

# Increasing Leadership Effectiveness

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Draft

- **It's not about the Training Program,**
- **It's not about the Coach**
- **It's all about You and Your Co-workers**

## **A Review of Eight Major Corporations With Differing Leadership Development Approaches Involving over 86,000 Respondents**

We had been in the leadership development business for many years before anyone asked us the great question,

"Does anyone that goes to these programs ever really change?"

Our answer was a candid, yet embarrassed, "I don't know."

For the last fifteen years we have been trying to find the answer to this question. We now have a much better understanding of who changes and who doesn't. We also know more about why people change and why they don't.

As part of our effort to answer this question, we reviewed the leadership development programs of eight, very different, major corporations. All eight organizations had the same goals:

- To determine the desired behaviors for leaders in their organizations.
- To help leaders increase their effectiveness by better aligning actual leadership practices with these desired behaviors.

All of the organizations developed custom leadership profiles (that were aligned with their vision and values). All developed a 360° feedback process that incorporated behaviors that were consistent with the leadership profile.

Each of the organizations used a somewhat different approach to achieving the same goals.

What was similar in all eight organizations was that all leaders were asked to:

- Receive 360° feedback.
- Review their feedback with a consultant (some internal and some external).
- Identify 1-3 areas for improvement.
- Discuss their areas for improvement with their co-workers.
- Ask for suggestions on how they could become more effective.
- Follow-up with co-workers to get ongoing feedback and suggestions.
- Use a custom-designed mini-survey to measure if they had become more effective (as determined by their co-workers) in 3-15 months.

By utilizing this process, all eight organizations were extremely successful in helping many leaders achieve a positive, long-term change in behavior. While the overall

summary scores for leaders were very positive, each organization also had many leaders who were not perceived as changing at all.

### **The Eight Organizations and Their Approaches**

Each organization in our study is in a different industry and faces different competitive pressures. All are leaders in their industry. Five of the eight companies used a targeted approach to leadership development. In these cases 75-354 executives or high-potential managers were involved in the study. In the other three companies, all middle managers and above attended the programs. In these companies 1,500 – 6,500 executives and managers were trained and received feedback. Each manager received feedback from 3-16 respondents. In total over 86,000 respondents were included in the database.

The degree of international representation varied between organizations. Two were almost exclusively American. One was made up of 50% international participants. The other five had varying levels of international representation between 0 and 50%.

The eight organizations – and their approaches to changing leadership behavior, are listed below:

- A) An aerospace / defense contractor – Over 1,500 executives and managers (starting with the CEO and his team) received training for 2 1/2 days. Each person reviewed his/her 360° feedback with an outside consultant (all in person). Each received at least three "reminder notes" to help ensure that they would follow-up with their co-workers.
- B) A financial services organization – 178 high-potential leaders received training for one day. Each leader was assigned a personal internal coach (a coach from inside the company). Each coach had one-on-one sessions with his/her client on an ongoing basis (either in-person or by phone).
- C) An electronic manufacturer – 258 senior leaders received in person coaching with an external coach. They were then assigned an internal coach, who had been trained on effective coaching skills, to follow-up with each client every three to four months. This group did not attend a training program.
- D) A diversified services company – Over 6,500 executives and leaders (including the CEO) received one-on-one feedback from an external coach during two 2 1/2-day training programs that were conducted fifteen months apart. While there was no formal follow-up provided by the coach, participants knew that they were going to be measured and compensated on their follow-up efforts.
- E) A media company – 354 executives and leaders (including the CEO) received one-on-one feedback and coaching during a one-day program. An external coach provided follow-up coaching every three to four months.
- F) A telecommunications company – 281 executives and high-potential leaders (including the CEO and his team) received training for one day. Each leader was given a personal external coach. Each coach was instructed to have one-on-one sessions with his or her client on an ongoing basis.
- G) A pharmaceutical / health care organization – Over 2,000 executives and managers (starting with the CEO and his team) received training for 1 1/2 days. Each person reviewed his/her 360° feedback with an outside consultant (almost all by phone). Each received at least three "reminder notes" to help ensure that they would follow-up with their co-workers.

