How Human Leadership Leads to Business ROI pt.1

INTRO

There is no doubt that we are in radically changing times. The nature of the shifts in the corporate environment are unprecedented and profound. Recent surveys of HR leaders conducted by Gartner (link) indicate some important statistics that highlight the extent of the change taking place, as it relates to human resources and corporate leadership. The studies also shed light on the current status of leadership today and what's needed to help leaders navigate this emerging new normal.

In a nutshell: businesses need more human leaders - and they aren't easy to find.

But while the new data is clear and compelling, many executives still struggle to accept the business value to be gained from investing in leadership development. In this two part blog series we'll unpack some of the empirical evidence of the shifting landscape of leadership. Then, we'll take a look at the key challenges that leaders today need to overcome, as well as what's required to create more *human leaders*.

The Data

The data we are exploring here comes from a number of research studies and surveys run by Gartner in 2021 and 2022. Their research targets HR professionals and delves deeply to expose the true nature of the leadership challenges companies are facing today. One study surveyed over 230 HR leaders in 29 countries to understand their perspectives on the current state of organizational leadership. Another study polled over 3300 employees across 23 industries in 13 countries to gather insights on leadership success.

In general, the data showed that human leadership will be a critical component for successful leadership in the future. Let's look more closely at some of the statistics.

A New Normal For Leadership

When asked whether or not they believe current employee expectations will change or are here to stay, an overwhelming majority see the current trends as lasting. *90% of HR professionals believe that to succeed in the future, leaders need to operate in a more human way.*

But what exactly is "human leadership"? The term may seem a bit vague and we'll discuss it in more detail in Part 2 of this post. However, there is a simple definition to keep in mind: Human Leaders are those who exhibit high levels of authenticity, empathy and adaptability. These are the key traits that employees expect from their workplace leaders and managers today. In fact, *84% of HR professionals believe that employees' expectations for more human treatment at work is a permanent change*.
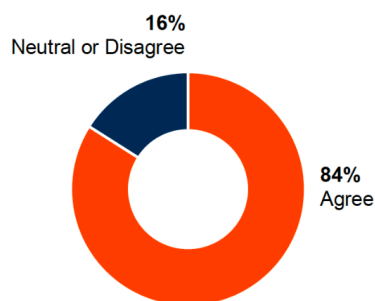
The New World Is Here to Stay

Beliefs From HR Leaders That Current Employee Expectations Will Continue

HR leaders say that …

… to succeed in the future, leaders need to operate in a **more human way**.

10% Neutral or Disagree

90% Agree
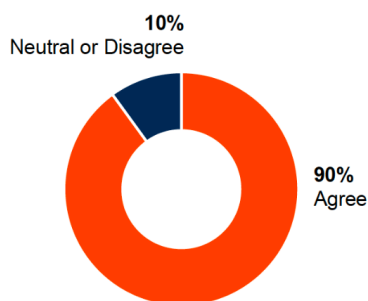
… employees' expectations for more human treatment at work are a **permanent change**.

16% Neutral or Disagree

84% Agree

n = 231 HR leaders
Source: 2022 Gartner Leadership Success in the New Environment HR Leader Survey

Source: 2022 Gartner Leadership Success in the New Environment HR Leader Survey

A Pathway For Productivity

Another notable finding of the research was the impact of Human Leadership on talent outcomes. Gartner measured the change in employee outcomes by leadership type - "average leaders" vs "human leaders". Three categories of talent outcomes were assessed:

- High Intent To Stay
- High Employee Engagement
- High Well Being

In each of these categories, those who score high as human leaders contributed to significant improvements in their team's performance when compared with average leaders. For example, human leaders were able to boost their teams performance by up to 27% among employees who scored as highly engaged. Increases

were noted for each of the other categories as well. Human leaders performed 30 percentage points higher than average leaders among employees who scored high for well-being at work. For employees who scored high on their intent to stay with their company, human leaders brought a 12 percentage point increase to this intent.

