

## Applying the Organizational Elements Model to Leadership Development Evaluation

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The well-documented forces and consequences of globalization, such as changing demographics of the workforce, changing economic markets, and more people working within, across, and among multiple cultural contexts, are increasing the complexity of and demand for leadership. If we do not address this amplified complexity and interconnectedness we are not likely to be effective. This requires thinking about leadership and leadership development more strategically and evaluating leadership development initiatives in a more comprehensive and interconnected way.

The available models of and approaches for leadership development evaluation often provide information about important aspects of the process, but many lack essential information about intentions and consequences of leadership development across multiple levels and thus may be overly narrow in focus. Research has shown that leaders are increasingly facing more complex challenges, experiencing a greater reliance on interdependent work, and engaging in leadership as a collective process (Martin, 2006). The changing nature of leadership, based on the changing realities of organizations and our shared world, contributes to the perceived lack of individuals ready to fill leadership roles and the perceived lack of effectiveness of leadership development. Leadership development is not useful if it doesn't result in leaders who define and get useful results.

In 2006 the ASTD Public Policy Council published a report titled "Bridging the Skills Gap: How the Skills Shortage Threatens Growth and Competitiveness...and What to do About It." (American Society for Training & Development, 2006). In the report, a leadership skills gap was indicated by 45% of respondents, placing it in the top three concerns. In 2005 Weiss & Finn indicated that leadership team capability is the number one human capital issue. In response, leadership development has moved from being a "perk" for good employees and a "pill" for bad ones, to an increasingly important mechanism for organizations to develop and retain talent while at the same time accomplishing strategic objectives. It follows that evaluations of leadership development must also be focused on the strategic intent of organizations. While some evaluation approaches offer guidance for linking leadership development to organizational strategy and tactics, very few approaches include expectations about organizations contributing to the greater public good. While compartmentalizing the challenges of leadership and leadership development enables us to think clearly about various forces at play, such thinking will not lead us to a holistic approach for operating within the interconnected and complex global environment.

Unless there is a cohesive sense of what should be developed, as well as how and why it should be developed – the fit between leadership development initiatives and how to apply them will not be clear, making effective evaluation of those efforts difficult. For development to be useful, it must result in positive behavior change that benefits stakeholders. Clark and Estes (2002) site research indicating that less than 10% of what is trained ever shows up on the job. In a Hewitt survey of US-based multinational organizations, over 68% of respondents indicated they thought their leadership development programs were ineffective (Business and Legal Reports, 2002). These findings, and similar research findings, suggest that current leadership development efforts are not as effective as we would like them to be.

Leadership development evaluation can, and should, contribute to a functional understanding of the connection between strategic intent and leadership development. Many of us are in contexts with a quick-fix mindset, and there is a tendency to invest in leadership development without clearly defining our intent or justifying why and how leadership development can get us there. Ideally, clarifying the intent of the leadership development effort and making logical connections between leadership development and larger goals would come before any leadership development activities were implemented. However, whether evaluative work is done prior to, concurrent with or after implementation, it should be done. A useful metaphor is that of travel. At times you may have a map to follow – this is similar to having a clear plan and reasons to believe it will work. In this case evaluation is about setting a course and making sure you are on track and expectations are realized. At other times you are charting a new course and recording your progress in order to determine your next steps and to document your route in order to learn from it.

In this case evaluation is about making sure you are gathering information that will be most able to help you make wise decisions. The third possibility, is deciding after a journey to chart the course traveled and the location at which you arrived. In this case, you are entirely dependent on previous documentation and the ability of others to recall what happened. Conducting leadership development without including any evaluation is akin to wandering aimlessly.

The framework we share is a tool to more fully and strategically think about the goals for and impact of leadership development. The framework is a dynamic tool; as more information becomes available, stakeholders can revisit their “map” to ensure the course they are following is resulting in beneficial outcomes across multiple levels. Leadership development is a process that should yield useful leadership behavior and impact, but in order to do so progress must be examined overtime and from multiple perspectives.

Stakeholders often hold different perspectives and are working across boundaries such as distance, time, and culture. Thus there may not be awareness of, or agreement on, the goal (or the intentions behind it) of leadership development among stakeholder groups. Design and evaluation approaches can be used to bring greater clarity to the process and establish a common understanding among stakeholder groups. But, not all evaluation approaches will be equally helpful and many neglect to provide information about the value created against the costs of leadership development. Investments in leadership development often suffer from a lack of economic and societal justification (Kaufman 2000, 2006a,b; Kaufman & Guerra-Lopez, 2008). Leadership development seems like a good thing to do, but no one is sure why, and what or how “good” will emerge from the process.

