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REPORT

SUCCESS LOOKS DIFFERENT IN 2024

5 critical actions to enable your people leaders to succeed



Success as a people leader looks different now than a decade ago.



Unfortunately, many organizations don't see it that way, risking an exodus of top leadership talent if they don't act. According to a survey of 220+ management-level leaders conducted by The Predictive Index (PI) and HR Dive's studioID, the vast majority of people leaders (86%) say their views of what makes a successful people leader have changed in the last five years. But their employers' outlooks often don't reflect that same evolution, with survey respondents also indicating that their organization's views have not changed, even as theirs have. More pressingly, survey respondents noted numerous challenges that are underrecognized by their organizations, holding people leaders back from success. With the goalposts for success shifted, HR leaders must make a game-time decision to recognize the differences—and act—before losing to the competition.

We've uncovered five critical actions HR can (and must) take to help people leaders succeed. If you fail to do right by them, you risk those leaders looking for success elsewhere or settling for doing the bare minimum. This report will explore these actions in detail, including how to implement them within your organization.

How to enable people leaders to succeed

Organizations rely on people leaders to achieve business goals. People leaders rely on the organization to create conditions for meeting those goals. Right now, those two things clash, and this is how HR can make them connect instead.

01

Provide a formal way to measure (and track) success

04

Protect productivity by managing workload and well-being team function

Have clearly

defined roles to

enable healthy

02

Upskill ... but with the right skills

03

Align organizational goals with team goals



01

Provide a formal way to measure (and track) success

What makes success infinitely more difficult to reach? Not knowing which direction to reach toward. To empower today's people leaders to reach their full potential and to prepare future leaders to step into those roles, organizations must have a formal method to measure and monitor success.

While the survey shows that one-third of organizations do not have a formal way to measure the success of people leaders (e.g., a rubric), it also shows that adding a framework can be good for business: 94% of organizations with formal frameworks believe they're helpful.

"People want to be good at what they do," says Will Otto, the VP of Talent Optimization at The Predictive Index. "Without a formal framework, people lose the sense of knowing what it takes to be good at their jobs or advance to the next thing." "People want to be good at what they do. Without a formal framework, people lose the sense of knowing what it takes to be good at their jobs or advance to the next thing."



WILL OTTO The VP of Talent Optimization The Predictive Index

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This lack of transparency holds people back who want to do well but don't have the tools or context to get there, and it keeps organizations from recognizing (and investing in) future leaders, Otto adds.

Once a formal framework is established, make the most of it by 1) using it consistently and 2) updating it regularly. Unfortunately, about one-third of organizations do not consistently measure people leaders' success, the data shows. With so much on your HR plate, it can be easy to put off updating a rubric. You wouldn't be alone. One in five organizations have not updated their measurement framework within the last two years or weren't sure when it was last updated, the survey found. (Some respondents even say it's been over six years.)

By dusting off the rubric and routinely updating framework criteria based on the latest people data from across your organization, you can ensure your people leaders are always working toward the right objectives. Pro tip: Aim for an update at least every 11 months.

Onethird

of organizations do not have a **formal way to measure the success** of people leaders (e.g., a rubric)





02

Have clearly defined roles to enable healthy team function

Build, manage, and lead well-functioning teams with clearly defined roles. Because without role clarity, it isn't just the email inbox that starts to feel messy.

More than one-quarter of organizations (26%) today do not clearly define roles and responsibilities for people leaders, according to the survey. Chances are, these organizations experience traffic jams and inefficiency as a result, says Otto, who notes how employees and managers tend to disagree on what the expectations are when roles are unclear.

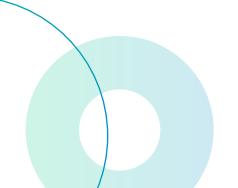
This can create an environment of fear that they'll get dinged (or even terminated) for not performing, and managers may fear their team isn't up to par. To solve this problem, clarify responsibilities and expectations for every role. Beyond that, make expectations outcome-based vs. location-based, as the data shows that fully in-office organizations are more likely to have clearly defined roles and responsibilities for people leaders (14%) than hybrid organizations.

"While hybrid work offers people the numerous benefits of work location flexibility, it makes people leadership much more challenging," explains Jenny Moebius, SVP at Skedda and host of the Hybrid Heroes podcast. "It's more important than ever for people leaders to set clear goals and expectations around work outcomes versus work location."

Without clarity, people leaders can fall victim to unconscious proximity bias, or favoring people that are physically close, creating toxic team dynamics, Moebius adds.

26%

of organizations today **do not clearly define roles and responsibilities** for people leaders.





