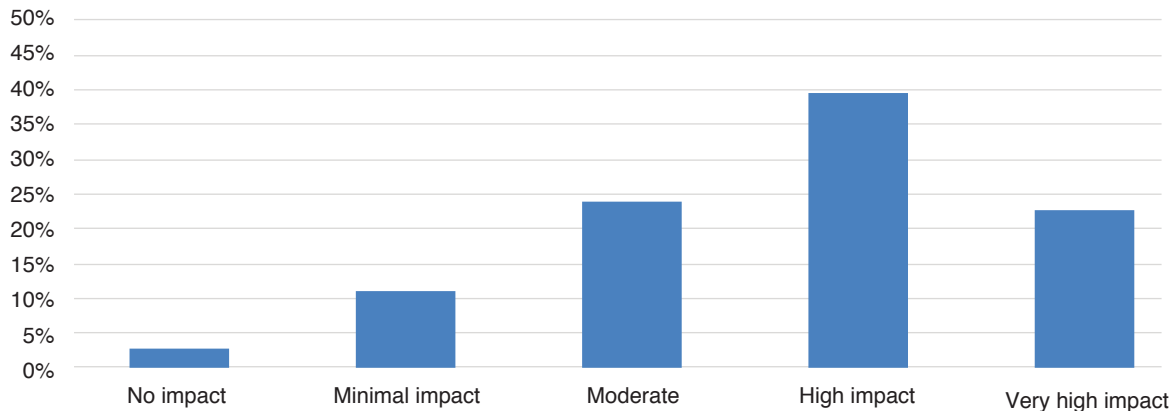
environments. To gain more insight into this trend, we asked organizations about their employees' current work environments. Some 36 percent of organizations are working 100 percent remotely; 28 percent are working partly remotely and partly in the office; and 36 percent are 100 percent back in the office.

This blend of work environments is having a significant impact on leadership effectiveness. When asked to rate the impact of remote and hybrid work on leadership effectiveness, the majority (63 percent) indicated there was a high to very high impact (see Graph 3).

BEST PRACTICES OF HIGHLY EFFECTIVE ORGANIZATIONS

To determine the impact of organizations' investment on organizational performance, as we have done for all six years of the survey, we included

GRAPH 3: IMPACT OF REMOTE/HYBRID WORK ON LEADERSHIP EFFECTIVENESS



measures of leadership development effectiveness (see sidebar below). We combine these measures into a single indicator of effectiveness and then divide the surveys into three groups: high-, moderate-, and low-performing organizations so we can

benchmark the differences between the groups.

LEARNING APPROACHES

Most of the 24 learning methods used for leadership development have not changed meaningfully,

HOW DO WE DEFINE EFFECTIVE LEADERSHIP DEVELOPMENT?

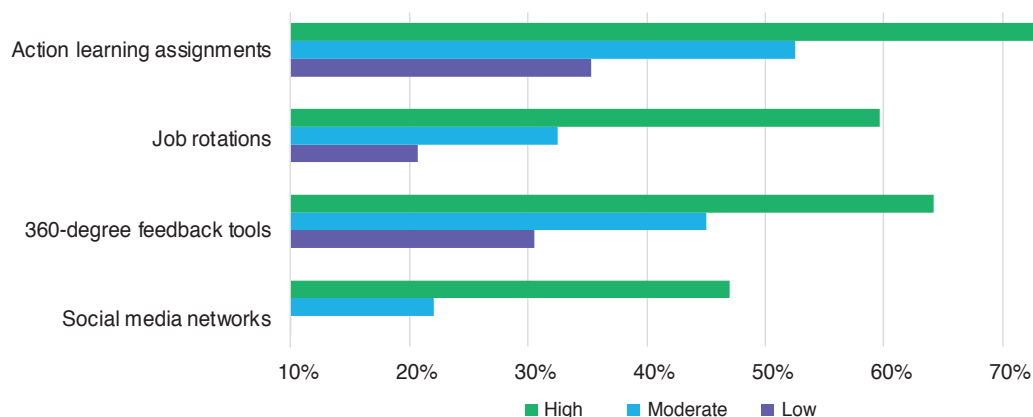
Benchmarks for performance are useful guides for making improvements. Through our research, we identified outcomes that define leadership effectiveness. These six indicators are measures of leadership development impact that experts agree provide a good indication of leadership development performance.

