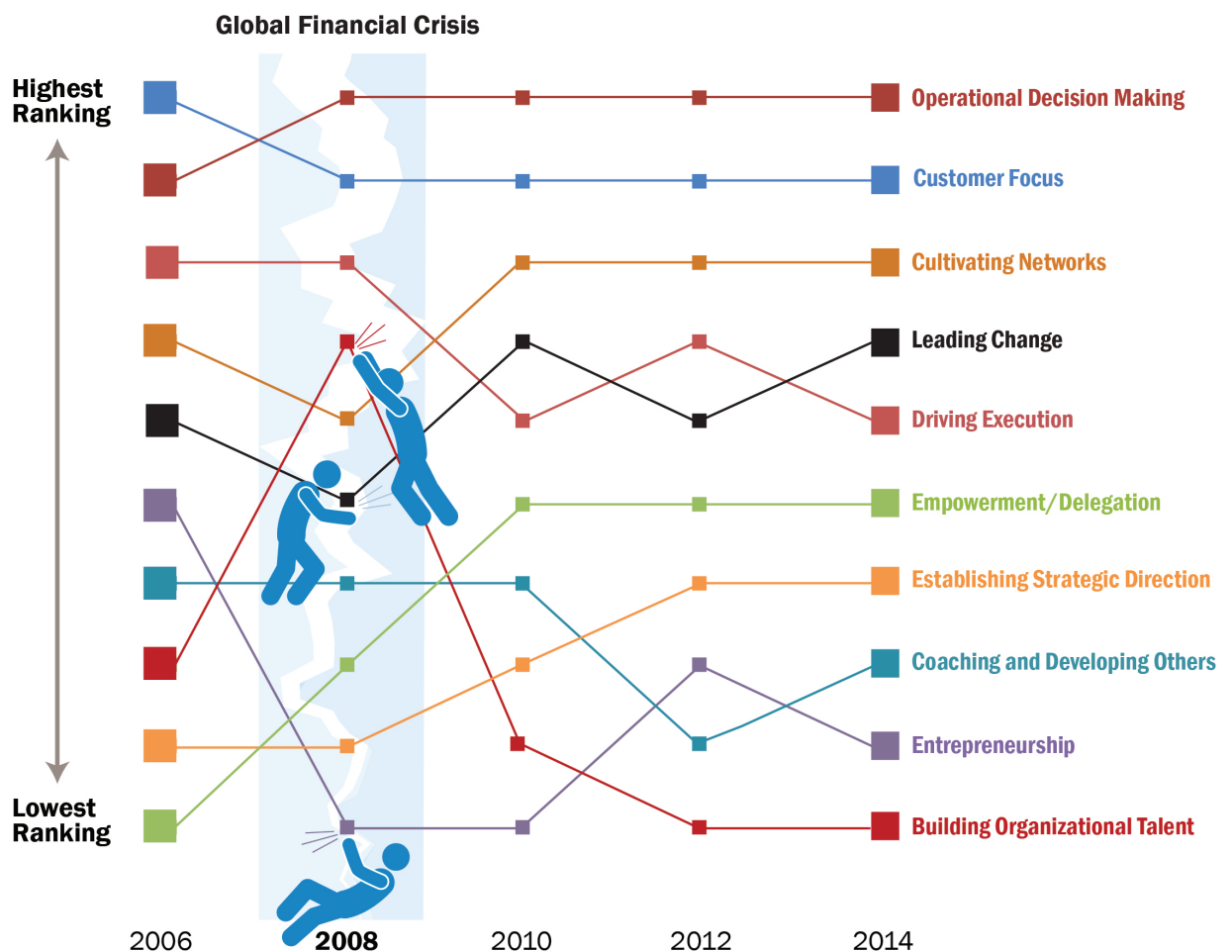


# Leader Skill Shake-Up

## Critical Consequences of the Shifts Over Time



Leader Skills Ranked by Average Skill Level, 2006 to 2014



# The Long View on Changes in the Face of Leadership

A leader's skills are a blend of what the person brings to the position, as vetted by hiring and promotion processes, and how he or she has developed in the role. However, the leaders in our study operate within a much broader economic context that defines key challenges and constraints and should not be ignored in any view of leader skill.

Our data spanned the global financial crisis (GFC) to gain a unique perspective on how leader skills have shifted alongside economic pressures. How ready are leaders to meet today's business challenges while they foster the next generation of talent to fill their shoes and drive their organization's resurgence in the marketplace?

## [ EVIDENCE ]

We ranked leaders' skills based on their average assessment scores at five points: 2006, 2008, 2010, 2012, and 2014. (see "Leader Skills Ranked" graphic). Five trends became clear from this view of leader skills over time:

- + The immense turmoil from the GFC (late 2007 to mid 2009) dramatically reshuffled leader skills, as shown by the many crossing lines between 2008 to 2010—more than in any other two-year period.
- + Two hallmarks of leader strength remained very consistent: their skills in operational decision making and customer focus.
- + Leaders increased their skills and priority for taking personal accountability by leading change and establishing strategic direction, while they became more adept and involved others via empowerment and delegation. Each skill trended upward.
- + Concerning, however, is that skills in the sustained, long-term aspects of leadership actually slipped. Driving execution, coaching, and building organizational talent all slid in average leader strength from 2006 to 2014.
- + From 2006 to 2014, leaders were better able to work with others to respond to major changes in the business environment by cultivating networks and leading change; however, they were less willing or able to take personal risks through entrepreneurship.

As businesses have adapted to a new economic reality, so too have their leaders, becoming stronger at doing more with less. However, this likely has come at the expense of talent growth and risk taking.



## Action

- .01 Restore the focus lost during the GFC on building organizational talent to avoid the perilous state of a bench of unprepared in-house leaders, which can lead to expensive external hiring or risk-fraught promotions.
- .02 Counteract the growing tendency of pushing decision making to lower levels without pairing it with high-quality coaching. Leaders have become better at making delegation assignments, but their ability to coach others for success has slipped.
- .03 Take advantage of improved skills in networking and leading change by designing developmental assignments focused on either partnerships or launching new initiatives.
- .04 Reinvigorate entrepreneurial skills by fostering both the ability of, and opportunity for, leaders to take risks (if viewed as essential to the organization's health and growth).
- .05 Consider shifting talent programs away from operational decision making and customer focus because these skills have stabilized. Though not the right approach in all cases, temporarily reorienting toward lower-ranked skills might be warranted.