



Center for  
Creative  
Leadership

NORTH AMERICA EUROPE ASIA

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# Understanding the Leadership Gap

## A Quantitative Analysis of Leadership Effectiveness

# Acknowledgements

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## Research Partners

- Singapore Economic Development Board
- Merrill Lynch
- Tata Management Training Center
- Tata Institute of Social Sciences
- Companies participating in this survey

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# The Study in Eight Key Findings

1. Leaders from the East and West *strongly agree* on which skills are essential for effective leadership in today's ever-changing business environment.
2. Leaders consider people skills – leading employees, strategic planning, inspiring commitment, and leading the organization skills – managing change, resourcefulness, and being a quick learner, followed by doing whatever it takes most important now and in the future.
3. Leaders think about effective leadership similarly regardless of their county, industry, or organizational level.
4. Leaders lack the skills they need to be effective. This research surfaced a surprising challenge – the presence of a skills gap. Leaders in both the East and West report an overwhelming lack of preparedness.

# The Study in Eight Key Findings

5. Leaders in India and the Information Technology sector consider themselves to be least prepared.
6. A universal leadership gap exists. Leaders from the East and West report 'shortfalls' between the required leadership capacity and the forecasted leadership capacity.
7. Though they are considered critical for effective leadership, translating vision into realistic business strategies, managing change, and encouraging employees to develop in their career are perceived to be the weakest skills – biggest leadership gaps - across the leadership bench.
8. Good news. Leaders do not see critical challenges to their careers or development. Derailment is not a cause for concern.

# About this Report

- This report is organized around the answers to four questions which address perceptions of leadership effectiveness. Results are presented overall, by country, by industry, and by organizational level.
- At the heart of these questions is the identification of areas where there is a deficit between current capacity and needed capacity – leadership gaps.
- We used the answers to these questions to suggest specific strategies to improve bench strength.
- We begin by reporting profiles of the managers who completed the survey.

# Study Questions and Report Structure

- 1. Success Profile**  
What leadership skills and perspectives are critical for success?
- 2. Leadership Strength**  
How strong is the leadership in these critical skills and perspectives?
- 3. The Leadership Gap**  
How aligned is leadership strength with what is considered important?
- 4. Potential Challenges**  
What factors lead to potential derailment of leaders?

**Who is included in this research?**





# Respondent Profile



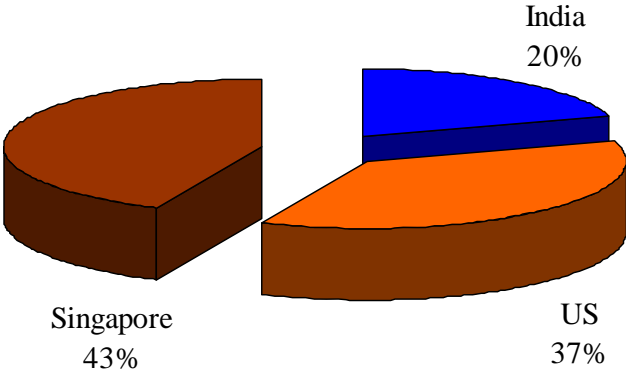
3	Countries
4	Critical Questions
15	organizations
442	India managers
805	U.S. managers
953	Singapore managers
808	IT managers
1392	Finance managers
2200	Total managers

# Respondent Profile

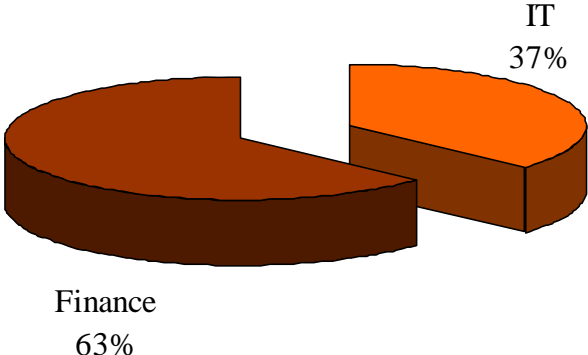
- The graphs below present salient facts about the leaders who responded to the survey.
- We were able to capture data from a broad range of organizational levels, countries, and had enough data in IT and Financial services organizations to conduct detailed analyses.
- This report focuses on broad findings. Please refer to your organizational report for your specific details.

# Respondent Profile

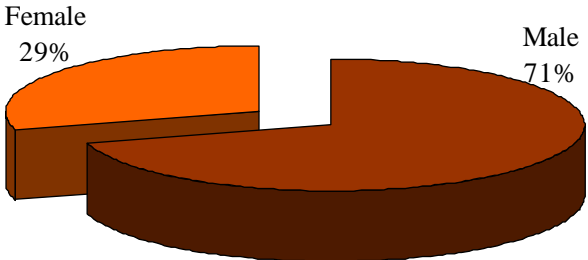
**Country Profile**



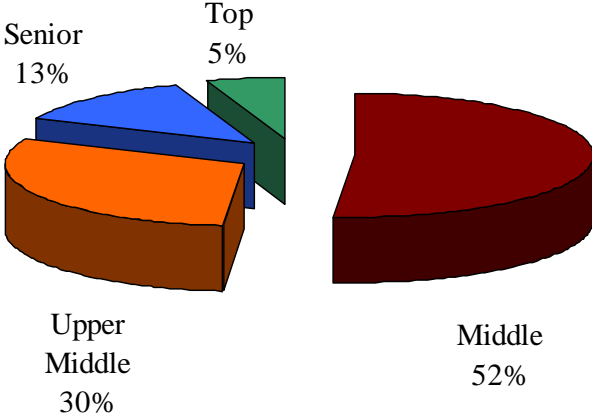
**Industry Profile**



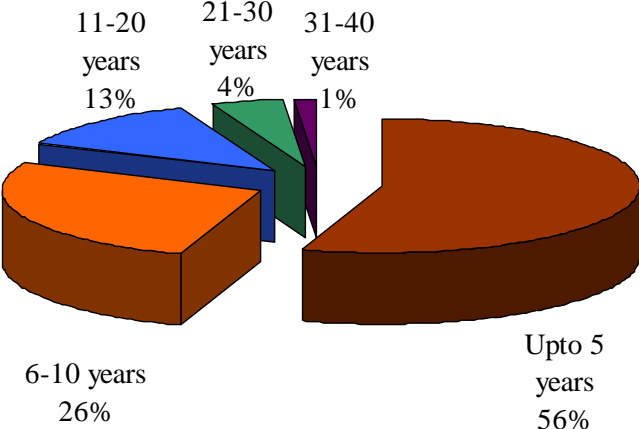
**Gender Profile**



**Responsibility Profile**



**Experience Profile  
(years of experience in the current organization)**



**What leadership skills and perspectives are critical for success?**





- In this section of the survey leaders were asked to rate the importance of 20 leadership competencies according to how important each is for success in your organization right now and how important each skill will become for success over the next 5 years.
- Leaders were asked to think about the importance of each skill for implementing their organization's strategy as well as what is generally important within their organization.
- The advantage of this technique is that it allows us to capture perceptions in the relative importance of leadership competencies over time.

# Sample Survey Questions

1	2	3	4	5	6	7
Not at all Important			Moderately Important			Critically Important

	NA	How important is each skill for success in your organisation <u>right now</u> ?							How important will each skill become for success over the <u>next five years</u> ?						
26. <b>Leading people</b> – directing and motivating people	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7
27. <b>Building and mending relationships</b> – responding to co-workers and external parties diplomatically	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7
28. <b>Managing one's career</b> – using professional relationships (such as networking, coaching, and mentoring) to promote one's career	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7
29. <b>Managing change</b> – using effective strategies to facilitate organisational change	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7
30. <b>Compassion and sensitivity</b> – showing understanding of human needs	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7
31. <b>Confronting people</b> – acting resolutely when dealing with problems	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7
32. <b>Decisiveness</b> – preferring doing or acting over thinking about the situation	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7
33. <b>Respecting individuals' differences</b> - working with and treating people of varying backgrounds (culture, gender, age, educational background) and	<input type="checkbox"/> N/A	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7

## Success Profile: What leadership skills and perspectives are critical for success?

- The results of the rankings seen below show critical importance both now and in the future in the areas of *leading people*, *strategic planning*, *managing change*, *inspiring commitment*, *resourcefulness*, *doing whatever it takes*, and *being a quick learner*.
- The percentages seen in the tables below represent the percentage of respondents who rated the skill using the top 2 rating points.



# Success Profile

## Comparison of the Skills Rated Most Important for Success Now and in the Future

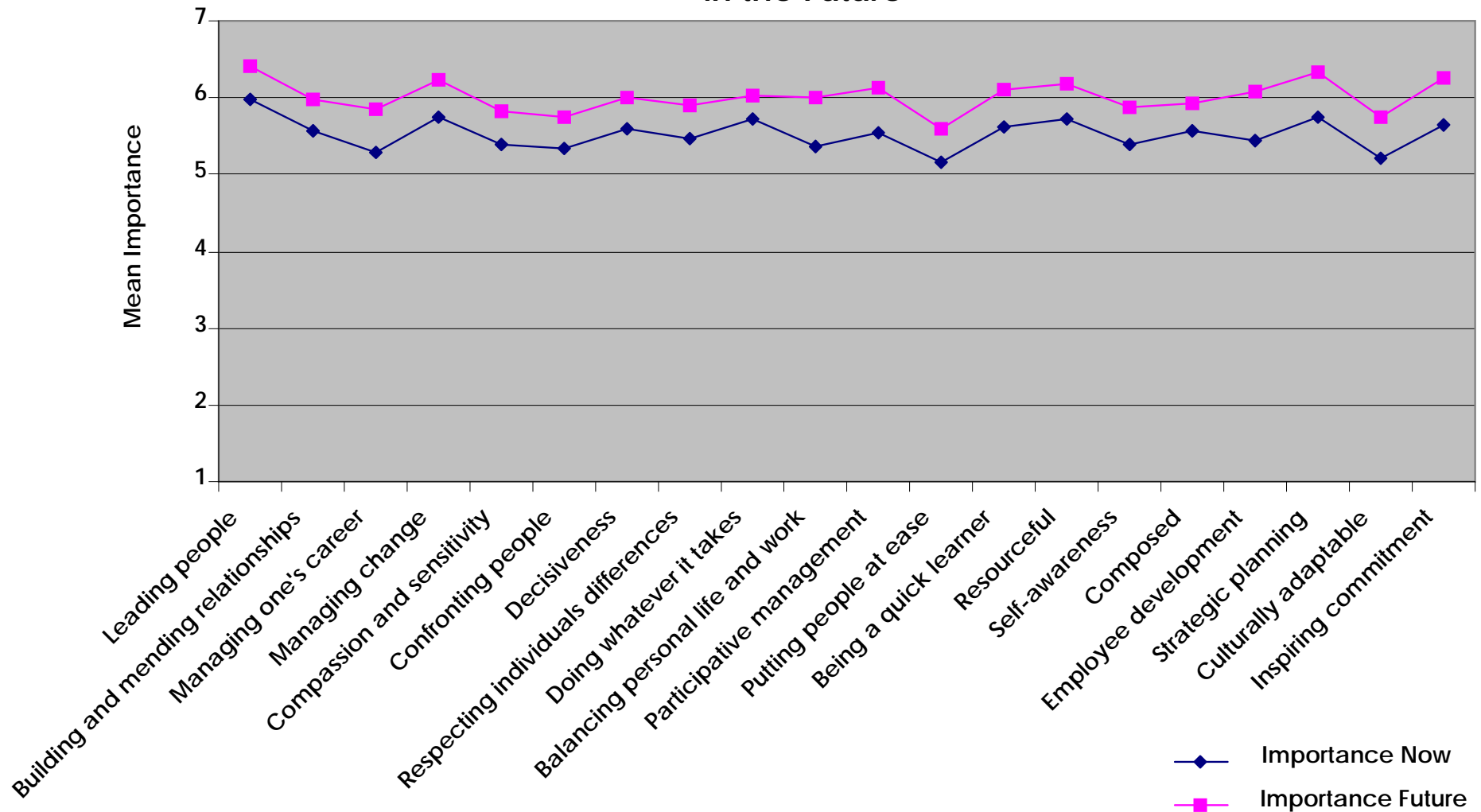
	Now	
1	Leading people	73%
2	Strategic planning	64%
3	Managing change	63%
4	Resourceful	64%
5	Doing whatever it takes	64%
6	Inspiring commitment	62%
7	Being a quick learner	60%
8	Decisiveness	60%
9	Building and mending relationships	57%
10	Composed	57%

	Future	
1	Leading people	89%
2	Strategic planning	86%
3	Inspiring commitment	86%
4	Managing change	82%
5	Resourceful	82%
6	Participative management	81%
7	Being a quick learner	79%
8	Employee development	79%
9	Doing whatever it takes	77%
10	Balancing personal life and work	76%

- Results of a paired sample t-test indicate that for all the 20 competencies, the future importance is statistically significantly higher than current importance.
- This holds true across countries, industries, and organizational levels.

