

Critical Success Factors of the Effective Leadership Program: Kazakhstani Case Study

The in-house leadership development program was designed, customized and delivered at the local company in Kazakhstan. This one-year in-house leadership development program was a complex mixture of leadership training interventions and a blend of learning methods delivered on a module-by-module basis. The list of critical success factors were applied to the leadership development program to enhance its effectiveness. In our long-term, quasi-experimental research we explored whether the delivered leadership development program has any effect at the individual and organizational levels. To reveal an effect of the training program, we identified two different outcomes, leadership behaviors at the individual level and sales results at the organizational level. We used a pretest-posttest control group design with the sample of 44 regional mid-level managers of the company to reveal significant differences between trainees and non-trainees. The results of the study confirm the effectiveness of the leadership development program. Based on a statistical analysis, the t-test revealed statistically significant differences on behavioral scales, Vision, Support and Relentlessness. Linear regression indicated that who were trained performed better in terms of sales outcomes than those who received no training. Thus, the study indicates clearly that this particular designed leadership development program has had an effect on individual and organizational outcomes of trainees compared to non-trainees and might be stipulated as an effective program.

*We can't train tomorrow's leaders with yesterday's leadership training practices.
The decade ahead demands a new set of competencies and a revamping of training methods.*
(Conger, 1993)

Transfer greater ownership of development back to the people.
(Petrie, 2011)

Experts affirm that leadership development is a powerful force for development of competitive advantage driving business impact [1], [2], [3], [4], [5], [6], [7]. Nowadays, a leadership development program is one of the most popular methods of developing managerial and leadership skills within an organization.

Leadership Training Intervention

A leadership development program is a tool organizations enthusiastically use for learning purposes. Spencer (2011) stipulated that a well-designed leadership program with appropriate interventions should address the number of issues and bring results at various levels of an organization [8]. Moreover, a well-designed and well-structured program is a systematic longitude approach integrated into the strategic priorities of an organization [9], [10], [11], [12]. According to Conger (1999), a well-designed leadership development program requires step-by-step focused improvement over extended periods to reflect on and reconsider important findings [1]. Scholars identified the number of interventions for leadership development, namely, formal training, mentoring, job assignments, feedback, on-the-job experience, and leader-follower relationships [1], [14]. We have choose three of the interventions as the most valuable to achieve the defined goals and objectives of our leadership development program, (1) formal training, (2) action learning, and (3) networking. Here is the brief analysis of the above-mentioned methods.

Formal training

Scholars have highlighted the central role of formal (i.e., classroom) training in today's leadership development programs. Formal training remains a vital feature of leadership programs in recent decades [1], [9], [10]. Conger (1999) emphasized formal training as the foundation of contemporary leadership development programs, which based on four main categories of content in programs, "each with distinct assumptions about how leadership is learned as well as distinct instructional methods" [1]. These categories are (1) conceptual awareness, (2) feedback, (3) skill building, and (4) personal growth. To be effective a particular training should be based on one of four categories, having elements of all four.

Action Learning

According to Day (2000), it is a continuous process of learning and reflection, emphasizing tasks and projects done together [9], [10]. Palus & Drath (1995) accentuated a unique form of action learning in which participants collectively create social senses and shared values in their communities of practice [11], [12]. Thus, the use of action learning assignments will increase the value of the development experience and the positive results of leadership development tremendously [9]. Including an action learning component into a leadership development program will increase its effectiveness significantly. The group of scholars from INSEAD highlighted the enhancement of the action learning component with reflective character in developmental learning programs [13].

Networking

Experts identified networking as one of the best interventions for developing collective leadership [9], [10], [14]. The ultimate aim of networking is to go beyond the functional borders and establish effective communications with others. Networking is the only practice, which leads individual leader's development to collective leadership development.

Critical Success Factors

Scholars have identified a range of critical success factors, which determine the effectiveness of a leadership development program. There is still not a proven, unified classification of those factors. We propose to list them one-by-one without regard for which factor is stronger or better.

Scholars highlighted *a participant selection process* as one of the best practices to improve the effectiveness of leadership development programs. Pernick (2001) suggested the assessment of employees before a program because leaders are special; they are not like any other people [15]. He also highlighted that management should eliminate participation of poor and ineffective leaders to demonstrate its commitment to and support of true leadership.

