Why most leadership development no longer works

And how 3 small changes can guarantee greater ROI

MODAL

Scott Erskine & Ed Benier

There's a problem ...

Companies all over the world are investing in learning and development every year to the tune of over $336 Billion globally, with very little to show for it. For the most part, the learning does not lead to better organisational outcomes, and although training is critical, there is, and continues to be a big disparity between the amount invested in learning and the outcomes it promises to deliver.

People development doesn't work.

Still, senior executives and their HR teams continue to pour money into training, year after year, in an effort to trigger organisational change. But what they actually need is a new way of thinking about learning and development.

We have spent over 20 years working with leadership, teams and organisations all over the country to deliver programs that meet and exceed outcomes. And what we have found is a number of patterns within the traditional learning and development approach that simply don't work.

Which isn't to say that they never worked, rather that the complex business world we exist in now calls for more advanced leaders, dynamic teams and learning experiences that are tangible and relative to create effective behavioural change. Something that most learning and development lacks.

The first of these patterns is the emergence of "team building activities" over high-performing team development. Organisations recognising the need to create effective teams, but confusing development with "bonding activities" that leave 60% of teams disbanded within a year.

The second pattern is the continued focus on the hero leader, and leadership development curriculums that still nurture individual skills over skills that enable leaders to lead effective teams.

And **lastly** is the absence of collaborative teams and the continued existence of organisational team silos – that work against each other to deliver organisational goals.

Focusing on these three things (building leadership capability, enhancing team effectiveness and breaking down team silos) can radically transform the outcomes of your learning and development and we are going to explore how.

1

A comprehensive approach to high-performing teams

High-performing teams instead of "team building"

The Problem

Collaborative human endeavours have developed from our earliest cave-man beginnings. Drawing on the different experiences and expertise across different roles has allowed for higher performance as a group, when compared to individual pursuits.

Although we are centuries away from our cave-person existence, we continue to live in a VUCA (Volatile, Uncertain, Complex and Ambiguous) world where the underlying principles of collaboration and cooperation for higher performance are essential.

For many, many years, businesses put pressure on individuals alone to perform, but as the world gets more complex, those same businesses have since discovered that the traditional models of operational functioning (based on mechanistic structures and hierarchical chains of command) are no longer delivering the outcomes and results required for success.

To be effective in this world, individuals require a high degree of collaboration, influencing skills and strong, resilient relationships.

In the last decade, a teams approach to work has become more and more prevalent. Beginning as the work of early adopters and innovators only, effective team development supported select organizations to take their business further than competitors through innovation, problem solving and productivity.

But as time went on, team development became less of a hidden weapon for select organisations, and more of a staple activity for senior leaders and HR departments. Soon it was barely the laggards that had not implemented some form of 'team building'.

Having said that there are still so many organisations that continued (and continue) to thrive despite the volatility and ambiguity of 2020.

Those companies have managed to move beyond "team building" to more impactful team development solutions.
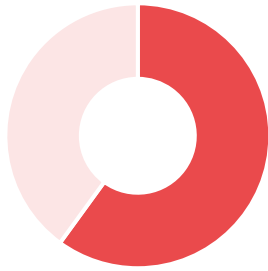
60% of teams fail. A key reason is lack of development.
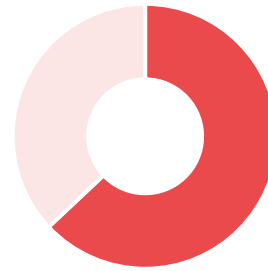
37% of teams are short-term (together less than one year)

Teams and our need for them

Socialising and working with others are at the very heart of our human experience. Human advancement can be explained as a journey to how people have congregated and worked together in groups to survive, explore, and develop to achieve extraordinary feats. It would be a cynical view of progress today not to admire what we have accomplished and continue to accomplish when working together. Additionally, being in a group is also considered essential to our mental fulfilment, as well as our physical and social wellbeing. In short working in teams is good for our long-term health.

Now more than ever, our social systems are in flux, moving from predictable simple connections to complex intertwined networks. Some describe this as living on the edge of chaos. In simple systems the cause-effect relationships are obvious and easily known.

