

# Why is leadership important



WHY IS LEADERSHIP DEVELOPMENT IMPORTANT? O'Connell, Patricia. (Feb 2010). How Companies Develop Great Leaders. [www. businessweek. com](http://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](http://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](http://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](http://www.cmoec.com/leadership-training). <https://assignbuster.com/why-is-leadership-important/>

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 <https://assignbuster.com/why-is-leadership-important/>

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](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

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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.

Industry Stat #5 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. [read more](#)

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%)