



# LEADERSHIP FORECAST:

## A Benchmarking Study

> Paul R. Bernthal > Richard S. Wellins



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The DDI HR Benchmark Group is an alliance of organizations committed to sharing information and benchmarking current HR practices. These organizations, an international mix of DDI clients and other organizations, have agreed to respond to periodic surveys in order to provide current information in various areas of human resources. The organizations represent a geographical and industry cross section.

## ABOUT DDI

Since 1970 DDI has helped clients achieve superior business results by building engaged, high-performing workforces through the selection, development, and retention of extraordinary people. We specialize in identifying and developing leaders and helping organizations hire better people faster. What sets DDI apart is realization—we have a passion for client success.

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## INTRODUCTION

Leadership is different now. Economic volatility, shrinking and increasingly diverse workforces, and shareholder pressure are creating demands and challenges unimaginable just a few years ago. While the landscape of business undergoes seismic shocks, many leaders continue to navigate with outdated skills and tools—a sure path to mediocrity at best and failure at worst.

Over the past 33 years, DDI has conducted ongoing research on the competencies that define effective leadership, monitored the evolution of the various roles that leaders play, and studied the practices that characterize strong approaches to leadership development. It's clear that successful organizational leadership is a function of many factors, including selection, development, succession management, performance management, and related systems. There is no single solution that is right for every situation, but there are solutions that have proved effective in many organizations. By repeatedly assessing and reporting on practices related to effective leadership, DDI hopes to provide insights that will benefit our clients and other readers. The Leadership Forecast first appeared in 1999 and has been updated in 2001 and with this 2003 study. This international study outlines the results from the previous studies and draws conclusions about trends and changes over time.

Respondents to the survey included 1,572 leaders, 1,461 associates, and 117 HR representatives from 14 countries around the world. The sample involved both public and private organizations, 31 percent in manufacturing, with the large majority (81 percent) having more than 1,000 employees. The leader and associate samples represented a wide range of levels and responsibilities. **(See pages 32–33 for a breakdown of demographics.)**

## STUDY OBJECTIVES

1. Determine current perceptions of leader strengths and capabilities.
2. Document the processes used to recruit, staff, and retain leaders.
3. Identify the most prevalent and useful leader development practices.
4. Identify differences in perceptions about leadership based on perspective: human resources, leaders, and associates.
5. Link leadership to productivity and employee engagement.



## FINDING 1

The majority of organizations still do not have high confidence in their leaders' abilities; however, confidence has increased slightly in the past two years.

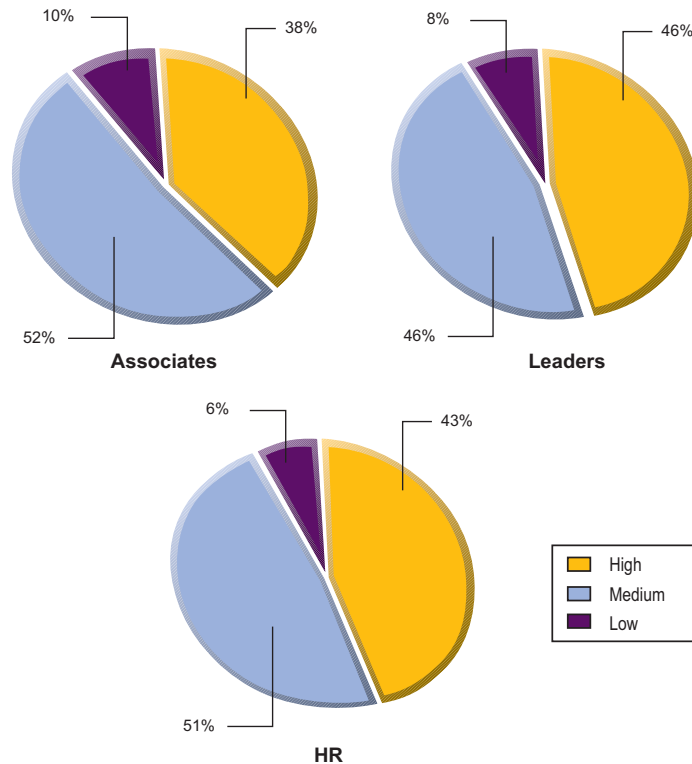
## FINDING 2

Organizations have the least confidence in their first- and mid-level leadership.

## CONFIDENCE IN LEADERSHIP

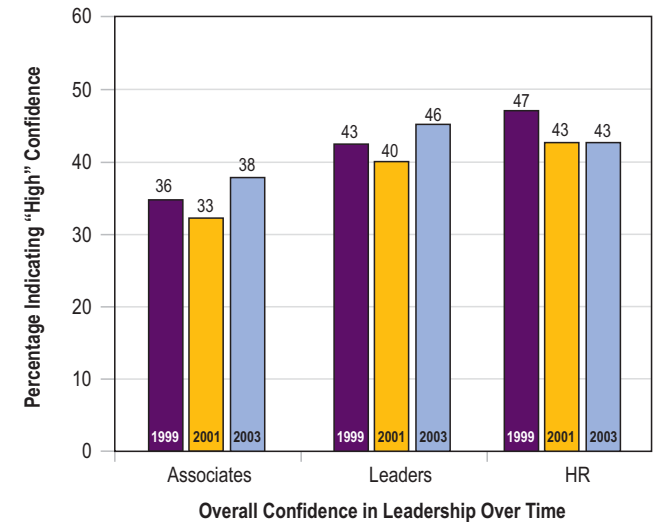
**FINDING 1:** The majority of organizations still do not have high confidence in their leaders' abilities; however, confidence has increased slightly in the past two years.

Perceptions of leader confidence were collected from three sources in each participating organization: leaders, line employees or associates, and one HR professional.



**FIGURE 1:** Overall Confidence in Leadership

For all three sources, less than half (38–46 percent) had high confidence in leaders' abilities (see Figure 1). The confidence levels have increased slightly since the 2001 study (33–43 percent). We hope this is indicative of the increasing attention organizations are paying to the selection and development of their leadership talent; however, there is still much work to be done (see Figure 2). Considering the priority that many organizations are placing on leadership, it's disappointing to see that confidence levels are not higher.



**FIGURE 2:** Overall Confidence in Leadership Over Time



**FINDING 2: Organizations have the least confidence in their first- and mid-level leadership.**

In the current survey we expanded our confidence ratings of leadership to include multiple levels. HR professionals, leaders, and associates all were asked to provide confidence ratings for first-, middle-, and senior-level leaders. Results revealed that organizations have the least confidence in their first-level leaders and the most confidence in their senior-level leaders (see Table 1). In confirmation of the 1999 and 2001 findings, the lowest ratings of confidence in leaders came from associates.

HR professionals showed the most variance in their confidence levels and the most extreme ratings. Their confidence in senior leadership was almost twice as high as their confidence in first-level leadership. HR professionals also had notably lower confidence in first-level leaders than did associates or leaders themselves. Additionally, HR professionals provided the highest confidence ratings for senior leadership. It's possible that HR has stronger and more varied opinions about leadership confidence because of its role in leader selection and development.

These days, much attention is focused on the high-profile maneuverings of top-tier, or “C-Level” leaders. Yet, a different and mostly overlooked group, people leaders (or as we call them, “SEE-Level<sup>SM</sup>” leaders), perhaps demands closer scrutiny and guidance. These first- and second-level leaders are the operational supervisors whose behaviors and actions are most visible to others in the organization on a daily basis. This group of leaders is subject to a growing set of demands and challenges. But unfortunately, many of these leaders—both new and experienced—lack the contemporary leadership skills they need to succeed.

**TABLE 1: Ratings of confidence by leader level and respondent type**

LEADERSHIP	Ratings of confidence by leader level and respondent type			
	Overall	First-Level	Middle-Level	Senior-Level
Associates	38%	34%	35%	41%
Leaders	46%	38%	38%	47%
HR	43%	24%	32%	52%

## FINDING 3

Leaders are focusing much more attention on improving or leveraging talent and controlling costs.

### INSIGHT: SEE-Level<sup>SM</sup> Leaders

*Finding 2 shows that organizations have the least confidence in their first- and mid-level leaders, which we at DDI refer to as SEE-Level leaders. SEE-Level leaders hold a variety of titles: supervisor, team leader, project manager, foreman, unit manager, etc. Working daily on the “front lines,” these people see problems, opportunities, and challenges. They are the most visible level of leadership to employees and customers. They bear the brunt of the responsibility for engaging workers, building morale, and retaining key players. Most significantly, SEE-Level leaders are the linchpin between the strategy set at the top and the execution of that strategy through the ranks.*

*There are significant reasons why it is especially important now for organizations to make special efforts to develop these leaders:*

- > Changing demographics point to a record number of retirements over the next decade.*
- > The ranks of middle managers have slowly dwindled—a trend that has led to both an increased span of control for leaders and a downward migration of complex leadership tasks.*
- > Characterized by more complexity and ambiguity, the job of a SEE-Level leader is more challenging than ever before.*
- > SEE-Level leaders are charged with capturing the hearts and minds of those who work with them and with building high workforce commitment.*
- > Pressure for performance—with fewer resources—has escalated.*

*As these reasons suggest that those who ignore the development of their SEE-Level leaders are gambling with their organization's future.*

## CHANGES IN LEADERS' PRIORITIES

Jobs and the nature of work have evolved significantly over the decades. Leaders continue to experience new challenges and shifts in their responsibilities. Which issues are most important for leaders today?