However, in complex or chaotic zones the cause-and-effect relationships become unpredictable and it's no longer useful to think in logical terms, meaning that rational planning and problem-solving are no longer appropriate.

The complex problems of today and more so in the future, will require collective efforts to create new solutions and ideas that may be beyond the scope of any one individual.

Also, organisational design has been reshaped by a myriad of factors, including globalisation, a VUCA environment, and greater connectivity. Most work today is achieved through team effort, capitalising on the strengths of its membership. While teamwork can lead to innovative ideas and strong performance, it can also be stressful.

Though some pressure is necessary to advance performance, pushing a team too hard can cause a variety of problems, such as poor execution, low productivity, and high turnover. Harvard University Professor Richard Hackman studied teams throughout his career but has openly acknowledged that many teams simply do not work (Hackman 1998).

However, organisations persist with teams because of the potential that they hold. **When they do work, they can "achieve a level of synergy and agility that never could be preprogramed by organisation planners or enforced by external managers".**
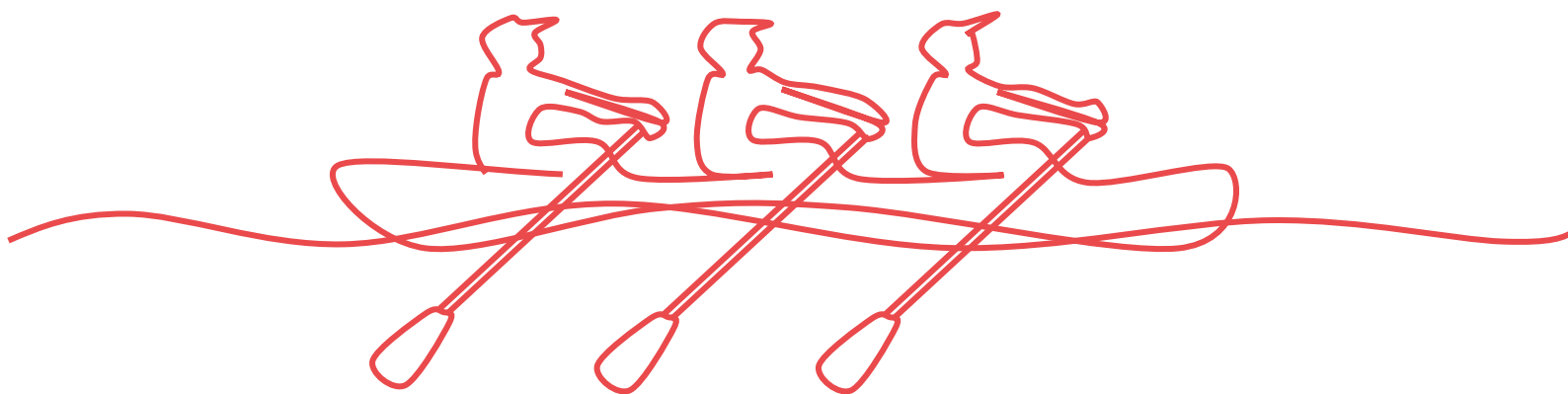
The Solution

The idea of specialised 'teams' within an organisation is no longer the innovative, or even leading weapon that it was to organisations many years ago. Diluted over time, and lacking in effectiveness, "team building" has become such common practice for organisations all over the world that many are starting to question the ROI all together.

But as we have already proven – the need for teams is still integral. The potential performance of a high performing team is unquestionable. The difference between individual output and team output is overwhelming.

As businesses strive to stay agile in this rapidly changing environment, teams are becoming ever-more dynamic in their structure, and functioning. Specifically, project or temporary teams, working-groups, committees, multiple-team membership, and team restructuring are all becoming increasingly common. Therefore, team development needs to become more than enforced attendance at the dreaded half-day team-building event.

We firmly believe that intact teams will better achieve high performance through a more comprehensive team development approach. Although socially fun team activities are beneficial in several ways, significant and sustained performance improvement requires development through several critical phases each with specific elements essential for high performance.

This is achieved through a three-step approach: Foundations, fronting and function.

Foundations, fronting and function.

The three ingredients in an effective team-development approach.