Martineau (1997) identified *pre-training preparation* as a one of the critical success factors, which includes clarifying expectations of participants, understanding their motivation and arranging the learning and work environment to enhance the effectiveness of a program [16].

Self-awareness plays the crucial role in leadership development [17], [18]. Since each person is responsible for his or her own development, scholars and practitioners defined *an individual action plan for development* as another critical success factor. An individual action plan is a plan with checkpoints developed by participants to summarize what to do after a training course to maintain their progress [19]. Snipes (2006) identified the post-training individual plan as a core principle for designing a successful leadership program [20].

Petrie (2011) identified *motivation* as a critical success factor for a leadership development program [14]. Day (2007) also denoted the importance of motivation, highlighting that high motivation allows one to take full advantage of leadership development [9], [10]. Similarly, Tannenbaum et al. (1991) and Mathie (1992) revealed positive relationships between training-related motivation and training effectiveness [21], [22].

Conger & Benjamin (1999) specified that in-house programs are more advantageous now due to common understanding and support of the group in facilitating positive changes [23].

The list of critical success factors were applied to the leadership development program to enhance its effectiveness.

The Leadership Development Program

In our study we defined the one-year residency leadership development program as a training intervention. The author, an external consultant with substantial experience working with management of private Kazakhstani companies, designed, customized and delivered this leadership development program. The design of in-house leadership development programs was fairly typical and targeted at building the leadership capacities of participants. The working language of the training program was Russian. Training sessions were held in February 2012, August 2012 and February 2013 correspondingly.

In our leadership development program we used selection process, as one of the critical success factors of the program, based on two criteria to become a trainee: (1) a candidate demonstrated no decrease in sales results in the previous year and (2) a candidate has a desire to study. The executive committee considered 65 regional managers on a personal basis to make the final decision on participation in the program. Finally, 22 participants passed the whole one-year leadership development program.

One of the described effective training programs was structured around three modules: ‘the leader’s role in change, skills for implementing change, and motivational and empowerment practices [1]. Our leadership development program also consisted of three modules; each module included a two-day formal training session and was conducted over four months. There were interrelated modules: 1) the role of a leader and leadership, including motivational practices, 2) self-awareness and self-reflection as a way to become a leader, and 3) effective communication and team work for leadership development.

The first module was about the essence of leadership and was aimed at acquainting trainees with core leadership concepts. The second module was dedicated to self-leadership and self-awareness as a critical success factor for a leader’s development [17], [24], [25]. The third module was intended to build the communication and teamwork skills an effective leader should possess to lead followers. The third module also includes the strategic context and discussions on the role of leadership in the strategic development of a company.

In terms of training methods, we used the blended approach, including the range of participatory practices. Every training module involved participants discussing case-studies, role-playing with feedback and making presentations. For our training program we identified feedback as the central approach to study effectively [1]. Trainees were encouraged to talk about their personal own strengths and weaknesses and to try new things. They discussed lessons learned and application after each topic.

By the completion of each module, each participant filled out an individual action plan, “self-development journal”, highlighted his\her own key areas for improvements, which competencies they were in and how they should be developed.

Each formal training module of the leadership development program was followed by three-month action learning projects participants developed and presented during the training session. The next training session began from reported project results and its analysis. Projects aimed at the increase sales outcomes were related to the particular leadership competencies and their application to the job.

Networking is implemented through various group forms of communication during training sessions and between them as well. Networking was the central idea behind the leadership development program. The majority of training methods were group practices, where trainees were involved in discussions, conversations, etc. Action learning assignments also included at least three people working together to implement a project. The third training module was dedicated fully to communication and effective teamwork to encourage participants to cooperate in order to increase their performance effectiveness.

Problem Statement

A company’s ultimate purpose in leadership development is to enhance leadership capacities in order to improve the operational effectiveness of a company as a whole. Leadership development gives countless opportunities to an organization to bring changes at different levels. Ideally, organizations expect that implementation of a leadership development programs will necessarily lead to greater results at the individual and organizational levels. However, leadership development programs ultimately affect the individual behavior of participants and do not guarantee results at the organizational performance level. Thus, the issue of how to provide the effectiveness of this transformation has become the most difficult question to answer.

