

# Leader's Role in Transformations

Bishakha Majumdar

# Recent developments

## **Ethical Leadership**

Directed towards concern for ethics and dignity of others (Watts, 2008)

## **Shared Leadership**

Directed towards sharing the credit of leadership; participative management

## **Paradoxical Leadership**

Leader's ability to handle seemingly contradictory demands in the organization -nurturing the unique aspects of competing strategies while finding ways to unite them. (Smith et al., 2016)

## **Environmental Leadership**

Leadership with a focus on sustainability

## **Restorative Leadership**

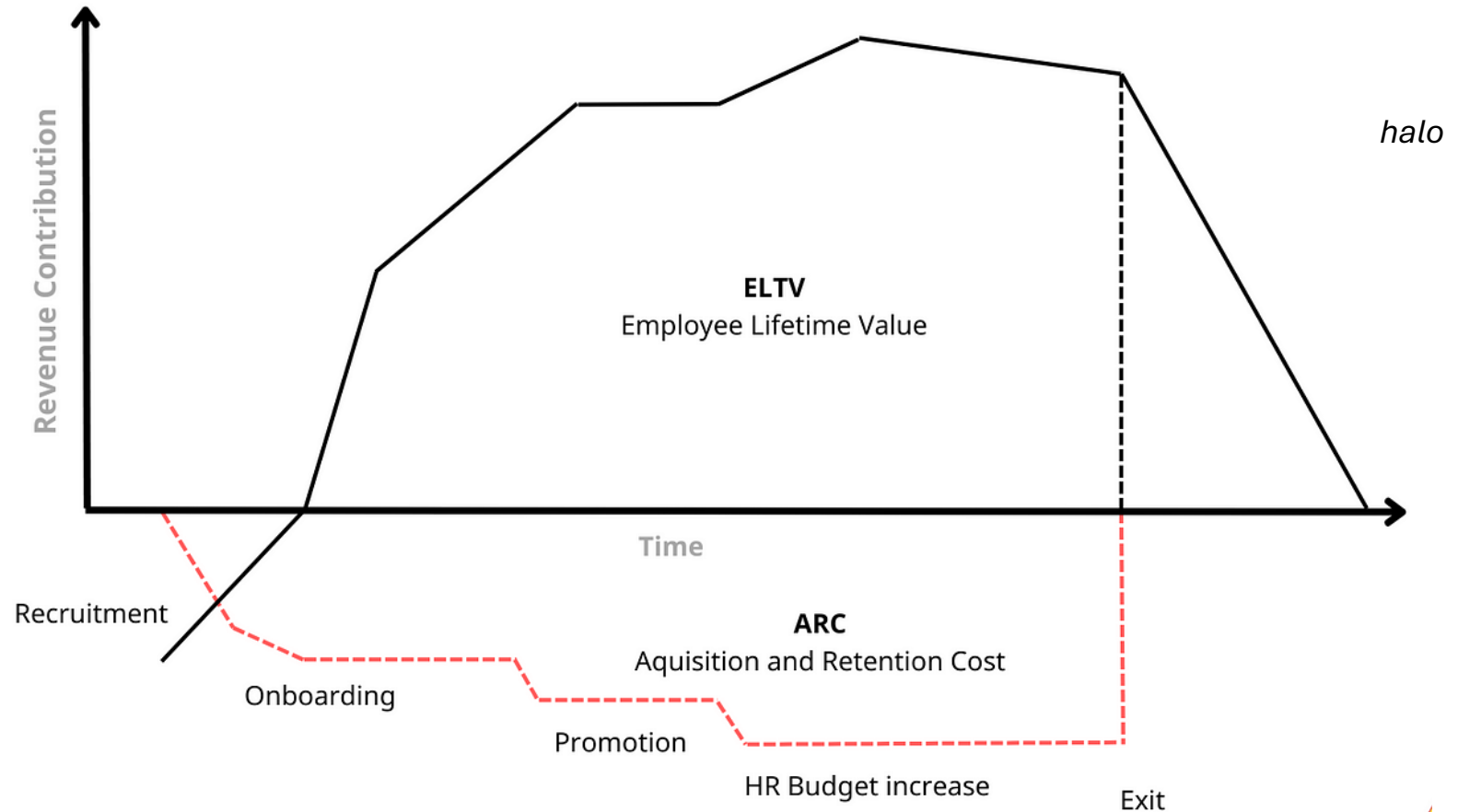
Embracing interconnectedness of all life and promoting well-being of all (Steffen, 2012)

