

research results

Leadership Development

Purpose

DDI conducted a study of clients across various industries regarding the bottom-line impact of leadership development systems. This study assessed the performance of DDI programs and interventions versus other interventions that had previously been used by the organizations. Also, the study provided insights into changes in key organizational outcomes, their dollar value, and the degree to which these positive changes can be attributed to DDI leadership systems.

Research

Method

Upper-level managers provided information for the study on behalf of their respective organizations. The types of leadership development systems, which varied across organizations, included training and development for managers at all levels, as well as leader assessment tools and 360-degree feedback interventions. Responding organizations have been using one or more of DDI's leadership development programs for an average of 5 years, with nearly 30 percent using these programs for 7 years or more. An average of 70 percent of the eligible leaders in

these organizations have participated in DDI's leadership programs.

Respondents were asked to compare the impact of previous (non-DDI) leadership development practices to their current DDI approach. In addition, they described the impact of the DDI-based system and attributed a monetary value to the changes.

Return on Investment (ROI)

Respondents were asked to describe positive changes seen in the organization since beginning to use DDI's leadership development programs (see Observed Improvements). They then estimated the dollar value of those changes in the past fiscal year and estimated the degree to which DDI programs impacted that figure.

Twenty percent of the respondents reported that positive changes were worth between \$500,000 and \$1,000,000 to their organizations in the most recent fiscal year. An additional 40 percent reported a return between \$50,000 and \$200,000. On average, organizations reported that more than 50 percent of these positive changes were directly attributable to DDI leadership programs, and 20 percent of respondents reported that 100 percent of these changes were attributable to the DDI leadership programs.

To learn more, call your local DDI office or contact:

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Toll-free Canada... 800.668.7971	Australia..... 61.2.9466.0300	Germany 49.2159.91680	E-mailinfo@ddiworld.com
Toll-free U.S. 800.933.4463	Greater China 852.2526.1188	New Zealand ... 64.9.377.6742	Webwww.ddiworld.com

Impact on Business Results

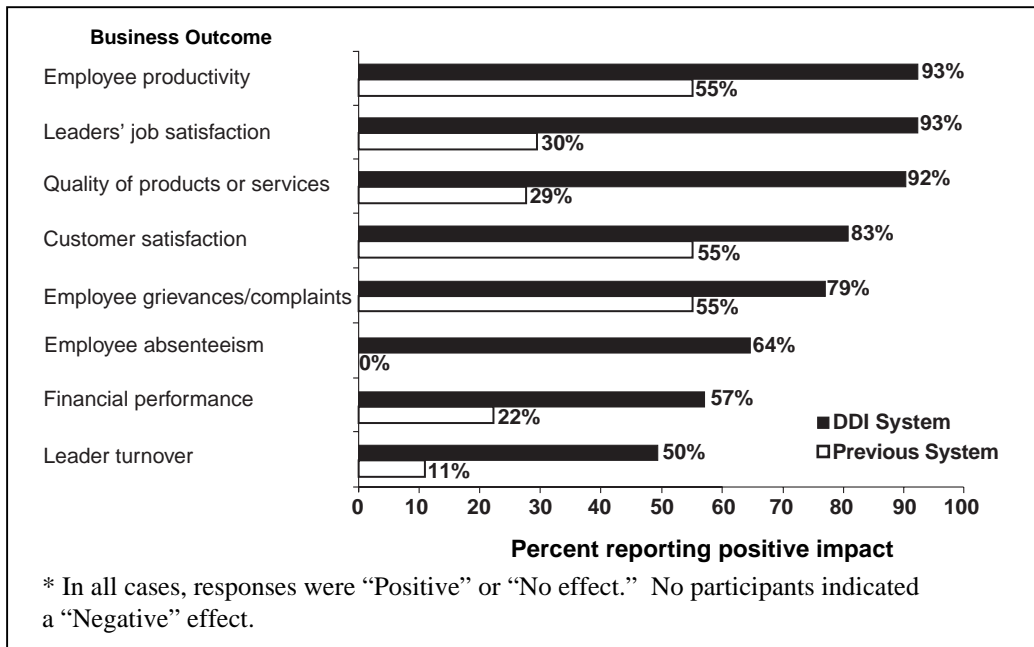
Participants were asked to indicate the level of impact that DDI leadership development programs have had on several business outcomes. As seen in Figure 1, more than 90 percent of the responding organizations reported that using DDI leadership programs had a positive impact on employee productivity, leader job satisfaction, and quality of products and services. Additionally, more than 75 percent reported a positive impact on customer satisfaction and reduction in employee grievances and complaints. In each of the outcomes measured, a significant increase in the number of organizations

