

# Why Leadership is Broken

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Leadership development is big business. The programs and practices used to grow top-level talent are prolific and diverse, and 95% of organizations plan to maintain or increase their current leadership development investment.<sup>1</sup> Paradoxically, only 10% of CEOs say their leadership development programs have clear business impact, and more than 50% of CEOs say that developing next-generation leaders is the biggest challenge they face today.<sup>2,3</sup> Employees paint a similarly bleak picture. Employee engagement is at just 32%, down from 36% in 2020, while active disengagement is on the rise, up one percentage point from 2021.<sup>4</sup> Their relationships with leaders are a contributing factor.<sup>4,5</sup> A startling 84% of US workers attribute their stress to their managers, and half say their performance would improve if their managers

were to receive development opportunities.<sup>5</sup>

The evidence is clear: Organizations are investing a lot to develop leaders but realizing little return on investment. That leads us to two critical questions: (1) Why is leadership development broken, and (2) What can we do to fix it?

Those of us who have spent years working with Hogan clients' leadership development programs can help to answer the first question. We have seen a lot, and some problems are quite common! The second question is tougher to answer, but we have some ideas and would love to hear from others in the field as well. To that end, we have described seven common problems in this article.

## Challenge 1: Incorrect Definition of Leadership

In most organizations, when you ask someone to tell you who the leaders are, they will identify people in certain types of roles—from first-line managers to C-suite executives. In doing so, they are (perhaps inadvertently) linking leadership with position, pay, or title, and not with impact, effectiveness, or results.

## Challenge 2: Irrelevant Outcomes

Leadership development programs are often judged by affective measures (e.g., how much participants reported enjoying the program) and career outcomes (e.g., promotion). We don't judge! It is quite difficult to measure program effectiveness. Leaders are human beings operating in complex contexts, after all—they're not microchips built on an assembly line. But a leader liking a program is not indicative of the leader improving via the program. Not to mention, if the leadership development program had never happened, would the same promotions still have occurred? In many cases, the answer is yes.

## Challenge 3: Leadership Competency Models

The competency models we have seen in leadership development programs are nearly always (1) created based on expert or executive judgment rather than research and validation, (2) aspirational rather than achievable, and (3) ineffective in guiding leaders to meaningful, long-term change.

## Challenge 4: The Peanut Butter Approach

Leadership development programs are often designed as though any given cohort of leaders is a monolith. We tend to forget that not all leaders begin development programs at the same starting line. Some individuals might be ahead based on tenure, expertise, or experience, while others might be behind due to lack of visible, emergent behaviors, or—worse, but perhaps as common—due to bias and lack of previous opportunity.

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### Challenge 5: Ignoring Context

In the world of leadership, context is king, and that king has many characteristics. Leaders need to be keenly aware of and adaptive to their teams, bosses, and responsibilities, as well as the culture, strategy, mission, and values of their organizations. Too frequently, the contextual elements that ultimately impact a leader's effectiveness are ignored in development programs.

### Challenge 6: Overlooking Psychology

Behavioral change is hard. This is well established, yet we seem to forget in leadership development programs. When designing these programs, many organizations fail to consider key factors, like leaders' lack of resources (time and energy), their potential ambivalence to development, the difficulty of self-awareness, and the importance of the good old SMART goal.

### Challenge 7: Disconnected Processes

Although individual assessment is frequently a component of leadership development programs, the results of those assessments (e.g., personality, 360-degree feedback) are rarely used to guide specific coaching and curriculum-based experiences. Instead, assessment is treated as a one-and-done event after which every leader goes through the same program steps often focused on the same organizationally specific competencies.

#### Note

They are not always called "competency models," but as the saying goes, "If it looks like a duck . . ."

#### References

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