



**Why even the best
intentioned leadership
development efforts
often fail**



Organizations invest heavily in leadership development programs, yet many remain dissatisfied with their return on investment. Despite the significant investment, it's estimated that only 10% of leadership training actually delivers results¹.

This statistic prompts two crucial questions: Why are these programs falling short? And, more importantly, how can leadership development be made effective at scale?

Drawing on years of experience and the latest research, we've identified two critical gaps in leadership development initiatives and effective strategies to address them. Bridging these gaps can revolutionize leadership development and drive the strategic change necessary for success.

¹ [Moldoveanu, M. & Narayanda, D. \(2017\), The Future of Leadership, HBR Magazine, March – April 2019.](#)

Gap #1

Focusing on one capability at a time

A modular approach to leadership training, focusing on one capability at a time, seems logical. It allows for easy content management and scaling, using different vendors for various modules. However, this approach falls short because leadership in real life isn't about using one skill at a time. Leaders must integrate multiple capabilities simultaneously in dynamic contexts.

Consider a mid-level leader driving a cross-functional initiative. They must use strategic thinking, influencing skills, visioning, business acumen, and resilience all at once. Or think about an executive managing two business models at once during a time of transformation. To do this well, they will use a mix of strategic thinking, market analysis, influencing, communication, business acumen, and other capabilities in parallel.

So how can leaders be effectively equipped to deploy multiple capabilities at the same time, responding to the moment in a dynamic business environment? The most impactful development interventions incorporate business simulations designed to model real situations in the leaders' business and cultural context.



Contextual simulations do the following:

- ✔ Create an immersive, realistic environment where leaders can experience and practice the challenges, trade-offs, and critical moments essential to the company's strategy.
- ✔ Allow leaders to learn, practice, and refine multiple skills in real-time, focusing on the moments that matter most.
- ✔ Develop leaders' holistic decision-making skills by simultaneously considering various aspects of leadership, including markets, customers, people management, business performance, stakeholder management, strategy, change management, and influence.
- ✔ Provide immediate feedback on decisions, actions, and behaviors, helping leaders identify areas for improvement and refine their approach.
- ✔ Offer senior leaders the opportunity to share their wisdom through observation, coaching, feedback, and teaching.
- ✔ Create a realistic business environment that enables assessment of leaders' behaviors against leader models and succession criteria to get behavioral-based insights that inform talent and succession management.

BTS has extensive experience and expertise in successfully creating and facilitating simulations with these elements, with tangible and measurable impacts on individuals and organizations.



Gap #1

Focusing solely on skills and behaviors

Teaching leaders what to do and how to do it isn't enough. For leadership development to drive lasting behavior change, it must also target the mindset level. Why? Because mindsets shape our thoughts, beliefs, emotions, and attitudes, which ultimately drive our actions. By addressing mindsets, leaders are better equipped to apply newly learned skills and behaviors over the long term.

This type of development first entails helping a leader build awareness of their existing mindset and the benefits of shifting how they think, then allowing them to practice the corresponding new behaviors in a safe environment. Further, this development builds a leader's capacity to shift their mindsets in the moments that matter. Leaders learn to recognize moments during their day, week, month, and year when a new mindset could unlock greater leadership impact.

For example, imagine Ali, a mid-level leader who recently received, as part of an organizational strategy to develop leadership relationship competencies, 360 feedback that she needs to become more effective at influencing. Taking a "skills and behavior" approach, it would be logical to send her to training where she can learn and practice influencing models. But what if she holds the mindset, "I am right and I need to help others see what I see"? How effective will the training be? Effective leadership development will help Ali uncover her unconscious mindset, disrupt it, and invite her into an expanded mindset such as, "Diversity of thinking creates better outcomes." She will then be more likely to succeed in integrating and applying the new skills learned.

Neuroscience and psychology research² reveal the steps needed for sustaining behavior change, steps that are often overlooked in leadership development initiatives. A leader may identify what needs to change, but in the moment, they will revert back to familiar patterns unless two elements are included in the change process: a leader must not only change their mindset but also learn to recognize the moments where change matters.

