

Developing future ready leaders: Executive perspectives on where it's going wrong



Companies are finding it ever harder to attract and retain the employees they need at any level, including leadership. Even in the face of layoffs in some industries, good leaders are harder to find than ever. In part, this is because what it takes to lead successfully is changing so rapidly, and in part it's because of many executives' reduced interest in taking on the stress and complexity of senior leadership roles.

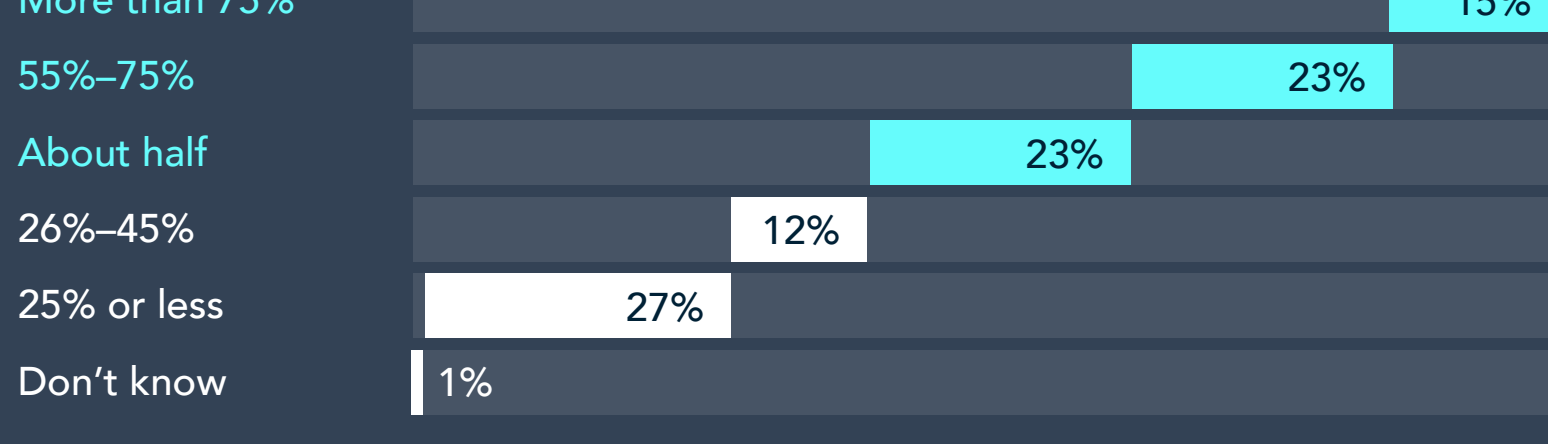
Companies that want to give themselves the best chance of having the leaders they will need in the long term must pivot to retention. This means aligning their purpose, their strategic scenarios, their executive skills and capabilities, and their executive development and succession planning into a clear and holistic executive retention strategy that will help them build their leadership bench from within.

In that context, we recently surveyed leaders in HR and in other functions to understand more about how companies develop their leaders and how well those processes are working.¹ **The data suggests a strong focus on retaining and promoting leaders**—as well as significant room for improvement in how companies are doing so.



