



*Trend Research*

# Be Better Than Average:

A study on the state of frontline leadership

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If one word could describe the job of being a frontline leader today, it would be “harder.” Growing demands for greater productivity, more innovation, and doing more with less, have made leading at the frontline as challenging—or even more challenging—as ever.



The Talent Management Expert



*While technology has made many tasks in the world of work easier, faster, and, in some ways, more intuitive, leadership remains a difficult pursuit.*

Recent research suggests the weight of these challenges. In a 2012 DDI study, 1 in 3 employees said they feel their supervisor is ineffective (*Lessons for Leaders from the People Who Matter*, DDI, 2012)

In the summer of 2012, DDI and HR.com partnered to survey 291 Human Resources executives in the United States and Canada to find out just how well frontline leaders are handling these challenges, and how well organizations are preparing them to do so. What we found is that organizations are doing an average job of not only developing their frontline leaders, but also of selecting and promoting those leaders in the first place.

In this study report, which draws on the findings of that survey, we will address how the following factors are contributing to the current state of frontline leadership:

1. Selecting frontline leaders is often left more to chance than to a plan.
2. Interpersonal skills are the number-one reason frontline leaders fail.
3. Frontline leadership development is often short-sighted.

Additionally, we will discuss the implications of these issues, and offer insights into how organizations can take their frontline leaders from average to exceptional.



## FRONTLINE LEADERS ARE AVERAGE, AND THE IMPLICATIONS FOR ORGANIZATIONS ARE HUGE

Year after year, surveys are released that shine a light on the plight of the frontline leader—a plight that seems to remain little changed, even given the significant investments organizations continue to make in leadership development. This begs a significant question: Why are we investing so much in leadership development if leader quality remains stuck in low gear? Figure 1 shows exactly why organizations should continue to care, and why they need to take another look at how (as opposed to why) they are developing their frontline leaders. As the chart shows, the HR executives surveyed identified a robust list of the outcomes that they saw in their organizations from mediocre leadership. More than half indicated they experienced turnover of leaders or their team members, and one in four respondents indicated their business suffered a loss in profitability. No matter what industry or firm you work for, this negative impact adds up quickly.

FIGURE 1: THE RESULTS OF MEDIOCRE FRONTLINE LEADERS



There are two main reasons pointing to why frontline leaders are average. The first is that their development is average as well. Only 19 percent of respondents felt their leadership development quality was high or very high, and only 18 percent felt they had a supply of capable employees to fill frontline leadership roles. This paints a dismal picture for the pipeline of leadership talent that organizations must have for the future. Respondents described their organization's frontline leaders as unprepared, indecisive, scattered, and scared. But respondents who rated their organization's development quality as high, and felt the organization had a strong bench, referred to their leaders as capable, confident, ambitious, and innovative (Table 1).



TABLE 1: HOW DO YOU REFER TO YOUR FRONTLINE LEADERS?

Organizations rating their bench strength and frontline leader development quality <b>LOW</b>		Organizations rating their bench strength and frontline leader development quality <b>HIGH</b>	
Unprepared	62%	Confident	65%
Indecisive	46%	Ambitious	57%
Scattered	28%	Innovative	43%
Scared	20%	Dependable	26%



Respondents who rated their organization's development quality as high felt their organization had a strong bench.

We often talk about the implications of poor leadership on team performance and engagement, but rarely do we stop to consider the implications for the leader him or herself. When an organization promotes a high-performing individual contributor into a leadership position for which he or she is ill-prepared, it runs the risk of transforming a high-performer into a disillusioned failure.

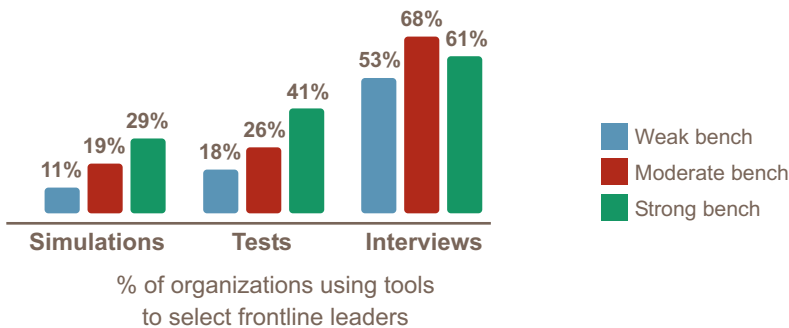
# SELECTING FRONTLINE LEADERS LEFT MORE TO CHANCE THAN TO A PLAN

Many organizations promote frontline leaders from within. But do those organizations truly have a good picture of the individuals they promote into leadership roles for the first time? The survey indicates that the answer is no. According to respondents, the success rate for filling frontline positions is only a little better than 60 percent when promoting internally (this number sits at just over 50 percent for external hires). It makes sense that internal hires should be more successful, as they are a known quantity to their organizations and there is more data that is readily available about their performance. In addition, organizations that promote leaders from within report having a stronger bench. But why then is the leader failure rate so high?

