

**High-Impact Leadership**  
Master Deck  
July 2017

# High-Impact Leadership

## The New Leadership Maturity Model

# Top Findings at a Glance



Leadership development programs in a vacuum do not grow leadership capability.



Organizational context drives leadership maturity.



We identified 17 important practices for building a context for leadership growth out of which 5 are most critical.




The 17 practices combine to form three overarching factors.



Leaders learn best from colleagues, clients, and in new contexts.



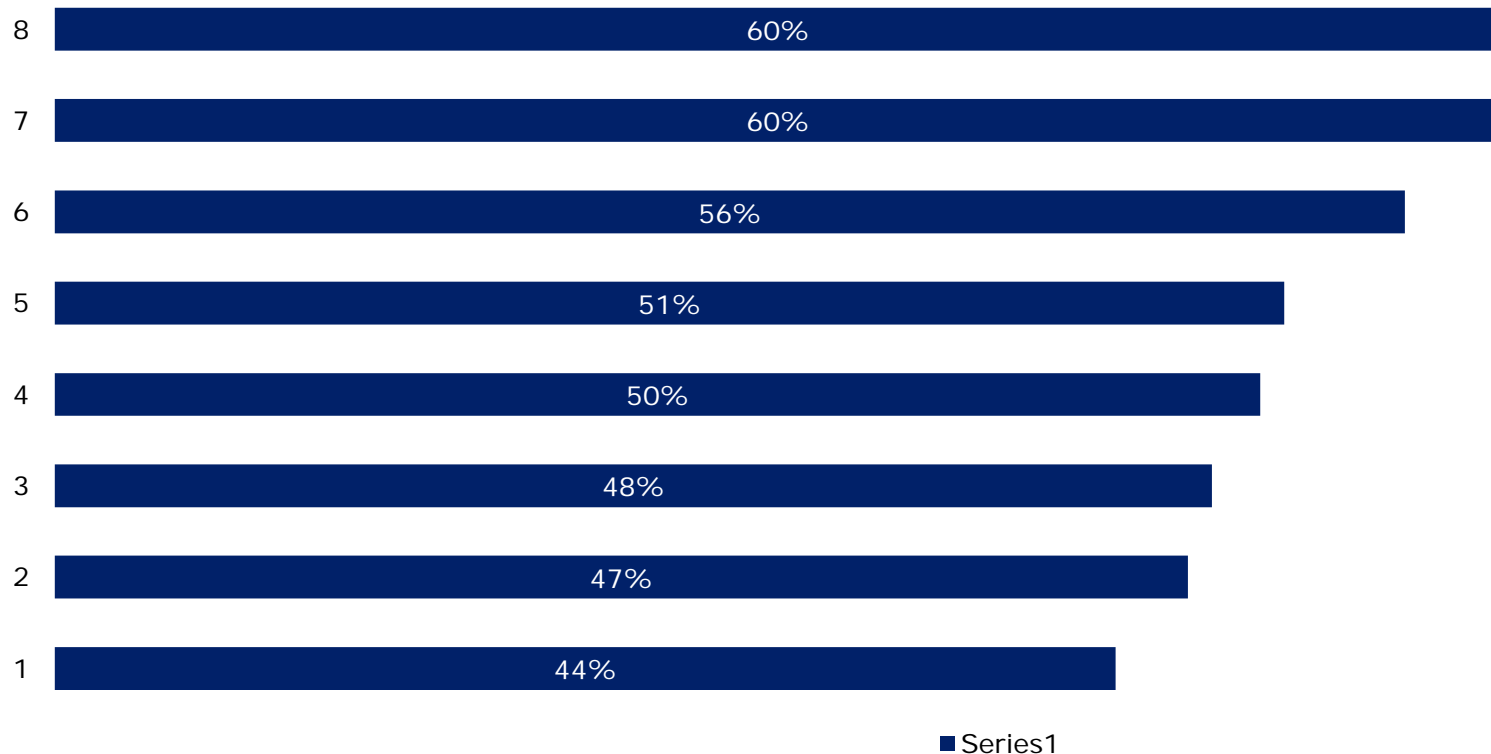
Companies at the highest leadership maturity levels perform better in terms of financial, business, and leadership outcomes.

A hand is shown selecting a color swatch from a large palette of color swatches. The palette is organized into rows and columns, with colors ranging from warm tones (red, orange, yellow) to cool tones (green, blue). The background is a blurred view of the same color palette, suggesting a professional design or manufacturing environment.

Change is currently the top business challenge for organizations and today's leaders require a thorough understanding of the changing conditions their organizations encounter and how to respond effectively.

# Leadership Capability in Organizations\*

Our newest data shows that capable leadership talent is very rare. Only 60 percent of leaders in organizations show commercial acumen and business judgment; 48 percent are seen as driving change and innovation; and only 44 percent build talent for competitive advantage.



\*Based on our High-Impact Leadership Research, 2016.

Source: *Bersin by Deloitte, 2016.*

Despite substantial efforts by HR and learning professionals, a multibillion dollar leadership development industry, and more than 70 years of leadership research, organizations' overall success at growing leaders remains dismal.



# Business and Leadership Outcomes<sup>†</sup> Tested in the Survey

After we completed our interviews and the literature review, we designed an online survey. The questionnaire addressed global HR, L&D, and business leaders, and asked participants about 111 organizational practices that we thought could drive an organization's leadership maturity, along with two sets of business performance and leadership outcomes.

**Business Outcomes**

 **Organization:**

- Improves processes to maximize efficiency
- Meets or exceeds financial targets
- Anticipates change, and responds effectively and efficiently
- Innovates

**Leadership Outcomes\***

 **Leaders:**

- Inspire people to follow them
- Execute and achieve results through their people
- Persuade and influence stakeholders
- Create synergies through working in partnership
- Provide vision and direction
- Show commercial acumen and business judgment
- Drive change and innovation
- Build talent for competitive advantage

\*Deloitte Leadership Capability Model

Source: *Bersin by Deloitte, 2016.*

<sup>†</sup>Leadership outcomes\* are based on the Deloitte Leadership Model, with a set of eight variables encompassing people, relationship, business, and entrepreneurial leadership capabilities. These eight leadership capabilities are based on research by Kaisen Consulting (acquired by Deloitte in 2015), with more than 17,000 leadership assessments, and more than 100,000 hours of interviews with senior leaders and high potentials globally in a diverse variety of industries.

An exclusive reliance on formal programs as the only means for leadership development is one of the primary reasons for the lack of leadership talent.



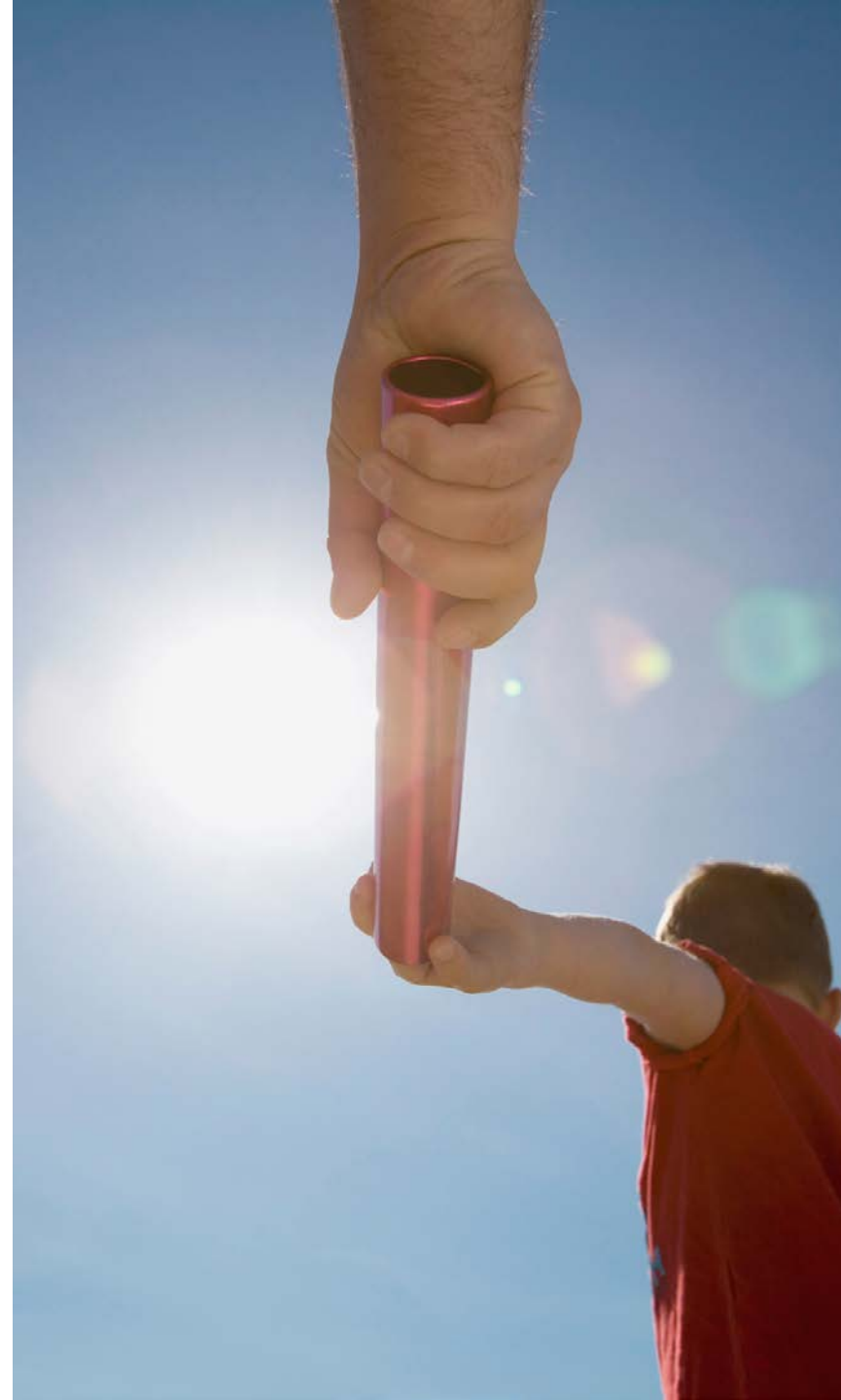


# Leadership Growth Model

Organizations need to provide the right context in which leaders can perform and grow.



Source: *Bersin by Deloitte, 2016.*

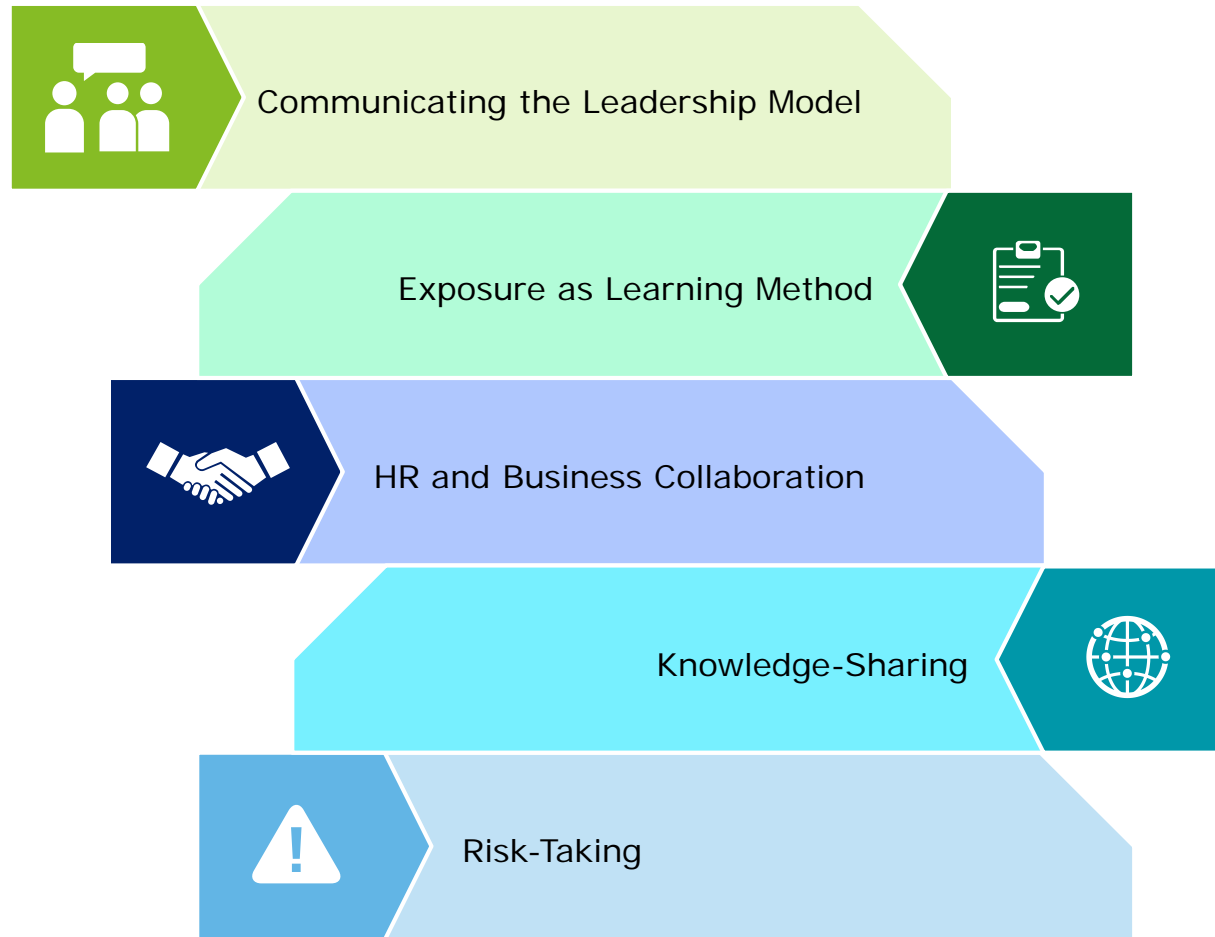


The five critical drivers of leadership maturity have one thing in common—they enable leaders to learn and grow by connecting with and learning from others.



# Five Critical Drivers of Leadership Maturity

Out of 17 specific dimensions 5 dimensions are most important to drive leadership capability.



Source: *Bersin by Deloitte, 2016.*

# The Factors and Dimensions of Leadership Maturity†

Of the 111 variables we tested, 17 variables showed the strongest correlations with business and leadership outcomes. These variables are “dimensions” of leadership maturity and, based on further analyses, have been grouped into 3 factors.

## Dimensions under Organizational Culture:

1. Culture strength
2. Enactment of core values and beliefs
3. Risk-taking\*
4. Knowledge-sharing\*
5. Organizational support
6. Clear company identity
7. Communication of leadership model\*
8. Leader motivation



## Dimensions under Designed Leadership:

9. Exposure as learning method\*
10. HR and business collaboration\*
11. Business leader involvement
12. Career management integration
13. High-potential retention
14. Strong leadership pipeline

## Dimensions under Organizational Design:

15. Matrix structure
16. Clarity in decision-making
17. Management of collaborative overload

\*Denotes that dimension as a top 5 driver for high-impact leadership.

†The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

Source: *Bersin by Deloitte, 2016.*

# Organizational Culture

Organizational Culture has a strong effect on leader growth and organizational performance.