- **Leadership is a source of competitive advantage:** Do senior executives acknowledge the importance of leadership development to the organization's success?
- **Best-in-class leaders:** Are other companies trying to recruit their leaders away?
- **Attracting high potentials:** Does the or-

ganization's approach to leadership attract high-potential leaders from other organizations?

- **No leadership gaps:** Does the organization have significant gaps in leadership capacity?
- **Sufficient resources:** Does the organization have the necessary resources to effectively develop its leaders?
- **Sufficient leadership bench strength:** How satisfied is the company with its ability to replace departing leaders?

By combining these six measures and then ranking organizations from high performing to lower performing, we create one measure of overall leadership effectiveness.

GRAPH 4: PERCENTAGE RATING HIGHLY EFFECTIVE LEARNING METHOD

with the exception of a large increase in the use of instructor-led virtual learning during the pandemic and a parallel decline of in-person classroom learning. However, there were differences in the

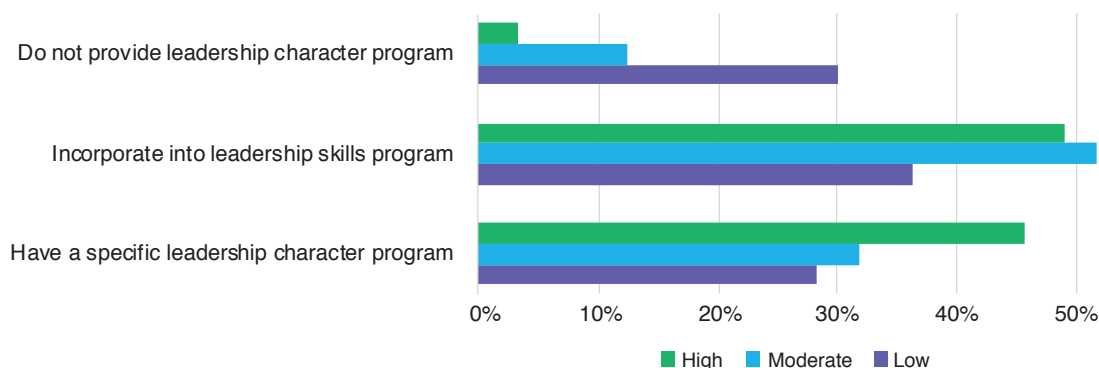
“Having an increased emphasis on shared learning vs. lectured learning, we continue to find our best learning methods are when folks are invested and can learn from each other.”

—Survey Respondent

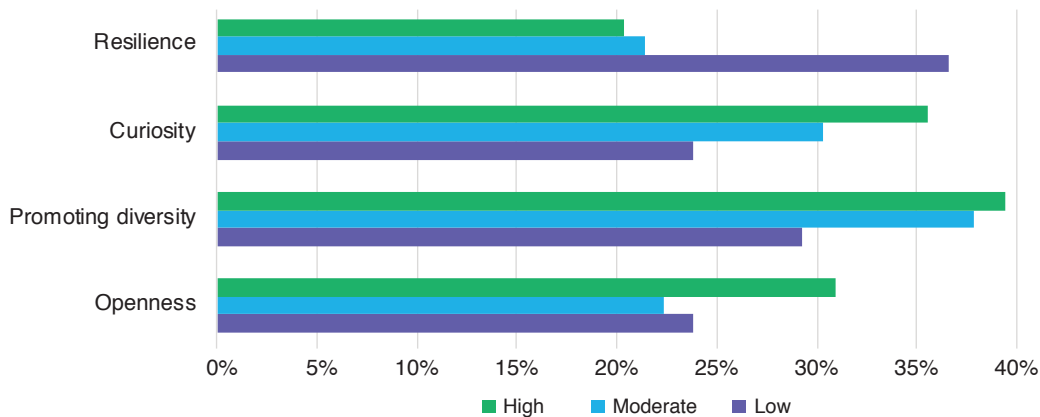
effectiveness of four learning methods between high- and low-performing organizations. Three methods require the active involvement of senior leaders—action learning assignments, 360 feedback, and job rotations—suggesting the critical involvement of senior leaders and direct managers in creating leadership effectiveness (see [Graph 4](#)).