# Success Profile

Comparison of the Means Differences in Skills Rated Most Important for Success Now and in the Future

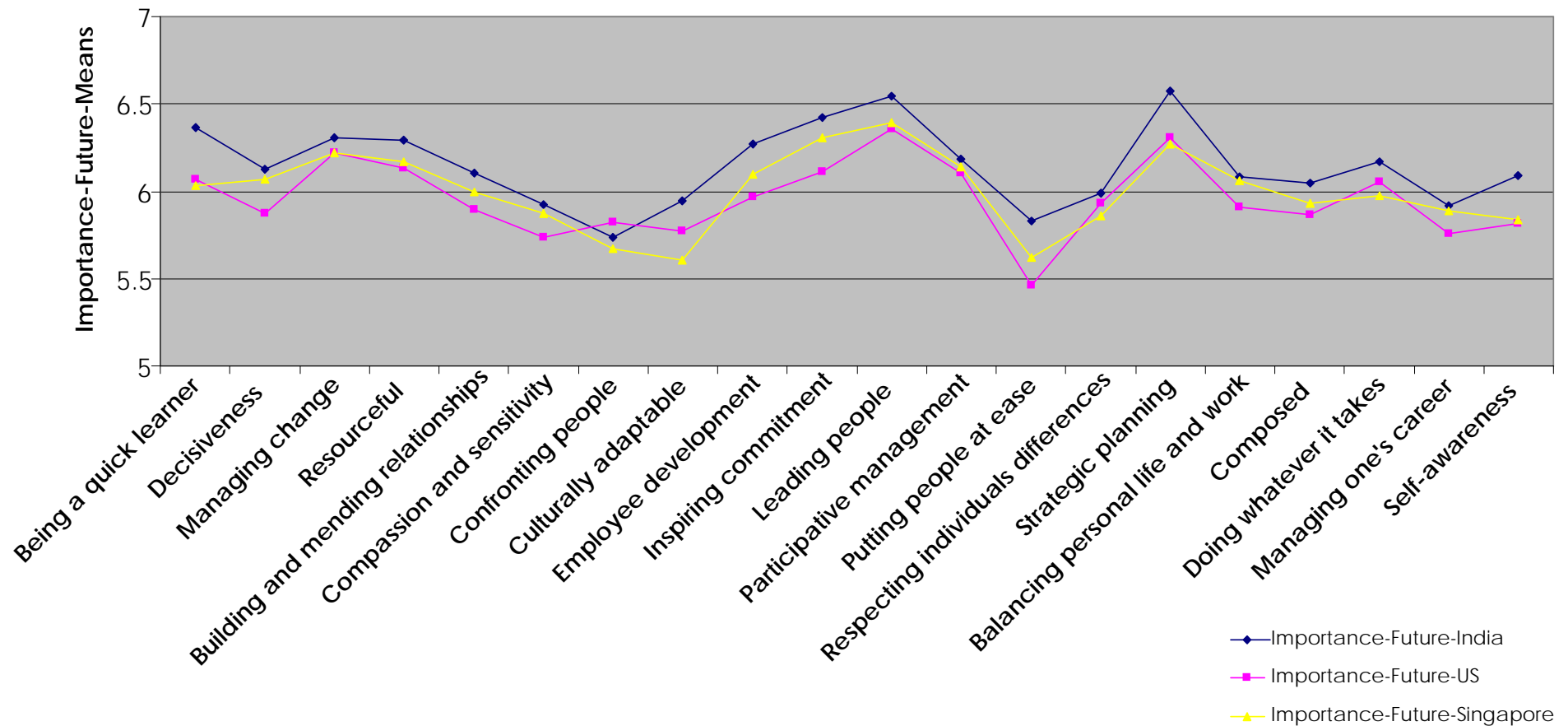


Comparing views of leaders from different countries we find.....

- some differences on the skills need for the future.
- leaders in India rate the importance of all the skills higher than U.S. or Singapore managers do.
- Indian leaders rate *being a quick learner, resourceful, composed* and *doing whatever it takes* statistically significantly higher in future importance than Singapore and U.S. managers rate them.

# Success Profile

**Comparison of the Mean Differences in Skills Rated Most Important for Future Success by Leaders in India, U.S., and Singapore**

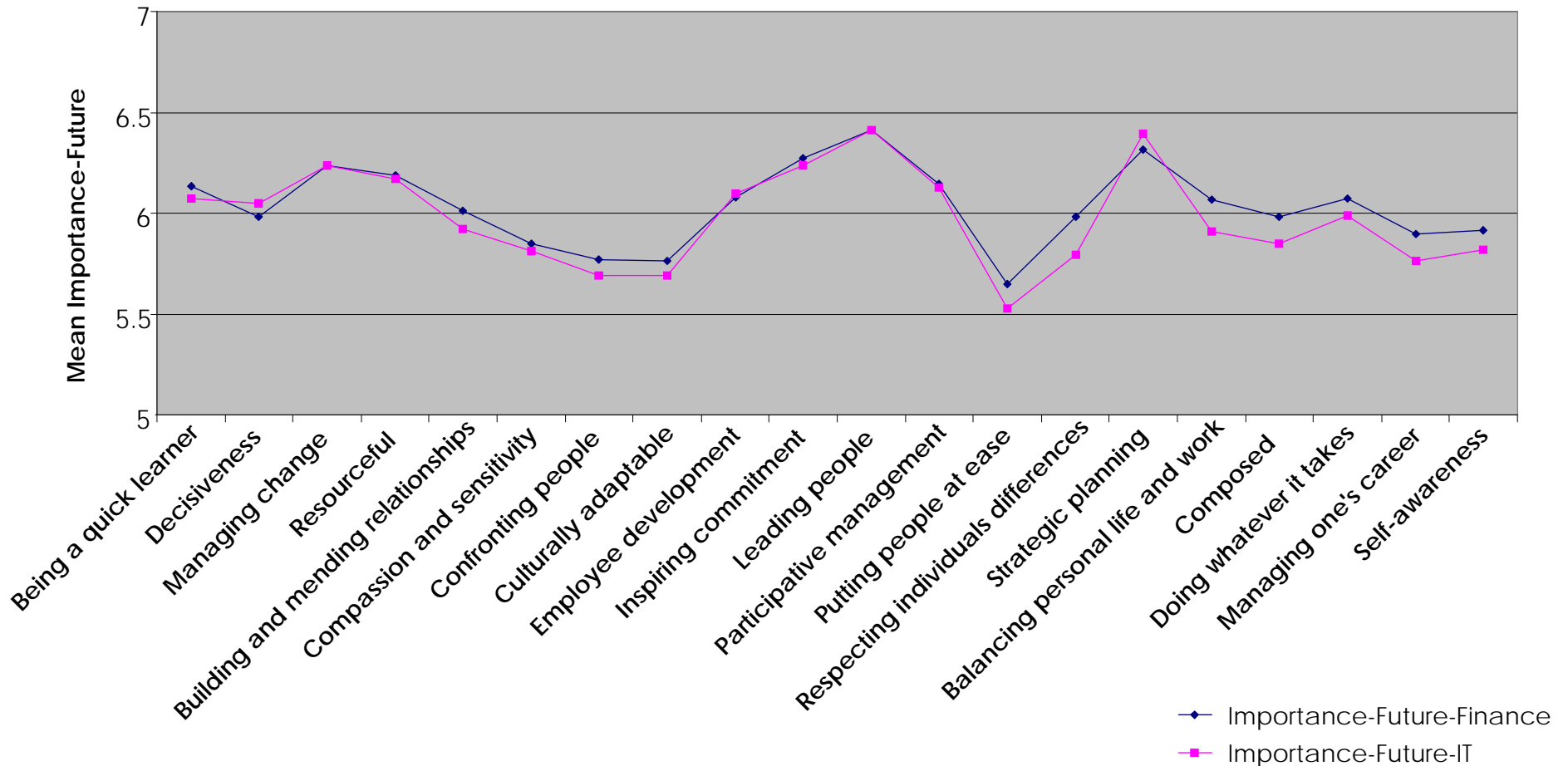


Comparing views of leaders from different sectors we find.....

- few differences on the skills need for the future.
- managers in the Financial services industry have rated *building and mending relationships, putting people at ease, balancing personal life & work, and self-awareness* statistically significantly higher than managers in the IT sector.

# Success Profile

Comparison of the Mean Differences in Skills Rated Most Important for Future Success by Leaders in the Financial Services and IT Sectors



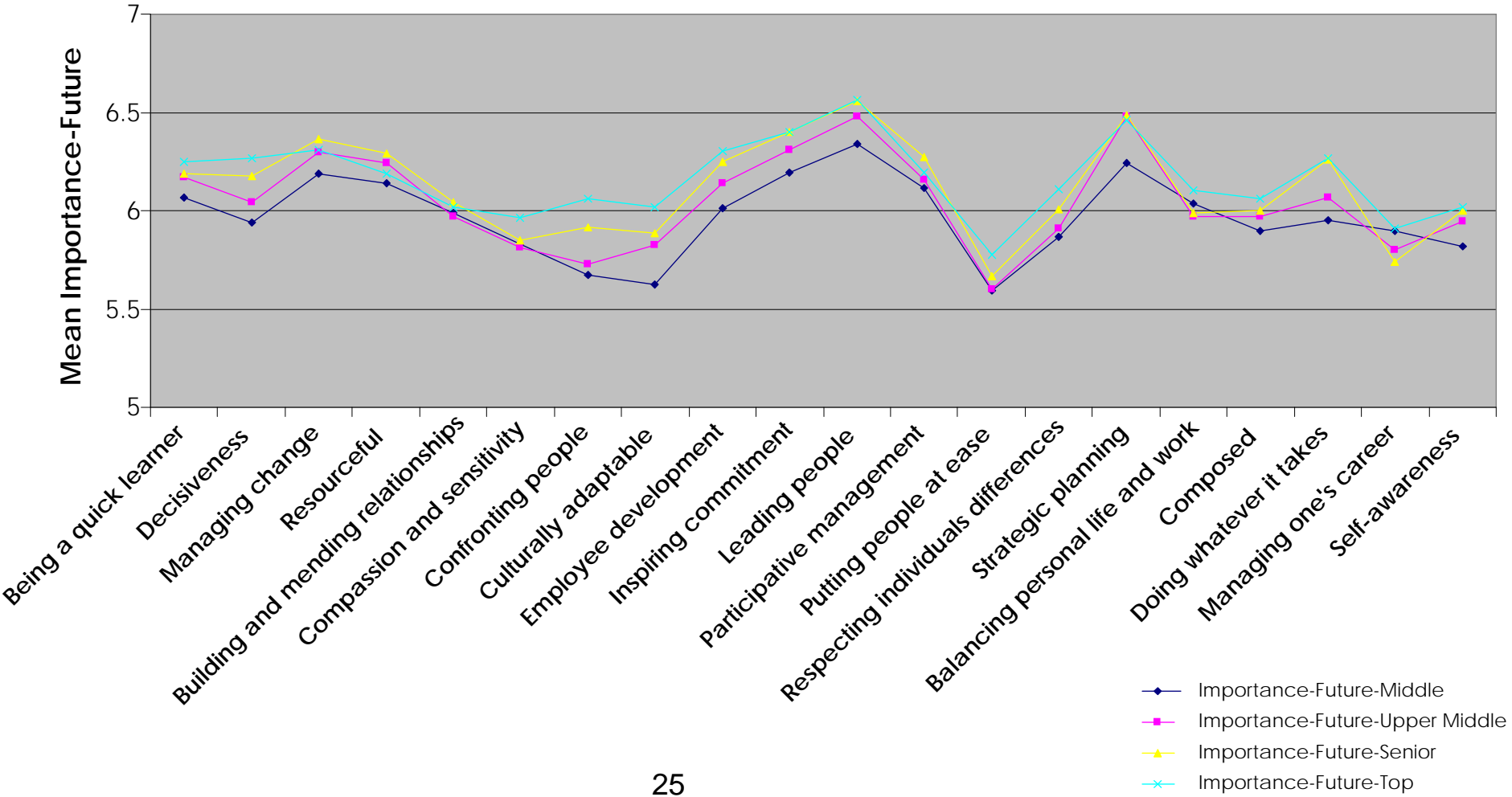
Comparing views of leaders from different organizational levels we find.....

- Middle-level managers perceive *being a quick learner*, *managing change*, *employee development*, and *doing whatever it takes* statistically significantly less important than the rest of the organization.



# Success Profile

Comparison of the Mean Differences in Skills Rated Most Important for Future Success by Leaders' organizational Levels



**How strong is the leadership in these critical skills and perspectives?**





# Research Note

- In this section of the survey leaders were asked to rate 20 leadership competencies according to the overall amount skill managers at their level are currently demonstrating and what then need to demonstrate to be maximally effective.
- The advantage of this technique is that it allows us to capture perceptions of the strength of group of managers. Of the total sample only 3% reported they hardly knew the group they were rating.
- Leaders were encouraged to use only the highest rating (9=extremely large amount) where managers show the most skill noting that less of a skill may be needed to be effective.

# Sample Survey Questions

1	2	3	4	5	6	7	8	9
Extremely Small Amount				Moderate Amount				Extremely Large Amount

What is the overall amount of skill that managers at my level:	NA	Are currently demonstrating?	Need to demonstrate to be maximally effective?
1. <b>Leading people</b> – directing and motivating people	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9
2. <b>Building and mending relationships</b> – responding to co-workers and external parties diplomatically	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9
3. <b>Managing one's career</b> – using professional relationships (such as networking, coaching, and mentoring) to promote one's career	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9
4. <b>Managing change</b> – using effective strategies to facilitate organisational change	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9
5. <b>Compassion and sensitivity</b> – showing understanding of human needs	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9
6. <b>Confronting people</b> – acting resolutely when dealing with problems	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9
7. <b>Decisiveness</b> – preferring doing or acting over thinking about the situation	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9
8. <b>Respecting individuals' differences</b> - working with and treating people of varying backgrounds (culture, gender, age, educational background) and perspectives fairly	<input type="checkbox"/> N/A	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5 <input type="radio"/> 6 <input type="radio"/> 7 <input type="radio"/> 8 <input type="radio"/> 9

# Leadership Strength

## Leadership Strength: How strong is the leadership in these critical skills and perspectives?

- The results of the rankings seen below show that overall, leaders need to build up their current strengths in the areas of, *doing whatever it takes*, *resourcefulness*, *being composed*, and *building relationships*.
- The majority also perceive the need for skill development in the areas of *inspiring commitment*, *strategic planning*, *leading people*, *employee development*, and *managing change*.
- The percentages seen in the tables below represent the percentage of respondents who rated the skill using the top 2 rating points.