Behavioral insights can also help craft expectations by informing leaders how their team members naturally operate. Success stories, like construction management firm Builtech—which saw improved team dynamics within six months of working with PI—are a testament to the potential of this strategy.

Plus, it's better to get on board with behavioral insights now, as a shift is impending.

While one-quarter of organizations (23%) today still do not understand the value of considering behavioral data when building teams, the data indicates that Millennials are 15% more likely than baby boomers to agree that their organizations understand its importance when building teams.

With <u>as many as 11 million Millennials</u> taking on upper management roles over the next decade, we expect companies to increase their focus on using behavioral data to support people leaders.

03 Align organizational goals with team goals

When you have misaligned goals, you risk your employees running in varying directions, and that rarely leads to success. To move your business forward, you have to get people aligned.

Unsurprisingly, nearly all organizations (98%) rely on people leaders to achieve their business goals. Yet people leaders are 50% less likely than organizations to see their teams "always hitting their goals" as a top criterion for defining a successful people leader—signaling a pain point for people leaders who are unclear about their goals in the first place.

Unclear goals are not just an inconvenience; they pose a significant risk to the organization, causing employees to waste time working on nonpriority tasks and, eventually, become disengaged.





50%

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WILL OTTO The VP of Talent Optimization The Predictive Index As Otto puts it, "Employees become disengaged not because they want to be but because they've been sent the message, either implicitly or explicitly, that their work is not important to the organization's strategic goals."

The solution is to be clear about priorities at the organizational level so everybody can point to one or more and say, "I'm either directly or indirectly supporting these." The key word here is clear, as survey respondents identified unclear or competing organizational goals as a top challenge impeding their success as people leaders.

Solve this disconnect by:

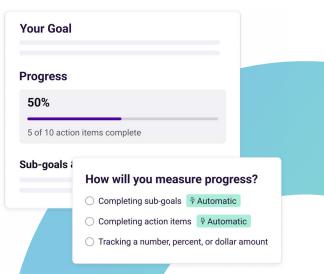
- Showing how projects, programs, and other tasks link to organizational priorities
- Using examples that illustrate what success looks like
- Visualizing progress made toward goals
- Making it safe for employees to ask, "Is this the right time to do this?"

Otto suggests showing teams which organizational priority a given project nests under and how, exactly, it is meant to support the broader goal.



From there, be transparent about the progress the team is making on the project and how their work is moving the needle on the bigger, organizational objective. For example, if you're 20% to a year-end goal in Q1, show what future effort is needed to hit the annual target and who is accountable for taking those steps.

For teams that may not have numerical goals (often those in operational functions), a key objective can be the absence of a negative. "Aim for 95% business as usual, be as efficient as possible, and not be a distraction," Otto says. "The goal of payroll being effective 26 times a year is not glamorous, but if you nail it, and it's never a distraction, you give people time to work on revenue." Tools like <u>PI Perform</u> help leaders keep their people on track by enabling them to align on meeting goals, assign relevant action items, and use behavioral data to motivate team members—whether they drive revenue or operations.



Protect productivity by managing workload and well-being

Consider this: Isn't it far easier to do your job well when you're feeling well? You can do this for yourself and enable people leaders to do it for their teams by prioritizing well-being.

More than one in four organizations (27%) see having a highly productive team as a top criterion for defining successful people leaders. There's plenty of evidence that <u>worker</u> well-being is critical to productivity. Yet only 10% of organizations in the survey prioritize promoting healthy work-life balance as a key criterion for successful people leadership.

People leaders, meanwhile, are 50% more likely to view it as such. This disparity is further highlighted by the fact that nearly a quarter of respondents (23%) identify the risk of burnout as a significant challenge to their success. "People are struggling with life, not just work-life balance," Otto says. "You could ignore employee well-being and extract the most value out of someone over six or 12 months, and then they leave, and you start the cycle again. It's exhausting. It's not rewarding and doesn't create people who want to follow you."

Understanding what type of well-being benefits employees need is critical. For example, one study found that <u>more than</u> <u>half of U.S. workers (53%)</u> are likely to leave their current job if offered a new one with significantly better mental health benefits.



10%

Only 10% say their organizations prioritize **promoting healthy work-life balance as a key criterion** for successful people leadership. Creating a psychologically safe environment in which people can raise their hand when overwhelmed and ask for help is just as important as the benefits on offer. One in four respondents (24%) say that work overload is one of the most significant challenges impeding their success as people leaders; a similar share of respondents (23%) said their organizations felt the same.