Large numbers of promotions at the senior level

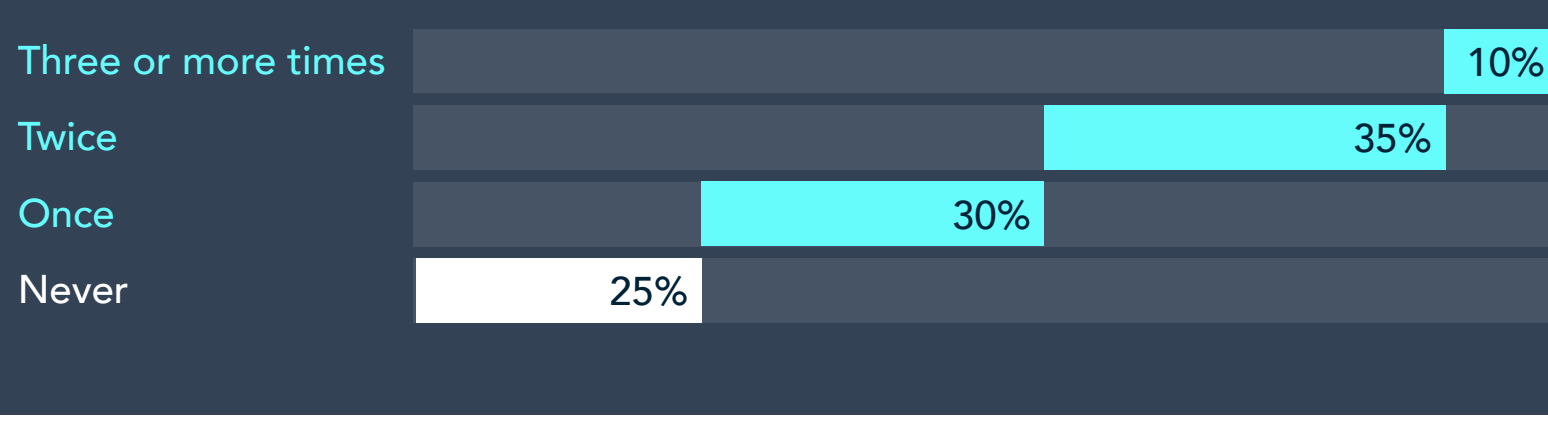
HR leaders say more than half of their company's senior leaders have been **promoted internally**



And more than half say **a large share of executives could be promoted** in the next three to five years

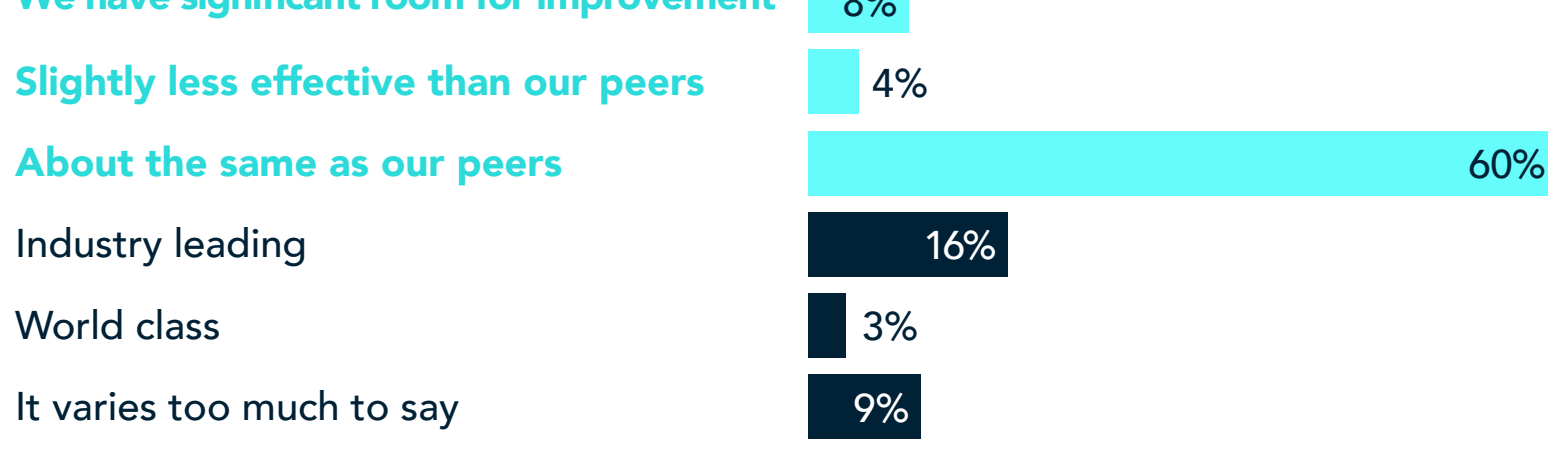


Three-quarters of executives not in HR say they have been **promoted at least once**