*If you pay a senior developer \$100,000 per annum, assuming an average tenure of 5 years and without taking into account return on investment, the lifetime cost of each developer is half a million dollars.*

*If you were to buy a \$5 million piece of machinery right now (the equivalent of 10 x software developers), knowing that it would depreciate within five years, how much would you be willing to spend to maximize its value to the business? Probably a lot more than you spend on your HR practices.*

<https://www.forbes.com/sites/unit4/2021/10/11/how-to-measure-and-improve-employee-lifetime-value/>

# Employee Lifetime Value



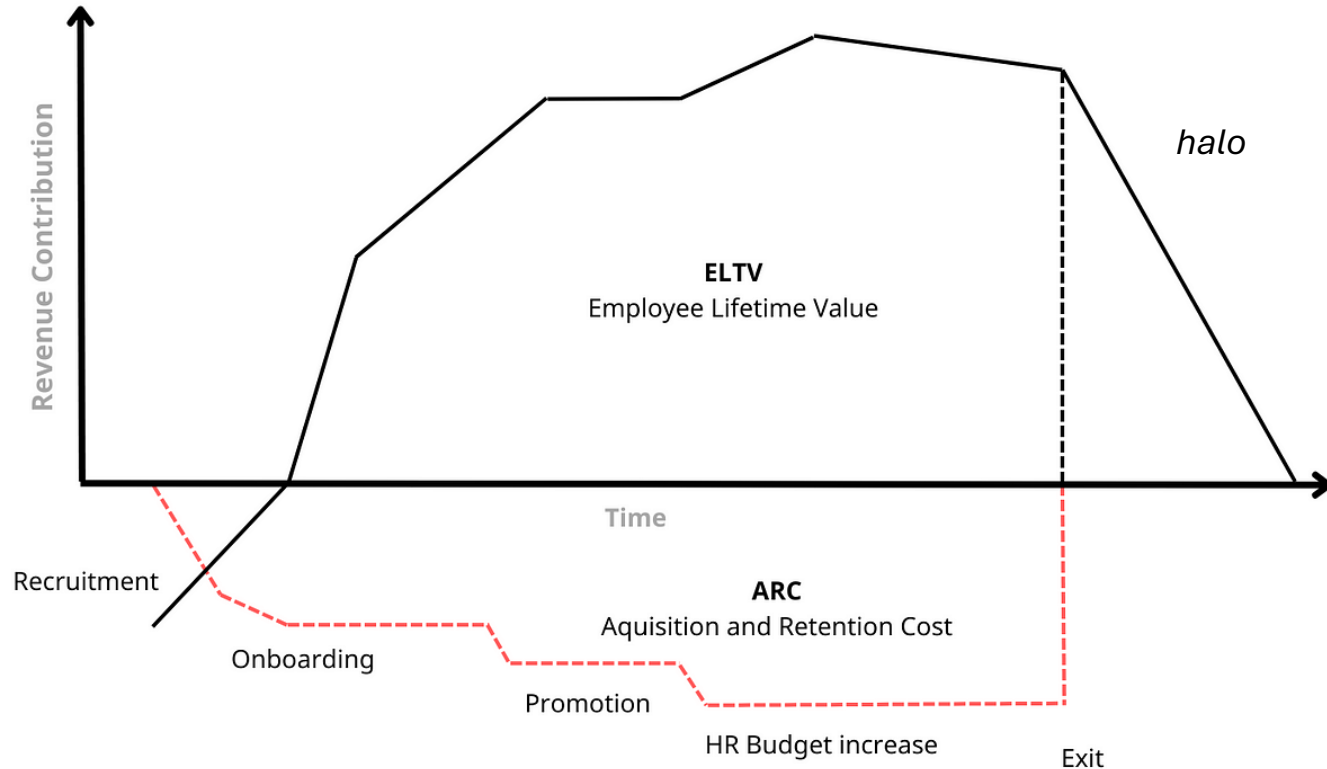
**Average ELTV = (average yearly revenue / total number of employees) \* average length of an employee's tenure in years.**

