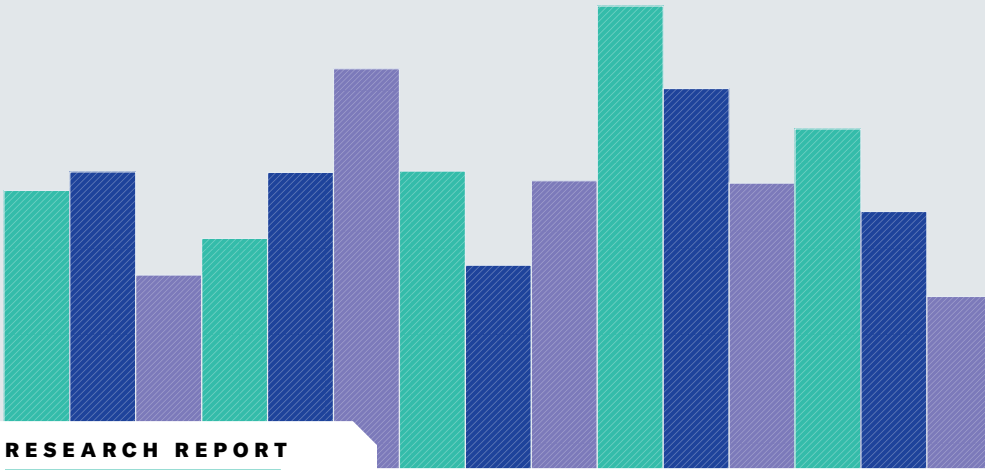




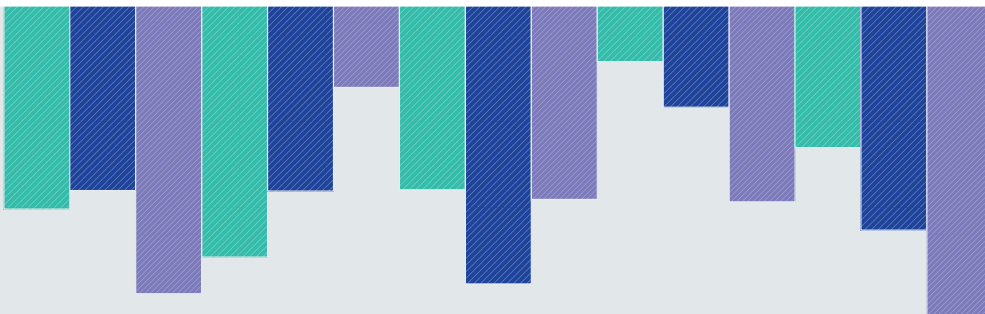
**Harvard
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ANALYTIC SERVICES



RESEARCH REPORT

Leveraging Coaching and Mentoring to Create More Effective Leaders



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Over the past few years, we've all seen seismic shifts not only in the way we work but in what we need from our leaders. Beyond traditional business acumen, we need leaders who excel at instilling trust, managing ambiguity, leading inclusively, and helping others reach their full potential.

Today, we need leaders who have mastered critical relationship skills that are fundamental to business success.

This recognition has come alongside a reckoning: **As expectations of leadership change with the times, our methods for developing leaders also need to change.**

For many organizational leaders, the question is: How? And what are the investments they need to make today to ensure their businesses are set up for future success?

This new Harvard Business Review Analytic Services report, sponsored by Torch, is for any organizational leader who wants to know how to adapt in the face of constant change and maximize leadership development investment in their team.

One of my big takeaways from this new research: Most respondents agree that the changing nature of work requires a more personalized approach to leadership skills development, and 88% believe there is a unique value to this more personalized approach.

This isn't just their perception. We know this is true from our research at Torch. Torch is the people development platform that fuels professional growth through the power of trusted relationships. We achieve this goal by deploying expert coaches and mentors and matching them with employees at scale. Torch helps organizations around the world design, manage, and measure programs that drive the success of their people and their organizations.

We've found that coaching is uniquely positioned to help leaders develop the types of relational skills that they need today. That's because it is personalized to an individual's needs, applied to their day-to-day work, and designed to hold them accountable for their goals. When it comes to driving long-term behavior change and learning in the workplace, research shows you can't find a more effective option than coaching.

But simply providing coaching will not be enough for most organizations. This research, which lays out the best practices of organizations with top-performing leadership development programs, makes clear that the most effective ones are also aligning their leadership development strategy with organizational strategy, ensuring their programs are consistent across the organization, measuring the impact of those programs, and designing them inclusively, among other tactics.

Want to know more about how they're doing all of this and how you might begin to follow their lead? I invite you to take a look at the report.



Cameron Yarbrough
CEO
Torch

Leveraging Coaching and Mentoring to Create More Effective Leaders

Organizations with strong leadership development point to great leadership as key to their sustained business success. But leadership styles of the past are changing given the evolving needs of today's workplaces. While some organizations continue to struggle with development programs that are exclusionary, generalized, and not aligned with their goals, others have increased the effectiveness of their leadership development by taking a different approach. These more successful leadership development programs align their leadership development to their organizations' overall business strategies and create leaders more attuned to diversity, equity, and inclusion (DEI) goals and hybrid and distributed workplaces, as well as other issues that resonate with today's employees. Best practices contribute to their success, including making greater and more effective use of mentoring and leadership coaching and ensuring skill development is more inclusive and customized to the organization.

"There is a broad realization that great leaders, mentors, and coaches help companies achieve better performance," says Ajit Chouhan, senior director of human resources at Spring, Texas-based information technology firm Hewlett Packard Enterprise (HPE). Great leadership, he says, is "a business imperative. It's a value proposition. It drives financial outcomes and provides organizations with a strategic edge in the talent marketplace."

HIGHLIGHTS



90% of survey respondents say it's important to **provide leadership development more broadly** across their organizations.