**FINDING 3: Leaders are focusing much more attention on improving or leveraging talent and controlling costs.**

The study asked leaders to identify the most important business priorities demanding their attention. These 14 priorities can be grouped into four categories (**see Table 2**). The most common priorities related to controlling costs, promoting quality, improving customer relationships/service, and improving or leveraging talent. Leaders in the sample face many different demands. Company quality and efficiency are paramount, but leaders also recognize the need to address financial strength, culture, and other issues.

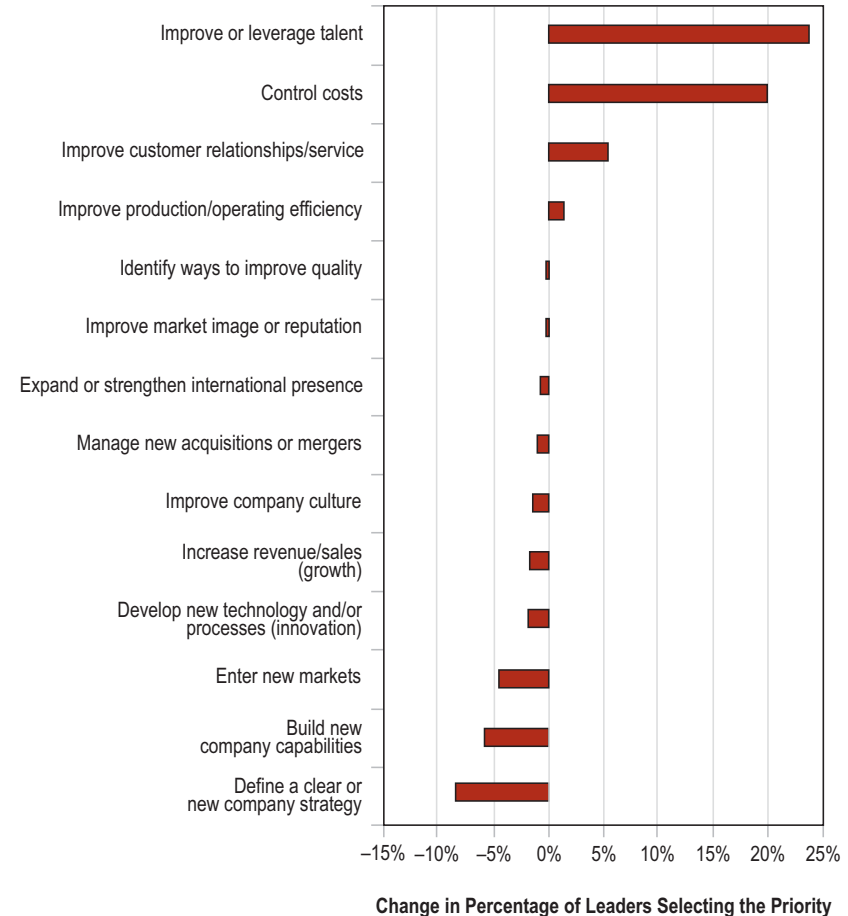
Four of the top five business priorities have remained the same in the past two years. The major difference appears in the greatly increased importance of improving or leveraging talent (**see Figure 3**). Talent management has surpassed growth as a primary business objective. Leaders recognize that competition for top-level talent has increased, and they must do all they can to retain and develop their best workers. When leaders try to do more with fewer resources and demand more of employees, they must make sure their

employees are prepared for the challenge. Organizations also are focusing more closely on controlling costs. In a flat economy, leaders are paying close attention to every expense and attempting to maximize company profits.

**TABLE 2: Leader business priorities**

<b>59</b>	<b>Quality and Efficiency (average)</b>
70	Identify ways to improve quality
62	Improve production/operating efficiency
46	Develop new technology and/or processes (innovation)
<b>59</b>	<b>Financial and Market Strength (average)</b>
72	Control costs
70	Improve customer relationships/service
53	Increase revenue/sales (growth)
41	Improve market image or reputation
<b>45</b>	<b>Building Culture and Strategy (average)</b>
68	Improve or leverage company talent
50	Improve company culture
32	Define a clear or new company strategy
30	Build new company capabilities
<b>16</b>	<b>Expansion (average)</b>
23	Enter new markets
15	Expand or strengthen international presence
9	Manage new acquisitions or mergers

*Numbers indicate the percentage of leaders selecting the challenge as one of their top priorities.*



**FIGURE 3: Changes in Business Priorities for Leaders 2003 vs. 2001**

## CRITICAL LEADER COMPETENCIES

The 1999 study identified the core competencies that were most important for different levels of leadership, both then and in the future. The current study assesses the strength of leadership across the same set of 29 competencies, plus 4 additional competencies. The competencies measured fell into five overall domains:

- > Personal Qualities
- > Interacting with Others
- > Technical and Professional Knowledge
- > Helping Others Achieve Goals
- > Focusing on Results

Leaders, HR professionals, and associates rated the strength of each competency and the importance of the competency

for overall job effectiveness. Across all levels, leaders were most likely to indicate that they needed to be strong in a broad range of competencies, in almost every domain (**see Table 3**).

To gain further understanding, we also calculated the strength and importance of leader skill by level:

1. First-level supervisor, group leader, foreman, etc.
2. Mid-level managers of first-level leaders, including managers and district managers.
3. Senior-level leaders/managers of mid-level leaders and those in policy-making positions, including department heads, plant managers, vice presidents, CEOs, executive vice presidents, etc.

For the most part, the top 10 competencies selected for all three groups were very similar. First-level leaders were more likely to include Positive Disposition, while both middle- and

### **INSIGHT: Identifying Leader Potential**

*While many leaders and HR professionals have solidified their thinking around the competencies currently required for effective leadership (Finding 4), a growing number of organizations are becoming more focused on having the senior leaders they need for the future. Toward this end, organizations increasingly are adopting a relatively new approach—identifying individuals for a high-potential pool, assessing the readiness of these individuals for senior roles, and providing development opportunities to close skill gaps. But this approach raises a critical question: How do you identify those with high potential?*

*A solid, sustained track record of above-average performance is a prerequisite. In addition, DDI has identified 10 factors that must be considered: Motivation to Lead, Brings Out the Best in People, Authenticity, Receptivity to Feedback, Learning Agility, Culture Fit, Passion for Results, Adaptability, Conceptual Thinking, and Navigates Ambiguity.*

*All of these factors must be considered if an organization is to effectively identify the future senior leaders who will warrant inclusion in a high-potential pool and prove worthy of the sizeable investment made in their accelerated development.*



senior-level leaders were more likely to include Coaching. Encouragingly, HR professionals selected 7 of the same top 10 competencies for leaders. This alignment demonstrates that HR has a reasonably good understanding of what skills leaders need to be successful.

**TABLE 3: Most critical competencies identified by leaders at multiple levels**

First	Middle	All Senior	Overall Leaders	Avg. Rank	Competency
89.4% (1)	89.0% (1)	90.1% (1)	89.5%	1	<b>Adaptability</b> —Being flexible and open to change
84.4% (4)	85.8% (4)	89.2% (2)	86.4%	2	<b>Building a Successful Team</b> —Pulling people together toward a common goal
85.9% (2)	85.9% (2)	87.1% (4)	86.3%	3	<b>Decision Making</b> —Making logical, well-informed decisions
83.7% (5)	85.9% (3)	88.3% (3)	85.9%	4	<b>Communication</b> —Explaining ideas clearly
85.9% (3)	81.6% (6)	80.1% (6)	82.6%	5	<b>Managing the Job</b> —Prioritizing tasks and managing time effectively
82.4% (6)	82.1% (5)	79.9% (7)	81.5%	6	<b>Continuous Learning</b> —Picking up new skills or capabilities
79.0% (10)	80.3% (7)	79.0% (9)	79.4%	7	<b>Building Customer Loyalty</b> —Being responsive to others' needs or requests
79.7% (8)	76.9% (12)	81.3% (5)	79.3%	8	<b>Building Strategic Working Relationships</b> —Networking or building relationships with others
77.5% (14)	78.7% (9)	79.7% (8)	78.6%	9	<b>Problem Assessment</b> —Analyzing and understanding problems
79.2% (9)	79.6% (8)	76.7% (16)	78.5%	10	<b>Stress Tolerance</b> —Handling crises or stressful situations
80.2% (7)	76.4% (14)	77.0% (14)	78.2%	11	<b>Positive Disposition</b> —Keeping a positive outlook
79.0% (11)	78.3% (10)	78.6% (10)	78.0%	12	<b>Coaching</b> —Coaching or teaching others how to perform tasks effectively

Numbers indicate the percentage of leaders identifying the competency as “critical.” The table lists the top 10 competencies overall and the top 10 competencies for each leader level (rank in parentheses). For example, Problem Assessment is ranked 9 overall, but first-level leaders rank it number 14.

## FINDING 4

The core competencies required for effective leadership have remained stable over the past four years.

## FINDING 5

Compared to four years ago, leaders have lower competence and more weaknesses relative to their job demands.

## FINDING 6

Leaders feel increased pressure to perform and are being judged more stringently.

### FINDING 4: The core competencies required for effective leadership have remained stable over the past four years.

In the 1999 study, we identified five competencies that were critical for leader effectiveness. Four of these five competencies have remained in the top-five ranking for 2003. The only new competency in the top five is Managing the Job. It's possible that Managing the Job has become more critical because leaders are handling bigger workloads and need to juggle a lot of responsibilities; however, this change represents a subtle shift as Managing the Job also was highly rated in the 1999 study.