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<https://www.oysterhr.com/glossary/employee-lifetime-value>

Bishakha Majumdar. Executive Certificate Program in Strategic Transformational Leadership Management. April-September 2024. [bishakha@iimv.ac.in](mailto:bishakha@iimv.ac.in) <https://www.oysterhr.com/glossary/employee-lifetime-value>

# Employee Lifetime Value



- 1. Recruit the right employees and shorten the ramp up time it takes to become a fully contributing member (Recruitment & Onboarding)
- 2. Increase the output of an employee (Engagement & Development)
- 3. Increase the amount of time someone stays with the company (Employee Experience & Culture)

**Average ELTV = (average yearly revenue / total number of employees) \* average length of an employee's tenure in years.**

- Ramp-up time:
  - Preboarding\_\_\_\_\_Dedicated onboarding\_\_\_\_\_talent analytics
- Engagement and Development
  - Internal mobility\_\_\_\_\_coaching\_\_\_\_\_lifelong personalized learning
- Experience and culture
  - Pulse measures\_\_\_\_\_fair compensation\_\_\_\_\_recognition
- Post-experience dynamics

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# Leadership Style

## **Do the same way**

- Let subordinate grow into leader

## **Do differently**

- Put more emphasis on career growth, positive aspects (?)
- Training, counselling, language training (?)
- Relocation support – spouse, kids
- Roll-back plan: After 3 years

# Challenges in Employee Career Transitions

- Companies spend \$370 billion annually on talent development for leadership pipeline
- 5 out of 6 HR managers are dissatisfied with the results of their succession planning programs.
- 40% of companies do not have a single internal candidate ready should the present CEO exit the position.
- Only 27% felt their organizations provided the necessary resources for transition in a new role. 74% reported being unprepared for the challenges in a new role
- 50% of leaders underperform for at least 6 months after a promotion. 60% of leaders fail within the first 18 months
- The direct cost of replacing a failed executive is 10x his or her salary.
- Direct reports perform 15% worse under a struggling leader, costing firms 34% of their annual salaries for lost productivity and disengagement

# *Driving Individual Growth: Career Management*

- It helps in employee retention – long-term prospects facilitate ‘organizational stickiness’
- It leads to alignment of employee goals with the firm goals
- It helps employee see the ‘larger picture’ – leads to job enrichment



