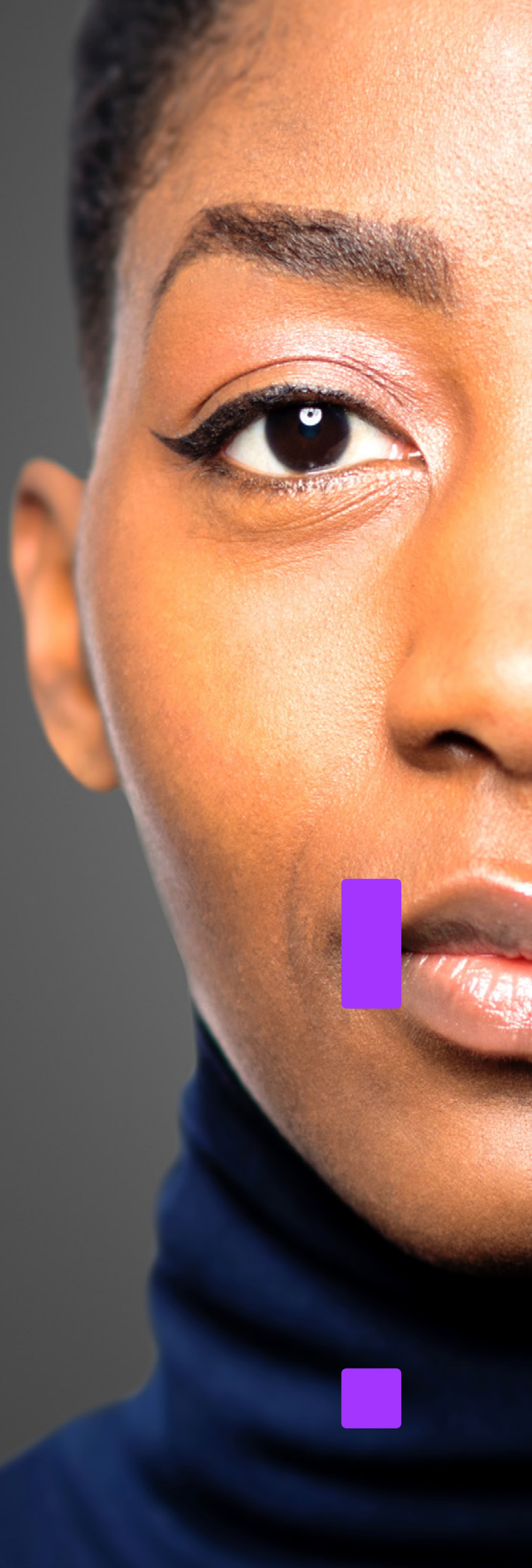
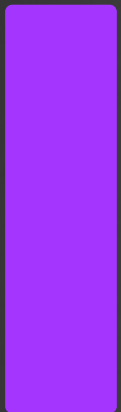




FIVE THINGS LEADERS NEED TO BE SUCCESSFUL

And advice on how to
measure them



What makes a great leader?

Give regular feedback

It is probably one of the questions we get asked the most. What makes a great leader? The typical response from executives is, "I know one when I see one." This is just another way of saying that most organizations use gut feel when it comes to selecting and promoting leaders. Of course the second most common response to this question is, "We promote our highest performing employees." It is interesting to get these types of responses when there has been so much research (both qualitative and quantitative) suggesting that gut feel and promoting your best individual contributor are terrible ways to make decisions. In many ways I don't blame leaders (or organizations) for this. Many times they don't believe there is any alternative. They take the data that is available to them (their own opinions and past work performance) and make a decision. Isn't that how most decisions get made these days anyway?

Organizations who have seen the negative aspects of this type of decision making have seen:

- Higher turnover
- Leadership derailment
- Leadership failure

1

Ability to lead and influence others

No doubt, the most obvious skill that leaders need to be successful is leadership. Without the ability to use interpersonal skills to influence and inspire others, a leader will fail. Leadership can be divided into two categories: Tactical and Inspirational. With strong tactical leadership, a leader establishes performance goals and provides clear guidance and feedback to their employees. A team that receives clear feedback from its leader is likely to feel more motivated and energized. Inspirational leadership is marked by building trust and respect and motivating employees and peers.

