



Global Knowledge®

SPECIAL REPORT: Looking to the Future – Leadership and Learning Forecast for Business Leaders

A Canadian National Survey



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Looking to the Future—Leadership and Learning Forecast for Business Leaders

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Executive Summary

This report presents the results of a Canadian National survey, conducted by Global Knowledge in 2010. Its focus is on the future learning needs of business leaders. Four hundred twenty business leaders and managers responded to the survey, representing both corporate and government/public organizations as well as a wide range of industries and functional areas.

Five key questions were addressed with findings indicating that:

- Respondents expect the top business challenges they face today to remain their biggest challenges in the next few years.
- To overcome their top business challenges, both senior leaders and front-line managers require either new perspectives and new areas of expertise or a transformation in thinking and behaviour.
- To address the top business challenges, three key organizational development activities were identified: organizational alignment; organizational culture development; and talent management.
- The two leadership competencies identified both as most critical to success and as having the largest learning gaps are 1) communication and 2) coaching, mentoring, and people development.
- The most commonly used delivery modality is instructor-led classroom training, closely followed by structured on-the-job training and online self-instruction. In addition, respondents expect to use online and computer-based methods (self-instruction) and virtual classroom/web approaches (instructor from remote location) considerably more often in future.

Overview

In early 2010, Global Knowledge carried out its first Canadian quantitative study focused on understanding the leadership, learning, and development needs of business leaders, managers, and their teams. This report provides a summary of the findings related to five key questions:

1. What are the biggest business challenges organizations expect to face in the coming years?
2. How might the roles or activities of the manager and leader need to shift in order to meet these challenges?
3. Which manager and leader competencies and behaviours are viewed as having the most influence on individual and organizational performance now and in future?
4. What are the current perceptions of manager and leader capabilities related to the identified challenges?
5. Which trends in learning design and delivery modalities are emerging?

Methodology and Sample Size

This online quantitative survey involved the participation of 420 leaders and managers from across Canada, representing both corporate and government/public organizations and a wide range of industries and functional areas.

The Global Knowledge Research and Development team created the survey questions. The project was managed by Synergy Marketing and hosted by Socratic Technologies. Participants were recruited from both current and potential clients. While the survey was administered in English, respondents from Quebec were solicited and are included in the sample.

Respondents		Sample Size
Total Respondents		n=420
Organization Level	Senior Leaders	n=189
	Front-Line Managers	n=231
Functional Area	HR/OD/Training/Talent	n=171
	Other*	n=249
Sector	Corporate	n=206
	Government/Public	n=214
Organizational Size	1000-2499 Employees	n=197
	2500+ Employees	n=223
Organization Performance Level	High Performing	n=74
	Low Performing	n=346

Select results are reported for the above segments when statistically significant differences exist.

*"Other" includes: Owner/Partner/President/CEO, Operations, IT, Finance, Sales/Marketing, and Other.

Organizational Performance

Where statistically significant, our analysis indicates variations in responses from high performing and low performing organizations. Slightly less than 20% of respondents' organizations were classified as high performing.

Organizations were divided into high and low based on the following.

- High performing corporate organizations claimed they performed better than their industry peer group in 2009 and expected accelerated or modest growth in 2010-2011.
- High performing government/public organizations claimed they exceeded expectations in 2009.
- All respondents from high performing organizations selected "completely agree" or "somewhat agree" in response to the following statements:
 - The quality of our products and services is excellent
 - We are the market leader
 - Our customers are highly satisfied
 - Employees are highly productive
 - Cost of doing business is lower than our competition/peer group

If a respondent selected "don't know" as the response to more than one of the above, their organization was excluded from the high performing category.

Key Question #1

What are the biggest business challenges organizations expect to face in the coming years?

Key Findings

Respondents expect the top challenges they face today to remain their biggest challenges in the next few years.

The top business challenges respondents identified include: management/leadership capability; financial; talent/succession management; business process improvement; recruitment; and competitive pressures.

It should be noted that management/leadership capability becomes somewhat less important in the future, while talent/succession management becomes more important.

While these were the top challenges noted by the majority of respondents, those organizations identified as high performing considered technology to be their number one future challenge, followed by competitive pressures, talent/succession management, regulatory changes, and expansion. Also identified were increasing diversity challenges.