Scholars highlight the issue to produce leadership development programs capable of training effective and dynamic leaders [3], [26], [27]. Gordon & Yukl (2004) noted that despite numerous studies on leadership, the question of why some leaders are more effective than others still remains vague [28]. The ambiguity in the choice of ways and methods for an effective leadership program generates skepticism in practitioners. Organizations feel lost when trying to identify which program will be effective for its aims and strategic priorities.

Purpose of Study

The aim of the research study was to explore whether the specially designed leadership development program has any effect at the individual and organizational levels. To reveal an effect of the training program, we tested behavioral and financial outcomes of trainees and non-trainees before and after the training program.

Research methodology

The quantitative approach was applied to our study to measure behavioral and financial outcomes and compare them between trainees and non-trainees to reveal a statistically significant difference as an effect of the training program. We used advanced statistics to investigate the effect of training intervention at the individual and organizational levels, using t-test and linear regression.

For this study, a sample was drawn from an agency of financial services, a local Kazakhstani company, which has been operating at the national level since 2001. We identified regional managers as the sample due to their critical role in the operational effectiveness of an organization. The regional managers were from various Kazakhstani regions where spin-off offices operate. The total sample was 44 participants; 22 participants per group, aged between 30 and 60 years, mainly women.

There were two different outcome variables: self-assessment of leadership competencies of managers, and annual sales results of managers. Thus, if the leadership program was effective, trainees reflected changes in leadership competency scores and demonstrated an increase in sales results compared to non-trainees. In turn, non-trainees indicated no changes in their behavior and no increased sales results.

We identified the Leadership Steps Assessment (LSA) developed by J. Clawson et al. (2000) as the main research tool to explore the individual level of participants [29]. The LSA, originally designed in English, was translated into Russian with official permission from the Durden School Foundation. The author, a native Russian speaker, with a background in psychology, translated the questionnaire and its description. We obtained scores of six leadership competencies through the LSA: (1) Clarifying your center, (2) Clarifying what's possible, (3) Clarifying what others have to contribute, (4) Supporting others so they can contribute, (5) Relentless assertion, and (6) Celebrating progress.

We gathered research data twice, before and after the training program. We conducted the pretest phase in February 2012 just before the training program was launched, and the posttest phase one year later in February 2013 after the completion of the program.

Results and Discussion

The results of the study confirm the effectiveness of the leadership development program. Based on a pretest-posttest control group design, the t-test revealed statistically significant differences on behavioral scales, Vision, Support and Relentlessness, and indicated that trainees assessed by themselves scored substantially higher than non-trainees from the control group.

The leadership program applied the positive effect on the sales outcomes of trainees compared to non-trainees. Linear regression proved that those who were trained performed better in terms of sales outcomes than those who received no training. Thus, the study indicates clearly that the leadership development program has had an effect on two different outcomes of trainees compared to non-trainees and might be stipulated as an effective program.

Implications for Further Research and Practice

This research is one of the first studies on the effectiveness of a leadership development program in Kazakhstan, what makes it valuable for further exploration of leadership development within the domestic content. The study will assist companies in recognizing critical success factors for designing, delivering and evaluating an effective leadership program.

The study contributes to redefining future leadership studies focused on revealing relationships between training and outcomes, especially performance outcomes. A noticeable strength of this research study is an analysis of two kinds of outcomes in one study. This study uniquely blends the exploration of outcomes at the different levels, the individual and organizational levels. Our study stimulates further research in understanding how a leadership development program can influence different outcomes, particularly, the 'hard' outcomes. We recommend for future research that the number of explored outcomes at different levels is increased, which can be affected by training. The key area for research is the importance of the effective implementation of a leadership program, concentrated on content and methods of interventions to enhance its effectiveness.

In conclusion, the research sought to prove that the specially designed leadership development program has had a significant effect on managers who were trained and have brought tangible changes at the organizational level. The results of the study will assist researchers and practitioners in going in-depth in searching for the essence of a leadership development program, in particular, the evaluation of outcomes at the organizational level. Using the insights of the research allow companies to reinvent their approach to leadership development to enhance its outcomes because the study outlines the opportunities required for any leadership development initiatives.

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