THE WAY THAT A LEADER INTERACTS WITH OTHERS SETS THE TONE FOR THE WHOLE TEAM

¹ Fox, J. (January - February 2011). The HBR Interview: "What Is It That Only I Can Do?" Retrieved from <https://hbr.org/2011/01/the-hbr-interview-what-is-it-that-only-i-can-do>

² Mackey, J. (September 2011). Retrieved from <http://bigthink.com/videos/meaning-in-the-workplace-mackey>



An inspirational leader who supports and encourages his team also creates and maintains high energy levels, which facilitate an effective atmosphere for productivity. John Mackey, the CEO of Whole Foods Market, has been awarded numerous accolades for his leadership of the successful company, however he is arguably best known by his unique leadership style of "conscious capitalism."¹ With this inspirational leadership philosophy, the company is not only concerned about profit, but also the impact of what the company is trying to achieve by being in business. In the case of Whole Foods, Mackey believes that the company's purpose is to "to try to change and improve our world," so his management style reflects that lofty credo; the company's culture is designed to make employees feel appreciated and motivated.²

2 Ability to delegate to others

The way that a leader interacts with others sets the tone for the whole team. If the leader hands down directives from on high, and isn't willing to roll up his sleeves and pitch in with a task during a busy time, the team's morale may suffer. A leader who works collaboratively with colleagues is able to build more effective working relationships. In order to foster a collaborative environment, s/he is willing to listen to suggestions from colleagues and employees, even if they are not able to be implemented.

Furthermore, a successful leader is never too busy to make time for others. This does not mean she answers every phone call and email immediately, but perhaps instead implements an "open door policy," or takes a lap around the office to remain accessible and visible to employees. Being approachable is an important element of a successful leader, because employees want to feel that their ideas are being heard.

Leaders who know how to "read" people and act accordingly are generally more successful than those who are emotion-blind. For example, if an employee is visibly frustrated and overwhelmed with a project, an effective leader will be willing to step in with moral or emotional support, at the very least, and perhaps even offer additional resources, if possible. Leaders who are empathetic and have a positive attitude are more effective than those who only care about the bottom line and the fact that work gets done. They know that trust is earned, and they endeavor to generate a collaborative organizational atmosphere where employees want to spend their working hours.

3 Ability to innovate

Challenging the status quo and embracing setbacks are important actions for successful leaders to implement. However, the best leaders usually do not generate the best ideas alone. They are champions of new initiatives and process improvements, and more importantly, they create a positive environment for change and positive ideas to take root in their organizations. The Big Mac, Egg McMuffin, and Hot Apple Pie were all developed by McDonald's franchisees. McDonald's founder, Ray Kroc, was famously receptive to creative ideas and encouraged suggestions for improving the company. Kroc once said, "As long as you're green, you're growing. As soon as you're ripe, you start to rot." He believed that innovation was extremely important in his industry, but he ensured that process improvements were well-tested and implemented with his training program, Hamburger University.

Another key characteristic of successful leaders is the ability to adjust to changing circumstances and recover quickly from setbacks. Take Apple CEO, Tim Cook, for example.

He was named the world's best leader by Fortune Magazine in 2015, not because Apple is ranked in the top 10 in the Fortune 500, but resulting from his ability to embrace and acknowledge the challenges the company encountered after a series of disappointments, such as the death of Steve Jobs and the Apple Maps debacle. The Apple Watch and Apple Pay are two initiatives that Apple has launched during Cook's tenure as CEO, and he continues to challenge the status quo and encourage the development of the next great product.



