BUILDING LEADERSHIP CAPACITY
It is often said, great leaders are born and not made – and natural born leaders do not come around every day. However, if you think about this for a minute it is easy to call into question the validity of this statement.

If natural born leaders are rare and do not come around every day, then who are the leaders running your organization? Are they a natural leader or did they grow into the role? And, if they are not a natural born leader and grew into the role, what impact does this have on your organization’s ability grow and perform in a highly competitive economy?

In this white paper, we’ll discuss techniques that you can implement to improve the leadership capacity within your organization – always with an eye firmly fixed on finding the leaders of tomorrow from within.

Understanding leadership capacity

There is a commonality between successful organizations and leadership capacity. Successful organizations understand the importance of harnessing leadership talent and taking the time to develop it internally.

Fewer than 10% of organizations believe they have enough talented leaders to capitalize on their most promising growth opportunities. Therefore, the importance of building out your leadership capacity must one of your company’s prime objectives.

IS YOUR LEADERSHIP LIMITING YOUR ORGANIZATIONS ABILITY TO GROW?

Leadership capacity is more than simply skill development; it is about performance, growth, transformation and change. For the purpose of our discussion in this series of articles, let’s define it as;

Great leaders not only understand how to engage and inspire their teams to get the best results – they understand the need to create participatory and collaborative processes that develop the abilities of the next generation of leaders.

Leadership lays the groundwork for success

Successful companies do not happen by accident. They are the result of building effective leadership capacity and an awareness and willingness to take the necessary steps in identify internal talent and nurture them into the leaders of tomorrow.
Leadership builds an internal development system

Not unlike a great sports dynasty with a deep pool of talent in their farm teams, strong leaders foster leadership in all levels of their organization. When leadership capacity is developed at all levels of the organization, it creates a farm system of future leaders that will be prepared to move up and take on new challenges, preventing the organization from experiencing a future leadership gap. Internal leadership capabilities also create a rich internal resource of new and innovative ideas that management can consult when charting out the future of the organization.

Leadership development creates a competitive advantage

Companies that invest in leadership development are the minority. Organizations and their leadership get caught up and focus on the day to day operations of the business – the most pressing issues that drive short term results. They forget to invest time in the future because the ROI is less obvious. When this happens, it is the long term vision and growth potential that tends to suffer because of gaps in leadership transition.

If your organization is one of the few that consistently commits to developing internal leadership capacity and is constantly producing future leaders, you will have an advantage over competitors – not only because ideas and innovative thinking are constantly being revitalized, but also the ability to attract the best new talent that can be developed into future leaders.

Leadership development fosters innovation

Leaders at the top of the organization need to intentionally gather information from across the organization. To consistently have the ability to grow and stay fresh with your thinking you need leaders at all levels of your organization that are able to evaluate activities and provide honest feedback based on understanding the vision and values of the organization. When employees are given additional responsibilities and the ability to make decisions, this puts them in a position to expand their capabilities, grow as an employee, and develop their skills – which leads to new insights, perspectives, and efficiencies that benefit the broader organization as well.

Leadership elevates your ability to grow

While much of the attention about leadership is focused on the leaders at the top of the organization, it is the leaders at the mid-level and front line that have the greatest direct impact on growth. No matter where your leadership development is as an organization, there are critical elements to consider when evaluating the overall leadership capacity and culture within your organization.
Establish and communicate a clear direction

Strong leaders communicate a vision that inspires and attracts people with shared beliefs and values. Having a clear direction ensures that the correct infrastructure, resources and people are in place to advance the growth process. A clear direction also provides leaders with a measuring stick they can use to gauge decisions, strategy and future planning. A clear direction, clearly communicated is also a highly effective recruitment tool for other top performers.

Define goals and objectives

Leaders that clearly lay out the specific goals and objectives not only for the organization, but for each department, project, and employee make it easier for employees to commit to those outcomes. Everyone needs to be clear on what success looks like in the organization. Leaders that define what needs to be done will have greater success gaining the desired results from their people.

Set standards of behaviour

Outcomes are important – but by themselves can be detrimental to the organization if the “how” is also not clarified. Great leaders understand that leadership starts first through the behaviours they model; however, true leadership capacity is more than simply leading by example. Leaders must create a working environment that fosters and rewards desired behaviour in addition to the desired outcomes.