## Dimensions under Organizational Culture:

1. Culture strength
2. Enactment of core values and beliefs
3. Risk-taking\*
4. Knowledge-sharing\*
5. Organizational support
6. Clear company identity
7. Communication of leadership model\*
8. Leader motivation

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Source: *Bersin by Deloitte, 2016.*

# Organizational Culture Factor—Dimensions and Descriptions†

Factor	Dimensions	Descriptions
<b>1. Organizational Culture</b>	1. Culture strength	<ul style="list-style-type: none"> <li>Having a strong culture means employees know how their organizational values support the business and leadership strategy.</li> <li>Companies with a strong culture have defined the norms and principles that are expected, and they are widely shared and held strongly throughout the company.</li> </ul>
	2. Enactment of core values and beliefs	<ul style="list-style-type: none"> <li>Employees do not just know about, but also act upon, their organization's core values and beliefs.</li> <li>Employees consistently display behaviors that represent important principles that drive attitudes and work outputs; that way, values are continuously reinforced and employees are held accountable for putting them into action.</li> </ul>
	3. Risk-taking*	<ul style="list-style-type: none"> <li>Risk-taking means that employees have regularly shared discussions to explore new concepts and ideas.</li> <li>Taking risks and learning from failure are valued concepts, and employees practice them in daily work processes.</li> </ul>
	4. Knowledge-sharing*	<ul style="list-style-type: none"> <li>Employees feel encouraged and enabled to share knowledge with each other.</li> <li>Senior leaders proudly keep stories about the organization's history alive by sharing and retelling them.</li> <li>Insights and new company innovations are broadly shared with the rest of the organization.</li> <li>Customer feedback is distributed as a source of market knowledge.</li> </ul>
	5. Organizational support	<ul style="list-style-type: none"> <li>Leaders feel that they are supported in their role as leaders of a changing workforce.</li> <li>Leaders receive information, guidance, and developmental opportunities that help them to learn about managing diverse and distributed teams.</li> </ul>
	6. Clear company identity	<ul style="list-style-type: none"> <li>Employees know how their organization wants to be viewed by its customers.</li> <li>A shared identity exists about aspects that differentiate leaders' abilities from the company's competitors.</li> <li>Employees know what the organizations stands for and how it can add value to clients.</li> </ul>
	7. Communication of leadership model*	<ul style="list-style-type: none"> <li>Employees at all levels understand what successful leadership looks like at their organization.</li> <li>Leadership attributes, skills, and behaviors are clear and regularly communicated through various communication channels.</li> <li>The leadership model is used to assess and identify leaders; high levels of understanding of expected leadership capabilities is ensured.</li> </ul>
	8. Leader motivation	<ul style="list-style-type: none"> <li>Individual leaders are motivated to grow as leaders (people and / or specialist leader) at their current organization.</li> <li>Regular conversations keep HR and business leaders at the pulse of leaders' motivation to grow and develop in their roles.</li> <li>Facilitated discussions about leadership culture, career development, and other possible deterrents of leader motivation occur regularly.</li> <li>Discussions about motivation to grow in leadership roles are part of high-potential identification and assessment processes.</li> </ul>

\*Denotes that dimension as a top 5 driver for high-impact leadership.

Source: *Bersin by Deloitte, 2016.*

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# Case in Point: Reverse Mentoring at Xerox

## ? The Problem

Xerox has had multiple generations present in the workplace for years and senior leaders want to stay engaged with an important segment of their workforce.

## 👍 The Solution

A “reverse mentoring” program is designed to build awareness between senior leaders and Millennials about their various perspectives and approaches to the business.

## 🏆 The Results

This program enabled the young mentors and the experienced mentees to exchange opinions and viewpoints on topics related to both work and life—leading to greater understanding of the other generation and the changes that affect them both.



# Case in Point: IBM's Manager Success Profile—Creating a Better Client Experience through Leadership

## The Problem

To keep abreast with its transforming market environment, IBM wanted to renew its focus on the delivery of a differentiated client experience and redefine its leadership model via a new management development effort.

## The Results

Participating managers influence the client experience more than nonparticipants, spend more time with employees, discuss the strategy more often, and have higher team engagement and client experience scores, as well as lower voluntary attrition rates.

## The Solution

The team gathered data and internal success metrics from the company's managers to develop what is known as a "manager success profile" and 50 managers are recognized as "champions" every year. These Manager champions are tasked with advocating for, role modeling, and teaching leadership throughout the year.





Almost all respondents in our survey said that they want to grow as leaders—but not all of them want to grow as leaders at their current company.



# Jumpstart discussions to gauge levels of leader motivation

The motivation, or lack thereof, to step up and grow in a leadership role may be caused by several underlying issues that vary from organization to organization. The following topics and questions could jumpstart discussions to gauge levels of leader motivation

**What is the leadership culture in our organization?**

Leadership Culture

**What are our current career development opportunities**

Career Development

High-Potential Identification

**Do we communicate the value of leaders in our high-potential identification and assessment process?**

**Other reasons affecting leader motivation.**

?

Source: Bersin by Deloitte, 2016.

# Designed Leadership

Designed Leadership describes practices that are specifically and intentionally designed to grow leadership capabilities.



## Dimensions under Designed Leadership:

9. Exposure as learning method\*
10. HR and business collaboration\*
11. Business leader involvement
12. Career management integration
13. High-potential retention
14. Strong leadership pipeline

\*Denotes that dimension as a top 5 driver for high-impact leadership.

†The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

Source: *Bersin by Deloitte, 2016.*

# Designed Leadership Factor—Description and Dimensions†

Factor	Dimensions	Descriptions
<b>2. Designed Leadership</b>	9. Exposure as learning method*	<ul style="list-style-type: none"> <li>Leadership programs contain targeted opportunities for networking and social exchange for leaders inside and outside of the organization.</li> <li>Coaching and mentoring is part of ongoing development efforts.</li> <li>Client feedback is utilized for leadership growth efforts.</li> </ul>
	10. HR and business collaboration*	<ul style="list-style-type: none"> <li>Business and HR leaders work closely together on leadership growth activities.</li> <li>Both functions engage in leadership development initiatives (e.g., developing leadership strategy and leadership model).</li> <li>Good relationships are formed between HR, L&amp;D and business leaders throughout the organization.</li> <li>Constant exchange of talent-related information is facilitated.</li> </ul>
	11. Business leader involvement	<ul style="list-style-type: none"> <li>Business leaders at all levels take an active role in developing other leaders.</li> <li>Based on regular conversations between HR and business leaders, the leadership strategy is aligned with business objectives.</li> <li>Business leaders help to define and / or review the leadership model, teach leadership programs, are part of coaching and mentoring programs, and use social media and other tools to share their leadership expertise with other leaders.</li> </ul>
	12. Career management integration	<ul style="list-style-type: none"> <li>Leadership development is integrated with career management and development.</li> <li>Meaningful career paths and possibilities for internal mobility exist.</li> <li>Relevant development opportunities are offered.</li> </ul>
	13. High-potential retention	<ul style="list-style-type: none"> <li>High potentials are continually identified and developed in tailored leadership programs.</li> <li>Regular career discussions are held with HiPos' managers to assess opportunities for development and career progression.</li> </ul>
	14. Strong leader pipeline	<ul style="list-style-type: none"> <li>Effective succession management practices are in place at all levels of the company.</li> <li>This includes business and succession planning, establishing the necessary infrastructure, creating transparency around succession, and taking a global perspective on talent sharing and mobility.</li> </ul>

\*Denotes that dimension as a top 5 driver for high-impact leadership.

Source: *Bersin by Deloitte, 2016.*

†The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

# Bersin by Deloitte's Continuous Learning Model as Applied to Leadership Development\*†

## Examples:

- Face-to-face training
- e-Learning
- Assessments



## Examples:

- Stretch assignments
- Job rotations
- Business projects

## Examples:

- Colleague feedback
- Client interactions
- Networking and social media


## Examples:

- Tools and infrastructure
- Libraries and wikis
- Business performance dashboards

\* Exposure is an element within the Bersin Continuous Learning Model. *Reimagining L&D Capabilities to Drive Continuous Learning*, Bersin by Deloitte / Dani Johnson, 2015.

† "Education" is traditional L&D in the workplace, generally formal in nature, with a defined beginning and end, and easily measured. "Experience" is learning that occurs through performing professional tasks in the workplace. "Exposure" refers to learning that occurs through interaction and relationships with colleagues, professionals, and thought leaders. "Environment" means point-of-need learning that leverages tools, systems, and other infrastructures in the workplace to enable employees to access information and support themselves in their work. *The Continuous Learning Technology Stack*, Bersin by Deloitte / Dani Johnson, 2015.

Source: Bersin by Deloitte, 2016.

A photograph of a library with rows of wooden bookshelves filled with books. The books have colorful spines in shades of blue, green, yellow, and red. The shelves are arranged in a perspective that recedes into the distance. A wooden ladder is visible in the bottom left corner.

Our data indicates that organizations on the lowest maturity levels use a higher proportion of education and experience; the most mature companies offer a balanced set of all four learning methods.

# Case in Point: Startup Finds Success with External Mentoring

## The Problem

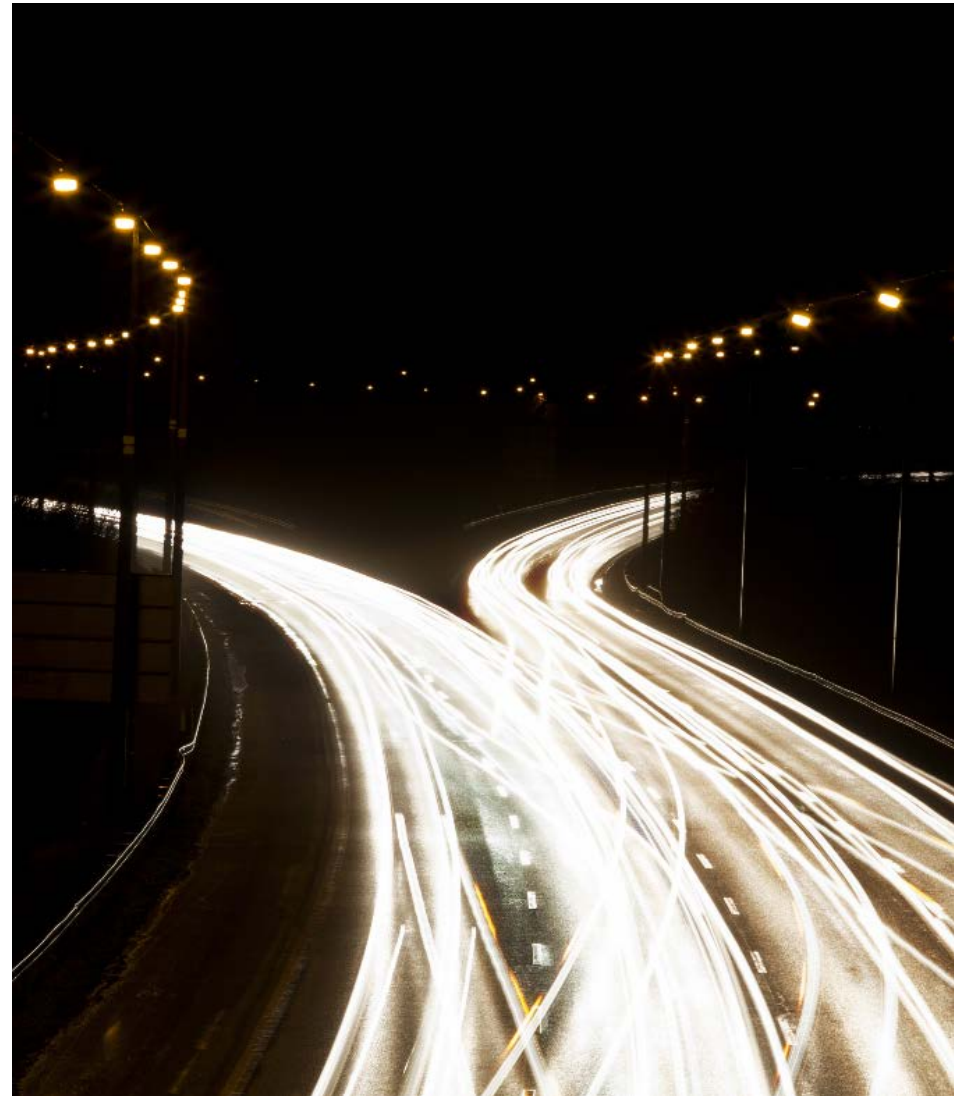
This transportation company operates across the U.S. With its rapid growth, it needed to empower its leaders to develop the leadership skills and qualities needed in a changing and diverse work environment.

## The Solution

The company started an external mentoring program for its managers and director-level leaders. These leaders have enjoyed tailored support by mentors from outside of the company as well as close support from the leaders' own managers who help to identify blind spots and development areas.

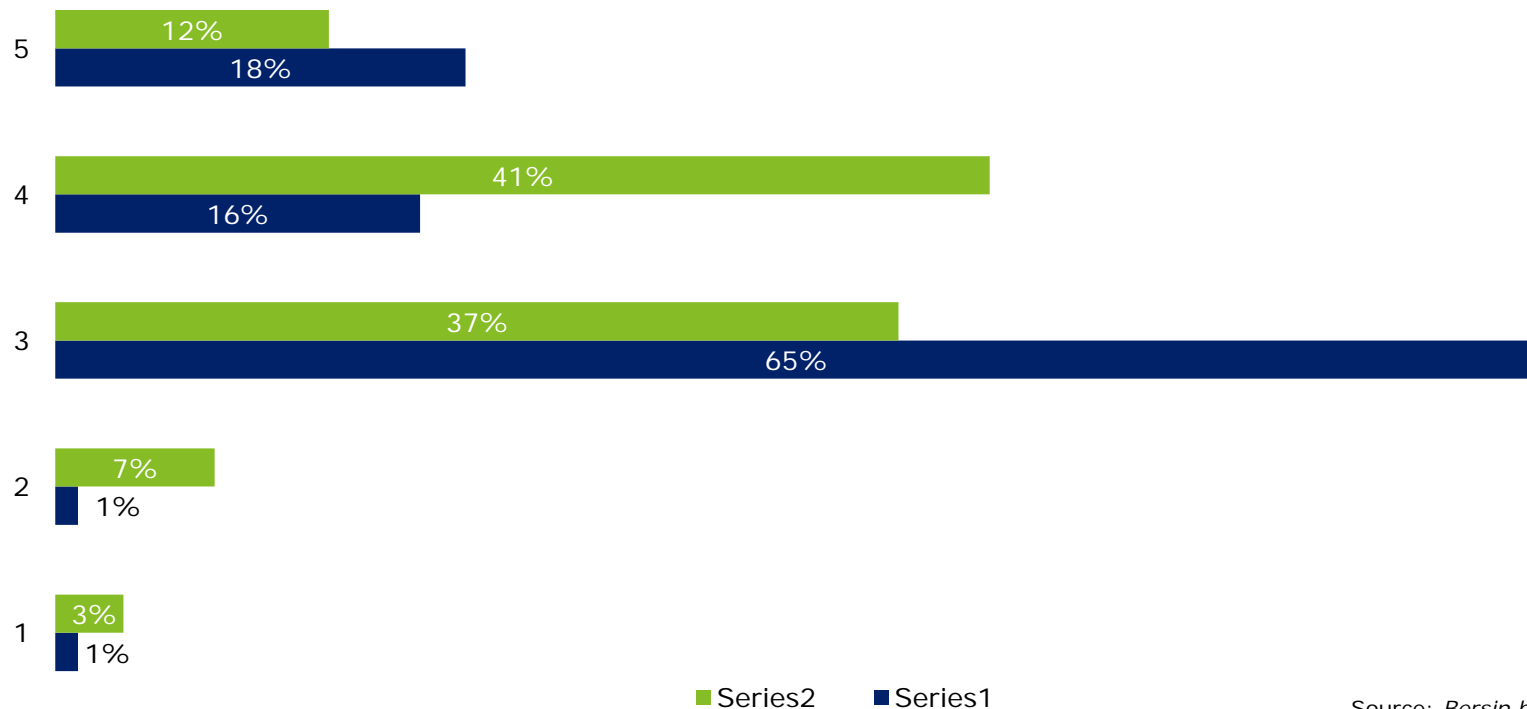
## The Results

These leaders grew their leadership capabilities through exposure in external perspective, networking opportunities, and diverse leadership culture. The continuous exposure to outside perspectives helped its leaders to remain open to new ideas and avoid developing a tunnel view.



# Primary Responsibility for Leadership Growth by HR and Business Leader

Apart from exposure which highlights one aspect of a leadership development program, our research identified the collaboration between the HR and L&D functions with the business leaders in the organizations as an important driver of leadership maturity.



Source: Bersin by Deloitte, 2016.



# Examples for HR and Business Leader Collaboration

## What HR Can Do:

- Ask senior business leaders for support and sponsorship for leadership growth efforts
- Define the leadership strategy with top business leaders
- Review and test the leadership model with business leaders in various functions
- Engage business leaders in teaching, coaching, and mentoring efforts

## What Business Leaders Can Do:

- Check in with HR before independent leadership development initiatives to align the program with the leadership model
- Actively provide frequent feedback on the impact of leadership growth efforts
- Offer to support HR-driven learning efforts through coaching and mentoring efforts
- Role model leadership principles to reinforce the learning of other leaders

Source: *Bersin by Deloitte, 2016.*

# Case in Point: Leaders as Teachers at Erie Insurance

## ? The Problem

Erie experienced a change in top leadership; with this change came the requirement to refresh existing leadership and management development programs.

## 👍 The Solution

The company redefined the leadership model as well as the teaching of leadership behaviors in its Foundations of Erie Leadership (FOEL) program that employs a leaders-as-teachers approach. During the classes, leaders teach the principles of the Erie leader and share their experiences in this role. Business leaders' perspectives and experience are extensively shared during the program.

## 🏆 The Results

Twenty-six percent of line leaders reported an increase in productivity and 19 percent have seen an increase in customer satisfaction. More than 90 percent of both hiring managers and participants felt that the training was a worthwhile investment for both the organization, as well as individual careers.