“Respondents expect the top challenges they face today to remain their biggest challenges during the next few years.”

Top Business Challenges	Current (n=420)	Future (n=420)
Management/Leadership Capability	33%	27%
Financial	32%	30%
Talent/Succession Management	31%	36%
Business Process Improvement (efficiency/effectiveness)	29%	26%
Recruitment	26%	29%
Competitive Pressures	26%	24%
Technology	19%	21%
Managing Complexity	18%	15%
Regulatory Changes	15%	16%
Innovation	15%	17%
Environmental and/or Social Responsibility	14%	14%
Expansion (geographic or markets)	14%	17%
Diversity (engaging with multi-cultural workforce and/or customers)	9%	10%
Acquisition and/or Mergers	6%	7%
Product Pipeline	4%	5%
Other, please specify	4%	3%

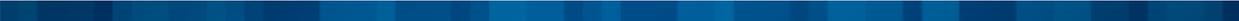
Circles indicate directional difference between current and future.

Top Business Challenges	Future High Performing (n=74)
Management/Leadership Capability	20%
Financial	19%
Talent/Succession Management	24%
Business Process Improvement (efficiency/effectiveness)	16%
Recruitment	18%
Competitive Pressures	31%
Technology	32%
Managing Complexity	14%
Regulatory Changes	23%
Innovation	20%
Environmental and/or Social Responsibility	19%
Expansion (geographic or markets)	22%
Diversity (engaging with multi-cultural workforce and/or customers)	18%
Acquisition and/or Mergers	9%
Product Pipeline	9%
Other, please specify	0%

The findings also suggest that the government/public sectors will face increasing financial, talent/succession management, and recruitment challenges in future. The corporate sector is more likely to face continued but decreasing competitive pressures, and increasing talent/succession management challenges.

Top Business Challenges	Corporate		Government/ Public	
	Current (n=206)	Future (n=206)	Current (n=214)	Future (n=214)
Management/Leadership Capability	30%	23%	35%	31%
Financial	21%	17%	42%	43%
Talent/Succession Management	24%	32%	37%	40%
Business Process Improvement	25%	23%	33%	29%
Recruitment	20%	20%	33%	37%
Competitive Pressures	43%	37%	10%	12%

There were no significant differences between the ratings of senior leaders and front-line managers.



Key Question #2

How might the roles or activities of the manager and leader need to shift in order to meet these challenges?

Key Findings

The vast majority of respondents (71%) noted that to overcome their top business challenges, senior leaders will require either:

- New perspectives and new areas of expertise (43%)
- A transformation in thinking and behaviour (28%)

Similarly, the vast majority of respondents (72%) noted that to overcome their top business challenges, front-line managers will require either:

- New perspectives and new areas of expertise (45%)
- A transformation in thinking and behaviour (27%)

Low performing organizations are more likely to feel that their leaders require a transformation in thinking and behaviour to overcome their challenges.

Senior leaders are most likely perceived to require new perspectives and new areas of expertise when it comes to product pipeline and managing complexity. They are most likely perceived to require a transformation in thinking and behaviour when it comes to management/leadership capability and recruitment.

Front-line managers are most likely to require new perspectives and new areas of expertise when it comes to product pipeline and recruitment. They are most likely perceived to require a transformation in thinking and behaviour when it comes to management/leadership capability, talent/succession management, and managing complexity.

“Overcoming future business challenges will require either new perspectives and new areas of expertise or a transformation in thinking and behaviour.”

	Required Approach		
	Requirements can be met using current expertise	Requires new perspectives and new areas of expertise	Requires a transformation in thinking and behaviour
Senior Leaders	29%	43%	28%
Front-Line Managers	28%	45%	27%

To address their organizations' future business challenges, respondents noted the following as primary opportunities for improvements:

- Acquiring and retaining high quality talent
- Managing for succession
- Creating a performance-driven culture
- Aligning organizational structure to strategy
- Enabling effective decision-making

