

# Why work with a leadership development company



Most organizations recognize the importance of [leadership development](#). There's a direct connection between leadership effectiveness, employee engagement and productivity, and employee retention. On average, replacing an existing employee can cost up to [200%](#) of the original employee's salary, and that's not including the opportunity cost of the vacant position.

That's why organizations spend copious amounts of money in the category. However, research from Harvard Business Review shows that while organizations spend over \$60 billion on leadership development training, just 10% of these efforts deliver measurable results. Clearly, it's not just *that* you spend the money to improve your leadership development process; it's *how* you spend it that counts.

When it comes to leadership development training, you have several options. In this post, we'll go through some of the options you have at your disposal to develop effective leaders, and how a [leadership development company](#) compares with each of them.

## Challenges leadership development can help solve

→ Groups in conflict

Breaking down silos

Unhappy customers

Communication breakdowns

Low morale or engagement

Poor alignment

Team members are complaining

Difficult manager

Meeting about contentious issues

Lagging below targets

Implementing a new process

A challenging goal to achieve

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## Leadership development self-study

There is no shortage of books for (and by) leaders or curated videos by motivational speakers. These are a great starting point for interested executives or those aspiring to a leadership role and may enable them to identify transformation opportunities by finding out about the experiences of other leaders—and the philosophies, methodologies, and processes that worked for them.

However, business transformation rarely jumps directly from a book or video, and it's difficult to achieve the kind of mindset change needed to transform an organization from these sources alone. Even if all your leaders consume the same material, they are not likely to interpret the information in the same way, and even less likely to know how to incorporate what they've learned into an organizational leadership development plan that reimagines key processes and relationships. This is not to say that a leadership book isn't a great start; the genesis of Arbinger's business was [a book about the relationship between mindset and organizational](#)

[challenges](#) that resonated so strongly with our customers that they wanted more!

And that's the point: Partnering with a company that can transform a great idea into comprehensive leadership development strategy can apply the same concepts you loved reading about in a way that is both customized to your organization's needs and implemented in a cohesive way so that all of leadership is on-board and unified.

An experienced leadership development company will work with you to assess your most pressing issues, understand their impact on results, and then develop and implement a plan that provides lasting change through a shift in mindset brought about by training, strategy sessions, individual coaching, and tools to help in the everyday application of new approaches. This will provide significantly more long-term benefits and is much more likely to drive the kinds of results you're looking to achieve.

## **In-house leadership development**

Organizations often look for in-house options to provide leadership training for managers and senior executives. This can take many forms:

- Workshops delivered by internal experts
- Mentorship programs
- Job rotations and cross-functional projects
- Feedback from internal surveys and assessments
- Role-plays and other tactical tools

These types of programs all seek to capitalize on internal knowledge to spread best practices across the organization, and they offer a lot of benefits within organizations that have successfully identified both their biggest challenges and the best way to overcome them.

However, many organizations either assume some of the most acute leadership challenges are not really a problem and just the cost of doing business: that is, they assume that some challenges are impossible to overcome and just not worth trying to solve. For example, interdependent departments may have longstanding conflicts or tensions that can cripple innovation, collaboration, and productivity, but just chalk it up to natural tension.

In cases like this, organizations need a disinterested third party that can take an objective view and provide meaningful solutions that focus on addressing the mindset that causes these challenges to begin with. This need is exacerbated by the constant tug on resources that makes it difficult for internal resources to focus on a strategic goal like leadership development when acute challenges require immediate attention. This is one of the key benefits of a third-party leadership development strategy: Looking at these challenges with fresh eyes, understanding the mindset that causes them to begin with, and then having the resources, expertise, and tools to do the work necessary to break down longstanding walls.

## **Software solutions and online training for leadership development**

Learning management systems (LMSs) are ubiquitous and typically offer lots of curated [leadership development training content](#) for leaders. These can incorporate extensive curriculums using curated content from third-party vendors and complex simulations that attempt to replicate real-world leadership challenges in an online platform. Other companies offer online coaching that pairs leaders with either internal mentors or third-party experts to help them overcome specific challenges. These can be enticing options for a few reasons:

- Most organizations already have an LMS and incorporating leadership training—particularly from a third party—is easy to do.
- A leadership development plan can be incorporated into the succession planning capabilities of some LMSs, once again providing a one-stop shop for leaders and others to get their training.
- This training is often curated by well-respected industry luminaries who bring both experience and gravitas to the process.
- It can be more cost effective than contracting with a leadership development company.

For many organizations, LMS-based management leadership training is the most expedient option because it can capitalize on existing resources. However, this training can rarely be personalized to the unique needs of every organization, and more importantly, leadership development is an ongoing process that can't be implemented simply by viewing content or interacting with software simulations.

In contrast, developing and implementing a leadership development plan in partnership with an experienced third-party organization enables you to marry the concepts you might learn about in curated videos with the real-life challenges your organization faces every day. The benefits of leadership development are only delivered if important concepts are synthesized into actionable steps that address the issues that hold you back. And this can only be accomplished if training is focused on your organization's unique challenges, then followed up with individual and group sessions that home in on the issues that inhibit the collaboration, innovation, and productivity that drives success in your organization.

See how these three alternatives compare to working with a leadership development company in the chart below.

Characteristics	Leadership development company	Software solutions	In-house training	Self-study
Sustained	✓	?	?	✗
Everyday tools	✓	?	✗	✗
Actionable	✓	✗	?	✗
Collaborative	✓	✗	?	✗
Interactive	✓	✓	?	✗
Individualized	✓	✗	?	✗
Outside perspectives	✓	✗	✗	✗

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## Working with a leadership development company

As you've probably figured out by now, no two organizations have the same challenges, so going with an option that isn't customized to their needs is unlikely to miraculously solve them. Further, leadership development is not a one-step process, and the only way to achieve the kind of [organizational transformation](#) you're looking for is by partnering with an expert over the long haul, using multiple modalities to train and reinforce key leadership concepts. Transformation doesn't happen in days, and so you shouldn't expect your leadership development program to fix your problem in a few days either. The process should look something like this:



With decades of research and thousands of clients, [The Arbinger Institute](#) uses our vast experience to help leaders transform their cultures by enabling the shift in mindset that leads to exceptional results. We help leaders develop a people-centric approach to [build engaged and productive teams](#), [inspire genuine inclusivity](#), and drive growth in any organization. Through an ongoing partnership that includes immersive training, one-on-one sessions, group workshops, and a suite of practical tools centered around a shift in mindset, we show how executive-level challenges can be overcome with outward leadership approaches. We help leaders shift from [holding people accountable to developing accountable people](#), and foster human connection between those they work with and those they lead to create sustainable change.

**Interested in working with a leadership development company?**  
[Learn about Arbinger's leadership development program here.](#)