Based on the top five competencies, most leadership positions require a balance of displaying interpersonal qualities (Adaptability), helping others achieve goals (Building

a Successful Team), interacting with others (Communication), and focusing on results (Decision Making). This diverse range of competencies forms the core of effective leadership and should be incorporated into training, development, selection, performance management, and other HR systems.

### FINDING 5: Compared to four years ago, leaders have lower competence and more weaknesses relative to their job demands.

Across all competencies rated in the survey, leaders indicate that they are strong in only 32 percent of the competencies (see Figure 4). This distribution represents a significant shift from ratings four years ago in the 1999 Leadership Forecast Survey. In 1999, leaders rated 45 percent of the competencies as strengths. Although leaders have become

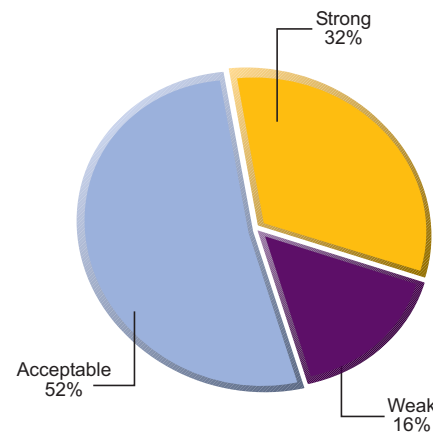
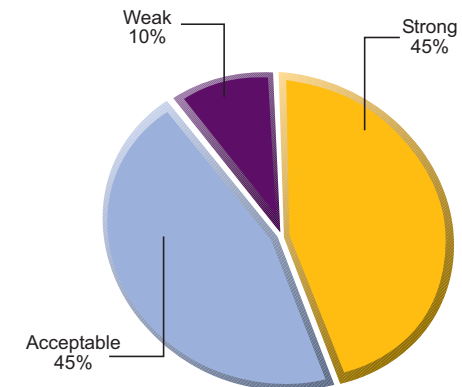


FIGURE 4: 2003 Leader Ratings of Overall Strengths and Weaknesses Across All Skill Areas



1999 Leader Ratings of Overall Strengths and Weaknesses Across All Skill Areas



much more critical of their own skill levels, associates' ratings of leader skills have remained stable. Overall, the percentage of leader competencies rated as strengths by associates remains at about 40 percent (41 percent in 2003; 40 percent in 1999).

Why are leaders more critical of their own skills? Have leaders really become weaker? Not necessarily. Probably, work has become more demanding and it's more difficult to keep up with a dramatically changing work environment.

Unfortunately, few leaders are strong in the skills they identified as most critical for their jobs (see Table 4). It's true that many leaders rate themselves as "acceptable" in these critical skill areas, but the ideal situation is for leaders to demonstrate strength in the skill areas that matter most.

**FINDING 6: Leaders feel increased pressure to perform and are being judged more stringently.**

In support of the previous finding, the work environment has become more demanding, and performance expectations have increased. In the past four years, most organizations have faced tougher financial times and asked leaders to take on more and different tasks, often with fewer resources at hand. A large majority of leaders agree that there is more pressure to perform (74 percent) and that their performance is being judged more stringently (64 percent). Some of this pressure may be coming from below as associates pay more attention to leader performance and are more critical of leader missteps. Additionally, corporate downsizing, fewer resources, and the increased use of practices such as forced-ranking performance rating systems have made it very challenging to be a leader in today's workplace.

**TABLE 4: Percentage of leaders rating the top 10 most critical competencies as strengths**

1999	2003	Change	
72%	46%	-26%	<b>Adaptability</b> —Being flexible and open to change
44%	35%	-9%	<b>Communication</b> —Explaining ideas clearly
64%	44%	-20%	<b>Decision Making</b> —Making logical, well-informed decisions
52%	40%	-12%	<b>Building a Successful Team</b> —Pulling people together toward a common goal
48%	37%	-11%	<b>Managing the Job</b> —Prioritizing tasks and managing time effectively
61%	35%	-26%	<b>Continuous Learning</b> —Picking up new skills or capabilities
62%	42%	-20%	<b>Building Customer Loyalty</b> —Being responsive to others' needs or requests
51%	41%	-10%	<b>Stress Tolerance</b> —Handling crises or stressful situations
55%	33%	-22%	<b>Building Strategic Working Relationships*</b> —Networking or building relationships with others
57%	39%	-18%	<b>Problem Assessment</b> —Analyzing and understanding problems

\* In the 1999 study, the term "Building Positive Working Relationships" was used.

Note: The top 10 competencies are those identified in the current study.

## FINDING 7

More than two-thirds of leaders show some potential for becoming derailed. The two most common derailers are “being overly concrete” and “micromanagement.”

## FINDING 8

The average turnover rate for leaders has remained stable at 10 percent.

## FINDING 9

Most organizations (78 percent) continue to have difficulty finding qualified leader candidates.

## LEADER DERAILERS

**FINDING 7: More than two-thirds of leaders show some potential for becoming derailed. The two most common derailers are “being overly concrete” and “micromanagement.”**

As leaders gain experience in an organization, they often rely on personal styles, habits, or approaches to help them achieve their goals (e.g., under some circumstances, high attention to detail can be leveraged into a distinguishing strength). Sometimes, however, these favored styles can become problems when leaders rely on them too much or lose their ability to adopt other styles. For example, a leader may receive recognition because she demonstrates a very high attention to detail, and this ability may help her advance her career. But when she reaches a higher-level position, high attention to detail may be perceived as obsessive or controlling. When a style, habit, or tendency interferes with leader effectiveness, it often is referred to as a derailer. There are several typologies of derailers, but all approaches address the potentially harmful side of what had once been helpful behavior patterns.<sup>1</sup>

In this study, we asked associates which derailers characterized their own leaders' behaviors. **(Page 33**

<sup>1</sup> Hogan, R. (1994). Trouble at the top: Causes and consequences of managerial incompetence. *Consulting Psychology Journal: Practice & Research*, 46(1).

Leslie, J.B., & Van Velsor, E. (1996). *A look at derailment today: North America and Europe*. Greensboro, NC: Center for Creative Leadership.

**contains definitions of the derailers.))** Leaders also were asked to indicate which derailers might describe their own behaviors (**see Figure 5**). About two-thirds of leaders and associates indicated that leaders demonstrate the behaviors associated with at least one derailer.

Across leaders and associates, the derailers indicated most often are “being overly concrete” (27 percent) and “behaving like a micromanager” (22 percent). These numbers are almost unchanged from the 2001 study. There were no notable differences in the type of derailers identified by leader level. Derailers are a cause for concern because they can interfere with the effective demonstration of critical leader competencies. Even though a leader may have strengths in many of the top 10 competencies, the presence of one derailer could have a serious impact on performance. For example, when leaders are overly concrete, it may hinder their ability to adapt to new challenges and to handle stress (2 of the top 10 competencies).

Most derailers showed a significant negative correlation with measures of employee productivity, satisfaction, and loyalty. In other words, when derailers are more common in leadership, employees tend to be less productive, loyal, and satisfied. This consistent relationship demonstrates that the presence of derailers can seriously affect overall ability to lead.



## IDENTIFYING AND RETAINING LEADERS

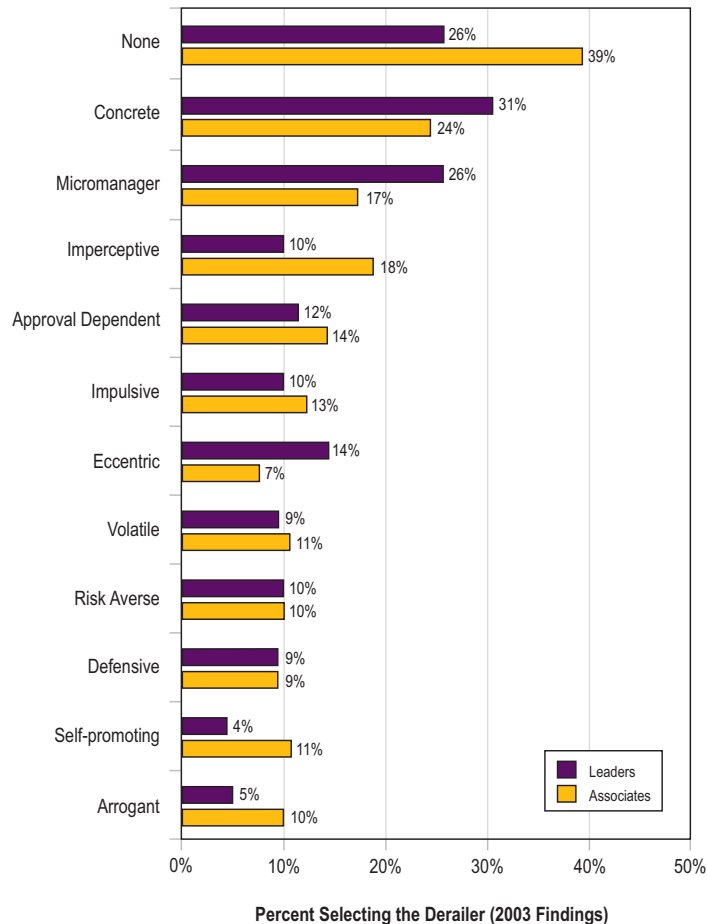
**FINDING 8: The average turnover rate for leaders has remained stable at 10 percent.**

Leader turnover is usually undesirable in most organizations. Still, sometimes organizations want to downsize or eliminate less-qualified employees. On average, organizations experienced an overall turnover rate of 10 percent among their leaders. This finding is unchanged from our 2001 study. Turnover was most prevalent in first-level management (11.4 percent), followed by mid-level (10.2 percent) and upper-level management (8.5 percent). Turnover is more common among first-level management for many reasons. For example, first-level leaders often are promoted into their positions without adequate preparation, thus elevating their turnover rates.