Required Changes	Total (n=420)
Acquiring and Retaining High Quality Talent	48%
Managing for Succession	40%
Creating a Performance-Driven Culture	35%
Aligning Organizational Structure to Strategy	31%
Enabling Effective Decision-Making	30%
Enabling Work-Life Balance	25%
Working Across Boundaries (functions, divisions, countries)	25%
Managing Risk	25%
Enabling Open Communication Processes and Channels	24%
Developing Technical or Professional Skills	24%
Working Collaboratively or Interdependently	21%
Inspiring Creativity	21%
Leading Virtual Teams	12%
Managing Cultural Diversity	10%

To address their organizations' future business challenges, high performing organizations place less emphasis on improving practices related to managing for succession (27% vs. 40%), creating a performance-driven culture (23% vs. 35%) and enabling effective decision-making (16% vs. 30%). Perhaps this is because these processes already are effectively in place; high performing organizations place more emphasis on enabling their employees' work/life balance (32% vs. 25%).

Key Question #3

Which manager and leader competencies and behaviours are viewed as having the most influence on individual and organizational performance now and in the future?

Key Findings

The most important identified leadership competency is communication. Seventy-five percent of respondents agree that it is critical to both individual and organizational success.

The next most important competencies identified as critical to success are: execution; decision-making; coaching, mentoring, and people development; and visioning and strategic planning.

Many of the “softer” competencies such as learning and reflection, self-awareness, and humility and courage, are viewed as less critical to success.

“The most important identified leadership competency is communication.”



There were no significant differences between the competencies senior leaders and front-line managers consider critical to success.

Respondents in human resource, organizational development, training, and talent development positions place higher importance than others on the competencies of: communication (81% vs. 70%); coaching, mentoring, and people development (65% vs. 56%); learning and reflection (40% vs. 30%); and self-awareness (36% vs. 25%). Government/public sector respondents place higher importance than do corporate respondents on the competencies of: communication (80% vs. 69%); collaboration (58% vs. 45%); leading transformational change (53% vs. 39%); leading operational change (52% vs. 39%); and whole-systems thinking (48% vs. 31%).

Respondents from organizations with 2,500 or more employees place higher importance than do respondents from smaller organizations on the competencies of: whole systems thinking (45% vs. 33%) and information monitoring and sense-making (34% vs. 24%).

Also significant to note is that high performing organizations tend to place greater importance than lower performing organizations on the competency of coaching, mentoring, and people development (62% vs. 49%).

Key Question #4

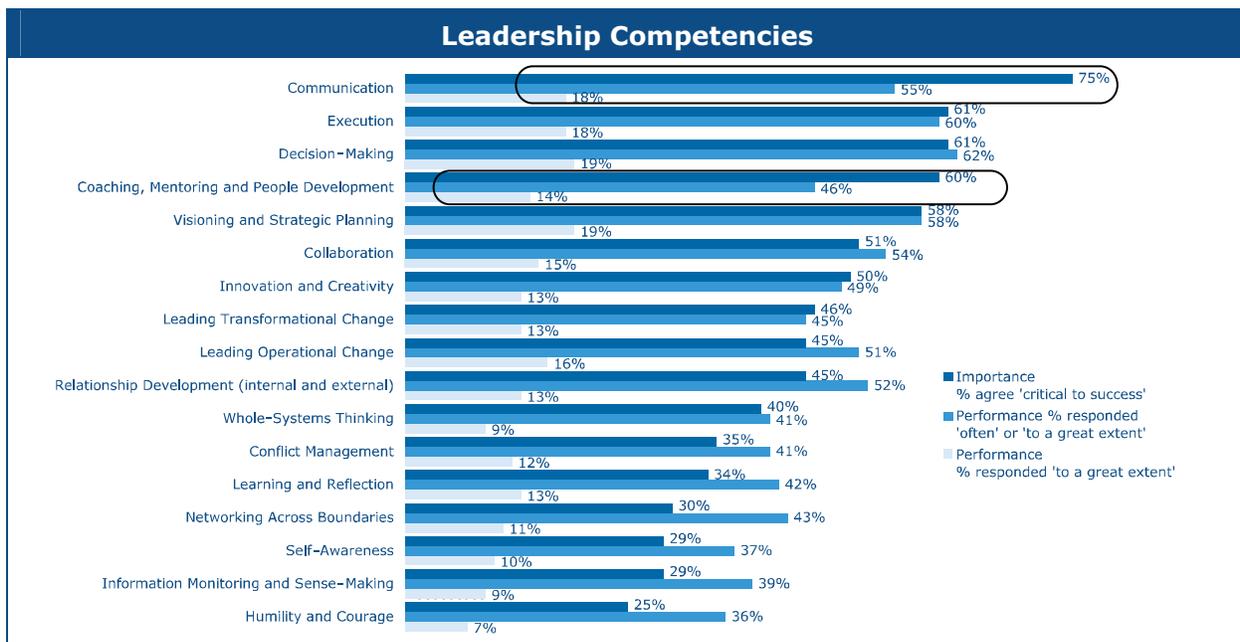
What are the current perceptions of manager and leader capabilities related to the identified challenges?