Foundations

The first phase we describe as the *foundations* which includes the leader's leadership approach, team principles of behaviour and team processes.

Fronting

The second phase involves developing team members Emotional Intelligence to have them *fronting* as their 'best-self'.

Function

Lastly, the members synergise their efforts, capitalising on their strengths to *function* as a high performing team delivering agreed goals.
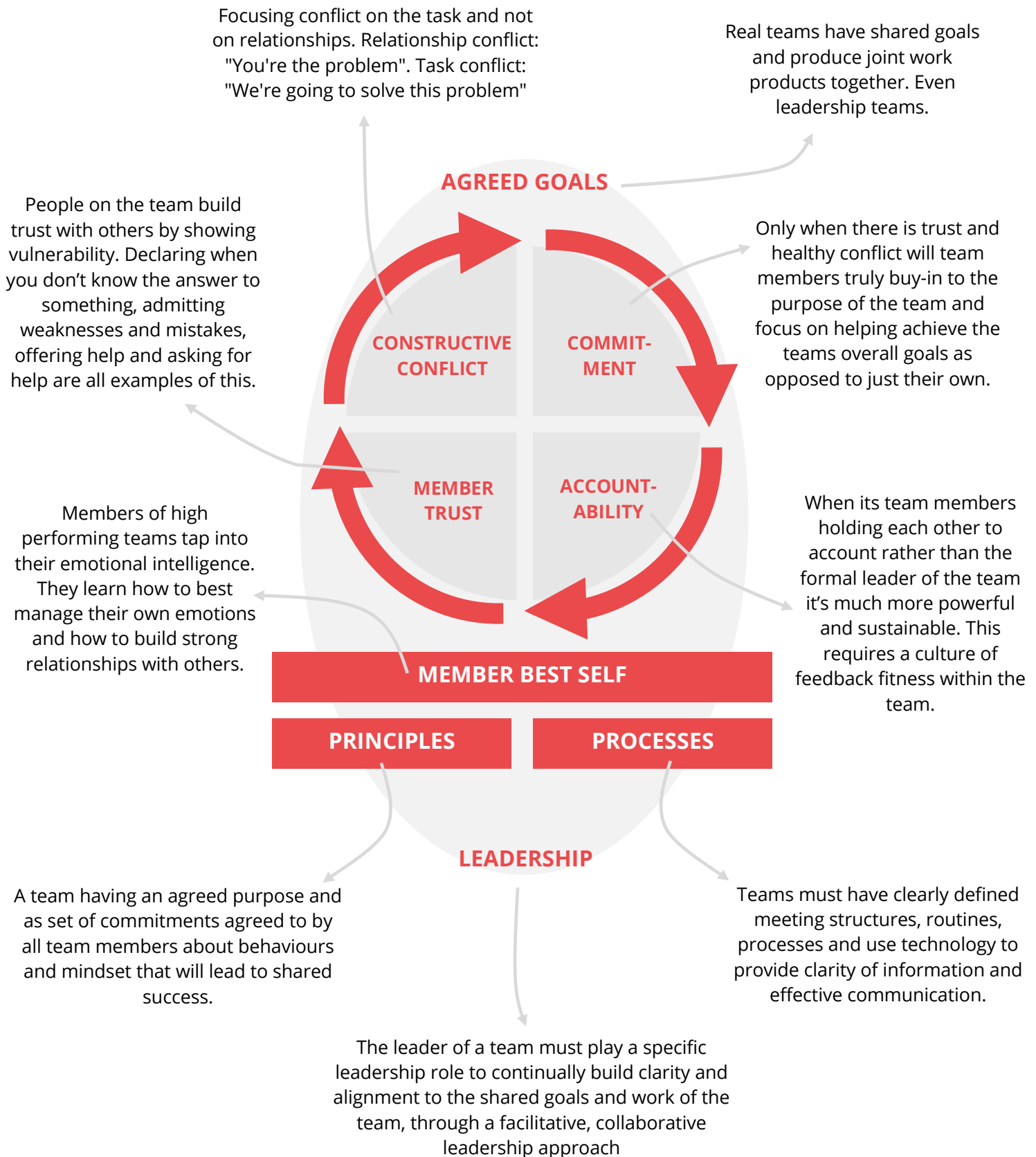
The learning and progression through these phases often require multiple sessions with reinforcement, coaching, and definitely testing and application back in the workplace.