LEADERSHIP CHARACTER

High-performing organizations differ from low-performing organizations both in how they develop

GRAPH 5: APPROACH TO CHARACTER DEVELOPMENT

GRAPH 6: PRIORITY LEADERSHIP CHARACTER ELEMENTS



character and on which elements of character they place their focus.

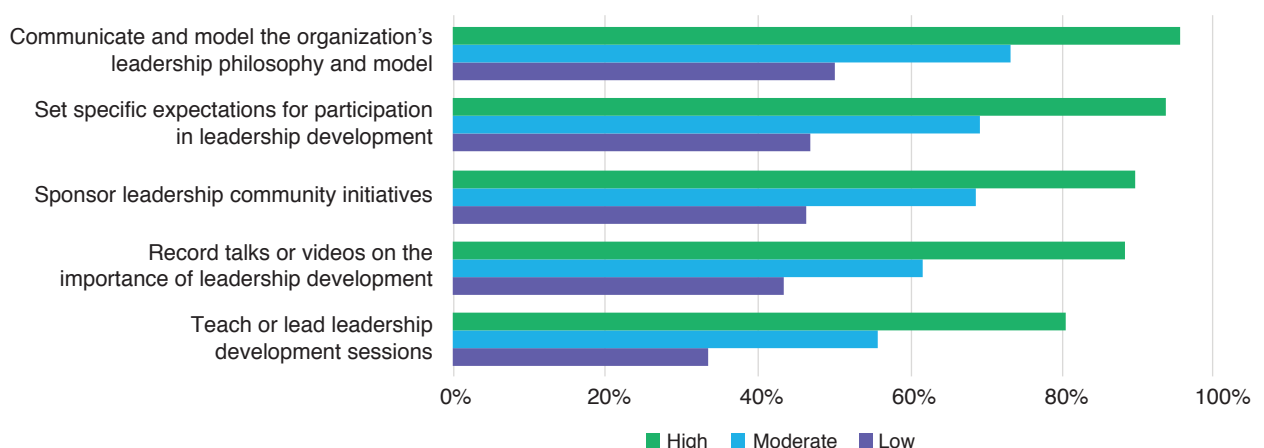
First, as **Graph 5** shows, high-performing organizations are more likely to provide leadership programs specific to developing character, while low-performing organizations are more likely to offer no character development at all.

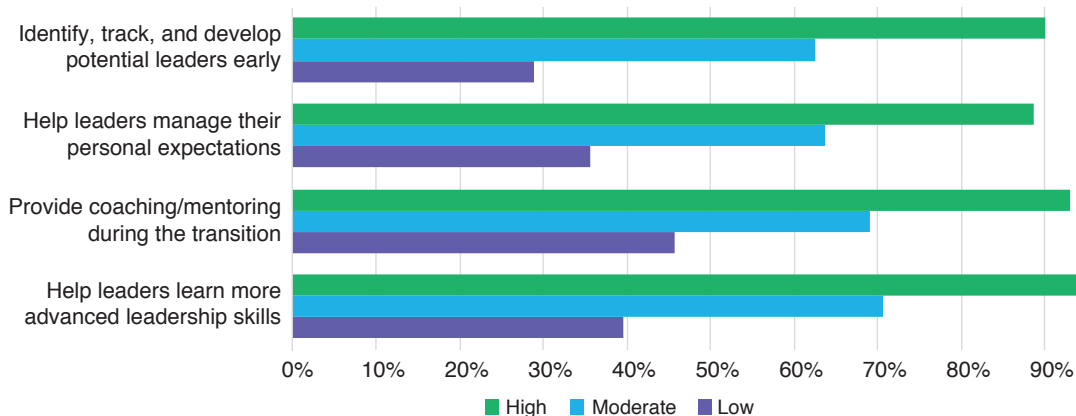
All organizations, regardless of performance level, see integrity/ethics as the most important

character element. More than 70 percent of high-, moderate-, and low-performing organizations rank integrity/ethics as a top priority.

However, as **Graph 6** shows, they differ on other priority character elements. Low-performing organizations are more focused on resilience, while high-performing organizations are more focused on curiosity, promoting diversity, and openness.