Key Findings

The findings suggest that improvement is required across all leadership competencies. Few respondents noted that leaders and managers in their organizations demonstrate competencies "to a great extent".

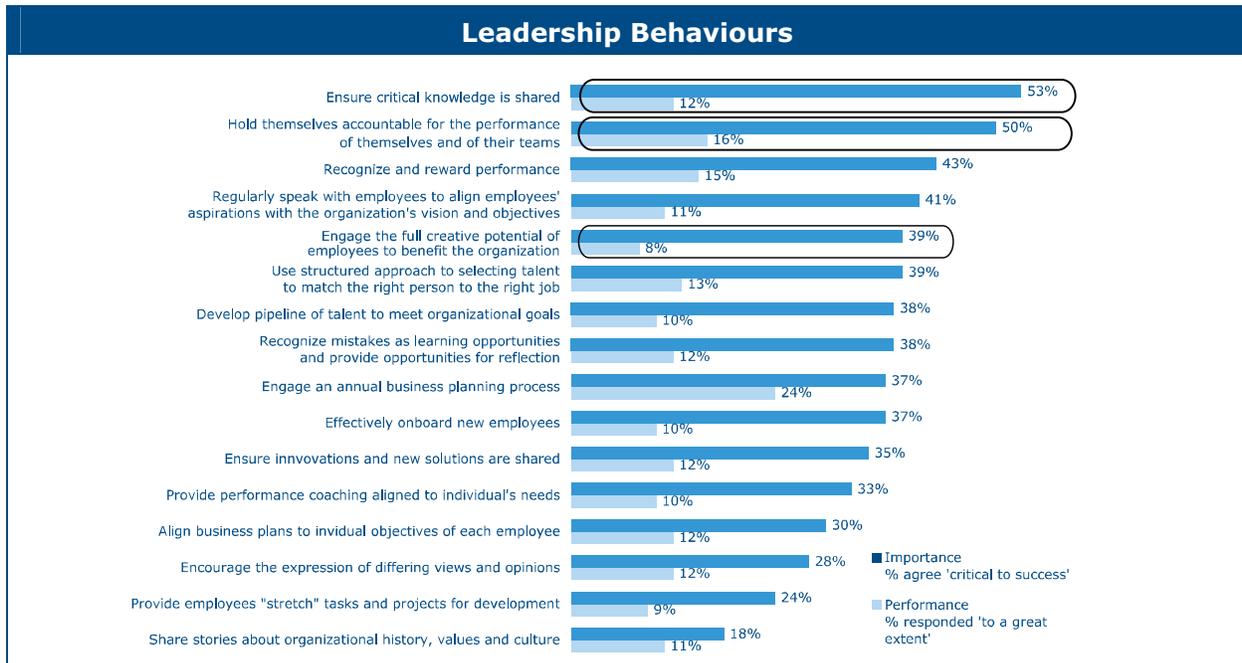
"The findings suggest that improvement is required across all leadership competencies."

When the criteria is softened from demonstration of the competencies "to a great extent" to demonstration of the competencies "often", the competency requiring the most improvement is communication, followed by coaching, mentoring, and people development.



With respect to demonstration of key behaviours, respondents noted that the vast majority of behaviours are neither demonstrated "to a great extent" nor "often", suggesting a need for improvement across the board. Relative

to importance, the behaviours identified as requiring the most improvement are: ensuring critical knowledge is shared; leaders holding themselves accountable for the performance of themselves and their teams; and engaging the full creative potential of employees to benefit the organization.