58% of respondents that currently use leadership coaching report that **use of coaching** at their organizations **is higher today** than it was five years ago.



40% of organizations that use coaching or mentoring report that their **organization has realized better retention of desired talent**, compared to 24% of those that do not use mentoring or coaching.

Due to rounding, some figures in this report may not add up to 100%.



“There is a broad realization that great leaders, mentors, and coaches help companies achieve better performance. [Great leadership is] a business imperative. It’s a value proposition. It drives financial outcomes and provides organizations with a strategic edge in the talent marketplace,” says Ajit Chouhan, senior director of human resources at Hewlett Packard Enterprise.

Confidence in the bottom-line impact of strong leaders is clear: 89% of the 665 business executives surveyed globally by Harvard Business Review Analytic Services in August 2022 agree that organizations with best-in-class leaders are more likely to be successful. Almost the same number of executives (90%) say that it’s important to provide leadership development more broadly across their organizations.

Respondents to the survey were divided into three categories based on how they scored themselves on a 10-point scale when asked how well their leadership development efforts have delivered their desired results. The 26% of respondents who rated the success of their leadership development efforts an 8–10 are considered leaders throughout this report. The 44% who chose a 6–7 rating are called followers, and the remaining 30%, who scored themselves 0–5, are called laggards. **FIGURE 1**

Those in the leaders group make heavier use of coaching (70%) and mentoring (75%) as part of their organizations’ professional development. Among followers, 52% use coaching and 68% use mentoring, while 40% of laggards

rely on coaching and 47% on mentoring. Similarly, looking at those who currently use these methods, the leaders group is more likely to call coaching (71%) and mentoring (69%) key parts of their organization’s leadership development. Sixty-four percent of the followers and 33% of the laggards that use coaching say it is a key part of their leadership development, and for those using mentoring, 59% of followers and 41% of laggards say that it’s key.

Organizations increasingly recognize that their existing approach to leadership development is not producing the leadership abilities critical to guiding their futures. This report will examine the pressures impacting leadership development programs, explore the increasing use of coaching and mentoring to address new demands on leadership development, and identify where gaps persist. It will also describe the methods and best practices that are yielding strong leadership development results for leader organizations and how these organizations leverage coaching and mentoring to create impactful leaders who can evolve to support the changing world of work.

“Organizations are starting to realize that leadership development goes way beyond the leadership programs that used to be,” says Dani Johnson, cofounder and principal analyst for RedThread Research, a Woodside, Calif.-based HR research firm. “We’ve heard all kinds of things about support for leaders that we haven’t heard in the past. Leadership development isn’t just a one-time two-week course and then you level up. Leadership is a deeper challenge, and they need consistent support.”

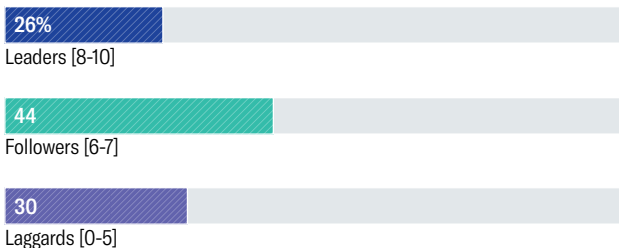
FIGURE 1

Leaders Rate Their Development Programs as Highly Effective

Others lag in delivering against desired results

Overall, how well has your organization’s leadership development delivered against desired results?

SELF-RATING OF SUCCESS OF LEADERSHIP DEVELOPMENT



Source: Harvard Business Review Analytic Services survey, August 2022

New Needs Forcing Change

The pressure to evolve leadership development represents the movement away from authoritative leadership styles and toward trust-based ones. Trust has become foundational in leadership development—trust in the leaders it produces and trust in the coaches and mentors who nurture them.

“Since the turn of the millennium...there has been a growing recognition that leading with authority and fear no longer works,” wrote George Kohlrieser, professor of leadership

and organizational behavior at the Institute for Management Development in Lausanne, Switzerland, in September 2022.¹ “Great leaders become a secure base for others by creating trust and by providing energy and support to encourage their employees to take risks and seize new opportunities.”

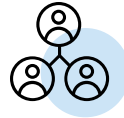
But development programming has not always kept pace with changing workforce and strategic needs, a gap that became clear as work-from-home arrangements pushed employees and their well-being to center stage. Organizations now require skilled leaders with greater capacity for empathy, trust-building, and emotional intelligence who are also able to successfully navigate DEI, recruitment/retention challenges, and the aspirations of workers who are now motivated as much by values as by a paycheck. Changing expectations from workers is yet another issue that managers and executives must consider in addition to coping with increased market pressures and organizational complexity.

“We just had a series of contextual crises that have really shaped the world in which we live,” from the societal and emotional impacts of Covid-19 to the war in Ukraine to the climate crisis, says University of Michigan business professor Dave Ulrich, who is also a partner at the RBL Group, a Provo, Utah-based human resources capability firm. Global events and cultural trends, combined with an ongoing shift in the inherent value of companies toward intangibles such as people, culture, leadership, and intellectual capital, have helped put human capability at the center of organizational success, Ulrich says. “Human capability represents talent and leadership and organization and human resources.”

But organizations don’t always recognize that their leadership development content and needs have gone out of sync. Each organization’s leaders need to continually ask themselves, “What are our goals? What is our strategy? What do we think we’re falling behind on?” says Michael Beer, professor emeritus at Harvard Business School and cofounder and director of TruePoint, a Lincoln, Mass.-based management consultancy. “What is it that makes sense to do, and how does leadership development, mentoring, training, or other forms fit into that?”

In addition to sometimes missing the mark on skills such as emotional intelligence and trust-building, leadership development content is not always tied to what the organization is seeking to achieve. The majority (69%) of all respondents describe their leadership development strategy as either only somewhat aligned or not aligned with their organization’s overall business strategy.