H) A high-tech manufacturing company – 75 high-potential leaders received coaching for one year from an external coach. This was not connected to any training program. Each coach had one-on-one sessions with his or her client on an ongoing basis (either in-person or by phone).

## **SIX KEY LEARNINGS**

### ***1. In all cases the most important variable in predicting increased leadership effectiveness was the leader's interaction with co-workers.***

All eight organizations measured the frequency of the leader's interaction with co-workers and compared this measure to the perceived increase in leadership effectiveness.

Companies "A-E" used a "-3" to "+3" scale. They then compared the perceived increase in leadership effectiveness to a five-point scale on the amount of follow-up (ranging from "no follow-up" to "consistent or periodic follow-up").

Company "F" used a "percentage improvement" scale to measure perceived increase in leadership effectiveness (as judged by key stakeholders). They then compared amount of follow-up to increased leadership effectiveness.

Companies "G" and "H" measured improvement used a "-3" to "+3" scale to measure increased leadership effectiveness. They then simply compared "no follow-up" with "followed-up".

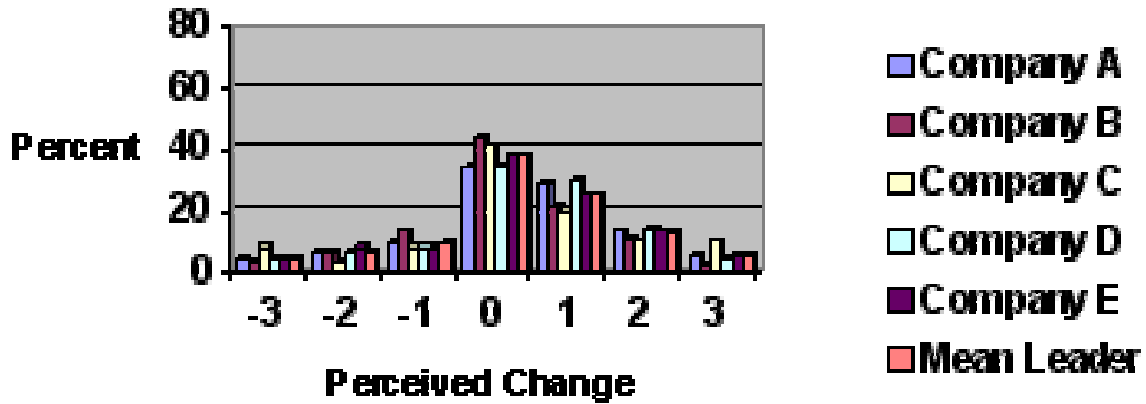
The results were very similar in all cases - leaders who discussed their selected "areas for improvement" with their co-workers - and then followed-up with these co-workers on a regular basis - showed dramatic improvement. Leaders who did not have ongoing dialogues with their co-workers showed much less improvement. This was true whether the leader had an external coach, internal coach or no coach. This was also true whether the participant went to a training program for 21/2 days, one day or did not attend a training program at all.

In the two corporations that simply compared "followed-up" with "did not follow-up" the leaders who followed-up were seen as far more effective than the leaders who did not follow-up. In the organizations that measured the degree of follow-up, leaders who were seen as having "frequent" or "periodic" interaction (concerning input on "areas for improvement") were always seen increasing in effectiveness far more than leaders who had "little" or "no interaction" with co-workers.

The following tables indicate the impact of co-worker follow-up on leadership effectiveness by comparing companies "A, B, C, D, and E". These companies used exactly the same scale to measure increased leadership effectiveness vs. amount of follow-up. While these companies are in very different industries, used different approaches to leadership development and had different participants, their results are almost identical! Leadership involves a relationship. The most important factors in improving this relationship are clearly neither the coach nor the training methodology. They are the leader and the co-worker. (While companies "F, G, and H" used slightly different measurement scales, their findings were very supportive of the same trend.)