Senior leaders are significantly more likely than front-line managers to claim that leaders and managers in their organization demonstrate the competencies of execution (23% vs. 14%), innovation and creativity (16% vs. 10%), and networking across boundaries (15% vs. 8%).

Although HR/OD/training/talent respondents placed a higher importance than did respondents from other functional areas on several competencies (communication; coaching, mentoring, and people development; learning and reflection; and self-awareness) and on several behaviours (effectively onboarding new employees and aligning business plans to individual objectives) there is consistency in how the different functional areas view manager and leader performance.

Those in the government/public sector placed higher importance on many leadership competencies and behaviours as "critical to success" (communication; collaboration; leading transformational and operational change; and whole-systems thinking), while at the same time their ratings of performance levels were significantly lower than ratings from the corporate sector.

While both small and large organizations have generally consistent perspectives on the importance of competencies and behaviours, smaller organizations perceive greater leadership performance on many measures (decision-making; communication; collaboration; relationship development; conflict management; and whole-systems thinking).

Not surprisingly, respondents from high performing organizations indicated that leaders and managers in their organization performed significantly better on almost all measures.

Key Question #5

Which trends in learning design and delivery modalities are emerging?

Key Findings

The most common approach to management/leadership training and development is to deploy programs as required (i.e. when a need arises, a solution is offered).

The corporate sector and high performing organizations are more likely to take a strategically aligned approach while government/public sector organizations are significantly more likely to offer little or no formal leadership training.

“The most common approach to management/leadership training and development is to deploy programs as required (i.e. when a need arises, a solution is offered).”

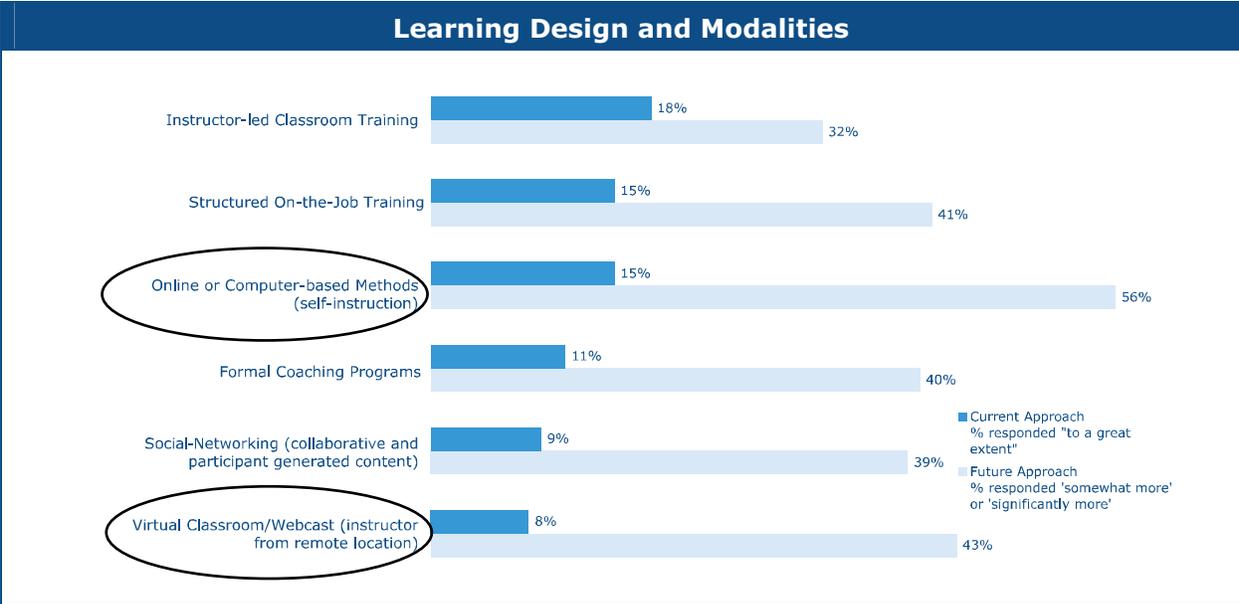
Approaches to management/leadership training and development	Total (n=420)
Little or no formal leadership training and development	22%
Programs deployed as required	35%
Structured training pathway with comprehensive curriculum	17%
Training and development strategically aligned to business goals, talent/succession management, coaching/mentoring, job rotation, and performance management	26%
TOTAL	100%

Currently, the most commonly used delivery modality is instructor-led classroom training, closely followed by structured on-the-job training and online self-instruction.