“For any company, there are multiple objectives and business goals: grow X%, whether it’s profitability, expanding portfolio offerings and number of employees, opening new offices, acquiring new businesses,” says Ricki Goldhamer, senior vice president and HR business partner for Horizon Media, a New York City-based media agency. “But there’s also



The majority of respondents whose organizations currently use coaching or mentoring say the percentage of employees participating in relationship-based leadership development is higher today than it was five years ago for both leadership coaching (58%) and mentoring (53%).

ensuring that we are maintaining a culture of care community, and commitment to developing people in a way where they want to stay and seek opportunities within the organization because they feel supported and encouraged to take new risks and explore what’s next in terms of their growth and development.” Leadership development must be 100% in sync with these principles, she adds.

The Effectiveness of Relationship-Based Leadership Development

To meet today’s requirements for a broader and more strategically aligned set of leadership skills, organizations are increasingly turning to relationship-based leadership development. These techniques include leadership coaching—defined for the survey as external professional advisors who guide employee development—and mentoring, in which an experienced person, internal or external, individually advises a less experienced employee. Developmental assignments/job rotation programs are another form of relationship-based leadership development. The majority of respondents whose organizations currently use coaching or mentoring say the percentage of employees participating in relationship-based leadership development is higher today than it was five years ago for both leadership coaching (58%) and mentoring (53%).

Coaching and mentoring are becoming more prominent parts of leadership development because of the unique value these methods bring to the task. The overwhelming majority (86%) of respondents agree that the changing nature of work requires a more personalized approach to leadership skills development, and of those currently using a relationship-based method, 88% believe there is a unique value that a more personalized approach to leadership skills development

“Great leaders become a secure base for others by creating trust and by providing energy and support to encourage their employees to take risks and seize new opportunities.”

George Kohlrieser, professor of leadership and organizational behavior at the Institute for Management Development in Lausanne, Switzerland

brings. Coaching and mentoring are increasingly seen as fulfilling this need for greater personalization. “You work on the challenges and the skills that you personally need to develop, and that’s not always true in all the other types of leadership development,” says RedThread’s Johnson. In addition, according to 86% of respondents, relationship-based leadership development makes participants feel truly supported on their leadership journey.

“There’s a core leadership development content experience. And it used to be historically that was viewed as enough,” says Ian Ziskin, president of EXec EXcel Group, a human capital coaching and consulting firm in Sag Harbor, New York. “Now many of those programs are being supplemented and supported by ongoing coaching as a way of helping the individual process what they’ve learned and apply it to themselves more effectively as a leader on an ongoing basis.”

Indeed, according to the survey, leadership skills training remains the most widely used (534 of the 665 respondents) method in leadership development programs but ranks at the bottom when it comes to effectiveness, with 55% of respondents calling it just “somewhat effective.”

FIGURE 2 Relationship-based types of development, while used somewhat less often, are more effective; 61% call developmental assignments/job rotation programs very or extremely effective, 60% say the same about leadership coaching, and 54% say so for mentoring.

The leaders group in the survey stands out in regard to the results they get from relationship-based methods: 87% of leaders find their coaching very or extremely effective, compared to 51% of followers and 38% of laggards; 78% of leaders, versus 49% of followers and 28% of laggards, find their use of mentoring very or extremely effective.

It appears organizations may be using more traditional training to teach the skills and then methods such as coaching to ensure these new skills are truly infused into participants’ daily work lives. Accordingly, leadership skills training (61%), mentoring (55%), and leadership coaching (50%) are the top methods respondents intend to increase their use of over the next two years.

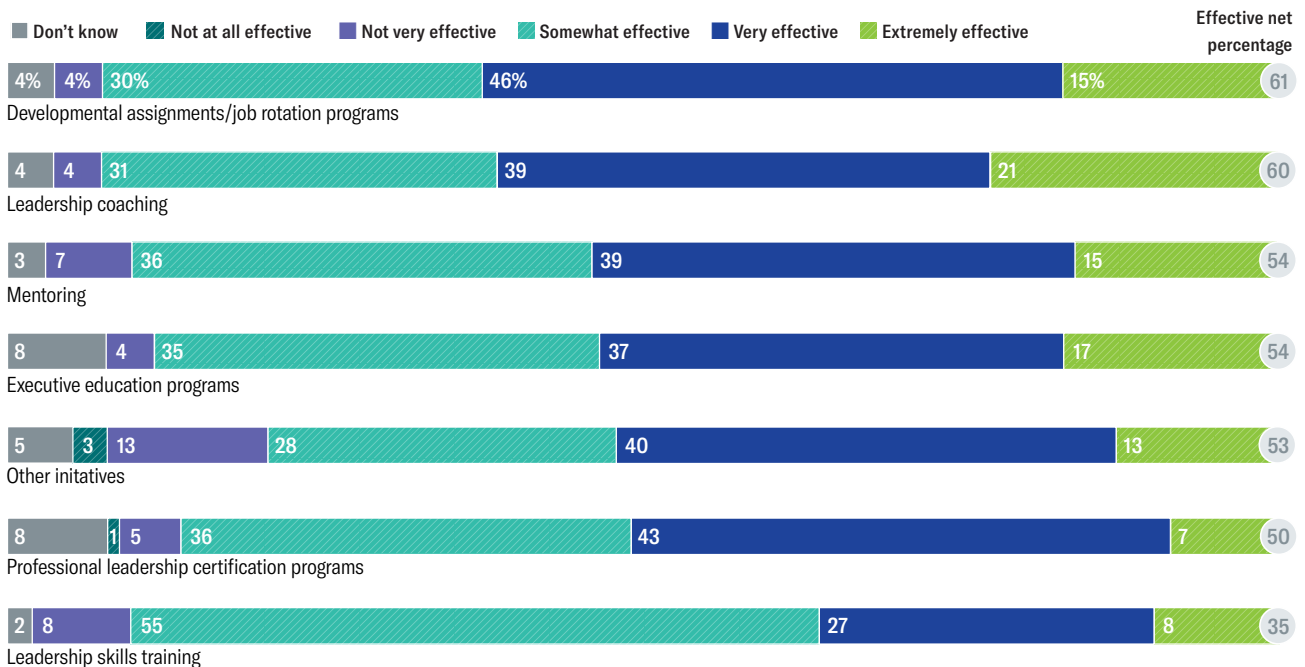
Organizations that incorporate coaching and mentoring with other forms of leadership development are more effective in the long term, says Ziskin. Working with a coach,

FIGURE 2

Relationship-Based Leadership Development Is More Effective

Skills training is the most widely used, but the least effective

Please rate the effectiveness of each type of leadership development initiative your organization is using.