Embed continuous improvement into your culture

Many organizations are pretty good at the first 3 elements – but fall down in the area of continuous improvement, which is the most critical. This only occurs when everyone in the organization is committed to building their own leadership capacity and helping the organization grow and evolve based on people willing to providing input from across the organization.

If the organization only has direction, goals and behaviours – without the consistent, positive tension of personal contribution and improvement, senior leaders lose the benefit of the wealth of ideas from less senior leaders across the organization. Resultant, the farm system is not strengthened and the flow of innovative thinking is stifled.

What can leaders do tomorrow?

Building out your leadership capacity must one of your prime objectives. Without building your personal leadership capacity, you will inhibit both your personal and companies’ ability to change and grow.
Leadership impacts performance and performance impacts growth. Growth will not happen if people do not perform. Effective leadership builds more effective people, teams, and organizations. When leadership is present at all levels it helps to accelerate business results and makes it possible to fire up change and growth.

Consider this information and think about how it applies to you as a leader and your company. Think about the current state of your leadership and think about ways that you can put yourself in a position to be a better leader and achieve change in your organization – even from the bottom up.

**10 CHARACTERISTICS OF TRANSFORMATIONAL LEADERS**

There are certain core characteristics the majority of leaders possess. However, there are also an additional set of characteristics that define transformational leaders – leaders that have the ability to make an impact on organizational growth.

It is an organization’s ability to develop this next level of leadership capabilities through training programs, mentoring, and skill development programs that put organizations in the enviable position to grow year over year without experiencing dips in performance.

**Core leadership characteristics**

There are certain leadership characteristics that, while important, do not inspire organizational change and growth that help companies develop into innovative, consistent industry leaders.

Examples of these core leadership characteristics include:

- Good judgement
- Communication skills
- Competence or knowledge
- Interpersonal skills
- Confidence

We hear about these leadership characteristics all the time and in many different contexts. While they are very important for leaders to have, there is another level of leadership characteristics that are “must haves” for transformational leaders. These are the leadership characteristics that make an impact and spur growth.
Transformational Leadership characteristics that impact organizational growth

In order to put your organization in a position to grow effectively and on a consistent basis, leaders with the following characteristics not only make them an effective leader – but also a transformational leader:

Internal motivation and self-management

Transformational leaders find motivation from within and use that as the driving force to effectively manage the direction of the company. The best natural form of motivation is to love what you do and ensure that your values are aligned with the organization you work with.

The ability to make difficult decisions

Difficult decisions are a part of being a leader. Transformational leaders do not back away or put off tough decisions. Difficult decisions are made easier when decisions align with clearly defined vision, values, goals, and objectives.

The ability to check their ego

When placed in a position of power, it is easy to let your ego get the best of you. However, transformational leaders keep their ego in check and do not let it get in the way of doing what is best for business. The benefit of checking your ego ensures you put the company first over personal gain and encourages the best input from others within the organization – because when the company succeeds, you as a leader also succeed.

Willingness to take the right risks

Anyone can take a risk. Transformational leaders take calculated risks that more often than not result in positive outcomes. Trusting your instinct, as well as your team to gather the necessary intelligence is important. Trusting your gut is easier when you have taken the time to research, evaluate and inform your decisions with input from those around you. Failure to take the appropriate risks and make these difficult decisions will inhibit change and your ability to grow.

Have organizational consciousness

Transformational leaders share the collective conscious of their organization. They understand what actions to take to evoke change, spur innovation, and make decisions that will create growth. Since their own values are aligned with the organization they share a joint purpose with the organization and do not just view their position in the company as just a job.
Adaptability

Transformational leaders are willing to adapt and are always seeking new ways to respond to a constantly changing business environment. They know that the second they stand still is when they will be passed by their competitors; which means they are open-minded to change and lifelong learners.

The willingness to listen and entertain new ideas

It is a rare individual who can build an empire. Transformational leaders understand that success is a team effort and growth is derived from the willingness to be open and listen to ideas from all levels of their organization. Transformational leaders create intentional ways to listen to their team and incorporate their insights.

