

# How Does Enterprise Leadership Development Effectively Meet Business Needs and Align with Strategy

Yun Cheng

Economics and Management School of Wuhan University  
Wuhan, Hubei Province, China  
cypaulsz@163.com

**Abstract**—Facing the increasingly fierce competition, companies focus more on the effectiveness of leadership development. They require that leadership development can effectively support their business and directly improve their performance. To develop leadership that greatly supports business, this paper defines that such leadership development should be aimed at facilitating the execution of corporate strategies, implementation of management transformations, or culture assimilation. In addition, the leadership development activities should target at key groups that implement strategies, and be conducted in their critical phases. Based on the specific situation of the targeted groups, customized leadership development plans should be formulated. In terms of ways and methods to develop leadership, coaching and training programs, 360 degree feedback, and work assignments should be adopted respectively for "new managers, experienced managers, and potential managers to be promoted".

**Keywords**- leadership development; business needs; strategy implementation

## I. INTRODUCTION

Facing the increasingly complicated and ever-changing environment, enterprises find it more difficult to implement leadership tasks and have to set higher requirements for managers. Therefore, leadership development becomes a focus of various enterprises. As a profit-pursuing organization, an enterprise expects that any input will generate actual benefits and directly contribute to business performance. Leadership development is no exception.

Leadership development supports business in ways that the leadership development measures facilitate manager behavior changes conducive to the corporate strategy implementation and attainment of business goals, thus directly contributing to business performance of enterprises. In practice, many factors combine to influence business performance, so it is difficult to evaluate the actual influence of a leadership development program on the business performance. In theory, much research indicates that on-the-job practice is the most effective method to develop leadership. The interventions in the leadership development program, excluding certain work assignments with assessment or challenging or supportive effects, have very limited influence on the actual work behavior or performance improvement of participants. With limited investment in leadership development, enterprises should pay special attention to the key question of how to invest in well-targeted

intervention measures that deliver high output to improve performance effectively.

Based on the practices and theoretical research of some leading companies, the authors believe that the leadership development that effectively supports business must be well positioned to address a company's current pain points and practical problems in strategy implementation and business goal attainment. Such positioning can be reflected in its goal setting, object selection, content selection, and development measures.

## II. THE PURPOSE OF LEADERSHIP DEVELOPMENT ACTIVITIES: TO PROMOTE A COMPANY'S STRATEGY IMPLEMENTATION, MANAGEMENT TRANSFORMATION DEPLOYMENT, OR CULTURE ASSIMILATION.

The case study by Conger (1999) on American companies indicates that more and more leadership development practices focus on assimilation of corporate philosophies and acceleration of important strategic transformations. Leadership development practices centered on improving leadership skills are declining gradually.

Although research proves that such practices are helpful to the performance improvement of managers (Burke et al., 1986), they do not have direct influence on the organizational performance. Given the more fierce competition they are confronted with, companies are conducting leadership development activities oriented towards higher performance. Effective leadership development must contribute to assimilating or improving an organization's values and management philosophies, passing on the organization's expectations and requirements for different roles to implement its strategies; or communicating the necessity of and specific requirements on the current important organizational transformations to support such transformations. The values and management philosophies are the synthesis of all the ways in which individuals are united in an organization and the guiding principles beneath the organization processes, systems, and policies. Therefore, they decide how the whole organization rises to external challenges and deeply influences the organization's sustained performance. The effective implementation of business strategies requires the organization's employees at all levels to understand its strategies in a consistent way. The changes of business environment and business development lead to continuous changes to the expectations and requirements for different roles of the organization. If the leadership development program can effectively communicate the

organization's expectations and requirements for different roles to implement its strategies while clarifying all the roles' responsibilities for the current business goals, all the individuals of the organization will closely work with each other and devote themselves to implementing the organization's strategies. The environment changes facing the organization have made organizational transformations a common state. To ensure correctness of business directions, successfully adjust business strategies, or effectively perform internal management, an organization must thoroughly communicate with its employees at all levels to reach a consensus on the necessity and specific requirements. The leadership development programs, closely linked to important organizational transformation programs, have become part of the transformation programs. As such, the leadership development program facilitates the organization in handling complicated challenges and enable the organization to carry out transformations, creating value by immediately promoting the ongoing transformation programs.