According to DDI's Global Leadership Forecast 2011, only one in three organizations use validated tools to make leadership promotion decisions. The survey for this study found that most frontline leadership promotion decisions (more than 80 percent) were made based on manager recommendations. Only 60 percent of organizations are using interviews to help guide promotions and, worse yet, only 26 percent of organizations are using tests while just 19 percent use simulations to make their selection decisions for frontline leaders.

Could this be one reason why nearly half of all frontline leaders fail? We believe that it is. Successful selection decisions need to be based on more than recommendations. While manager recommendations are important, as they represent insight from someone who has witnessed the employee's day-to-day work and interactions, placing too much emphasis on recommendations—especially in the absence of various assessment tools with higher validity—can lead to poor decision-making. As our survey confirmed, organizations that use simulations, tests, and interviews have a stronger bench (Figure 2).

**FIGURE 2: COMPARISON OF SELECTION TOOLS USAGE AND REPORTED BENCH STRENGTH**





Nearly 90 percent of frontline leaders have at least one leadership skill where they rate themselves above their actual skill level.

Behavioral interviews also are a validated method on which to base promotion decisions, but as you can see from the graph in Figure 2, they still leave organizations feeling lukewarm about their bench. This is likely because not all interviews gather the behavioral data critical to making sound promotion and selection decisions. This may be why the gap between those organizations with a weak bench and a strong bench is the lowest among the three tools listed (13 percent or 8 percentage points). Tests and simulations are used by the minority of respondents for frontline leader selection, even though these tools have a much higher payoff. (In Figure 2, nearly three times as many organizations felt they had a strong bench who used simulations and more than twice as many organizations that used tests said they had a strong bench.) They can get at motivations, potential, and readiness for the leadership role—data that provides a richer picture of an individual than does relying exclusively on what’s known about their previous experience.

Simulations, tests, and assessments also help potential leaders to understand where they need to develop. This is critically important, as newly promoted leaders do not understand where their development areas are, and research has shown that nearly 90 percent of frontline leaders have at least one leadership skill where they rate themselves above their actual skill level (*Finding the First Rung*, DDI, 2010).

## WHAT ARE THE ESSENTIAL LEADERSHIP SKILLS?



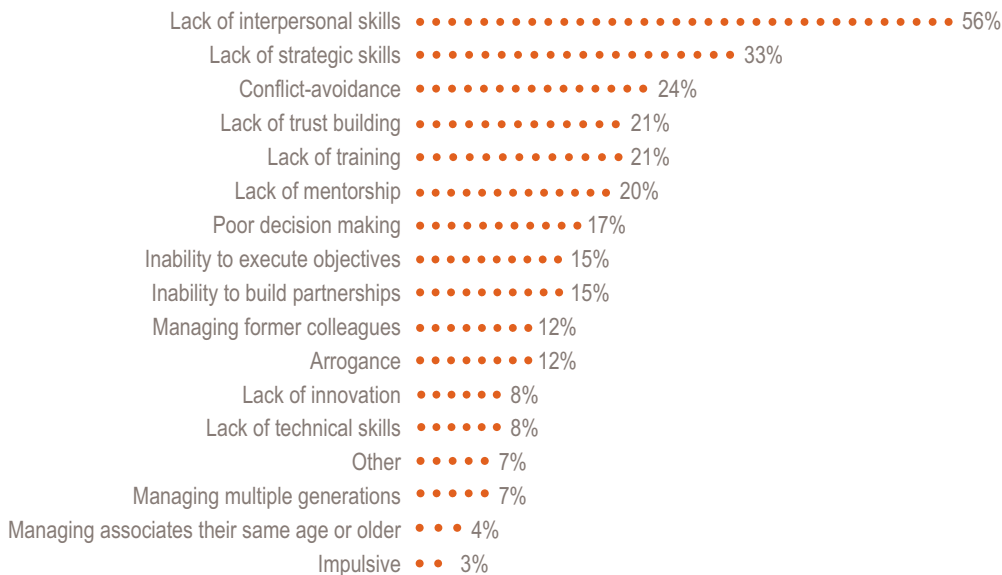
- ∴ Maintain or enhance self-esteem.
- ∴ Listen and respond with empathy.
- ∴ Ask for help and encourage involvement.
- ∴ Share thoughts, feelings, and rationale. (to build trust)
- ∴ Provide support without removing responsibility. (to build ownership)



