Developing Leaders

Despite substantial efforts by learning professionals, a multibillion leadership development industry, and more than 70 years of leadership research, the overall success by organizations to grow leaders remains dismal. The capability gap for building great leaders is widening, and leadership pipelines are reportedly weak across all sectors and industries. Indeed, our newest research shows that capable leadership talent is rare. Only 60 percent of leaders in organizations surveyed show commercial acumen and business judgment; 48 percent are seen as driving change and innovation; and only 44 percent build talent for competitive advantage (see Figure 1).

The issue that many HR and business leaders are trying to solve is: where have they gone wrong in their attempts to develop capable leaders and how can they change course?

![Figure 1: Leadership Capability in Organizations](https://www2.deloitte.com/content/dam/Deloitte/global/Documents/HumanCapital/gx-dup-global-human-capital-trends-2016.pdf)

<table>
<thead>
<tr>
<th>Percent of Leaders</th>
<th>Build talent for competitive advantage</th>
<th>Inspire people to follow them</th>
<th>Drive change and innovation</th>
<th>Provide vision and direction</th>
<th>Create synergies through working in partnership</th>
<th>Persuade and influence stakeholders</th>
<th>Execute and achieve results through their people</th>
<th>Show commercial acumen and business judgment</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>47%</td>
<td>48%</td>
<td>50%</td>
<td>51%</td>
<td>56%</td>
<td>50%</td>
<td>60%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Bersin by Deloitte, 2016.

1 In general terms, “organizational context” refers to the various attributes in the work environment that may influence a group or individual (such as a company, division, department, work group, work role, etc.), and which have the potential to affect performance, attitudes, and behavior. These attributes include management processes, and organizational culture and systems, among others.

2 Based on more than 40 interviews with senior HR and business leaders in 2015.


6 Based on our High-Impact Leadership Research, 2016.
Our research reveals that the exclusive reliance on programs as the only means of leadership development is one of the primary reasons for the lack of leadership talent. Instead, the most effective organizations tend to build leadership growth into their very DNA—they put systems, processes, cultures, and practices in place that support leaders in their daily development. Our new Leadership Maturity Model (see Figure 2) outlines leadership growth on lower versus higher levels of leadership maturity.

Higher Leadership Maturity Pays Off

As compared with companies that focus only on formal leadership programs, we found that most organizations which utilize their organizational context for leadership growth:

- Have 37 percent more revenue by employee
- Are 5 times more likely to anticipate and respond effectively to change
- Are 10 times more likely to be effective at identifying and developing leaders
- Are 11 times more likely to have a high number of leaders who build talent

In sum, the details of our research expose elements of an organization’s structure and culture that drive leadership capability and business outcomes to a stronger degree. More importantly, the most effective organizations also have structural and cultural components in place that have been shown to positively impact their organizational leadership maturity. Moving up from one maturity level to the next is likely to be a journey for all organizations as they adjust existing practices and expand their repertoires by adding new ones.

Our Research

WhatWorks members select from more than 2,000 research-based resources, including more than 350 research bulletins on the latest trends, more than 200 case studies, and 100 in-depth industry studies identifying leading practices.

We look forward to helping you to make sense of the dynamic and complex HR, learning, and talent management environment through our WhatWorks membership and system.

Figure 2: The Leadership Maturity Model

Source: Bersin by Deloitte, 2016.

About Bersin by Deloitte

Bersin by Deloitte delivers research-based people strategies designed to help leaders and their organizations deliver exceptional business performance. The Bersin by Deloitte membership gives Fortune 1000 and Global 2000 HR professionals the information, action-focused tools and performance support materials they need to prioritize, design and implement leading practice solutions, benchmark against others, develop their staff, and select and implement systems. A piece of Bersin by Deloitte research is downloaded on average approximately every minute during the business day. More than 5,000 organizations worldwide use our research and consulting to guide their HR, talent, and learning strategies.

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