Source: Harvard Business Review Analytic Services survey, August 2022



Those in the leaders group not only teach more skills—an average of six compared to five for followers and three for laggards—but are more likely to cover the less concrete and strategic skills required to meet today's leadership mandates.

he adds, “allows the leader individually to process, think about, internalize, practice, [and] get better at the things that they're learning in the leadership development side of things.”

Though always a part of Horizon Media's ethos, coaching and mentoring use is expanding in the organization to ensure continued connection given the effects of working from home. Horizon Media is focused on enhancing mentoring and coaching to enrich, automate, and customize the overall employee experience and make mentoring and coaching available across the entire workforce. “The goal is really to get people to where they want to be as individuals, to enhance their skills, to make them feel more self-assured and balanced as a human being, and to give them essential tools as professionals,” says Goldhamer, the HR business partner.

At the same time that relationship-based leadership development is becoming more widely used, it's also fast evolving. In its 2021 report “Future of Coaching,” RedThread Research found coaching is moving from exclusive to inclusive, from narrow to broader in scope, and becoming more diverse in how it's offered, among other changes. The report identified nine distinct types of coaching, including the traditional six months of one-on-one sessions from an external coach, group coaching, varied-length engagements, and other iterations. One innovation is a coaching circle, a group of five to six individuals who support each other's development, develop trust within the group, and can call on each other throughout their careers, the report says. Some organizations tap internal instead of external coaches. At Netherlands-based Ingka Group, the largest operator of IKEA retail outlets, coaches and mentors are drawn from within the company, and these services are offered to all 170,000 employees.

Coaching and mentoring are also becoming increasingly enabled by digital platforms that manage content delivery and administration, allowing organizations to scale their use of relationship-based leadership development across their workforces.

The skills taught in leadership development programs are also becoming more wide-ranging, especially for respondents reporting higher achievement of desired outcomes. In their leadership development programs, those in the leaders group not only teach more skills—an average of six compared to five

for followers and three for laggards—but are more likely to cover the less concrete and strategic skills required to meet today's leadership mandates. **FIGURE 3** Soft skills (67%) and collaboration/team building (62%) are the most commonly taught skills overall, but leadership development leaders particularly stand out from others in fostering an innovative culture (55% of leaders versus 40% of followers and 22% of laggards) and having the ability to lead a remote/hybrid workforce (40%, 28%, and 19%, respectively).

Coaching and Mentoring Shape Business Outcomes

Organizations are turning to leadership development for more than just expanding the skills of their leaders and future leaders. Some may be seeking to democratize access to leadership development programs in an effort to diversify their corporate suites or provide more employees with opportunities to advance. Those respondents using coaching or mentoring are more likely (29% versus 9%) than nonusers to identify candidates for leadership development as a part of meeting DEI goals. Coaching and mentoring users are also more likely to see improved retention from their leadership development efforts (40% versus 24%).

The need for democratization is clear. Only a quarter of organizations overall offer leadership development to individual employees who are not flagged as “high potential,” for example. When asked what challenges their organizations experienced with leadership development initiatives, at least a quarter say the process for determining who receives development is biased (28%) and access to development is limited to senior management levels (26%). Even many leaders agree that their organization's current approach to coaching (42%) and mentoring (32%) may be excluding those who could benefit most from it.

Coaching is seen as one way for organizations to broaden access to leadership development, says Johnson. “It goes back to what you're trying to do. You're trying to personalize experiences. You're trying to engage employees. Both of those things can be done with coaching.”

Mentoring can be a particularly cost-efficient way to democratize access, adds Ziskin. “It's a good way to make a personal investment in as many people as you're willing

to invest in,” he says, particularly by encouraging internal folks to serve as mentors, since this costs less than hiring professional coaches.

Historically, selection of leadership development candidates was often a secretive, exclusive process; those doing the selecting earned a reputation for choosing potential participants most like themselves, perpetuating inequity in leadership. The marketplace trend is toward democratizing participation. While a minority (40%) of respondents have plans to expand access to leadership development more broadly across the organization over the next 12 months, slightly more (46%) are increasing leadership development for high-potential employees during that time period. However, fewer (23%) have plans to increase leadership development for historically underrepresented demographic groups.

The mixed messages revealed in organizations’ investment plans reflect two competing forces, says Ziskin: the instinct to cast a wide net to diversify participation versus the need to invest limited resources strategically. “Both of those forces are equally legitimate, and they’re in conflict and not easily resolved,” he says.

When identifying leadership development candidates, supervisor recommendations are the most common (58%). That finding isn’t too surprising, but what’s compelling is that 22% of laggards have not implemented a formal process to identify candidates at all, a practice that can make it difficult to achieve DEI and other goals. Indeed, DEI initiatives play a role in leadership development and who participates; 65% of all respondents have integrated diversity and inclusion initiatives into their overall leadership development strategy, with those in the leaders group doing so at a higher rate. Leaders are also more likely than other groups to be proactively working to increase the equity and inclusiveness of their coaching initiatives (68%, compared to 47% of followers and 33% of laggards) and mentoring (67%, 53%, and 34%, respectively).