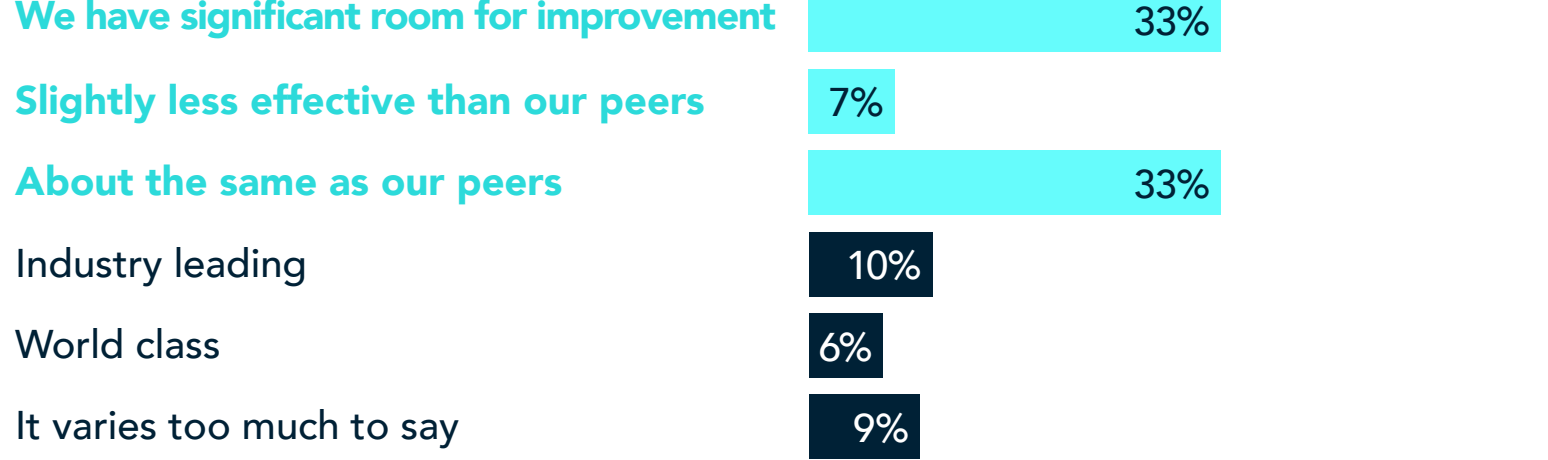


Yet executives in and out of HR see significant room for improvement in how succession planning works

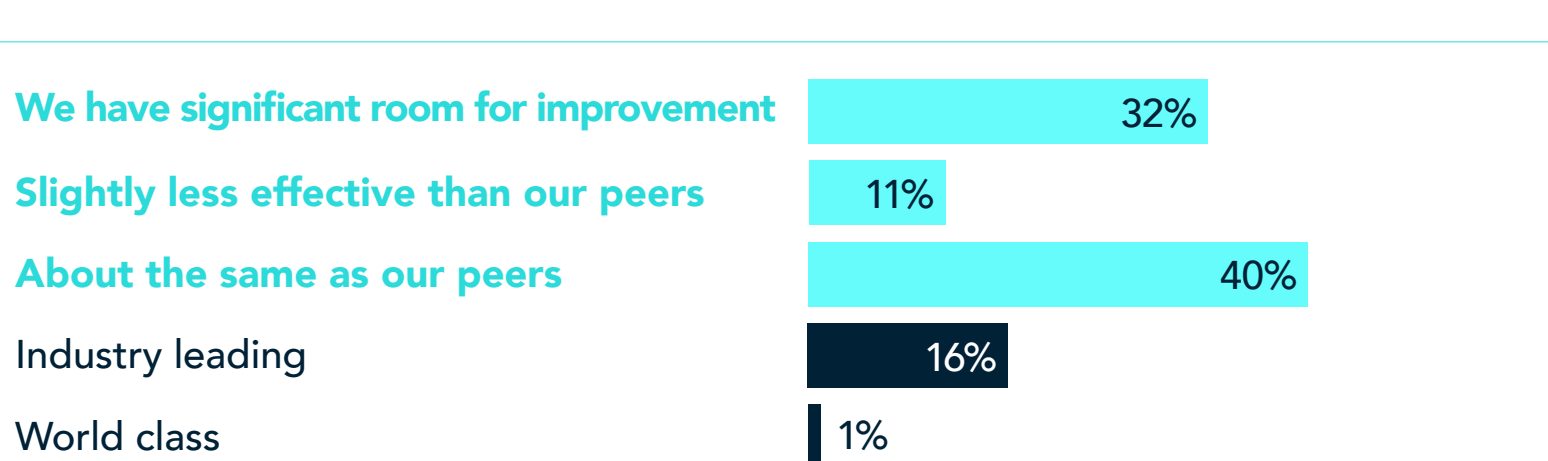
More than two-thirds of HR leaders say **their companies are, at best, as effective as their peers** at identifying and placing senior leaders