Through improved team Emotional Intelligence (EQ), team alignment and integration of activities, organisations have the opportunity to build true, high-performing teams that can not only deliver their individual goals flawlessly from within their silo but can integrate effectively with other teams to collectively value-add in their endeavours to achieving organisational goals.

What does a high-performing team look like?

MODAL's high performing team model has several key elements that are necessary for high performing teams.

Focusing conflict on the task and not on relationships. Relationship conflict: "You're the problem". Task conflict: "We're going to solve this problem"

Real teams have shared goals and produce joint work products together. Even leadership teams.

People on the team build trust with others by showing vulnerability. Declaring when you don't know the answer to something, admitting weaknesses and mistakes, offering help and asking for help are all examples of this.

Only when there is trust and healthy conflict will team members truly buy-in to the purpose of the team and focus on helping achieve the teams overall goals as opposed to just their own.

AGREED GOALS

CONSTRUCTIVE CONFLICT

COMMIT-MENT

MEMBER TRUST

ACCOUNT-ABILITY

MEMBER BEST SELF

PRINCIPLES

PROCESSES

LEADERSHIP

Members of high performing teams tap into their emotional intelligence. They learn how to best manage their own emotions and how to build strong relationships with others.

When its team members holding each other to account rather than the formal leader of the team it's much more powerful and sustainable. This requires a culture of feedback fitness within the team.

A team having an agreed purpose and as set of commitments agreed to by all team members about behaviours and mindset that will lead to shared success.

Teams must have clearly defined meeting structures, routines, processes and use technology to provide clarity of information and effective communication.

The leader of a team must play a specific leadership role to continually build clarity and alignment to the shared goals and work of the team, through a facilitative, collaborative leadership approach

Ask yourself...

Are your teams sustainable, resilient and delivering on their goals?

Do your team building efforts seem more like fun games than considered, targeted development initiatives?

Is your team performing at a consistent high level to deliver goals effectively and efficiently?

2

Eliminate the Hero Leader mentality

And develop your leaders to lead effective teams

"We have relied on hero's for far too long, perhaps because it's such an enticing promise.

Somewhere there is someone who will fix everything.
Somewhere there is the perfect leader who will lead us out of this mess.

Somewhere, there is someone who is visionary, charismatic and brilliant and we will happily follow him or her. Somewhere.

Well, it's time for all the heroes to go home.

It is time for us to give up these hopes and expectations, that only serve to make people dependant and passive.

It is time to face the truth of our situation.

We are all in this together.

Let's figure out how to engage the hearts and minds of everyone and get on with the work to do it."

— Margaret Wheatley and Deborah Frieze (Walk Out, Walk On)

The Problem

Traditional leadership, and the skills and knowledge that are still being taught to leaders around the world are no longer enough to motivate, empower and get the most out of the numerous teams that are enabling organisations to thrive.

We have already proven that teams are becoming essential for businesses to stay agile and thrive in rapidly changing environments, but despite this, leadership development practices still celebrate the individual (or the hero leader) and seldom equip them to effectively lead and prioritise the leading of teams.

Statistics on teamwork in the workplace show that employees who are encouraged to work in teams deliver 19% higher sales and a 7% increase in customer engagement. (Gallup)

This singular focus is still evident in how organisations and workflow continue to be designed. A mechanistic organisational structure has the leader at the top of the hierarchical pyramid overseeing and controlling activities and information flow. Individuals are tasked with independent activities that deliver the leaders requirements. The resulting mindset is that, developing better leaders will deliver better outcomes.