# Leadership Strength

## Comparison of the Leadership Strength: Current skill versus Needed Skill

	Current Skill	
1	Doing whatever it takes	28%
2	Respecting individuals differences	30%
3	Culturally adaptable	23%
4	Being a quick learner	22%
5	Resourceful	22%
6	Composed	23%
7	Compassion and sensitivity	23%
8	Building and mending relationships	17%
9	Self-awareness	15%
10	Participative management	16%

	Needed Skill	
1	Inspiring commitment	60%
2	Strategic planning	59%
3	Leading people	58%
4	Resourceful	58%
5	Employee development	55%
6	Managing change	55%
7	Participative management	53%
8	Composed	54%
9	Doing whatever it takes	54%
10	Building and mending relationship	51%

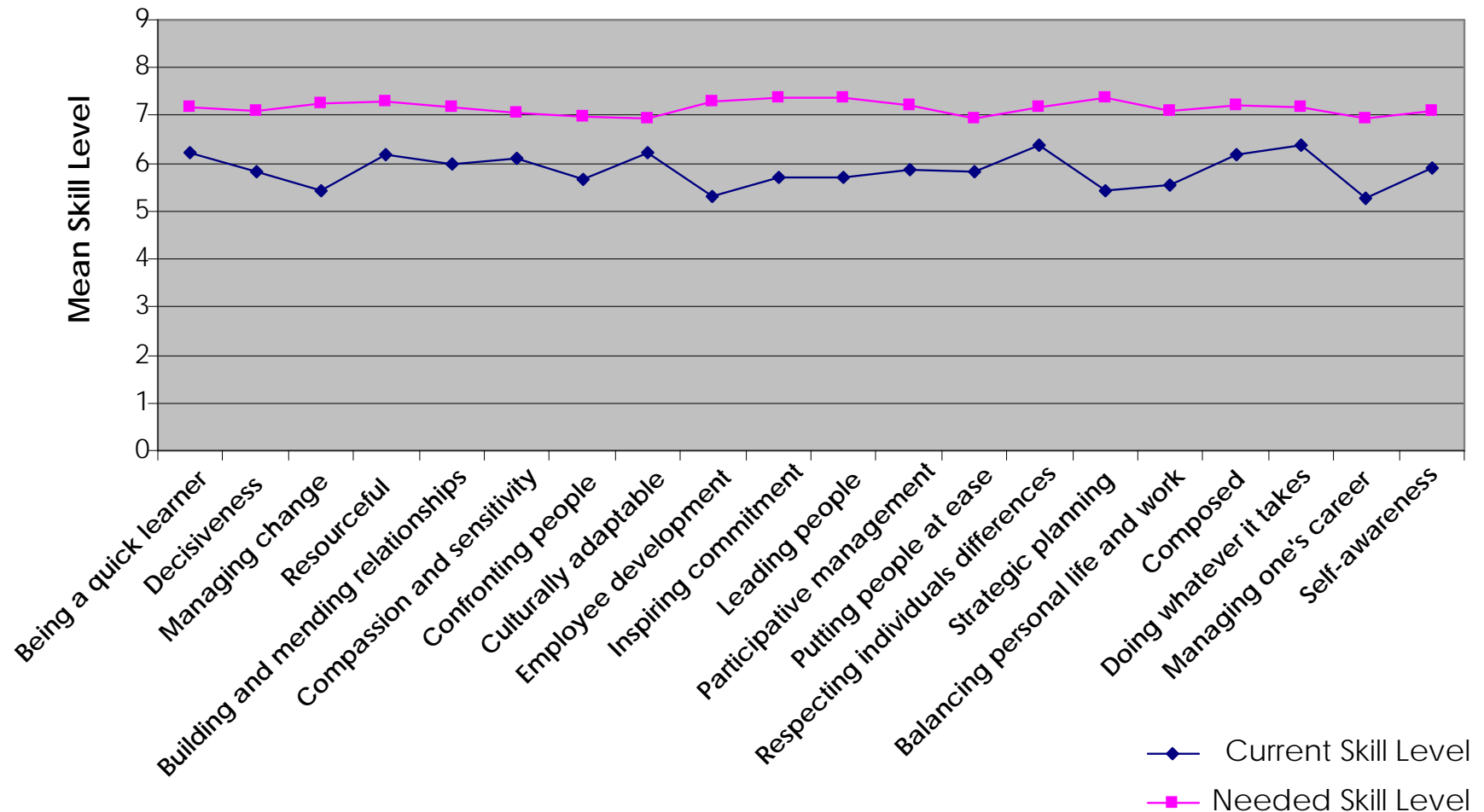
# Leadership Strength

- Results of a paired sample t-test indicate that for all the 20 competencies, Needed Strength is significantly higher than Current Strength.
- This holds true across countries, industries and organizational levels.
- Surprising, a Skill Gap exists as well. Managers indicate they want to be better at all 20 skills.



# Leadership Strength – Skill Gap

Comparison of the Mean Differences in Skills Rated Current Strengths and Needed Strengths



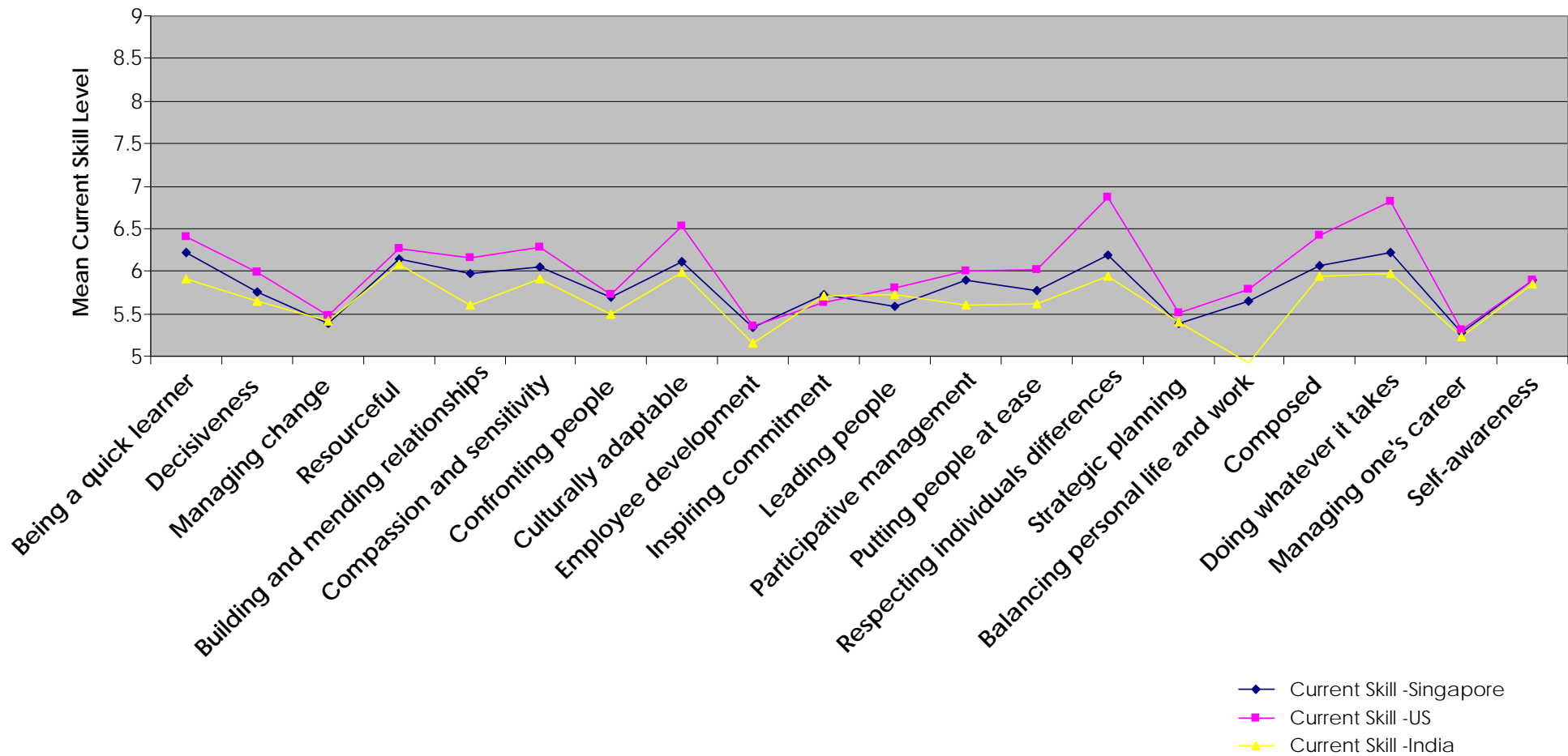
# Leadership Strength

Comparing views of leaders' strengths from different countries we find.....

- In general, U.S. managers perceive themselves as more skilled than Singapore and India managers.

# Leadership Strength

Comparison of the Mean Differences in Skills Rated Current Strengths by Leaders in India, U.S., and Singapore



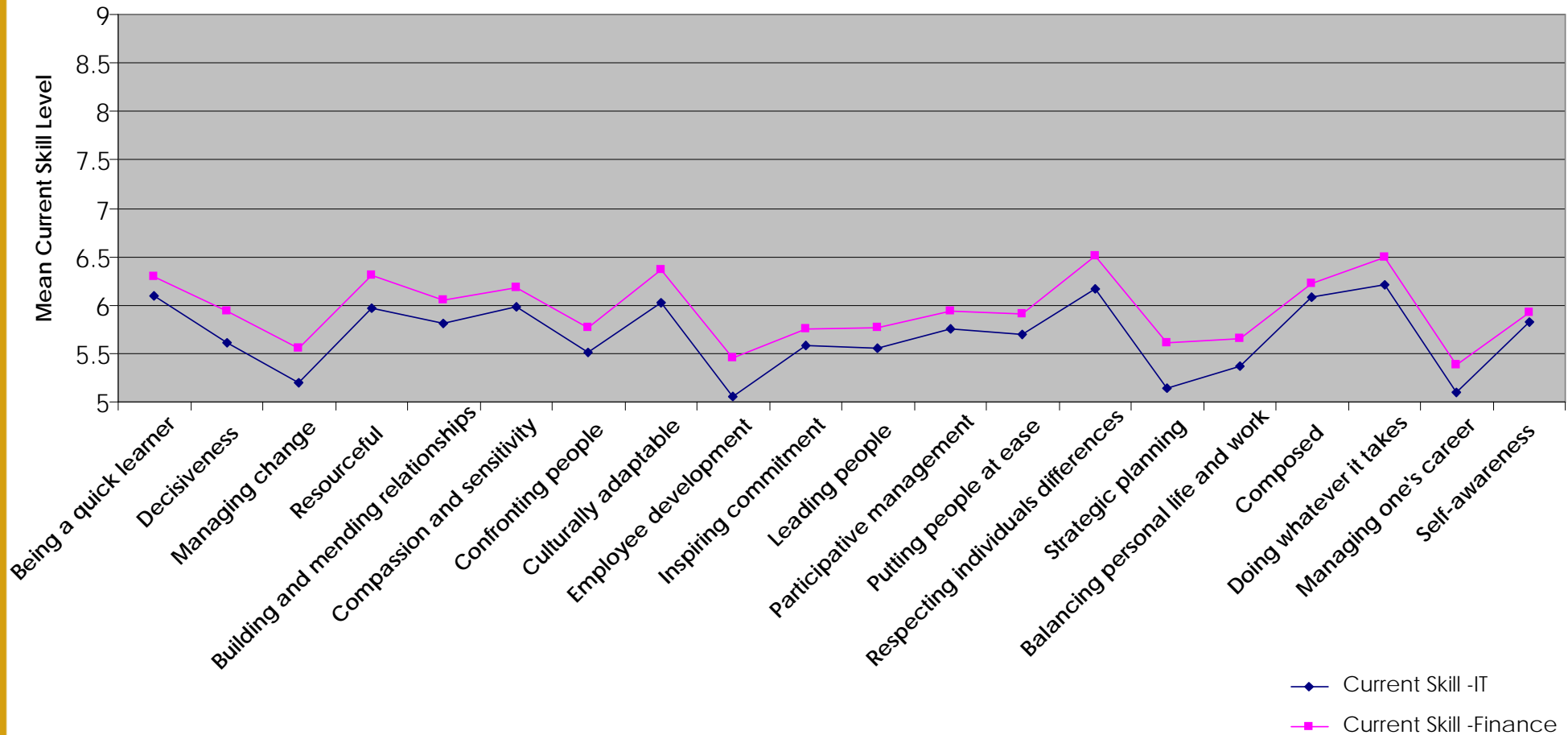
# Leadership Strength

Comparing views of leaders' strengths from different sectors on the skills need for future success we find.....

- Managers in the financial sector perceive themselves as being more skilled than those in the IT sector.

# Leadership Strength

Comparison of the Mean Differences in Skills Rated Current Strengths by Leaders in Financial Services and IT Sectors



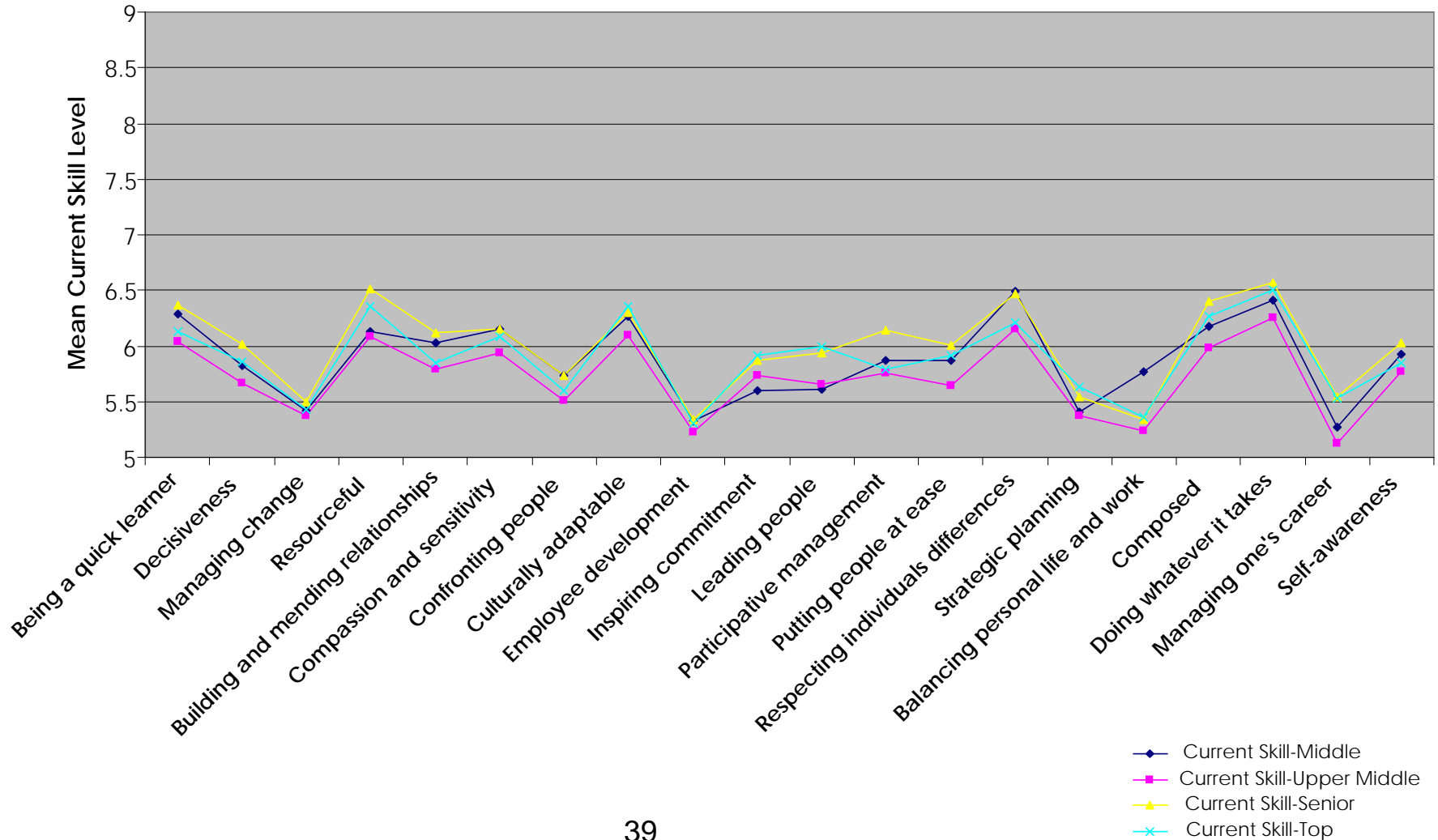
# Leadership Strength

Comparing views of leaders' strengths from different organizational levels on the skills need for future success we find.....

