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Leadership development is a paradox in corporate training. While programs meant for leaders often command a healthy share of an L&D function's training budget, such programs also tend to serve the fewest number of employees. Why? As stated in Bass's “Handbook of Leadership,” “Leadership makes the difference.” As such, it makes sense that L&D would invest resources into shaping the human capital that, in turn, shapes a company's strategy and direction. Over the last century, leadership research has evolved considerably.

On one hand, there has been a substantial amount of energy spent on exploring different models of leadership, including aspects of what makes a leader a “great leader,” by examining the personalities and behaviors of leaders or looking at how leaders interact with their followers. On the other hand, there has been a deluge of training interventions that give inexperienced leaders the tools to manage effectively. Such interventions also provide experienced leaders with an expanded skill set for taking the helm of a business. In the wake of this march toward understanding and increasing the effectiveness of leaders, many leadership training providers and internal L&D departments have focused on what types of training to offer for the leaders who occupy the real estate at the top of organizational charts.
But why are such training interventions necessary? Aren’t leaders born and not made? Are some leaders climbing the ranks only to reach the top of the mountain and spit into the wind, because they didn’t have “it” from the start? The truth is the opposite: Leadership is a process, rather than an innate quality. In fact, one of the earliest books on leadership, published by Henry Tralle in 1925,² noted that the personal attributes necessary to lead effectively require effort to cultivate and enrich over time.

What can make the development of senior leaders and company executives difficult is the wide array of knowledge, skills and abilities that come together in many combinations to drive business outcomes. The underlying problem is that for decades, L&D has been grappling with the notion that “the definition of leadership has no discernible boundaries, for leadership itself may be found in all walks of life, in all degrees.”³

Even when a company has settled upon a working definition of what constitutes a leader, there is still the ugly truth that “there is no best way to develop managers.”⁴ That said, research has demonstrated repeatedly that leadership development has a positive impact on a company’s performance.⁵ This impact isn’t limited to one area; a recent review of leadership training research showed that leadership development programs are effective across all four levels of the Kirkpatrick evaluation framework.⁶ In other words, leadership training has a positive impact on learning, transfer and business results.

Why talk about leadership development if it appears to be working? According to Training Industry estimates, the average organization spends a minimum of about four percent of its training budget on leadership training. Extrapolating this average against a 2017 market estimate of $161.1 billion for both internal and external training resources in North America, the spend on leadership training falls out to approximately $6.4 billion. With such an investment, intended to serve the very stakeholders and decision-makers who affect both L&D budgets and the organization’s strategic emphasis on training, it is incumbent upon organizations to deliver best-in-class training to these individuals. In other words, leadership training can’t be an act of blind faith. Otherwise, it’s a waste of time, resources and company culture.

To better understand this topic, Training Industry, Inc. conducted research exploring how organizations deliver training to senior organizational leaders and the impacts that training has on their jobs. Over the course of this report, we’ll examine the responses of over 250 executives to a survey about their training experiences, how they relate to their roles and how these factors correlate with each other.
First, we wanted to establish how well leadership development programs are serving the top levels of leadership at organizations. We asked executives about the effectiveness of the leadership development programs they have personally experienced. Sixty-seven percent of respondents said that the leadership training they participated in is typically effective. However, only 27 percent described their leadership development experiences as always effective, and 10 percent said that their experience of leadership development is seldom, if ever, effective.

Figure 1. Effectiveness Ratings for Leadership Development
In short, about two-thirds of executives see leadership development as a successful endeavor, though only about one-quarter feel like such programs consistently do what they’re supposed to. While these findings are, generally, good news, they show that there is room for improvement in the quality of programs that L&D serves to leaders. Against the estimate of $6.4 billion discussed in the introduction, the 10 percent of executives who feel their leadership development experience has been sometimes or never effective represent $640 million. Clearly, while many programs appear to be serving the needs of executives, there is a portion that is falling short in providing effective developmental learning.

What do these training programs look like? In the sections that follow, we’ll describe how training is delivered and the common topics that comprise the content of leadership development initiatives.
Unless you have been living under a proverbial rock, it is an unassailable fact that there has been an explosion in the past couple of decades in the technologies that support training in organizations. We asked executives about the modalities they have experienced in formal leadership training programs at their current company.
As shown in Figure 2, in-person instructor-led training (ILT) is the training modality most often experienced by executives, with around half also reporting the use of virtual instructor-led training (VILT), videos, experiential learning and e-learning. In short, while classrooms are still the “go-to” delivery method, the experience of leadership development can include a wide array of digital training modalities.