**FINDING 9: Most organizations (78 percent) continue to have difficulty finding qualified leader candidates.**

Filling leadership positions requires more than just finding a qualified candidate. Selection processes often involve review of several qualified candidates who may or may not have the required motivational fit, organizational fit, and preference for work location. Most organizations (57 percent) consider at least five candidates when attempting to fill a mid-level leadership position (see Figure 6; unchanged since 2001).

While economic conditions in 2003 may be tough and many people are looking for jobs, scarcity of leadership talent still remains a critical issue. The organizations in this study don't have a large bank of qualified candidates



**FIGURE 5: Frequency of Derailers**

## FINDING 10

Internal sourcing of leadership positions is on the rise.

## FINDING 11

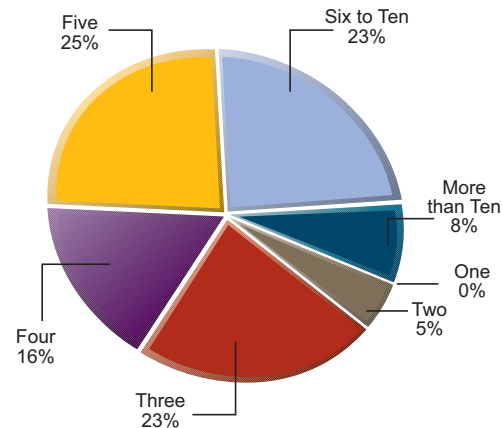
Almost half (46 percent) of organizations do not have a systematic process for identifying and developing candidates for leadership or management positions (i.e., a succession plan).

to fill vacant leader positions. A large majority (78 percent) said that it is still somewhat or very difficult to find qualified candidates (see Figure 7). In the 2001 study, 82 percent of respondents indicated it was somewhat or very difficult; in 1999, the figure was 74 percent. Half (50 percent) of the organizations also indicated that it will become either more difficult or much more difficult to find qualified candidates in the future (see Figure 8).

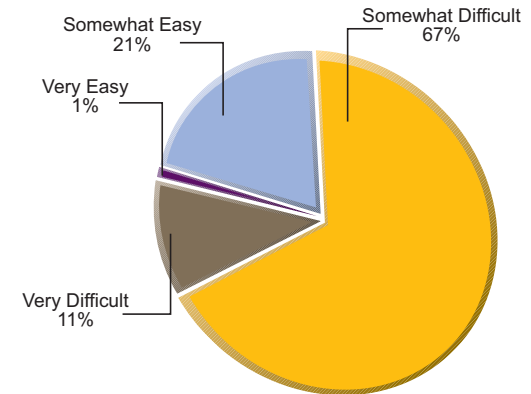
**FINDING 10: Internal sourcing of leadership positions is on the rise.**

Internal sourcing can be quite effective when combined with a well-planned succession management system. The 1999

study showed that most leaders selected internally are successful and stay in their positions. Compared to 2001, organizations are increasing their use of internal sourcing to fill vacant leader positions (see Figure 9). Promoting or identifying leaders from within the organization can yield very desirable outcomes; however, successful internal sourcing usually requires the use of a succession management program. Organizations in which leadership positions are used to reward friends or give favors (i.e., the “good old boy” network) may find that many of their new leaders are unsuccessful. Internal promotions work best when they are based on objective assessment of current performance and future leadership potential.



**FIGURE 6:** Number of Candidates Considered When Filling a Middle Leadership Position

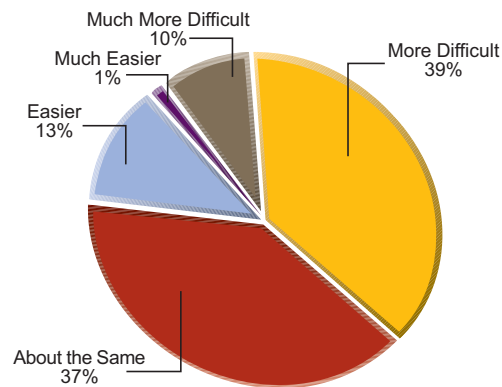


**FIGURE 7:** Difficulty/Ease in Finding Candidates

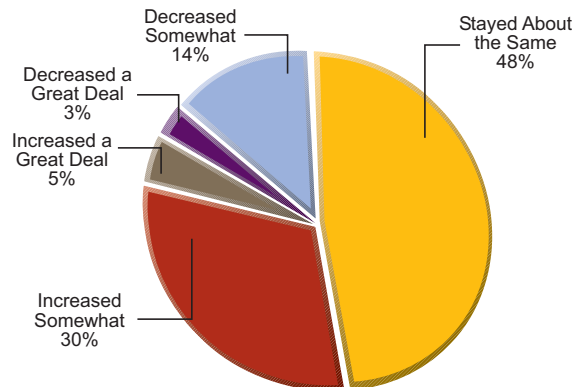
**FINDING 11: Almost half (46 percent) of organizations do not have a systematic process for identifying and developing candidates for leadership or management positions (i.e., a succession plan).**

Even though a good succession management process can increase the chances of leader success, about 46 percent of the organizations do not have a succession plan in place for their leaders. This figure is notably higher than the 2001 study, which indicated that 37 percent of organizations did not have a succession plan. It is unclear why there are fewer organizations with succession plans today. It's possible that the changing economic conditions have led organizations to focus more on cutting costs and improving the bottom line and less on promoting succession planning.

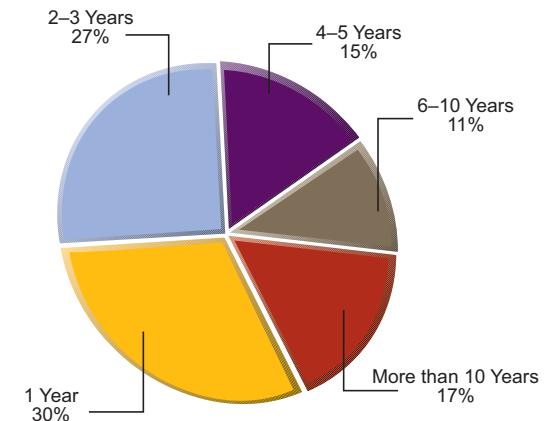
Although most succession management programs appear to be relatively young, existing for an average of 4.5 years (see Figure 10), most organizations are unhappy with their current approach to succession management. The average rating of succession management effectiveness is 4.8 (1 = not at all effective; 10 = extremely effective). The good news is that more than half of the organizations plan to make major changes to their approach within the next two years (see Figure 11).



**FIGURE 8:** Future Difficulty/Ease in Finding Candidates



**FIGURE 9:** Change in Use of Internal Sourcing



**FIGURE 10:** Length of Time Succession System Has Been in Place



## FINDING 12

More than one-third (37 percent) of organizations feel that their ability to identify people early on with leadership potential is a weakness.

## FINDING 13

Half of those who are internally sourced and placed in top management positions fail when there is no succession management system.

## FINDING 14

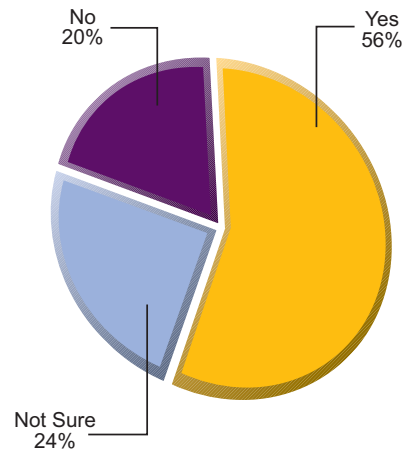
The most effective succession plans have a timeline, are flexible, and take a high-involvement approach.

**FINDING 12:** More than one-third (37 percent) of organizations feel that their ability to identify people early on with leadership potential is a weakness.

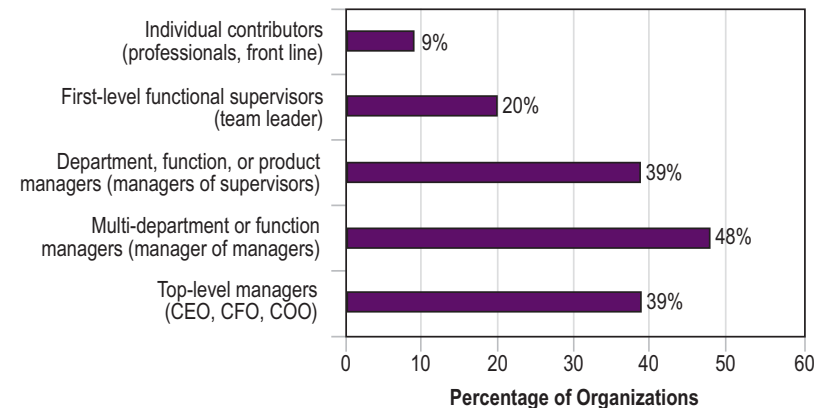
The low frequency of use for succession planning is surprising given that it is difficult for organizations to find qualified candidates. More than one-third of organizations feel that they have a weakness in the area of identifying leadership potential early on. In addition, few organizations cover lower-level positions (e.g., individual contributors, first-level functional supervisors) with a succession plan (see Figure 12). The coverage for leaders overall appears

to be quite low. On average, organizations cover only 35 percent of management and leadership positions with succession plans.