# Organizational Design

Organizational Design is the process of aligning organizational structure, process, rewards, metrics, and talent with the strategy of the business.



## Dimensions under Organizational Design:

- 15. Matrix structure
- 16. Clarity in decision-making
- 17. Management of collaborative overload

Source: *Bersin by Deloitte, 2016.*



# Organizational Design Factor—Dimensions and Descriptions†

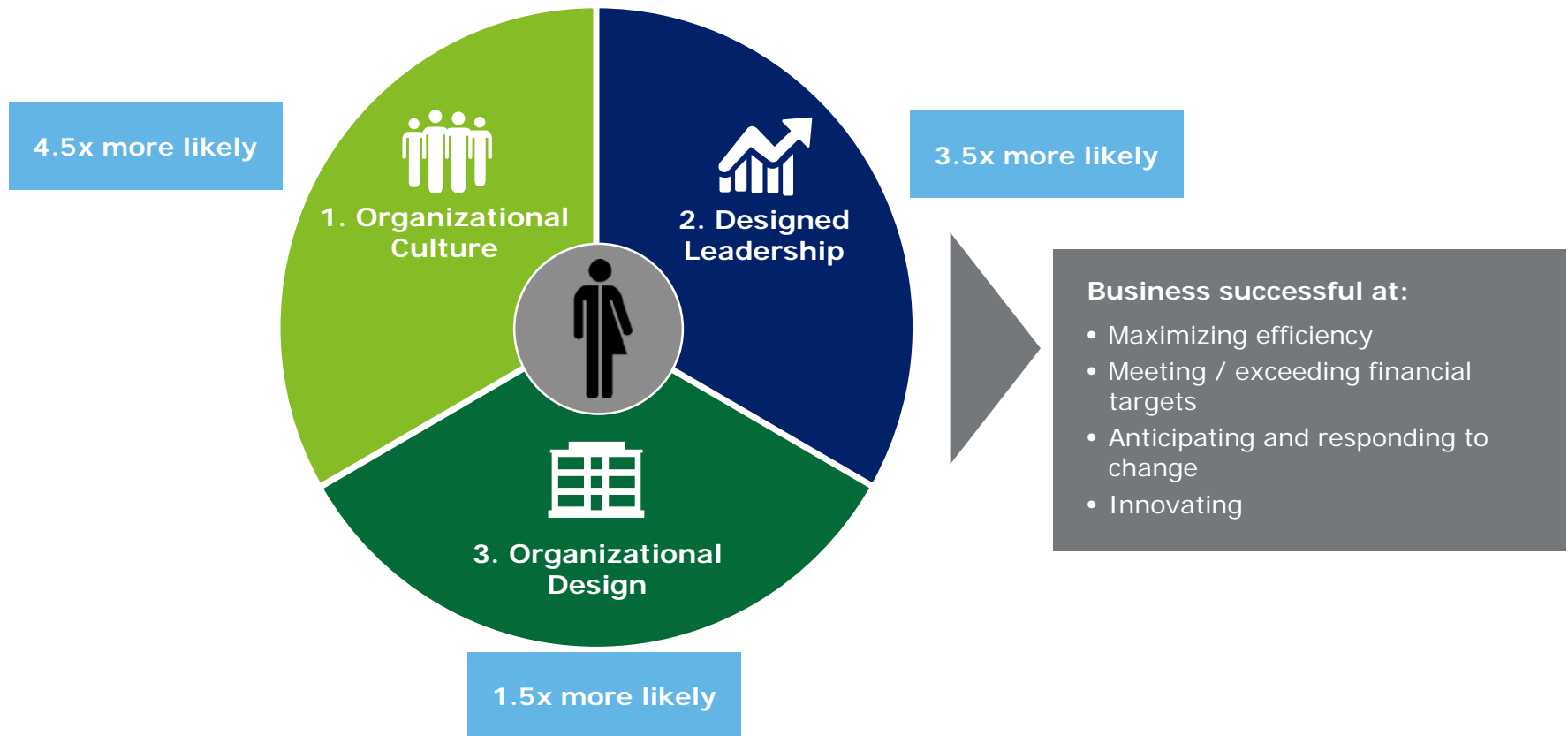
Factor	Dimensions	Descriptions
<b>3. Organizational Design</b>	15. Matrix structure	<ul style="list-style-type: none"> <li>Organizational structure can be described as a matrix structure.</li> <li>Employees share information, collaborate across functions, and connect and co-own projects more than in traditional structures.</li> </ul>
	16. Clarity in decision-making	<ul style="list-style-type: none"> <li>Decision-making processes are clear and well-defined.</li> <li>Leaders move away from traditionally position-focused processes to being facilitators of shared decision-making.</li> </ul>
	17. Management of collaborative overload	<ul style="list-style-type: none"> <li>Organizations monitor potential side effects of collaborative overload on leaders, high potentials, and subject-matter experts.</li> <li>Organizations identify those at risk and try to redistribute workloads.</li> </ul>

†The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

Source: *Bersin by Deloitte, 2016.*

# Factors Driving Business Outcomes\*

If an organization scores high on Organizational Culture overall, it is 4.5 times more likely to have superior performance on all combined business outcomes. In comparison, being strong on the factor Designed Leadership makes organizations 3.5 times more likely to be excellent at those business outcomes, and Organizational Design increases this likelihood 1.5 times.



\*The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

Source: *Bersin by Deloitte, 2016.*

# Most Important Dimensions Impacting Business Outcomes\*

Business Outcome	Increased Likelihood	Dimension
If Your Organization Needs to ...	It Is "X" Times More Likely to Achieve This Goal	By Focusing on ... Practices
<b>Maximize efficiency</b>	8 times	Maintaining a strong leader pipeline
	6 times	Retaining high potentials at all levels
	5 times	Collaborating HR and business leaders
<b>Meet / exceed financial targets</b>	3 times	Retaining high potentials at all levels
	3 times	Maintaining a strong culture
	2 times	Defining a clear company identity
<b>Anticipate and respond to change</b>	8 times	Providing support for leaders
	6 times	Involving business leaders in leadership growth efforts
	6 times	Maintaining a strong leader pipeline
<b>Innovate</b>	7 times	Encouraging risk-taking
	5 times	Providing support for leaders
	5 times	Involving business leaders in leadership growth efforts

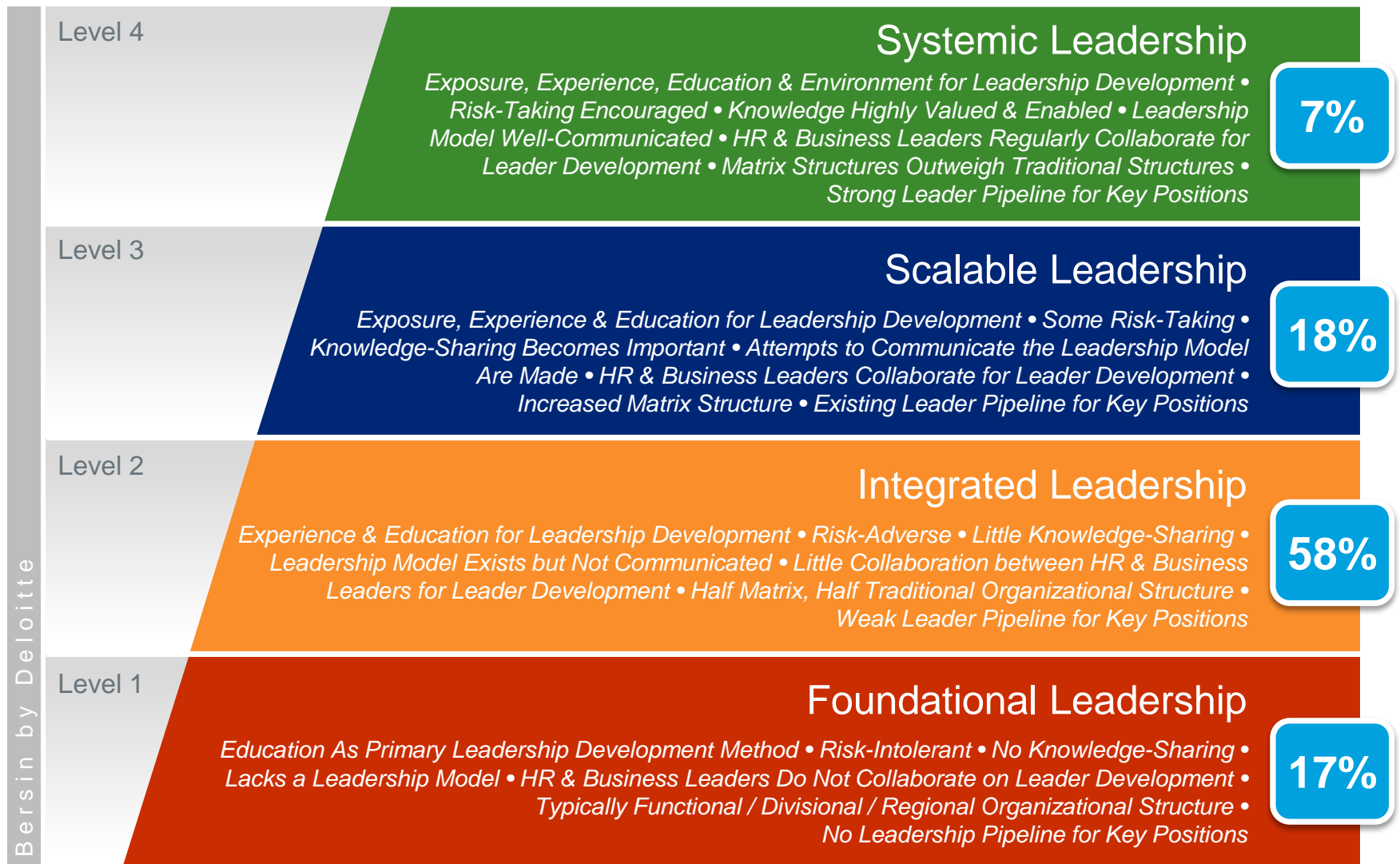
\*This data serves as representation for the dynamic relationships between dimensions and business outcomes, and is not an exhaustive list. A more detailed account of the way individual dimensions interact, and affect business and leadership outcomes will be provided in a future report.

Source: *Bersin by Deloitte, 2016.*

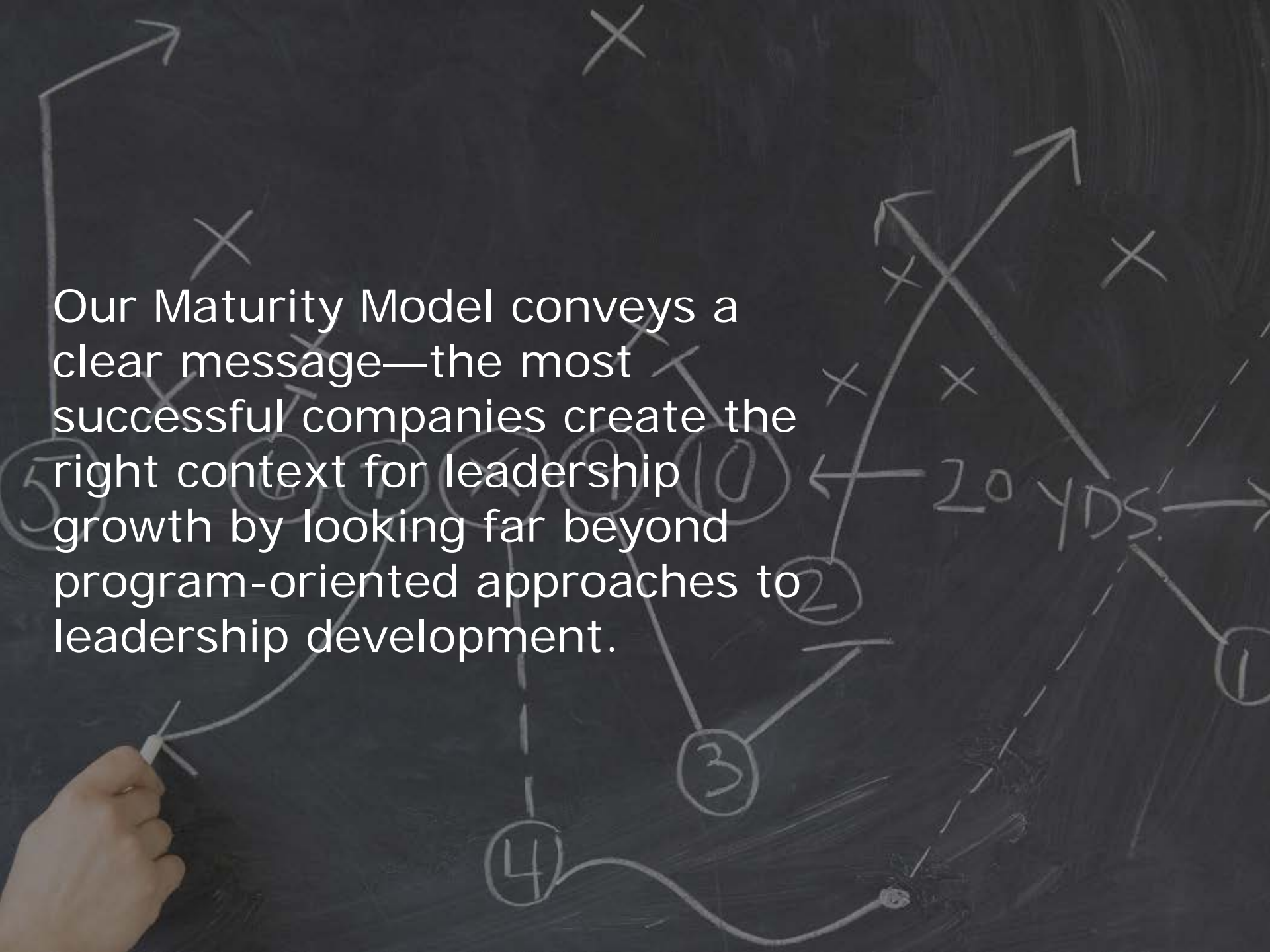
The retention of high potentials at all levels has strong links to an organization's ability to meet and / or exceed financial targets.



# The Leadership Maturity Model\*







Our Maturity Model conveys a clear message—the most successful companies create the right context for leadership growth by looking far beyond program-oriented approaches to leadership development.

# Overall Characteristics of Each Level of Organizational Leadership Maturity



**In Level 1 organizations,** the learning function offers formal training programs to develop leaders, but the approach lacks alignment with current business needs.



**Level 2 companies** have a defined culture, and leadership development entails both experiential and formal methods. Efforts are not always based on a leadership model, and are exclusively owned by HR and L&D.



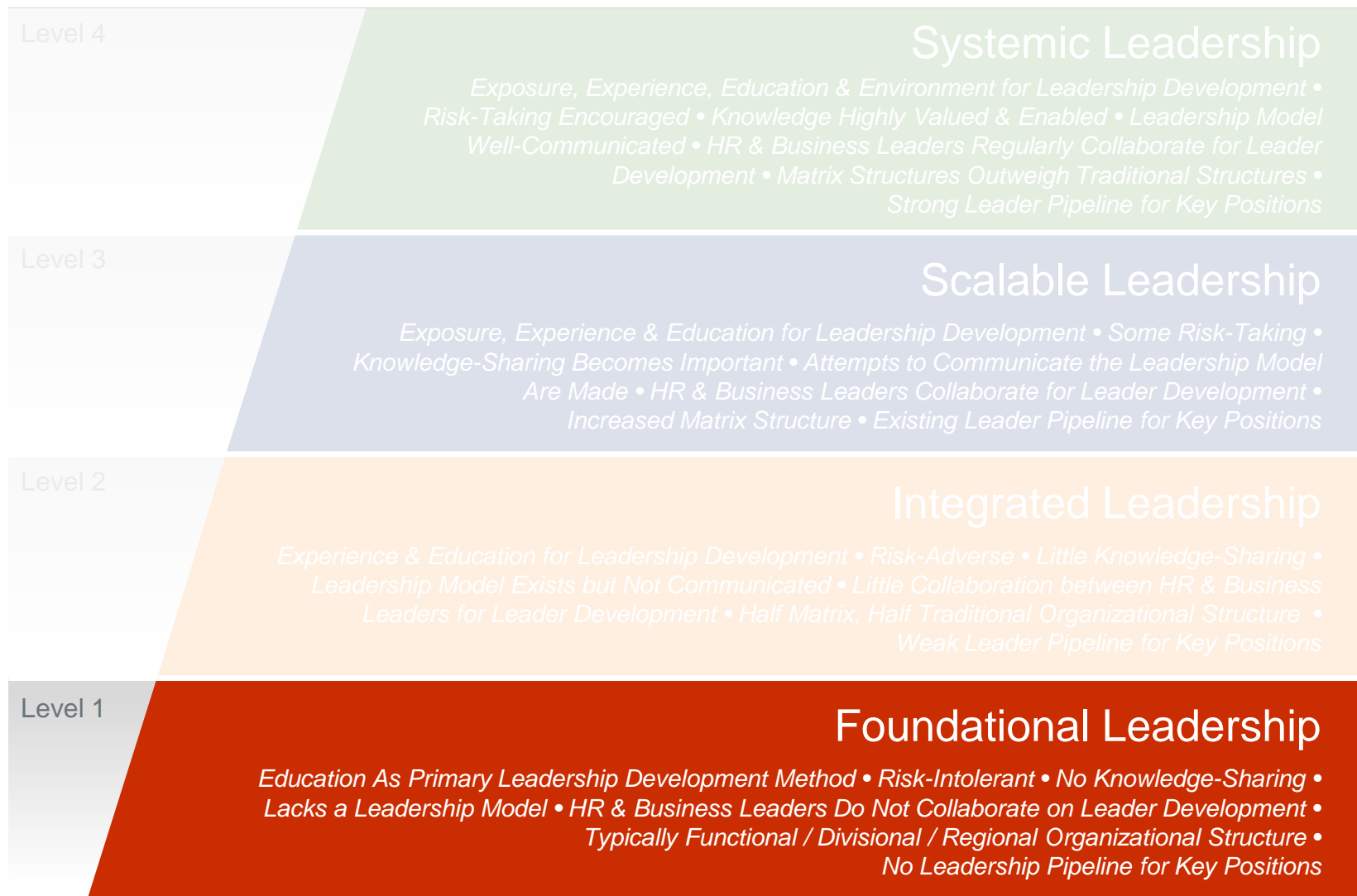
**Organizations at Level 3** have a strong culture and company identity. Solid relationships between HR and business leaders enable business leaders to get involved. Leadership growth efforts focus on learning by exposure, experience, and education.



