



# Closing the Leadership Gap

Leadership continues to be an increasing concern among HR and business leaders around the world. In the latest Deloitte Global Human Capital Trends Report 2016: The new organisation, different by design, they stated; “the leadership challenge is urgent and growing in importance.” The survey results from 7,096 companies globally rated leadership development as a ‘very important’ issue at 89% (up from 87 percent in 2015). Nearly a third of respondents reported a ‘weak’ to ‘very weak’ pipeline of quality of leadership.

When you compare year-on-year results, the gap on leadership has continually widened with only 6% of companies feeling fully ready to address their leadership issues. So, with leadership continually being cited as a key priority year-on-year, actually addressing it is getting harder to achieve and so.....the gap keeps widening.

Furthermore, when you narrow the scope for a moment and concentrate on just Australia alone the leadership issue is no different; in fact it is far more pressing! As illustrated in figure 1 (page 2), of the 114 Australian companies that participated in the Deloitte survey they ranked ‘leadership’ as the highest in importance to

address at 94% compared to any other countries response, that is 5% above the world average.

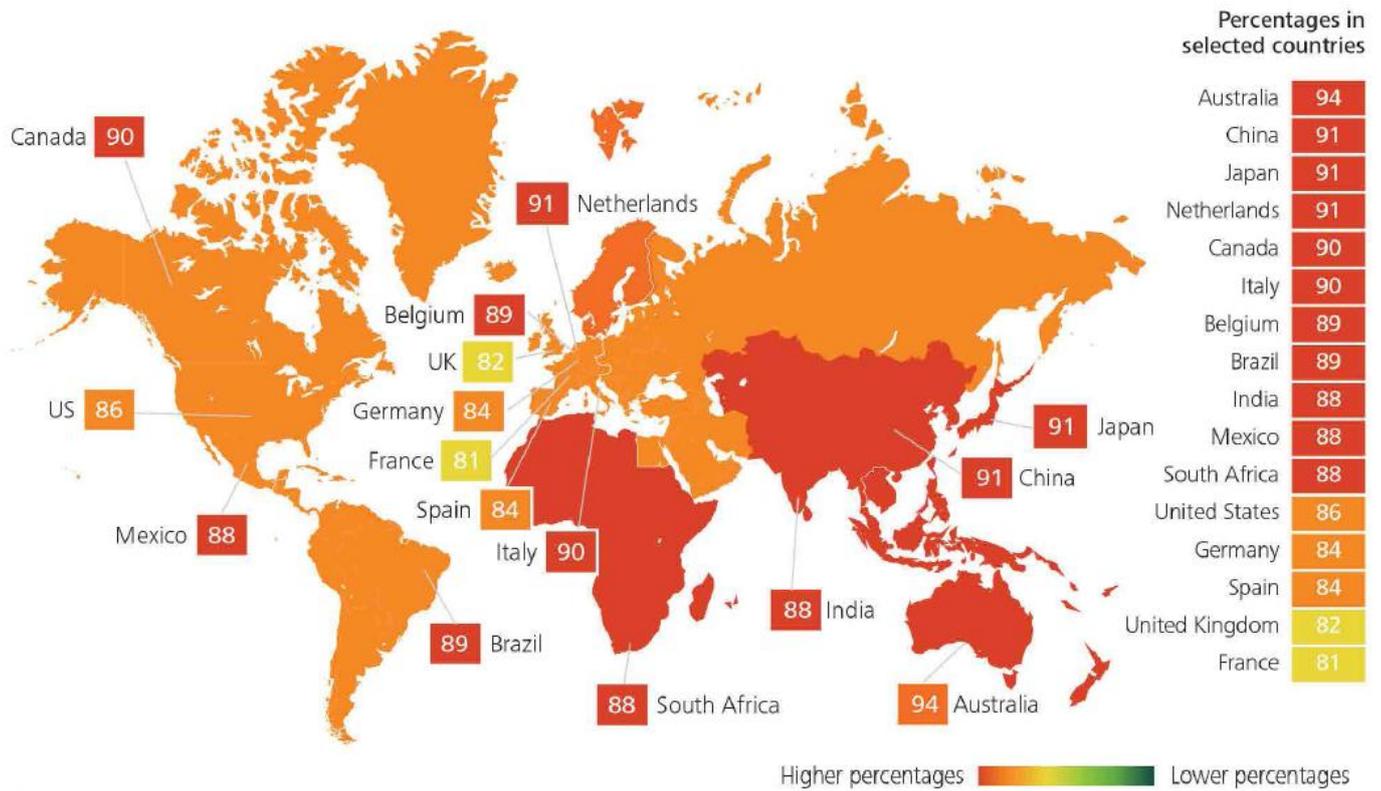
What we are seeing now is how the profile for a modern leader is now far more complex and rapidly evolving. Organisations are realising the need to develop fundamental leadership capabilities and behaviours that is representative of what they want their companies to become. These capabilities and behaviours include; the ability to collaborate across boundaries, conceptualise and create new solutions, motivate diverse teams, and develop the next generation of diverse and global leaders just to name a few.