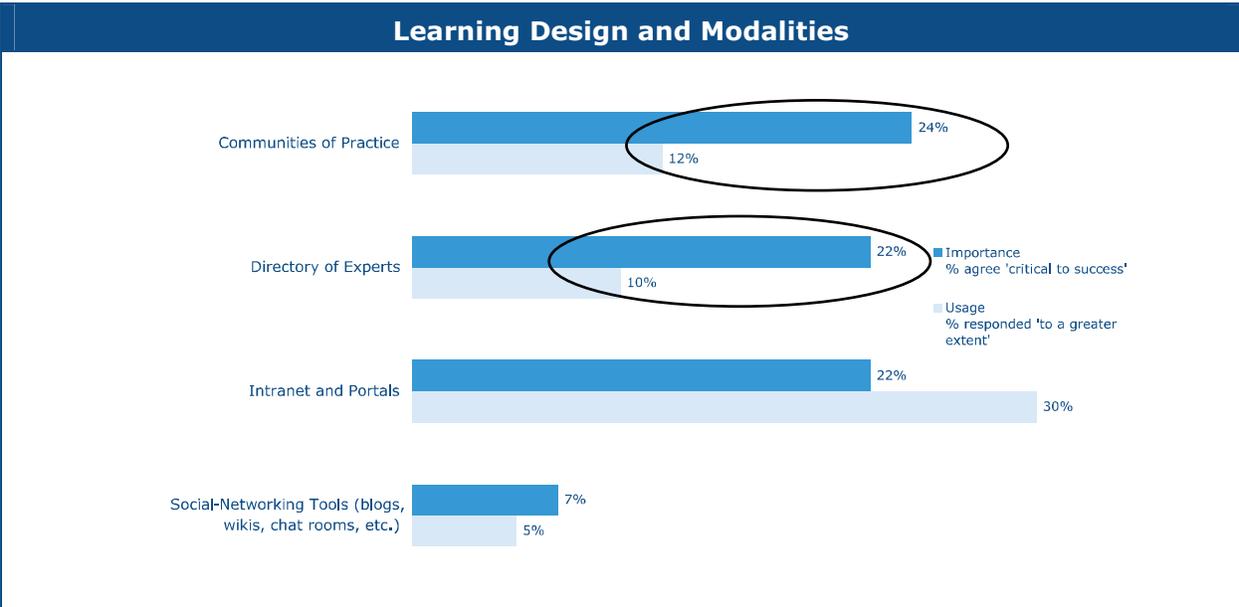
On average, four days of company-supported time is spent in the classroom on an annual basis along with five days of company-supported training on-the-job.

Number of Days of Company Supported Training	2 days or less	3-5 days	6 or more days
Classroom	45%	29%	26%
On-the-job	28%	26%	46%

Organizations expect to use online and computer-based methods (self-instruction) and virtual classroom/web approaches (instructor from remote location) considerably more often in the future.



Although organizations recognize the importance of using intranets and portals, usage is already relatively high in comparison to other learning modalities. There is an opportunity to help organizations increase their usage of communities of practice and directory of experts.



Not surprisingly, high performing organizations engage in more of all modes of training. They are more likely than low performing organizations to recognize the importance of and use of intranets and portals (32% vs. 20%) and social-networking tools (12% vs. 6%). These organizations also currently use communities of practice (28% vs. 9%), directory of experts (19% vs. 8%), and social-networking tools (11% vs. 4%) more often than low performing organizations.

HR/OD/training/talent respondents currently use intranets and portals significantly more than others (36% vs. 26%).

When asked what type of learning experience would lead to the greatest impact on improving senior leader performance, a total of 83% of respondents noted either “reframing or reshaping underlying patterns of thinking and behaviour in order to do things differently” or “embracing the unknown in order to create and integrate net new realities”. Similarly, a total of 78% agreed the same experiences are required to improve front-line leader performance.