Despite millions being spent on leadership development globally, the investment return is marginal when correlated to organisational impact. Neither leadership development per se, or old-style team building have lived up to the performance hype professed by many L&D practitioners.
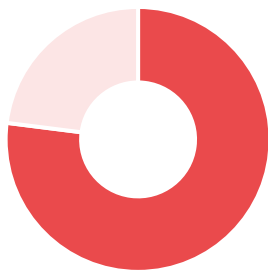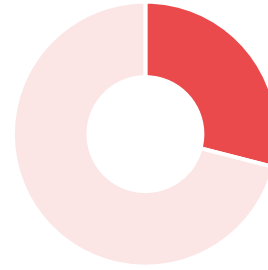
77% of organizations say they are experiencing a leadership gap
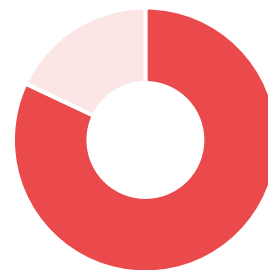
82% of leaders say their current leaders are "not effective" at meeting business goals
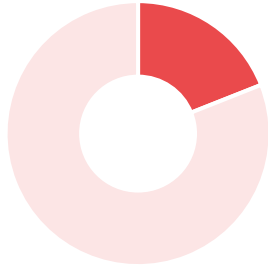
Only 19% of organisations say they are "very effective" at developing their leaders

71% of organisations say their leaders are ready to lead their business into the future

What is the hero leader?

Rooted somewhere deep in society is our search for – and aspiration to become – hero leaders. The ones that step in to lead a team towards victory and save the company from declining profits or unfavourable performance.

And time and time again, organisations search for this individual, and hire this individual to command-and-control a company strategy that rescues the organisation right on time.

Such was the case for Rob. He was hired to rescue a company who had just lost their most profitable contract (slashing over half a billion dollars in revenue from the business), 1/3 of their employees and half the senior leadership team.

Morale was very low and almost everyone was expecting the company to exit the market within a few years.

For most leaders this would be a daunting challenge that involved driving significant cost savings and a complete overhaul of the organisation structure from the front-line workers through to the leadership team.

But Rob recognised the only way to turn everything around was not by being the hero.

His strategy was simple – set clear goals, a new vision and support the teams within the organisation to work towards them, using their collective momentum to drive towards success. This meant breaking down silo's, fast. He recognised that not only did the senior leadership team need to be high performing, but that each of the departments in his organisation needed to be integrated in terms of their thinking, planning and delivery.   He prioritised and focused on developing everyone else's skills, knowledge, and behaviours to take them to a level whereabouts each team could independently, but cohesively, deliver a unified strategy that could turn the entire company around.

And it worked.

In just over 12 months, the organisation delivered four-times increase in projected profit. Safety improved considerably, morale is at an all-time high and company leaders and managers are more engaged and impacting on overall business performance than ever.

The Solution

Leadership development needs to shift to empower leaders to lead effective teams and move from developing individual leader knowledge and skills and focus on developing 'leaders of teams'. This is the only way that they will succeed.

Organisations are becoming increasingly complex – the hero leader can no longer succeed on their own, the same way that organisations cannot succeed as a group of individuals. They need the skills to be able to lead effective teams to truly harness the power of teams to drive outcomes.

Leadership capability needs to move beyond individual performance and competencies and development must be designed with a broader focus and additional skills that support team and organisational performance.

Programs designed in developing 'Leaders of Teams' in our minds moves the focus then to team performance and organisational outcomes, rather than individual competencies. The leader is measured against team performance and is only as good as the team. The leader's primary role converts to solely improving team performance. There are too many highly qualified leaders with underperforming teams in business today.

Furthermore, today's leaders must also be skilled in driving cross-functional collaboration, as well as alignment and integration of multiple teams.

This requires a willingness to relinquish decision-making control and move from the traditional team leader pedestal and becoming the team guide and direction checker. The team leader's primary role is elevated to be a member of a team of 'team leaders'.

Old Way

Hierarchal leadership

Execution of strategy from the top down

Transactional leadership

Developing individual skills and competencies

New Way

Focus on improving team performance

Measured against team performance

Playing the role of connector

Teaching skills to other

Drive cross-functional collaboration

Ask yourself...

Is your leadership development investment delivering a return on your bottom line?

How successful are your teams? And how effective are your leaders at leading those teams?

When you recruit, are you subconsciously searching for a 'hero leader'.

3

Breaking down team and functional silos

Furthering team development through alignment and integration

The Problem

We know that organisations operate as a conglomerate of many teams, large and small, often competing for resources, but each having a role in delivering results. When teams are developed in isolation or in a piecemeal fashion what normally results is a phenomenon we call - "High Performing Silos". Team that are great at delivering individual results, but normally in some manner to the detriment of other team's performance.

