

# Challenges in Linking Leadership Development to Organizational Impact

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It's easy, right? No, because...

- Identifying critical aspects to evaluate
- Isolating the effects of leadership development
- Identifying the nature of leadership

...are complicated & challenging

# New Demands for Leadership Development

- Must make a link between leadership development and organizational outcomes
- Leadership development is no longer a “rite of passage”
- Leadership development is strategically linked to organizational goals

# The Challenge...

- Creating a “web of impact”
- Evaluating longitudinally
- Understanding context



# Creating a “Web” of Impact

- Link outcomes to one another appropriately
- Use logic models
- Impact is not necessarily linear
- Outcomes are quantitative AND qualitative

# Evaluating Longitudinally

- Determine which outcomes to measure when
- Design integrated measures
- Take advantage of existing data
- Measure important and diverse perspectives
- Above all – be patient

# Understanding Context

- Identify and measure potential barriers and supports
- Identify and measure other potential causes of change

# Organizational Level Outcomes

## (Examples)

- For-profits
  - Fiscal health\*
  - Culture change
  - System integration
  - Quality indicators
  - Customer satisfaction
- Not-for-profits
  - Fiscal responsibility\*
  - Service to clients\*
  - Academic achievement scores\*
  - Culture change
  - System integration

\* “ultimate” outcomes

# Outcomes Beyond the Organization

- Effects on the organization's community
- Customer loyalty
- Customer involvement in supporting the organization

# Organizational-level Methods

- Climate & culture survey retests
- Assessment of organizational systems change
- Assessment of ROI
- Workplace statistics
- Document analysis
- Assessment of customer satisfaction

# Climate & Culture Survey

## Retests

### *Climate: Satisfaction with...*

- Pay & benefits
- Leadership
- Development Opportunities

### *Culture: Pervasive...*

- Behaviors
- Values

- Once prior to intervention
- Once after intervention
- During the intervention

# Assessment of Organizational Systems

*Changes in systems that directly affect employees*

- Operating procedures
  - Learning processes
  - HR policies
  - Communication structures
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- Analysis of existing data
  - Surveys, interviews, focus groups

# Assessment of ROI

*Using formulas to measure costs and benefits*

- Use of percentages
- Enables “apples to apples” comparisons
- Increasingly sophisticated field of study
  - Costs & Benefits
  - Isolate effects
  - Determine relative ROI

# Workplace Statistics

*Data that are often measured on a regular basis*

- Absenteeism
- Communication breakdowns
- Customer loyalty
- Employee turnover
- Performance appraisal ratings
- New products & services developed
  - Analysis of existing data
  - Surveys, interviews, focus groups

# Document Analysis

*Written statements or other material that attest to an event or provide an accounting of some activity*

- Values, sentiments, intentions, or beliefs of the sources or authors
  - Plentiful supply
  - Low-cost method
  - Insight regarding history, background, frequencies, activities, instances
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- Analysis of existing data (ex. action learning project documentation)

# Customer Satisfaction Assessment

## *Perspectives of the customer*

- Customer past & current experiences with the organization
  - Customer expectations of the organization
  - Timeliness of response to customers
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- Surveys
  - Interviews

# Challenges of Organizational Impact

- “Event” approaches to leadership development
- Individual level targets of LD
- Competing factors at play
  - Economic shifts
  - Labor stoppages
  - Consumer shifts
  - Federal budget cuts
  - Availability of skilled workforce

# Examples of Organizational Impact

## *Disadvantaged Elementary School*

- Parental involvement
- Neighborhood meetings
- Parent representation at school meetings
- Homework nights in neighborhoods
- Attendance at parent training sessions
- Parent resource center
  
- Methods: surveys, focus groups, interviews

# Examples of Organizational Impact

## *Global Pharmaceutical*

- Higher profitability due to cost-cutting
- More productive, enthusiastic, and loyal staff
- Reduction in expenses
- Launch of 4 new products in one year (400% increase)
- Promotion of staff, resulting in \$1.5MM savings in process costs

 Method: surveys

# Examples of Organizational Impact

## *Technical Services Organization*

- Increase in job effectiveness
- Successful completion of projects
- Increase in initiative/innovation
- Promotability
- Performance appraisal ratings
- Customer loyalty
- Customer retention

 Method: surveys

# Conclusions

Designing and evaluating effective leadership development initiatives requires focus on multiple levels.

- 1) Needs assessment is critical
- 2) Evaluation must be incorporated from the beginning
- 3) Key stakeholders must become partners

With these components in place, leadership development can successfully meet the complex leadership challenges for the 21<sup>st</sup> century!

Questions?

