

THE EFFECT OF CHALLENGE

How Great Leaders Build Confidence,
Growth, and Performance



 **CoEffex**
Driven by Data. Powered by People.



INTRODUCTION

How Great Leaders Build Confidence, Growth, and Performance

Our team members are often capable of more than they realize. Effective leaders recognize that potential and intentionally create opportunities for team members to expand their capabilities, build confidence, and achieve more than they thought possible. In turn, team members gain opportunities to grow, develop new skills, and make meaningful contributions.

Challenge is not about creating pressure or unrealistic expectations. It is about setting team members up for growth by encouraging them to take on new responsibilities, stretch their skills, and pursue higher levels of performance. Leaders who effectively challenge their team members create environments where continuous improvement becomes part of the culture.

Our **Coaching Effect Survey (CES)** data demonstrates that Challenge is one of the leadership behaviors most closely connected to confidence, engagement, retention, performance, and overall perceptions of leadership effectiveness.



DRIVEN BY DATA. POWERED BY PEOPLE.

HOW MANAGERS ARE PERFORMING TODAY

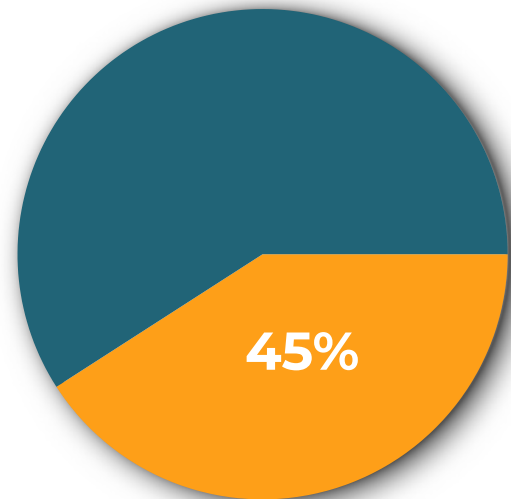
CES data shows that the average Challenge Theme score across managers is 77%. Even so, nearly half of team members report opportunities for improvement:

- **24%** indicate their manager demonstrates Challenge behaviors at just a moderate level.
- **21%** rate their manager's Challenge skills at 50% or lower.

IN OTHER WORDS:

More than half of team members currently experience the benefits of a leader who encourages growth, provides stretch opportunities, and helps them move beyond their comfort zones.

The other half, or about **45%**, report to a leader who struggles to effectively challenge and develop their team members. These team members may miss opportunities to build new skills, gain confidence, and reach higher levels of performance.



Nearly Half of Team Members Are Not Being Effectively Challenged to Grow

THE MEASURABLE IMPACT OF CHALLENGE

When leaders are highly effective in the Challenge theme, their team members are:

8.8x

more likely to rate their manager highly overall.

→ Challenge is one of the strongest predictors of overall leadership effectiveness.

5.4x

more likely to indicate their manager builds their confidence.

→ Leaders who challenge effectively help team members recognize & develop capabilities.

3.5x

more likely to rate the organization positively overall.

→ Growth-oriented leadership influences how employees experience the workplace

3.4x

more likely to report being happy in their current work situation.

→ Team members are more positive about work when learning and growing.

3.2x

more likely to see themselves working at the organization a year from now.

→ Development opportunities encourage commitment and strengthen retention.

3.0x

more likely to report being highly engaged in their work.

→ Leaders who encourage growth create investment and energy in day-to-day work.

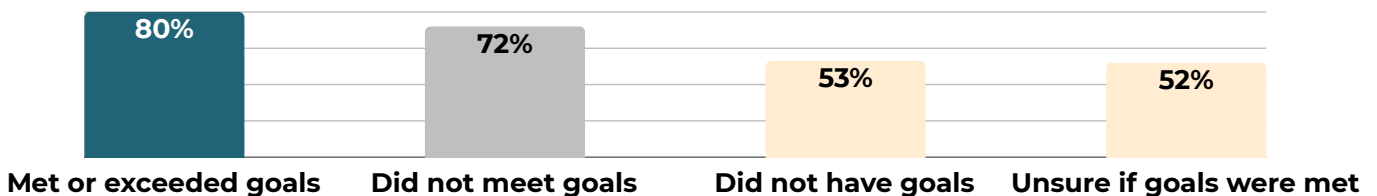


CHALLENGE: BY THE NUMBERS

CES outcomes show impact of Challenge Theme is especially evident in two areas: performance attainment and team members' perceptions of their own growth and development.