Inspirational

People want to be inspired. Transformational leaders have the ability to make those around rise to the occasion. Inspiration comes not just from a formal motivational speech or simple recognition for a job well done, but by treating people as individuals and taking the time to understand what motivates and inspires their team.

Proactive

Transformational leaders are proactive decision makers. They do not wait around for others to make decisions and then react. They are willing to take risks, try new things and take an innovative approach to growing the organization. However, they also understand how to manage risk and make decisions that are backed by research, multiple insights and are well thought out.

Visionary

Being a visionary is about setting a realistic and concise company mission, vision, and values that fit the culture of your organization. Transformational leaders have the ability not only to effectively communicate the vision, but also get every person to buy in and work toward that vision by communicating with passion and clearly emphasizing the direction they want the company to pursue.

Transformational leaders constantly strive to have these characteristics. Developing these characteristics is what separates companies that are led by managers versus leaders. Now let’s examine how to assess your organizational leader’s capacity to lead.
HOW TO ASSESS YOUR ORGANIZATIONAL LEADERS AND THEIR CAPACITY TO LEAD

Developing leadership capacity and the “must have” leadership characteristics does not happen by accident. Organizations cannot sit back and hope leaders develop.

Building leadership capacity is a process that starts with understanding the concept of leadership capacity, defining the expectations of leadership within your particular organization, and then building intentional, implementable steps that help leaders assess and develop their ability to be a leader.

Clarify organization leadership standards

In order to develop the type of leaders you want in your organization, you first need to decide what a leader looks like in your organization – to define an organization wide standard for leadership. Take the time to develop and refine a leadership model that will lay out the skills, behavior and “must have” characteristics that are desired by the leaders within your organization.

Leadership standards will vary company by company and will need to address the specific needs and fit within your organizational culture. Since organizational culture is based on the leadership team, leaders need to take the following steps to define a standard for leadership:

• Assess your personal leadership style
• Ask other senior leaders to assess their personal leadership style
• Have the leaders in your company assess each other’s leadership style
• Define the most important leadership standards and characteristics you want to embed into your culture
• Work with other leaders to define the standard characteristics for leadership that best fits your company and its culture

Assess leaders against your standards

Once you have a clear picture of what the ideal leader looks like, develop feedback channels to assess your leaders. Gathering feedback about the current performance of potential and current leaders will help companies assess the current state of individual leaders against the standard. Through the use of assessment tools, companies have the ability to monitor their leadership capacity – individually and collectively – to determine where gaps lie. Consider using some of these tools to garner feedback about your leaders:

• Self-assessment: Who knows better what is needed for a specific position then the person who is currently in the position. Provide
individuals with the opportunity to perform a self-assessment to determine which skills and training they require to improve and develop as leaders.

Consider developing feedback or self-assessment forms that leaders can fill out on a quarterly basis to ensure they are in tune with the company’s standards for leadership.

- **Feedback channel**: Provide employees with a feedback channel to solicit input and understand their perspective of your organization’s leadership performance. Place the box in a high traffic area, or create a special email address for easy input. Make sure to encourage honest, constructive feedback and reward employees with effective and implementable ideas.

- **Employee surveys**: Polling employees is an effective way to get information about the leadership structure of your company. Gather input from all levels of the organization to get a holistic assessment of organizational leaders and their capacity to lead. Consider having a yearly company survey to assess the state of leadership within your company.

- **Open channels of dialogue**: Create an open line of dialogue for employees to talk with leaders about leadership capacity and its impact on organizational culture. Consider setting aside a block of time each week or month to allow brainstorming sessions or meetings related to leadership.

- **360 Degree Assessments**: Solicit input from peers and subordinates in all formal assessment process. This ensures that each leader has a fully objective viewpoint of their strengths and areas for improvement as part of their personal growth and development. This is often the most honest and therefore the most useful of all assessments.

**Develop a meaningful review process**

Many organizations have review processes in place – some similar to those mentioned above. Unfortunately, for too many organizations, they are just another task that must be completed rather than seen as a valuable tool. In order for reviews to be a valuable activity, leaders need to take action based on the insights and implementable actions they discover during the review process.