In addition to the organizational impact, there is a growing public awareness of the impact of organizations beyond their walls and a desire, perhaps an expectation, that organizations contribute to, or at a minimum do not negatively impact, greater public good. Greater public good encompasses organizational impact on areas such as the environment, health, education, and other broad areas that are related to society overall. Societal value added is the core of any organizational success and thus is an important aspect of leadership effectiveness. As Davis (2005) and Kaufman, (2000, 2006b; Kaufman, Oakley-Browne, Watkins, & Leigh, 2003) point out, the environment and “planet” is not a bolt-on after-thought dimension but comes before any other organizational bottom line. Organizational success and effectiveness are inextricably connected to societal success and effectiveness. The video *The Story Of Stuff* (available online at: <http://www.storyofstuff.com/>) illustrates the interconnectedness of all aspects of the chain of production and consumption and highlights the requirement to think and act comprehensively about our organizations and their impact (Leonard, 2007).

Ideally, successful leadership enhances societal, organizational, and individual value. One’s measurable focus on adding value to our shared work is an essential aspect of leadership. Too much of the literature and practice of “leadership” is focused either on short-term financial consequences or on lofty goals in terms that defy accountability. Leaders and organizations should add value not only to their organizations and those within them, but also to external clients and our shared society, and they should do so in ways that can be seen.

Consequently, leadership development should focus on developing leadership that is effective on multiple, aligned, levels, including measurable value added to all stakeholders, internal and external. Mindsets that focus on the impact only within the walls of an organization create “a short-sighted and self-limiting orientation” (pg. 200, Kaufman, Forbes, & Parks – How to make the balanced score card really balanced - 2005). Evaluations of leadership development should be based on a framework for establishing and tracking the degree to which leadership development efforts are contributing to and aligned across what the organization uses, does, produces, delivers, as well as tracking the impact on external clients and society.

The framework we describe is based on Kaufman’s Organizational Elements Model (Kaufman, 2000 ,Kaufman, Oakley-Browne, Watkins, & Leigh (2003) which we apply to the context of leadership development. We propose this approach as an alternative to existing evaluation models such as Kirkpatrick’s four-level evaluation model and Phillip’s five-level or Return on Investment (ROI) approach. Before we introduce the OEM model we quickly review the models set forth by Kirkpatrick and Phillips.

Kirkpatrick's (1959, 1994) four-level evaluation model is the most commonly used approach for evaluating training initiatives. In a review of 57 journal articles mentioning training evaluation models, 77% (44 articles) included Kirkpatrick's model, while 23% (13 articles) discussed a model other than Kirkpatrick's (Hilbert, Preskill, and Russ-Eft, 1997). His model has and will likely continue to provide a valuable framework to examine training initiatives. However, his model stops at the boundary of the organization while the impact (intentional or not) of organizations reaches further. The four-level approach is also applied to single programs, versus understanding a suite of initiatives and creating alignment of effort across initiatives towards shared goals and gauging the achievement of those goals against the resources required (which provides information about the value created in relation to expenditures).

Phillips (2003) extended Kirkpatrick's model to, among other things, include Return-on-Investment (ROI) as the fifth level. The ROI approach provides information about the financial return for an investment in leadership development. In their 2005 research report about the "The Business Value of Leadership Development" The Conference Board indicated that "...the consensus is that a 'dollars and cents' bottom-line approach cannot be applied to the worth of leadership development programs" (Kramer & Schein, 2005, p. 12). There are many reasons for this. The ROI model focuses on the financial impact of leadership development within an organization, and therefore offers a limited perspective in two ways; the type and the location of the impact. The ROI approach also requires gathering and computing information that may not be necessary and requires significant resources. These data succeed in only partially reflecting the value of leadership development. Any organization, public or private, is nested in society and thus should be judged on the basis of what value it adds to all.

Kaufman's Organizational Elements Model (2000, 2006b; Kaufman, Oakley-Browne, Watkins, & Leigh, 2003) offers a framework for linking and aligning organizations' efforts with the value added to external clients and society. In addition, the approach considers leadership development as a long-term tactic more than a series of isolated events. This aspect of the OEM makes it possible to apply the model to single leadership development programs and to leadership development initiatives that encompass multiple programs as well as other activities such as coaching or action learning projects.

Including societal contributions and outcomes beyond the organization as part of the evaluative frame requires an expansion of thinking about organizations as part of the interdependent and interconnected web of society. Including societal contributions and outcomes as well as aligning those with the individual and organizational levels better reflects the complex reality of modern organizations. Table 1 identifies and defines the five levels of OEM and provides a description of the focus for that level, sample evaluation questions, a list of possible data sources, and stakeholders for each level.

<INSERT TABLE 1 HERE>

The following are among questions that are helpful to consider when using the OEM approach to evaluate leadership development initiatives.