Filling higher-level positions internally will be very challenging if organizations do not know who has leadership potential and who does not. In addition, when organizations do have a succession plan in place, it is far more likely to be used for middle- and senior-level leaders. With leadership talent shortages expected to get worse, organizations should be looking to develop leadership talent at all levels.



**FIGURE 11:** Will You Make Major Changes to Succession Plan in the Next Two Years?



**FIGURE 12:** Organizations with Succession Plans for Specific Leader Levels

**FINDING 13:** Half of those who are internally sourced and placed in top management positions fail when there is no succession management system.

Succession management plans ensure that the individuals filling those leadership positions have the right level of potential and experience for long-term success (i.e., staying in the position and being considered successful). When asked to estimate success rates of top management positions filled internally, organizations with succession management plans had a 70 percent success rate. Organizations without a plan achieved success with only 49 percent of their internal promotions. Internally sourcing without a good succession plan can cost the organization large sums of money, especially when considering costs associated with poor performance and finding replacements.

**FINDING 14:** The most effective succession plans have a timeline, are flexible, and take a high-involvement approach.

Depending on the design, succession management plans may have a number of unique features and characteristics. For this reason, we asked respondents to rate the degree to which different qualities/characteristics describe their organization's approach to succession management.

**Table 5** provides a breakdown of respondent ratings. The characteristics are grouped into four general categories: organizational support, identifying candidates, development process, and other practices.



**TABLE 5: Qualities and characteristics of succession management plans**

<b>Not at All</b>	<b>Some-what</b>	<b>Very Much</b>	
<b>Organizational Support</b>			
9.8	23.9	66.3	Involves the CEO (or most senior leader).
8.5	29.8	61.7	Relies on HR staff to provide functional support and counsel.
7.6	42.4	50.0	Is visibly supported by senior management.
12.1	40.7	47.3	Involves line management to identify and/or develop candidates.
21.5	38.7	39.8	Links to business strategy planning.
17.8	46.7	35.6	Shares ownership/responsibility across all levels of the organization.
29.2	41.6	29.2	Openly shares information (e.g., nomination, performance, standings) with candidates.
<b>Identifying Candidates</b>			
5.5	46.2	48.4	Measures or considers employee career wishes and aspirations.
7.4	45.3	47.4	Uses objective assessment data regarding employees' current performance and readiness/potential.
13.4	43.3	43.3	Lists well-defined requirements and competencies for positions under consideration.
<b>Development Process</b>			
7.8	51.1	41.1	Includes developmental assignments.
8.4	50.5	41.1	Uses formal training programs.
18.1	48.9	33.0	Contains a time frame for achieving planned actions.
22.0	59.3	18.7	Involves a mentoring or coaching program.
28.9	53.3	17.8	Uses university programs.
<b>Other Practices</b>			
17.6	45.1	37.4	Changes in response to changing strategic business plans.
49.4	28.1	22.5	Relies on a computerized system to plan/track progress.
48.3	36.8	14.9	Evaluates/Compensates managers and executives based on their efforts to develop direct reports.

*Note: For the purposes of discussion, percentages in this table do not include the response option "Does Not Apply."*

We then conducted an analysis to determine which system qualities were most strongly correlated with ratings of overall system effectiveness. The following system qualities showed the strongest correlations (range of 0.38 to 0.47)\*:

- > Contains a time frame for achieving planned actions.
- > Changes in response to changing strategic business plans (i.e., adjustable).
- > Openly shares information (e.g., nomination, performance, standings) with candidates involved in succession planning.
- > Is visibly supported by senior management.
- > Involves line management to identify and/or develop candidates.

To be successful, succession management plans need to be outcome driven and dynamic. As with most initiatives, succession programs benefit from a clear timeline for achieving goals. Similarly, succession plans should be responsive to emerging business needs, adjusting momentum as the number of leadership positions changes or as different types of leaders are required. It is also true that succession plans must change over time as the requirements for effective leadership change. New business needs will alter the focus of leadership skill assessment and development.

\*Correlation coefficients have a possible range of -1.0 to 1.0. The closer the correlation coefficient is to 1.0, the stronger the positive relationship between the quality and system effectiveness.

Almost two-thirds of the organizations fail to share information about nomination, performance, and standings with succession plan participants. Communicating this information can engender participants' support and ensure that they understand their roles in the process. With feedback about their performance and standing, participants can better guide their development activities and create realistic expectations for their career paths.

For most succession management plans, the involvement of CEOs and senior leaders is critical for success. Our sample reveals that while this support is common, it is not as strong as it could be. About two-thirds of organizations have strong support for their succession management plans at the most senior levels. Our 1999 study confirms that the most successful succession management systems have strong senior-level support. Senior leaders play the critical role of driving leadership talent development. They must spend their own time mentoring others, scouting talent, and holding others accountable for the development of talent. Additionally, they facilitate the process by freeing up resources and sponsoring unique opportunities for development. In support of senior management, line managers add to the process by monitoring progress, sponsoring activities, and freeing up additional resources.



## FINDING 15

Although satisfaction is still low, leaders have become more satisfied with the quality of leadership development offerings. HR perceptions of quality have remained stable.

## FINDING 16

Funding for leadership development will continue to increase in the future. Most of the increase in funding will go to middle-level leaders first.

## LEADER DEVELOPMENT

**FINDING 15:** Although satisfaction is still low, leaders have become more satisfied with the quality of leadership development offerings. HR perceptions of quality have remained stable.

Slightly more than half (54 percent) of leaders are satisfied with the development opportunities they are offered. This rating is a notable improvement over the 2001 study rating of 41 percent.

HR professionals were asked to rate the overall quality of their organization's current leadership development programs (see Figure 13). While many felt that their programs were of moderate quality (48 percent), the remaining 52 percent were almost equally divided between high- and low-quality ratings. Only 25 percent of programs are meeting with success, but

just as many (27 percent) are floundering and failing to meet leaders' needs. Compared to the 1999 results, the quality of leadership development programs has gotten worse. Probably, the requirements for an effective program have changed and organizations are still trying to find the best solutions. The old methods of leader development are not enough for the leaders of today.

Most leaders value development to the extent to which it helps them reach their goals and perform more effectively on the job. After all, why participate in development if it does not improve your ability to do your job or prepare you for future challenges? Leadership programs will be perceived as more effective if they clearly connect to business objectives and leader goals. The change produced by development activity also needs to have a level of sustainability beyond simple, short-term benefits.

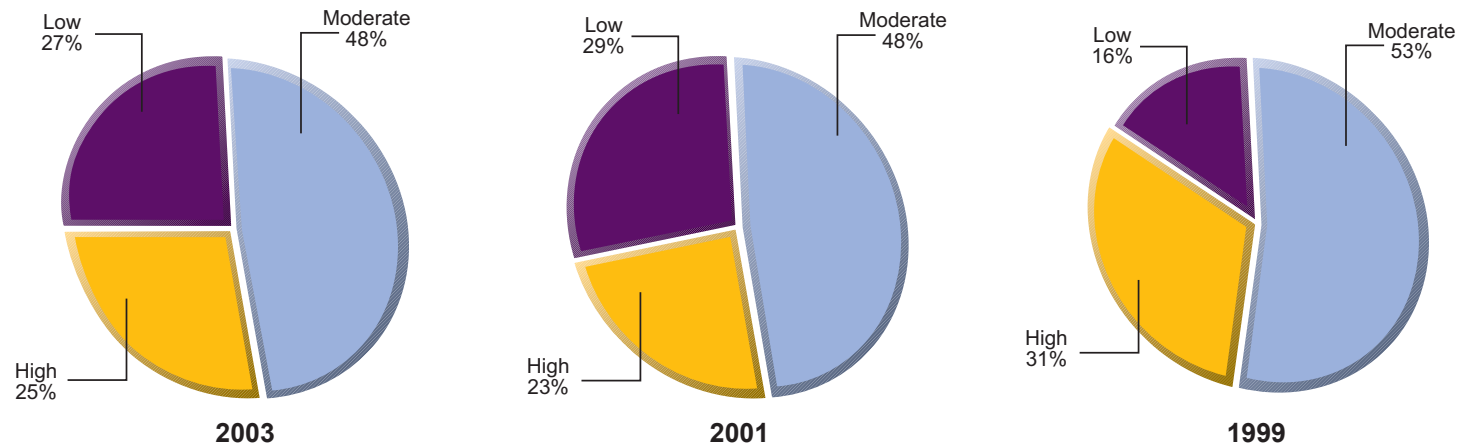


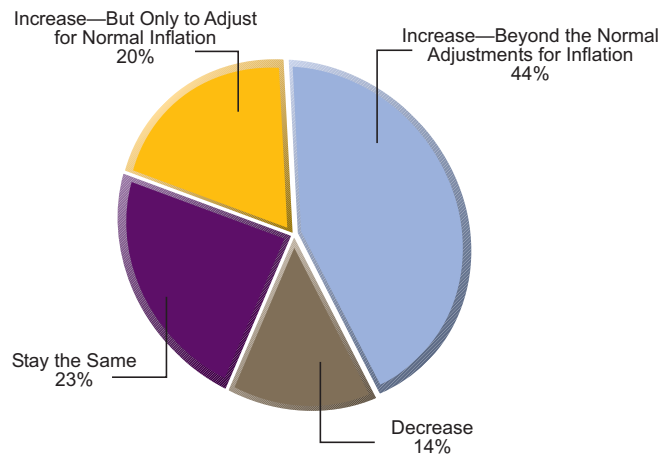
FIGURE 13: HR Perception of Leadership Development Program Quality



In other words, development needs to be positioned as more than a single learning event. It is a systemic process that is intertwined with leaders' daily work and performance goals. Finally, good leader development must have strong management support so that time spent in development is perceived as time well spent. Too many leaders complain that their managers view development as nonproductive time away from the job.