**Leadership review process**

Allow your employees to assess people that currently hold leadership positions. Turn the tables on leaders and allow employees to ask questions and provide open and honest opinions about where leaders are strong and
need improvement. Leaders can set up this leadership assess in a number of ways:

- Emailing a questionnaire to employees
- The creation of an internal discussion board
- Creating a leadership seminar
- Having an internal leadership conference
- Having a town hall meeting

**Project reviews**

Once a project is complete, it should not be the last we hear of it. Review the performance and leadership capacity of the project lead and strategic initiatives through:

- The development of a project review process or committee
- Having the project lead/team assess their performance as a leader in addition to ways they could improve project inefficiencies
- Don’t just focus on areas of improvement – make sure that you also highlight areas that went well – to ensure they are embedded into future initiatives

**Yearly performance reviews**

Review the body of work of all the leaders within your organization. It is these insights that will help to set the strategic direction and lead to the continued growth of your organizations leadership capacity and development of a leadership culture. For the reviews:

- Set up a review committee
- Compare the defined company leadership to a leaders performance
- Discuss leadership strengths and weaknesses with all leaders
- Suggest areas to improve
- Have leaders teach and discuss the leadership areas where they excel

Effective organizations have an internal structure in place to assess organizational leaders and determine their capacity to lead. It is this assessment process that identifies people who have the knowledge, skills, and potential to step up and take on a larger leadership role. Now, let’s look at implementable steps that can help create a culture of leadership
5 STEPS TO CREATE A CULTURE OF LEADERSHIP

Creating a culture of leadership is not something that can be implemented; rather a culture of leadership evolves organically by taking the necessary steps and investing the time and resources that are required to create leaders not only at the top level, but throughout your organization.

Define your organizational culture

For a culture of leadership to exist, companies must first define it. This definition needs to be based on core leadership capacity principles and “must have” characteristics. These can be uncovered through internal reflection and an assessment of the company leaders which we discussed in our last article.

However, culture should not be developed strictly through a top down approach. Gathering feedback and input from employees at all levels of the company will help to refine culture and understand the perspectives, beliefs, and values that exist throughout the company.

For a culture of leadership to exist beyond being a policy or internal directive, the entire organization must be involved. Leadership is needed at all levels and positions within the organization. Adoption will be more successful if employees feel they have had a hand in shaping organizational culture.

Build a culture of leadership into the hiring process

Once a culture of leadership is established, leaders must not only commit to the dedication to new leadership accountabilities, it must also be reflected in the recruitment and hiring process.

In order to ensure that a culture of leadership continues to evolve over time, leaders need to recruit and hire people that fit within your organizations idea and culture of leadership capacity. To attract the people that will fit your organizations culture leaders need to:

- Revise the recruitment process to seek out people that fit your culture. This can be done through:
  - Always being on the lookout for ideal fits for your company
  - Connecting with people through social networking sites such as LinkedIn
  - Asking for referrals from people who embrace your leadership culture

- Develop job descriptions that build in critical elements of leadership character and probe for a willingness to join a culture of leadership. This can be accomplished by building in character components into the hiring process rather than simply job tasks.
• Clearly communicate expectations, accountabilities and strategic objectives

• Provide training that is targeted at immersing new employees into your culture as quickly as possible. This can be done by including leadership principles, must have characteristics and culture into every training opportunity.

**Build accountability into leadership development**

For a culture of leadership to exist, leaders must make leadership development an essential component of advancement. This can be accomplished by ensuring key building blocks are in place before considering advancement:

• Internal promotion standards that must be met before consideration to move up in the company

• Benchmarks that need to be achieved for both current and potential leaders

• Clearly outlining goals and objectives that are to be met at each level of the company

• A strong coaching component that identifies and builds on strengths

**Provide exposure to decision making through coaching and mentoring programs**

For employees and leaders to develop leadership skills, they must have the opportunity to be involved in the decision making process at various levels of the organization plus the opportunity to share their opinions in a safe environment. Companies need to:

• Create ways for employees to communicate issues, concerns, and obstacles

• Allow employees to voice their opinion and be part of dialogues related to strategy directions, goals and objectives that impact their position and role in the company

• Involve leaders at all levels of the company in strategic development

• Provide employees with the opportunity take the lead on projects or strategic objectives

• Make sure that leaders also partake in coaching and mentoring to improve and enhance their impact on culture
Enable mastery of professional skills at all levels of the organization