“One of the best ways you can accelerate people’s development and the attention that the organization is willing to pay to them is provide coaching, because coaching is kind of an accelerant for leadership development,” says Ziskin. Mentoring complements coaching, he says, “because it’s a way of helping the person navigate organizational politics

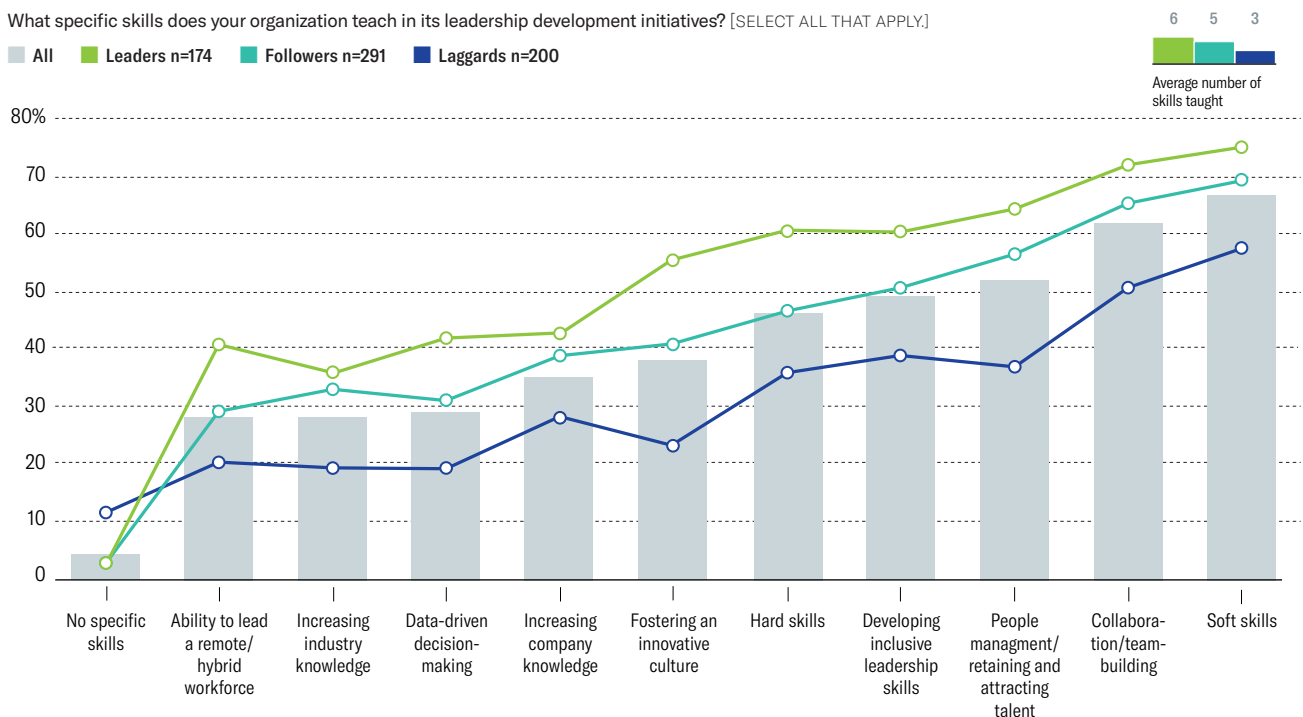
FIGURE 3

Leading Organizations Teach a Broader Range of Skills

The skills gap is widest in fostering an innovative culture

What specific skills does your organization teach in its leadership development initiatives? [SELECT ALL THAT APPLY.]

■ All ■ Leaders n=174 ■ Followers n=291 ■ Laggards n=200



Source: Harvard Business Review Analytic Services survey, August 2022



Respondents whose companies are using coaching or mentoring are much more likely to agree (62%) that their organization's leadership development initiatives help retain desired talent than those who do not use coaching or mentoring (38%).

and how to get things done in an organization that historically may not have been particularly user-friendly to them in terms of their own development.”

The IKEA leadership idea includes the expectation that all coworkers can lead, contributing to a trustworthy, diverse, inclusive, and high-performing workplace. “Diversity is a KPI, inclusion is a mindset, and equity is who we are. It’s really a core value,” says Alessandra Zini, coworker relations manager for Ingka Group. “We really believe that if you want to grow in your business, you need multiple perspectives,” so the retailer’s leadership development includes awareness of the value of diversity, she says.

Relationship-based leadership development also correlates positively with retention. Those respondents whose companies are using coaching or mentoring are much more likely to agree (62%) that their organization’s leadership development initiatives help retain desired talent than those who do not use coaching or mentoring (38%).

Overcoming Obstacles and Achieving Results

Any change in how an organization approaches something as significant as developing its leaders is bound to face obstacles. What’s interesting is the variation in what’s most challenging for those in the leaders group compared to others. Followers and laggards face cultural and strategy issues in far greater numbers than leaders do. For example, while all groups report not having enough financial resources dedicated to leadership development to some extent, it’s interesting to note that just 29% of leaders make this claim, versus 40% of followers and 52% of laggards. **FIGURE 4** Nonleaders are also more likely to report a lack of a clear leadership development strategy (45% of followers and 64% of laggards, compared to just 23% of leaders).

Too often, says University of Michigan’s Ulrich, organizations throw resources at leadership development without truly changing how they execute leadership itself.

FIGURE 4

Leaders Rise Above Cultural and Strategic Challenges

Followers and laggards face challenges in much greater numbers

What significant challenges, if any, has your organization experienced in its leadership development initiatives? [SELECT THOSE THAT APPLY.]