**FINDING 16: Funding for leadership development will continue to increase in the future. Most of the increase in funding will go to middle-level leaders first.**

In the upcoming year, most organizations (63 percent) will increase the amount of money spent on training and development activity for leaders (see Figure 14). For a large proportion (44 percent), this increase will go beyond the adjustments made to cover inflation. Compared to the 2001 study, organizations are investing more money in leadership development.



**FIGURE 14:** Change in Budget Devoted to Leader Recruitment, Selection, and Development

Today, the pattern in funding seems to be increasing. Still, spending is not what it used to be. Since 1999 the total percentage of organizations indicating increased spending has actually been reduced from a high of 84 percent.

When asked where they will spend their leadership development funds, only 26 percent of organizations indicated that all leaders would receive about the same increase in spending. Organizations indicated that middle-level leaders would receive the greatest increase, followed by first-level and senior-level leaders. While organizations recognize that senior leaders are important and are highly visible, leaders at lower levels also have a powerful influence on the success of the organization. The SEE-Level leaders (described in Finding 2) manage the day-to-day operations of the business and often are responsible for what work actually gets done.

## FINDING 17

Most organizations rely on performance appraisal data to establish leader development needs.

## FINDING 18

The most effective leader development programs involve use of special projects or assignments.

### FINDING 17: Most organizations rely on performance appraisal data to establish leader development needs.

Organizations rated the degree to which they rely on six different methods for identifying leader development needs (see Table 6). Clearly, evaluation of performance management data is the most frequently used method (63 percent use it “very much”). The next most commonly used method is group-level training needs analysis (used at

least to some degree by about 80 percent of organizations). While performance review data is valuable, the quality of the assessment is only as good as the quality of the system itself. DDI’s recent 2003 survey of performance management practices indicates that 55 percent of organizations feel that ratings do not reflect actual performance.<sup>2</sup> Thus, some organizations may be misguided in relying heavily on performance data for establishing leader development needs.

TABLE 6: Methods for assessing leader development needs

	Not at All	Somewhat	Very Much	N/A
Performance appraisal data	5.2	31.0	62.9	0.9
Group-level training needs analysis	19.8	51.7	26.7	1.7
Culture survey data	30.4	39.1	26.1	4.3
Personality/Psychological testing and assessment	31.9	37.1	25.9	5.2
360° assessments	33.6	39.7	19.8	6.9
Simulations or role plays (including the assessment center method)	44.8	32.8	14.7	7.8

<sup>2</sup> Bernthal, P.R., Rogers, R.W., & Smith, A.B. (2003). *Managing performance: Building accountability for organizational success*. Pittsburgh, PA: Development Dimensions International.

**FINDING 18: The most effective leader development programs involve use of special projects or assignments.**

HR professionals provided ratings of how frequently they used different leader development programs and their effectiveness (1 = not effective; 4 = very effective). Overall, few of these development activities have changed in frequency when compared to the practices cited in 2001. As Table 7 shows, organizations continue to provide most of their learning resources through

traditional, in-house classroom delivery methods. Special projects or assignments are the second most common method for development. Traditional in-house workshops also are one of the more highly rated programs in terms of effectiveness; however, when examining effectiveness ratings, special projects and assignments are clearly the most valuable. It appears that most leaders learn by doing, and the links between special projects and the workplace provide extra context for the learning experience.



**TABLE 7: Prevalence and effectiveness of leaders' development activities**

	Not Used	Rarely	Moderate	Extensive	Average Effectiveness
In-house formal workshops	0.9	8.7	41.7	48.7	2.85
Special projects or assignments in organization	3.5	22.6	42.6	31.3	3.45
Articles/Books	7.8	32.2	44.3	15.7	2.34
Discussing/Analyzing skills with another person	5.2	33.0	49.6	12.2	2.74
External formal workshops	3.4	32.8	53.4	10.3	2.57
Tests, assessments, or other ratings of skills	12.2	38.3	40.0	9.6	2.54
Participating in community or non-work-related activity	27.2	48.2	19.3	5.3	2.07
Computer-based learning (Internet, CD-ROM, software, self-study courses)	23.5	34.8	37.4	4.3	2.20
Expatriate assignments	47.8	33.9	16.5	1.7	2.27

## FINDING 19

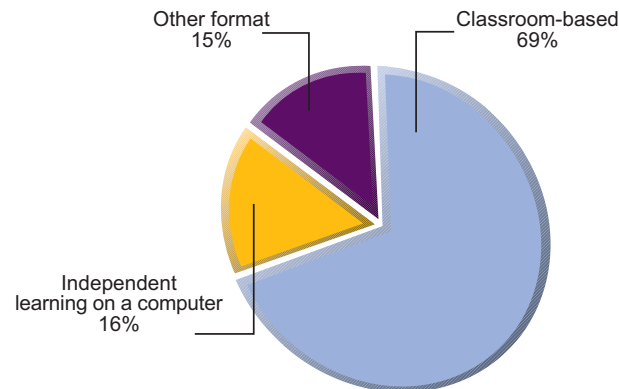
The number of organizations offering Internet- or intranet-based learning options has increased dramatically.

**FINDING 19:** The number of organizations offering Internet- or intranet-based learning options has increased dramatically.

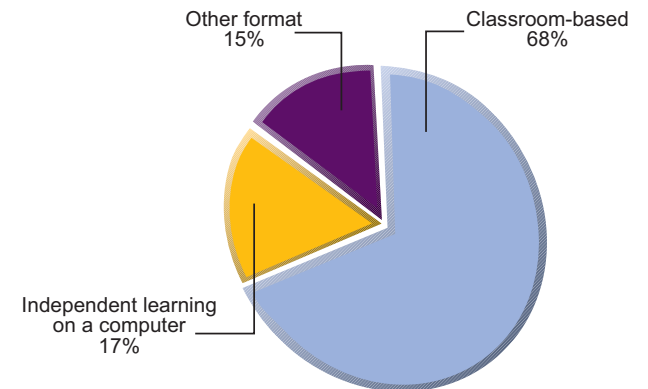
As a function of the technology boom building momentum in the 1990s, many more organizations are offering Internet- or intranet-based learning solutions for leaders. In 2001, only 37 percent of organizations offered online learning. Today, about 59 percent of organizations support online learning in their leadership development initiatives. Unfortunately, with an average effectiveness rating of 2.20 (on a 4-point scale), online learning is one of the lowest-rated methods of leader development. Nevertheless, more leaders are becoming open to the idea of online learning. When asked to indicate how they would prefer to allocate their learning time, more

than half of leaders prefer to learn by relying on methods other than the classroom. This finding is consistent with the high effectiveness ratings for development programs involving special projects and assignments in the organization. Many people learn best through real-life experiences in which they can try out new skills and learn from their mistakes. This finding implies that learning must become better incorporated into the daily responsibilities of work.

While online learning is becoming more appealing to leaders, the percentage of programs delivered in the classroom has remained steady over the past two years (see Figure 15). More organizations offer online learning, but they continue to deliver most of their programs in the classroom.



**FIGURE 15:** 2003: HR's Ratings of the Prevalence of Alternative Learning Delivery Methods



2001: HR's Ratings of the Prevalence of Alternative Learning Delivery Methods

### **INSIGHT: Growth Through Special Projects and Assignments**

*Finding 18 suggests that organizations see great value in special projects and assignments for developing their future senior leaders. And with good reason. Jobs, task force memberships, and other long-term assignments offer opportunities for people to satisfy several development objectives at the same time. Individuals will typically be on an assignment anywhere from two months to two years. Each assignment, therefore, plays a significant role in the individual's development. In making assignments, it is critical to consider several key questions:*

1. *Will the assignment provide one or more challenges that the leader needs to function effectively at the general manager level or above?*
2. *Will the assignment develop one or more competencies needed by the individual?*
3. *Will the assignment provide insights into specific personality traits that might derail the individual's climb to an executive position, or provide an opportunity to practice new behaviors that will keep the leader on track?*
4. *Will the assignment provide experience in different organizational areas (e.g., different product areas)?*
5. *Will the assignment provide a realistic preview of executive life?*
6. *Will the assignment provide exposure to potential long-term mentors, organizational leaders, or other talented professionals who have unique skills or knowledge to share?*
7. *Will the assignment give senior executives a chance to observe the leader?*
8. *Does the assignment fit the individual's personal and family needs?*

*Note: This section is an excerpt from the book *Grow Your Own Leaders* (2000) by William C. Byham, Audrey B. Smith, and Matthew J. Paese (DDI Press, Pittsburgh, PA).*

### **INSIGHT: Making Sure E-Learning Is Used**

*As shown in Finding 19, a growing number of organizations are adopting e-learning to address their leadership development needs. Too often, however, the implementation of an e-learning system is accompanied by a common problem: The system is made available to an organization's leaders, but it is not used.*

*While there are many reasons why this happens, the bottom line is that training dollars spent on underutilized e-learning resources are largely wasted. To ensure usage, an effective e-learning system must be characterized by the following:*

1. **Planning** that establishes a vision, determines objectives, and involves all key constituencies—learners, managers, IT partners, and e-learning providers.
2. **Alignment** with an organization's values and goals. The initiative also must have the visible support of senior management and be effectively and accurately linked to other HR systems, such as performance management or succession management.
3. **Blending and integration**—incorporating multiple options for learners based on their needs, their preferences, and environmental factors. We at DDI have long advocated a blended learning approach (*The Magic is in the Mix*<sup>®</sup>) in which multiple training modalities are utilized for optimal results.
4. **Motivation and support** to hold learners accountable for completing training. Without accountability and support, the training will not happen.
5. **Marketing and communication** to build excitement and enthusiasm among learners. Ongoing marketing and communication are required to keep learners engaged and motivated.
6. **Evaluation and refinement** to determine the system's effectiveness and identify needed improvements and refinements to be incorporated on an ongoing basis.