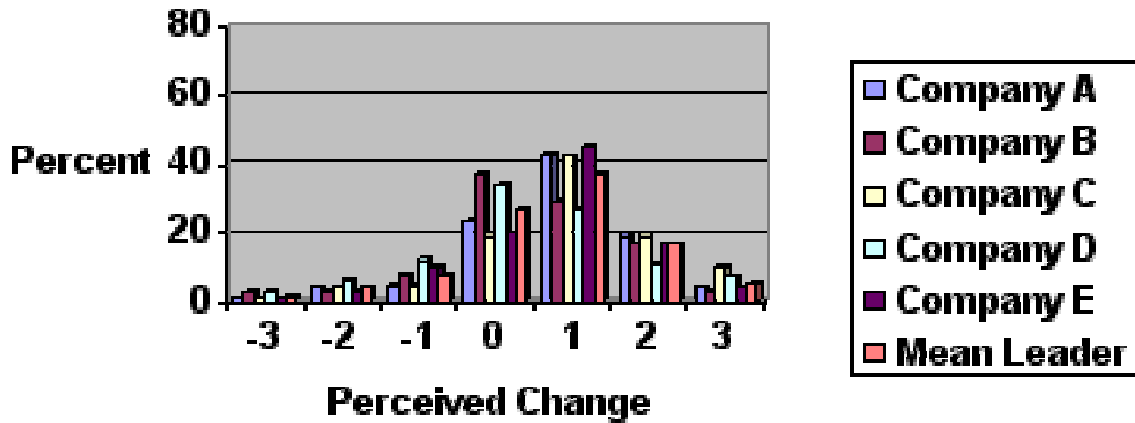
**Table 1**

**Change In Leadership Effectiveness**  
*My co-worker did no follow-up*



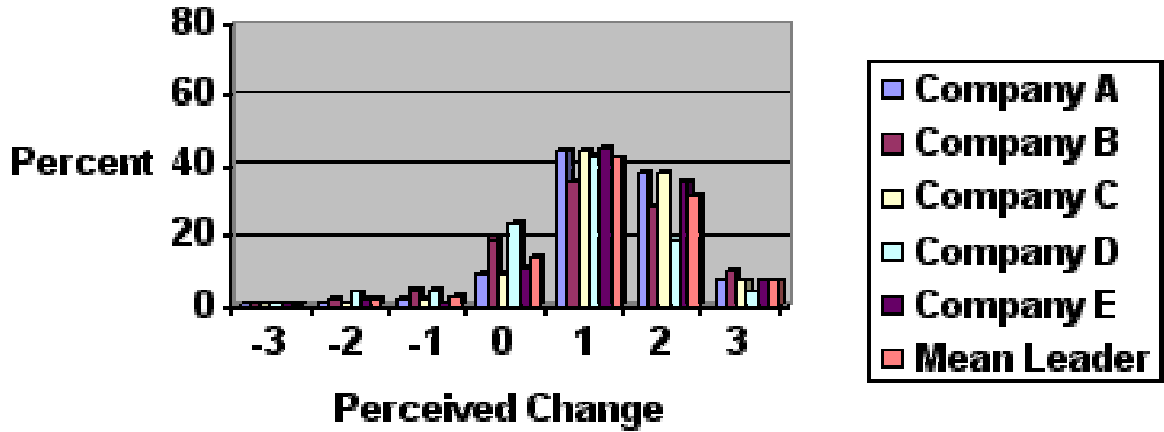
**Table 2**

**Change In Leadership Effectiveness**  
*My co-worker did a little follow-up*



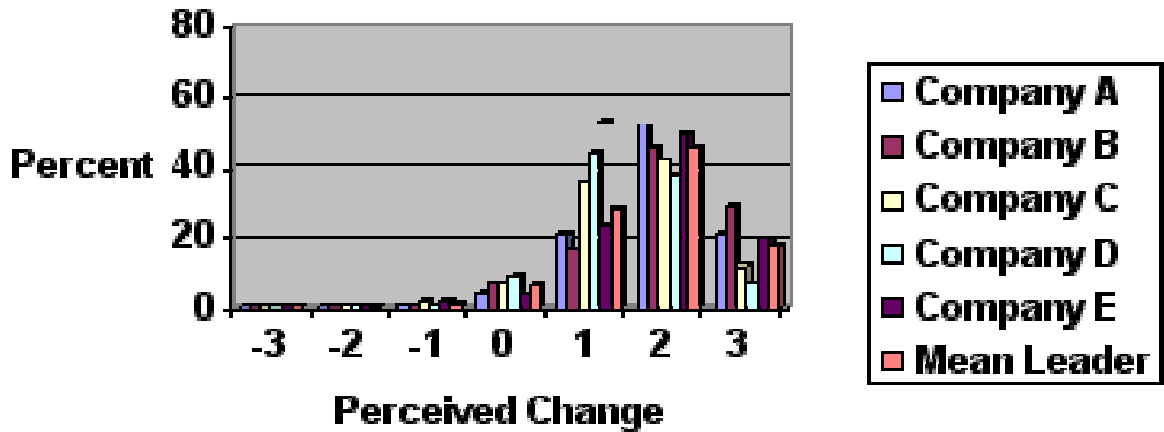
**Table 3**

**Change In Leadership Effectiveness**  
*My co-worker did some follow-up*

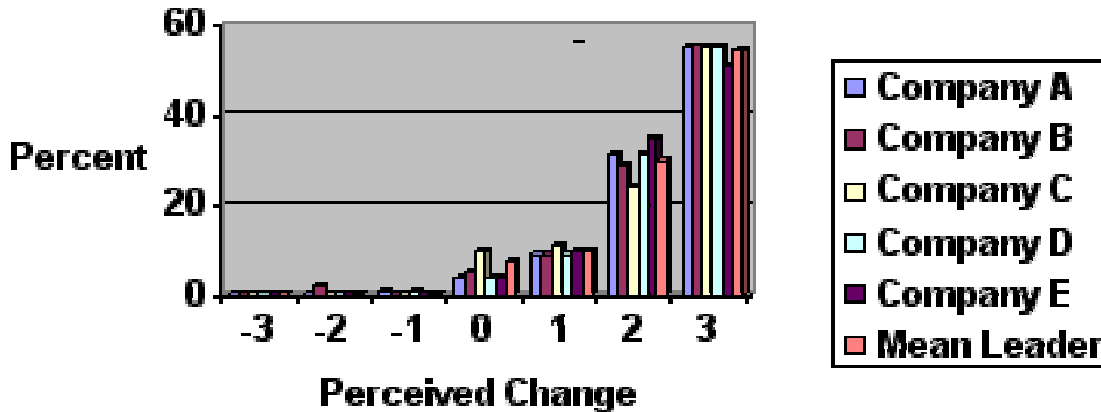


**Table 4**

**Change In Leadership Effectiveness**  
*My co-worker did frequent follow-up*



**Table 5**  
**Change In Leadership Effectiveness**  
*My co-worker did consistent or periodic follow-up*



**2. Frequency of interaction with co-workers is more important than duration of training programs or coaching meetings.**

In companies "A-E" the frequency of interaction was a key variable in increased leadership effectiveness.

Historically, a great deal of leadership development has focused on the importance of an event. This event could be a training program, a motivational speech or an off-site executive meeting. The experience of these eight companies indicates that real leadership development involves a process that occurs over time, not an "inspiration", "transformation" or "religious conversion" that occurs in a meeting.

A good analogy might be working out. The historical approach to leadership development would be to have out of shape people sit in a room and listen to a speech on the importance of exercising. They could then watch some tapes on how to exercise and perhaps even practice exercising. The company would then wonder why everyone was not in shape a year later! As Arnold Schwarzenegger wisely noted, "Nobody ever got muscles by watching me work out!" The key to getting in shape is not understanding the theory of working out. It is engaging in the practice of working out.