What this suggests is that leaders who apply human leadership practices and approaches are able to optimize productivity and reduce turnover. This is particularly important when it comes to ROI as employee turnover comes at a [huge expense](#). It can cost as much as 2x of an employee's annual salary and take an average of 42 days to fill a new position. Companies and organizations serious about business growth need to focus on reducing leaks in employment and invest in employee well being and career development.
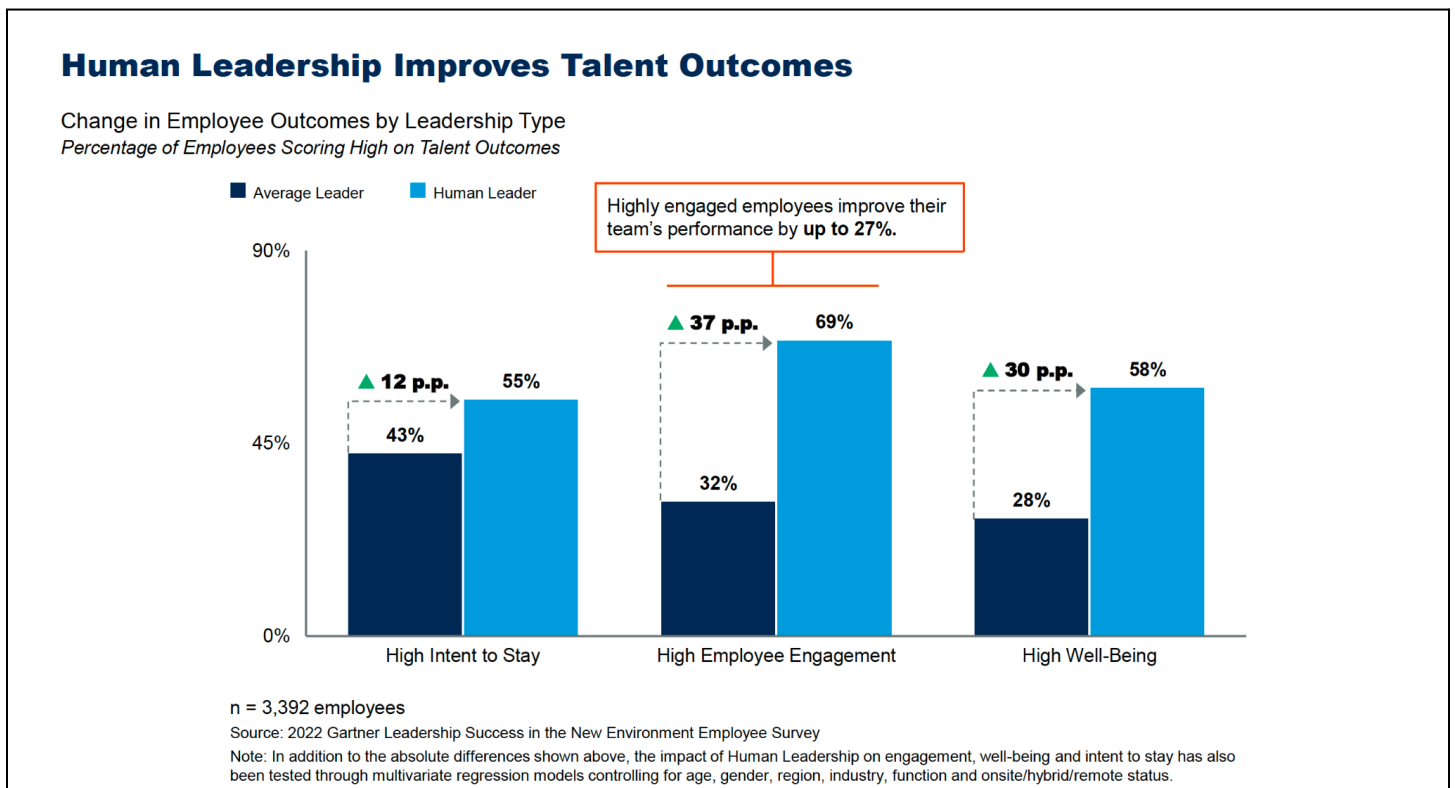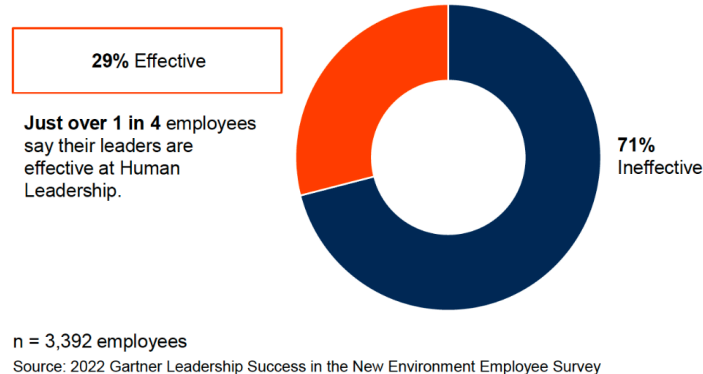

Wanted: More Human Leaders

One of the most glaring challenges that this dataset presents is the clear dearth of human leaders in most organizations today. When asked to rate their leaders effectiveness at human leadership, the vast majority said they were not.

Human Leaders Are Few and Far Between

Percentage of Employees Rating Leaders as Effective at Human Leadership

29% Effective

Just over 1 in 4 employees say their leaders are effective at Human Leadership.

71% Ineffective

n = 3,392 employees
Source: 2022 Gartner Leadership Success in the New Environment Employee Survey

Just 29% of employees surveyed rated their leaders as being effective at Human Leadership. Clearly there is significant room for improvement here. With so many HR leaders recognizing the urgent need for human leaders, the question becomes: why aren't more leaders *human leaders*?

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It's important to note that the Gartner researchers conducting the study looked at several demographic factors to see if they played a role in leaders being identified as human leaders or not. They measured factors such as:

- Women vs Men
- Millennials vs Baby Boomers
- Less than 10 years experience vs More than 10 years experience
- Small teams (25 or less) vs Large teams (50 or more)

In all cases, no statistical difference was recorded. In other words, these demographic factors did not contribute to whether a leader was identified as a human leader or not. What the study did reveal, however, is that there are three categories of leaders who are ineffective at human leadership. They are described as:

-Doubtful Achievers

-Fearful Believers

-Uncertain Strivers

Looking Ahead

In Part 2, we'll delve into the needs of these types of leaders and how they can be supported to develop more human leadership skills. The good news is human leadership can be learned and cultivated. With the right resources and willingness to grow, leaders and managers can foster the skill sets they need to be effective in their roles. This can happen sooner rather than later, too. Right now, businesses and organizations urgently need leaders who can navigate the present uncertainties and inspire their teams to stay the course and create meaning in their roles.

Verb's human centered L&D platform exists to help companies develop effective human leaders equipped with the know-how to manage the modern workplace.

Get On Track For Launch

When you need to get your leadership development program launched quickly, Verb's 3-month Fast Track Program offers everything you need at an exceptional value. Schedule a demo to see how our flexible platform can work for your needs.