- Mostly, senior and top management perceive themselves as being better skilled than upper-middle and middle-level management levels.
- Middle-level managers report a significantly higher skill in *Balancing personal life & work* as compared to the rest of the organization.

# Leadership Strength

Comparison of the Mean Differences in Skills Rated Current Strengths by Leaders' organizational Levels



**How aligned is leadership strength with what is considered important?**





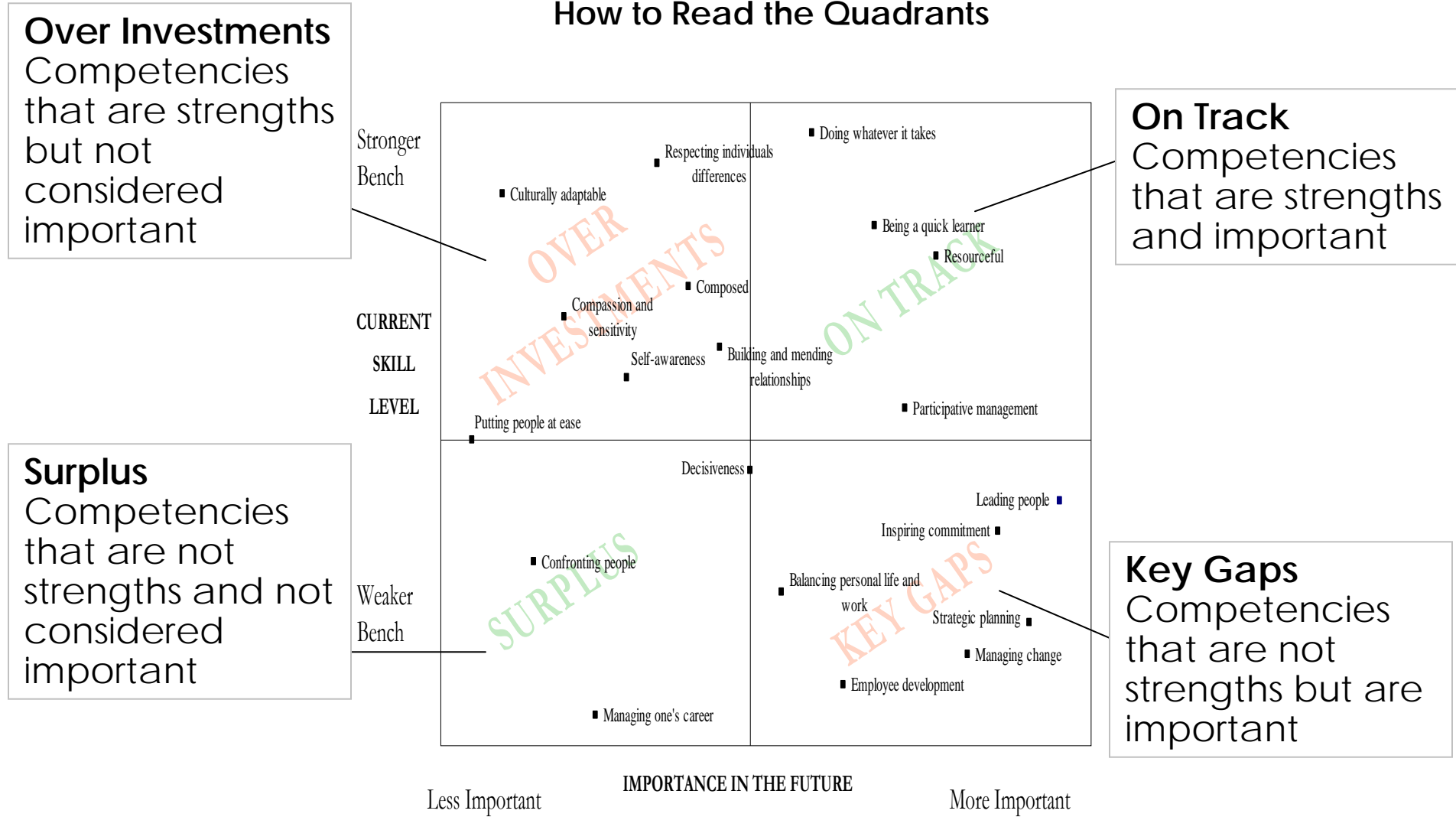


# Leadership Gap

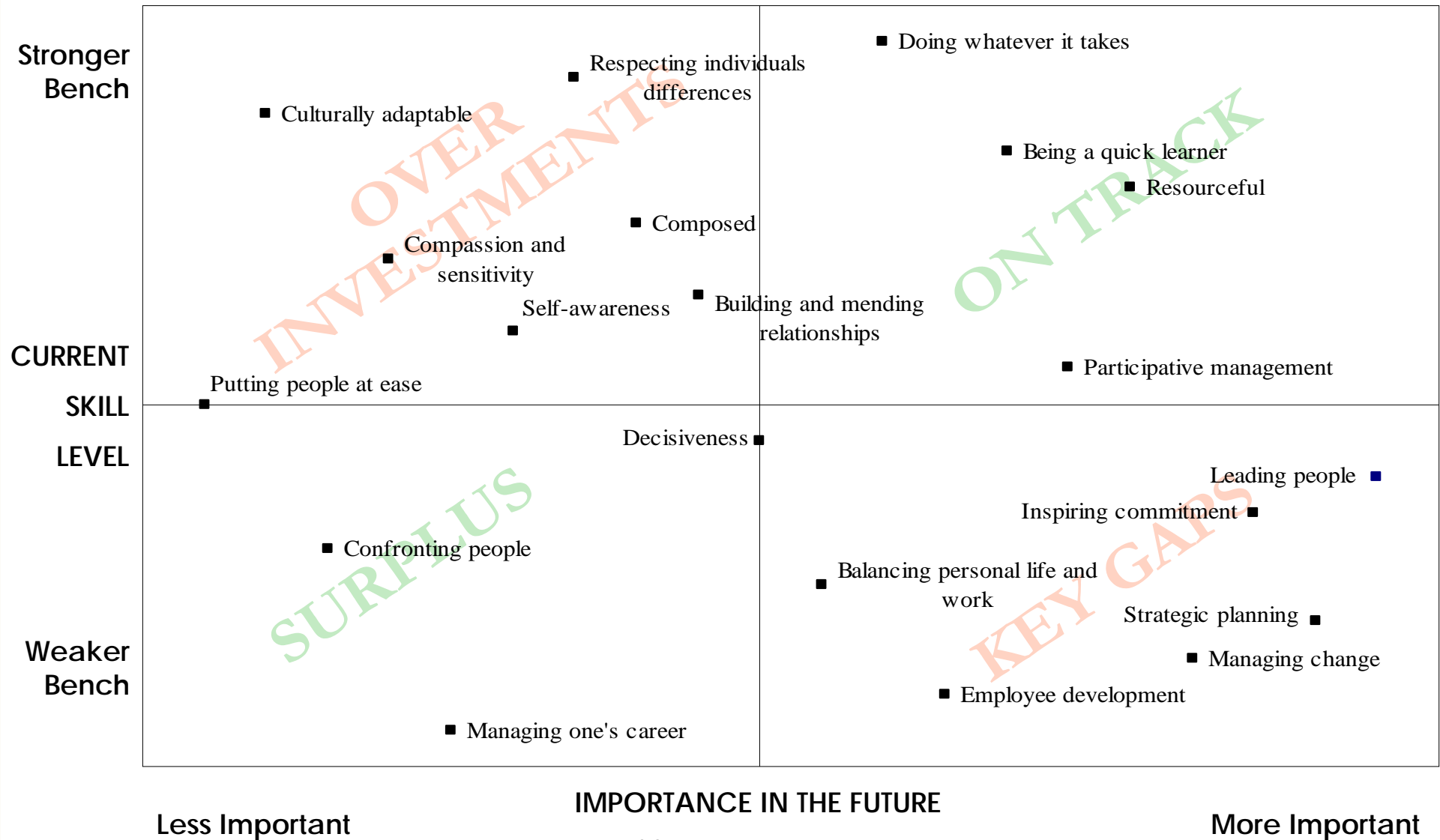
- Across the next six pages, the relative importance scores are overlaid with strengths and weaknesses in the leadership bench. These graphs answer questions about how aligned current leadership is with what is considered important for effectiveness.
- The four-quadrant graphics reveal areas of alignment and gaps that need to be filled.
- Notable gaps include *managing change*, *employee development*, and *strategic planning*.

