

# [Why is leadership important](https://assignbuster.com/why-is-leadership-important/)

WHY IS LEADERSHIP DEVELOPMENT IMPORTANT? O’ Connell, Patricia. (Feb 2010). How Companies Develop Great Leaders. www. businessweek. com - The Best Companies for Leadership report investing more time developing future leaders - The best-in-breed companies spend more time and money developing leaders - 22% of the Best Companies for Leadership spend 25+ days developing their top talent - Creates an environment that drives performance - Removes obstacles that hinder people McCarthy, Dan (Feb 2010). Hay Group Study Identifies Best Companies for Leadership. www. businessweek. com Top 20 Best Companies for Leadership maintained their commitment to preparing and retaining leaders. - 90% of the Top 20 Best Companies respondents agreed that all employees at their company have the opportunity to develop and practice leading others 86% - Paramount in driving organizations toward growth - Gets people to be passionate about their work and grooms them for the challenges ahead Top 20 Best Companies for Leadership \* General Electric \* Southwest Airlines \* 3M Company \* Procter & Gamble \* Accenture \* Wal-Mart Stores \* Nestle \* Coca-Cola \* McDonald’s Corporation \* Infosys Technologies IBM \* Cisco \* United Parcel Service \* Ikea \* ABB \* Zappos \* Hewlett-Packard \* Goldman Sachs \* Unilever \* General Mills, Inc. \* - Researchers found that companies ranging in size from small outfits of 27 employees to Fortune 500 corporations support leadership at every level Leadership Development Methods and Tips www. businessballs. com/leadership. htm - Develops leaders that are an enabling force - Good leadership requires attitudes and behaviors which characterize and relate to humanity - Leadership development is an opportunity to give, to serve the organization, and the people too. Leadership is about behavior first, skills second Leadership Training www. cmoe. com/leadership-training. htm -Creates a broad perspective, vision, and awareness of trends and developments shaping their organization - Improves the organizations performance, motivation, and overall effectiveness - Creates alignment in both organizational and personal goals - Helps others achieve their maximum potential - Generates positive long-term results Via the Handout - Gives individuals a positive charting of life and work without being deterred by negative forces such as weaknesses and insecurities - Helps professionals to be confident Distinguishes between leaders and followers - Plays an important role when a person possesses the qualities of a leader but not an effective leader -Helps managers to develop their leadership qualities for becoming more productive and managerial - Imparts knowledge to managers on how to be confident in employee management -Teaches importance of effective communication in the workforce - Develops problem solving skills - Creates a positive outlook towards dedication in work among leaders - Allows leaders to understand employee problems and issues - Improves proficiency Leadership Development is as essential ingredient for human advancement -Teaches individuals to overcome weaknesses and use them to their advantage - Teaches individuals to make the most out of their current position rather than staying in the same place because they lack personal resources and knowledge http://exec. actioncoach. com/industry-statistics. php Feb 2011 - organizations that make large investments in people typically have lower employee turnover, which is associated with higher customer satisfaction, which in turn is a driver of profitability education and training variable is the most significant predictor of an organization's success as compared to price-to-earning ratios, price-to-book statistics, and measures of risk and volatility. -Companies that fail to invest in employees jeopardize their own success and even survival. In part, this practice has lingered for lack of alternatives. Until recently, there simply were not robust methods for measuring the bottom-line contributions of investments in human capital management (HCM) - things like leadership development, job design, and knowledge sharing. That's changed. Bassi & McMurrer (2007). -Leadership development, which includes management/supervisory training and executive development, is a $12 billion industry, including internal and external spending. -ASTD reports: “ Employee learning and development is taking center stage as business leaders increasingly understand that a highly skilled, knowledgeable workforce is critical to achieving growth and success http://www. i2i-align. com/2010/02/leadership-training-everywhere-but-not-a-drop-to-drink. html \* 142, 000, 000 – the number of listings on google when searching for leadership. 33, 500, 000 - the number of listings on google when searching for leadership training. \* 21, 300, 000 – the number of listings on google when searching for leadership training courses \* 13, 100, 000 – the number of listings on google when searching for leadership consulting firms \* 1, 600, 000 - the number of listings on google when searching for leadership consultants http://www. corpu. com/initiatives/overhauling-leadership/unpleasant-facts-about-leadership/ Avolio, Bruce J. (and colleagues). Executive summary: 100 years of leadership intervention research.

Leadership Review, 2005. http://www. leadershipreview. org/2005winter/article1a\_winter\_2005. asp - Longer programs having more positive impact than programs that last a day or two. Moreover, it is important that programs follow some tried and true leadership model to guide development efforts. http://exec. actioncoach. com/industry-statistics. php | Industry Stat #3 In one study conducted by MetrixGlobal LLC, companies including Booz Allen Hamilton received an average return of $7. 90 for every $1 invested in executive coaching. read more

A recent study of Executive Coaching in a Fortune 500 firm by MetrixGlobal reported a 529% return on investment and significant intangible benefits to the business. read more A survey by Manchester Inc. of 100 executives found that coaching provided an average return on investment of almost six times the cost of the coaching. | An internal report of the Personnel Management Association showed that when training is combined with coaching, individuals increase their productivity by an average of 86% compared to 22% with training alone.

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An internal report of the Personnel Management Association showed that when training is combined with coaching, individuals increase their productivity by an average of 86% compared to 22% with training alone. read more A Hay Group study of Fortune 500 companies found that 21 to 40% utilize Executive Coaching; Coaching was used as standard leadership development for elite executives and talented up-and-comers. \* Among the benefits to the companies that provided coaching: \* Productivity (reported by 53% of executives) \* Quality (48%) \* Organizational strength (48%) Customer service (39%) \* Reducing customer complaints (34%) \* Retaining executives who received coaching (32%) \* Cost reductions (23%) \* Bottom-line profitability (22%) Among the benefits to executives who received coaching were improved: \* Working relationships with direct reports (reported by 77% of executives) \* Working relationships with immediate supervisors (71%) \* Teamwork (67%) \* Working relationships with peers (63%) \* Job satisfaction (61%) \* Conflict reduction (52%) \* Organizational commitment (44%) \* Working relationships with clients (37%)