**Leaders at Level 4 companies** know what their leadership model is, and grow continuously through a culture of risk-taking, knowledge-sharing, and effective collaboration. HR and business leaders work closely together and use a wide range of learning methods, which forms a network of different learning opportunities.

Source: *Bersin by Deloitte, 2016.*

# The Leadership Maturity Model—Level 1 Maturity



Source: Bersin by Deloitte, 2016.

# Prevalence of Dimensions at Level 1 Maturity\*‡

Factor	Dimensions	Prevalence at Level 1
<b>1. Organizational Culture</b>	1. Culture strength	Low
	2. Enactment of core values and beliefs	Low
	3. Risk-taking†	Low
	4. Knowledge-sharing†	Extremely Low
	5. Organizational support	Low
	6. Clear company identity	Low
	7. Communication of leadership model†	Extremely Low
	8. Leader motivation	Medium
<b>2. Designed Leadership</b>	9. Exposure as learning method	Extremely Low
	10. HR and business collaboration†	Low
	11. Business leader involvement*	Extremely Low
	12. Career management integration	Extremely Low
	13. High-potential retention	Low
	14. Strong leadership pipeline	Extremely Low
<b>3. Organizational Design</b>	15. Matrix structure	Low
	16. Clarity in decision-making	Low
	17. Management of collaborative overload	High

\*For the assignment of the prevalence levels "Extremely Low" to "Very High," we assigned Level 4 with 100 percent as the benchmark value and calculated the following values: 100 percent = "Very High," greater than 90 percent = "High," 75 percent to 90 percent = "Medium," 55 percent to 75 percent = "Low," and less than 55 percent = "Very Low."

†Signifies one of the top 5 drivers of high-impact leadership.

‡The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

Source: *Bersin by Deloitte, 2016.*

# Action Items for Level 1 Companies

To Work on This Dimension ... ... HR and Learning Leaders Should:

Engage *business leaders at all levels*:

- Establish and maintain relationships with key individuals committed to leadership growth
- Provide information and data linking business leader involvement and business outcomes
- Create incentive programs for business leaders to teach, coach, and mentor

Find ways to *communicate the leadership model*:

- Ensure alignment among executives on the leadership model
- Base all leadership programs on the leadership model
- Use the model to assess and identify leaders to ensure leadership expectations are understood

Establish a culture of *knowledge-sharing* by:

- Establish the practice of real-time, broad communication of company insights and innovations
- Foster the practice of story-telling about the organization's history, identity, and desired culture
- Integrate real-life customer feedback into everyday learning activities

Add *exposure* to leadership development programs:

- Facilitate targeted opportunities for leader networking and social exchange
- Add coaching and mentoring opportunities as ongoing aspects of leader development efforts
- Expose leaders to external feedback and new work contexts for targeted development

*Integrate* leadership development with *career development*:

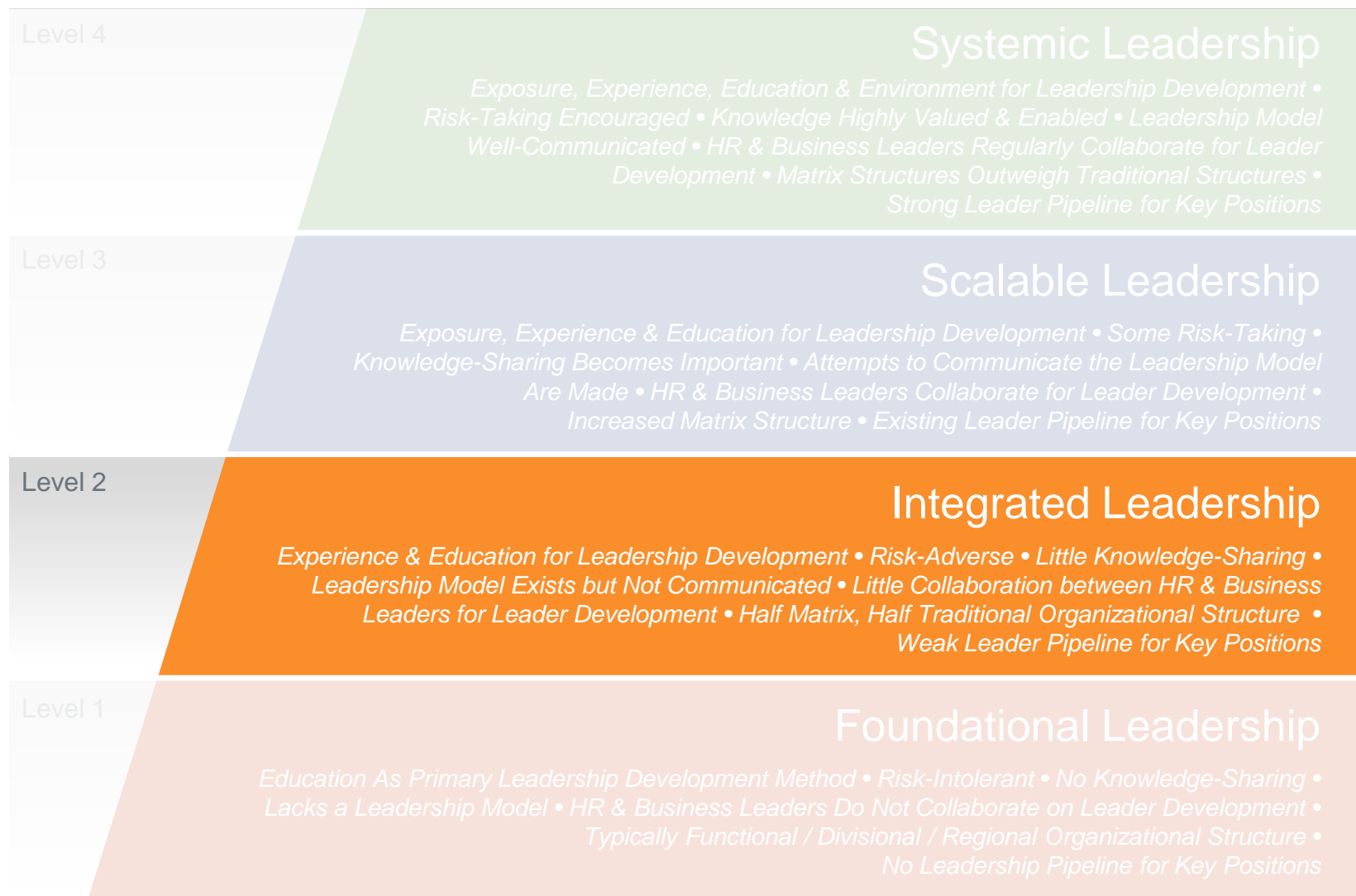
- Get senior leaders' continuous sponsorship for employee advancement
- Ensure consistency of messaging and actions around career management
- Identify common career paths that can be shared with high potentials across the organization

Build your *leader pipeline for key positions*:

- Put effective high-potential identification and assessment methods in place
- Establish solid relationships with business leaders to help define succession management strategy
- Encourage senior leaders to role model a culture of transparency around succession management

Source: *Bersin by Deloitte, 2016.*

# The Leadership Maturity Model—Level 2 Maturity



Source: Bersin by Deloitte, 2016.

# Prevalence of Dimensions at Level 2\*‡

Factor	Dimensions	Prevalence at Level 2
<b>1. Organizational Culture</b>	1. Culture strength	Medium
	2. Enactment of core values and beliefs	Medium
	3. Risk-taking†	Low
	4. Knowledge-sharing†	Low
	5. Organizational support	Low
	6. Clear company identity	Medium
	7. Communication of leadership model†	Low
	8. Leader motivation	High
<b>2. Designed Leadership</b>	9. Exposure as learning method	Low
	10. HR and business collaboration†	Low
	11. Business leader involvement*	Low
	12. Career management integration	Low
	13. High-potential retention	Low
	14. Strong leadership pipeline	Low
<b>3. Organizational Design</b>	15. Matrix structure	Medium
	16. Clarity in decision-making	Medium
	17. Management of collaborative overload	High

\*For the assignment of the prevalence levels "Extremely Low" to "Very High," we assigned Level 4 with 100 percent as the benchmark value and calculated the following values: 100 percent = "Very High," greater than 90 percent = "High," 75 percent to 90 percent = "Medium," 55 percent to 75 percent = "Low," and less than 55 percent = "Very Low."

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Source: *Bersin by Deloitte, 2016.*

# Moving from Level 1 to Level 2 Leadership Maturity

## To Work on This Dimension ... HR and Learning Leaders Should:

### Building a *stronger culture*:

- Define the values and norms that support the business and leadership strategy
- Communicate these values consistently as part of all leadership development programs
- Align other talent management processes with the organization's core values

### Encourage *action upon the organization's core values*:

- Encourage top leaders in the organization to visibly and consistently display behaviors
- Reinforce the company's core values and principles through the application in daily work and talent management processes (e.g., in development programs, assessments and / or performance conversations)
- Design learning initiatives around the practical application of the organization's core values

### Define a *clear company identity*:

- Work with business leaders to describe how your organization wants to be viewed by its customers
- Ensure top leaders communicate regularly what the organization stands for and how it adds value to your clients
- Build modules into the leadership development program that encourage leaders to define competencies that differentiate them from your competitors

### Establish *clear decision-making*:

- Together with business leaders, create clear rules and guidelines for how decisions are made in teams
- Integrate leadership capabilities related to communication, transparency, and consistency in decision-making into leadership programs
- Provide performance supporting materials or tools and checklists to leaders to help to facilitate decision-making processes

### Utilize constructive elements of *matrix structures*:

- Consider effective work processes as seen in matrix structures and their relevance for your organization
- Discuss with business leaders how structural components in your organization may enable or prevent leadership and business performance
- Focus curriculum on the development of skills related to information and knowledge-sharing and cross-functional and cultural collaboration

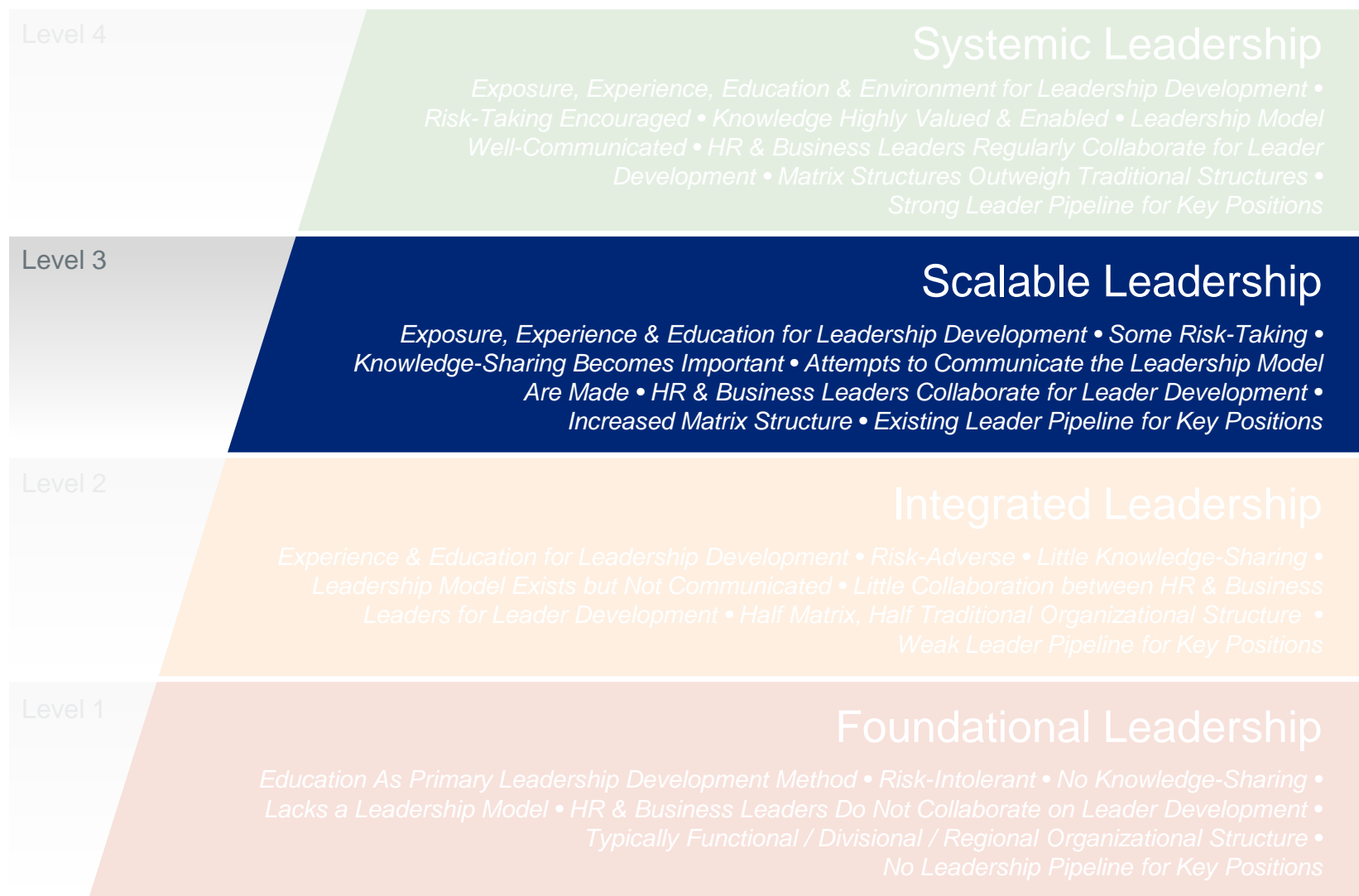
### Assess *leaders' motivation*:

- Communicate the value added by leaders to the business
- Initiate regular conversations with existing leaders about their motivation levels to grow as leaders
- Facilitate discussions about leadership culture, career development, and related topics with existing, emerging, and high-potential leaders

Source: *Bersin by Deloitte, 2016.*



# The Leadership Maturity Model—Level 3 Maturity



Source: Bersin by Deloitte, 2016.

# Prevalence of Dimensions at Level 3\*‡

Factors	Dimensions	Prevalence at Level 3
<b>1. Organizational Culture</b>	1. Culture strength	High
	2. Enactment of core values and beliefs	High
	3. Risk-taking†	Medium
	4. Knowledge-sharing†	Medium
	5. Organizational support	Medium
	6. Clear company identity	Medium
	7. Communication of leadership model†	Medium
	8. Leader motivation	High
<b>2. Designed Leadership</b>	9. Exposure as learning method	High
	10. HR and business collaboration†	High
	11. Business leader involvement*	Medium
	12. Career management integration	High
	13. High-potential retention	High
	14. Strong leadership pipeline	Medium
<b>3. Organizational Design</b>	15. Matrix structure	High
	16. Clarity in decision-making	High
	17. Management of collaborative overload	High

\*For the assignment of the prevalence levels “Extremely Low” to “Very High,” we assigned Level 4 with 100 percent as the benchmark value and calculated the following values: 100 percent = “Very High,” greater than 90 percent = “High,” 75 percent to 90 percent = “Medium,” 55 percent to 75 percent = “Low,” and less than 55 percent = “Very Low.”