A leadership skill development program needs to be in place so employees have access to the resources necessary to evolve into leaders and leaders the opportunity to improve their leadership abilities. Nurturing leaders needs to involve effective and constant feedback that will allow employees to flourish. To make this happen companies can:

• Identify future stars and start their development early by giving them opportunities to observe good leadership models and have the opportunity to demonstrate/practice their own skills in controlled environments

• Provide training courses and seminars that are directly related to leadership development

• Provide feedback on a consistent basis that allows for a leadership dialogue to be developed

• Recognize positive progress and reward employees when they exceed expectations and reflect the culture of leadership you have defined.

Creating the right culture will help leaders and employees get into the correct frame of mind when it comes to the development of leaders and leadership capacity. Companies that invest in this culture and give leaders and employees the leadership tools will create growth and innovation.

HOW TO DEVELOP YOUR LEADERSHIP CAPACITY THROUGH LEADERSHIP BEHAVIOUR ASSESSMENT

Building a culture of leadership requires the organization to define the skills and behaviours that are required by organizational leaders from the top down.

With so much occurring on a daily basis, it is easy for leaders – from CEO’s to department managers – to get busy with the tactical details and lose sight of the bigger leadership issues. Every decision that is made has an impact on the behaviour of other leaders within the organization and how people react to the decisions that are made.

Strong leaders need to constantly be in tune with their own performance as a leader and how their actions impact the growth and development of their colleagues in their team and companywide. Therefore, leaders need to be conscious of their behaviour at all times and it is their ability to self-assess and separate ego from the equation that will further a culture of leadership and growth within the company.
Developing leadership capacity through personal assessment

Leadership capacity is not static. It is a dynamic concept that evolves over time and is shaped by those who are in leadership positions. Therefore, leadership capacity will change depending who holds a specific management position and who is on the board of directors in your company. To ensure an ongoing culture of leadership exists and is healthy, leaders at all levels must take it upon them to assess leadership behaviour through these steps:

Assess your internal belief system

Leaders need be in tune with their internal belief system and how that impacts their perspective and decision making process. In this sense, effective leaders minimize the impact personal opinions or bias have on their decisions by being aware of what is in the best interests of the organization and how decisions align with the values of the organization.

Examine your leadership skills

No leader has it all. Every leader has specific shortcomings that need to be addressed and accepted so they do not get in the way of their role as a decision maker, regardless of their title. Therefore, leaders need to be aware of both their strengths and weaknesses and how these impact their behaviour and the behaviour of other leaders in the company.

Here are some ways that leaders can examine their leadership skills:

- Make a list of what you believe to be your strong and weak leadership skills
- Ask other colleagues – and even some direct reporters – what they think your strong points are as a leader, and areas that you need to address.
- Compare your skills to the companies standard for leadership capacity

Develop an action plan for professional growth

Create a personal action plan to address weaknesses and develop new skills to be mastered. This will not only help you expand your leadership capabilities, it will also put you in a position to provide more value to other company leaders and employees by sharing insights and best practices.

Actions that you can take include additional training, mentoring, coaching, reading industry related materials, and taking online courses or attending webinars.
Review criticisms constructively

Collect observations from others and examine their view of your leadership capabilities. Leaders are often blind to some of their shortcomings and areas where they can improve their leadership. It’s good practice to examine your leadership from multiple perspectives and levels within the organization to refine your leadership capacity as a whole.

Create trusted relationships with colleagues both internally and externally who you can discuss thoughts with. They could be a coach or simply a respected mentor or colleague. High performance athletes have coaching on a regular basis – so should high performing leaders. This will help put things into perspective.

Leadership has a direct impact on the performance of employees, other leaders, and the company as a whole. Therefore, leaders that are in tune with their behaviour and its impact and assess it on a regular basis will be in a better position to make the best decision possible.

HOW TO CONTINUE THE GROWTH OF LEADERSHIP IN YOUR ORGANIZATION

While most internal initiatives are well supported at launch, what happens months or even years down the road to maintain momentum and continue the development and growth of leadership capacity in your organization?

To continue the development of leadership capacity and build a culture of leadership, organizations need to have an internal process in place. While some leaders will emerge from the pack naturally, this is not enough and companies need to address their leadership needs by putting their employees in the right position to grow and evolve into company leaders.