Consider a major initiative like a complex product launch where diverse teams of highly educated people need to come together to get the job done. These teams operate effectively alone, but may need to come together urgently or virtually, collaborating online or over long distances.

Each team may be effective in delivering their own goals and may operate as a 'true team'.

But coming together to work on a company-wide project may be a disaster. Like a group of cogs designed to drive a machine, except the cogs themselves don't fit together.

"High-performing-silos" are teams of employees, grouped by function or project that all operate separately from each other without cross-collaboration. Teams take strict ownership and control over particular areas of the company, but seldom leverage collaboration.

People & Culture

Marketing & Sales

ITC

Finance

Maintenance

Ops

HSE
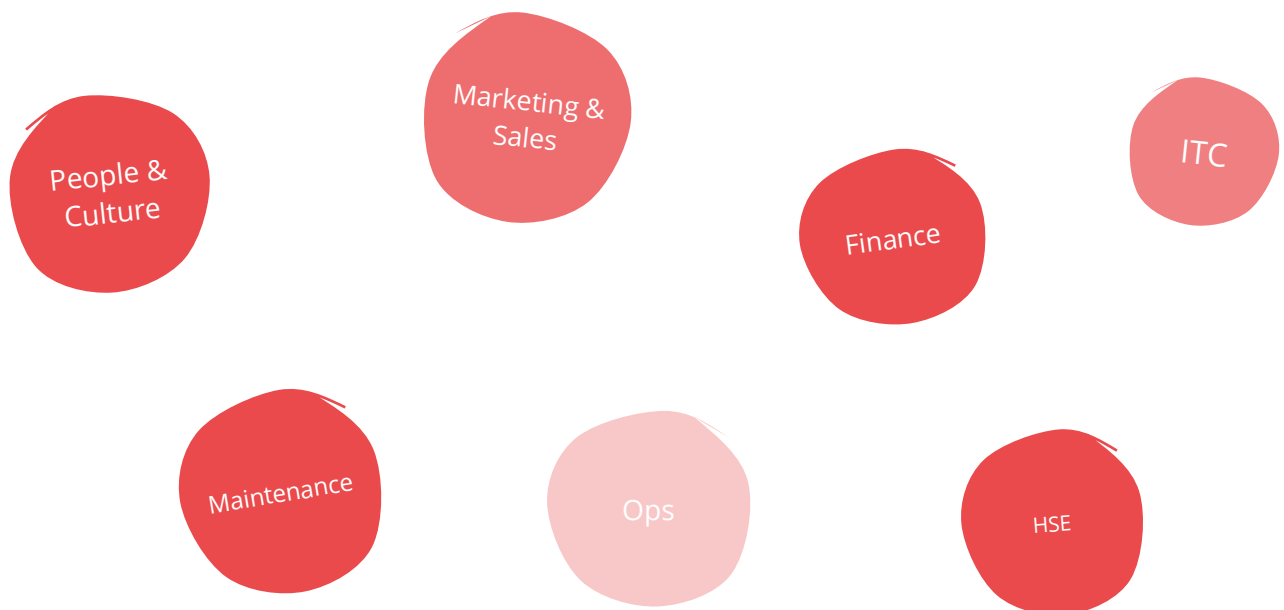
While this may not be a significant problem a lot of the time, rigid separation allows each team to have their own goals and agendas.

Teams are often less likely to share knowledge, to learn from each other, to shift workloads flexibly to break up unexpected bottlenecks, to help one another complete jobs and meet deadlines, and to share resources—in other words, to collaborate.