■ Culture/strategy ■ Training delivery ■ Proving ROI

Challenge	Leaders	Followers	Laggards
1	29% Not enough financial resources dedicated to leadership development	45% Lack of a clear leadership development strategy	64% Lack of a clear leadership development strategy
2	28% Need more/better talent running leadership development	40% Not enough financial resources dedicated to leadership development	54% Need more/better talent running leadership development
3	24% Difficult to prove the business case and/or ROI for investing in leadership development	35% Need more/better talent running leadership development	52% Not enough financial resources dedicated to leadership development

Source: Harvard Business Review Analytic Services survey, August 2022

“They recognize leaders make a difference intuitively and empirically” but seek easy solutions to improve leadership development, he says. “Training and development is too often one of those quick fixes. We look for the shiny object, the magic ball. But you don’t change fundamental leadership skill and strength with quick fixes.” Instead, Ulrich says, organizations need to revisit their fundamental assumptions of leadership and then align those values with leadership development.

“If I throw money at you by investing in you for leadership development or get you a coach or a mentor, but it has no connection whatsoever to business priorities or our business strategy or how the organization wins, it is actually a wasted investment,” adds Ziskin.

But organizations need to be careful not to start positioning relationship-based techniques and other forms of leadership development as simply another benefit or bargaining chip in attracting and keeping employees. “When you market it that way, it can kind of water it down and make it less strategic and more just a feather in the cap,” says Hilary Anderson, chief human resources and support services officer at Kitchener, Ontario-based financial institution Your Neighbourhood Credit Union (YNCU). “We’re using it as part of our strategic initiatives around building the culture that we want. And we want a coaching culture. We don’t want a culture where people just tell other people what to do.”

Organizations making a concerted effort to overcome cultural, strategic, financial, and other challenges are reaping the rewards. Leadership development leaders, by definition, have pivoted their development initiatives to align with evolving business needs and goals. For many leaders, this transformation includes increasing use of relationship-based leadership development techniques, such as coaching and mentoring, that build leaders employees can trust.

Respondents in the leaders group stand out by demonstrating greater financial commitment to leadership. Around three-quarters (76%) of leaders have somewhat or significantly increased their investments in leadership development over the past two years. About half (47%) of laggards have done the same, but unlike for leaders, these investments are not delivering the desired results. The evidence comes in the outcomes respondents report from their leadership development programs. **FIGURE 5** Better collaboration/teamwork is the top benefit of leadership development, reported by 53% of respondents, followed by increased employee engagement (46%), better performance from teams, and greater emotional intelligence (42% each). Leaders are more likely to be realizing each of these outcomes, outpacing others by at least 10 percentage points. Leaders particularly diverge from others in their ability to increase revenue as an outcome of their leadership development efforts; 35% of leaders, versus 12% of followers and 7% of



Leaders particularly diverge from others in their ability to increase revenue as an outcome of their leadership development efforts; 35% of leaders, versus 12% of followers and 7% of laggards, report this benefit.

laggards, report this benefit. Notably, 23% of laggards have not realized any outcomes yet.

Those in the leaders group see a greater number of these positive outcomes from their investments in leadership development efforts—an average of six for leaders versus four for followers and three for laggards.

Organizations that view coaching and mentoring as key parts of their leadership development are especially likely to experience top benefits; 80% of those who strongly agree coaching is a key part of their leadership development say they experience better collaboration/teamwork, for example, and 70% of those who view mentoring as crucial say the same.

“There’s a cultural difference that’s very noticeable between companies that invest in leadership development and coaching versus those companies that don’t do a great job at either,” says Ziskin.

Best Practices Deliver Greater Results

Respondents in the leaders distinguish themselves through key differences in their leadership development practices. As heavier and more effective users of relationship-based techniques, they maximize the use of coaching and mentoring. Leaders also stand out for taking care to align leadership development with strategy. Those in the leaders group that use coaching and mentoring are more likely to customize these coaching and mentoring experiences to the organization, make smart use of metrics, and adopt organizational controls to ensure consistency, compared to the followers or laggards who use coaching and mentoring.

The first best practice is aligning the use of coaching and mentoring with strategy. Leaders group respondents are much more likely to report that their leadership development strategy is calibrated to their organization’s business goals; 52% of leaders call the two “very aligned,” compared to 26% of followers and just 9% of laggards. Organizations that call

coaching and mentoring key parts of their organization's leadership development are particularly likely to strongly agree (59% say this about coaching, 51% for mentoring) that their leadership development strategy is very aligned with their organization's business goals.

For HPE, aligning leadership development and strategy is fundamental to ensuring its leaders are equipped for what the business will look like in the medium and long term, as outlined in the firm's Skills of the Future initiative. "Suddenly you realize that everybody's trying to compete for the same skills and talent in the market. You are challenged to attract and acquire talent that has a direct impact on an organization's performance and customer engagement," says Chouhan. "You need to build that capability internally. How do you develop that talent?" The company is striving to do so to ensure leaders across its business acquire the future skills they will need to compete in tech and transform the business, such as how to manage remote teams.

Alignment can be impactful at the personal as well as the organizational level. "When it is about their own mentoring

and their own coaching or their own learning, and it's connected to the business and what they do, that seems to be a key for a long-lasting retention of the learnings," says Ingka Group's Zini.

Leadership development works best when the whole organization is involved in establishing a clearly stated strategy, identifying the barriers and how to overcome them, and then holding people accountable to the goals they set, says Harvard Business School's Beer. These steps are necessary because organizations are more than just reflections of their leaders; they are systems in their own right, and executives who are going to lead must learn how to operate within them, he says. With that alignment in place, "now the leadership development and mentoring are not only more clearly focused on the right problem, but are experienced in the context of a changing organization," Beer asserts.