- What core team should be included in the evaluation process? What perspectives are essential to the success of the initiative(s) and the evaluation?
- What decisions need to be made about the initiative(s) and the evaluation? Are appropriate types and amounts of data being gathered to support those decisions?
- What are the available and appropriate sources for gathering information in response to the questions listed in Table 1?
- What other factors might influence data gathered about the changes?
- Are the micro, macro and mega elements aligned and reinforcing each other as expected?
- What information would be helpful to share with others so that they may continually improve? To whom does the information have to be communicated? When will we have and when would it be effective to communicate the information? How can we effectively communicate the information for the various stakeholder groups to make it informative and actionable?

- Are the costs of the effort worth the results yielded? Are the costs of not meeting the identified needs—gaps in results—greater than the cost to meet them?

Thinking this comprehensively about leadership development may suggest a significant investment. However, in many cases, data are readily available (such as performance data and community change data) which can reduce the resources required. The OEM framework is a tool for bringing efforts and data together in order to develop socially responsive and responsible missions as well as aligned activities to create more measurable value for investments. But, not all data readily available will fit neatly into this framework. It is imperative that the data used are appropriate for the use. Some important considerations include: how accurate are these data? Were they gathered at a time that is suitable in relation to the leadership development initiative being considered? To what extent are the data logically related to the question or decision being addressed? Is it possible to gain access to the data in a format that can be used? Can data from those participating in the leadership development program be identified or sorted out from nonparticipants? To the extent appropriate and possible, aligning with existing systems and processes can save time and money as well as provide an opportunity for identifying ways to make systems and processes more strategic and aligned amongst themselves. Kaufman, Guerra, and Platt (2006) and Guerra-Lopez (2007) provide a set of data sources. In some cases, it may be easier to gather new data than to try to make previously gathered data fit. Even if data are readily available, it is likely at least some additional data collection will be required.

In a meta-analysis of published and unpublished studies, Taylor, Russ-Eft and Chan (2005) found that most evaluations focused on the reaction and learning, while very few considered business results. They proposed that the lack of level four studies (using Kirkpatrick's terminology) was influenced by the perceived difficulty of and costs associated with conducting measures of performance and organizational benefits. Indeed, the task of identifying, connecting and measuring the input and impact of leadership development across diverse stakeholder groups and across the micro, macro, and mega levels is complex. And yet, the consequences of not making and measuring these connections and making gains in achieving them ensures that our understanding and accountability related to leadership development will not be as successful as it should be. Complexity and interconnectedness are here to stay; OEM offers a way to think about it in order to be effective within it. The alternative is to continue investing money and focusing effort on leadership development programs and approaches that do not provide effective solutions because they are narrow and isolated.

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Table 1. The Organizational Elements Model Applied to Leadership Development

Level	Focus	Sample Evaluation Questions	Possible Sources of Information
Mega	Societal Contributions Outcomes including impact beyond the Organization	What are the changes to external stakeholders expected to occur as a result of the organizational changes? To what extent and when are changes occurring? What is contributing to or	Data Sources: Quality of Life indicators Policy impact measures Economic Indicators Education Assessments of learners after graduation/completion Focus Groups or Dialogue meetings with a focus on societal

		preventing the changes?	<p>impact</p> <p>Stakeholders: organizational and community representatives with a focus on societal impact</p> <p>Strategic Planning</p>
Macro	Organizational Outputs Systemic issues	What organizational\internal changes are expected to occur as a result of the program and individual performance changes? To what extent and when are changes occurring? What is contributing to or preventing the changes?	<p>Data Sources:</p> <p>Organizational Performance Documents</p> <p>Focus Groups Interviews Documents</p> <p>Organizational Climate and Culture Surveys</p> <p>Stakeholders: Diverse organizational representatives</p>
Micro	Individual or small group Products & Performance	How and when is individual performance expected to change? To what extent and when are changes occurring? What is contributing to or preventing the changes?	<p>Data Sources: Individual and Group Performance Assessments and Reports</p> <p>Focus Groups Interviews</p> <p>Goal Statements and Plans</p> <p>Stakeholders: Individuals and groups participating in the initiative (as well as their managers, peers, direct reports and groups they serve – such as clients or board members)</p>
Micro	Individual or small group Products	What have participants learned as a result of the program? What values or perspectives have changed? What behaviors do they intend to changes as a result?	<p>Data Sources: Individual and Group Learning Surveys</p> <p>Focus Groups Interviews</p> <p>Goal Statements and Plans</p> <p>Stakeholders: Individuals and groups participating in the initiative (as well as their managers, peers, direct reports and groups they</p>

			serve – such as clients or board members)
Process Input	Process acceptability and efficiency (satisfaction) Resource availability and quality Contextual relevance and appropriateness	What resources are being used to provide the program? What does the program cost? Who is participating in the program? How are participants selected or denied? How is the program delivered? Do participants perceive the program to be relevant and appropriate?	Data Sources: Focus Groups Surveys Program Documentation Stakeholders: Individuals and groups planning, providing and participating in the initiative