reporting positive impact due to leader development systems was observed after moving from a previous system to a DDI system—as much as 64 percent (employee absenteeism).

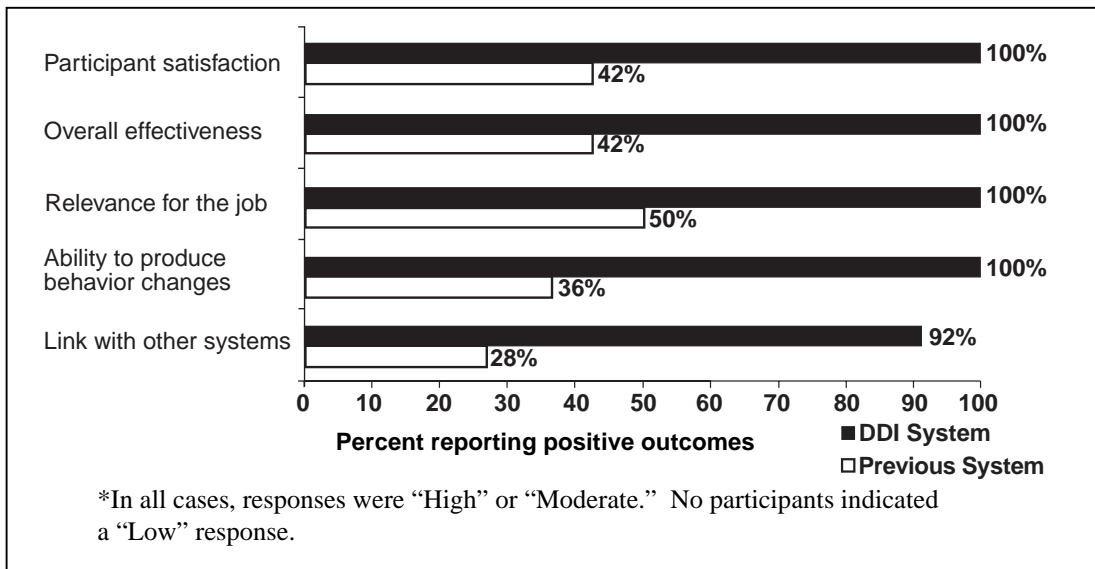
System Outcomes

As Figure 2 clearly illustrates, organizations have experienced positive outcomes from the use of DDI leadership development systems. Again, significant improvements are reported when compared to similar systems previously used at these organizations.