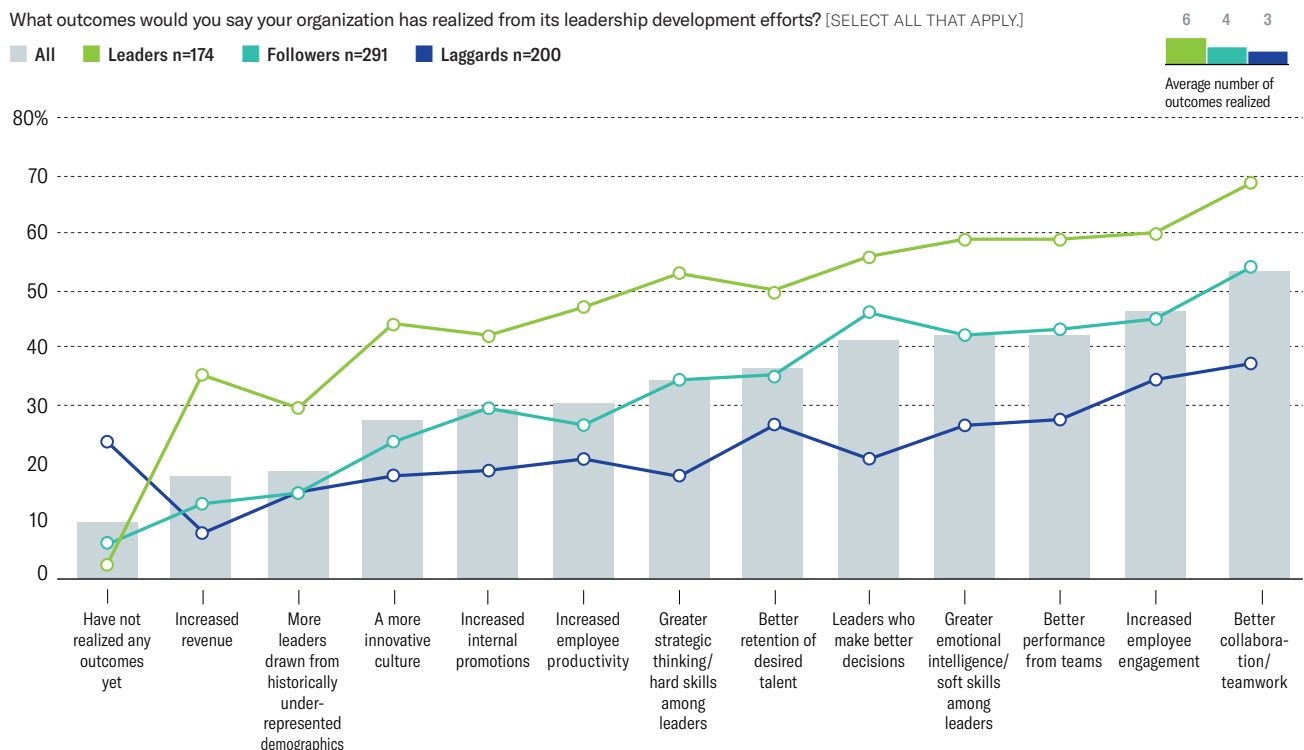
Respondents in the leaders group are more likely (41%) to report that their leadership development is very customized to their organizations than are followers (23%) and laggards (13%); all these groups are most likely to say leadership

FIGURE 5

Leadership Development Produces Wide-Ranging Benefits

Leaders experience outcomes at higher rates—including increased revenue

What outcomes would you say your organization has realized from its leadership development efforts? [SELECT ALL THAT APPLY.]



Source: Harvard Business Review Analytic Services survey, August 2022

development is somewhat customized. Customization is also being employed specifically in mentoring and coaching programs: Of those currently using mentoring, 64% say their mentors focus their approach on what it takes to be successful within their specific organization. The leaders who use mentoring are even more likely to agree (73%). Similarly, of those currently using coaching, 59% say their coaches focus their approach on what it takes to be successful within their specific organization; again, the leaders who use coaching are even more likely (69%) to agree.

“You can look at the list of things that we expect of leaders, and if you don’t know what company it is, it all might sound the same,” says Ziskin. But because organizations differ in culture and ethos, it’s important to embed those distinctions in leadership development through vehicles such as coaching and mentoring, he says, adding, “Don’t be ambiguous about what it is that we expect of you as a leader.”

Horizon Media understands the importance of customizing coaching and mentoring experiences to ensure leaders and employees are successful in their company specifically, says Goldhamer. “Learning the nuances of what makes sense and how employees can find their purpose and make an impact at Horizon is important,” she says. “We are an agency of belonging, and relationships such as mentoring, coaching, manager-employee, and peer-to-peer are key here to feel empowered to create innovative work and be a part of something greater than oneself.”

Metrics and Consistency Key to Success

Another best practice for leadership development involves identifying a range of metrics and understanding their impact. The most-used metrics overall are employee satisfaction/engagement surveys (50%); leadership development participant satisfaction (37%); manager, team, or 360° assessment of trained leaders (35%); and individual self-assessments (35%). Leaders group respondents use all types of metrics at higher rates, with the exception of leadership development participant satisfaction measurement, which followers (43%) use more often than leaders (40%). The data suggests that leaders may be more focused on the outcome of their development programs than on simply how many employees take part (they monitor an average of four different measures, compared to followers’ three and laggards’ two).

Organizations walk a fine line when measuring the effectiveness of coaching and mentoring experiences. Some organizations RedThread studied “were very clear that the coaching relationship was sort of sacred and not to be messed with, like a psychologist and patient relationship,” Johnson explains. “And so a lot of them didn’t even want to get into the details of what was happening in those coaching conversations.” But organizations also need feedback in



Respondents in the leaders group are more likely (41%) to report that their leadership development is very customized to their organizations than are followers (23%) and laggards (13%).

order to assess and adjust their initiatives, she notes. Coaching platform vendors have begun to address this delicate issue by collecting high-level information about discussion topics, conducting natural language processing, and incorporating leadership capability models to align the language that coaches are using with the organization’s coaching goals.