Executives in other functions are **even more dubious**

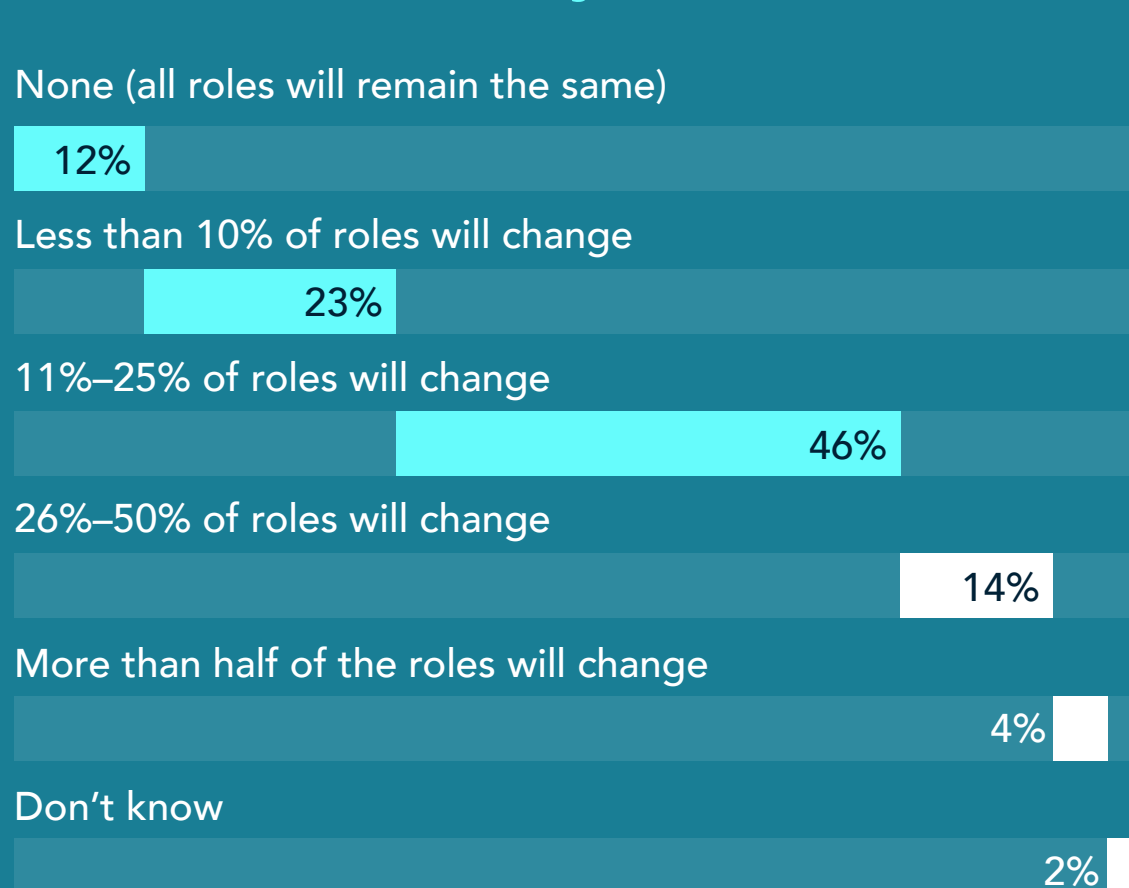


And HR leaders are **more concerned about the next generation** of leaders



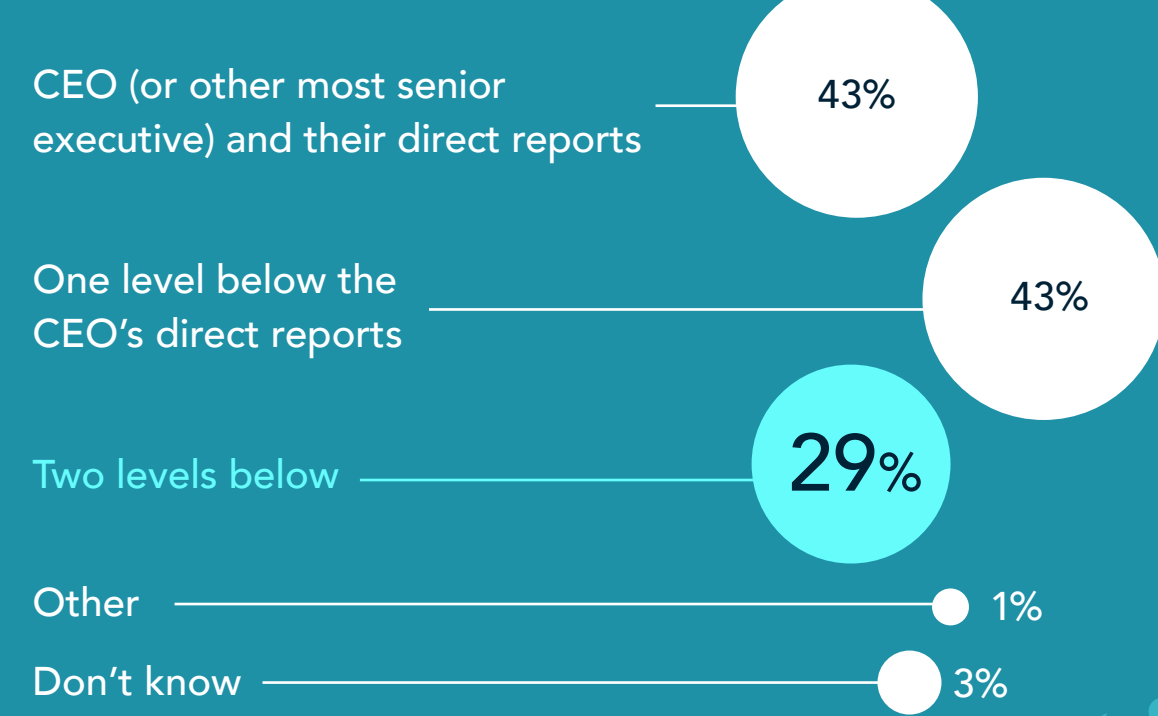
One cause for concern: Not keeping up with the pace of change

Despite the rapid pace of change—80% of Fortune 100 executive teams added or eliminated roles in the just the past two years, for example—**most HR leaders expect a relatively small share of their executive roles to be restructured in the next three to five years**