# Leadership Gap Quadrant

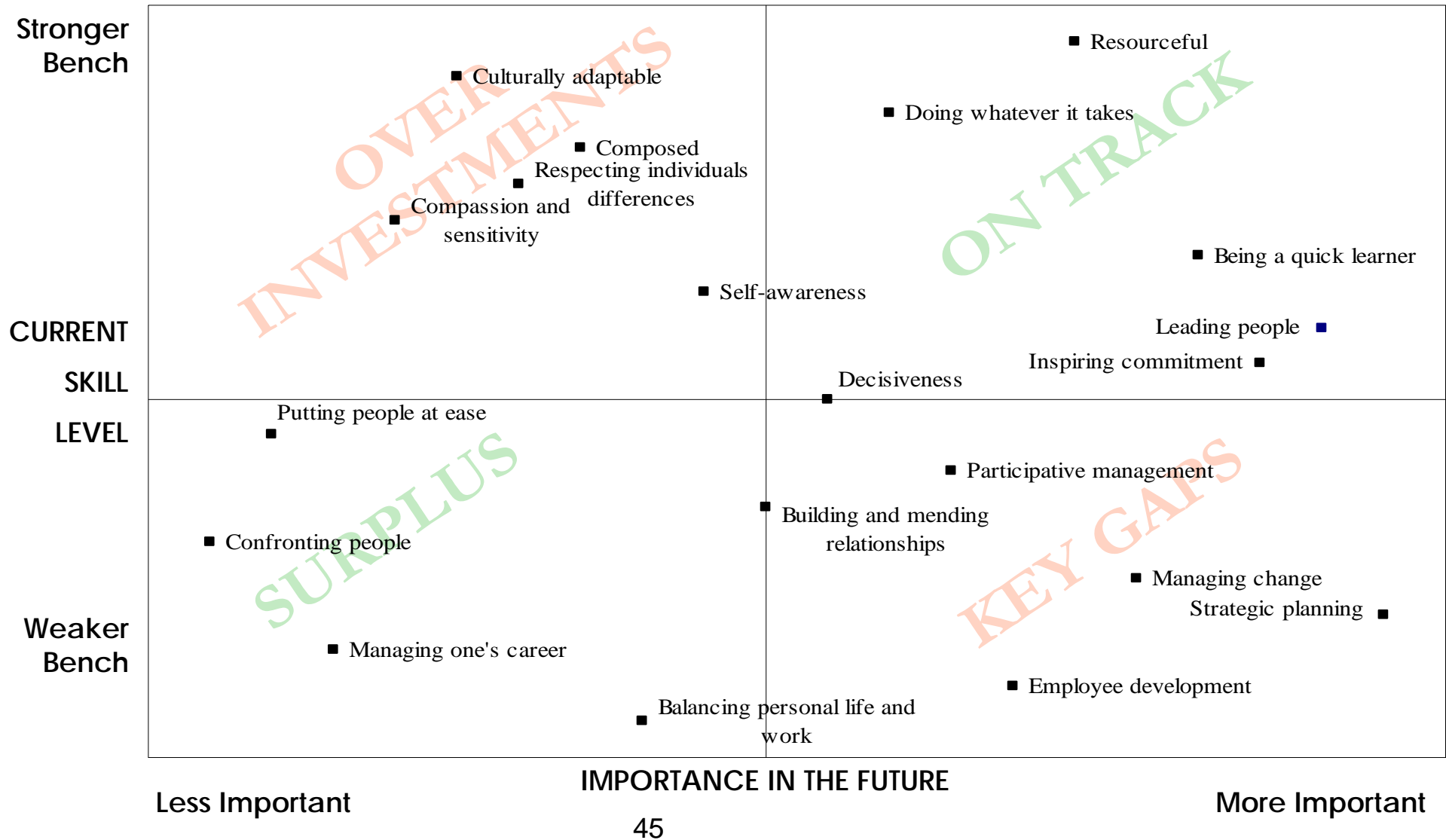
## How to Read the Quadrants



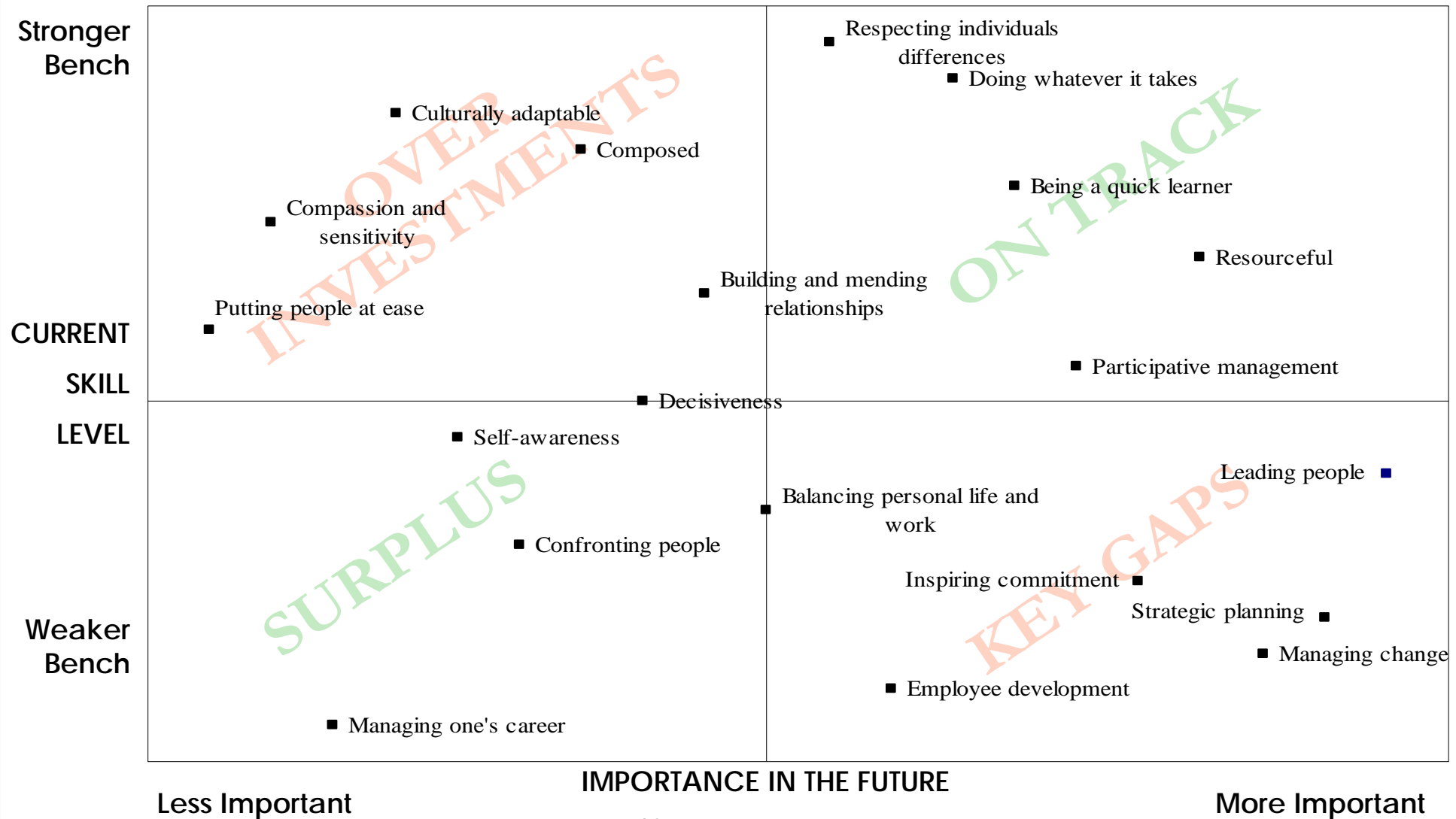
# Leadership Gap – Overall



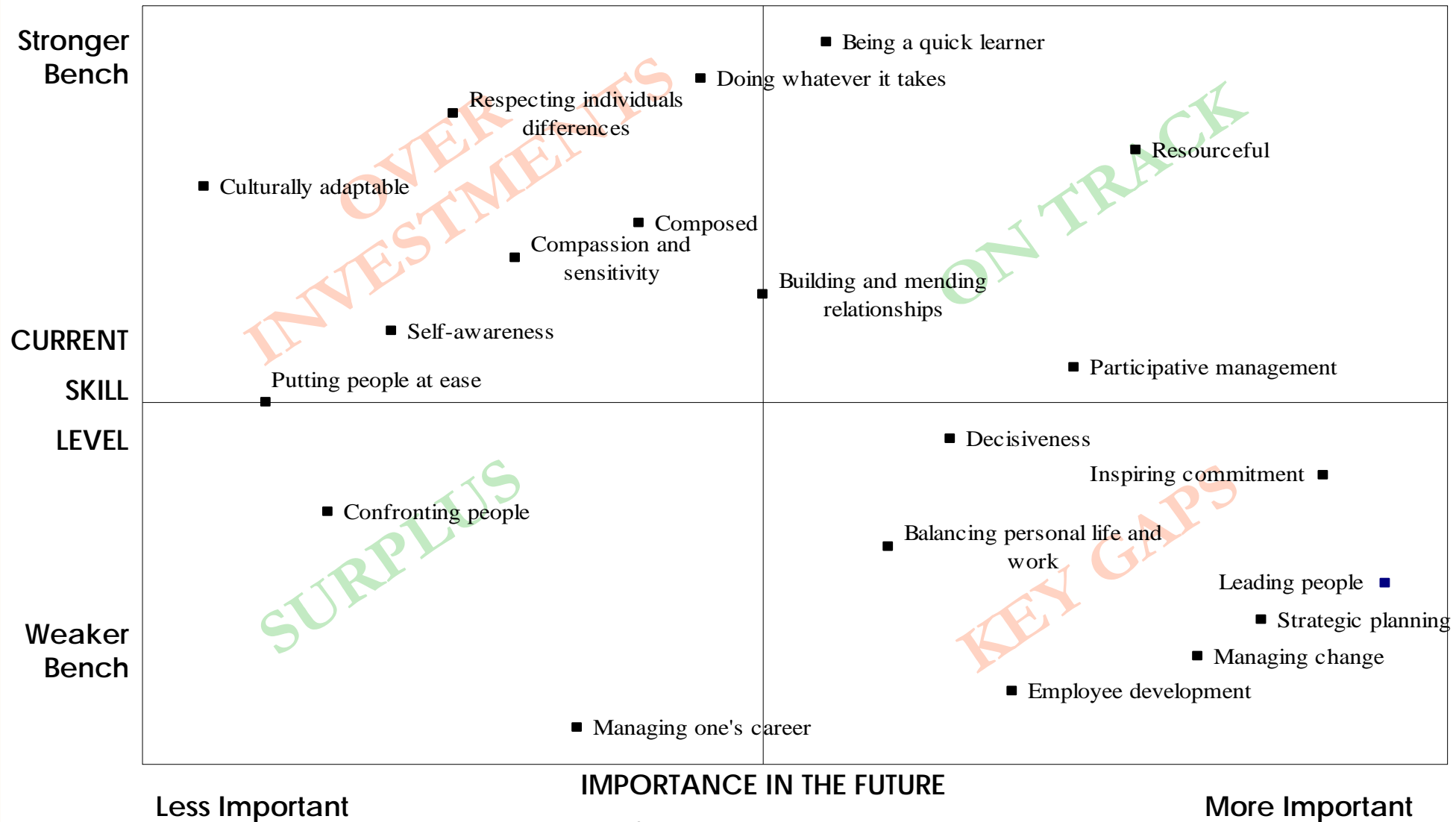
# Leadership Gap – India



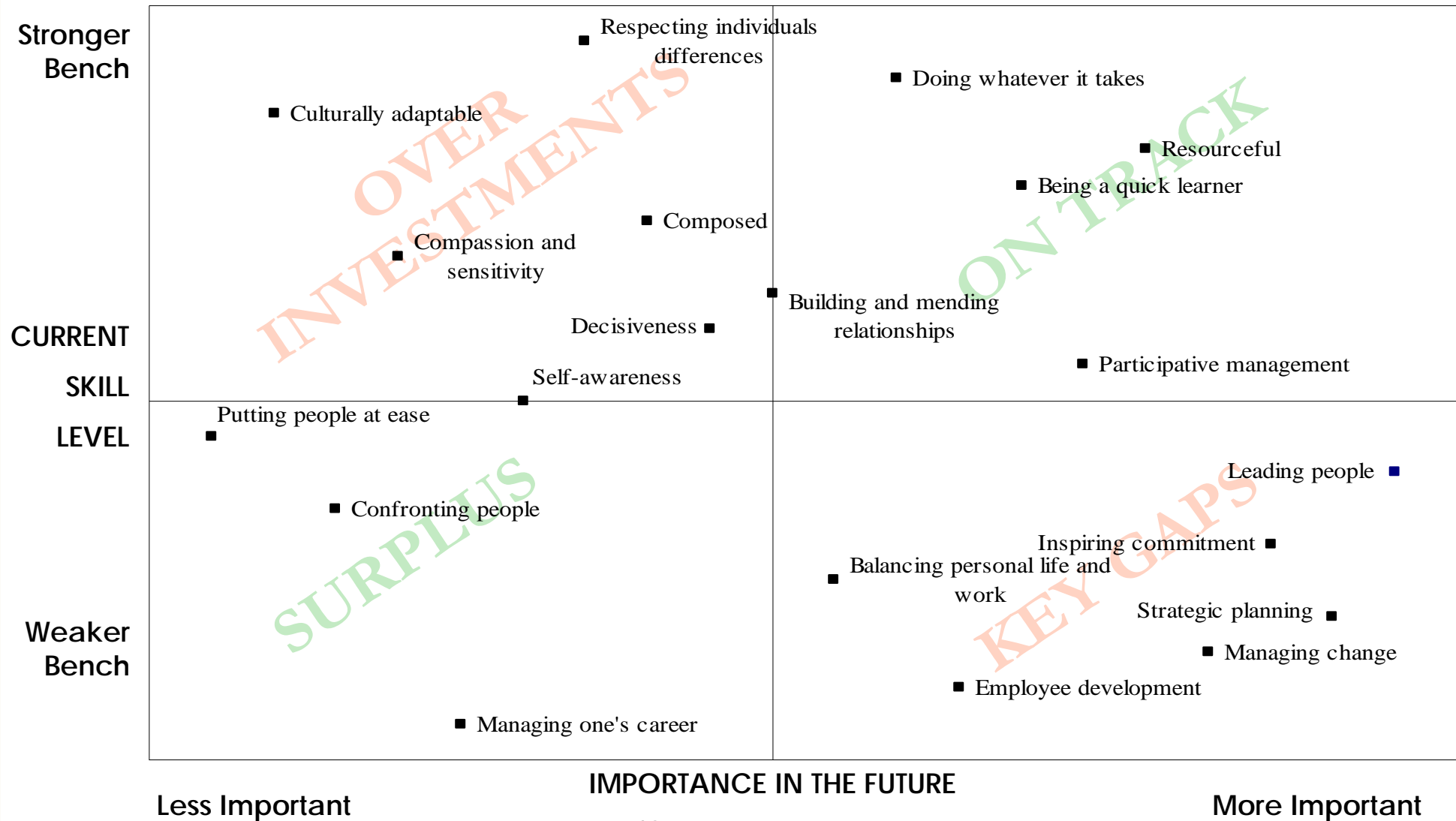
# Leadership Gap – U.S.



# Leadership Gap – Singapore

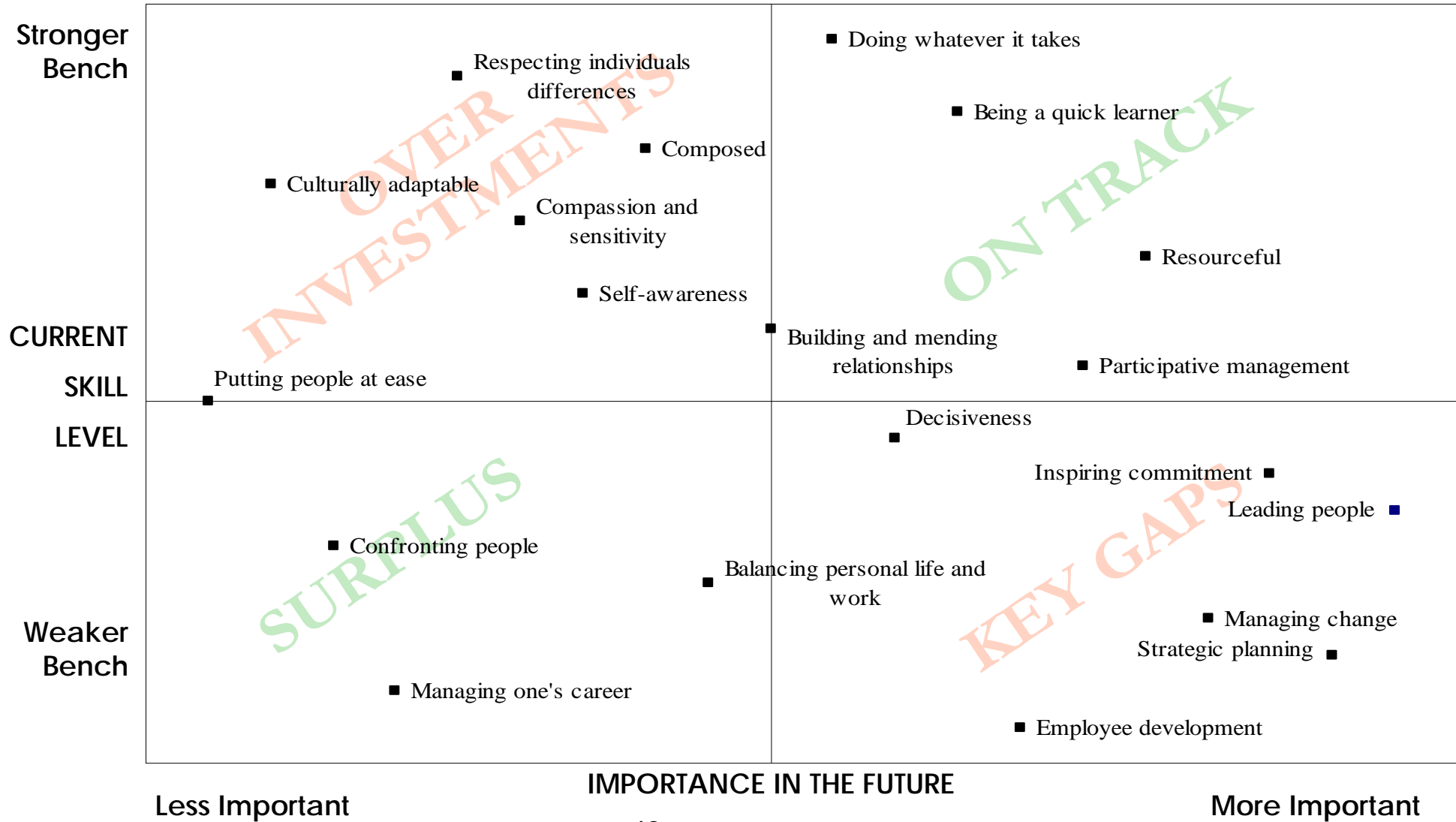


# Leadership Gap – Financial Services





# Leadership Gap – Information Technology



# Leadership Gap

- The table below presents a unique overview of the competencies across countries and sectors. Interestingly, leaders see little value in the skills that enable them to promote their career, confront people by acting resolutely when dealing with problems, or put people at ease. All of these skill are however related to leadership effectiveness.
- Leaders across countries and sectors also seem to agree on competencies that are strengths but less important: displaying compassion and sensitivity; effectively working with people of varying backgrounds; and, being composed under pressure and difficult times.