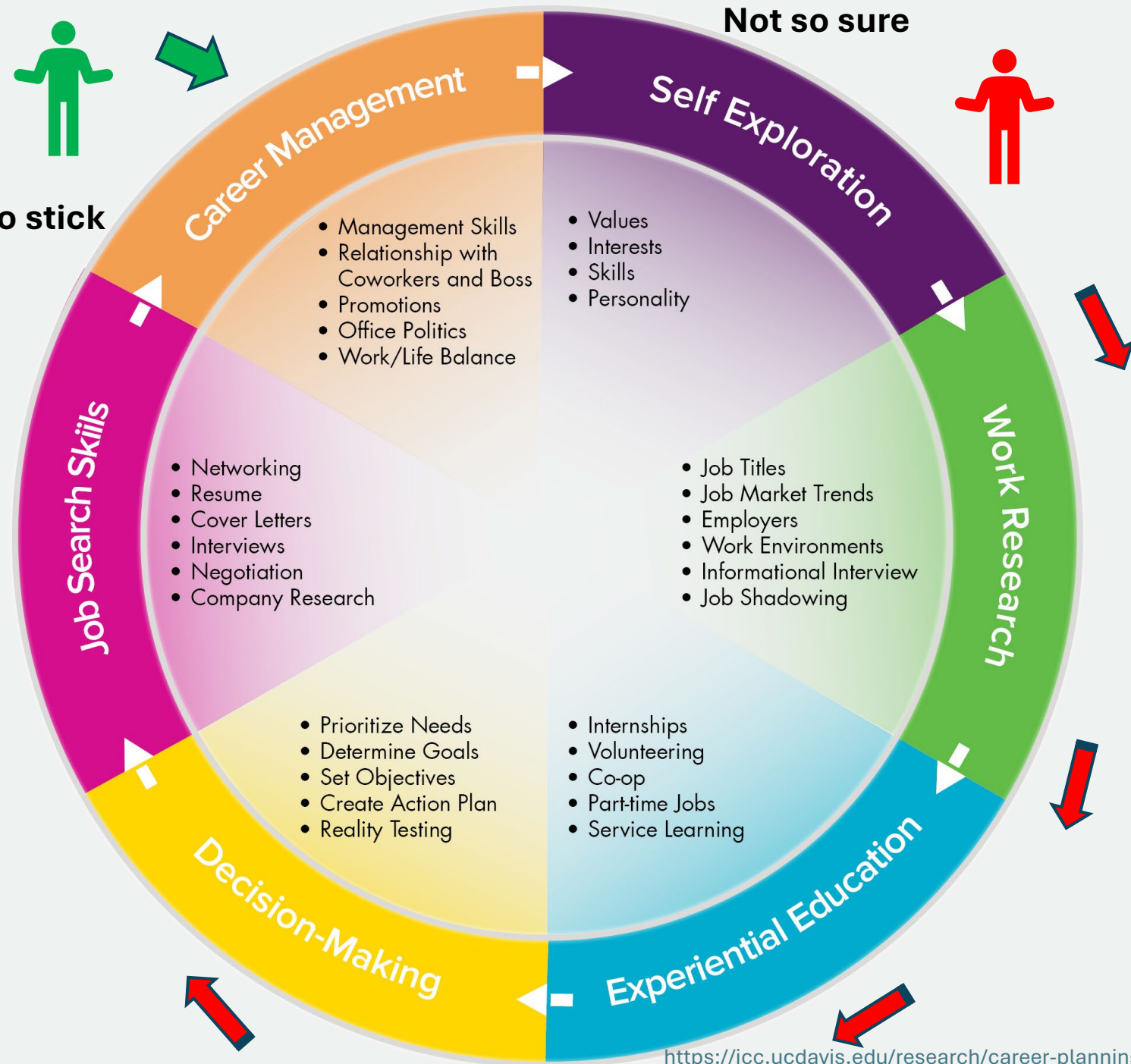
# Leader's Role in Succession Planning

- Involve multiple-level reporting authorities in succession planning, along with the HR
- Invest in knowledge management (*knowledge portals, white papers, etc.*)
- Prepare successors beforehand. Dispel doubts about career paths
- Go linear as well as lateral. Be open to gig alternatives
- Utilize AI/ML wherever possible – to remove biases and to automatize ‘grunt’ work
- Engage in long-term scenario planning – ‘what’s new? What operations are dying out?’
- Avoid the ‘Heir Apparent’ syndrome. Make succession competitive
- Incentivize mentoring successors. Make it mandatory for performance appraisal
- Create and communicate career plans for mentors as well. Be innovative in planning career growth (*e.g., flexiwork, travel, raise, advanced projects*)
- Ensure career planning for those outside the leadership pipeline