### III. THE TARGET OF LEADERSHIP DEVELOPMENT: THE KEY GROUPS IN CHARGE OF STRATEGY IMPLEMENTATION. LEADERSHIP DEVELOPMENT ACTIVITIES SHOULD BE CONDUCTED DURING THEIR CRITICAL PHASES.

An ideal leadership development program should cover all levels of managers in a company. However, If we can invest the limited human and financial resources in the key manager groups who have a key impact on the current and future performance at each level in each business unit, we will to some extent enhance the effectiveness of leadership development. This feature has been well reflected in excellent leadership development practices of many companies, such as Abbott Laboratories, Barclays Global Investors, BP Amoco, MathWorks, MIT Group, PECO, Motorola, and Smithkline Beecham (Giber et al., 2000).

The leaders develop their leadership when they have a certain learning capabilities and influenced by various developmental experiences in specific organizational context (McCauley et al., 2004). The actual influence of a leadership development program is limited. As a well-designed intervention measure, an organization should design and implement leadership development initiatives with a focus on phases when managers face difficulties in fulfilling their leadership responsibilities and achieving specific performance. Managers will step into such phases when they are just appointed to a team leader from an independent contributor; when they are given the responsibility for the overall operations for the first time; or when they are tasked with leading a diversified team for the first time, etc. During these critical phases, the leadership development activities, such as coaching and classroom training, facilitate managers to effectively rise to the challenges they are confronted with. On the one hand, these activities support the implementation of corporate strategies and achievement of business goals. On the other hand, the challenges coupled with the support often Increase the leadership of managers by leaps and bounds.

### IV. THE CONTENT OF LEADERSHIP DEVELOPMENT: CUSTOMIZED INDIVIDUAL DEVELOPMENT PLANS SHOULD BE DEVELOPED TO SUIT THE SPECIFIC SITUATION OF MANAGERS.

Extensive theoretical leadership development research and practices point to the common leadership skills required to complete the leadership tasks such as team building, providing and receiving feedback, making result-oriented decisions, ethics and integrity, coaching, business acumen, and emotional quotient. Therefore, these skills comprise the content of many leadership development practices in which take the form of training. Of course, if such training is well-designed, trainees can receive something similar to academic education. As a type of developmental experience, this will improve the capabilities of managers. However, if the Interventions cannot meet the requirements of the positions, it is difficult to improve the performance of managers in actual work.

Some theoretical research and practices target at leadership competency model which is built by summarizing enterprise-specific behavioral characteristics of successful managers of an enterprise. The content of leadership development programs can be selected based on such leadership competency model. Wen Maowei (2008) specified that almost every leadership development program has a clear and behavioral characteristic-based leader competency model as the core and focus of the program. Some companies use the same leadership competency model for managers from all levels and all business units, while others differentiate their leadership competency models for different levels of their organization. Generally, the elements of a company's cultural and management philosophies are incorporated into the content of its leadership competency model which is based on its common leadership behaviors. Such stuff is appropriate to be taken as reference for selecting content for a leadership development program. However, because it is not closely related to the actual work of managers, it is not suggested to select it as the core content of leadership development.

For individuals or teams inside an organization, we should take the leadership competence model as the reference standards, and develop and continuously modify the customized and specified development plans based on the specific situation and development requirements.

During leadership development implementation, to effectively support business, we need to clarify the requirements on their knowledge, skills, and experience necessary to implement strategy, transform management, and pass on the corporate culture to targeted manager groups. We can then analyze the gaps between the current conditions and the requirements, so as to determine appropriate leadership development content. For a "new manager", it is crucial to understand the requirements of the position to be taken in respect of strategy implementation, management transformation, or corporate culture transmission, the responsibilities to be shouldered, and key activities to be taken to fulfill the responsibilities. However, for a "potential manager to be promoted", it is crucial to bridge the gap

between the requirements of the current position and the position to be taken. The training and workshops related to leadership development can focus on how to resolve the practical problems with the established common leadership skills based on these requirements, thereby providing the skills and concepts to resolve the actual pain points instead of simply preparing common human capitals for individuals.