Type of Learning Experience			
	Learning new skills or developing new processes without changing underlying beliefs or assumptions	Reframing or reshaping underlying patterns of thinking and behaviour in order to do things differently	Embracing the unknown in order to create and integrate net new realities
Senior Leaders	17%	60%	23%
Front-Line Managers	22%	58%	20%

Summary and Strategic Questions To Consider

What Are the Biggest Business Challenges Organizations Expect To Face during the Coming Years?

The top challenges respondents identified are summarized here under three key business drivers: financial; people; and systems/processes.

Business Drivers	Challenges
Financial	<ul style="list-style-type: none"> ▪ Financial (revenues, costs and efficiencies) ▪ Competitive Pressures
People	<ul style="list-style-type: none"> ▪ Management/Leadership Capability ▪ Talent/Succession Management ▪ Recruitment
System/Processes	<ul style="list-style-type: none"> ▪ Business Process Improvement ▪ Technology (for High Performing companies)

Management/leadership capability becomes somewhat less important in the future while talent/succession management becomes more important.

Respondents expect the top challenges they face today to remain their biggest challenges in the next few years. Albert Einstein may have said it best when he said “We can’t solve problems by using the same kind of thinking we used when we created them.”

To echo that quote, the vast majority of respondents noted that to overcome their top business challenges, both senior leaders and front-line managers will require either:

- New perspectives and new areas of expertise
- A transformation in thinking and behaviour

Strategic Questions To Consider

- What are your organization’s top business challenges?
- As a leader in your organization, how might you encourage the development of new perspectives in relation to these challenges?
- What might a transformation in thinking and behaviour related to recruitment or succession management look and feel like?

How Might the Roles or Activities of the Manager and Leader Need To Shift in Order To Meet These Challenges?

The identified opportunities for improvement to address the top business challenges are summarized here under three key organizational development activities: organizational alignment; organizational culture development; and talent management.

Organizational Development Activities	Opportunities
Organizational Alignment	<ul style="list-style-type: none"> ▪ Aligning Organizational Structure to Strategy
Organizational Culture Development	<ul style="list-style-type: none"> ▪ Creating a Performance-Driven Culture ▪ Enabling Effective Decision-Making ▪ Enabling Work/Life Balance (for High Performing organizations)
Talent Management	<ul style="list-style-type: none"> ▪ Acquiring and Retaining High Quality Talent ▪ Managing for Succession

Low performing organizations are more likely to feel that their leaders require a transformation in thinking and behaviour to embrace opportunities and overcome their challenges.

High performing organizations place less emphasis on improving practices related to managing for succession, creating a performance-driven culture, and enabling effective decision-making, perhaps because these processes are already effectively in place. They place more emphasis on enabling their employees’ work/life balance.

Strategic Questions To Consider

- How might the role or activities of the managers and leaders in your organization need to shift in order to meet these challenges?
- What organizational structures do you consider transformational? How might implementing a new organizational structure on your team impact performance? Impact employee engagement?
- How might embracing new perspectives related to work/life balance impact you?

Which Manager and Leader Competencies and Behaviours Are Viewed as Having the Most Influence on Individual and Organizational Performance Now and in Future?

The competency identified as most important is communication. Seventy-five percent of respondents agree that it is critical to both individual and organizational success.

The next most important identified competencies include:

- Visioning and strategic planning
- Decision-making
- Coaching, mentoring, and people development
- Execution

Communication is an essential element in each of the above.

There were no significant differences between the competencies senior leaders and front-line managers consider critical to success.

Strategic Questions To Consider

- How might a change in communication approach result in more effective decision-making on your team?
- What enables or hinders you to open to new ways of thinking?
- How might a transformation in thinking help you to establish an inspired future vision for your organization or team?

What Are the Current Perceptions of Manager and Leader Capabilities Related to the Identified Challenges?

Findings suggest that improvement is required across all leadership competencies.