GRAPH 7: EXECUTIVE INVOLVEMENT IN LEADERSHIP DEVELOPMENT



GRAPH 8: SUPPORT FOR TRANSITIONING NEW LEADERS

EXECUTIVE INVOLVEMENT

A clear difference between high- and lower-performing organizations is the degree to which executives are involved in leadership development. As shown in [Graph 7](#), high-performing organizations are significantly more likely to engage their executives in modeling effective leadership behaviors; setting clear expectations for leadership development; sponsoring leadership community efforts; and teaching, leading, and recording videos for leadership programs.

TRANSITIONING NEW LEADERS

The degree to which organizations support new leaders in the transition to a leadership position is another major difference between high-, moderate-, and low-performing organizations as seen

“Senior leaders MUST ‘walk the talk’ and lead by example. Telling leaders to do something but having that gainsaid, either directly or indirectly, can torpedo any chance of leaders continuing to do that thing.”

—Survey Respondent

in [Graph 8](#). High-performing organizations are much more likely to identify and develop potential leaders early, help them manage their expectations, provide mentoring during the transition, and focus on developing more advanced leadership skills.

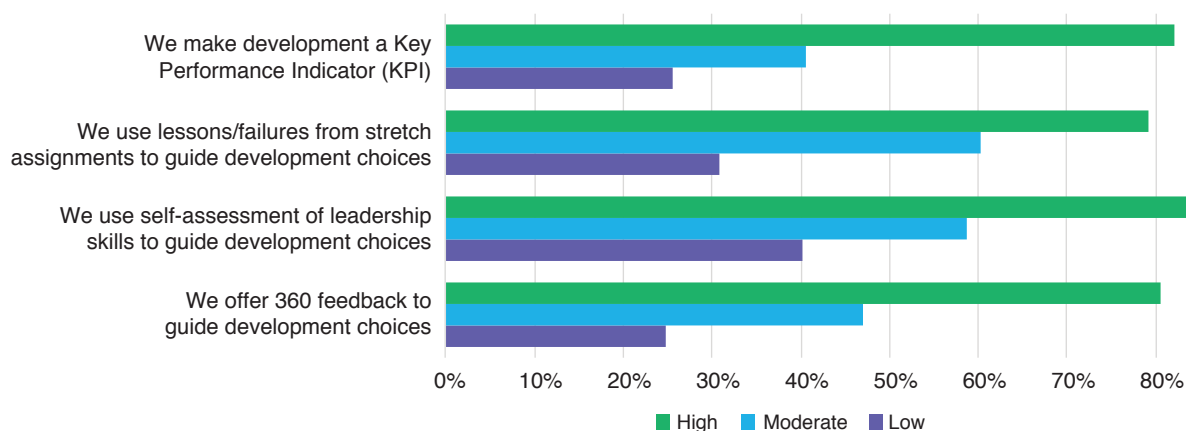
RESPONSIBILITY FOR DEVELOPMENT

Personal accountability is another trend we’re seeing. Some 70 percent of organizations at all levels expect new leaders to take on this responsibility. The differentiating factor between high- and low-performing organizations is the level of support they give new leaders in accepting this responsibility. [Graph 9](#) shows that high-performing organizations support this effort by making development a key performance indicator (KPI), using stretch assignments to guide development choices, and providing assessments (both self-assessment and 360-degree feedback) to guide development.

MEETING NEW LEADERS’ NEEDS

Using a learning approach that meets the needs and expectations of new leaders can make

GRAPH 9: HELPING NEW LEADERS TAKE GREATER RESPONSIBILITY FOR DEVELOPMENT



a critical difference in performance. **Graph 10** shows that high-performing organizations are significantly more likely to consider the desires of the next generation of leaders. Almost 90 percent of high-performing organizations use learning methods that match the expectations of new leaders, effectively recruit people to take leadership positions, build a strong bench strength of potential leaders, and prioritize the development of the next generation of leaders. Less than 40 percent of low-performing organizations take these actions.

LEVERAGING CROSS-GENERATIONAL SUPPORT

Developing new leaders is a two-way street, involving the new leader and the current leader. Both are critical to high performance. **Graph 11** shows that current leaders of high-performing organizations are more likely to let go of responsibilities and provide coaching and support.

High-performing organizations' new leaders also have a commitment and passion for leadership, recognize the need for development, and have reasonable expectations for their careers.