#### V. LEADERSHIP DEVELOPMENT METHODS: ADOPT DIFFERENT METHODS THAT SUIT THE SPECIFIC STAGES OF A MANAGER'S GROWTH PROCESS.

##### A. *Three stages of a manager's growth process and the leadership development needs at each stage*

Managers in an enterprise grow in ways different from each other. However, they will go through three stages: a new manager, an experienced manager, and a potential manager to be promoted. In the "new manager" stage, a manager is appointed to a leadership position and assigned with duties that are different from his/her previous ones. The new environment and duties bring about risks and challenges to the new manager. In addition, the organization is confronted with more pressures due to the uncertainty whether the predefined strategic and business goals can be achieved in the business unit led by the new manager. The "new manager" stage usually lasts half a year, but the specific time span varies with position and individual. After the "new manager" stage, the manager successfully becomes an "experienced manager". At this stage, the manager is clear about his or her own responsibilities, is experienced enough to complete the leadership tasks, and has built a work supporting system, such as sound relationships with associated departments. Therefore, responsibility fulfillment is not a big challenge to the manager who, under most circumstances, can successfully attain the organizational goals. This stage lasts a relatively long period of time. Most managers improve their performance to the largest extent at this stage to contribute to their organizations. Those with outstanding performance and a strong sense of cultural identity step into the stage of a "potential manager to be promoted". At this stage, while fulfilling existing responsibilities of his or her position, the manager is selected as a potential manager for a more challenging leadership position in the succession plan. Once this position is vacant or conditions become mature, this manager will be promoted and become a "new manager" of a new position to assume new responsibilities.

Individual managers have different experience when they grow along the way comprised of the aforesaid three stages. Excellent managers become corporate executives after several circles of the three stages. Some managers may stop at the "experienced manager" stage and cannot advance any more. A few managers who are struggled to fulfill their responsibilities may end their leading roles after the "new manager" stage and step down.

Managers at each stage have different needs for leadership development to address their different challenges. Managers who just step into the "new manager" stage tend to

adopt their previous thinking modes, and therefore face difficulties in adapting themselves to their new roles. They need to clearly understand the role-specific requirements of the new positions, as well as new skills, time application, and work values demanded by new positions (Ram Charan, 2002). With fewer challenges, most "experienced managers" can successfully achieve organizational goals. As a result, they can easily get the sense of achievement and gradually slack off in their work. "Potential managers to be promoted" need to bridge the gaps between their current knowledge, skills, and experience and those required by the to-be-filled positions. To effectively support business and maximize performance contributions with limited resources, we must pay full attention to the actual challenges facing managers at each stage during leadership development.

##### B. *Leadership development methods for managers at each stage*

Leadership development methods should be differentiated for managers at different stages (see Table 1).

Table 1: Three stages of a manager's growth process and the corresponding leadership development methods

	Goal	Method
New manager	To recognize the roles and responsibilities of the new position and acquire the knowledge, skills, and concepts required by the new position.	1.Coaching 2.Training program (role perception and learning of key skills required by the position)
Experienced manager	Self-awareness	360 degree feedback
Potential manager to be promoted	To bridge the experience gap	Developmental assignments

For "new managers", the leadership development should be focused on helping them clearly understand the new role requirements, to have them prepared for the new positions with "skills, time application, and work values". As for methods, coaching and training programs are suggested. To ensure coaching results, coaches must be veteran managers at a level equal to or above that of the "new managers". Coaches instruct the "new managers" to develop individual development plans, help them understand the organizational environment and new roles, and facilitate them to establish ties with stakeholders. In addition, coaches should share key experience and provide necessary instructions as required. Training programs can be customized for specific positions. Through well-designed training program, "new managers" understand key business activities to be performed, experience of successful managers, and the new position-specific responsibilities that are set to effectively implement corporate strategies and achieve business goals. In this way, they explore how the new responsibilities can be successfully fulfilled.