# Leadership Gap Summary

	Skill	Overall	India	U.S.	Singapore	Finance	IT
Leading The Org	Being a quick learner	On Track	On Track	On Track	On Track	On Track	On Track
	Decisiveness	Key Gap	Key Gap	Surplus	Key Gap	Over Investment	Key Gap
	Managing change	Key Gap	Key Gap	Key Gap	Key Gap	Key Gap	Key Gap
	Resourceful	On Track	On Track	On Track	On Track	On Track	On Track
Leading Others	Building and mending relationships	Over Investment	Key Gap	Over Investment	On Track	On Track	On Track
	Compassion and sensitivity	Over Investment	Over Investment	Over Investment	Over Investment	Over Investment	Over Investment
	Confronting people	Surplus	Surplus	Surplus	Surplus	Surplus	Surplus
	Culturally adaptable	Over Investment	Over Investment	Over Investment	Over Investment	Over Investment	Over Investment
	Employee development	Key Gap	Key Gap	Key Gap	Key Gap	Key Gap	Key Gap
	Inspiring commitment	Key Gap	On Track	Key Gap	Key Gap	Key Gap	Key Gap
	Leading people	Key Gap	On Track	Key Gap	Key Gap	Key Gap	Key Gap
	Participative management	On Track	Key Gap	On Track	On Track	On Track	On Track
	Putting people at ease	Surplus	Surplus	Over Investment	Surplus	Surplus	Surplus
	Respecting individuals differences	Over Investment	Over Investment	On Track	Over Investment	Over Investment	Over Investment
Strategic planning	Key Gap	Key Gap	Key Gap	Key Gap	Key Gap	Key Gap	
Leading Yourself	Balancing personal life and work	Key Gap	Surplus	Key Gap	Key Gap	Key Gap	Surplus
	Composed	Over Investment	Over Investment	Over Investment	Over Investment	Over Investment	Over Investment
	Doing whatever it takes	On Track	On Track	On Track	Over Investment	On Track	On Track
	Managing one's career	Surplus	Surplus	Surplus	Surplus	Surplus	Surplus
	Self-awareness	Over Investment	Over Investment	Surplus	Over Investment	Surplus	Over Investment

**What factors lead to potential derailment of leaders**



- In this section of the survey leaders were asked to rate the overall amount to which 5 factors or problems for managers at their level in their organization.
- In this section of the survey, lower ratings indicate the area is not a problem. Lower ratings are therefore preferred.
- Potential derailment factors accessed include difficulty building and leading a team, difficulty changing and adapting, failing to meet business objectives, problems with relationships, and too narrow experience.

# Sample Survey Questions

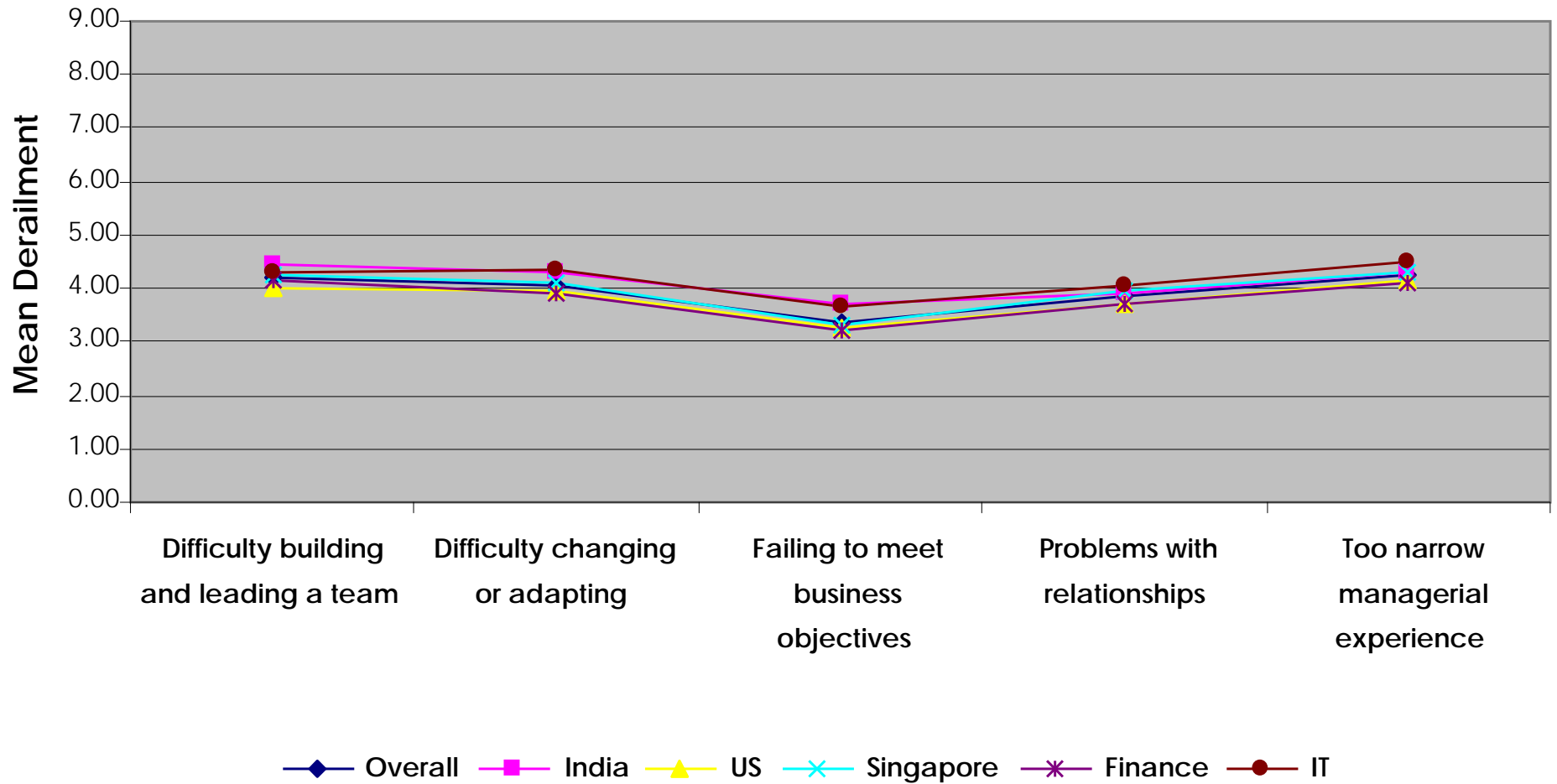
	What is the overall amount to which each of the following factors are problems for managers at my level?	Extremely Small Amount				Moderate Amount				Extremely Large Amount
21.	<b>Difficulty building and leading a team –</b> unable to select and build a team	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9
22.	<b>Difficulty changing or adapting –</b> unable to respond effectively to changing events in the business environment	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9
23.	<b>Failing to meet business objectives –</b> unable to complete a job	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9
24.	<b>Problems with relationships –</b> unable to interact with and respond to others in a way that creates positive relationships	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9
25.	<b>Too narrow managerial experience –</b> unable to manage outside of one's current function	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6	<input type="radio"/> 7	<input type="radio"/> 8	<input type="radio"/> 9

# Potential Challenges

**Potential Challenges: What factors lead to potential derailment of leaders?**

- Derailment not a cause for major concern.

# Potential Challenges





**Bridging Gaps –  
*increasing  
leadership  
capacity***



- This section offers specific suggestions on how the leaderships gaps identified under the leadership gap section might be addressed.
  
- Our suggestions follow the model of sensitizing the managers to the importance of a particular leadership skill, enabling the development of the skill, and supporting the efforts to express the skills developed.

# Bridging Gaps

## Leading People

Leaders with good skills in directing and motivating people interact with staff in ways that motivate them.

To develop this skill:

### **Sensitize**

- Provide managers with a list of competencies that are related to managing others well, assess them on these skills and develop strategies to develop them
- Implement 360 degree leadership development assessment for managers at middle management and senior management

### **Enable**

- Arrange for training by reputed leadership development organizations
- Develop internal groups to share experiences; develop forums to share lessons learnt and best practices related to handling teams
- Develop library of leadership-related material

### **Support**

- Create Management Practices Skill Building Plan
- Develop mentoring scheme or program for specific cases

## Building and Mending Relationships

Managers having high competence in this skill typically respond to co-workers and external parties diplomatically. Such managers –

- Relate to all kinds of people
- Treat people fairly
- Gain support and trust of peers, higher management, and customers
- Use good timing when negotiating with others
- Can settle problems internally and externally

To improve this skill:

### **Sensitize**

Develop employee performance standards, metrics, and feedback processes so that managers understand the importance of building relationships

### **Enable**

- Look for reputable leadership development programs for managers to attend
- Offer teambuilding exercises

### **Support**

Volunteer to facilitate meetings where conflict needs to be resolved

# Bridging Gaps

## Managing one's Career

A manager who can manage his/her career well uses professional relationships such as networking, coaching, and mentoring to promote his/her career. Such a manager –

- Uses mentoring relationships
- Uses coaches
- Builds networks
- Develops professional relationships

In order to help managers to manage their careers :

### **Sensitize**

- Encourage managers to seek honest feedback from others on a continual basis and instruct them in techniques for giving and receiving feedback
- Create an effective learning environment in the organization

### **Enable**

Have managers review their performance development plans with a coach

### **Support**

- Anticipate roadblocks that can sidetrack managers' development, and make adjustments
- Create development partners to support development

## Managing Change

A manager who can manage change well uses effective strategies to facilitate organizational change. Such a manager –

- Views change positively
- Adapts plans as necessary
- Manages others' resistance to change
- Adapts to the changing external pressures facing the organization
- Involves others in the design and implementation of change

In order to develop this competency in your leaders you can :

### **Sensitize**

- Offer change management classes
- Train managers on the points of resistance to change and the positive outcomes to change

### **Enable**

- Encourage managers to involve others in decision making during organizational change
- Create a "space" for managers to exchange creative ideas and solutions

### **Support**

- Encourage innovation throughout the organization
- Give managers permission to accept employees' resistance to change and help them to develop strategies to deal with it

# Bridging Gaps

## Compassion and Sensitivity

Managers with a high level of compassion and sensitivity skills shows a deep understanding of human needs. Such managers –

- Are sensitive to others' needs
- Are calm and patient with others
- Show interest in the needs, hopes, and dreams of others
- Allow new people the time and space to learn
- Are calm and patient when employees are out sick or have personal matters that keep them out of work
- Are willing to help employees with personal problems

In order to help managers develop compassion and sensitivity:

### **Sensitize**

Overlap new hires with existing ones so that new employees understand the job

### **Enable**

- Suggest managers keep an "open door policy" (drop in, spontaneous conversations)
- Encourage managers to structure meeting times (approx. 10 minutes) to allow team members to share personal updates

### **Support**

Ensure that employees have enough time each week to handle personal matters

## Confronting People

This skill involves acting decisively and fairly when dealing with problem employees. Managers having high competence in this skill typically act resolutely when dealing with problems. They –

- Deal effectively with resistant employees
- Confront problem employees quickly
- Document employee performance problems

To improve this skill:

### **Sensitize**

Educate managers on documentation and legal issues involved with employee performance problems

### **Enable**

- Offer classes in conflict management
- Teach managers the Situation Behavior Impact (SBI) feedback model

### **Support**

Encourage managers to confront problems promptly

# Bridging Gaps

## Decisiveness

A decisive manager prefers doing or acting over thinking about the situation. Such a manager –

- Does not hesitate when making decisions
- Does not become overwhelmed when action is needed
- Is action oriented

To improve this skill:

### **Sensitize**

Help managers determine priorities

### **Enable**

- Create processes for helping managers gather and obtain relevant information needed for decision making
- Help managers take calculated risks to demonstrate their orientation to action
- Offer classes on creating and sustaining a more efficient workspace
- Offer courses on inductive and deductive thinking skills

### **Support**

Develop criteria and a process for decision making in the organization; clarify responsibilities

## Respecting individuals' differences

A manager who has a deep respect for individuals' differences –

- Acknowledges different backgrounds (culture, gender, age, educational background)
- Works effectively with people from various backgrounds and perspectives
- Treats people with diverse background fairly and respectfully

To improve this skill:

### **Sensitize**

Offer diversity training classes or programs that increase managers' sensitivity to issues of diversity

### **Enable**

Offer on-site language courses

### **Support**

- Encourage managers to take expatriate assignments
- Encourage managers to take international business courses
- Evaluate the organization's progress toward systemic change

# Bridging Gaps

## Doing whatever it takes

Managers having high competence in this skill typically persevere under adverse conditions. They are able to take charge yet are open to learning from others.

To improve this skill:

### **Sensitize**

Help managers identify best practices for getting work done efficiently and effectively

### **Enable**

Encourage managers to undertake a daily exercise program to increase energy and endurance

### **Support**

- Help managers adopt a “can-do” attitude when faced with challenges
- Support managers by encouraging them to get involved in activities that make them feel excited and motivated
- Help managers delegate or trade tasks that no longer motivate them

## Balancing personal life and work

Managers with adequate work life balance are able to balance work priorities with personal life so that neither is neglected. Such managers –

- Act in ways that gives the impression that there is more to life than having a career
- Participate in activities outside of work
- Don't let job demands cause family problems
- Don't take careers so seriously that personal life suffers
- Are not workaholics

In order to help managers improve this competency, an organization needs to–

### **Sensitize**

- Build awareness, using various self awareness techniques
- Hold discussions on when, where and how to say no

### **Enable**

- Teach organizational skills (reviewing goals, plans, and priorities) and delegation skills
- Offer stress reduction, yoga or exercise programs
- Consider offering on-site recreation facilities, gymnasium, day care, etc.

### **Support**

- Consider offering on-site financial management programs
- Examine the number of vacation days the organization offers.
- Consider offering flex time
- Develop organization skills and best practices (TQM, ISO, Six Sigma)

# Bridging Gaps

## Participative management

This skill helps one to involve others in critical initiatives. Managers who value participative management –

- Are open to others' input
- Gain commitment before implementation
- Encourage others to share ideas
- Listen to others
- Involve others before developing a plan of action

To improve this skill:

### **Sensitize**

Teach managers brain-storming techniques to encourage sharing of ideas

### **Enable**

Encourage managers to involve employees in setting departmental goals and objectives. Track results and reward employees for their contribution to the success of their team

### **Support**

- Offer books or classes on team building
- Instruct managers and their employees on visioning exercises
- Instruct managers on communication./listening skills
- Educate employees about appropriate non-verbal behavior

## Putting people at ease

Managers who display warmth and who use humor appropriately are more skilled at putting people at ease. Such managers –

- Use humor to defuse tough situations
- Have warmth

To improve this skill:

### **Sensitize**

- Educate managers about the use of “self humor” to diffuse difficult situations
- Educate employees about appropriate non-verbal behavior

### **Enable**

- Assure managers that they can laugh at themselves and with others
- Suggest managers keep an “open-door policy” (drop in, spontaneous conversations)

### **Support**

- Have books on humor available
- Invite a local comedian to teach a course



# Bridging Gaps

## Being a quick learner

This skill involves quickly learning new technical or business knowledge. A manager who does this well –

- Masters technical knowledge quickly
- Understands & uses new business terms quickly

To improve this skill:

### **Sensitize**

- Arrange for speakers to come to the organization to talk about the latest technical and business trends
- Create study groups focused on learning new technology or business models

### **Enable**

- Offer training classes in technology on site
- Recommend technology/business books and articles

### **Support**

- Hire consultants to offer technology tutorials
- Encourage managers to join professional associations and/or attend conferences
- Create technology coaches in the organization

## Resourceful

A resourceful manager is able to work effectively with top management.