<table>
<thead>
<tr>
<th>Training Modality</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Instructor-led training (ILT)</td>
<td>59%</td>
</tr>
<tr>
<td>Virtual-instructor led training (VILT)</td>
<td>51%</td>
</tr>
<tr>
<td>Videos</td>
<td>49%</td>
</tr>
<tr>
<td>Experiential learning (e.g., workshops, case studies)</td>
<td>48%</td>
</tr>
<tr>
<td>Short e-learning sessions</td>
<td>47%</td>
</tr>
<tr>
<td>Coaching or mentoring sessions</td>
<td>42%</td>
</tr>
<tr>
<td>Networking sessions/opportunities</td>
<td>37%</td>
</tr>
<tr>
<td>Tests/assessments of relevant skills</td>
<td>37%</td>
</tr>
<tr>
<td>Shadowing/on-the-job observational assessment</td>
<td>36%</td>
</tr>
<tr>
<td>Personality assessment</td>
<td>35%</td>
</tr>
<tr>
<td>360-degree evaluation</td>
<td>28%</td>
</tr>
<tr>
<td>SME access (e.g., mentor network)</td>
<td>23%</td>
</tr>
</tbody>
</table>

59% of executives experienced ILT
WHAT IS THE EXPERIENCE AT BEST-IN-CLASS COMPANIES?

At companies with leadership development programs rated as “always effective” by executives, several formal methods for delivering training are used in larger proportions than at companies with ineffective training. These best-in-class companies are more likely to use e-learning, videos, on-the-job assessments, and skill assessments. In addition, they offer VILT, experiential learning, and mentor networks twice as often as companies with ineffective programs. Everybody uses ILT and coaching. In other words, companies with the most effective leadership development programs offer a wider array of training delivery methods to executive learners.
From these results, it is clear that the executive experience of training comes through a variety of channels. To determine how much of this variety we can find within the average company, we created a metric of the number of available modalities at each company represented in this research. For Figure 3, we calculated the frequency with which companies spread their leadership development offerings across multiple delivery modalities. As shown, just over half (55 percent) use between three and six modalities to deliver leadership development programs. This finding is similar to other Training Industry research, which found that 52 percent of non-managerial learners are offered between three and six modalities for employee training.

**16%** of executives experienced leadership development through five delivery methods.
Fifty-seven percent of companies with leadership development programs rated as “always effective” by executives offer between three and six modalities. Compared to companies with ineffective training (where only 42 percent offered between three and six modalities), these best-in-class companies are more likely to offer five or six training modalities. In other words, there is a relationship between how well a company delivers leadership training to its executives and the number of methods they typically use to do so.

**WHAT IS THE EXPERIENCE AT BEST-IN-CLASS COMPANIES?**

57% of leadership development programs rated as “always effective” offer between three and six modalities.

42% of companies with leadership development programs rated ineffective by executives offer between three and six modalities.

"Best-in-class companies offer leadership development through multiple modalities."
Increasingly, an employee’s experience of training is a combination of formal and informal sources. We know from other research that a nontrivial amount of learning – as much as 70 percent – occurs away from formal initiatives. To that end, in addition to capturing the formal methods of training delivery, we were interested in the ways that executives seek informal channels for learning. As shown in Figure 4, over half of respondents to our survey indicated that they have consumed leadership content in text, audio and video formats.

![Figure 4. Methods of Informal Training Delivery in Leadership Development](image-url)

- Written materials (e.g., books, trade journals, etc.): 65%
- Audio materials (e.g., podcasts, audiobooks): 59%
- Videos: 54%
- Webinars: 49%
- None of the above: 7%
WHAT IS THE EXPERIENCE AT BEST-IN-CLASS COMPANIES?

As with formal training modalities, executives at best-in-class companies are more likely to use all of these informal methods of learning.

Over 50 percent of executives from these companies reported using one or more informal methods, compared to nearly one-quarter (23 percent) of executives from companies with ineffective programs who use none of them.
Though we often default to talking about leadership development like it’s some singular thing, the truth is that the content encountered in such programs encapsulates a wide variety of knowledge and skill areas.

Figure 5 shows the training topics frequently encountered in leadership development programs, from a supplemental Training Industry survey about the leadership development experience.

42% of executives received training in project management.
Based on this data, the average company offers at least six different topics targeted to those in leadership roles. Based on Figure 5, there are a few overarching categories of training topics that may comprise a typical leadership training experience:

Firstly, there are relational topics, which have to do with direct interactions with others. They include topics such as communication skills, soft skills, coaching, interviewing and providing feedback.

Secondly, there are management skills, which have to do with steering the behavior of employees. They include topics such as project management, teamwork, employee motivation and leading generations.