CREATE A POSITIVE ENVIRONMENT FOR CHANGE





4 Ability to think and learn quickly

A great leader doesn't need the analytical skills of a rocket scientist to be successful, however solid problem solving skills and learning agility are extremely important attributes. Demonstrating intellectual curiosity is another marker of a great leader. The individual likely enjoys reading and learning from others. He is not one to be satisfied with relying on only his past experiences to inform his decision making, although the individual typically will quickly learn from past challenges and figure out a way to apply lessons learned to new business problems. If the organization faces a website hack, for example, a successful IT leader would work quickly with his team to identify the source of the issue, all the while learning from the process to figure out how to prevent any future security breaches.

5 Ability to execute

Leaders who are effective are able to demonstrate follow-through. It is not enough to establish impressive goals; those who are successful are able to achieve quantifiable results, which are achieved through effectively organizing projects and teams. A great leader is not usually the sole driver of organizational success; she is able to admit when she is not an expert in a given area, and champions those who are able to move the needle in that field. It's a commitment to excellence that sets leaders up for success; settling for mediocrity will not be enough to raise revenues or ensure future organizational stability. To that end, setting up and maintaining systems to keep targets on track is important to a successful leader.

Results-driven leaders who create an environment where creative ideas, new initiatives, and process improvements are rewarded, have more effectively-run organizations. Additionally, modeling positive behavior is an important component of a change champion. A leader who is reluctant to embrace market changes or even something as seemingly insignificant as an internal software update does not set a good example for their employees. Successful leaders lead by example, encourage creative ideas, and effectively deal with uncertainty. Saturday Night Live creator and producer Lorne Michaels is an example of a leader who executes and delivers results week after week on his sketch comedy show. In an interview with the Harvard Business Review, he attributes his success to surrounding himself with smart, creative people, leading by example and committing to excellence.³

Another leader who is known for his commitment to excellence is Coach Mike Krzyzewski, the basketball coach at Duke University for 40 years. With over 1,100 career wins, he is arguably one of the best coaches in all of basketball. He knows a lot about pressure and challenges, but he has found great success. One of the reasons why he has been able to lead so many teams to championships is because he tailors his coaching to individual needs. He knows that objectives (winning a game) are not static, and therefore, the means for winning need to change with the skills of his players and the competition.

**IT'S A COMMITMENT TO
EXCELLENCE THAT SETS LEADERS
UP FOR SUCCESS**

³ Michaels, L. (September 2013). Retrieved from <https://hbr.org/2013/09/lorne-michaels>

How do we measure these things?

Because we, and most organizations, know the things that differentiate great leaders, the discussion typically turns to, “how do we accurately measure these things?” It is an important question because the measurement of these characteristics is critical for organizations to then use this information in their decision making process for hiring and succession planning.

This answer to this questions is an easy one, though. Organizations who focus on their leadership talent use a robust assessment process to measure and quantify a leader’s potential compared to the skills that are needed for successful job performance.

Focusing on your selection of new leaders and developing high potentials through the use of assessment is not only important, but imperative in order to compete in today’s economy. These “facts” are taken from Talogy’s own research on how our leadership assessment model predicts important organizational outcomes.

Leadership assessment and succession planning facts:

- ✓ Leaders who score above average on a leadership assessment are 50% more likely to be successful in the role.
- ✓ Leader turnover is 4.5 times higher for those who score below average on the assessment.
- ✓ Leaders who score above average retain their staff at a rate of 3% higher than their lower performing peers.
- ✓ Leaders rated as average to above average were 2 times more likely to be promoted.
- ✓ Executives with high scores had 46% higher engagement scores for their employees.
- ✓ Executives who scored above average were twice as likely to be good change agents.
- ✓ The average cost to replace a bad executive-level hire is 2.5 times their annual salary.

Conclusion

The mystery of what makes a person a good leader has been solved long before this paper was written. We know what makes a good leader. We know how to use that information to measure the skills of the individual. All that is left is for organizations to take a serious look at their approach to selecting and developing leaders. If we have the right leaders in place it solves many of the smaller problems we face on a day-to-day basis.



