

# 5 Fundamental Truths

## About Leadership Development for Front-line Leaders

At AEU LEAD, our mission is simple: to enable transformation. Transformation is the process of creating and sustaining desired changes for the purpose of growth and improvement. Whether it involves safety performance, customer service, or operational efficiencies, organizations are constantly seeking ways to gain an advantage in an increasingly competitive and ever-changing marketplace. Unfortunately, this is an area where most companies struggle.

On average, 7 out of 10 change initiatives fail to deliver desired objectives.



Our business model and portfolio of products and services are built around five fundamental observations and trends we see across the labor-intensive industries we serve



**The continuous pursuit of growth and improvement is an essential need most companies have.**




**Front-line supervisors play a critical role in driving change.**




**Most front-line supervisors don't have the skills needed for success.**




**Few companies provide internal training or have the resources needed for supervisor development.**




**Organizations that invest in leadership development consistently outperform those that don't.**




of companies have taken on major change initiatives over the past five years<sup>1</sup>.







The rate of change has **increased by 35%** over the past two years alone.

**Change is the new reality and a prerequisite to future success as an organization.**



Employees prefer hearing about change impacting them or their jobs directly from their supervisor.

For change initiatives to succeed, supervisors must be able to:

-  **Grow Support**
-  **Get Buy-in**
-  **Gain Alignment**
-  **Gather Commitment**

In a survey published by the Center for Creative Leadership,



of senior managers indicated they were dissatisfied with the performance of their front-line managers.

In a CareerBuilder survey,



**50% of all managers** were rated as ineffective when dealing with direct reports. The skills needed to drive and implement change are people-oriented, something very few supervisors have had the opportunity to develop.

While management and leadership training collectively represent a **\$15 billion industry**, it is primarily directed toward executives and senior managers.

Front-line supervisors, despite being the point of interface between executive leadership and the workforce – and often the sole liaison between companies and their valued clients – receive very little, if any, training for needed people skills. Studies consistently show less than **40% of front-line supervisors** receive any sort of training for their role in leadership.

The unintentional consequences impact business performance in many areas, including employee retention.



**50% of employees who leave your company voluntarily do so to escape their boss.**

While the current picture may be bleak, the upside involves a windfall of opportunities for those organizations ready and willing to invest in their front-line leaders.



In a study conducted at Bersin by Deloitte, organizations with strong leadership programs in place consistently outperformed their peers. On average, business results were **seven times greater** – a significant margin of separation.

Additionally, those investing in leadership development were **12 times more effective at accelerating business growth** – a trait inherently related to change and transformation<sup>2</sup>.



**The business case is clear. As more companies look inward for operational efficiencies to pursue, few investments can match the potential returns involving needed skill development for those in the middle.**

<sup>1</sup> Best Practices in Change Management, 2018 – 10th Edition, Prosci

<sup>2</sup> "Leadership Development Factbook 2014: Benchmarks and Trends in U.S. Leadership Development", Bersin by Deloitte