†Signifies one of the top 5 drivers of high-impact leadership.

‡The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

Source: *Bersin by Deloitte, 2016.*

# Moving from Level 2 to Level 3 Leadership Maturity

To Work on This Dimension ...

... HR and Learning Leaders Should:

Increase *HR and business collaboration*:

- Reach out to senior business leaders to obtain their help in driving the leadership strategy
- Establish and maintain solid working relationships with key stakeholders across HR and business functions
- Facilitate the constant exchange of talent-related information to enable better talent decisions

Combine *exposure with experience and education*:

- Facilitate targeted opportunities for leader networking and social exchange before, during, and after leadership programs
- Add coaching, mentoring, and sponsorship opportunities as ongoing aspects of leader development efforts
- Work with business leaders in the collection of relevant client feedback and how it can support leadership growth efforts

Integrate leadership development with *career development*:

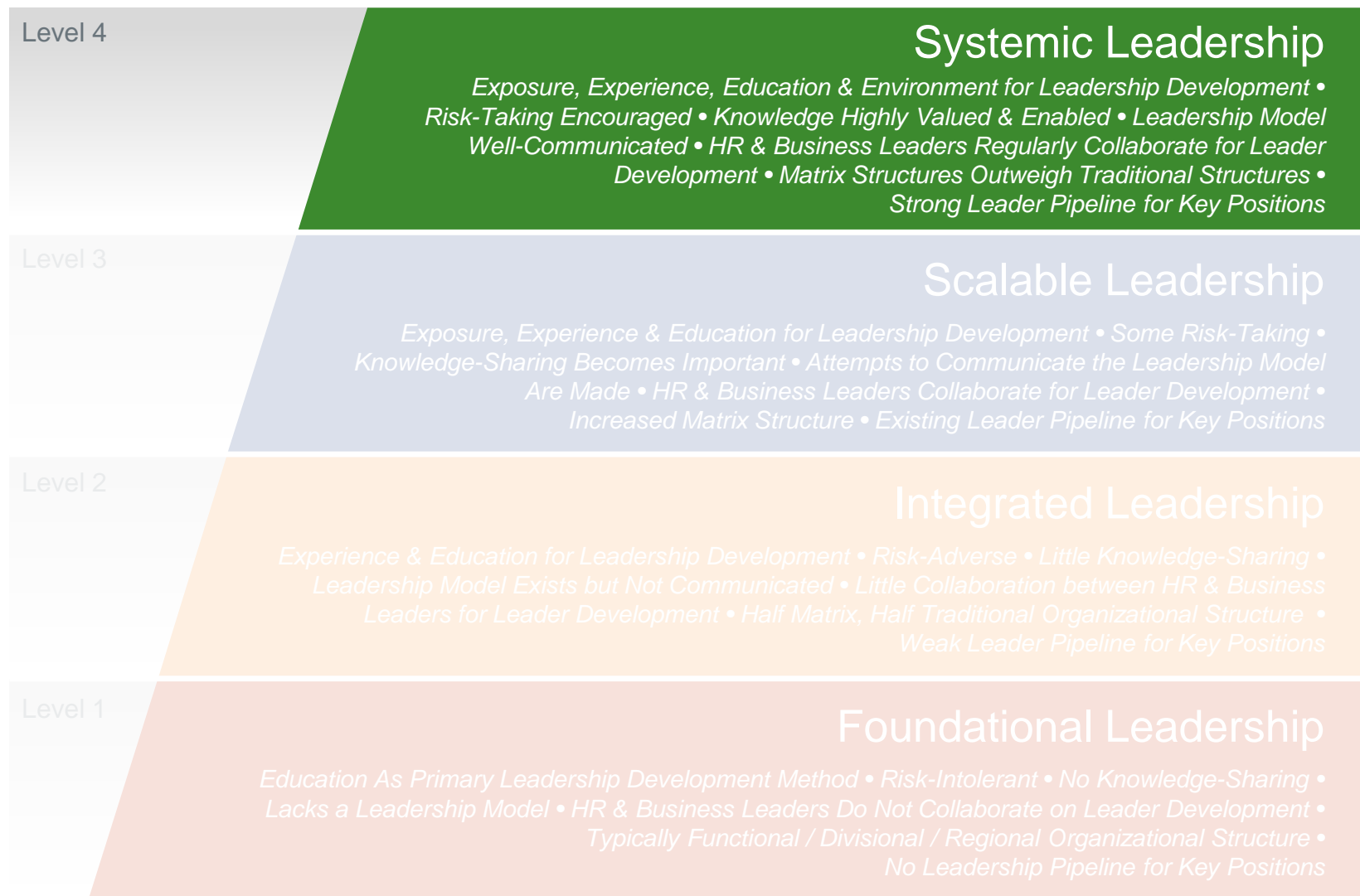
- Get senior leaders' continuous sponsorship for employee advancement
- Ensure consistency of messaging and actions around career management
- Identify common career paths that can be shared with HiPos across the organization

Aim for the retention of *high potentials*:

- Offer leadership programs tailored to the needs of high potentials
- Facilitate the solid integration of leadership development and succession management
- Create a culture of transparent communication about succession and career paths at your organization

Source: *Bersin by Deloitte, 2016.*

# The Leadership Maturity Model—Level 4 Maturity



Source: Bersin by Deloitte, 2016.

# Prevalence of Dimensions at Level 4\*‡

Factor	Dimensions	Prevalence at Level 4
<b>1. Organizational Culture</b>	1. Culture strength	Very High
	2. Enactment of core values and beliefs	Very High
	3. Risk-taking†	Very High
	4. Knowledge-sharing†	Very High
	5. Organizational support	Very High
	6. Clear company identity	Very High
	7. Communication of leadership model†	Very High
	8. Leader motivation	Very High
<b>2. Designed Leadership</b>	9. Exposure as learning method	Very High
	10. HR and business collaboration†	Very High
	11. Business leader involvement*	Very High
	12. Career management integration	Very High
	13. High-potential retention	Very High
	14. Strong leadership pipeline	Very High
<b>3. Organizational Design</b>	15. Matrix structure	Very High
	16. Clarity in decision-making	Very High
	17. Management of collaborative overload	Very High

\*For the assignment of the prevalence levels “Extremely Low” to “Very High,” we assigned Level 4 with 100 percent as the benchmark value and calculated the following values: 100 percent = “Very High,” greater than 90 percent = “High,” 75 percent to 90 percent = “Medium,” 55 percent to 75 percent = “Low,” and less than 55 percent = “Very Low.”

†Signifies one of the top 5 drivers of high-impact leadership.

‡The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

Source: *Bersin by Deloitte, 2016.*

# Moving from Level 3 to Level 4 Maturity

To Work on This Dimension ... ... HR and Learning Leaders Should:

Encouraging *risk-taking*:

- Include the practice of risk-taking in the form of sharing, exploring, and embracing new concepts and ideas in leadership growth initiatives
- Provide positive examples for the way appropriate risk-taking practices lead to positive business outcomes
- Design tools that encourage sharing new concepts and ideas

Encourage *knowledge-sharing*:

- Work with business leaders to establish the practice of broad communication of company insights and innovations when they happen
- Foster the practice of telling stories about the organization's history by building modules around it
- Integrate real-life examples of customer feedback into the leadership development curriculum

Convey *organizational support* to leaders:

- Collaborate with business leaders on effective change management processes
- Provide continuous development to leaders and employees dealing with change
- Provide learning opportunities for leaders across life stages to embrace workforce diversity

Facilitate involvement by *business leaders*:

- Establish and maintain relationships with dedicated key individuals in the business function committed to the cause of leadership growth
- Provide data and metrics which prove that their contribution to developing other leaders makes business sense
- Initiate regular conversations with business leaders about the alignment of leadership strategy and business objectives

Ensure the communication of the *leadership model*:

- Ensure alignment between executives about what successful leadership looks like at your organization
- Establish various communication channels to convey the message of desired leadership attributes, skills, and behaviors
- Base leadership programs around the leadership model to assess and identify leaders to ensure optimal levels of understanding of expected leadership capabilities

Source: *Bersin by Deloitte, 2016.*

# Leadership Drives Business: Why Leadership Maturity Matters



more likely to have a high number of leaders who can build talent for competitive advantage



more likely to have a high number of leaders who can inspire people to follow them



more likely to have a high number of leaders who can:

- Create synergies through working in partnership (collaboration)
- Provide employees with a vision and direction
- Drive change and innovation

**MORE MATURE ORGANIZATIONS**

# Financial, Business, and Leadership Outcomes

## Organization

- Improves processes to maximize efficiency
- Meets or exceeds financial targets
- Anticipates change, and responds effectively and efficiently
- Innovates

## Business Outcomes



## Financial Data

- Revenue per employee
- Gross profit margin



## Financial Metrics



## Leadership Outcomes\*

## Leaders

- Inspire people to follow them
- Execute and achieve results through their people
- Persuade and influence stakeholders
- Create synergies through working in partnership
- Provide vision and direction
- Show commercial acumen and business judgment
- Drive change and innovation
- Build talent for competitive advantage

\*Deloitte Leadership Capability Model.

Source: Bersin by Deloitte, 2016.



# Financial Performance Indicators in Organizations with Low versus High Leadership Maturity\*

Financial Performance Indicator	Mean for Low Maturity† Organizations	Mean for High Maturity‡ Organizations	Difference in Performance by Organizations with High Maturity versus Low Maturity
Revenue per Employee	402.35	551.65	+37%
Gross Profit Margin§	43%	47%	+9%

\*The effects are significant at a 95% confidence level. We controlled for organization size via regression analyses, both by employee number and revenue as control variables when appropriate.

†An organization is categorized as having “low maturity” if its composite score is within the bottom 50% among all organizations included in this study.

‡An organization is categorized as having “high maturity” if its composite score is within the top 50% among all organizations included in this study.

§ To calculate the percentage difference, 47 percent minus 43 percent, divided by 43 percent, and multiplied by 100 equals 9.3 percent.

Source: *Bersin by Deloitte, 2016.*

# Business Performance of Organizations with High versus Low Leadership Maturity

Business Performance Indicator	Mean for Levels 1 and 2	Mean for Levels 3 and 4	Difference in Performance by Organizations with High Maturity versus Low Maturity	How Many "X" More High Maturity Organizations Are Likely to Be Excellent at Business Outcomes
Improves processes to maximize efficiency	3.6	4.4	1.2 times higher	4 times more likely
Meets or exceeds financial targets	3.8	4.4	1.2 times higher	4 times more likely
Anticipates change, and responds effectively and efficiently	3.2	4	1.3 times higher	5 times more likely
Innovates	3.4	4.1	1.2 times higher	3 times more likely

Source: Bersin by Deloitte, 2016.

# Leadership Capabilities in Organizations with High versus Low Leadership Maturity\*

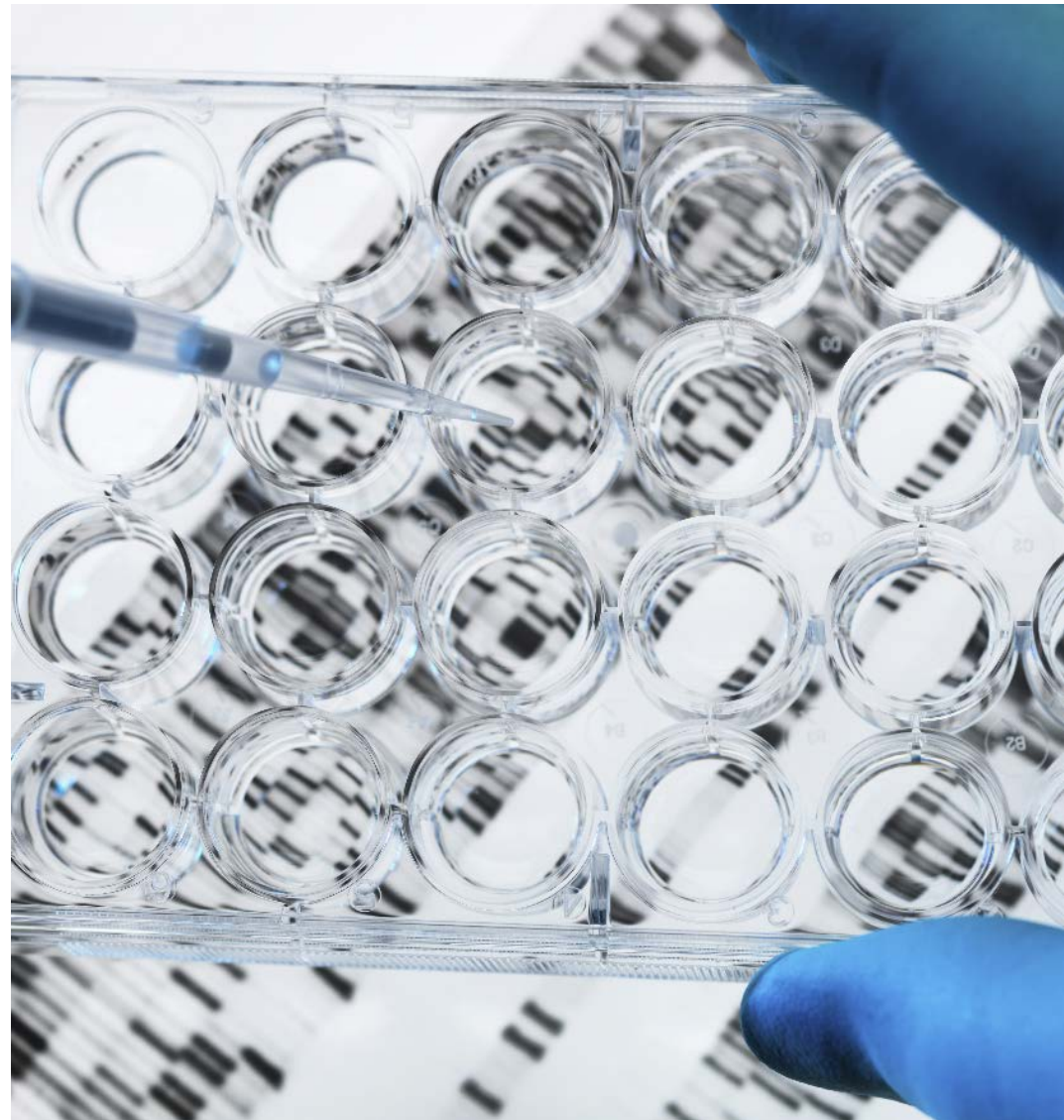
Leadership Performance Indicator	Percent Mean for Levels 1 and 2	Percent Mean for Levels 3 and 4	Difference in Performance by Organizations with High Maturity versus Low Maturity	How Many "X" More High Maturity Organizations Are Likely to Be Excellent at Business Outcomes
Inspire people to follow them	42%	63%	1.5 times higher	7 times more likely
Execute and achieve results through their people	55%	73%	1.3 times higher	5 times more likely
Persuade and influence stakeholders	52%	69%	1.3 times higher	4 times more likely
Create synergies through working in partnership	46%	68%	1.5 times higher	6 times more likely
Provide vision and direction	45%	67%	1.5 times higher	6 times more likely
Show commercial acumen and business judgment	56%	73%	1.3 times higher	4 times more likely
Drive change and innovation	43%	65%	1.5 times higher	6 times more likely
Build talent for competitive advantage	36%	65%	1.8 times higher	11 times more likely

\* All differences in this chart are statistically different at the 99 percent confidence level.