Such a manager –

- Understands how higher management works
- Has good relationships with higher management
- Interacts comfortably with executives

To improve this capability, an organization can:

### **Sensitize**

Suggest managers meet and interact with senior management in informal settings

### **Enable**

- Encourage managers to seek and integrate input from stakeholders
- Suggest managers go informally to the toughest senior officer first to get buy-in before approaching the whole management team

### **Support**

Advise managers to seek a confidant or mentor from top management

# Bridging Gaps

## Self awareness

This skill involves recognizing personal limits and strengths. A self-aware manager –

- Admits personal mistakes
- Learns from mistakes
- Seeks feedback
- Knows themselves well (strengths and weaknesses)

To improve this skill:

### **Sensitize**

Implement a 360-degree assessment in the organization

### **Enable**

Offer a mentoring program that matches managers with higher level managers

### **Support**

Adopt best practices and lessons learned from within and outside the organization

## Composed

This skill involves remaining calm during difficult times. A manager with competence in this skill typically –

- Does not become hostile when things are not going well
- Does not blame others for mistakes
- Spends more time offering solutions rather than complaining about problems
- Remains calm when crises occur

To improve this capability, an organization can:

### **Sensitize**

Give managers feedback on how they are perceived by others when they are under stress

### **Enable**

- Offer stress management courses
- Develop organizational norms that focus on creative solutions as opposed to problem identification
- Offer emotional intelligence assessments and classes

### **Support**

- Make sure managers have support systems in place
- Make sure managers have healthy avenues to release stress

# Bridging Gaps

## Employee development

A manager skilled in the area of employee development usually –

- Coaches employees to improve performance
- Provides employees with guidance
- Encourages employees to develop careers
- Makes sure employees understand their roles

In order to develop this attribute, consider the following steps:

### **Sensitize**

Offer a career development seminar; encourage career counseling

### **Enable**

Encourage managers to have career goal discussions with employees regularly

### **Support**

Develop a succession planning process that incorporates developmental events

## Strategic planning

This skill involves translating vision into realistic business strategies. Managers having high competence in this skill typically –

- Articulate long-term objectives and strategies
- Develop plans that balance long-term goals with immediate needs
- Update plans to reflect changing circumstances
- Develop plans that contain contingencies for future changes

To improve this skill:

### **Sensitize**

- Top management should share the strategy, as well as factors influencing the strategy, with management groups
- Develop a systematic process of sharing strategy with staff

### **Enable**

- Arrange training in strategy development, change management, risk management
- Involve bright, young managers in strategy development
- Rotate managers at regular intervals so that more managers are prepared for senior management positions

### **Support**

- Encourage professional memberships
- Encourage collection and sharing of industry data
- Provide necessary mentoring support

# Bridging Gaps

## Cultural adaptability

A manager who is culturally adaptable adjusts to ethnic/regional expectations regarding human resource practices and effective team processes. He/she can –

- Motivate multicultural teams effectively
- Select and develop people in multiple cultural settings

In order to develop a pool of culturally adaptable managers :

### **Sensitize**

Offer diversity training classes

### **Enable**

- Implement a recruitment strategy that incorporates potential talent from around the world
- Implement a recruitment strategy that targets both individuals with internal experience and individuals with a demonstrated interest in learning from challenge and variety

### **Support**

- Advertise and encourages employees to attend and look for culturally diverse experiences
- Assist employees from diverse backgrounds to succeed

## Inspiring commitment

Managers who recognize and reward employees' achievements are able to inspire commitment from his/her subordinates. Such managers –

- Publicly praise others for their performance
- Understand what motivates other people to perform at their best
- Provide tangible rewards for significant organizational achievements

To improve this skill:

### **Sensitize**

Use "GAPS" to identify top-priority development objectives

### **Enable**

- Help managers clarify employees' roles and responsibilities for attaining the organization's vision
- Help managers communicate a clear vision and direction
- Encourage managers to clarify high standards of performance

### **Support**

Develop internal recognitions for managers to publicly acknowledge their employees

# APPENDIX

# The Leadership Competencies

Leading the organization	Leading Others	Leading Yourself
<ul style="list-style-type: none"><li>▪ Managing change</li><li>▪ Resourcefulness</li><li>▪ Being a quick learner</li><li>▪ Decisiveness</li></ul>	<ul style="list-style-type: none"><li>▪ Leading employees</li><li>▪ Confronting people</li><li>▪ Participative management</li><li>▪ Building &amp; mending relationships</li><li>▪ Compassion &amp; sensitivity</li><li>▪ Putting people at ease</li><li>▪ Respecting individuals' differences</li><li>▪ Culturally adaptable</li><li>▪ Strategic planning</li><li>▪ Employee development</li><li>▪ Inspiring commitment</li></ul>	<ul style="list-style-type: none"><li>▪ Self-awareness</li><li>▪ Managing your career</li><li>▪ Composed</li><li>▪ Doing whatever it takes</li><li>▪ Balancing personal life &amp; work</li></ul>

# Skill Definitions

- **Balancing personal life and work** – balancing work priorities with personal life so that neither is neglected
- **Building and mending relationships** – responding to co-workers and external parties diplomatically
- **Managing your career** – using professional relationships (such as networking, coaching, and mentoring) to promote one's career
- **Managing change** – using effective strategies to facilitate organizational change
- **Compassion and sensitivity** – showing understanding of human needs
- **Confronting people** – acting resolutely when dealing with problems
- **Decisiveness** – preferring doing or acting over thinking about the situation
- **Respecting individuals' differences** - effectively working with and treating people of varying backgrounds (culture, gender, age, educational background) and perspectives fairly
- **Doing whatever it takes** –persevering under adverse conditions
- **Leading people** – directing and motivating people
- **Participative management** – involving others (such as listening, communicating, informing) in critical initiatives
- **Putting people at ease** – displaying warmth and using humor appropriately

# Skill Definitions Continued

- **Being a quick learner** – quickly learning new technical or business knowledge
- **Resourceful** – working effectively with top management
- **Self-awareness** – recognizing personal limits and strengths
- **Composed** – remaining calm during difficult times
- **Employee development** – coaching and encouraging employees to develop in their career
- **Strategic planning** – translating vision into realistic business strategies including long-term objectives
- **Culturally adaptable** – adjusting to ethnic/regional expectations regarding Human Resource practices and effective team process
- **Inspiring commitment** – recognizing and rewarding employees' achievements

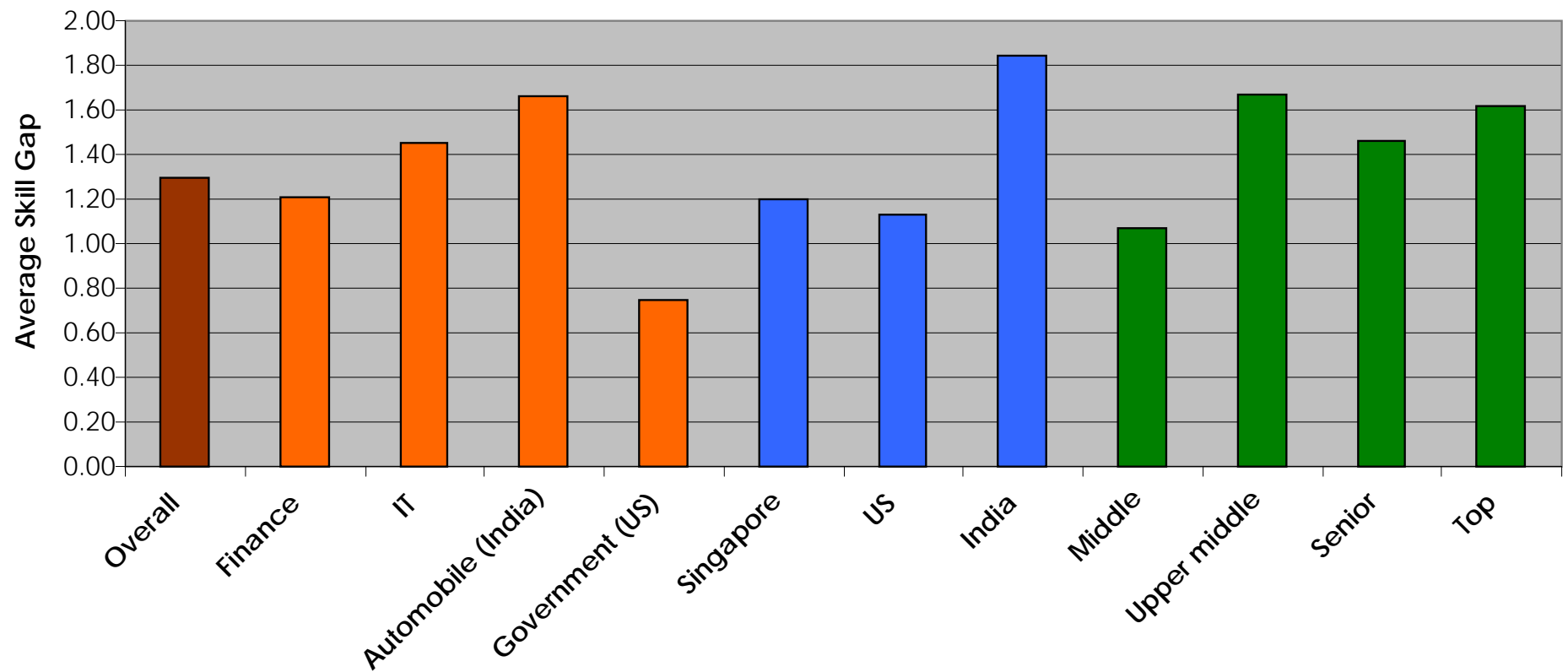
## Derailment Characteristics

- **Difficulty building and leading a team** – unable to select and build a team
- **Difficulty changing or adapting** – unable to respond effectively to changing events in the business environment
- **Failing to meet business objectives** – unable to complete a job
- **Problems with relationships** – unable to interact with and respond to others in a way that creates positive relationships
- **Too narrow managerial experience** – unable to manage outside of one's current function



# Skill Gap-A Comparison

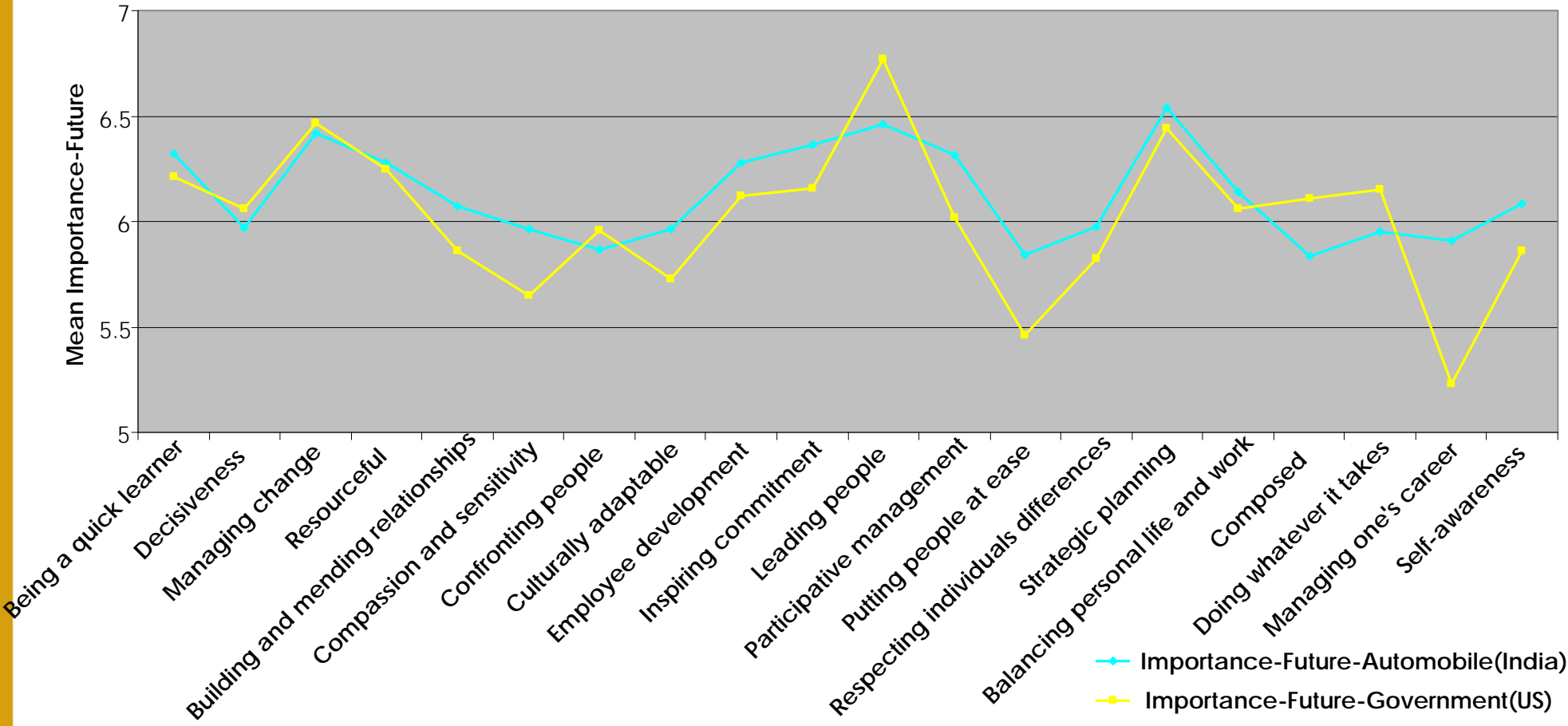
Skill Gap = Needed Strength - Current Strength



