Developing Great Leaders
A Measured Approach

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INTRODUCTION

Every year countless businesses that appear to have all the right stuff—great vision and the operational capabilities to implement it—fail. Why? The answer is simple: They fail because they don't have good leaders.

Great leaders maintain competitive preeminence and help companies capitalize on the opportunities the future will bring. Their responsibilities in today's business environment seem daunting. They must create vision and direction, organize operations so that the vision is profitably attainable, inspire and retain their workforces, and develop tomorrow's leaders. The full cost of a leadership void at the senior level can't be ignored: reduced productivity, added training costs, lost knowledge and sales—plus the cost of replacement, an estimated 150% of an employee's compensation package—can dramatically affect any company's bottom line.

Using conventional leadership development tools, we have not always been able to develop potential leaders into great leaders. However, information that enables us to bridge this gap is now available. We know that (1) leadership can be tricky to define across all situations, but organizations must go through the exercise of identifying and prioritizing what is important for their leadership team to excel; (2) effective leaders combine natural talent, subject matter expertise, and the ability to adapt and learn; and (3) processes and tools exist that can incrementally and significantly improve performance.

Clearly, while analysis of revenues, profit margins, price per share and operational costs remain essential, they are not the only indicators of success. The quality of leadership must also be assessed. In today's environment, no business should be without data and processes that identify the strengths and challenges of its leaders, or without the processes that help to develop the skill sets of those leaders.

America's most winning companies invest heavily in leadership: Recent estimates suggest that corporate America spends more than $10 billion every year on leadership training. Leadership is clearly a corporate priority. Creating and maintaining good leadership can and should become a measurable, operational process, just like reporting profit and loss every quarter.

LEADERSHIP DEVELOPMENT:
THE FOUR BUILDING BLOCKS OF GREAT LEADERSHIP

Great leaders are skilled in four building blocks of leadership. These building blocks serve as the foundation for leadership assessment, coaching, and development.

The Four Building Blocks of Great Leadership	
Building Block	**Definition**
Vision	Has a vision of what is important for future direction, communicates this with urgency in meaningful ways, and can persuade others to align their efforts to drive for results. Is assertive and self-confident in working with others, and takes the initiative in getting things done. Can gauge and vary authority and impact on others.
Interpersonal style	Shows an appropriate level of comfort with others, and builds lasting relationships and connections. Is socially perceptive, modeling consideration and tact, while maintaining a focus on tasks at hand. Can objectively give and receive candid performance feedback. Is comfortable with managing conflict and differences of opinion.
Communication	Is skilled in sending and receiving/interpreting verbal, nonverbal, and written messages. Uses appropriate grammar and vocabulary, as well as eye contact, gestures, and inflection. Shows comfort and poise in presenting ideas to (large) groups, and can readily respond to ideas and questions.
Problem solving/ Decision making	Uses analytical, fact-based, logical, and impartial methods to decide what needs to be done. Balances this deductive approach with the use of speculation and intuition to recognize information gaps in forming judgments and opinions. Is curious and broad minded, and uses inference and intuition to solve complex business problems. Links short-term planning with strategic thinking to anticipate future consequences of current tactics.

The building blocks of great leadership must be considered against the backdrop of business performance objectives. Managers and leaders must be results driven, and their efforts and priorities must be devoted to the development of leadership, interpersonal, communication, and problem-solving skills as applied to the needs of their specific business situation.

Each organization needs to identify its own appropriate building blocks. Some organizations break out the building blocks to yield more than four factors. Thus, interpersonal style could be subdivided into people skills and teamwork. Problem solving could be split into tactical execution and strategic thinking.

Managers and leaders need to maintain a flexible, situational approach to development and use of the leadership skills, adjusting their approach to the situation at hand, the individuals involved, and the time available. While enhancing their leadership skills, they should articulate their career objectives and understand the relationship and importance of their newly acquired leadership skills to where they are now and where they want to go.