A second cause for concern: Short pipelines

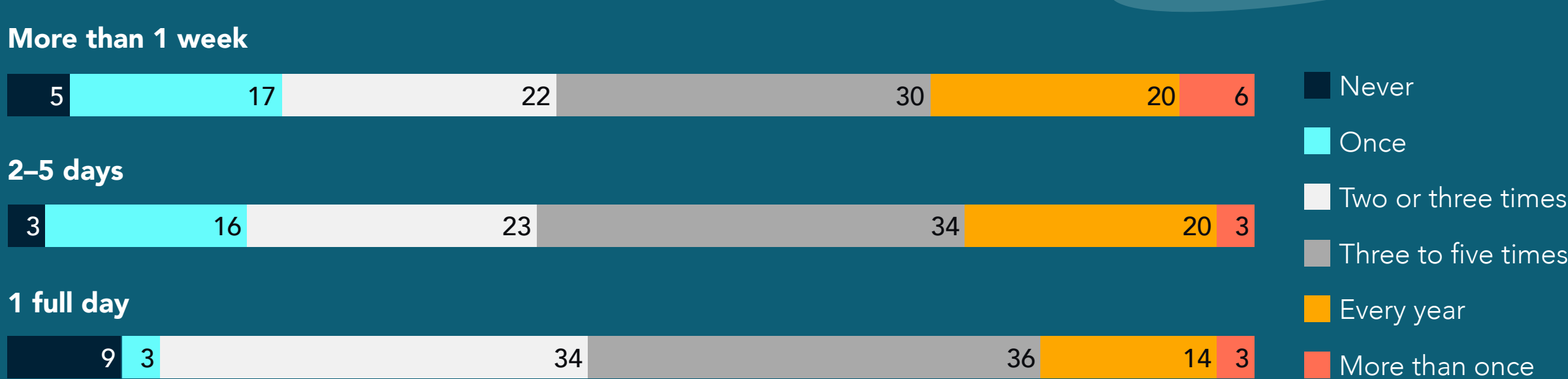
Less than a third of HR executives say they have formal, written succession plans two levels below the CEO's direct reports—so all those **executive promotions are not necessarily coordinated with the company's overall leadership planning**



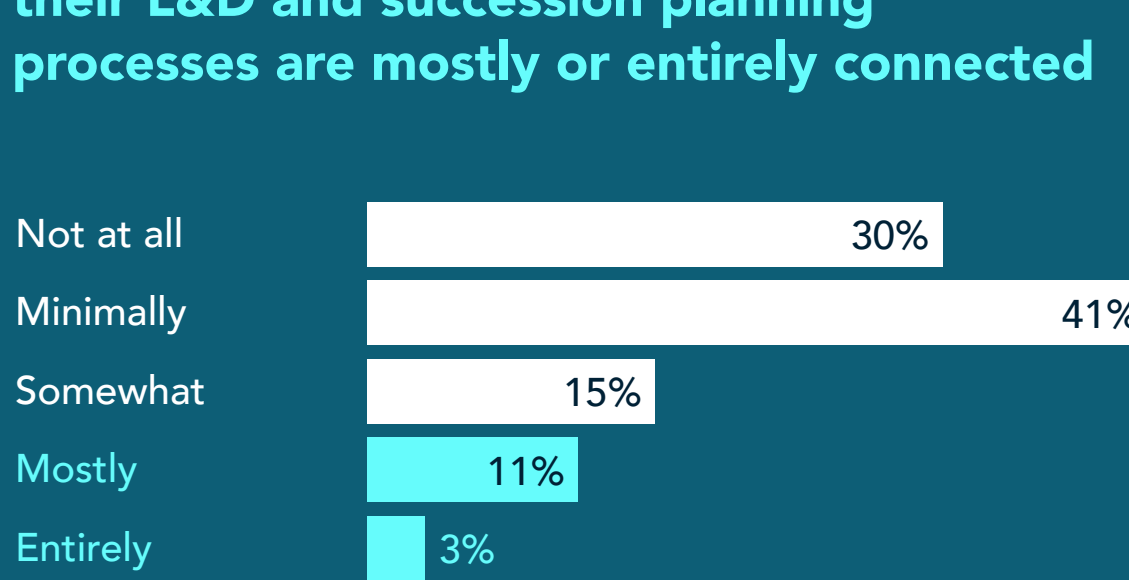
A third cause for concern: Infrequent executive learning and development—and what there is rarely connected to succession planning