The "personal trainer" example seems very applicable to the role of executive coach. The role of the personal trainer is to "remind" the person being trained to do what he/she knows should be done. Good personal trainers spend far more time on execution than on theory. The same seems to be true for leadership development. Most leaders already know what to do. They have read the same books and listened to the same "gurus" giving the same speeches. For most leaders the great challenge is not understanding the practice of leadership: it is practicing their understanding of leadership!

One lesson is clear from the six companies in our study that included training programs. If participants go to a leadership development program and do not follow-up with their co-workers, they might as well stay home. While there is some evidence that coaching without follow-up can produce positive change in leadership behavior (from company "H"), there is no evidence that training without follow-up can produce any change in behavior that is greater than random chance.

**3. *The importance of follow-up was a critical element both domestically and internationally.***

Nearly 10,000 of the respondents in the eight organizations were located outside of the United States. The importance of follow-up was as critical to changing behavior internationally as it was domestically. This was true for both training and coaching initiatives.

In company "G" there were almost no differences in scores between participants in Europe, Latin America and North America. The group that was seen as improving the most was in Asia. When analyzing "why" the company determined that the higher scores were more a function of dedicated local management than a function of cultural differences.

One reason that this process works around the world is that leaders learn from the people in their own environment. Research from the Center for Creative Leadership has shown that "encouraging feedback" and "learning from those around us" are two keys to success in cross-cultural leadership.

While the concept of follow-up and frequency were universal, leaders were encouraged to adapt the way that they followed-up to fit the unique requirements of their culture.

**4. *Feedback or coaching by telephone works about as well as feedback or coaching in person.***

A common belief is that feedback or coaching is a very "personal" activity and that it is much more effective if done in person (as opposed to by phone). Research conducted by these eight organizations does not support this belief. The organization that conducted almost all feedback by telephone produced almost identical "increased effectiveness" scores as the organization that conducted all feedback in person. The organizations that used all external coaches made sure that each coach had at least two "one-on-one" meetings with his/her client. Some coaches met with clients regularly in person, while some had almost all interaction by telephone. There was no clear indication that either method of coaching was superior to the other.

One client did a "client satisfaction" study comparing client satisfaction with 360° feedback by telephone vs. feedback in person. Clients were equally satisfied with either process. While this type of "happiness measure" is not as valid as long-term measures of behavioral change, it shows that even the short-term experience of feedback by telephone can be as positive as the experience of feedback in person.

**5. *Both internal or external coaches can make a positive difference.***

In company "H" only external coaches were used. In company "B" only internal coaches were used. Both approaches produced very positive, long-term results in increasing leadership effectiveness. The three major variables in determining whether to use an internal coach were considered to be time, credibility and confidentiality.

In company "B" internal coaches were given the time to do the job. This was treated as an important part of their responsibility, not an "add on" to do "if they got around to it". They were trained in the coaching process and viewed as highly credible by their internal clients. (In fact, their internal clients said they preferred them to external coaches.) Each internal coach worked with a leader in a different part of the business. They assured their clients that this process was for high-potential development, not evaluation.

In many organizations, internal coaches just do not have the time to interact with a meaningful sample of leaders on an ongoing basis. In some cases they may not seem as credible to executives. In other cases they may appear to be in a "conflict of interest" position in terms of their role as a coach and their role as an evaluator. If these perceptions exist, then external coaches would likely be preferable to internal coaches.

Internal coaches were seen as having the advantage of "knowing the business" and "understanding the key players". External coaches were seen as having the advantage of an "outside perspective" and "objectivity". Neither choice seemed to be "better" or "worse" in an absolute sense. The appropriate alternative appears to depend upon the unique needs and resources of the organization.