Thirdly, there are governance competencies, which involve guiding the direction of the company’s efforts. They include topics such as strategic planning, decision-making, defining vision and setting organizational culture.

Finally, there are value-related topics, which form the guardrails for how the company goes about day-to-day business activities, often by the example of senior leaders. They include topics such as ethics, time management, building trust, negotiation and innovation.
Based on these categories, we can say that leadership development programs support a mixture of different competencies through the training programs they offer. An organization may offer some topics at different frequencies based on the forces of change within the company and the markets it operates in, but we can think of leadership training in general as the collection of these more specific categories.

"The average company offers at least six different topics targeted to leaders."
Companies with effective training tend to offer an average of at least seven topics, compared to five for companies with ineffective training. This difference is not simply a matter of quantity; there are topics that companies with effective training are more likely to offer: By a margin of at least 10 percent, companies with effective leadership training more often offer courses on leading generations, interviewing job candidates, strategic planning, decision-making and prioritization, and defining a vision or strategy for the company. The topics that are likely to be offered regardless of effectiveness were communication skills, change management and employee motivation.
THE IMPACT
OF EFFECTIVE
LEADERSHIP
DEVELOPMENT
In the grand scheme of L&D, leadership development is simply one of many competing priorities. As shown in Figure 6, which comes from a Training Industry survey of learning leaders, of all the reasons that a company might invest in training, fostering better leaders isn’t necessarily at the top of the pile.

As shown, the expected outcomes of investing in L&D are focused primarily on the delivery of training across the enterprise. Accordingly, the efforts of learning leaders tend to gravitate toward ensuring training is effective for all employees, of whom executives and senior leaders are one segment of learners.
Before exploring the results of these analyses, let’s describe a few of the measures we used to explore the impact of effective leadership development programs.

**Organizational identification** - “a perceived oneness with an organization and the experience of the organization’s successes and failures as one’s own” 10

**Formal methods** - frequency count of the number of formal modalities used by respondents (see Figure 2), which represents the breadth of offerings by a company

**Self-efficacy** - their personal belief in their ability to be effective at their leadership roles 11

**Informal methods** - frequency counts of the number of informal modalities used by respondents (see Figure 4), which represents the additional learning sources commonly accessed by executives

In addition, we used several established items that captured the following work outcomes:\textsuperscript{12}

\textbf{Work-family balance}, which concerns people's current ability to meet the demands of both a job and personal life

\textbf{Work centrality}, which concerns how much people include their job in how they define their own identity

\textbf{Job satisfaction}, or the sense people have that they enjoy their work and are appropriately rewarded for it

Let’s return to the question at hand: What are the impacts of effective versus ineffective leadership training? We will discuss the findings in three sections:

- How executives view themselves and their role
- How effective leadership development relates to work outcomes
- How formal and informal delivery methods impact leadership training effectiveness
We found a significant relationship between training effectiveness and organizational identification, but not between training effectiveness and self-efficacy. We also found a significant difference in both organizational identification and self-efficacy depending on whether the respondent’s company provides effective or ineffective leadership training. The means for each group are shown in Figure 7.

Taken together, the results point to the critical nature of leadership development. When leadership development is effective, executives report greater organizational identification and self-efficacy.

Executives whose leadership development experience is always effective report greater self-efficacy.
For organizational identification, these results show that executives at companies with effective leadership development programs feel a closer personal connection with their employers. Moreover, this pattern appears to hold across the whole sample of executives. In other words, the more effective a company’s leadership development programs, the more likely it is that the executive taking part in such programs feels personally aligned with the company.

For self-efficacy, when taking all of the data into account, differences wash out. However, these results suggest that the effectiveness of leadership training programs impacts executives’ self-efficacy. Improving leadership development initiatives doesn’t result in a stronger belief by executives in their ability to do their jobs; another factor is likely driving any differences in self-efficacy across the spectrum of executive development experiences. Training itself does not appear to foster executives’ personal beliefs in their ability, but we can say that executives’ self-efficacy tends to be better at the organizations that are “best-in-class” when it comes to leadership development.
EFFECTIVE TRAINING AND EXECUTIVE OUTCOMES
Next, we found a significant relationship between training effectiveness and work-family balance\(^ {17}\) and job satisfaction,\(^ {18}\) but not between effectiveness and work centrality.\(^ {19}\) There was also a significant difference in work-family balance\(^ {20}\) and job satisfaction\(^ {21}\) depending on leadership training effectiveness. However, the gap in the ratings of work centrality across training effectiveness was not significantly different.\(^ {22}\) The means for each group are shown in Figure 8.