# Leader's Role in Career Management

- Early Connect – *internships, live projects, customized training, job tours*
- Information – *internal job/grant postings, trainings, self-nominations*
- Networking opportunities – *networking dinners, retreats, conferences, help groups*
- Mentoring – *buddy, mentoring, specialized training*
- Individualized plan – *accelerators, customized growth plans & compensation, pipeline, intrapreneurship, job crafting, flexiwork*

Wants to stick



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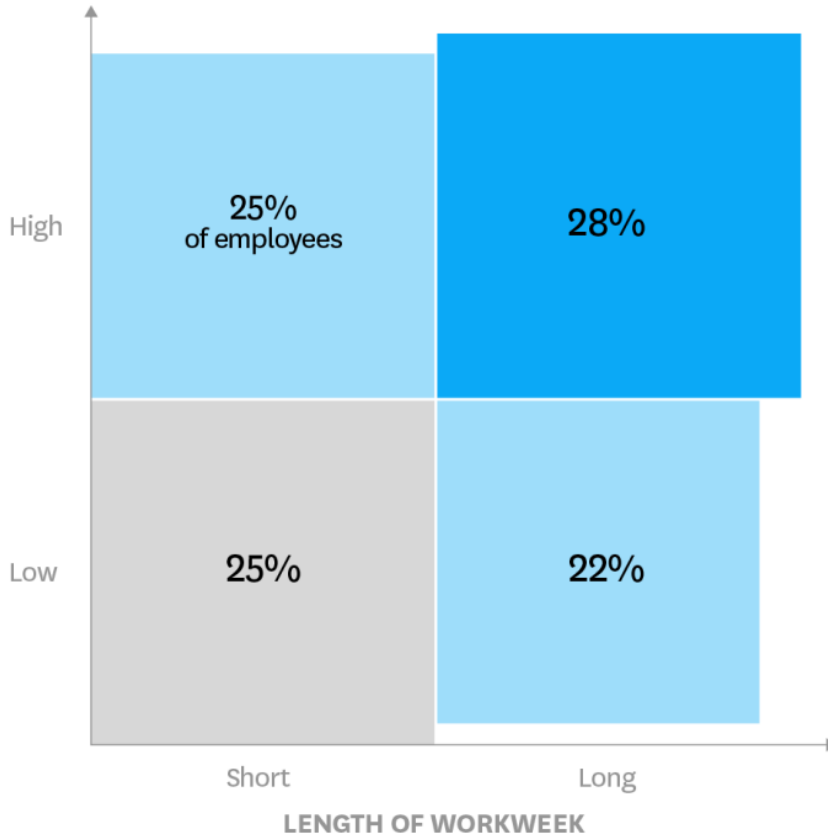
# Leader's Role in Engagement

## Employee Engagement and Working Long Hours Don't Always Go Hand in Hand

A breakdown of approximately 3,000 employees at one Fortune 100 company.

Satisfied workers with low utilization

EMPLOYEE ENGAGEMENT SCORE



Ideal Workers

Crucial Workers With Attrition Risks

Likelihood of Desired Attrition

SOURCE MICROSOFT WORKPLACE ANALYTICS

Fuller & Shikaloff, 2017

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- **Ensure even allocation of work - individual contributors that work 120% longer hours than their peers are 33% more likely to be disengaged and twice as likely to view leadership unfavorably**
- **Lead by example when it comes to work hour utilization - managers who work the longest hours end up with employees who work up to 19% more hours relative to their colleagues & are 5% higher in engagement than their lower utilization colleagues.**
- **Maintain large networks – managers with the largest networks had employees with 85% larger network than colleagues and 5% higher engagement**
- **Maintain one-on-one time - those who get twice the number of one-on-ones with their manager relative to their peers are 67% less likely to be disengaged**