## FINDING 20

Leaders want the proportion of learning delivered through alternative learning methods to be double current levels.

## FINDING 21

Employees with strong leaders are significantly more productive than associates with weak leaders. In an organization with 10,000 employees, this can equate to more than \$28 million in productivity dollars.

## FINDING 22

Work groups with strong leaders are about 37 percent more likely to outperform other work groups with weak leaders.

One may assume that with more online learning opportunities available, the amount of classroom learning should decrease; however, it may be that the lines between classroom and online delivery are blurring. New emphases on blended learning approaches no longer make the distinction between purely classroom and purely online learning resources. Learners today may attend a classroom session with additional resources available online (e.g., Electronic Performance Support Systems). In other words, online learning strengthens and supports the classroom learning experience without replacing it.

**FINDING 20: Leaders want the proportion of learning delivered through alternative learning methods to be double current levels.**

Traditional classroom-based learning is still the most prevalent delivery method (69 percent) (see Figure 15). But continued reliance on this delivery method is not in keeping with leaders' current preferences. Leaders want traditional learning methods to be used less frequently, and they want much greater availability (57 percent) of non-classroom delivery methods. Although the exact same effect was found in the 2001 study, organizations have not made any progress in this area.

With the rapid growth of technology, more leaders are becoming familiar with online learning and feel comfortable acquiring knowledge and skills in that context. Over the past two years, leaders have become increasingly interested in learning over the Internet/intranet. More than half of leaders surveyed (63 percent) find the idea of learning over the Internet/intranet somewhat or very appealing. In 2001, this percentage was true for only slightly more than half of all leaders (53 percent).

## IMPACT ON THE BOTTOM LINE

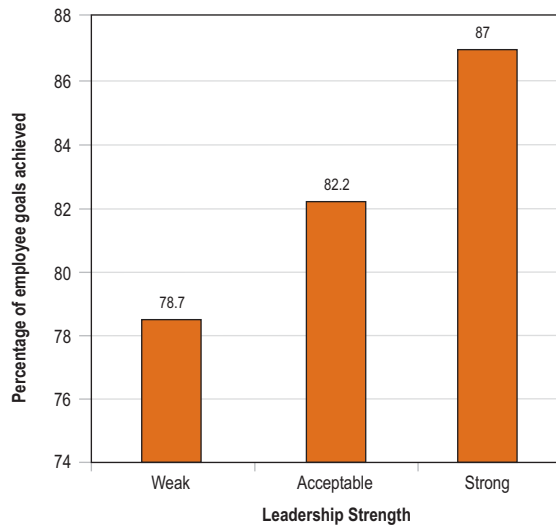
We asked associates to indicate their overall percentage of performance goals they are able to achieve each year (Average = 83 percent; Standard Deviation = 6.6).

Associates also were asked to indicate the performance of their work groups relative to other work groups in the organization. This information was used to determine the relationship between leader strength and individual and group performance.



**FINDING 21:** Employees with strong leaders are significantly more productive than associates with weak leaders. In an organization with 10,000 employees, this can equate to more than \$28 million in productivity dollars.

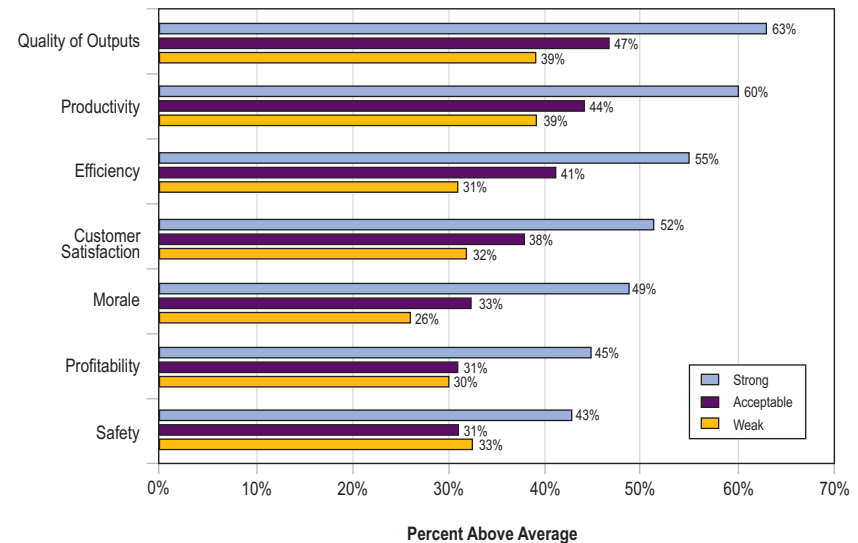
Employees with the strongest leaders outperformed employees with weaker leaders (see Figure 16). In other words, employees were better able to achieve their goals when they worked with strong leaders. When converting this performance into dollar values based on an employee's salary, the difference in productivity can quickly add up. For example, if an employee is paid \$35,000 per year, one percentage point of productivity equals at least \$350. Across multiple employees, a modest improvement in productivity can yield sizeable returns. Leaders play a critical role in guiding and maximizing the outputs of their direct reports. Without strong leaders, employees will not be able to achieve as many of their goals.



**FIGURE 16:** Leader Strength and Employee Performance

**FINDING 22:** Work groups with strong leaders are about 37 percent more likely to outperform other work groups with weak leaders.

In addition to individual productivity, leaders also have a strong impact on work group productivity. Leaders must coordinate work, run meetings, mediate conflicts, remove barriers, and perform many activities associated with the effective functioning of a team. When asked to indicate how their work group compared to other work groups, employees with strong leaders were much more likely to indicate superior performance levels (see Figure 17). Interestingly, work groups with weak versus acceptable leader strength were not strongly differentiated. The real benefits appeared when strong leaders brought their work groups to exceptionally high levels of performance.



**FIGURE 17:** Leader Strength and Work Group Performance

## FINDING 23

Employees with strong leaders are more satisfied, engaged, and loyal than employees with weak leaders.

**FINDING 23:** Employees with strong leaders are more satisfied, engaged, and loyal than employees with weak leaders.

The study also compared non-financial success measures related to the strength of leadership. Employees and work groups can have high productivity and yet still decide to leave the organization. Leaders also must pay attention to the needs and motivations of highly desirable employees to ensure their continued employment. Employees with strong leaders were significantly more satisfied (17 percent higher), engaged (12 percent higher), and loyal (20 percent higher) than those with weak leaders.

## CONCLUSIONS & RECOMMENDATIONS

> **From C to SEE**—Confidence in leadership is not high at any level in the organization. To boost confidence and promote leadership strength, it is going to take decisive action. From the employee's perspective, first-level or (SEE-Level) leaders are the most visible leaders in the organization; first-level leaders carry out the execution of the business strategy. C-level leaders (e.g., CEO, COO) are important, but their importance should not overshadow that of SEE-Level leaders. Development and support of this group is one of the most critical things you can do to promote organizational success.

- > **Help leaders to develop employee talent. It is one of their top priorities!**—The priorities for leaders today are different than they were two or three years ago. Most leaders are focusing their attention on becoming more efficient and developing the talent of their direct reports. This new focus implies that leaders need to develop their own skills for coaching, delegating, and guiding the development of others. Leaders also can create greater accountability for employee success by improving and leveraging their performance management systems.
- > **Use competency models to guide leader development programs**—The skills necessary for leader success are enduring and cover a broad range of knowledge and behavior. In the past four years, there has not been significant change in the skills that leaders identify as most critical for their jobs. If you identify the skills that leaders in your organization need for success, it will provide a foundation for learning and development programs.
- > **It is much harder to be a leader today, and the pressure is building**—Leaders need more support than ever before. Their jobs have become more demanding, and they are under greater pressure to perform. Given the stronger job demands, leaders are much more likely to feel inadequate or unable to perform their jobs effectively. For leaders to feel confident and give their best performance, they need to develop their skills to keep up with their ever-changing jobs. Part of the solution is teaching them how to be better people leaders, thus capitalizing on the support and strengths of others.