# INTERPERSONAL SKILLS ARE THE #1 REASON FRONTLINE LEADERS FAIL

Even when the right individuals are promoted into leadership positions for the first time, far too many fail. Why? When we asked the most common reason that front-line leaders fail, the number one reason (selected by more than half of respondents) is a lack of interpersonal skills (Figure 3). These are basic skills such as effective communication, listening, empathizing, and involving others, and they ensure that leaders build strong relationships with their team, and get work done.

FIGURE 3: MOST COMMON REASONS FRONTLINE LEADERS FAIL



It is very telling that no other reason was even close to interpersonal skills as a cause for failure in frontline leaders. Interpersonal skills truly are the foundation for any other leadership skills of importance. You cannot coach without being able to listen or maintain someone's self-esteem. You also cannot build a team's trust without the ability to appropriately share thoughts, feelings, and the rationale behind decisions.

When asked what sets the best bosses apart from the worst, skills such as the ability to empathize, recognize others' contributions, involve others, and listen effectively were at the top of the list. The best bosses practice and use these essential interaction skills in every conversation to build stronger relationships with their direct reports, and get work done more effectively.



Organizations may be unfairly setting a focus on organizational strategy as an expectation for their frontline leaders.

Interestingly, the second most common reason for failure is strategic skills. This is a bit of a conundrum. One possible explanation is the changing expectations organizations have for their frontline leaders. As organizations have become leaner over time and reduced the number of leadership levels, they have increasingly looked to their frontline leaders to strike the right balance between tactical execution and the need for leaders at all levels to think and act more strategically. These new expectations have not been accompanied by adequate support and access to information about organizational strategy, however. Were more organizations to provide this support and information, frontline leaders could better focus on the bigger picture to ensure their teams are meeting today's goals, and also be better equipped and prepared to meet tomorrow's challenges.

### KNOWLEDGE IS NICE, BUT SKILLS PAY THE BILLS

We asked the responding HR executives which frontline leadership skills were most critical for the future, as well as how effective their frontline leaders are.

Table 2 shows the results of that comparison.



TABLE 2: FRONTLINE LEADER SKILLS AND EFFECTIVENESS

	MOST EFFECTIVE	LEAST EFFECTIVE
MOST IMPORTANT		<ul style="list-style-type: none"> <li>- Coaching &amp; developing others</li> <li>- Driving and managing change</li> <li>- Interpersonal skills</li> <li>- Improving employee engagement</li> <li>- Making difficult decisions</li> </ul>
LEAST IMPORTANT	<ul style="list-style-type: none"> <li>- Technical/functional skills</li> <li>- Leading project teams/special task forces</li> <li>- Leading across multiple countries</li> </ul>	



## THE NEW FRONTLINE COACH

It is worrisome that the most important skills for future frontline leadership success are also the skills in which leaders are least effective. Given this discrepancy, it's no wonder so few organizations have confidence in their current frontline leaders. In DDI's Global Leadership Forecast, coaching skills were identified as critical to master in the next three to five years for every level of leader. Furthermore, coaching is frequently at the heart of many frontline leadership development programs. So why do leaders still struggle with it?

There are two problems with traditional coaching models. First, the models are often linear, emphasizing that leaders reactively provide coaching along with feedback *after the fact*. For coaching to be most effective, however, it has to be balanced between reactive and proactive. Frontline leaders need to find opportunities to coach their team members ahead of new or challenging experiences—setting these individual performers up for success. Proactive coaching helps to build confidence, ensure a higher likelihood of that person's success in the task, and ultimately increase their overall engagement.

The formal coaching that is also the centerpiece of many of these models is presented as a series of distinct steps that require a considerable amount of time to progress through: preparing for the conversation, holding the conversation, and following-up. While this approach is certainly the ideal, the real world in which we work today does not always allow these conversations to be so formal. Informal, as-needed coaching is much more common and relevant in today's fast-paced work environment.

Leaders need to seize every moment they have with their teams to coach and provide feedback, and often these two things happen in the same fluid conversation. While a frontline leader may not get large chunks of time to devote to individual coaching conversations, they can use time before or after a meeting, e-mail, voicemail, and any other appropriate communication vehicle to hold as much of the conversation as possible.