It is important to note that the four leadership building blocks do not include specific job-related competencies and expertise. It is assumed that over the course of their career, managers and developing leaders gradually acquire levels of technical know-how in areas such as internal operations, information management, computer use, and accounting and finance.

WHAT?—SO WHAT?—NOW WHAT?: DEVELOPING GREAT LEADERS

We have painted a portrait of a great leader that specifies the skills and attributes required for success. We have also outlined the four factors that help great leaders develop. So we know the "what" of great leadership, but we do not yet know the "how."

Comfort level and confidence with these factors can be improved on the job, but the process needs to be collaborative and continuous. The most effective and efficient methodology for engaging managers and leaders in continual learning and improvement has three basic phases, which can be arranged into a loop.

THREE PHASES, ONE LOOP

Leadership consultants have learned through years of working with executives, as well as providing objective, reliable, and valid assessments to performance improvement professionals, that the process of training/learning new skills generally falls into three overlapping phases, arranged into a repetitive loop:

Phase	Description
What?—the assessment phase	Collect information, both explicit and implicit, and consider these data as a series of proposals about strength and style. Numerous assessments and products provide objective and valid information regarding this first phase.
So What?—considering what the assessment reveals	Interpret, compare, and understand what the data are telling you; clarify the implications of the data in the light of business and career goals and objectives. Identify each proposal as favorable or unfavorable.
Now What?—learning the skill	Individual managers and leaders, working with an objective and knowledgeable "guide," identify and articulate one or two action steps that will move them toward their performance improvement objectives.

During the "What" phase, the building blocks can be used to guide "what" data to collect. There is no evaluation at this stage; it is purely a data collection phase.

The "So What?" phase of the process needs to be a give-and-take conversation between the individual manager/leader and a "guide." In this phase, the descriptive "What?" proposals are considered as to their validity, accuracy, importance, relevance, and potential as being favorable or unfavorable against articulated business and career goals.

The conversation and plan developed in the "Now What?" phase need to be led primarily by the individual manager/leader. After considering their What?/So What? conclusions, the manager/leader formulates a concise plan for action.

Plans for action should involve no more than two skills and should not be a laundry list of "shoulds" and "should nots." Items in the action plan should be behavioral and measurable, and they should describe specific actions they will take that will lead to a change in behavior. You can select from many formal assessments to bring reliable and valid information to your leadership development programs. These products can provide an objective and standardized starting place for your development staff and managers/leaders in development.

Assessment matrices will vary depending on the needs within the environment. They will depend on the time available, the knowledge level of your developmental staff, and the content of leadership development programs you have already rolled out in your organization. One example of your assessment matrix might look like this:

Building blocks/ factors	Appropriate personality assessment(s)	360-degree feedback assessment	Structured interviews	Aptitude measures	Other
Vision	P	P	S		
Interpersonal	P		P		
Communication	S		P		
P/Solving-D/Making	S	P	S	P	
Other	S	P	S	P	

Note: "P" designates the assessment device as a Primary source of "What?" information. "S" refers to the assessment device as a Secondary source of information. Your matrix should reflect the building blocks or factors you have identified, and the assessments you plan to use. Make sure that each factor is picked up by at least two assessments.

CONCLUSION

Great leaders can be developed. We can predict how our best leaders will behave in a variety of situations. Great leaders take charge and get things done. They take disciplined, organized action. They use their power and authority objectively, and they influence others using optimism and self-confidence.

The first step in becoming a better leader is performing an objective assessment of the manager/ leader's ability to use the building blocks of leadership. Once the strengths and growth opportunities are clear, the manager/leader can work with a guide to determine how to improve in areas that require growth.

We can all be better leaders. In the words of Henrik Ibsen, "A community is like a ship; everyone ought to be prepared to take the helm."

Psychometrics provides assessments and consulting services that enable businesses and professionals to take a measured approach to developing great leaders. For more information contact Psychometrics Customer Service at 800-661-5158 or visit www.psychometrics.com