The competencies identified as requiring the most improvement are:

- Communication
- Coaching, mentoring, and people development

The behaviours identified as requiring the most improvement are:

- Ensuring critical knowledge is shared
- Engaging the full creative potential of employees to benefit the organization

- Leaders holding themselves accountable for the performance of themselves and their teams

Not surprisingly, respondents from high performing organizations indicated that leaders and managers in their organization performed significantly better on almost all measures.

The biggest identified gaps exist in larger organizations, lower performing organizations, and the government/public sector.

Strategic Questions To Consider

- What competencies can you improve on? What competency gaps exist on your team?
- How might new perspectives on knowledge transfer lead to the dynamic transfer of information on your team?
- How do you engage the full creative potential of your employees?

Which Trends in Learning Design and Delivery Modalities Are Emerging?

The most common approach to management/leadership training and development is to deploy programs as required (when a need arises, a solution is offered).

The corporate sector and high performing organizations are more likely to take a strategically aligned approach (with training and leadership development aligned to business goals, talent/succession management, coaching/mentoring, job rotation, and performance management).

Government/public sector organizations are significantly more likely to offer little or no formal leadership training.

Currently, the most commonly used delivery modality is instructor-led classroom training, closely followed by structured on-the-job training and online self-instruction. Respondents expect to use online and computer based methods (self-instruction) and virtual classroom/web approaches (instructor from remote location) considerably more often in the future.

High performing organizations engage in more of all modes of learning and development.

The vast majority of respondents noted that the type of learning experience that would lead to the greatest impact on improving performance involves either:

- Reframing or reshaping underlying patterns of thinking and behaviour in order to do things differently
- Embracing the unknown in order to create and integrate net new realities

Strategic Questions To Consider

- How is your organization utilizing the power of social media and collaborative technologies to engage your employees in new forms of learning that integrate learning with working?
- How are the learning providers you partner with co-creating learning experiences with you that help you and your team create and integrate new realities?
- What will you do differently after reading this report?

About Global Knowledge

Global Knowledge gives you access to the widest array of industry-recognized programs designed to help you succeed in the public and private sectors. Regardless of your career needs, we can provide relevant, focused, and valuable training to develop you as a talented resource.

We have recently launched new strategic solutions to help you attract, develop, and retain the brightest and best-performing talent.

- **Interviewing and Selection:** A one-day, interactive program that provides comprehensive coverage of a behavioural-based interviewing and selection process.
- **OnBoarding:** An experiential transition process, aimed at shortening the time it takes new employees to reach the “breakeven point” and begin adding net value to their organization.
- **Leadership Potential Assessment:** A user-friendly tool designed to help organizational leaders evaluate their leadership pipeline against six key leadership potential factors. The outputs of the process include a nominated high potentials list and an initial leadership potential profile for each candidate.
- **Succession Management:** A practical six-step process designed to ensure the availability and development of high potential employees to assume critical organizational roles and to retain and develop intellectual capital.
- **Learning 2.0:** Design and consulting that enables you to leverage the power of social media and collaborative technologies to engage your employees in new forms of online learning that integrate learning with working. Solutions include community of practice (CoP) development, collaborative learning environments, and applications driven by employee-developed content and shared best practices.

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Jocelyn Bérard is a recognized expert and speaker in the areas of Business Management and Human Resources. His clients range from industries as diverse as telecommunications, auto manufacturing, government, health care, aerospace, and banking. Some of Jocelyn's national and international projects in Leadership and Talent Management have been with clients such as Telus, The Ottawa Hospital, Canada Post, Nissan, Swift, Pratt and Whitney, Toyota, Sobeys, GM, Hydro One, MPAC, and Rogers.

A specialist in Talent Management—especially related to Leadership Development, Succession Management, and Selection Best Practices—Jocelyn has two undergraduate degrees in Psychology and Human Resources, a Master's Degree in Industrial and Organizational Psychology, and an Executive MBA.

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Heather Sperdakos is a consultant, learning designer, process facilitator, and coach. She has provided services to a wide range of Canadian clients in various sectors and industries. Heather has a diverse background in transformational learning and change, leadership development, and holistic organizational development.

Heather's doctorate, specializing in workplace learning and change, is from the University of Toronto. She has taught at the university level and has been an active participant on numerous professional association boards and committees advancing the field of workplace learning.