They are even less likely to say that they "sink or swim" together, want one another to succeed, or view their goals as compatible than individuals coming together.
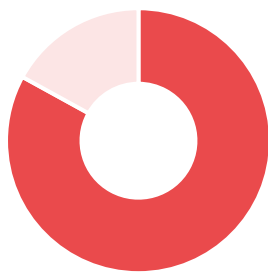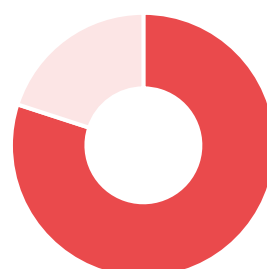
83 % of executives said that silos exist in their companies
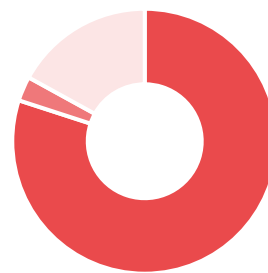
Of those, almost all of them (97%) think that they have a negative effect on the company.

40% of companies say different departments having their own agendas interferes with supporting the customer experience

Almost 80% of senior executives report that effective coordination across product, functional, and geographic lines is crucial to growth.

Without teams working towards any shared goals or initiatives, alignment becomes impossible to come by.

The Solution

For you to break down your "high-performing-silos" and deliver high value to the whole organisation, we need to expand team development from a solely inward look at your own team, to a wider understanding of how your team interacts with the other teams as cogs in the organisation.

Professor Peter Hawkins (2020) stated,

> *To move from an outdated mechanistic concept of teams, we need to find concepts and models rooted in systemic and organismic ways of seeing the world; approaches built on collaboration and co-adaptability, rather than competition and sub-optimisation of parts of the larger system.*

Many of the same ingredients that go into bringing individuals together, apply to bringing teams together – just on a much more complex scale. Things like collaboration, transparency, trust, shared goals and values and alignment of metrics.

System of teams:
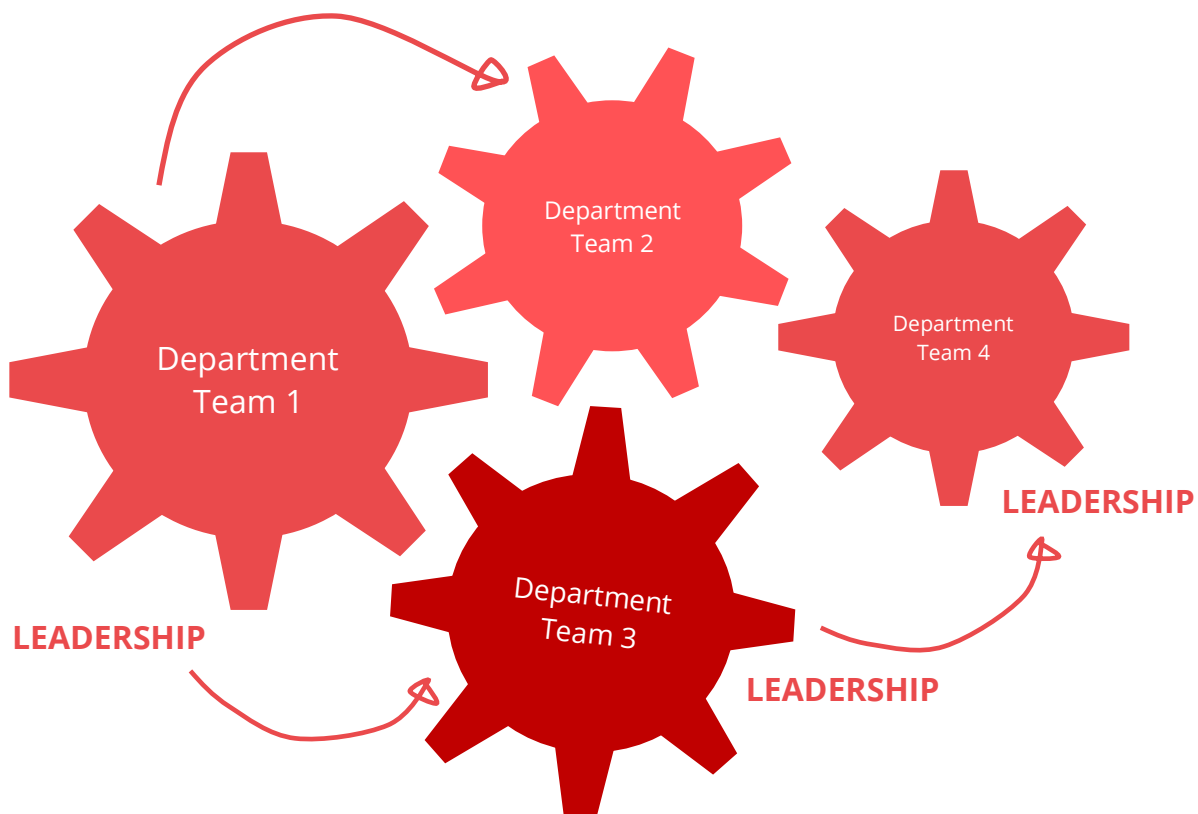
By applying a collaborative – cooperative team developmental approach allows teams to better understand each other's needs to achieve best performance. Teams are able to assist each other in the development process.