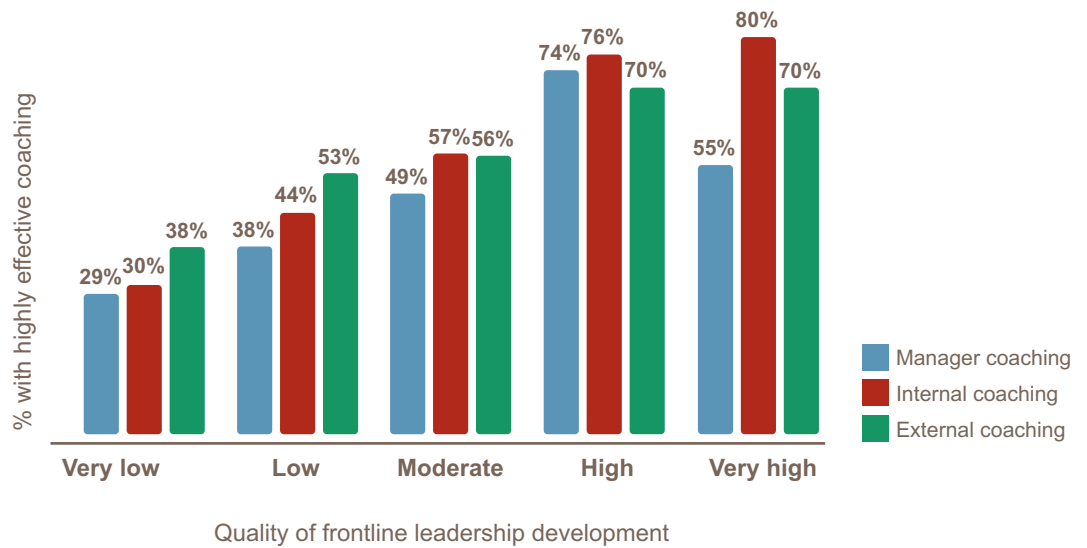


**Leaders need to seize every moment they have with their teams to coach and provide feedback, and often these two things happen in the same fluid conversation.**

While the benefits of coaching are numerous, it is an especially critical skill to motivate and retain Generation Y leaders (*Gen Next: Ready to Step Up or Step Out*, DDI, 2011). The youngest generation in the workforce indicated that coaching from their managers, or other internal or external coaches, was the most effective development method.

While informal coaching should be emphasized along with more formal coaching opportunities, coaching needs to be part of a frontline leader's ongoing development. As our survey revealed, when coaching is a prominent feature of ongoing development, organizations see an increase in the perceived quality of their programs (Figure 4).

**FIGURE 4: IMPACT OF EFFECTIVE COACHING ON FRONTLINE LEADERSHIP DEVELOPMENT QUALITY**



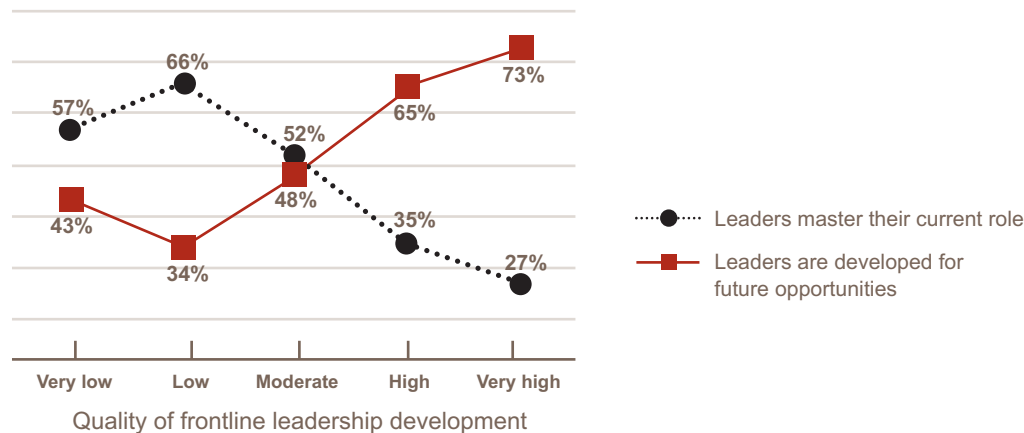
# FRONTLINE LEADERSHIP DEVELOPMENT IS OFTEN SHORT-SIGHTED

While not all leaders will rise up the organizational ranks over the course of their careers, the best HR organizations view frontline leadership as a springboard to higher-level roles and the most-promising frontline leaders as future senior leaders. In fact, 73 percent of organizations who reported having very high quality frontline development programs were developing those leaders for future roles (Figure 5). It is common knowledge in talent management that a strong succession plan for key senior roles is of critical importance. And, considering that these leaders often started their careers as frontline leaders, why not begin preparing high-potential frontline leaders as early in their careers as possible?