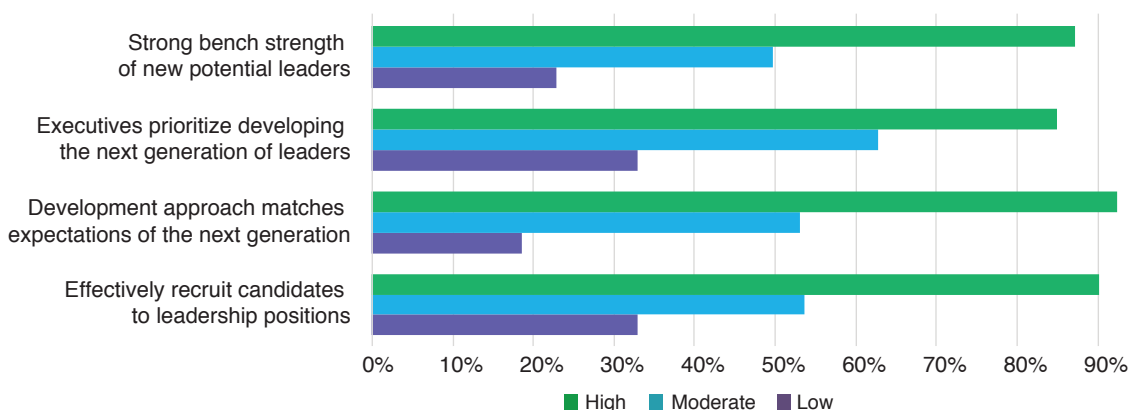
HOW TO STRENGTHEN LEADERSHIP DEVELOPMENT

As we continue to navigate the changes we've encountered in the last two years and look toward the future, we need to rely on each other to get through. Therefore, one of the key requests we made this year was to ask people to share with the community their best practices, tips, or lessons. More than 300 respondents shared their ideas, with many echoing the outcomes of this survey. Action items and tips include:

1. Adapt to a new work environment. As we continue to emerge from the pandemic, we will return to something new and different from the past. As L&D professionals, we need to be resilient but also ready to adapt. We need to be open to an ultimate outcome but not tied to a specific one. While we cannot predict what leadership development will become, we know it is not what we are experiencing now, nor will it be what we did in the past.

TIP: "Know the audience you're serving and re-evaluate your understanding of their needs on a regular basis. People and teams change; L&D needs to change with them."

GRAPH 10: DEVELOPING THE NEXT GENERATION OF LEADERS



2. Focus on collaborative learning. Leadership is largely a social and emotional activity, and leadership development should mirror that. While some knowledge transfer is needed, we cannot overlook the importance of leaders sharing their experiences, learning from one another, and collaboratively reflecting on their experiences (not just peer-to-peer but with their own manager, executives, and their direct reports). High-performing organizations build multiple collaborative learning experiences into their leadership development, whether in person, remotely, or digitally.

TIP: “Leaders need to connect with one another and wrestle with real-world problems in the context of their businesses and one another. Establish a community of practice to lean into peers for advice and best practices.”

3. Get executives engaged. As more senior executives begin to see leadership development as a priority, they also need to communicate specific expectations, model desired leadership behavior, and create leadership succession plans.

TIP: “Executives have to want to be involved in leadership development; they can’t just tell people to participate in it. If executives aren’t involved, it