Effective development programs help leaders achieve this by taking them through a three-step process:

- 1 Connect to a specific moment where the old pattern is playing out and uncover it, bringing awareness to and uprooting the old patterns and feelings surrounding it.
- 2 Shift into a new experience, a potential future moment, recognizing why the old mindset needs to be discarded and identifying the new mindset and behaviors that will be more helpful.
- 3 Practice the new learning in specific situations—ideally within a five-hour window—to allow the new neural pathways to be formed.

Our own research reflects this proven approach: in creating sustained behavior change, we go through the process of disrupt, shift, live, and reinforce mindsets in the critical moments that matter.

²Olds, T., PhD, [*Memory Reconsolidation: How to Rewire Your Brain*](#).

Change demands a collective mindset shift

It's important to note that change is both individual and collective. The same process applies to collective or cultural mindset change in creating strategic transformation. These cultural level mindset shifts are required in the critical moments where new behaviors must be adopted. It's the moment, for example, where sales leaders shift their mindset so that the behavior changes from talking to listening to a potential customer at the point of sale. This is critical in a customer-centric strategy.

It's also the moment that leaders shift from solving to coaching when a direct report brings a problem they are facing, a crucial change in driving a coaching culture. It's the moment leaders shift from polarizing to listening when faced with the daily moments of difference or conflict. This is essential when driving an inclusive culture.

In other words, strategy execution is based on choices—if we make the same old choices then we will create the same old strategy. To make new choices requires us to focus on change in the pivotal leadership moments—at a collective and individual level, at a mindset and behavior level.

The steps for cultural change mirror those for individual transformation:

1. Identify key moments where old behaviors and mindsets appear.
2. Define the new mindsets and behaviors needed for the strategy.
3. Offer opportunities to practice these new behaviors in crucial situations.
4. This development approach empowers the leader to tie their mindset shift to real-world situations. In the heat of monthly team meetings, when challenges and disruptions arise, the leader can now prioritize vision over immediate tasks. By practicing this new mindset and its corresponding behaviors during these pivotal moments, the leader increases the likelihood of not just changing their behavior, but of maintaining this change over the long term.
5. The key question is: How can leaders experience and practice new mindsets and behaviors in the critical moments that matter most? The answer lies in simulations—immersive, experiential interventions that allow leaders to build and practice multiple skills simultaneously. These simulations offer a safe, realistic environment where leaders can learn and reinforce new mindsets and behaviors, ensuring they are prepared to apply them when it counts.



Integrating skills and mindsets

For a simulation to be truly effective, it must be custom-built to reflect the leader's real-world environment and support the transformation in skills, mindsets, and behaviors required for the new strategy to succeed. Key to this process is identifying pivotal moments and understanding the mindset and behavior shifts needed at both the individual and cultural levels. Identifying the pivotal moments and understanding the mindsets and behaviors that need to shift at both the individual and cultural level is crucial. The decisions leaders make during these critical moments in the simulation directly impact their business results, enabling them to experience in real-time the effect of their actions on company success.

In addition, through observation, feedback, and guided reflection, facilitators help the leaders recognize the old mindsets and behaviors in action and highlight the shift needed to execute company strategy.

When mindset changes are practiced within a live simulation, neural pathways are developed and reinforced in context, making it much more likely that these shifts will be sustained in the workplace. The result? Leaders who are fully prepared for their future, equipped with the capabilities and mindsets in the pivotal moments tied to the strategy that needs to be executed. There is no more powerful tool for developing leaders.

Embracing a holistic approach to leadership development

To truly transform leadership development and achieve the desired strategic outcomes, organizations must go beyond traditional, modular training methods. By integrating immersive simulations that reflect real-world challenges and fostering a mindset shift alongside skill development, leaders can be better equipped to navigate complex business environments. Addressing both individual and collective mindset shifts ensures that leaders are not only skilled but also adaptable, resilient, and aligned with the organization's strategic goals. Embracing this holistic approach to leadership development is the key to unlocking the full potential of your leaders and driving sustainable success.



Strategy made **personal.**

Inspiring and equipping people and organizations
to do the best work of their lives.



www.bts.com