Once consistent best-performance is achieved across teams, where competition is all but eliminated, this then allows for value-add joint team efforts to deliver enhanced organisational goals. We like to describe this as *Team EQ* - Emotional Intelligence at the collective team level and is defined by the level of empathy and skilled working relationship between each team.

This furthering of team development includes:
-   developing multiple teams in unison, including raising their EQ,
-   creating learning opportunities across teams,
-   ensuring teams are change agile and adjust together,
-   enabling cross collaboration and information sharing,
-   establishing alignment to organisational goals, and
-   integration of team efforts and activities where possible.

Ask yourself...

Are your functional teams operating collectively effectively?

Are your teams aware of the goals, processes and responsibilities of other teams within the organisation?

Are there behaviours and habits in place for cross collaboration?

Bonus: Team Leader activity

If you want to start taking a few steps towards a collaborative team environment without team silos, consider the below activity that can be taken by your department lead teams.

Team leaders:

- Identify another department in your organisation that you either rely on or that rely on you.
- Invite the key leader(s) to a collaboration session that begins with a short trust building exercise
- Together, gain clarity on:
    - Shared Goals
    - Conflicting Priorities
- Identify one opportunity to work together either formally and informally such as:
    - Shared projects
    - Joint tasks
    - Workplace improvement initiative
    - Information sharing mechanisms
    - Informal coffee catchup
- Reconvene within 30 days to share feedback, further ideas and progress the process.

Need a facilitator for this? Call MODAL today.

MODAL's High-Impact Integrated Teams approach

Find out how to completely transform your people development with MODAL

MODAL's Approach

The idea of a 'team' within an organisation is no longer the innovative, or even leading weapon that it was to organisations many years ago. Diluted over time, and lacking in effectiveness, "team building" has become such common practice for organisations all over the world that many are starting to question the ROI all together.

But as we have already proven – the need for teams is still integral. The potential performance of a high performing team is unquestionable. The difference between individual output and team output is overwhelming.

We just need a new formula for it.

MODAL has spent decades working with teams all over the country to take them from a group of individuals through to a collective group that smashes their goals. But as the world has pivoted and become more complex, and as we experience more volatility and more competition than ever before we have identified the need for a new breed of teams: High-impact integrated teams.

These teams are high performing. They don't buckle under change or manipulation. They are self-organising, effective and aligned to one another all the time. They weren't formed through "team bonding" activities, they were developed over time with the support of an effective leader and a crafted development strategy.

And most importantly, they are integrated with other teams. Useless are high-performing team silos to an organisation. To be able to reach goals and drive performance, integrated teams are absolutely essential, and they represent the next horizon of innovation for organisations around the world.

Explore what a typical development pathway look likes on the following page.

MODAL's Recommended Development Pathway

This is MODAL's recommended development pathway for success; however, we acknowledge that every organisation is unique, and we would work with you to design a process that mirrors your individual requirements.

Leader Development Workshops

Moving from hero leadership to facilitative leadership is the first step towards high-performing integrated teams; empowering your leaders to be the leader of the team and enable the integration of teams.

High Impact Team Development Workshops

Developing the team to improve performance so they deliver upon team goals effectively and efficiently. A level of high-performance and maturity is necessary before beginning any integration activities.

Integrated Team Development Workshops

Cross functional collaboration between teams is essential to deliver greater value to the organisation and its customers.

✓ Organisational Culture
✓ Staff engagement and retention
✓ Profitability
✓ Safety Reputation
✓ Productivity

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