# Additional Industry Sectors

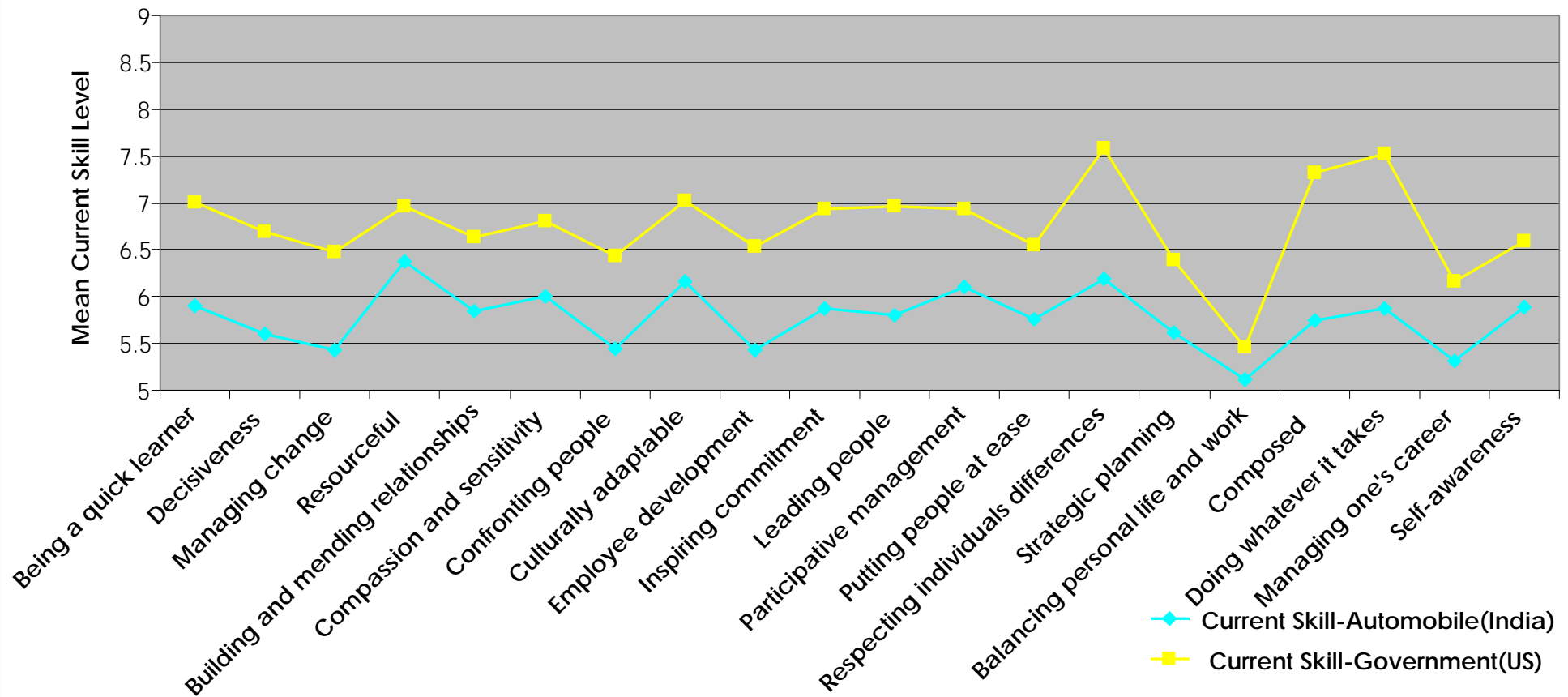
- In this study, we had additional participation from the automobile sector in India (446 managers) and the government sector in the U.S. (100 managers)
- Since these sectors had no comparative data from other countries, the results specific to these sectors are presented separately in the following pages.

# Success Profile

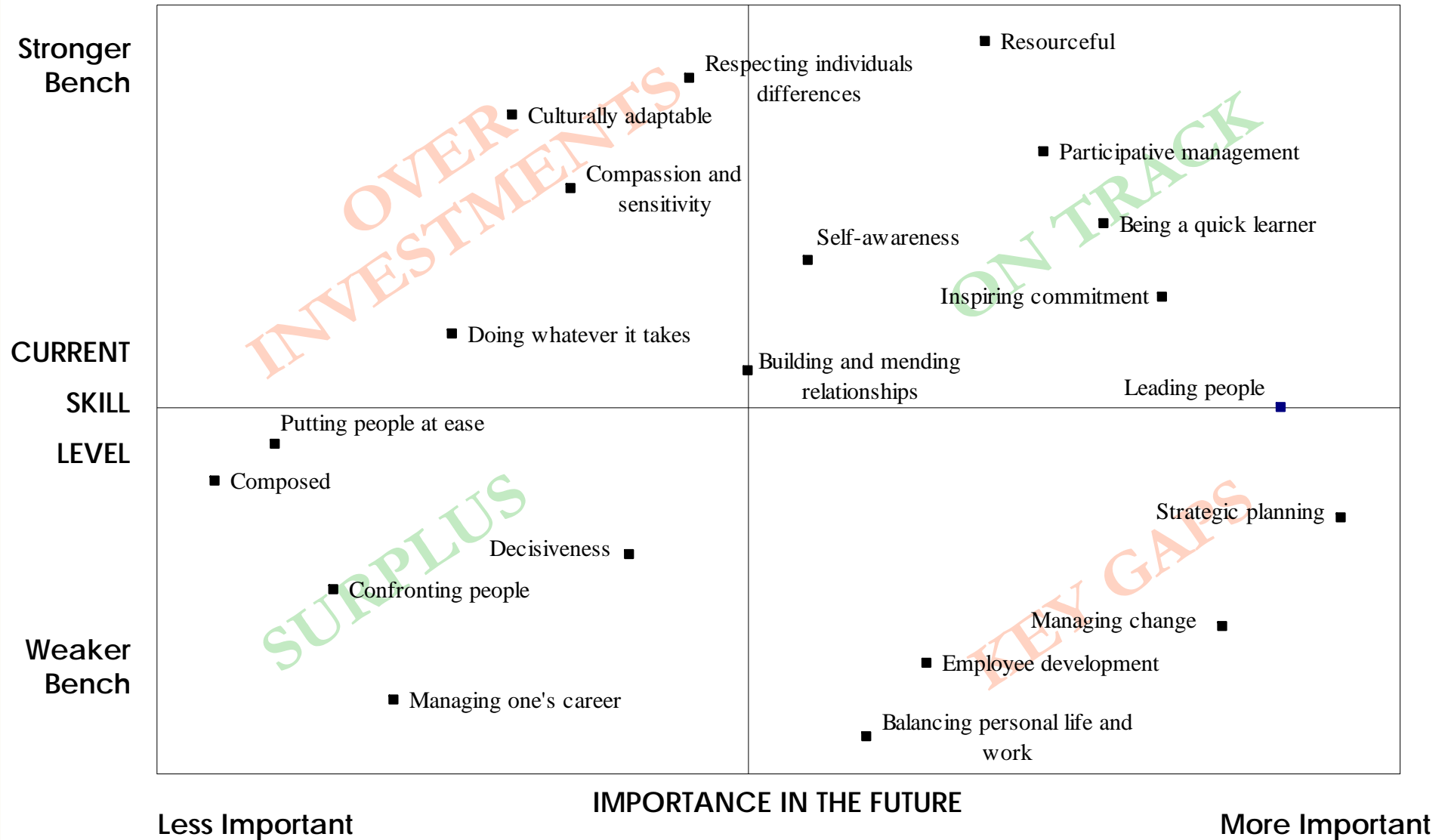


100 respondents from Government (US)

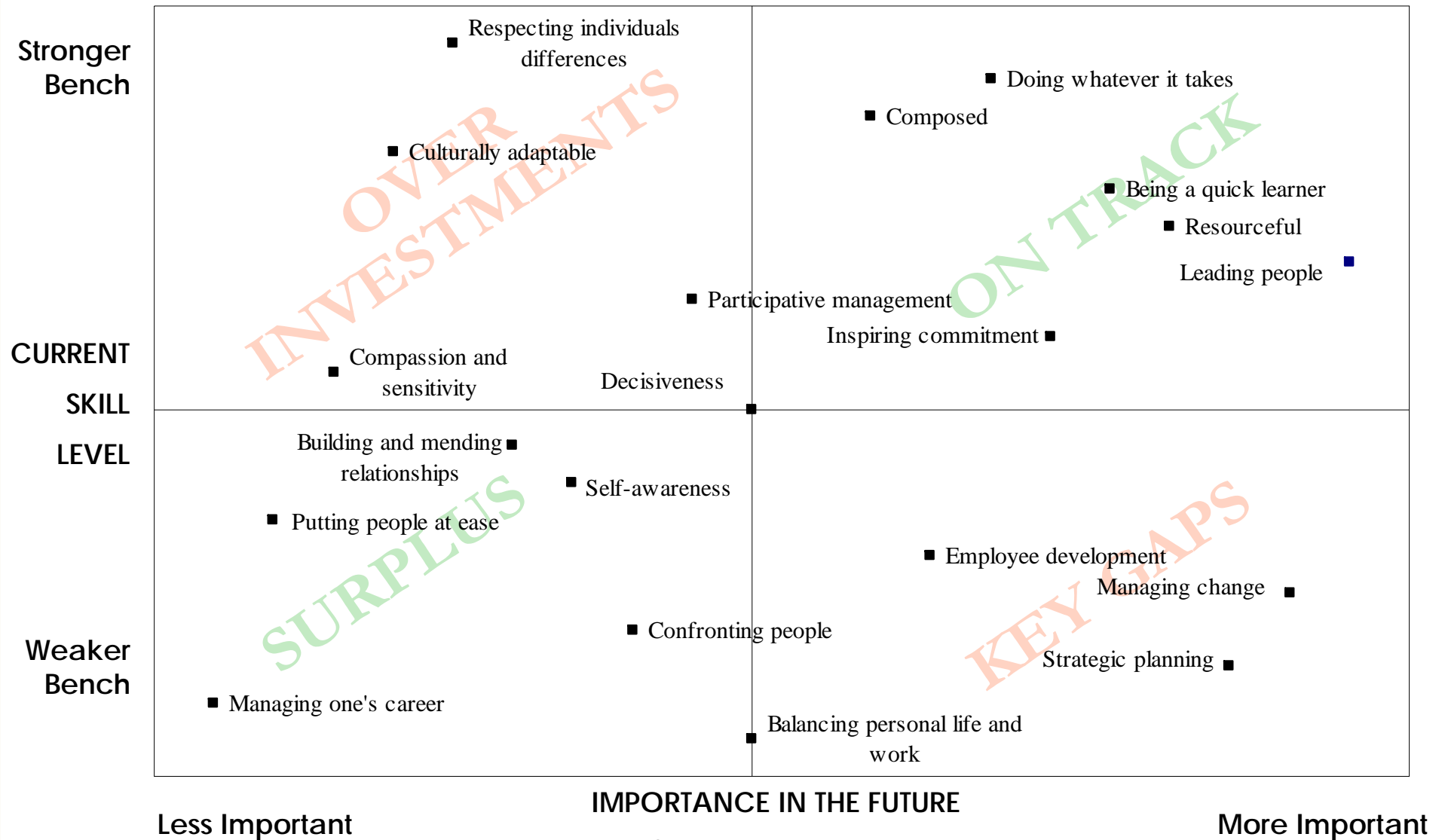
# Leadership Strength



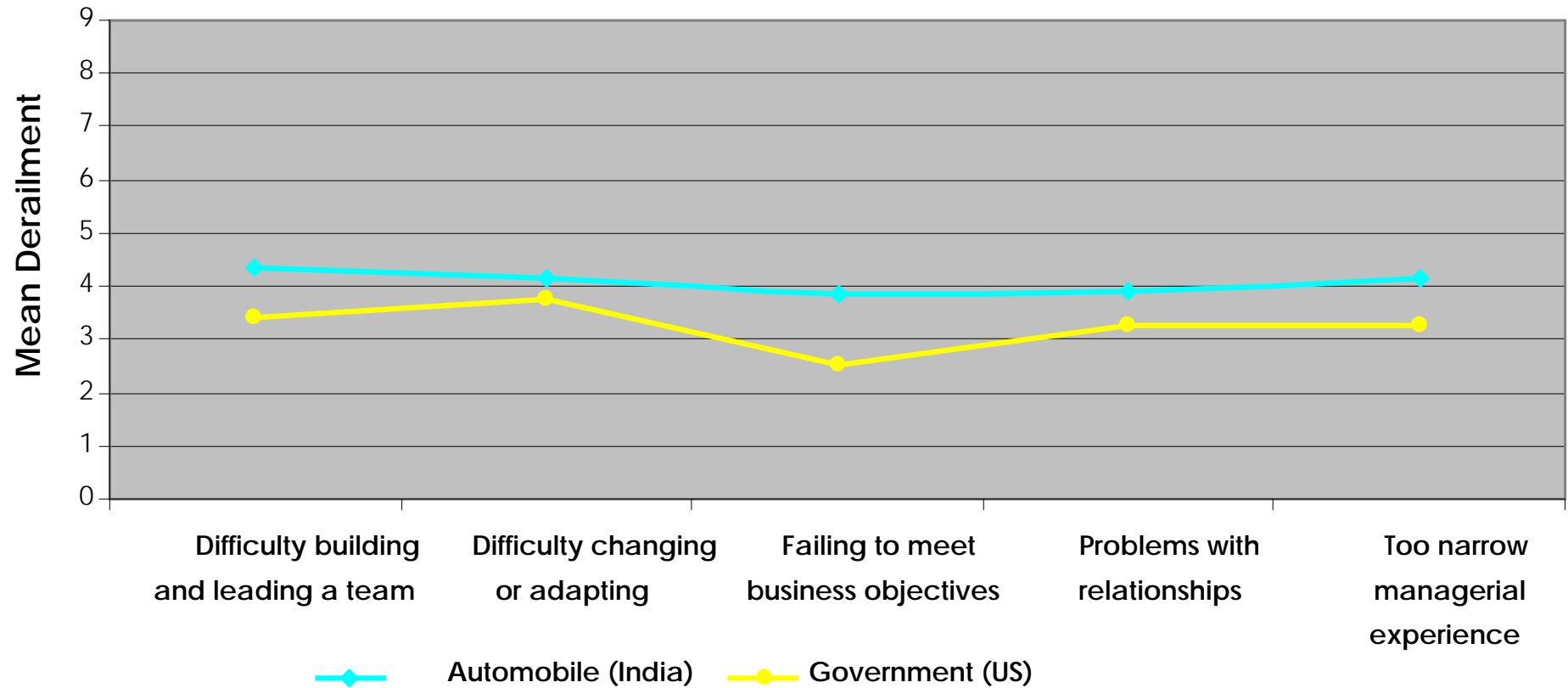
# Leadership Gap –Automobile (India)



# Leadership Gap – Government (US)



# Potential Challenges



Questions or inquiries for additional information or clarification can be addressed to

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