WHITE PAPER

How Leadership Development Powers Engagement & Retention

3 Keys to Unlock Employee Motivation, Reduce Turnover, and Build a Pipeline of Future Leaders
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Today’s labor market remains tight. Turnover is an ongoing, costly problem across many industries. To ensure their organizations are effective now and in the future, HR and talent development professionals have an important role to play in implementing programs that increase engagement, retention, and productivity.

We believe there are 3 keys to development that unlock employee motivation, reduce turnover, and build a pipeline of future leaders for your organization:

1. Focus on individual and organizational purpose.
2. Prepare your workforce to navigate change.
3. Scale leadership development to all.
Focus on Individual and Organizational Purpose

The extended social, economic, and health crisis the world has experienced the past few years has led to increased interest in understanding the importance and true meaning of corporate purpose. At the most fundamental level, the purpose of an organization is to engage in ethical, sustainable, and profitable activity to create “value” for society.

“This is a new era, and we are not going back to the narrative of shareholder primacy; any organization that dares follow that route will be ‘punished’ by the society, customers, employees, and most certainly by investors.”

— A senior board director who participated in our research study on C-suite views about purposeful leadership

The much-discussed “Great Resignation” and “Great Reshuffle” have both shone a light on the need for employees to be able to connect purpose to their daily work. As noted in a recent article in Harvard Business Review, during the pandemic, people began reexamining their personal and professional priorities and the resulting widespread “personal awakening is incubating an exploratory movement that is reshaping” both how, and why, we work.

The article notes data from the London School of Economics, which found that employees who report they have discovered their purpose are 49% more likely to report intrinsic motivation, 33% more likely to express higher job satisfaction, and 25% more likely to go the extra mile. Though a lack of purpose is rarely cited as a reason for leaving an organization, that may be because organizations seldom ask and tend to focus on other reasons.

That research underscores that purpose-driven companies are characterized not only by their fulfillment of shareholder and societal needs but also by a highly motivated and satisfied workforce. Authentic purpose enables employees to appreciate the connection between their daily tasks and overall business goals and direction, thus building more engaged, higher-performing workers who experience greater job satisfaction and are more committed to the organization’s success.

Our recent global research with more than 10,000 Gen Z and Millennial professionals from 20 countries offered insights into ways organizations can support emerging leaders by identifying meaning and purpose in work for these demographics. The data revealed that young professionals who found value alignment in their work were more likely to hold leadership positions than those who did not. Additionally, emerging leaders who found purpose in their work were twice as likely to feel empowered in their leadership roles, a key predictor of being effective and engaged at work.
For organizations to enable more individuals to lead with purpose, they need to understand what their leaders care about and intentionally create opportunities to help them connect that to their work. Consider the growing importance of corporate social responsibility, or CSR. Our research has found that CSR really matters to some stakeholder groups. For example, Millennial workers in particular want to do good and do well. In fact, this is among the keys to attracting and retaining Millennial employees. Almost 85% of Millennials believe that making a positive difference in the world is more important than professional recognition.

As the talent market remains tight and organizations face ambitious growth and retention goals, a report from The Execu|Search Group reveals that professional development opportunities are one key tool for retaining employees, with 86% of respondents saying that they would change jobs if another organization offered more professional development opportunities.

Additionally, according to a survey of over 700 HR and L&D professionals, their top objectives right now are developing leadership bench strength, retaining high performers, attracting workers with the skills they need, and providing a great employee experience. To address this, most respondents reported a 10%-30% planned increase in leadership development spending over the next year. The primary resource challenges facing HR leaders from an L&D perspective were time, budget, and focus.

These responses indicate that leadership development is critical to retaining leaders and preparing them for what lies ahead — but that limited staff resourcing and capacity can be constraints.

How then can we embed results-focused leadership development within an organization to improve engagement and retention?

A key benefit of leadership development: aligning individual and organizational values to propel greater loyalty and success.
When facing an unpredictable future, leadership development becomes even more essential: Our research found that 86% of organizations with strategic leadership development programs are able to respond rapidly to change, compared with 52% of organizations with less mature leadership programs.

This is not surprising.

Our data also shows that nearly 98% of the colleagues of leaders who attended our flagship Leadership Development Program (LDP)® saw significant improvement in leaders’ ability to handle challenges and be ready for future responsibilities.

This makes sense, because sophisticated, research-based leadership development programs cultivate a deeper, stronger pipeline of future leaders, while also helping them to feel more supported, engaged, and committed to the organization. Savvy organizations today are seeking to unlock the full potential of their talent pools at all levels and prepare them for what lies ahead.

**One of the largest federal government agencies partnered with CCL to license a library of leadership programs and products for its employees.**

The results? Over 3,000 federal workers at the agency participated in a world-class CCL leadership experience — including training on leadership fundamentals, leading innovation and virtual teams, and development programs for front-line managers. Additionally, about 1,000 individuals took our online research-based program to build resilience, enabling the agency to support its wellness initiative and address widespread issues with pandemic stress and burnout.
Leadership that can effectively navigate change and disruption is crucial. Two principles for doing so are key:

First, making it through a period of transition and upheaval means that leaders not only need a great strategy, but they also need to be able to execute it. In a recent interview, Adobe CEO Shantanu Narayen said these are the questions that he and other executives are asking themselves:

- Are you looking "around the corner" adequately?
- How do you — in addition to ensuring that you have the right strategy — execute against it?

In other words, successful execution turns strategic potential into operational performance and prepares teams for the future. The link between potential and performance lies in the second principle.