Not every leader will become a senior executive, but every level of leadership brings with it new challenges, the need for new competencies, and the ability to deal with increasing levels of complexity. In the book *Outliers* Malcolm Gladwell postulates it takes 10,000 hours of practice to be an expert at something. The more hours a leader can practice being a leader (which includes taking part in high-quality development experiences), the better he or she will perform for your organization.

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**Development is the major reason that frontline leaders are average.**

**FIGURE 5: DEVELOPMENT QUALITY BY FOCUS OF PROGRAM**



Quality development opportunities also focus on more than just formal learning. And with good reason: It has become more difficult to justify the expense and disruption associated with taking leaders off the job for multiple days for training. In response, organizations have tried to fill the void with a number of different tools and learning experiences. Unfortunately, they have not found great success with these efforts.

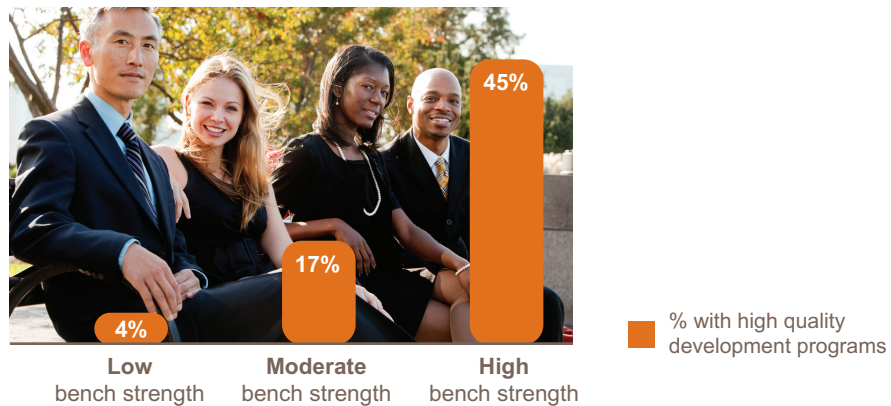
Aside from improving the hiring and promotion process for frontline leaders, organizations need to take another look at their development efforts. Development is the major reason that frontline leaders are average and are not keeping up with the changing demands on them. Only 19 percent of frontline leaders rated their development as high-quality.

The implications of this for organizations are great. A focus on future roles better positions an organization to have capable talent ready to take on challenges as they arise. They enjoy higher perceptions of development quality and are much more confident in these leaders' ability to ensure success. Figure 6 shows that adhering to a “grow your own” philosophy pays off.