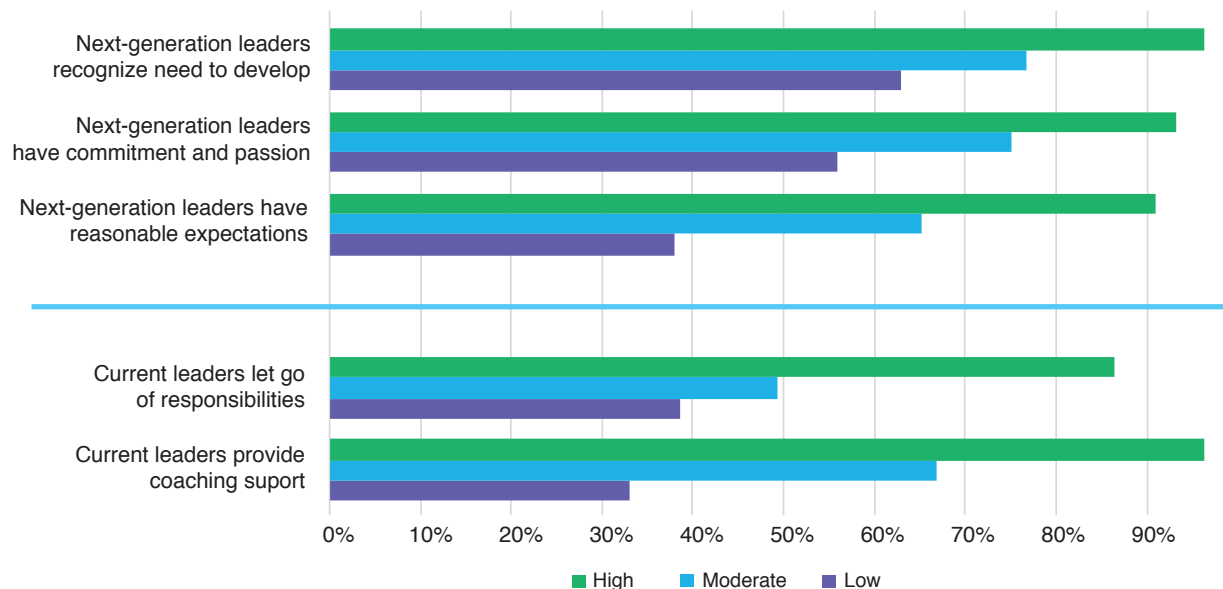
isn’t viewed as important enough and the skills that are needed never become solidly ingrained.”

4. Support the next generation of leaders. The next generation of leaders shows a passion and willingness to learn how to be better leaders. They are ready to take on the responsibility but need their organization’s support. Providing leaders with insight into their current behaviors, making learning a key indicator of performance, and using failures as learning opportunities rather than career-enders will have an impact on their development as leaders. High-performing organizations tailor learning methods to the new generation of leaders, help new leaders manage the transition, and leverage the knowledge of current leaders.

TIP: “I provide corporate sponsorship for anyone wanting to develop. Internally, a mentoring and coaching program lends more integrity to an organization that says its contractors are academic tutors, life mentors, and coaches.”

5. Expand your definition of learning methods. According to the survey, the highest-performing organizations used more of the available learning methods than did lower-performing organizations. This also was reflected in respondents’ best

GRAPH 11: CROSS-GENERATIONAL SUPPORT FROM CURRENT LEADERS



practice suggestions. Effective leadership development draws from our entire L&D tool kits, case study analysis, engaging eLearning, ongoing reinforcement and reflection activities, collaborative learning assignments, real-life leadership challenges, mentoring, coaching, and leadership scenario planning. Leveraging as many of these as possible can have a profound impact on your organization.

TIP: “Leadership development is not a one-time training or activity; it is woven throughout the organization. Specific time needs to be dedicated to the development of leaders, with continued follow-up and attention to the process. Leverage current and emerging technologies to support growth, agnostic of traditional face-to-face methods, and realign metrics to account for non-traditional progression. ‘Predict the future by inventing it.’”

While the Great Resignation has brought about many challenges, it also has created a window for us to innovate, experiment, and expand our notions of what leadership development can be in the

future. As the next generation of leaders begins leading teams, departments, business units, and organizations, it is our responsibility to make sure they are well prepared for these roles. The future of our organizations depends on it. **ii**

Michael Leimbach, Ph.D., is a globally recognized expert in instructional design and leadership development. As vice president of Global Research and Development for Wilson Learning Worldwide Inc., he has worked with numerous Global 1000 organizations in Australia, England, Germany, Japan, South Korea, Taiwan, and throughout the United States. Over more than 35 years, Dr. Leimbach has developed Wilson Learning’s diagnostic, learning, and performance improvement capabilities; published 100-plus professional articles; coauthored four books; served as editor-in-chief for the ADHR research journal; and is a frequent speaker at national and global conferences. He also serves on the ISO Technical Committee (TC232) on Quality Standards for Learning Service Providers and on the University of Minnesota College of Education and Human Development Dean’s Advisory Board. For more information, contact Wilson Learning at: 800.328.7937 or visit: **WilsonLearning.com**



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