

*WHY LEADERSHIP PROGRAMS  
FAIL  
&  
WHAT YOU CAN DO FOR SUCCESS*

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# Tonight's agenda

- The Case for Change - the state of:
  - Leadership in Corporate America
  - Leadership Development in Corporate America
- Current Programs
- Getting Engaged
  - Some ideas for collaboration

# Leadership in Corporate America: Why we should be interested

- The world economy and hundreds of millions of peoples' lives and livelihoods depend upon the competence and integrity of America's corporate leaders.
- This is unlikely to change in the near future
- "The Price of Greatness is Responsibility"

- Leadership

- Leadership Development

# The Case for Change - 1

- The overwhelming perception (reality - ?) of lack of integrity and competent leadership in Corporate America.

## *Perception:*

- The public trusts corporate leaders just slightly more than used car salesmen.

## *Perception:*

- A poll in July 2002 found that 77% of Americans thought that bosses of large corporations could not be trusted

## *Perception:*

- 71% feel “that the typical CEO is less honest and ethical than the average person.”

## *Perception:*

- In rating the moral and ethical standards of CEO's of major corporations, 72% rated them "fair" or "poor."

## *Perception:*

- Wall Street Journal Europe -  
“79% of European investors believe that corporate leaders are not honest.”

# The Case for Change - 2

- Despite government oversight and prosecution, the leadership situation seems to be getting worse - and nothing effective is being done about it.
- New regulations (SOX et al) are clumsy, unfocused, expensive and are generally met with great resistance.
- Government interventions and regulations have yet to prove that they have had any significant effect.

# The Case for Change - 2

- Recent Stock Scandals have made matters worse
- There is no universally accepted standard of ethics, standard of integrity, or standard of leadership in the corporate world.
- University based business education programs don't seem to be fixing the problem
- Few industries are immune from bad leadership practices
- Many Boards know they have to change practices but don't know how.

# The Case for Change - 3

- “There is enormous public criticism about the ability of business leaders to take the public interest into account.”
  - Jeffrey Garten, Dean of Yale University
- “ ..... The view of American business “ is as low as it has ever been ..... ”
  - William Donaldson, Chairman of the SEC
- “I find myself embarrassed and ashamed to be a businessman”
  - Andy Grove, Chairman of Intel
- “..... Angry at the executives who had damaged the reputation of all business leaders,” saying he was reluctant to tell friends that he too is a corporate executive.
  - Medtronic “Rising Star.”

# The Case for Change - 4 - Survey Says

- ..... two-thirds of the respondents said leaders at their company exhibited at least one potentially fatal flaw or "derailer."

# Statistics

- In 2005, American corporations spent about \$20 billion on tuition assistance programs.
- Study (1,304 U.S. HR professionals – Council for Adult and Experiential Learning)
  - 40 percent of companies didn't know the actual impact of their assistance programs in terms of recipients' job retention, performance or promotion.

- BusinessWeek annual survey of executive education (Oct. 20, 2003)
  - 134 companies from 20 nations reported enrolling more than 21,000 employees in leadership programs, at a cost of \$210 million.

- A survey of 3,000 leaders and associates in 117 organizations reports:
  - 63% plan to increase spending on leadership development programs that 75% of HR executives surveyed don't give a high quality rating to.

- The paradox of spending more on what's not working is due to leadership development being seen as a classroom event. Yet, you don't fix people by sending them off to training. Managers need ongoing coaching to get in the habit of being good leaders.

– Harvard Business Review on Leadership

- For all the money spent on them, we still don't know if leadership programs work. Nor do we know which ones are successful. Leadership development is still in its infancy. We are only beginning to look in a truly scientific way at how leaders develop - we have virtually no longitudinal studies on leadership comparable to long-term healthcare studies.

- [www.MentoringandCoaching.com](http://www.MentoringandCoaching.com)

- For the most part, leadership education programs receive positive reviews from the people who participate in them, ..... and companies seem to feel the investment is worthwhile.

# Summarize

- Leadership is in a bad/terrible shape
- There's a lot of money being spent
- We really don't know if leadership development has any impact
- If it does we don't know why
- People like attending the programs
- Companies feel that it's worthwhile

# Three issues:

- Competency
- Ethics/Integrity
- Attributes

# Outcomes

- Clarity, Agreement and Fit - up front
- Define in business terminology
- Agree on measurements
- Make them specific
- Align with specific candidates needs
- Don't be rigid

# Context & Culture

- Link to Change Efforts
- Feedback from qualified sources
- Engage sponsors - by candidate
- Support from the Top
- Senior Execs attend
- Choose the right candidates
- Not an excuse for correcting performance
- Create the challenge

# Approach

- Process not event
- Strengths vs. Weaknesses
- It's about growth and learning
- Multiple (short) sessions
- One size fits one

# Approach

- Credible faculty & presenters
- Global thinking
- Profiling Tools - Non-interpretive and open-ended
- Don't be afraid to use target profiles
- Always use multi-lateral feedback
- Measure the extremes

# Methods

- Variety of methods - it's not about the classroom
- Use your knowledge of the candidates
- Graduate by Success

# Content

- Include Ethics & Integrity
- Include Hard & Soft skills
- There's more to Learn
- Appropriate role models
- Select a few, carefully chosen models

# Follow-Up

- Local Coaches
- Right Chemistry
- Work on the rest of the ‘System’
- On-Going Performance feedback
- Never Walk Alone

# Follow-Up

- Re-assess at the end
- Levels 2, 3 & 4
- Keep everyone in the loop
- Life-Long Learning