Most executives say they have been asked to attend executive learning programs **less than once a year**

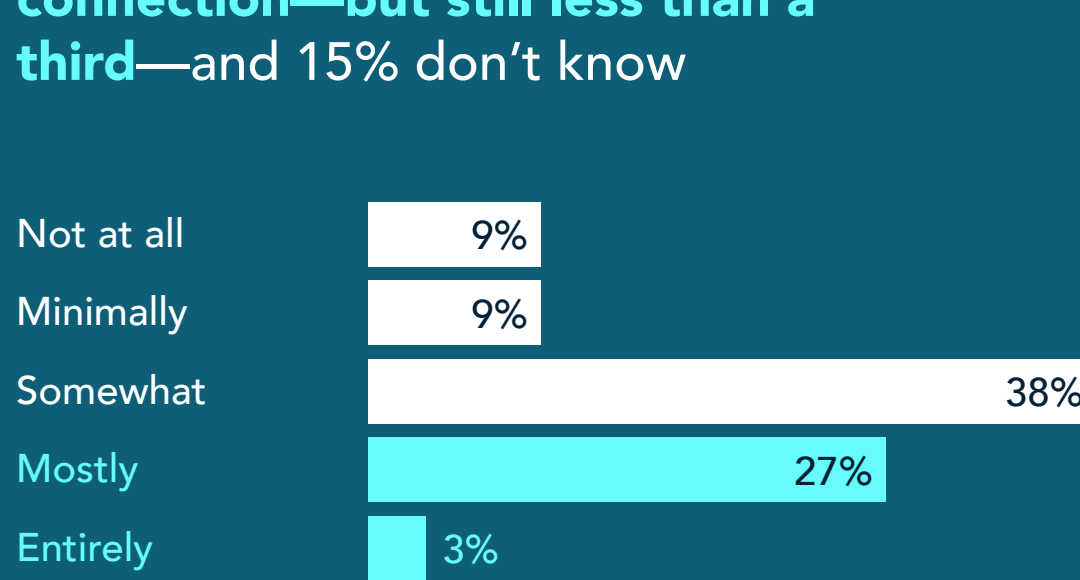
In the time you have been with your company as an executive, outside of any regular performance evaluation process, how many times have you been asked to attend an executive learning program lasting... (%)



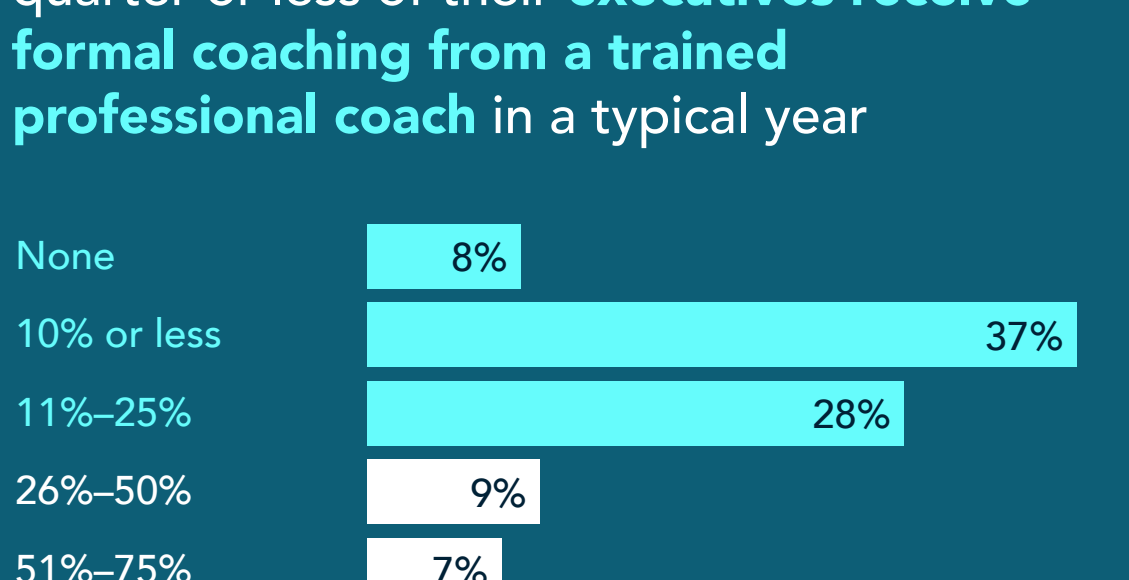
That may be one reason **only 14% think their L&D and succession planning processes are mostly or entirely connected**