**FIGURE 6: QUALITY OF DEVELOPMENT PROGRAMS AND FRONTLINE LEADER BENCH STRENGTH**



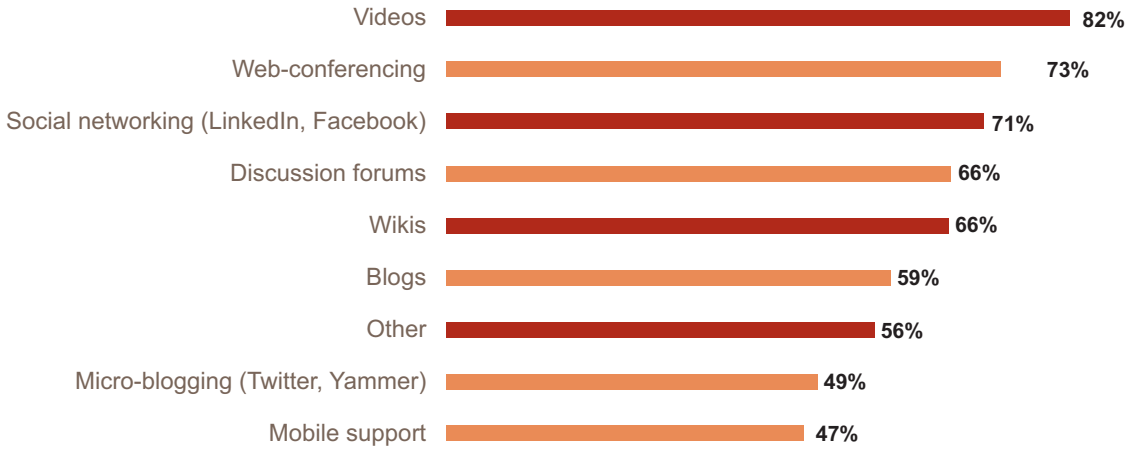
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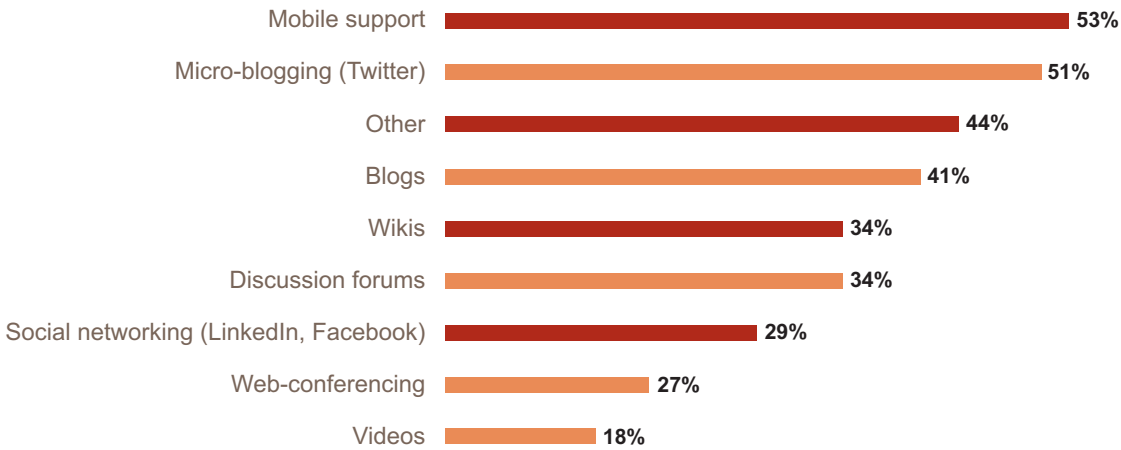
### DEVELOPMENT METHODS: WHAT'S WORKING, WHAT'S NOT, AND WHY

With the multitude of technology options available today, there are many more ways to connect with leaders, and to accelerate and enrich their development. No longer is blended learning defined by traditional classroom plus web-based training or electronic performance support alone—newer technologies and capabilities are truly transforming the future of learning. Tools such as virtual classroom, videos, blogs, podcasts, wikis, discussion forums, and other social networking tools bring a great deal of promise, and organizations are embracing the variety of available options (Figures 7 and 8).

**FIGURE 7: WHICH METHODS DO YOU CURRENTLY USE?**



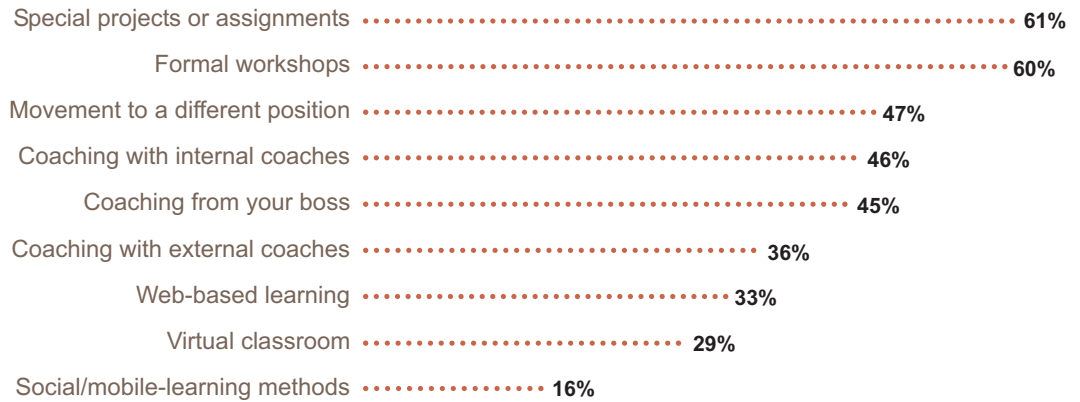
**FIGURE 8: WHICH METHODS DO YOU PLAN TO INCORPORATE IN THE NEXT 12 MONTHS?**



The pundits and prognosticators have foretold that many of these methods will be the future of development. But judging by how low organizations rated the effectiveness of social and mobile tools, success is far from assured (Figure 9). That's because using these new technologies requires more resources (time and cost). They also require the HR organization to build a new skill set in order to understand the best ways to use these tools, implement them, monitor them, and ensure they are being used appropriately by frontline leaders.

The major pitfall when incorporating these tools is losing sight of what they were intended to do in the first place, and in what ways they were to support the development initiative. To avoid this pitfall, it is then necessary to understand which tools best fit with which content, experience, or target outcome. Once those questions are answered, you can then determine which "hows" (tools, technologies, and content) will make sense for the learning blend.