- > **Development will make all the difference**—Leaders are more satisfied with their development opportunities; however, there is still much room for progress. Overall ratings of leader development systems are still somewhat low. Ideally, each leader should have an Individual Development Plan (IDP) that provides a customized path for growth based on individual and organizational needs. Components of an effective plan may include activities such as mentoring, training, online learning, and special job assignments. The key is to have a clear goal for development based on a well-defined set of current or future job demands.
- > **Good people are hard to find, so strengthen your selection system**—Even with changes in economic conditions, it is getting harder to find good people. Make sure you do not waste your time using unproven selection methods and risk missing out on the real talent.
- > **Invest in a quality succession plan, and more of your leaders will succeed**—There is a shortage of good leaders, and many organizations are relying on internal promotions to fill vacant positions. But, it is clear that leaders are already having trouble fulfilling the roles that they play in their current positions. Just because you have a method for identifying, developing, and selecting new leaders does not mean it is a good method. The best plans are driven from senior levels and use systematic methods for assessing and developing talent. One of the ways to grow leaders is by creating **Acceleration Pools**<sup>SM</sup>—groups of high-potential candidates assembled from various leadership levels within the organization. Unlike old-style succession management systems, the goal is not to slate pool members for specific positions; instead, the focus is on developing them through training and job experiences to maximize their contributions to the organization at large.
- > **Identify special projects and assignments to develop leaders**—Most people learn by doing. It is no different for leaders. Workshop training can develop critical fundamental skills and ensure a common leadership approach. But leaders need real, on-the-job experience to put those skills into play. If you can create opportunities for leaders to step outside their comfort zones and take on new responsibilities, they will gain invaluable experience.
- > **Blend and diversify learning**—Most leaders are interested in learning through the Internet or intranet. This does not mean that e-learning should replace other forms of learning; rather, it should be viewed as another way of making learning easier to access and acquire. The real magic of different learning approaches is in the mix of delivery methods.
- > **Position leadership development as a business strategy**—Workplace learning and performance professionals must behave like business partners. In other words, they need to show how leader development initiatives contribute to the success of the business. It makes perfect sense to align leader development initiatives with business goals. For example, an organizational focus on growth and expansion implies the use of a strong succession management program to fill new positions. Leadership can make a real impact on the success of organizations, and learning and performance professionals should highlight that relationship in the way they position their programs.

## DEMOGRAPHICS

Country	
PERCENT	
4.2	Australia
0.8	Brazil
5.9	Canada
14.4	Indonesia
0.8	Ireland
0.8	Luxembourg
0.8	Malaysia
4.2	Mexico
13.6	Philippines
2.5	Puerto Rico
1.7	Singapore
0.8	United Arab Emirates
2.5	United Kingdom
46.6	United States

Public or Private	
PERCENT	
44.9	Public
55.1	Private

Number of Employees in the Entire Organization	
PERCENT	NUMBER
1.7	1–10
0.9	11–50
1.7	51–100
0.9	101–200
6.8	201–500
6.8	501–1,000
28.2	1,001–5,000
17.9	5,001–10,000
9.4	10,001–20,000
10.3	20,001–50,000
15.4	51,000 or more



### Business Classification

PERCENT	
0.8	Agriculture/Forestry/Fishing
8.4	Finance/Insurance/Real Estate
5.9	Government
16.8	Health Care
31.1	Manufacturing
2.5	Mining
4.2	Retail Trade
10.9	Services
10.1	Transportation/Communications/Utilities
6.7	Wholesale Trade
2.5	Other

### Approximate Revenue for Your Most Recently Completed Fiscal Year

PERCENT	
15.7	I cannot provide this information
3.5	Less than \$1 million
13.0	\$1 million up to \$50 million
13.9	\$50 million up to \$100 million
13.9	\$100 million up to \$500 million
12.2	\$500 million up to \$1 billion
13.0	\$1 billion up to \$5 billion
5.2	\$5 billion up to \$10 billion
3.5	\$10 billion up to \$25 billion
6.1	\$25 billion or more

## DEFINITIONS OF DERAILERS

Derailers	
None	None of these derailers could be used to describe my immediate supervisor or manager
Impulsive	Doesn't consider the consequences of his/her actions
Concrete	Focuses on things he/she can control, short-term focused, dislikes ambiguous situations
Arrogant	Self-important, self-absorbed, or inconsiderate
Micromanager	Controlling and demanding, high attention to detail
Self-promoting	Demands attention and sometimes takes credit for others' success
Volatile	Moody, touchy, short attention span
Risk Averse	Cautious, indecisive, dislikes change
Defensive	Argumentative, suspicious, resists authority
Imperceptive	Misunderstands others, doesn't know the effect he/she has on others
Approval Dependent	Avoids confrontation, fails to stand up for ideas or other people
Eccentric	Creative, odd, takes unusual approaches

## PARTICIPATING ORGANIZATIONS\*

All Organizations Listed Completed

HR Survey

‡ = Leader Survey

§ = Associate Survey

ACNielsen do Brasil Ltda ‡ §

Advance Auto Parts

Advanced Elastomer Systems

AG Communication Systems ‡ §

Ahold USA

All About Staffing

Allergan Australia Pty Ltd

Anonymous ‡

AstraZeneca Pharmaceuticals  
(Phils.), Inc ‡ §

Bacardi Corporation ‡ §

Ball Corporation

Bank Indonesia ‡ §

Bayer Corporation ‡

Bendix Mintex Pty Ltd

BSI

BT Exact

Canadian National Railway  
Company (CN)

Career Executive Service Board ‡ §

Carpenter Technology Corporation

Centrica Corporation ‡ §

Children's Healthcare of Atlanta ‡ §

Ciba Specialty Chemicals

COBE BCT, Inc.

Corporate Express

Corpro Companies, Inc.

CSA Group

Cummins, S. de R.L. de C.V.

Delta Air Lines, Inc.

DENSO Manufacturing Tennessee ‡ §

Development Dimensions International ‡ §

Drummond Company, Inc.

DSO National Laboratories

DST Output ‡

Edward Keller (Philippines) Inc. ‡ §

Emirates ‡ §

Emory Hospitals

FedEx Express ‡ §

General Motors (GM de Mexico S.  
de R.L. de C.V., GM Silao §,  
GM Toluca ‡ §)

Georgetown University Hospital ‡ §

Gordon Food Service Marketplace

Howard Hughes Medical Institute

i-Contacts (i-CON) Corporation ‡ §

IDS Logistics (Philippines), Inc.

J & P Coats Manila Bay, Inc. ‡ §

JLG Industries, Inc.

LINPAC Materials Handling

Mater Health Services ‡ §

McCoy Workplace Solutions

Mecklenburg County Government

MetLife

MidAmerican Energy Company

Ministry of Energy & Mineral  
Resources ‡ §

Moog Controls Corporation

Musgrave SuperValu ‡ §

Nebraska Public Power District ‡ §

Norton Healthcare

NOVA Chemicals Corporation

ODL

Owens Corning ‡ §

Owensboro-Mercy Health System ‡

Oxford Funding Pty Ltd

Palmetto GBA ‡ §

Parker Hannifin plc ‡

PBB Group Berhad

PEAK6 Investments

Pepsi Bottling Group

PERTAMINA ‡ §

Perum Bulog ‡ §

Petron Corporation

Philip Morris USA Inc.

Philippine Daily Inquirer, Inc.  
Philips Semiconductors Calamba ‡  
Pitney Bowes ‡ §  
PLDT Company §  
PT Antam Tbk ‡ §  
PT Badak NGL ‡ §  
PT Bank Central Asia Tbk ‡ §  
PT Bank Lippo, Tbk. ‡ §  
PT Bank Negara Indonesia (Persero) Tbk ‡ §  
PT Bentoel Prima ‡ §  
PT Dixa Medica ‡ §  
PT Indofarma (Persero) Tbk ‡ §  
PT Pfizer Indonesia ‡ §  
PT Pindad  
PT Pos Indonesia (Persero) ‡ §  
PT United Tractors Tbk §

Queensland Rail (QR) ‡  
Qwest Communications ‡ §  
Renal Care Group  
Road Commission for Oakland County  
Roche Diagnostics Puerto Rico ‡ §  
Rustan's Commercial Corporation ‡ §  
Sachs Boge México, S.A. de C.V. ‡ §  
Saint-Gobain Abrasives — Construction  
Product Division  
Sanofi-Synthelabo Philippines, Inc. ‡ §  
Singapore Management University ‡ §  
Sodexo Healthcare Services  
Soho Group of Companies ‡ §  
St. Luke's Medical Center ‡ §  
TeleTech ‡ §  
Texas Children's Hospital IDS ‡ §

The Marketplace Capabilities Group Inc.  
The Scarborough Hospital  
T-Mobile USA  
UCI Medical Center ‡ §  
UCLA Healthcare  
University HealthSystem Consortium  
University Medical Center  
University of Colorado Hospital  
University of Michigan Health System  
University of Pennsylvania Health System  
University of Texas Medical Branch  
Vanderbilt University  
Vision Express Philippines Inc. ‡ §  
West Park Healthcare Centre  
YMCA of Greater Rochester ‡  
York County Hospital ‡



\* When completing the HR survey, each respondent was asked to type the full name of the organization he or she represented. In publishing the list of participating organizations, DDI cannot assume responsibility for errors in spelling or other errors in the information provided by these individuals.

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## ABOUT DDI.

Since 1970 Development Dimensions International has worked with some of the world's most successful organizations to achieve superior business results by building engaged, high-performing workforces.

We excel in two major areas. Designing and implementing selection systems that enable you to hire better people faster. And identifying and developing exceptional leadership talent crucial to creating a workforce that drives sustained success.

What sets DDI apart is realization. We focus on the needs of our clients and have a passion for their success.

The outcome? You bring the best people on board, who get up to speed faster, contribute more and stay longer—giving you the ultimate competitive advantage.



POWERING  
SELECTION  
SUCCESS



DEVELOPING  
EXTRAORDINARY  
LEADERS



UNLEASHING  
EXECUTIVE  
TALENT