**–Figure 1–
Percent Organizations Reporting a Positive Impact* on Business Results**



**-Figure 2-
Percent Organizations Experiencing Moderately or Highly Positive* Outcomes**

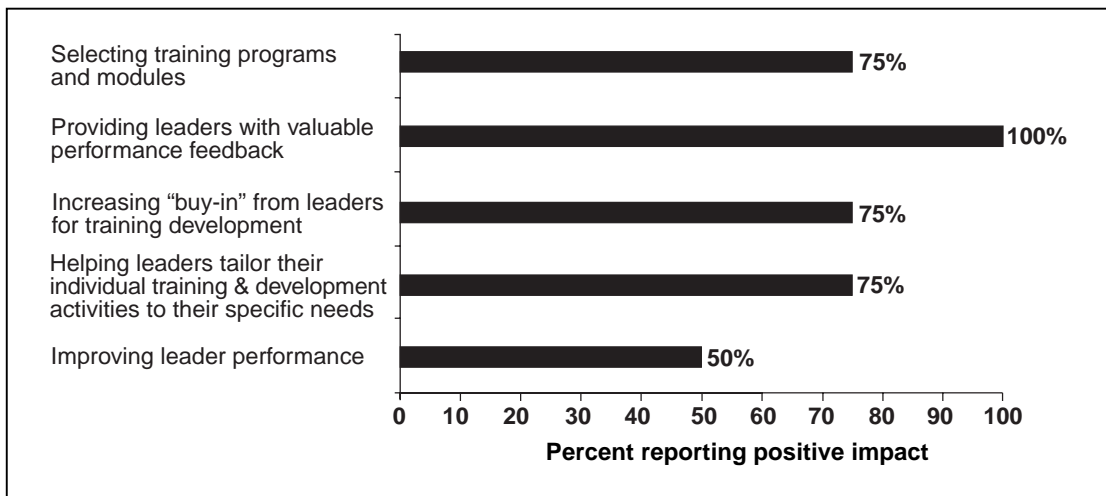


The following are observed improvements since beginning to use DDI leadership development programs:

- “Some line supervisors have been more effective at dealing with performance and/or work habit problems—at coaching for success.” (Director of Staff Development)
- “Leaders and managers are more likely to build positive working relationships with those who report to them.” (Senior Management Development Training Specialist)
- “People have a higher understanding of what ‘collaborative’ really means. People understand the benefits of involvement to solve problems and make more decisions.” (Regional Training Manager)
- “Linking to non-leadership DDI training is fantastic; everyone talks the same language. Role modeling—walking the talk.” (Supervisor of Organization Development & Training)
- “Leaders are more focused on behaviors.” (Manager of Human Resources)
- “Improvement in supervisors’ ability to manage performance.” (Training Specialist)
- “Increase in employee satisfaction and perception of training.” (Corporate Director of Training)
- “More positive feeling towards skill development among supervisors.” (Training Director)

-Figure 3-

Percent Organizations Reporting Positive Impact from Use of Multi-Rater Tools



Enhancing Leader Development with Multirater Tools

Respondents also provided information about their organization’s use of multirater (e.g., 360-degree) assessment and feedback tools as part of their leadership development system. Although not all responding organizations reported using such tools, those who did so had great success in their application.

Organizations reported, on average, that 30 percent of the improvement in leader performance (following training and development activities) can be attributed to the use of multirater assessment and feedback; one organization reported that 70 percent of its leaders’ performance improvements could be attributed to the use of multirater tools.

Conclusions

DDI leadership development systems have clearly had a positive impact on the organizations participating in this study. These organizations have experienced significant increases in the quality of their leadership development system and its associated outcomes. Participants are more satisfied, and the system is more relevant, effective, and capable of producing behavior change. Finally, these organizations have clearly benefited from the use of multirater tools and other enhancements to their leadership development system.

These programs have had a direct impact on numerous business results, resulting in significant increases over the use of previous systems and measurable dollar value returns on development investment.

Client Insights

Following is a sampling of responses from clients to the question: **“What have you found to be the most effective way to increase the value or impact of leadership training?”**

- “We have associated ‘behaviors’ or ‘dimensions’ with not only hiring practices, but with performance appraisal and reward systems.”
- “Linking training to strategic organizational initiatives; measuring performance against training objectives; having true ‘sponsorship’ of leadership development initiatives.”
- “Tie it to established, known objectives and the [performance] review process.”
- “Allow managers/supervisors to develop their own ‘Learning Plan’ annually based on needs addressed in performance reviews and their own personal needs.”
- “Follow-up meetings; provide feedback continually.”
- “Systematic way of reinforcing the new skills and incorporating the behavioral expectations into the performance appraisal instrument.”

Participants

COMED
Corning, Inc.
Great American Knitting Mills
Harris Corporation - NSS
Hyatt Hotels Corporation
Insteel Wire Products
Laboratory Corporation of America
New Hanover Regional Medical Center
Precision Printing & Packaging
Qualex, Inc.
SAFECO Companies
Wachovia Corporation of North Carolina
Wake County Human Services