FIGURE 9: EFFECTIVENESS OF CURRENT DEVELOPMENT METHODS



Organizations need to seek an effective and balanced mix rather than putting the full training burden on just one approach.

The traditional methods of formal leadership development are still rated as most effective, whereas newer tools are not yet perceived to be as effective. Traditional methods will not go away; they are still incredibly important and effective for delivering leadership training. The new tools, meanwhile, when utilized correctly can be harnessed within our organizations to make learning more interactive, involving, and spontaneous, while also spanning geography and generations and capitalizing on the collective wisdom of groups.

Some of the new technologies can be risky for organizations in terms of security and legal liability, and they can sometimes be surprisingly difficult and inconsistent. Additionally, corporate firewalls can be fussy about what they let through, and technology is always changing, which is good for progress but frustrating for infrastructure investments.

It's also worth pointing out that corporate cultures differ, just like people do, and what is easily adopted in one organization may be ineffective in another. And finally, there are regional and international variances in uptake, technology, and laws. Thus, the promise of social media is tempered by the complexities and uncertainties experienced by organizations to varying degrees.

While there are numerous social media types and platforms available, some are more appropriate than others for learning and development in "soft skill" areas like leadership. We need to match the tool to the need. Each technology provides a different array of benefits, but no technology will work across all organizations or implementations, nor will it suit every type of content or topic.



Organizations need to seek an effective and balanced mix rather than putting the full training burden on just one approach, to test for both people and technology compatibility, and to thoroughly communicate and execute the strategy.

### IT IS ABOUT THE JOURNEY AND THE DESTINATION

So why should organizations look at all of these new ingredients for their blended learning strategy? Is the effort required to successfully and meaningfully incorporate formal and informal learning into a cohesive, continuous development implementation worth it?

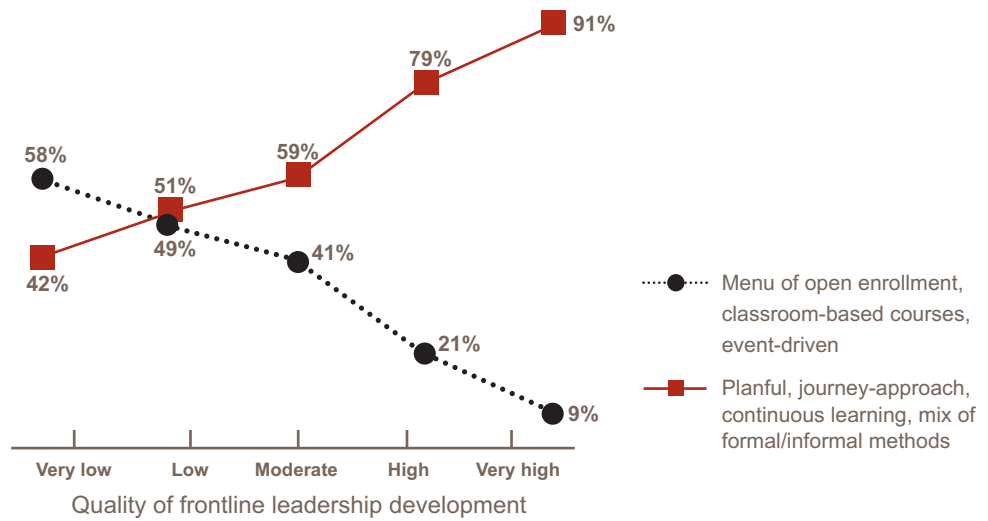
The answer is a resounding “Yes.” DDI’s Global Leadership Forecast 2011 found that organizations that have highly effective development programs use 32 percent more methods of development. But it is not just about the quantity; it’s about the quality. And the quality comes from a focus on more than just formal learning; it comes from a true focus on continuous learning and learning journeys.

Training should not be approached as a one-time event. Instead, training should be seen as an integral part of the “learning journey,” which should be closely aligned with the challenges facing an organization and what leaders must do to drive the business forward. This journey takes place over time and consists of multiple formal and informal learning components and experiences. It begins with a review of relevant organizational and assessment data, the business drivers, and the target audience’s development gaps. This information can then serve as the starting point for designing the learning journey.

When designed right, three critical perspectives converge in the learning journey, enabling both individual and organizational transformation. These perspectives are **business**—understanding and solving business challenges and cultural priorities; **role**—improving leadership in one’s area as well as the overall organization; and **self**—evolving one’s knowledge, experience, competencies, and beliefs.