Ingka Group relies on multiple tools including 360° assessments to evaluate how well its leaders are succeeding with their development initiatives. But its most widely used metric is a leadership index based on coworkers’ evaluations of their managers. “The way we have measured the correlation through people analytics is that the high-performing leaders have highly engaged teams,” says Zini. “We ask quite a few questions about values and how your leaders lead by example and promote values, and these scores are highly correlated.” Success in these results translates into lower short-term sickness rates, lower headcount cost, lower staff turnover, and higher happy customer scores, she says.

HPE leverages hard metrics such as promotions and talent rotations across different roles and career paths. But soft-skills measurements also deliver value in enhancing personal leadership for all team members. HPE’s approach asks, “What is the broader impact [leaders] have on employee engagement or promoting culture champions or improving their diversity and inclusion and equality practices?” says Chouhan. “Good leadership is not just about training and development, but it’s also about some of those softer elements of culture that the company wants to be very proud of.”

When it comes to measuring leadership coaching and mentoring specifically, the metrics organizations use most often involve the display of demonstrably better skills (both soft and hard), with 55% using these metrics for leadership coaching and 42% for mentoring. Other common metrics include readiness to accept greater responsibility (48% and 41%, respectively) and improved performance evaluations (47% and 41%, respectively).

Ingka Group uses people analytics to evaluate the outcomes of its mentoring program, which is offered to all employees as part of the company's move "from leadership by the few to leadership by all," Zini says. "We see high perception of opportunities to develop themselves" in employees' evaluations of their mentoring experiences, she says. "Not that much of traditional training is that correlated, but mentoring, specifically, is correlated with high engagement, and high engagement is correlated with high performance and high retention. That is the relation that we see consistently."

Finally, leadership development leaders put governance in place to ensure cross-organizational mentoring and coaching consistency. About half (51%) of the leaders who use coaching as a development method have controls in place to ensure consistency across their coaching initiatives, compared with 34% of the followers and 18% of the laggards who use coaching. Similarly, 48% of leaders who use mentoring agree they have organizational controls in place to ensure such consistency across mentoring initiatives, compared to 27% of followers and 15% of laggards.

A year ago, YNCU began bringing structure to its mentoring and coaching by partnering with a third-party leadership academy for all of its people leaders. People leaders now conduct coaching conversations regularly with their workers, and YNCU is seeing results. "We've had employees that were really struggling in their roles," says Anderson, the chief human resources and support services officer. "We altered the conversation and really worked with the manager around coaching. And those people are far more successful."

HPE also brings structure to its leadership development. Every employee at the company is subject to a structured talent assessment framework that considers skills, talent, and leadership abilities in order to identify their developmental needs. Team members are encouraged to develop skills that align with business needs and individual career aspirations. This structure ensures both personalization and consistency. "We're trying to think about this as a more holistic experience, where it touches employees and leaders at different levels," says Chouhan. "We have a comprehensive leadership maturity model that defines leadership competency expectations at all levels, supported by rich learning assets. There are common leadership attributes all team members share to drive add [the] HPE mission and vision."

Effective Leadership Development Leverages Trusted Relationships

Organizations feel strongly that the right leadership is an essential element of success. But their leadership development programs have not always kept pace with what's required to create a great leader. Leadership development must align with strategic goals in order to nurture leaders capable of

guiding the organization in the right direction. Leaders must also be capable of navigating increased organizational complexity, hiring and retention challenges, and a growing hunger for work that supports employees' values, among myriad other issues.

Relationship-based, trust-building leadership development methods are emerging as important tools to help organizations better achieve their leadership development goals. Coaching and mentoring, especially when customized to the needs of the organization, are personalizing the development experience and enabling participants to practice new leadership skills and learn how to navigate the unique cultures in which they lead.

"It's telling that more coaching is being integrated into leadership programs in general and more organizations are starting to talk about a coaching culture," says Johnson. "Organizations see this as something that can help their organizations grow and develop."

Respondents rating their leadership development as delivering very well in terms of its desired results leverage best practices to achieve impressive results from their initiatives. They're more likely to align their leadership development strategies with their overall business strategies, backed by greater levels of investment, and use a wider range of leadership development candidate identification methods. The organizations that excel in leadership development also make greater and more effective use of mentoring and leadership coaching. In addition, they put more controls in place to ensure cross-organizational mentoring and coaching consistency, and they use a greater number of metrics to gauge learning development delivery.

For Ingka Group, democratizing access to leadership through relationship-based techniques and other forms of development dovetails with the retailer's overall mission. "Democratic design is what we offer to our customers," says Zini. "We say you don't need to be rich to have well-designed and functional furniture in your home. That's part of our commercial idea. And we say the same with leadership. Everybody needs to be provided the possibility to grow. We believe everyone can lead, learn, and perform, and we encourage all coworkers to take the driving seat of their own career."

Endnotes

- 1 Kohlrieser, George, "The Changing Requirements of Leadership: How to Inspire in a Post-Pandemic World," Institute for Management Development, September 2022. <https://www.imd.org/ibymd/leadership/the-changing-requirements-of-leadership-how-to-inspire-in-a-post-pandemic-world/>.

METHODOLOGY AND PARTICIPANT PROFILE

Harvard Business Review Analytic Services surveyed 665 members of the Harvard Business Review audience via an online survey fielded from July to August 2022. Respondents qualified to complete the survey if they were familiar with their organization's leadership development initiatives.

Size of Organization	Seniority	Key Industry Sectors	Job Function	Regions
33% 10,000 or more employees	25% Executive management/ board members	14% Technology	17% HR/training	49% North America
30% 1,000–9,999 employees	34% Senior management	11% Manufacturing	12% Operations/ production	20% Asia Pacific
11% 500–999 employees	27% Middle management	10% Education	11% General management	18% Europe
20% 100–499 employees	14% Other grades	9% Financial services	All other sectors each 7% or less	7% Middle East/Africa
6% 50–99 employees		9% Health care		6% Latin America
0% Fewer than 50 employees		All other sectors each 8% or less		

Figures may not add up to 100% due to rounding.



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