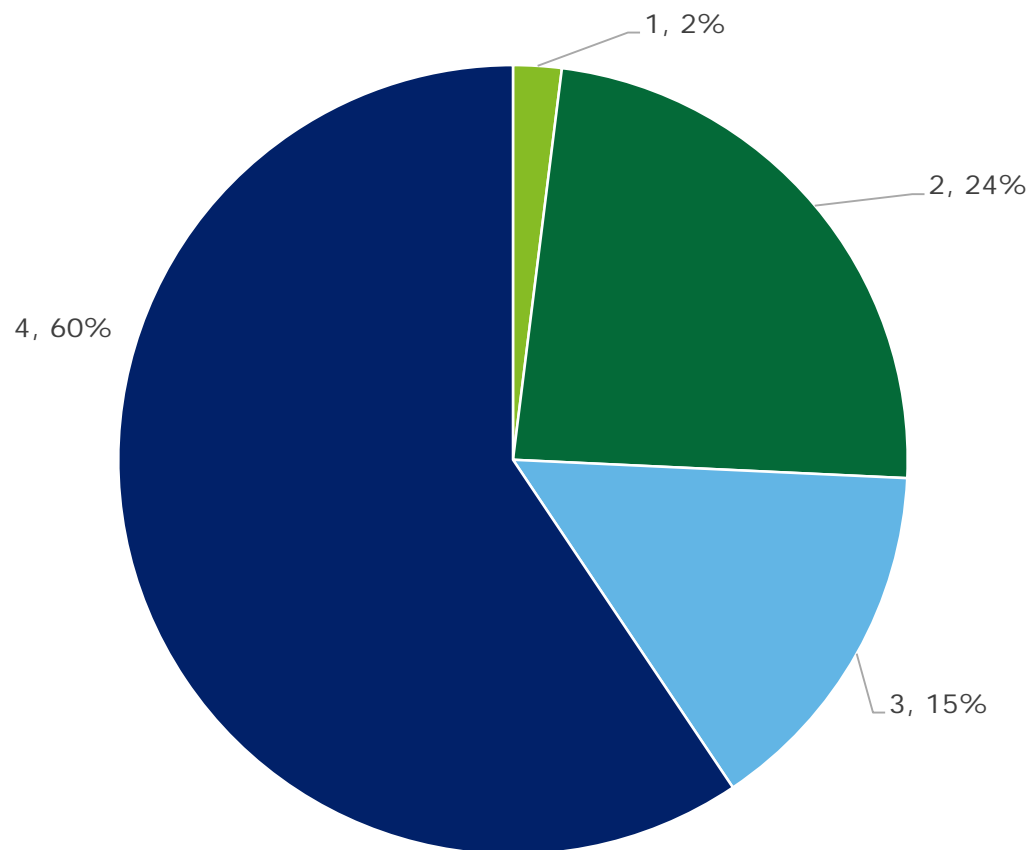
Source: *Bersin by Deloitte, 2016.*

# Conclusion

Our new Leadership Maturity Model is about creating the DNA for leadership growth. High-performing organizations embed leadership development deep inside the business; HR and business leaders work closely together to develop leadership talent; and leaders learn from each other by exchanging information, and sharing knowledge and new ideas.



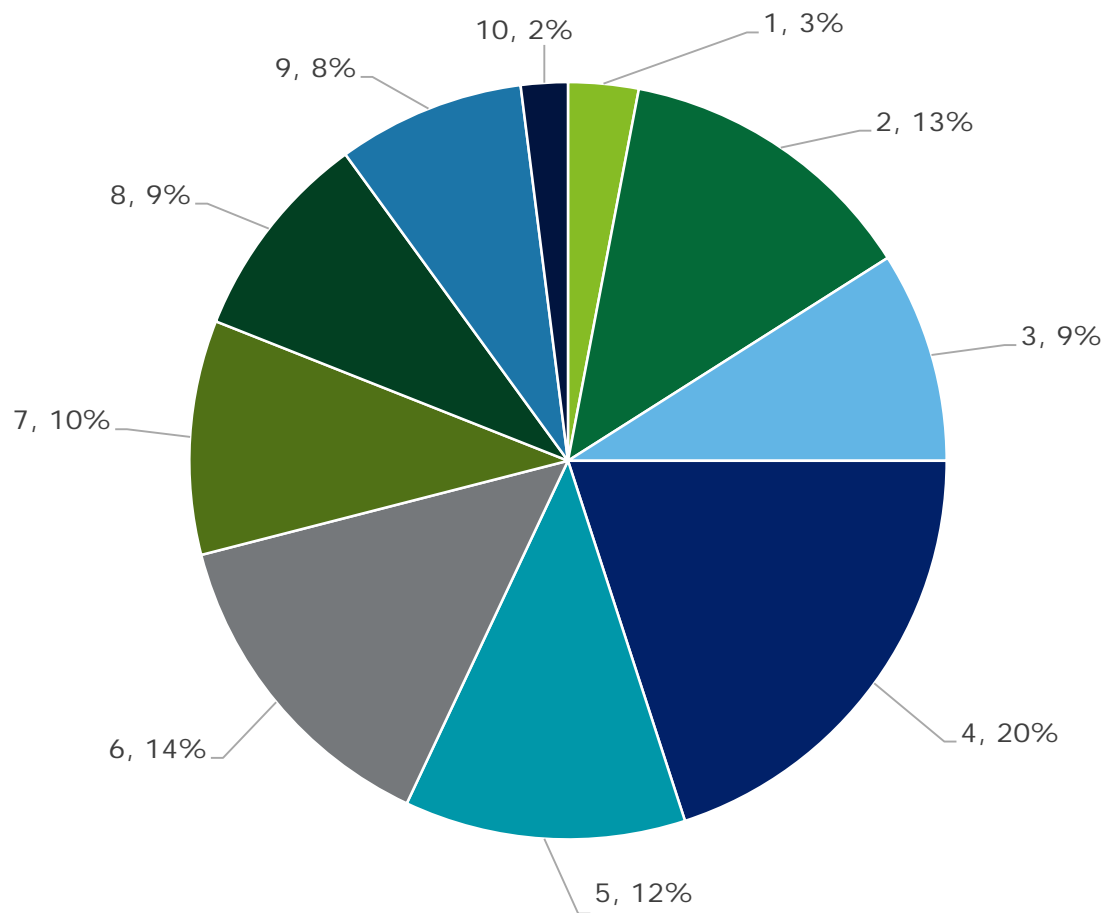
# Respondents by Geographic Region\*



\*Numbers may not total 100% due to rounding.

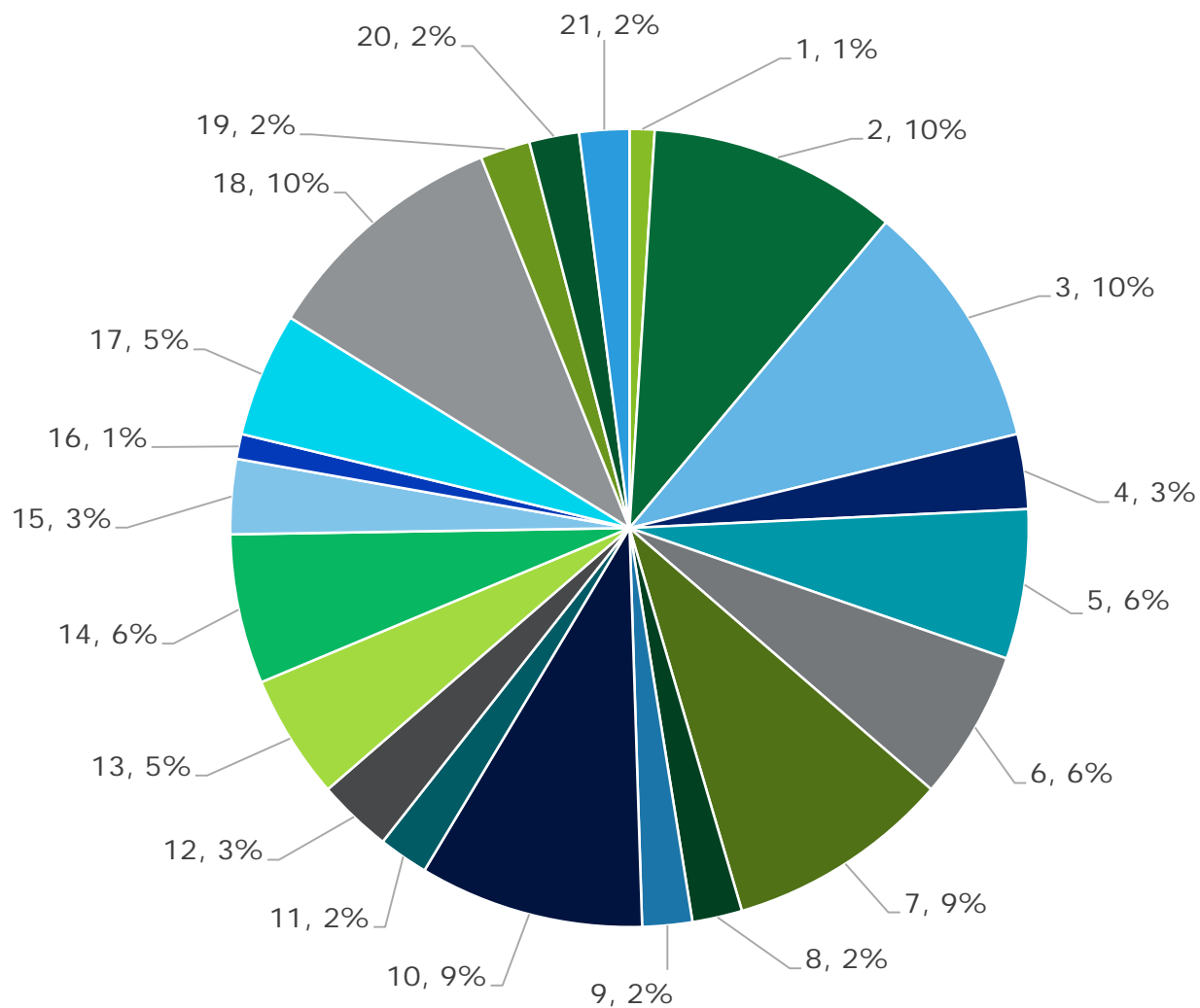
Source: *Bersin by Deloitte, 2016.*

# Survey Respondents by Organization Size



Source: *Bersin by Deloitte, 2016.*

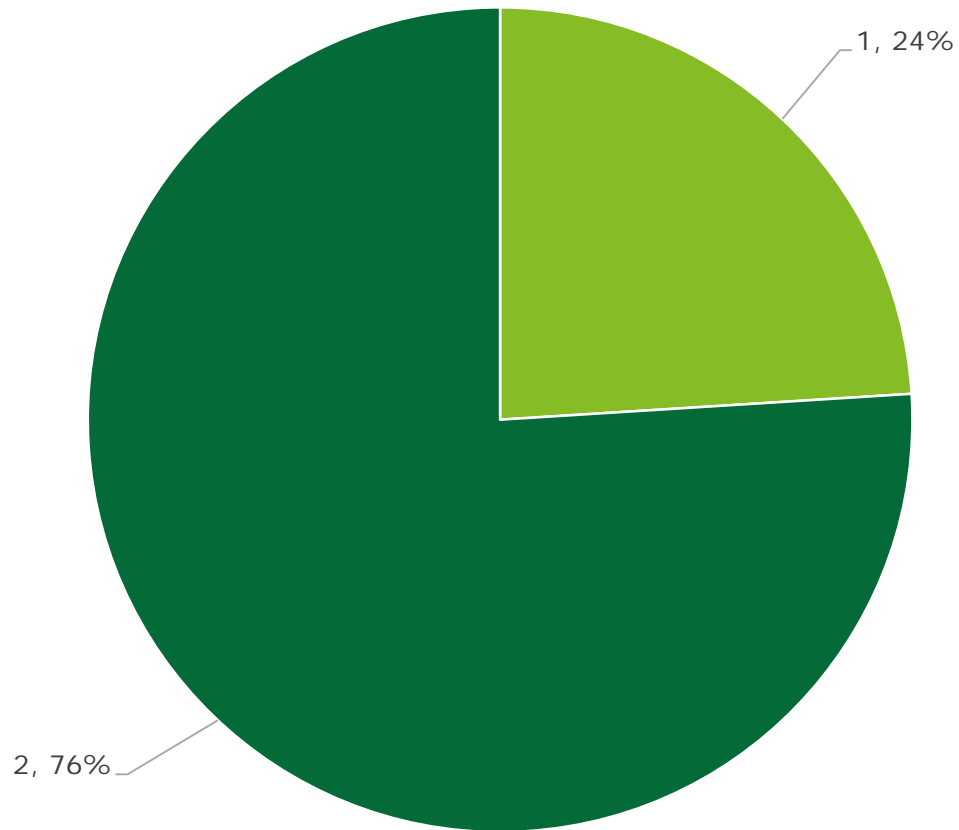
# Survey Respondents by Industry\*



\*Numbers may not total 100% due to rounding.

Source: *Bersin by Deloitte, 2016.*

# Survey Respondents by Function

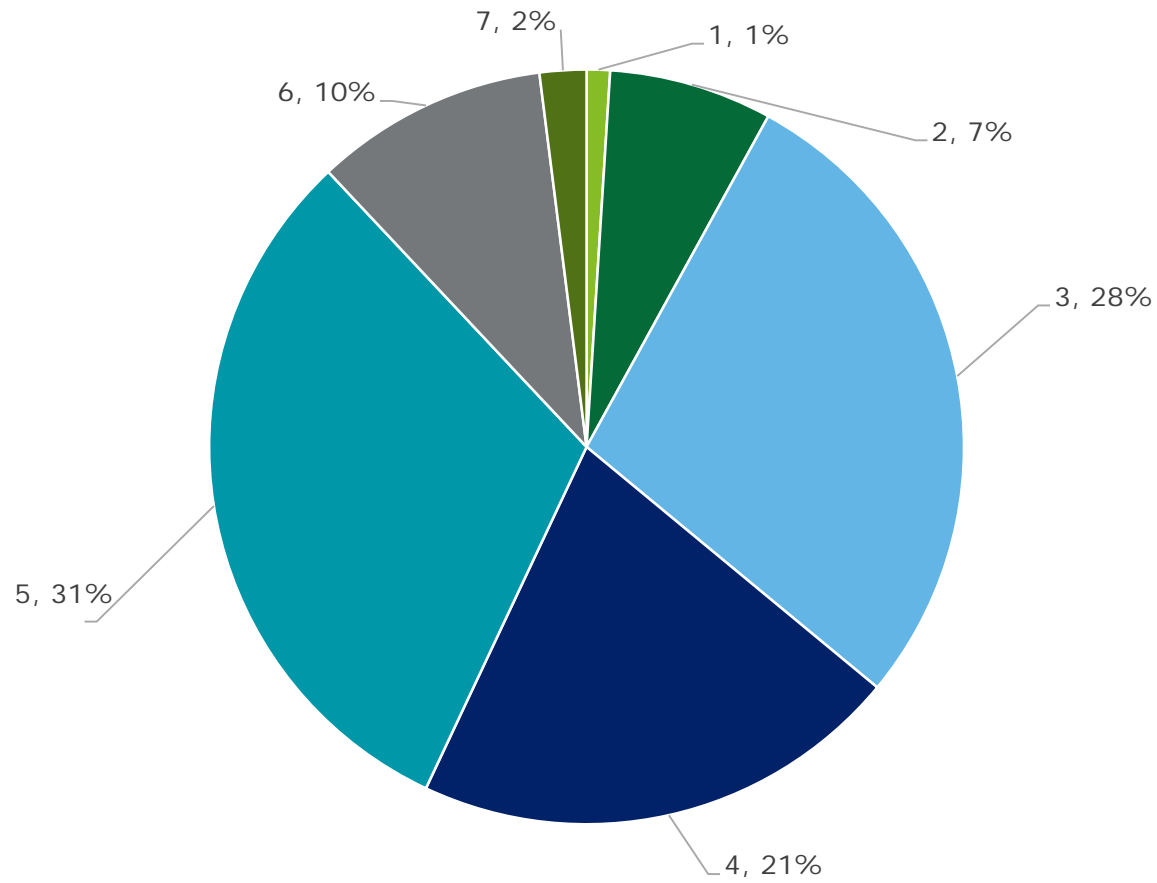


\*Numbers may not total 100% due to rounding.

