

Qualities of Effective Leadership

While most organisations contend with the need to differentiate between management skills and leadership, the challenge also exists in identifying the most effective leadership. The impact of globalisation and technology has ensured ongoing debate about the nature of desired leadership traits and the impact that the wrong sort of leadership can have on the success of an organisation. This summary discusses some of the latest thinking on the qualities an effective leader should exhibit and what approaches your organisation needs to consider in order to select the right leaders.

What is Effective Leadership?

Leadership is about successfully facilitating the achievement of shared goals by being a driver for change (Bass, 1995; IBM, 2006). As such, a leader needs to exhibit behaviours which are adaptable to different situations. This might include active listening, being persuasive, demonstrating expertise, mediating, strategising or even simply giving employees praise, however different needs arise depending on the operation of the organisation and the climate within which these operations are occurring. Effective leaders need to be regarded as individuals who have a positive influence on the environment and people around them (Burke, & Collins, 2001; Sarros & Santora, 2001). They will shape situations in order to achieve and exceed organisational goals.

“Effective leaders help staff achieve goals by championing change”

HR Director, FMCG Organisation

An often-forgotten quality that is indispensable for leaders in today’s high-tech environment is **flexibility** (IBSA, 2005; Lombardo & Eichinger, 2001; Reade, 2003; Shrader, 2007). It is becoming more and more important for leaders to be able to think on their feet and respond quickly. In Australia the concept of **‘transformational’ leadership** has gained popularity. Transformational leadership focuses predominately on the leader’s capability to successfully implement change management and organisational development. The paradox of this is that change can no longer be viewed as an isolated event but an ongoing challenge. Effective leaders need to thrive within a constantly changing environment and pay close attention to the individual by creating an inspirational work environment that is intellectually stimulating for employees.

So if the skill of the leader lies in his or her ability to balance transformational behaviours with those of being reactive and responsive to new ideas, innovation and market forces, how can organisation ensure their leaders are the most effective leaders? Are organisations capable of creating an effective leader profile for themselves? How much influence do external factors have on a leader’s success?

Developing Effective Leaders

Finding and developing leaders is not an easy task. This is made even more challenging with the prospect of dealing with an aging workforce and dwindling talent pools (IBSA, 2006; Manpower, 2007; Salt, 2007). So how can organisations bring younger generations through the management ranks and effectively develop their leadership skills? Slade People Solutions have examined how organisations in Australia develop their leaders. This research is from Slade People Solutions’ HR Forum network. This surveyed senior HR directors and management from a range of public and

private sector organisations. Questions asked include: 'How do you identify future leaders within your organisation?', 'How do you retain future leaders?', 'How do you see leadership succession changing over the next 5 to 10 years?'. The table below provides an insight into the type of methods organisation commonly utilise:

Methods used for leadership development	% use these methods
Match competencies between the job and individual	80%
Use of external consultants	80%
Review the performance of leaders and provide coaching	70%
Examine management recommendations as to which individuals should be developed and how	60%

The question remains about if organisations find that these methods are enough. A majority of respondents surveyed indicated that they found significant challenges in leadership development and especially retaining leaders. Think about the challenges your organisations faces:

- What are the key challenges in developing effective programs for leaders?
- How does your organisation evaluate the effectiveness of leadership development?
- What skills are current programs actually enhancing?
- Does my organisation have a profile for a good leader and is this reflected in the competencies we assess against?

So further to the key methods above can an organisation incorporate others steps to identify and develop new leaders. Our research has highlighted further areas for consideration which maybe assist your organisation:

- Reduce costs and increase staff retention by assessing which areas need to be developed, through **psychometric assessment** (Pepermans *et al.* 2003; Whitney, 2007).
- Increase the effectiveness of communication and reduce conflict by developing the **Emotional Intelligence** (EQ) of leaders through training sessions (Lombardo & Eichinger, 2001).
- Enable your leaders to really understand and buy-into your culture by implementing effective **induction programs** and processes (Deloitte, 2005; Reade, 2003).
- Increase the effectiveness of your leaders by keeping them in the **same role** for **at least 12 months** so they can learn, create a track record of performance, and create a network (Pepermans *et al.* 2003; Reade, 2003).
- Think about the relevance and benefits of **coaching and/or mentoring** programs.
- Bridge the talent gap between current and future leaders with **early identification of high potential leaders**.

Different approaches will assist organisations implement effective and relevant leadership development programs utilising a consistent and comprehensive approach. The art is in selecting the right approach for your organisation that addresses the core needs of your organisation.

Contact the **People Solutions™** team for further information on (03) 9235 5813