The bottom line: Leadership skills strongly influence "whole country" productivity

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Do good Leaders and Managers make a difference?

How do we know?

Are we wasting our time (and money) selecting and developing them?



A Global study of 120,000 Leaders & Managers from 40 countries

### LEADERSHIP SKILLS EXECUTIVE SCENARIOS

A Situational Judgement Test (SJT) published by SHL.

Each leader's answers are scored against the ideal answers for the test

Produces an average Leadership Score for each country

At least 50 leaders per country

### MANAGEMENT SKILLS MANAGEMENT SCENARIOS

A Situational Judgement Test (SJT) published by SHL.

Each manager's answers are scored against the ideal answers for the test

Produces an average Management Score for each country

At least 100 managers per country

### Example Scenario format

You have recently been appointed to a position in a new organisation and head a team of several individuals. You have a rather sensitive issue to deal with. Rob, a member of your team, applied for your post but was not selected following interview. He is an experienced worker, and has worked within the department for eight years.

You have been told by the retiring Manager that he is typically a very enthusiastic and reliable worker, although he was considered not quite ready to take on a supervisory role, hence the reason he was not given the promotion.

Already you sense a certain "frosty" atmosphere between Rob and yourself: you suspect that he resents you taking away his promotion hopes. Nonetheless, you need his support and experience to build the team.

- +3: Highly Desirable
- +2: Desirable
- +1: Slightly Desirable
- -1: Slightly Undesirable
- -2: Undesirable
- -3: Highly Undesirable

- 1. Carry on regardless time will heal such resentment
- 2. Tell Rob that you really value his experience, and as such you would like him to contribute to the department's immediate objectives
- 3. Gradually build up trust with Rob and understand his career aspirations. Tell him that you are prepared to provide the support he needs to achieve these aspirations.
- Rob is really a very good worker he is just disgruntled.
   Attempt to have him promoted / seconded to another department.
- 5. Inform Rob that if he does not respond too well to the situation he finds himself in, his poor attitude is not going to enhance his chances of advancement.

- +3: Highly Desirable
- +2: Desirable
- +1: Slightly Desirable
- -1: Slightly Undesirable
- -2: Undesirable
- -3: Highly Undesirable

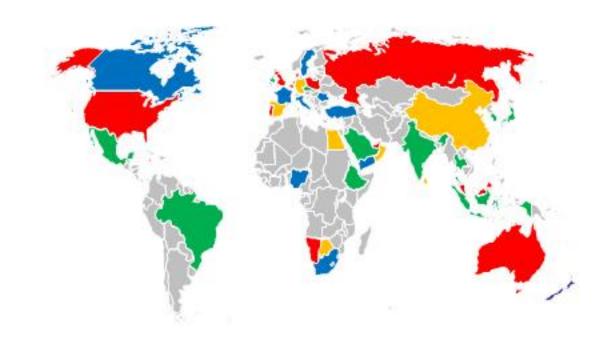
- 1. Carry on regardless time will heal such resentment -1
- Tell Rob that you really value his experience, and as such you would like him to contribute to the department's immediate objectives +2
- 3. Gradually build up trust with Rob and understand his career aspirations. Tell him that you are prepared to provide the support he needs to achieve these aspirations. +3
- Rob is really a very good worker he is just disgruntled.
   Attempt to have him promoted / seconded to another department. -1
- Inform Rob that if he does not respond too well to the situation he finds himself in, his poor attitude is not going to enhance his chances of advancement. -2

### A COUNTRY'S PRODUCTIVITY

Is it a High Flier?

# Countries Include...

China
India
Japan
US
Brazil
Australia
South Africa



### A Benchmark for a Country's Productivity

*GDP per Capita or Worker* i.e. the output per head of each member of the working population

Huge International variation

2017 figures

# Country GDP per Capita & The Human Factor

How much does a workforce, including leaders and managers, influence GDP per Capita?

Influencing the "bottom line" of an entire nation?



### GDP per Capita and Leadership / Management Skills

120,000 leaders and managers from 40 countries...

GDP per Capita & Leadership Skills correlate +0.62 (33 countries)

GDP per Capita & Management Skills correlate +0.48 (34 countries)



### Our Study

GDP per Capita: 40 Countries.

# The "hard" outcomes of Human Capital Investment by a country:

- 1. Life Expectancy (average)
- 2. %age of School Leavers in Tertiary Education 5 years after leaving school
- 3. Unemployment Rate (%)
- 4. Leadership & Management Skills (average score)

### Results

120,000 leaders and managers from 40 countries...

Even after controlling for Life Expectancy, Tertiary Education levels and Unemployment rate (using multiple regression)...



Leadership Skills
Influenced a further 14% of GDP per
Capita n = 33 countries

Management Skills
Influenced a further 6.5% of GDP per
Capita n = 34 countries

What sorts of Leadership and Management Skills?



### **MANAGING OBJECTIVES**

Lining up behind the Big Picture
Effective Delegation
Crisis Leadership
Making use of External Expertise

### **PEOPLE MANAGEMENT**

One-to-One Skills
Team Management
Workforce-wide Motivation Tactics

### **CORPORATE MANAGEMENT**

Following Corporate Protocol

Managing your Career

Corporate Management – internal focus

Corporate Management – commercial focus

# Take away message...

1. If Leadership & Management Skills are influencing whole country GDP per Capita...

...they will also be influencing the profitability of the businesses within each country.

2. So investing in the selection and development of Leaders & Managers does make Business sense

# Leadership & Management Scores

Countries League Tables



### **Leadership Skills**

1. Canada	18. Austria
2. New Zealand	19. China
3. Australia	20. Turkey
4. Ireland	21. Botswana
5. United Kingdom	22. UAE
6. Netherlands	23. Japan
7. Germany	24. Italy
8. Switzerland	25. Mexico
9. United States	26. Namibia
10. Belgium	27. Indonesia
11. France	28. Hong Kong
12. South Africa	29. Kenya
13. Spain	30. South Korea
14. Romania	31. India
15. Brazil	32. Saudi Arabia
16. Russia	33. Egypt
17. Poland	

### **Management Skills**

1. Australia	18. Hong Kong
2. United Kingdom	19. Egypt
3. Ireland	20. Thailand
4. New Zealand	21. Romania
5. United States	22. Nigeria
6. Netherlands	23. China
7. Botswana	24. Japan
8. Kenya	25. Spain
9. Germany	26. South Africa
10. Switzerland	27. Namibia
11. Belgium	28. Saudi Arabia
12. Singapore	29. India
13. France	30. Poland
14. Sweden	31. Indonesia
15. Malaysia	32. UAE
16. Italy	33. Oman
17. Turkey	34. Kuwait
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The bottom line: Leadership skills strongly influence "whole country" productivity