Source: *Bersin by Deloitte, 2016.*

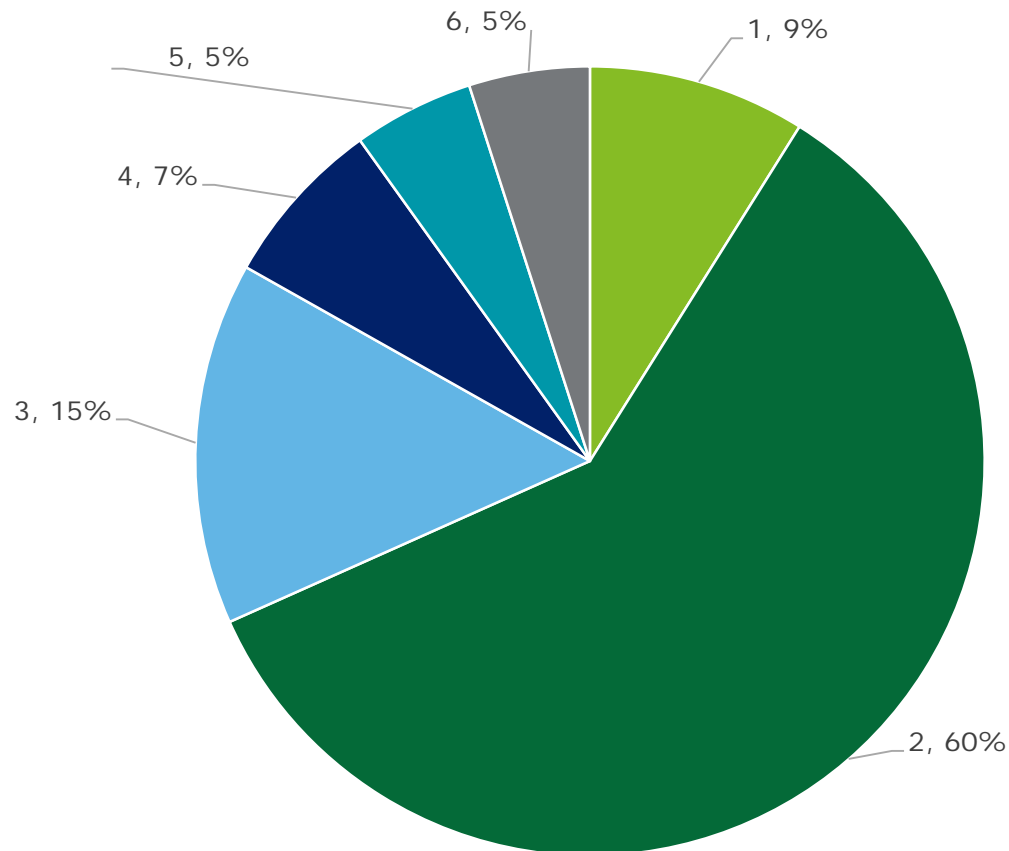


# Survey Respondents by Job Level



Source: Bersin by Deloitte, 2016.

# Survey Respondents by Span of Control (team size) \*



\*Numbers may not total 100% due to rounding.

Source: *Bersin by Deloitte, 2016.*

# Summary of Dimension Prevalence by Maturity Levels\* ‡

Factor	Dimensions	Prevalence at Level 1	Prevalence at Level 2	Prevalence at Level 3	Prevalence at Level 3
<b>1. Organizational Culture</b>	1. Culture strength	Low	Medium	High	Very High
	2. Enactment of core values and beliefs	Low	Medium	High	Very High
	3. Risk-taking†	Low	Low	Medium	Very High
	4. Knowledge-sharing†	Extremely Low	Low	Medium	Very High
	5. Organizational support	Low	Low	Medium	Very High
	6. Clear company identity	Low	Medium	Medium	Very High
	7. Communication of leadership model†	Extremely Low	Low	Medium	Very High
	8. Leader motivation	Medium	High	High	Very High
<b>2. Designed Leadership</b>	9. Exposure as learning method	Extremely Low	Low	High	Very High
	10. HR and business collaboration†	Low	Low	High	Very High
	11. Business leader involvement*	Extremely Low	Low	Medium	Very High
	12. Career management integration	Extremely Low	Low	High	Very High
	13. High-potential retention	Low	Low	High	Very High
	14. Strong leadership pipeline	Extremely Low	Low	Medium	Very High
<b>3. Organizational Design</b>	15. Matrix structure	Low	Medium	High	Very High
	16. Clarity in decision-making	Low	Medium	High	Very High
	17. Management of collaborative overload	High	High	High	Very High

\*For the assignment of the prevalence levels “Extremely Low” to “Very High,” we assigned Level 4 with 100 percent as the benchmark value and calculated the following values: 100 percent = “Very High,” greater than 90 percent = “High,” 75 percent to 90 percent = “Medium,” 55 percent to 75 percent = “Low,” and less than 55 percent = “Very Low.”

Source: *Bersin by Deloitte, 2016.*

†Signifies one of the top 5 drivers of high-impact leadership.

‡The numbering used with our high-impact leadership factors and dimensions is for clarity purposes only. The numbering does not indicate any type of level or priority of importance.

# Progression of Capabilities

Dimensions	Level 1: Foundational Leadership	Level 2: Integrated Leadership	Level 3: Scalable Leadership	Level 4: Systemic Leadership
Factor 1: Organizational Culture				
<b>1. Culture Strength</b>	Organizational values are not shared among employees; leaders do not role model the organization's principles.	An organizational culture emerges; employees often hold the same organizational values; the culture is exhibited in employees' behavior.	The organization has a strong culture; employees share many of the company values; leaders are considered role models for the company's culture.	Culture is very strong; employees demonstrate the organization's core values and beliefs; leaders are enactors of the culture and serve as role models for others.
<b>2. Enactment of core values and beliefs</b>	The organization does not have a formal mission statement or value proposition; employees are not aware of and do not act upon the organization's core values and beliefs.	The organization may have a mission statement and / or value proposition; however, employees may not be aware of the core values and leaders do not communicate them.	The organization's mission statement exists and is communicated throughout the organization; employees usually act upon the organization's core values and beliefs.	Day-to-day culture and working environment reflect the organization's values; employees hold the same work principles and usually act upon them; people are held accountable for reinforcing important values.
<b>3. Risk-taking</b>	Organizations have a risk intolerant culture; employees shy away from bringing up new ideas for fear of failure.	The organization's culture is risk-adverse; employees are discouraged to explore new concepts or ideas.	The organization's culture does not discourage risk-taking; employees know about the value of sharing new concepts and ideas, but do not actively pursue it.	Risk-taking is a valued practice for driving innovation; employees feel safe to share new ideas and concepts; employees support each other in the learning process.
<b>4. Knowledge sharing</b>	There is little to no evidence for cross-functional collaboration, coaching, or mentoring; knowledge-sharing is not part of the work culture.	At this level, organizations begin to think about and plan for coaching and mentoring; however, employees rarely feel encouraged to share knowledge with others.	Informal and formal networking opportunities and learning exchanges with others are encouraged by the organization; knowledge-sharing becomes an important practice in the organization's culture.	Knowledge-sharing is highly valued and enabled throughout the organization; stories about the organization's history are retold and kept alive; employees consider knowledge-sharing important because they like to learn from each other; important client feedback or news is shared when deemed appropriate.

Source: *Bersin by Deloitte, 2016.*  
(cont'd on next page)

# Appendix VI: Progression of Capabilities

Dimensions	Level 1: Foundational Leadership	Level 2: Integrated Leadership	Level 3: Scalable Leadership	Level 4: Systemic Leadership
Factor 1: Organizational Culture (cont'd)				
<b>5. Organizational support</b>	Organizational management is unaware of the issues that leaders face with leading their changing workforce; leaders struggle to manage diverse and distributed teams.	At this level, organizations recognize this issue, but are inexperienced in dealing with workforce matters and how they affect their leaders; leaders continue to struggle with managing diverse and distributed teams.	The organization begins to offer information and development on how to lead a changing workforce; leaders feel some support with managing diverse generations, ethnicities, or global teams.	Leaders constantly receive information about how they can lead through changes in the workforce and the workplace; the organization has instituted regular developmental activities to help leaders in managing diverse teams, global and distributed teams, and different generations.
<b>6. Clear company identity</b>	Organization has no real company identity or leadership brand; employees do not have a clear sense of what their organization represents.	A company identity has emerged; employees know how their organization wants to be seen in the eyes of their customers; leadership brand has not yet been defined or communicated.	Both a company identity and leadership brand exist and are communicated; employees know what the organization stands for and leaders have a good sense of what differentiates them from their competitors.	The organization has a strong company identity; employees know and are committed to the way the organization wants to be viewed by external stakeholders; the leadership brand is clearly linked to the business strategy; leaders throughout the organization know how their leadership skills can make a difference.
<b>7. Communication of leadership model</b>	The organization does not have a leadership model; leader competency frameworks and a definition of what successful leadership is do not exist.	A leadership model exists in the form of a document held by HR, but it is not communicated to leaders throughout the organization; the leader competency model is not aligned with the business strategy.	The organization has a leadership model and leaders at all levels know what successful leadership looks like; the leadership model is communicated regularly (i.e., during leadership development efforts and performance evaluations).	The leadership model is strategically aligned and was developed with business leaders; the model is communicated throughout the organization; role modeling by successful leaders conveys what good leadership means and looks like in the organization; the leadership competency model is also used for high-potential assessment and identification, as well as performance evaluation processes.

Source: *Bersin by Deloitte, 2016.*  
(cont'd on next page)

# Appendix VI: Progression of Capabilities

Dimensions	Level 1: Foundational Leadership	Level 2: Integrated Leadership	Level 3: Scalable Leadership	Level 4: Systemic Leadership
Factor 1: Organizational Culture (cont'd)				
<b>8. Leader motivation</b>	Many leaders want to grow as leaders, but not necessarily at their current organization; career path development opportunities are unclear.	Most leaders want to grow in their current organization, both as people and specialist leaders; leaders are aware of the business value they bring to the organization and are motivated to develop further.	Most leaders see themselves grow further in their current organization, both as people and specialist leaders; they have regular career conversations with HR and other business leaders about culture, motivation, and growth.	Most leaders are highly motivated to grow as leaders, both as people and specialist leaders, in their current organization; HR and senior business leaders transparently discuss the value of effective leaders to the business, and facilitate regular career and development conversations; regular conversations also entail potential deterrents of leader motivation, leadership culture, and leaders' career aspirations.
<b>9. Exposure as learning method</b>	Formal training classes are the primary method of leadership development.	Job rotations, stretch assignments, and coaching sessions are combined with formal leadership programs.	Networking and social exchange, and coaching and mentoring, as well as client feedback, are integrated in experiential and formal leadership programs.	Leaders develop in a wide variety of ways, including performance dashboards and media libraries, exposure to networks, colleague and client feedback, and many other forms of experiential and formal learning methods.
<b>10. HR and business collaboration</b>	Leadership development is fully owned by HR and the learning function.	HR and the learning function are mainly responsible for leadership development; in some instances, business leaders are consulted to review the leadership framework or program contents.	HR and business leaders collaborate on leadership development efforts, usually around defining the leadership strategy, reviewing impact of efforts, and / or regular business alignment meetings.	HR and business leaders have solid working relationships; they regularly collaborate before, during, and after leadership development initiatives; HR and business representatives consult with each other.

Source: Bersin by Deloitte, 2016.  
(cont'd on next page)

# Appendix VI: Progression of Capabilities

Dimensions	Level 1: Foundational Leadership	Level 2: Integrated Leadership	Level 3: Scalable Leadership	Level 4: Systemic Leadership
Factor 1: Organizational Culture (cont'd)				
<b>11. Business leader involvement</b>	Business leaders are not at all involved in developing other leaders.	Low involvement by business leaders in leadership development efforts (e.g., by being present at leader onboarding events or briefing high potentials after training sessions).	Business leaders are sometimes involved in developing other leaders (i.e., by remotely mentoring new leaders, and / or recording program marketing videos or podcasts).	Business leaders at all levels are actively involved in developing other leaders; senior executives help to define the leadership strategy and speak at leadership training sessions; leaders at all levels coach and mentor other leaders, and teach relevant leadership classes.
<b>12. Career management integration</b>	Organization spends no effort on career management initiatives for individuals in leadership roles.	Rough career paths for leaders and high potentials exist, but no specific leadership development efforts are taken to support them.	Common career paths for leaders are identified and discussed transparently with high potentials across the organization; relevant development opportunities are offered.	Leaders are clear about available career paths and development opportunities; senior HR and business leaders talk openly about career advancement and opportunities at the organization; senior leaders sponsor employee advancement.
<b>13. High-potential retention</b>	A lack of tailored programs aimed at preparing high potentials for key positions exists; high-potential status is often not disclosed to candidates.	High potentials are not developed separately; individual high-potential status is often only shared through rumors.	The organization focuses on the retention of high potentials at all levels; individuals know about their status and receive special development opportunities to learn about various business functions.	The retention of high potentials for key positions is a priority; strategic succession plans exist and are regularly reviewed; high potentials receive accelerated and focused development opportunities (e.g., training, coaching).

Source: *Bersin by Deloitte, 2016.*  
(cont'd on next page)

# Appendix VI: Progression of Capabilities

Dimensions	Level 1: Foundational Leadership	Level 2: Integrated Leadership	Level 3: Scalable Leadership	Level 4: Systemic Leadership
<b>Factor 1: Organizational Culture (cont'd)</b>				
<b>14. Strong leadership pipeline</b>	Succession management exists only for executive level positions; no formal development programs are in place; no leadership pipeline exists for other key roles.	Senior management positions are the main targets for succession planning, but no other critical roles are considered; talent reviews are conducted to identify successors and development programs are in place; however, processes happen inconsistently across the organization.	Succession planning is strategic and applies to a wide range of critical positions; leadership talent is assessed and calibrated on most levels.	Succession management is aligned with the business strategy; talent expectations are clear, and employees can move vertically and horizontally across business functions and geographic lines; culture is transparent about succession and talent-sharing.
<b>Factor 3. Organizational Design</b>				
<b>15. Matrix structure</b>	Organizations have typically functional / divisional / regional structure. Cross-functional collaboration is often difficult.	One-half of organizations have a matrix structure, the other half a traditional structure.	More often than not, organizations have a matrix structure; cross-functional collaboration is enabled.	The majority of organizations have a matrix structure, which enables cross functional collaboration and information-sharing.
<b>16. Clarity in decision-making</b>	Little decision-making clarity is in place before and during new projects.	Some guidelines for decision-making are defined at the beginning of projects.	The rules around decision-making processes are clear; people feel accountable for their decisions.	Decision-making processes are clear; rules and guidelines exist and are employed; employees feel empowered, and leaders are perceived as more consistent and transparent.
<b>17. Management of collaborative overload</b>	Since the level of collaboration correlates with the type of organizational structure (e.g., matrix), at this level, collaborative overload is not an issue.	As organizations move more toward a matrix structure, collaborative overload starts to become an issue.	Organizations are highly matrixed; companies at this maturity level carefully manage leaders' and high potentials' collaborative overload.	Collaborative activities are actively managed; leaders and high potentials are rarely overwhelmed or at risk for burnout.

Source: *Bersin by Deloitte, 2016.*  
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# Creating a Culture of Leadership Growth

Erie Insurance Builds Business Leaders through Knowledge-Sharing, Networking, and Collaboration

# Erie Insurance

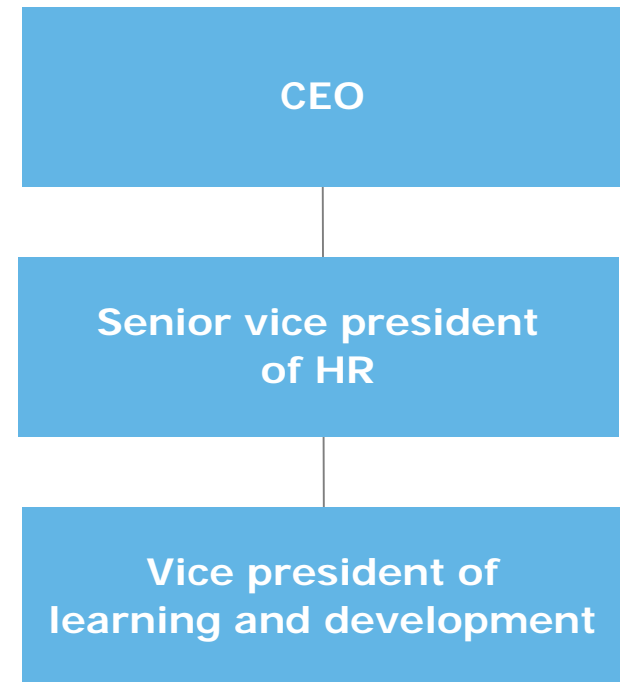
## Erie Insurance at a Glance

- Year Founded: 1925
- Employees: 5,000
- Net Revenue: \$61.3 million (FY16 Q2)
- Stock Symbol: NASDAQ:Erie
- Headquarters: Erie, Pennsylvania

Source: *Erie Insurance, 2016.*

## Learning and Leadership Environment

This hierarchy positions the company to effectively advance leadership development and its overall talent strategies.



# Erie's leadership program

As Baby Boomers retire and Millennials enter the workforce, Erie's small L&D team set out to conceptualize, develop, and implement a leadership program that would help to ensure a robust pipeline of future talent who "get" and "live" the company's progressive leadership perspective.