Leadership development activities for "experienced managers" can be focused on helping them improve self-

awareness and making them recognize their shortcomings and challenges as a manager, so that they can get rid of the slackness and strive to achieve business goals. As for development methods, the 360 degree feedback can be adopted. That is, collect feedback on a manager's performance from his or her supervisors, subordinates, colleagues, and even customers, suppliers, and family members. All the information collected should be reorganized and then provided to the manager to improve his or her self-consciousness. The information also serves as a basis for developing individual development plans and tracking improvements.

Leadership development activities for "potential managers to be promoted" should be focused on bridging the gaps between their current knowledge, skills, and experience and those required by the to-be-filled positions. An effective way is to deliberately assign such managers with tasks that are tailored to their specific experience gaps. As such, these managers are driven out from their comfort zone and are preemptively confronted with key challenges that will emerge at the to-be-filled positions. All these measures will improve leadership and develop talent for future strategy execution of enterprises.

To maximize performance contributions with limited resources, we should attach most importance to the leadership development for "new managers", less importance to "potential managers to be promoted", and least importance to "experienced managers".

In fact, many factors combine to influence managers' performance. Hence, to effectively meet business needs and improve performance, the leadership development activities need to be systematically aligned with other management activities, including result-oriented performance management, succession plan, and manager selection. During the process of the result-oriented performance management, immediate supervisors guide managers in defining their work directions and goals (including business goals and team building goals) based on their responsibilities. During the course, instructions should be provided as appropriate. At the end of the course, the managers should be appraised by their work results and get paid according the results. To manage manager succession plans, firstly we should clarify talent requirements based on the business strategy. Secondly we should specify the key leading positions of the organization and the criteria for selecting candidates for them. Thirdly, with such information in hand, we can then review the talents, design the manages pipeline, and follow up continuously. Regarding manager selection and appointment, we must focus on their business achievements, so that managers strive to develop capabilities

conducive to improving performance and implementing corporate strategies. Supported by all of these management measures, leadership development activities will effectively change managers' behaviors and improve their performance, so as to facilitate the implementation of corporate strategies and achievement of business goals.

## VI. CONCLUSION

Facing the increasingly fierce competition, companies focus more on the effectiveness of leadership development. They require that leadership development can effectively support their business and directly improve their performance. To develop leadership that greatly supports business, leadership development should firstly be aimed at facilitating the execution of corporate strategies, implementation of management transformations, or culture assimilation. Secondly, to maximize leadership development effects with limited input, enterprises usually prudently invests in leadership development programs. They will only focus on the key groups in charge of strategy implementation and supports them at their critical stages. Thirdly, leadership development should be customized and suit the specific situation of managers. Based on the specific situation of the targeted groups, customized leadership development plans should be formulated. In terms of ways and methods to develop leadership, coaching and training programs, 360 degree feedback, and work assignments should be adopted respectively for "new managers, experienced managers, and potential managers to be promoted".

## REFERENCES

- [1] Burke, M.J., and R. R. Day. A Cumulative Study of the Effectiveness of Leaderial Training. *Journal of Applied Psychology* [J], 1986, 71(2): 242-45.
- [2] C. D. McCauley and E. Van Velsor (eds.). *The Center for Creative Leadership Handbook of Leadership Development* [M] (2nd ed.). San Francisco: Jossey-Bass, 2004: 20-26.
- [3] Conger Jay A. and Benjamin Beth. *Building Leaders: How Successful Companies Develop the Next Generation* [M]. San Francisco: Jossey-Bass, 1999: 1-26.
- [4] David Giber, Luis Carter, Marshall Goldsmith (eds.). *Best Practices in Leadership Development Handbook: Case Study, Instruments, Training*[M]. New Jersey: John Wiley & Sons, Inc. 2000.
- [5] Ram Charan, Stephen Drotter, and James Noel. *The Leadership Pipeline: How to Build the Leadership-Powered Company*. San Francisco: Jossey-Bass, 2001
- [6] Wen Maowei & Ruan Ping. How to Choose the "Contents" for Leadership Development Programs--According to the Analysis of Leadership Competency Models in First-class Organizations. *Journal of China Executive Leadership Academy Pudong* [J], 2008, 2 (6) : 86-92.