To counter this, Otto encourages people leaders to help overworked team members feel safe enough to say, "Hey, I want to do good work, I just want to do less work, and I need you to help me do that."

Tools like PI help HR leaders do this by analyzing employees' behavioral nuances. These behavioral insights help you learn where people might be feeling particularly stressed in their current work environment so you can course-correct.



05 Upskill ... but with the right skills

Improper training can be a proper drag for employees and employers. The solution is to invest in tailored training to provide better value while making employees feel valued.

While most organizations support employees' career development (75%), nearly one in four people leaders say their organizations view insufficient training as one of the most significant challenges impeding people leaders' success (23%).

One cause of this could be that those companies are offering the <u>wrong kind</u> <u>of training</u>, as this research found a substantial disconnect between the training organizations invest in and what people leaders see as beneficial.

This misalignment is a pivotal point for HR leaders: Either rethink the training offered, or lose the ability to build great teams by not upskilling properly, Otto says. When done right, he adds, learning and development shows people leaders you're invested in building their skills, making it clear you want to be part of their future.



23%

people leaders say their organizations view **insufficient training as one of the most significant challenges** impeding people leaders' success. What organizations invest in vs. what respondents think would be beneficial to people leaders

Training	% of organizations that invest	% of leaders who see the benefit	Opportunity gap	
Conflict resolutions	21%	32%	+11	
Communication skills	39%	48%	+9	
Emotional intelligence	16%	22%	+6	
Confidence training	13%	18%	+5	
Change management	16%	17%	+1	
Leadership training/coaching	57%	56%	-1	
Talent strategy	20%	18%	-2	
Al & machine learning	25%	18%	-7	
Cultural sensitivity	14%	5%	-9	
Diversity, equity, and inclusion	41%	13%	-28	
Harassment prevention	41%	10%	-31	
Compliance	44%	8%	-36	

This approach also empowers people leaders to develop their teams, a critical factor in how people leaders define success for themselves: **One in three people leaders ranked investing in their teams' development as a top criterion for their own success**, compared to one in five who said their organizations prioritized this criterion.

And going back to the need for giving clear expectations, Moebius suggests training leaders in outcome-based measurement, noting this is especially important if working in a hybrid workplace to combat proximity bias (also known as distance bias).

Behavioral insights can help too.

Knowing individuals' strengths and caution areas can aid in the development of career pathing goals. This helps HR leaders ensure the development opportunities they offer are tailored to the needs of the individuals at their organization, maximizing the value of the organization's investment.

Change won't wait, and neither should you



Millennials are increasingly taking on leadership roles, and their views on what makes a successful people leader have shifted more than any other generation. This growing transition is likely influenced by Millennials' <u>distinct leadership style</u>, which sees them engaging in frequent touchpoints with their teams and other stakeholders, empowering their employees, and applying a broader ethical lens to their decision-making.

This change also comes in the wake of a considerable cooldown in the job market, Otto notes. "More employees are staying in jobs where they're just satisfied or even under-satisfied, and engagement is suffering." This mindset has brought about catchphrases like "<u>slow living</u>" or <u>quiet</u> <u>quitting</u>, and it can be linked to employers not giving people leaders the tools they need to succeed.

Organizations that don't act now risk losing a competitive edge, one that'll only get harder to gain back as more Millennials take the ranks.

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Set your people leaders up for success

People leaders are how things get done, and their ability to do that is bolstered by HR. As this data shows, success for people leaders looks different today, requiring HR leaders to take a new approach to fostering it.

Prioritize the following to ensure success is achievable for your people leaders:

- Establish a formal way to measure people leaders' success.
- Define people leaders' roles and responsibilities—clearly.
- Connect the dots between organizational and team goals.
- Protect people leaders' workloads and well-being.
- Invest in training that people leaders find value in.

Don't stop at setting people leaders up for success. It's equally important to celebrate that success.

This survey found that a significant number of organizations (23%) do not recognize good people leaders for their contributions. This presents another opportunity for HR leaders to stand out: Foster a culture of appreciation that inspires talent to stick around to reap the rewards of working for you.

Leverage a platform that makes it easy to give your people leaders the tools they need to lead their teams, drive performance, and recognize great work every day. <u>Learn more</u> <u>about how PI Perform can help drive success</u> in your organization. **PI** THE PREDICTIVE INDEX

The Predictive Index (PI) is an award-winning talent optimization platform. We provide data-driven HR software for hiring high performers, developing effective managers, and retaining top talent. More than 10,000 companies — including Nissan, Citizens Bank, and Subway use PI to design great teams, make objective hiring decisions, foster engagement, and inspire greatness in their people.

Learn more