**Defining the  
Erie Leader**



**Creating a  
Framework for  
Leaders as  
Teachers to Thrive**



**Recruiting and  
Equipping Leaders  
as Teachers**

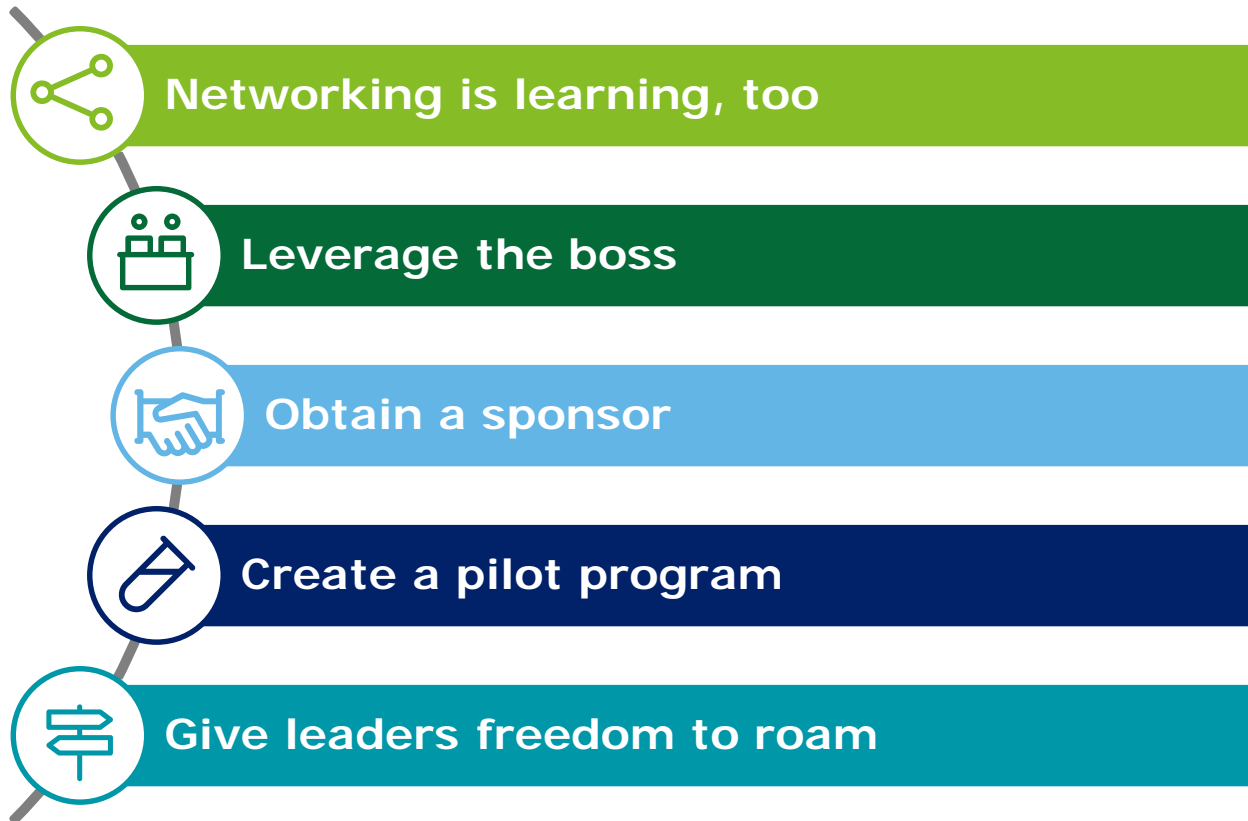


**Leaders as  
Teachers in the  
Session Room**

Since the inception of the Foundations of Erie Leadership program, the company has outpaced the industry benchmark in all categories by 98 percent.



# Lessons Learned and Leading Practices



# Next Steps

Due to the success of the above program, the L&D team is applying the Leaders as Teachers approach to two newly developed programs.

## The Erie Leader Recharge

This is a two-day program for all of the company's leadership team.

## Aspire!

This an eight-month program designed for those individual contributors interested in leadership



# Conclusion

Since the program was launched in 2014, more than 58 executives—from directors to senior vice presidents—have lead elements of the Foundations of Erie Leadership program. The results have been dramatic as noted below.



of attendees have said the program was a worthwhile investment.



of attendees have said they experienced an increase in productivity as a result of the program.



of attendees have said customer satisfaction has increased as a result.

# The Leadership Framework

## Building Sustainable Leadership Growth



# High-Impact Leadership Research 2016



**HR and  
Business  
Leaders**

**2,014  
responses  
in 95  
countries**

# Prominent differences between previous and next-generation leadership development practices



Leadership programs are less prominent than before



Organizational culture and design have moved up in importance



Business leaders have evolved from sponsors to active stakeholders



Leader segments should accommodate changing organizational structures



The individual leader is the end-user



Metrics and accountability should measure outcomes comprehensively

An overhead view of a business meeting around a grey wooden table. Five people are visible, some in business attire. One person in the center is holding hands with two others, symbolizing collaboration. The table is cluttered with papers, notebooks, pens, and coffee cups. The text is overlaid in white on the left side of the image.

The purpose of this framework is to provide conceptual model that sparks conversations, prompts important questions, and introduces new thinking about leadership development.

# The Leadership Framework



Source: Bersin by Deloitte, 2016.

# Focus Area—Business Strategy

Business strategy, or the company's long-term business plan, can describe either an enterprisewide corporate blueprint or a plan specific to a business unit or function.



Source: Bersin by Deloitte, 2016.

# Case in Point: A Company Transforms Its People Practices

## The Issue

A company launched its transformation campaign, an ambitious initiative designed to evolve many fundamental aspects of the whole business.

## The Solution

HR reorganized based on new business strategy. People practices for more than 50,000 employees completely modernized in line with the new strategy.

## The Results

Renewed client focus of business strategy translated into employee-focus in all talent practices. Design-Thinking approach followed through in parallel with new business strategy.




# Focus Area—Leadership Strategy

Leadership strategy is the conduit between a company's business plan and its development blueprint for leaders. The leadership strategy outlines how an organization intends to execute its business plan by leveraging leadership talent.



Source: Bersin by Deloitte, 2016.

The image features four rolls of paper resting on a blue architectural blueprint. Three of the rolls are blue and have white text printed on them: 'STANDARD', 'PORCH CORNICE SCALE - 1/2" = 1'-0"', and 'REAR PROJECTION CORNICE Scale - 1 1/2" = 1'-0"'. The fourth roll is white. The blueprint background is filled with technical drawings, including floor plans, elevations, and sections, with various labels such as 'Sub Floor', 'Walls above faced with', 'Cone. Slab', 'Beam', 'Double Joist', and 'Plaster'. Dimensions and scale indicators are also visible throughout the drawing.

The leadership strategy is the plan that outlines how an organization intends to execute its business strategy by leveraging its leadership talent.



# Focus Area—Governance

Governance considerations help to determine the key individuals and groups within the organization that support leadership growth efforts, and facilitate the continuous alignment of leadership development and business strategy.



Source: Bersin by Deloitte, 2016.

# Focus Area—Individual Leader

We suggest that organizations be aware of leaders' perspectives regarding their motivation for growth, their career at the company, and also the available organizational support to lead a diverse and changing workforce to create meaningful outcomes. This type of emphasis on the individual leader has historically been an underestimated area of focus.

## The Individual Leader

Leader Motivation & Mindset • Career Goals • Perception of Organizational Support



Do our leaders want to grow within our organization?

Source: Bersin by Deloitte, 2016.

# Case in Point: Pandora's Career Management Strategy

## ? The Problem

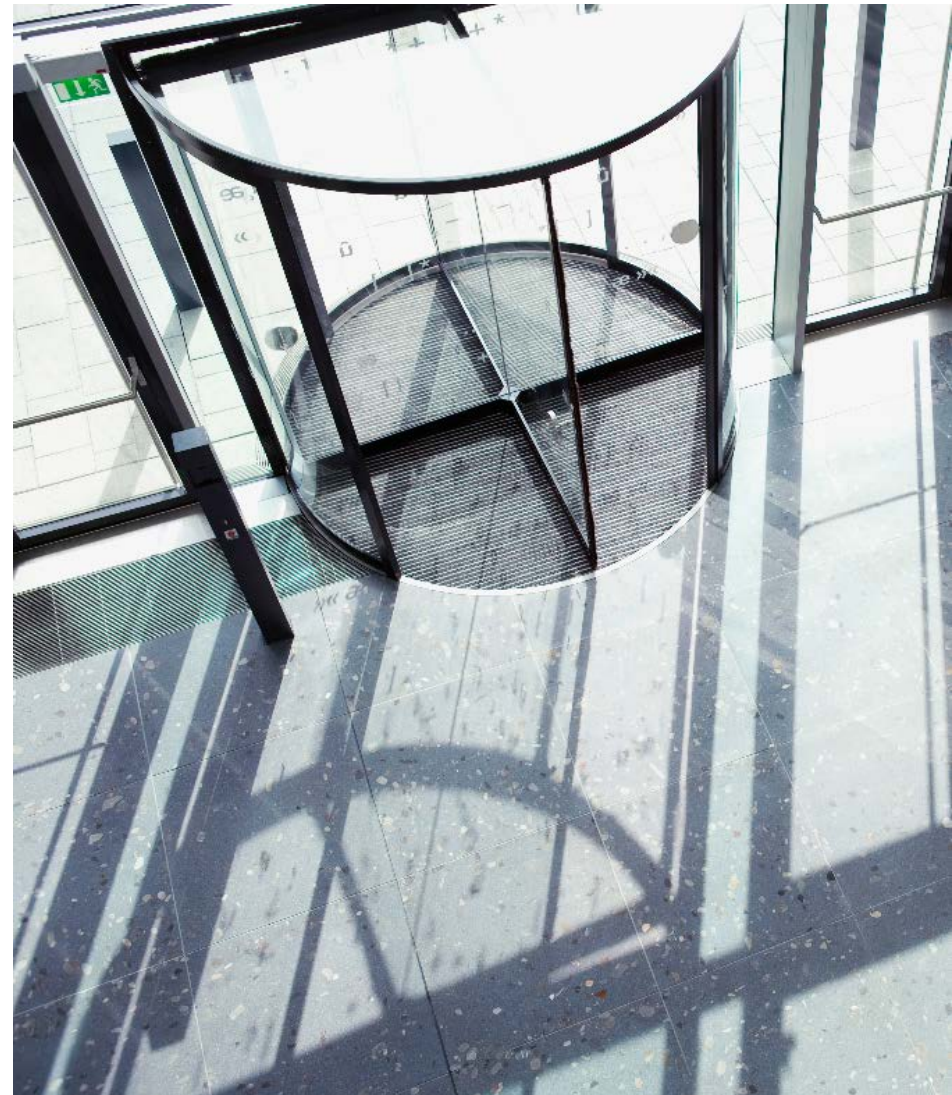
At one point, Pandora faced higher-than-usual attrition rates.

## 🏆 The Results

As a result, managers meet with their direct reports annually to establish individual career and performance goals tied to Pandora's overall business strategy.

## 👍 The Solution

Identified career management strategy as solution for attrition problem. A 12-person team went beyond performance management and developed a robust career management strategy based on meticulously conducted research and analysis.



# Focus Area—Organizational Culture

Organizational culture is the most important factor in driving leadership growth.

## Organizational Culture

Culture Strength  
Company Identity  
Communication  
Learning Culture

How does our culture enable leadership growth?



Source: Bersin by Deloitte, 2016.

# Focus Area—Organizational Design

When it comes to HR and business leaders' specific considerations regarding organizational design and leadership growth, our research suggests focusing on the organization's structure and work coordination.



**Organizational Design**

- Organizational Structure
- Decision-Making Clarity
- Managing Collaboration

**How does your structure and work coordination facilitate leader growth?**

Source: Bersin by Deloitte, 2016.

# Focus Area—Leadership Design

An organization's leadership design encompasses all of those practices that are specifically meant to grow leadership capabilities.



How can we develop our current and future leaders?



Source: Bersin by Deloitte, 2016.

# Focus Area—Evaluation and Metrics

Organizations should expand their range of metrics beyond learning-related measurements and must decide upon the metrics of interest before leadership growth initiatives begin, not after they end.



Source: Bersin by Deloitte, 2016.

# Case in Point: ADP Creates a Leadership Dashboard

## ? The Problem

ADP embarked on a mission to better quantify leadership effectiveness.

## 👍 The Solution

ADP created a “leadership dashboard” that would incorporate numerous data points, including new “compass data.” The compass data contains data on leaders performance, potential, capacity, team engagement etc.

## 🏆 The Results

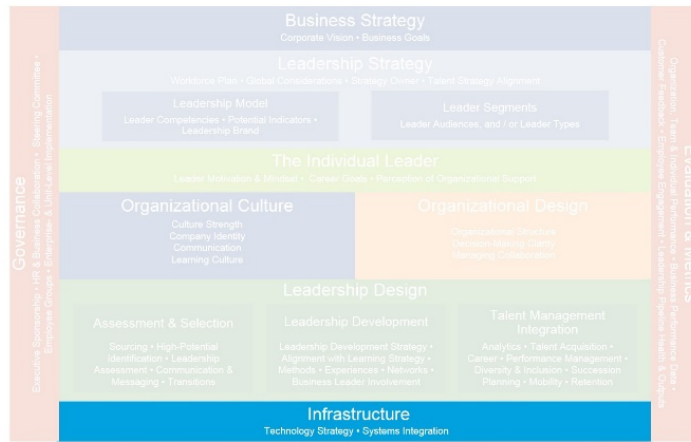
The dashboard combines the information with numerous measures of leaders’ performance, potential, capacity, team engagement, and experiences to foster more holistic conversations regarding effectiveness as a leader during talent discussions.





# Focus Area—Infrastructure

Organization's infrastructure has become an integral part of talent management. This can support its talent and leadership growth efforts specifically through its technology strategy and systems integration.



How does our infrastructure support our leaders?

**Infrastructure**  
Technology Strategy • Systems Integration

Source: Bersin by Deloitte, 2016.

# Case in Point: Simplifying Technologies

## The Problem

To accommodate a growing employee population and expanding geographic footprint, a technology company was looking for an improved human capital management (HCM) solution.

## The Solution

After evaluating various systems, they implemented a new global solution, accompanied by a bigbang rollout approach.

## The Results

The mission led to a three-phase system implementation that resulted in a consolidated HR technology and integrated solution based on stakeholders' needs.



# Focus Areas and Questions to Consider

Focus Area	Questions to Consider
<b>Business Strategy</b>	What is our business purpose?
<b>Leadership Strategy</b>	What leaders do we have? What leaders do we need? What is our strategy for growing leaders?
<b>Governance</b>	Who are the key individuals driving leadership growth?
<b>The Individual Leader</b>	Do our leaders want to grow in our business?
<b>Organizational Culture</b>	How does our culture enable leadership growth?
<b>Organizational Design</b>	How does our structure and work coordination facilitate leader growth?
<b>Leadership Design</b>	How can we develop our current and future leaders?
<b>Evaluation and Metrics</b>	Do we have the leaders we need?
<b>Infrastructure</b>	How does our infrastructure support our leaders?

Source: *Bersin by Deloitte, 2016.*

# Appendix

# Changes affecting leadership in organizations

## Market Environment

87% of business leaders believe that digital will disrupt their industry

## Workforce

80% of Millennials want to give performance appraisals to the boss



## Organizational structures

92% are not correctly structures to operate in the new environment

Source: 2016 MIT Survey and Deloitte Human Capital Trends Report, 2017.

# Polling Question

**Which one of these trends affects your organization the most?**

1. The market environment/external trends
2. Changing organizational structures
3. New and different workforce
4. All of them or a combination of two



# Polling Question

**Based on what you heard today, which of these focus areas are you planning to work on next?**

1. Business Strategy
2. Leadership Strategy
3. Governance
4. The Individual Leader
5. Organizational Culture
6. Organizational Design
7. Leadership Design
8. Evaluation & Metrics
9. Infrastructure



# Case in Point: HR and business leaders collaboration at SAP

- Every leadership initiative starts with the collaboration between learning practitioners and business leaders
- E.g. Interviews with business leaders at all levels are the foundation for simulations
- Development initiatives mirror SAPs actual business challenges as closely as possible

Source: *Bersin by Deloitte, 2017.*



# Case in Point: Designing How Decisions Are Made

- Some organizations use trained facilitators at the beginning of every new project to help the team to develop its own decision-making processes.
- The team does not decide on who will make the decisions, but rather on how the decisions will be made.
- Doing so strengthens individual accountability and empowerment, creates informal leadership opportunities, and establishes clarity on the decision-making process.

Source: *Bersin by Deloitte, 2017.*

# Case in Point: How Qualcomm tells stories of failure to encourage learning

- Qualcomm formalized story-telling to build a culture of risk-taking
- Risk-taking is considered valuable to encourage and nurture the creative process
- Stories about failure and how people learned from mistakes are captured and shared on the website

Source: *Bersin by Deloitte, 2017.*

# Bersin by Deloitte.

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