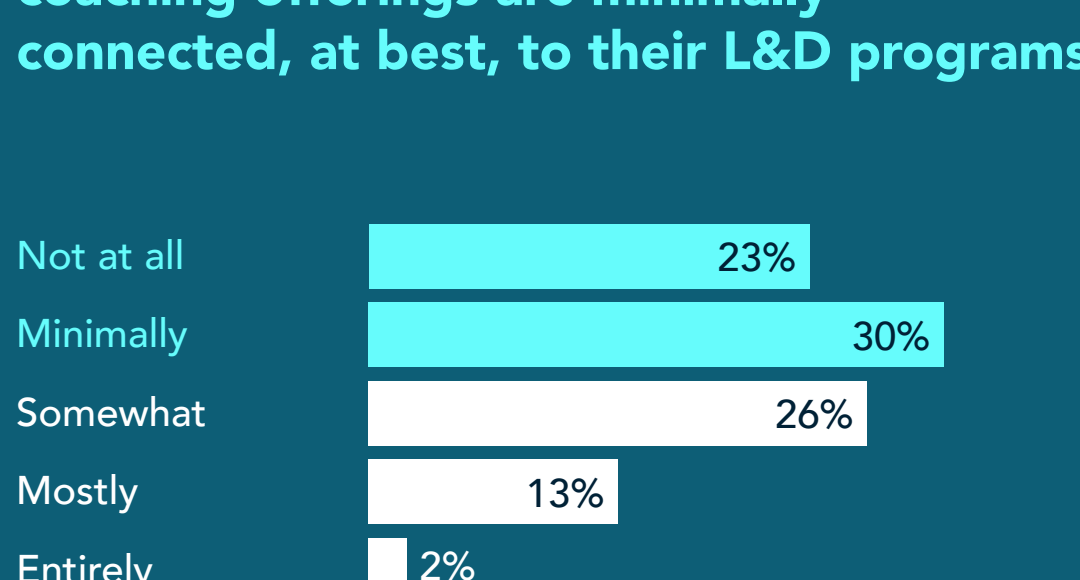
HR leaders see a **higher level of connection—but still less than a third**—and 15% don't know



Similarly, a majority of HR leaders say that a quarter or less of their **executives receive formal coaching from a trained professional coach** in a typical year



And more than half say their company's **coaching offerings are minimally connected, at best, to their L&D programs**



Questions leaders can ask to jumpstart their leadership development efforts

- How successful are we, really, in ensuring we have the leaders we need and will need? How do we know?
- How far into the future do we look? How many different strategic scenarios do we plan for?
- Do our succession efforts go deep enough into our organization to really plan for those scenarios? To identify, develop, and seek to retain potential leaders we know we'll need?
- Do our executive development and succession planning efforts support the more personalized, networked, and dynamic career paths many executives are seeking today?
- How aligned are our executive assessment, L&D, and succession planning efforts today? How can we ensure we know enough about our people to understand who we need to retain—and make sure those people know we value them?

Further reading



✓ Developing future-ready leaders: From assessments to strategically aligned learning

✓ The leadership kaleidoscope: How organizations can help leaders meet their new mandate