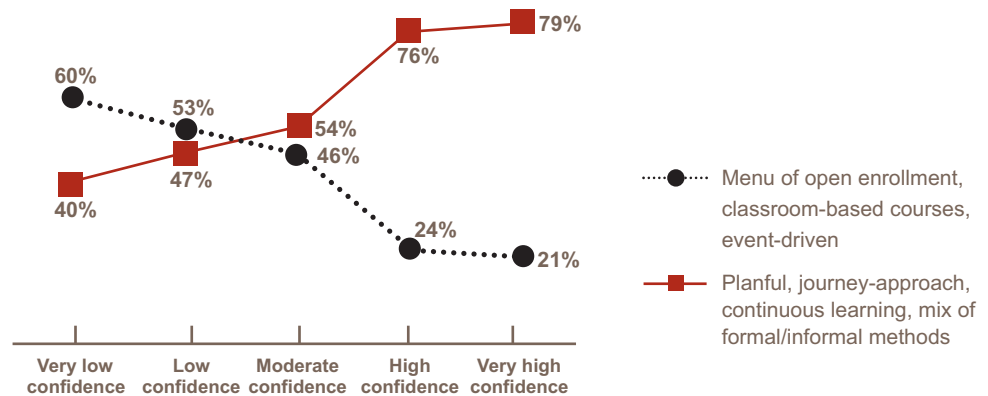
The learning journey concept is not new—but it is infrequently employed for frontline leaders. It can be difficult to model this concept and drive a formalized focus across all kinds of learning (on-the-job, from others and coaches, and during formal events) due to the sheer number of frontline leaders as compared to the number of leaders found at higher levels. However, what this research found is that when organizations develop their leaders adhering to the learning journey concept, perceived development quality increases by more than 90 percent (91 percent versus 9 percent) (Figure 10).

FIGURE 10: QUALITY OF DEVELOPMENT PROGRAMS BY TYPE



And when programs are higher quality, confidence in frontline leaders to ensure the future success of the organization grows (Figure 11). Organizations using the learning journey approach to develop their frontline leaders are nearly 75 percent more confident (79 percent versus 21 percent) in that level of leadership.

FIGURE 11: CONFIDENCE IN FRONTLINE LEADERS BY DEVELOPMENT PROGRAM TYPE



Please rate your confidence in frontline leaders in terms of their ability to ensure the future success of your organization

So why such a big difference? Learning journeys are more sustainable because they extend beyond development events. Organizations that get it right are finding ways to engage their leaders before, during, and after the formal development events with the right mix of methodologies alluded to in the previous section. They create meaningful development events that translate into a culture of continuous learning in their organizations where leaders are getting the support and development they need, even when they don't realize it.



## THREE KEYS TO DEVELOPING EXCEPTIONAL FRONTLINE LEADERS

Frontline leaders play an incredibly important role in your organization. They are often the largest leadership population, and they impact areas such as team productivity, employee engagement, and customer satisfaction. So how can you take your leaders from average to exceptional?

- 1 Prepare your first line of defense!** Use data you have at hand, and then get more. Have a clear picture of the talent you have, the talent you need, and where the gaps exist. Develop your incumbent and emerging leaders to help close those gaps. Help your frontline leaders understand their blind spots and development areas—as well as their strengths—to engage them in their own development experience.
- 2 Get personal!** Interpersonal skills are the biggest difference-maker between average and exceptional leaders. Help your frontline leaders understand their importance and ensure they have a solid foundation in these skills. Hold your leaders accountable for using them, and ensure every level of leadership models these skills, so that they can become engrained in your leadership culture.
- 3 Rethink development!** It is no longer acceptable to subscribe to the “if you build it, they will come” philosophy with development. Blended learning has taken on a new meaning and when organizations take the time to understand all of the tools and technologies available to them, and they can build them into development initiatives in a meaningful way, their leadership development will be above average, delivering way-above-average leaders.

## About DDI

For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there. Our areas of expertise span every level, from individual contributors to the executive suite:

- Success Profile Management
- Selection & Assessment
- Leadership & Workforce Development
- Succession Management
- Performance Management

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- **Debbie McGrath** is founder and chief instigator, HR.com. Debbie has an extensive background in HR, publishing, and the Internet. Previous to starting HR.com in 1999 she owned The CEO Group, a Canadian and European entity that created job board software, talent management software, HTC Career Magazines, and High Tech Career Fairs.

For more information about developing exceptional frontline leadership talent, visit [www.ddiworld.com/developthebest](http://www.ddiworld.com/developthebest).



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