Second, the best-performing organizations intimately tie their business strategy to their leadership development. High-performance organizations recognize that the ability to successfully execute a coherent business strategy is intrinsically linked to a robust leadership strategy.

This connection is crucial. The best leadership development programs ensure that their coursework has a direct impact on day-to-day projects and collaboration between teams. Our survey of 5,000 leadership program participants found that 97% of them were able to translate what they learned into organizational impact, especially when it came to management capabilities, overall effectiveness, cross-boundary collaboration, and openness to diverse perspectives.

A critical component of that connection, however, is that every person needs the opportunity to grow to their fullest leadership potential. That means access to development needs to be offered across the entire organization. Leadership development at scale is the way forward.
Scale Leadership Development for High Impact

Providing development opportunities is critical, as they provide employees with the skills necessary to be successful in their current and future roles and foster long-term loyalty to the company. Knowing this, organizations should guarantee that all employees have access to appropriate and beneficial leadership development initiatives.

Traditionally, such opportunities have been reserved for executives and individuals deemed “high potentials.” Yet in order to develop a strong leadership pipeline and accomplish your goals in the current economic climate, you’ll need engaged leaders at every level of the organization. That’s why more and more HR leaders are reconsidering old approaches and are now offering more equitable access to development across the entire enterprise.

But how can you get quality leadership development into the hands of all employees, especially when HR and L&D teams say they’re challenged for precious resources like time, budget, and focus?

The answer is by implementing a leadership development initiative that can be scaled.

A scalable leadership development program is one that can be easily adapted and executed across an organization, regardless of its size or structure. Such a solution would need to consider the different skills required and challenges faced at each level of leadership, from frontline employees to senior leaders. It would also need to be flexible enough to be customized according to the specific culture and values of the organization.

Scalable leadership development results in a better-trained and more effective workforce. It encourages a common leadership language that can be used by everyone, which improves communication and collaboration, and ultimately leads to a stronger culture. Finally, it provides a way for organizations to measure the success of their leadership development efforts systematically, and make necessary adjustments accordingly.

Our recent white paper, “Future-Proof Your Organization with Leadership Development,” discusses a 3-part plan to reach your goals through leadership development at scale:

1. Plan Your Leadership Strategy
2. Provide Access to Relevant Content
3. Leverage Internal and External Talent

For more on scaling leadership development, download the white paper now.
Conclusion: Build Access to Leadership Development for Everyone in Your Organization

The future of work is purpose-driven. Research shows that 68% of executives believe purpose gives companies the agility to innovate in times of disruption and 59% believe purpose can drive performance and transformational change. But organizations must have a clear leadership development strategy to drive performance, retention, and growth.

When implemented effectively and comprehensively, leadership development has the potential to grow individuals and transform the entire organization from being one that merely meets its objectives into one that excels.

Thoughtful opportunities for personal and professional growth allow leaders at all levels to unlock their true potential, while ensuring alignment between their individual values and organizational goals.

Leadership development can, and does, power sustained success for organizations worldwide — especially when focusing on purpose, future-proofing, and equitable access.

Yet building needed skills for the future — plus a greater sense of purpose and engagement — from top to bottom of your organization can feel like an impossible task. The right partner can help you scale your leadership development capabilities and supplement your internal initiatives so you can support your leaders at every level.
At CCL, we offer an all-access pass to our leadership training course content so you can combine our world-class research and expertise with the solutions that matter for your organization:

- **Customize and contextualize**: Proven leadership development content that gives you the ability to tailor our expertise to your organization’s needs.

- **Consistent leadership language**: Create clarity and continuity to facilitate growth and reinforce a shared leadership culture.

- **Scalable across the organization**: No employee maximums means you can meet the needs of individual leaders at every level.

Industry-leading, scalable leadership training course content and solutions can help you ignite positive, transformative, and sustainable change at your organization with:

- Turnkey, research-based leadership development programs, assessments, and tools.

- Timely topic modules with relevant leadership content to grow needed skillsets at every level.

- Access to leadership experts and analysis.

See how CCL can take you where you want to go.

LEARN MORE AT CCL.ORG/PASSPORT
Authors

Mary Abraham is the Senior Director of Programs & Products at CCL. Mary utilizes her unique blend of skills in technology and business to propel CCL’s digital products business, including the launching of CCL Passport™. Her team is responsible for CCL’s portfolio of programs and products, bringing the highest quality, transformational experiences to clients. Mary also serves as a mentor for CCL’s custom women’s leadership programs.

Jeff Howard is the Vice President of Global Portfolio & Leadership Solutions at CCL. Over his 25-year career at CCL, he has brought his passion and experience to building new business lines, marketing, and product development and management. The team Jeff leads brings CCL’s research, experience, and innovation to life for clients through an expansive suite of offerings that deliver powerful, measurable, and enduring results.

Stephanie Trovas is the Global Director, Product Development for CCL and leads a team to help develop products and solutions. With over 20 years of experience in the learning and development field, she has designed, facilitated, and managed numerous human-centered leadership solutions with a focus on impact and application to make the learning stick. Stephanie has worked extensively with individuals and organizations from a variety of industries, organizational functions, and countries with a focus on senior leaders and what it takes to lead functions, divisions, and business units.
The Center for Creative Leadership (CCL)® is a top-ranked, global, nonprofit provider of leadership development. Over the past 50 years, we’ve worked with organizations of all sizes from around the world, including more than 2/3 of the Fortune 1000. Our cutting-edge solutions are steeped in extensive research and our work with hundreds of thousands of leaders at all levels.