---

*In total, our five year leadership research program, has identified 20 specific key drivers that are proven leading indicators to developing the modern 21<sup>st</sup> century leader.*

---

**Figure 1. Leadership: Percentage of respondents rating this trend “important” or “very important”**



**Percentages by region:**



Graphic: Deloitte University Press | DUPress.com

To move forward and address this growing issue organisations need to refocus on leadership as a whole and this includes all levels of leadership and future leaders as well. Organisations need to explore new approaches to leadership development to close the gap because existing approaches are simply not delivering what is expected and necessary in the modern world. Too many leadership programs are just outdated! According to O’Leonard and Krider (2015) companies spent nearly \$31B on leadership programs globally (a 10% increase on the year before). Yet, only 24% of the leaders that participated believed it was valuable in developing them. Perhaps it is less about spending more and more about spending smarter?

In a workforce that is multi-generational and in an environment continually disrupted by technological advancements, improving such a large variety of leadership requires genuine analytics to pinpoint the capabilities and behaviours to develop — all with a

structured and scientific evidence-based foundation for leadership priorities, programs and investments.

**Organisations are now challenged to search for analytical tools and systems that can measure and validate specific leadership capabilities and behaviours required for their evolving business with pin point and real-time accuracy.**

Knowing where to start can often be the first hurdle, so we can suggest the following steps;

- I. **It’s time to review your existing leadership development strategy:** Ask yourself; ‘is your current leadership strategy delivering the impact, results, leadership pipeline, and calibre of leaders the business needs now and in the future?’
- II. **Develop leadership programs based on scientific evidence, data, and analytics:** Insights from data can help organizations identify the DNA of your

successful leaders. Rigorous analysis and evidence should inform every step of the leadership development process, including development, coaching, and career progression. Leadership programs should be evaluated by their impact—their ability to strengthen leaders and the results they deliver—and rapidly move beyond the ageing approach of many of today's programs.

III. **Invest Wisely:** Simply spending more money on leadership programs is unlikely to be enough. To deliver a superior return on investment, leadership spending must be far more focused on and targeted at what works. Leading companies both spend more and spend more wisely, with a focus on evidence and results.

Some quick tips on proper implementation include;

- The CEO needs to commit and own leadership development in the organisation
- Development needs to be connected and aligned to the organisations vision and strategy
- All leaders and managers should be included in the development program

- Invest in leadership development in good and tough times
- Develop a framework for development and coaching
- Tailor leadership programs to each individual leader to maximise results
- Invest in tools that provide on-the-job development because evidence shows this method returns the greatest investment

Leadership development is an increasing issue for organisations around the world. Ignoring the issue is only going to see the gap widen and organisations are going to face tougher pressures to address it as times gone on. Organisations need to think about new approaches to solve it so that they are able to face a future that is rapidly depending on mobilising a full workforce to be more productive otherwise they risk becoming obsolete.

We have the latest insights and research built alongside the University of Wollongong and Harvard University that can help you move into the 21<sup>st</sup> century, you just need to call us.

**The future is coming you just need to be prepared for it!**

---

## ABOUT 3D

**For more information call  
us on;**

**+61 2 8520 2046**

3D is an advisory and technology firm specialising in people, leadership and culture. Our research and technology platform is founded on the scientific principles of applied behavioural science and positive psychology for the purpose to increase a company's effectiveness, performance and health to achieve its strategic goals through its people.

You can follow us on twitter; @3DBizDiag