#### ***6. Training, when coupled with ongoing follow-up can make a huge positive difference.***

Companies "A" and "G" provided training on how to involve co-workers in follow-up and continuous improvement. Leaders also received ongoing "reminder notes", suggesting that they should follow-up. With today's new technology, very sophisticated follow-up systems are available to help ensure that follow-up occurs. As a general rule, the more that the company follows-up with the leader, the more the leader follows-up with the co-workers (and the more effective the leader becomes).

One reason that coaching is so effective is that it helps inspire leaders to follow-up with their people. Company "H" found a strong positive correlation between the number of times that the coach followed-up with the client and the number of times that the client followed-up with co-workers.

Follow-up with leaders does not have to be a costly tool. Internal coaches can make follow-up telephone calls. New computerized systems can send "reminder notes" and give ongoing suggestions. Almost any follow-up is better than none. One of the great weaknesses in most training and development is the insufficient attention paid to follow-up. Many companies spend millions of dollars for the "program of the year" and almost nothing on follow-up and reinforcement.

#### **IMPLICATIONS FOR LEADERSHIP DEVELOPMENT**

Many studies of behavioral change involve a few graduate students from the professor's Ph.D. program. This study reviewed the results of the leadership development efforts of eight major corporations. It involved thousands of leaders and over 86,000 co-worker respondents. The findings are clear and encouraging. Companies can do a great job of helping leaders achieve a positive, long-term, measurable change in behavior without spending unneeded amounts of time or money!

Leadership development initiatives should focus on increased effectiveness, not just happiness.

A traditional method of determining the success of leadership development programs is to measure immediate, short-term satisfaction (from the perspective of the participants). In the companies in our study that did training, almost all of the leaders were highly satisfied with the sessions. In companies "A" and "G" the average evaluations (for over 3,500 participants) on satisfaction with the training were over 4.7 out of a possible 5.0! They loved the training! That doesn't mean that they used the training.

Unfortunately, the same faulty logic is often used in evaluating the effectiveness of executive coaches. There may be very little correlation between "I love my coach." and "I change my behavior." In fact, a famous study on therapists showed that the most popular therapist produced the least change in behavior.

In many leadership training programs companies do an extensive job of evaluating consultants, they also evaluate program design, and even such trivial things as the quality of the food. Everything is evaluated except the participants! One could argue that the major people being trained are consultants, designers and cooks.

Knowing that follow-up measures of increased effectiveness will occur six to twelve months from the date of the program creates a different level of commitment in participants. It created a focus on long-term change and personal accountability.

Coaching can be a great complement to training. Companies "G" and "B" both showed how either internal or external coaches could help make training "come to life" through frequent coaching interactions.

Leaders can clearly benefit from coaching, but it does not have to be done by external coaches. Company "B" has shown how internal coaches can produce the same positive results as external coaches. In fact, in Company "D" internal trainers conduct the "train the coaches" sessions for internal coaches. Company "B" is now in the process of documenting how line internal coaches can produce the same positive results as HR internal coaches.

Coaching can work as a "stand alone" process, even when it is not combined with training. Company "H" produced fantastic results by having leaders receive coaching that was completely disconnected from any training.

Leaders who do not have coaches can "learn to be coached" from their co-workers. The key to changing behavior is "learning to learn" from those around us, and then modifying our behavior based upon their suggestions.

Companies "A" and "F" used a very streamlined and efficient process of focused training and "reminder notes" to help leaders achieve a positive, long-term change in effectiveness without having either internal or external coaches. Feedback discussions by telephone were shown to work as well as feedback discussions in person (and at a much lower cost)! By using new computerized follow-up systems and telephone coaching, companies can provide outstanding support to larger numbers of leaders in a cost effective manner.

The key learning from these eight companies is that leadership is about the relationship of the leader with his/her co-workers, not about the relationship of the leader with a coach or trainer. If the organization can teach the leader to reach out to the co-workers, to listen and learn and to focus on continuous development, both the leader and the organization will benefit. This process does not have to take a lot of time or money. It does, however, require a lot of commitment and follow-up.