Thus, delivering leadership development that executives view as effective has additional benefits: when they see their development as effective, executives report greater work-family balance and job satisfaction.

Executives whose leadership development experience is always effective report greater levels of job satisfaction.
Based on these data, there appears to be a meaningful relationship between work-family balance and training effectiveness. The more effective a company's leadership development programs, the more likely it is that its executives are able to balance their personal and professional lives. Similarly, the more effective a company's leadership development, the more likely it is that its executives enjoy and feel engaged with their jobs.

We should note, however, that both work-family balance and job satisfaction are affected by a wide array of factors besides the quality of a company's leadership development initiatives. For instance, an extensive review of work-family balance research shows that an organizational culture that supports this balance reduces the experience of work-family conflict.23 Similarly, another quantitative review found that an individual's personality is meaningfully related to his or her job satisfaction.24 In other words, while past research has established that aspects of work culture and individual personality can affect these two outcomes, our results suggest that effective leadership training also has an effect.

There was no significant pattern in our data for work centrality; while executives may personally identify with their company, as suggested by the results for organizational identification, their work is not more or less likely to be part of their identity. It may seem to be a fine-grained distinction, but it is an important one: These results show that well-trained executives are not more likely to define themselves by their role. Even though there was a difference, it is not likely to be meaningful. Therefore, while training is related to how executives feel about their work-family balance and job satisfaction, it, in and of itself, will not make their role become part of how they define themselves.


EFFECTIVE TRAINING AND MODALITIES
Lastly, we found that there was not a significant relationship between training effectiveness and formal modalities.\(^{25}\) However, the relationship between training effectiveness and the use of informal modalities was significant.\(^{26}\) There was a not a significant difference based on training effectiveness for formal modalities.\(^{27}\) For informal modalities, however, there was a significant difference in the number of modalities used in effective leadership training and the number used in ineffective training.\(^{28}\) The means for each group are shown in Figure 9.

\(^{25}\) \(r = 0.09, p = 0.115\)  
\(^{26}\) \(r = 0.16, p = 0.011\)  
\(^{27}\) \(F(1, 98) = 5.69, p = .019\)  
\(^{28}\) \(F(1, 98) = 9.77, p = .002\)

*Figure 9. Modality Offerings, by Leadership Training Effectiveness*

When they considered their leadership development to be always effective, executives consumed more informal methods for their development.
For formal training modalities, the lack of significant differences is an important point for learning leaders to consider: Adding more modalities to an existing suite of training offerings is not a proxy for improvement. Similarly, moving to fewer modalities doesn’t necessarily tank the overall effectiveness of leadership training. While the data do show that effective leadership programs tend to contain more methods of delivery, it is not the methods per se that drive this effectiveness. Based on the correlation, there’s no way to say that effective training programs always offer more modalities - the lack of significance suggests that there are some ineffective leadership development programs that offer more modalities than some effective programs. In sum, a large number of delivery methods is not necessarily the hallmark of effective leadership training.

For informal training, our results may seem contradictory. Why would executives at companies where training is effective be more likely to look for development outside of formal offerings? We believe that these executives are supplementing, expanding and enriching their knowledge and skills beyond what they encounter in their companies’ formal training. This informal learning doesn’t imply that the formal programs are insufficient - instead, it speaks to the experience of executives as a whole. For instance, we found a range of small but significant relationships between the number of informal modalities executives accessed and other variables, such as organizational identification, work-family balance and job satisfaction. Given that we know these variables are already related to effective training, these data suggest that such executives may be more motivated to engage in continuous learning beyond the formal classroom or digital learning module.
SUMMARY AND CONCLUSIONS
Over the course of this report, we’ve shared insights from our data about the executive experience of leadership training. Clearly, there are important consequences to whether an L&D function provides high-quality training for leaders. We can’t overlook, however, the fact that effective training does not happen overnight or in a week, a month or a single fiscal quarter. When we’re talking about building the competencies of executives, this is especially true, as organizational researchers have recognized that “leadership development is a long-term and incremental process.”29

The history of leadership theory has held that leaders are made rather than born. Leadership development unquestionably carries business impact; two-thirds of the executives who completed our survey see leadership training as effective. For programs that are seen as ineffective, the benefits of improving such programs can come in many forms, as shown by our results on the impacts of leadership training. In short, our report shows that developing executives is not a fruitless endeavor to be cast off as a needless L&D expense.