CHALLENGE AND PERFORMANCE

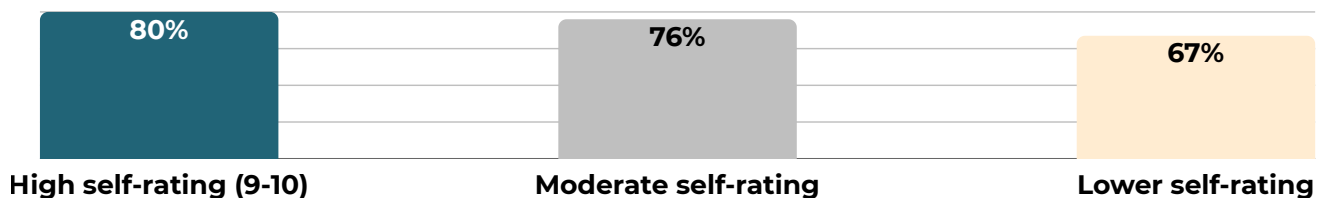
Team members who met or exceeded their performance goals reported leaders with an average Challenge score of 80%, well above those without clear goals or unsure whether they met them.



Challenge is most effective when paired with clarity. The largest gaps appear when goals are missing or unclear, reinforcing the importance of helping team members understand what success looks like.

CHALLENGE AND PERSONAL GROWTH

Team members who rated their own skills highly (9–10 out of 10) reported leaders with an average Challenge Theme score of 80%, compared to lower scores among those with moderate or low self-ratings.



Team members are often capable of more than they realize. Leaders who effectively challenge their teams help individuals discover that potential, build confidence, and achieve more than they thought possible.



WHAT TEAM MEMBERS ARE SAYING

"He allows me to be who I am but yet pushes me when I need to get out of my comfort zone."

"Helps us get outside our comfort zone. Gives achievable tasks with a timeline for completion."

"I truly appreciate how he takes the time to guide and mentor me. His coaching skills have helped me grow professionally and given me the confidence to take on new challenges."

"He is open and offers opportunities to stretch my abilities. I feel that I am valued as a human."

WHY CHALLENGE MATTERS

Challenge reflects a leader's ability to encourage growth, expand capabilities, and help team members achieve more than they believed possible.

Strong Challenge scores are associated with leaders who:

- ✓ Encourage learning and development
- ✓ Create opportunities for growth
- ✓ Establish accountability and performance expectations
- ✓ Build confidence through achievement
- ✓ Push people beyond complacency
- ✓ Help team members recognize their strengths and potential

NOT JUST A DEVELOPMENT STRATEGY, BUT A PERFORMANCE STRATEGY

Many leaders focus on managing today's work. Great leaders focus on developing people for tomorrow's opportunities.

Challenge creates the conditions for growth by helping team members stretch their abilities, build confidence, and pursue higher levels of achievement. The result is stronger performance, greater engagement, higher retention, and a workforce that continues to grow rather than remain comfortable.

The data is clear: leaders who effectively challenge their people do more than improve performance. They help people become more capable than they thought possible.

ABOUT THE AUTHOR



Stacia Jorgensen

Senior Vice President of Research, CoEffex

As part of her role, she leads all research initiatives, the creation of coaching performance assessments, and was instrumental in helping CoEffex translate coaching into a series of measurable metrics.

She helps clients discover actionable insights surrounding coaching effectiveness that allow them to achieve the highest levels of performance. Her research discoveries now provide leaders with a never-before-seen view of team performance that is changing how teams are coached, led, and managed.

CHALLENGE

BEST PRACTICES

WHAT IS CHALLENGE?

Challenge is the creation of a growth-focused environment where team members are encouraged to develop, improve, and pursue higher levels of performance. Leaders who effectively challenge their teams help people expand their capabilities, embrace new opportunities, and achieve goals that may have previously seemed out of reach. This leads to greater individual development and stronger organizational outcomes.

HOW TO CREATE CHALLENGE

CREATE A GROWTH ENVIRONMENT



- **Build supportive relationships** – if team members believe you have their best interest in mind, they will view challenges as something for their benefit
- **Respond positively to obstacles** – your team will feel more comfortable trying new things if they know you will respond well when things go wrong
- **Get comfortable with discomfort** – You can better create a growth environment by helping your team see how discomfort can be a good thing

GET THEM OUT OF THEIR COMFORT ZONE



- **Identify their best strengths** – When you push team members to take on a challenge, ensure their success by having them work in an area of strength
- **Have them set a stretch goal** – This helps ensure team members are truly pushing themselves toward higher levels of performance
- **Hold them accountable** – When someone is working outside of their comfort zone, it can be easy for them to give up so your accountability is key

MOTIVATE & CELEBRATE SUCCESS



- **Help people find their purpose** – When team members feel their work is valuable, they are more motivated to work hard
- **Create a sense of ownership** – Team members that get to decide how they spend their time at work, they feel more responsible for the outcome
- **Recognize in meaningful ways** – When we give recognition, we are valuing team members' talents, which incentivizes them to do more of what they do best