The easy part is collecting information; however,

This in itself is high quality leader capacity at work.

High quality feedback helps to create a clear focus and direction for leadership development. With this information companies take the necessary steps to improve on leadership potential and inefficiencies through the development of:

Leadership programs

Leadership programs can help fast track leadership development. Give promising employees the opportunity to develop their leadership skills by developing internal programs or offer them access to externally developed leadership programs.

Companies can also develop monthly leadership training that is led by senior leaders. This would allow for dialogues and relationships to be developed between senior executives and more junior leaders. This can be more informal in nature and be in the form of a lunch meeting.
Mentoring programs

Mentoring programs are a great way to connect today’s leaders with the leader of tomorrow. Assign current leaders to potential leaders and allow them to gain exposure and observe leaders in action by attending meetings and presentations.

This provides insight into the inner workings of the decision making process and protocol used by organizational leaders. Mentoring will give leaders a direct connection and a platform to spread their leadership capacity to others and help develop a culture of leadership.

Coaching programs

Coaching, when done correctly, can be a valuable resource for employees that want to grow into leadership roles. Coaching will help both employees and leaders become aware of areas they need to work on, allow them to discuss difficulties they have, and teach them about how to approach problems, issues, and tasks from a different perspective.

Seminars and skill training

Offer seminars that are focused on developing “must have” leadership characteristics. You will be surprised about how many employees are willing to improve and develop new skills if you provide them with the resources and opportunity to grow.

Develop internal career development plans

Provide opportunities for career development and continuing education that is related to building leadership skills. Consider hosting skill development courses or allow employees to pursue further education by taking professional development courses and attending industry conferences and seminars.

Job rotation/Cross training programs

Programs that provide employees with the opportunity to gain experience in multiple departments and add additional skills and a better appreciation for what is required to execute company initiatives will expand their leadership capacity.

Giving employees the opportunity to experience multiple facets of the organization puts them in a better position to step into a leadership role.
Job Shadowing

Job shadowing provides the opportunity to gain a better understanding of what happens in other areas of the company and in a shorter time frame than job rotation or cross training. Allowing employees to observe how leaders and other employees work on a given day will provide them with some insights into what it takes to be in a leadership role within the company.

Internal leadership groups

Internal leadership groups provide a platform where leaders can share ideas and concerns in a confidential manner with their colleagues. This will open the door for new insights and ideas to be developed in regards to creating a more effective leadership group within the company.

CONCLUSION

We have covered many different aspects of leadership capacity in this article series. There is a commonality between successful organizations and leadership capacity. Successful leaders understand the importance of harnessing leadership talent and taking the time to develop it internally.

Successful leaders see the value of defining a leadership standard, developing organizational culture, implementing leadership initiatives and behaviour, starting coaching and mentoring programs, and allowing both leaders and employees to have a voice in developing leadership capacity.

The importance of building out your leadership capacity must be one of your company’s prime objectives. And, the leaders that make it a prime objective put their organizations in a position to evolve, be innovative and grow.
INSPIRING HIGH-PERFORMING TEAMS THAT DELIVER EXCEPTIONAL RESULTS!

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Bill is recognized as the Performance Excelerator™ because of his uncanny ability to navigate change and transform organizations – and measurably improve bottom line results.

Senior leaders hire Bill to influence and inspire higher performing, customer-focused cultures that create long-term, profitable relationships with customers and excelerate performance, productivity and profits with leaders and employees.

Bill has been a trusted adviser at national and international clients that include; Adecco, Anheuser-Busch InBev, The Bay, Lexus automobiles, Ontario Teachers' Pension Plan, Pita Pit, State Farm Insurance, Toronto International Film Festival – as well governments like the City of Toronto, Ontario Place and ServiceOntario.

By drawing on real-life experience, his message is inherently credible and incorporates practical applications that change attitudes and behaviours.

Whether working with boards or operations teams and employees, his no-excuse approach breaks down the silos and gains consensus and clarity throughout the organization – which inspires behaviour change and ultimately drives transformation across the organization.

Bill provides dynamic keynote presentations, transformative workshops, high stakes facilitation and world class executive consulting.

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