29 Riggio, R. (2009). What 100 years of research shows about effective leadership. Available at: https://www.psychologytoday.com/us/blog/cutting-edge-leadership/200911/what-100-years-research-shows-about-effective-leadership
WHAT CAN A COMPANY DO TO IMPROVE THE EXPERIENCE OF LEADERSHIP DEVELOPMENT?

CAREFULLY CONSIDER THE MODALITIES USED IN FORMAL TRAINING OFFERINGS.

Although classroom-based ILT is the most common modality in leadership training, digital learning technologies comprise a significant part of the executive experience. Companies with more effective training are likely to offer digital learning in addition to ILT and coaching to deliver leadership development. The majority of companies offer between three and six different modalities, providing ample opportunity for executive learners to access training. In sum, modalities are an important component of effective leadership training, helping to ensure that content is available for consumption in several delivery methods.
WHAT CAN A COMPANY DO TO IMPROVE THE EXPERIENCE OF LEADERSHIP DEVELOPMENT?

2

CURATE INFORMAL SOURCES OF LEARNING FOR EXECUTIVES.

Executives at companies with effective training are more likely to seek additional information outside of formal programs. While this informal learning is not necessarily part of a company’s formal offerings, it can provide insight into the learning topics that executives are engaging with. Companies wishing to improve their leadership training should identify and curate a collection of informal, reliable and relevant information sources to steer executive learning outside of the classroom in desirable directions.
WHAT CAN A COMPANY DO TO IMPROVE THE EXPERIENCE OF LEADERSHIP DEVELOPMENT?

ENSURE TOPIC OFFERINGS COVER COMPETENCIES THAT BRIDGE RELATIONAL SKILLS, MANAGEMENT PROFICIENCIES, GOVERNANCE AND SETTING VALUES.

Leadership training can encompass a variety of different learning topics that build the skills of executives across a range of important competencies. Unless there’s a prominent deficiency in one competency area, companies should provide programs that touch upon all topic areas to safeguard against skills shortfalls.
Effective leadership development programs cannot do everything. In our research, effective leadership development was not associated with higher levels of self-efficacy or work centrality. Further, our data did not show a pattern of relationships between the number of formal modalities offered by a company and the effectiveness of leadership training. Therefore, while consideration of the delivery methods of leadership training is important, simply increasing the number of them is not a path to effectiveness.
Why, then, would a company want to improve the effectiveness of leadership development?

Our results show that for executives, effective leadership programs are significantly associated with:

- Better identification with the company
- Improved work-family balance
- Higher levels of job satisfaction
- Engagement with continuous learning
In closing, we can make a number of statements about the executive experience of leadership development. Past research has demonstrated that high-quality leadership development programs make a tangible impact on both company performance and individual performance. The results of our research show that the benefits of training for executives stretch well beyond those results, yielding leaders who are not only more effective but also more connected to their work and their learning.
All research findings described within this report are based on Training Industry, Inc. research data collected in 2017 and 2018. The following are general demographics of the 264 participants whose data comprise the majority of the insights in this research.

Below are general demographics of participants in this research.

### Company Size

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<thead>
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<th>Size</th>
<th>Percentage</th>
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<tr>
<td>50k+</td>
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<tr>
<td>20k-50k</td>
<td>5%</td>
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<td>101-500k</td>
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</tr>
<tr>
<td>Fewer than 100</td>
<td>8%</td>
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</table>

### Top 7 Industries (representing 75% of respondents)

1. Technology
2. Banking/Finance
3. Construction
4. Business Services
5. Government
6. Health Care
7. Manufacturing

### Job Tenure

- 6-15 yrs: 54%
- 1-5 yrs: 27%
- 16+ yrs: 19%
New insights create new ways for L&D to do business. Training Industry, Inc. provides data-driven analysis and best practices for the corporate training professional by capturing the perspectives of learning professionals, learners and training companies across a diverse array of industries. Our informational resources are shared with hundreds of thousands of monthly website visitors and email subscribers.

The Training Industry, Inc. research team of experienced analysts relies on rigorous survey practices, including targeted sampling and advanced analytics. These practices are based on validated principles of measurement to answer both qualitative and quantitative questions across a variety of research designs, including market research, buyer personas, learner impact analysis, competency models and organizational assessment tools. Our expertise and audience reach allow us to provide learning professionals with in-depth market intelligence and thought leadership insights to reveal where the corporate training market is now and where it is headed in the future.

Our research harnesses the collective wisdom of learning professionals and their unique perspectives on the business of training to inform our continuing professional development programs, including events, classes, certificates and the Certified Professional in Training Management (CPTM™) certification program. We circulate these insights throughout the training market using content marketing, including webinars, infographics, email marketing, and our award-winning magazine and website.

Recommended citation: