The importance of leadership quality

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Improving the quality of the leadership process across an organisation can have a great impact on the effectiveness of different management systems.

To achieve it requires a thorough understanding of the process, as well as the creation of suitable mechanisms for monitoring and measuring performance. It also requires the implementation of competency improvement programmes for leaders throughout the organisation.

But what do we mean by 'leadership process'? Leadership is the ability to influence others toward strategies and goals, such as maintaining the organisation's vision and mission in line with its strategies, providing direction on how the vision and mission will be achieved, and supplying the necessary means to attain them – all while motivating and engaging people to work toward the vision.

According to the fundamentals and vocabulary of the management system standards, 'leaders establish unity of purpose and direction and create conditions in which people are engaged in achieving the organisation's objectives'. So, a leader is the driving force behind a working group.

A few years ago, I read an article outlining three types of leader: the 'teacher' is a value creator; the 'hero' does noble works; and the 'ruler' dominates and exercises power. The combination of these characteristics in one leader can make them powerful.

Leadership styles
The organisational leadership styles can have a significant impact on recording the image of the organisation in the minds of stakeholders.

Based on studies and experience, I can say that leadership styles can be derived from the personality of a leader and the type of organisation.

Inspired by research carried out by Erica Ariel Fox, the US author and President of Mobius Executive Leadership, I have outlined the four personality traits of a successful leader in an organisation's leadership process (see Figure 1).

Dreamer: The focus of this trait is on intelligence. The leader is actively involved in strategic business planning,

A successful leader's personality

Figure 1: Style and traits of a successful leader in an organisation's leadership process.

as well as setting the goals of different management systems in line with the strategic goals of the business.

Thinker: The focus is on analysis. The leader's emphasis is on implementing effective risk management, and on creating information and communications technology-based mechanisms to evaluate and improve the performance of processes and the entire organisation's management systems

Collaborator: The focus is on trust. The leader's aim is to strengthen organisational values and achieve mutual benefit for employees and the organisation, especially when making changes in management systems.

Protector: The focus is on resilience. The leader supports the execution of plans and the achievement of goals,

"The focus of the leadership process is on two main dimensions – performance and people"

and responds to the obligations and requirements of stakeholders in management systems.

Classification of leadership competencies
To improve the quality of the leadership process, the competencies of a leader must be recognised and developed. A leadership competency is a cluster of interrelated attributes that includes knowledge, skills and abilities (KSAs), which lead to behaviours that have been identified as needed to perform a specific job effectively.

Leadership competencies can be technical, as in the knowledge required to perform a specific job, or behavioural (see Figure 2). A behavioural competency is the application of knowledge to job-related behaviour, as well as how it is applied. Technical competencies can be determined and updated at different levels of the organisation, based on the knowledge required in different management systems.

Dimensions of the leadership process
Within the organisation, the focus of

Figure 2: Leadership competencies can be technical or behavioural.

Technical competencies:
- Technical management
- Risk management
- Strategic management

- Change management
- Learning and knowledge management
- Compliance management

- Stakeholder engagement
- Data and information management
- Resource management

- Workforce management
- Social responsibility
- Technology management

Behavioural competencies:
- Ethical decisions and actions
- Conflict resolution
- Systematic thinking

- Risk-based thinking
- Emotional and social intelligence
- Energy and vitality

- Innovative
- Communicative
- Collaborative

- Attentive
- Trust and relationship building
- Self-confidence

"Development programmes must reflect the organisation's leadership philosophy"

the leadership process is on two main dimensions – performance and people – and these encompass three key roles of the leader: 'leading the self', 'leading others' and 'leading the organisation'.

In the leadership process, the determination and development of technical and behavioural competencies are done according to these key roles and dimensions. For instance, through the performance-focused dimension, a leader must focus on leading the organisation to improve its performance in different aspects of management systems. So, one of the technical competencies in improving the performance of the organisation can be setting its vision and strategy.

As depicted in Figure 3 (see p38), technical and behavioural competencies are identified in each of the three key roles of the leader by focusing on performance and people throughout the organisation. In addition, sub-competencies in each competency should be determined and updated. It should be noted that the technical and behavioural competencies and relevant sub-competencies are determined for three managerial levels in the organisation: top-tier, middle and operational.

A successful leader focuses on key roles and dimensions, and strives to understand the points that can be improved in each one.

Improvement of the leadership process

To improve the leadership process at different levels of the organisation, it is necessary to identify and implement 'leadership development programmes' according to the classification of technical and behavioural competencies, and by focusing on performance and people. ▶

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People and performance dimensions of the leadership process

Leading the self
- Increasing self-awareness
- Demonstrating ethics and integrity
- Managing yourself
- Developing adaptability
- Increasing capacity to learn
- Honesty and integrity
- Ethics
- Emotional intelligence

Leading others
- Communicating with others
- Developing others
- Managing effective teams
- Managing and engaging people
- Empowering others
- Developing courage and collaboration
- Influencing others and role modelling
- Building and maintaining relationships and trust

Leading the organisation
- Setting the vision and strategy
- Managing change and knowledge
- Managing politics and making decisions
- Managing risks and resilience
- Setting vision and managing strategies
- Managing work and resources
- Managing stakeholders
- Managing ideas and solving problems
- Managing compliance
- Managing innovation and agility
- Navigating the organisation and getting the fact
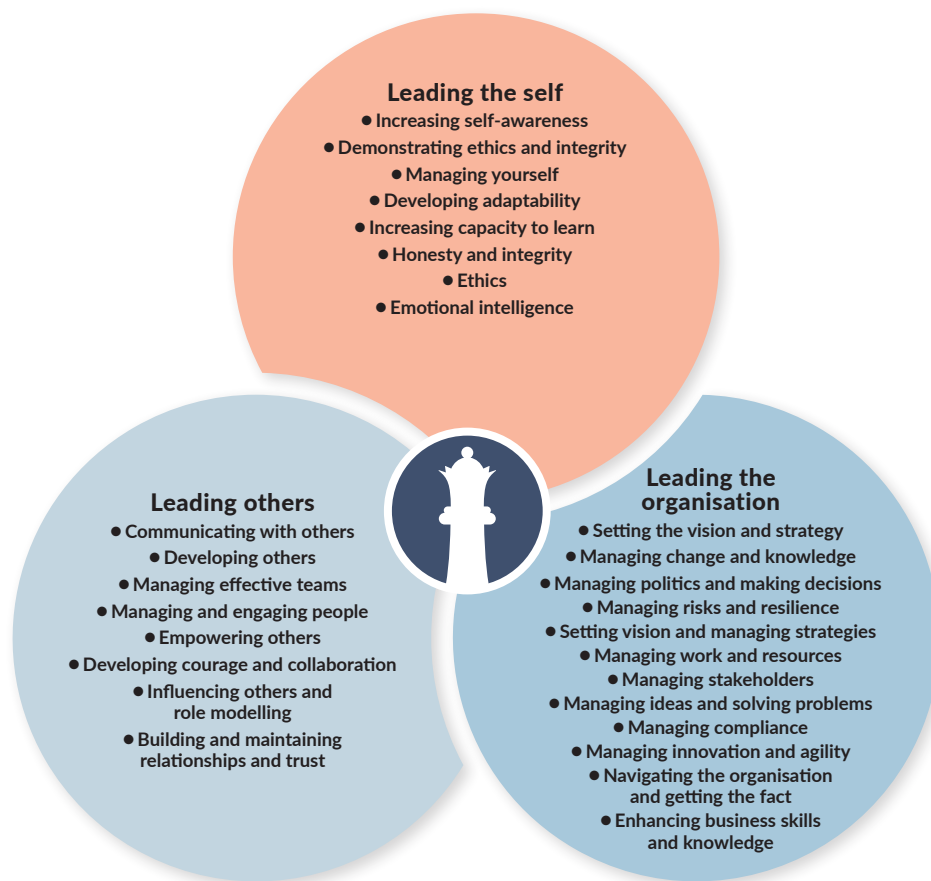- Enhancing business skills and knowledge

Figure 3: Technical and behavioural competencies in each of the three key roles of the leader.

The programmes must reflect the organisation's leadership philosophy, competencies and practices. Training methods are the core of any leadership development programme. Once the organisation-specific leadership competencies have been identified, the right programme is selected.

Leadership development programmes have tangible and intangible benefits that should be identified, monitored, measured and analysed. It's obvious that tangible and intangible benefits reflect the success of a leadership development programme in improving the leadership process performance.

If business performance metrics of an organisation are based on the Balanced Scorecard (BSC) perspectives – which can include financial, customer and market, business processes, and systems and HR – measures that are selected to evaluate a leadership development programme can also be among the performance metrics available in the BSC.

Intangible benefits are an important

"Relationships have been developed to link intangible benefits to more tangible data"

part of the overall assessment of the success of each leadership development programme, but may not be perceived to be as valuable as specific monetary measures. As intangible benefits are rarely converted to monetary value – such as organisational commitment, stress reduction, employee retention, and creativity in the workplace – some relationships have been developed to link them to more tangible data, such as productivity, absenteeism, employee turnover, and employee suggestions.

As shown in Table 1, an organisation may wish to plan and implement a leadership development programme for risk management as a technical

Leadership development programme title: Leading risk management	
☑ **Technical** ☐ **Behavioural competencies:** Managing risk	
Target audience: Top-tier, middle and operational-level managers	
☑ **Performance-focused** ☐ **People-focused objectives:** Improvements in achieving strategic objectives through reducing strategic and credit risks	

Results	
Tangible benefits	**Intangible benefits**
Reduced percentage of delays in the realisation of strategic goals, consequently reducing the financial losses	Improved engagement of people in reducing risks to achieve strategic goals
Improved KRIs set for strategic and credit risks	Improved brand image
Action plan: 204	
Barriers to application of competency: Lack of awareness of new colleagues, lack of support from some operational peers	
Supplementary actions: Communicate leadership competency model to new colleagues to increase their knowledge and support, communicate programme results continually to executive team and other employees	

Table 1: Key Risk Indicators should be applied directly as suitable measuring criteria.

competency of leadership. It may also require a special focus on the strategic and credit risks of the organisation, and to evaluate the improvement of the leadership process in this competency area. If this is the case, strategic and credit Key Risk Indicators (KRIs) should be applied as measuring criteria. KRIs can also be used to demonstrate the achievement of some intangible benefits of the programme. The KRI is an effective tool that has been proven to enhance a company's ability to proactively address risks.

Leadership process effectiveness

The role of the leader in ever changing and high-tech works is difficult. They must be a motivator, director, mentor, team-builder, organiser and developer of people, expert, implementer and innovator. These are all requirements that a leader needs to navigate to improve the leadership process effectively in various areas.

The key criteria or areas, as well as sub-criteria or practices, for assessing the effectiveness of the leadership process in the organisation, are derived from two dimensions focused on the leadership process – people and performance. For example, 'motivating and engaging people', and 'empowerment of people' are

"The leader must be a motivator and director, mentor and team builder, implementer and innovator"

considered to be effectiveness criteria and a subset of the people-focused dimension. 'Setting vision and strategy' and 'navigating the organisation and getting the fact' are viewed as effectiveness criteria and a subset of the performance-focused dimension.

To evaluate the effectiveness of the leadership process, a suitable, scaled evaluation questionnaire can be used (for example, see Table 2, p40). This can be adjusted based on different management levels of the organisation, including top-tier, middle and operational. The questionnaire should provide a brief description of each of the areas selected from the two dimensions of the leadership process: people-focused and performance-focused. Practices clustered into the areas then need to be determined and included in the questionnaire. ▶

The questionnaire can be used to evaluate each leader within different levels of the organisation; each leader can also have a self-assessment with this questionnaire. Consequently, through analysis of the results, the level of effectiveness of the leadership process in the selected areas can be determined at a certain level of management, or in all management levels.

For example, we consider how to describe 'navigating the organisation and getting the fact' as one of the areas, along with determining the relevant practices and rating each practice, and, finally, determining the average score of the area for the top-tier managers in the questionnaire.

Navigating the organisation and getting the fact
Knowledge, skills, abilities, and other characteristics are needed to navigate the organisation and gain insight into internal and external issues that affect it. They are also needed to lead organisational change and implement improvements that align with an

"To determine a multitude of practices, the relevant criteria in the area should be identified"

organisation's strategic direction and culture.

To determine a multitude of practices, the relevant criteria in the area should first be identified. In the case of 'navigating the organisation and getting the fact' (see Table 2), the criteria can include:
• Collaborating among stakeholders;
• Demonstrating agility and expertise;
• Leading the organisation through adversity;
• Facilitating strategic change;
• Changing organisational culture.

In the next step, the practices of each criteria are defined. For instance, the practices of 'collaborating among stakeholders' can include:
• Knowing the stakeholders;
• Identifying what is at stake;
• Determining their needs and expectations;
• Understanding each stakeholder's issues.

After rating each practice from 1 to 10, we get the average score of the area, which will be between 1 and 10.

EVALUATION QUESTIONNAIRE – Area 1: Navigating the organisation and getting the fact

The effective leader navigates the organisation, gains insight into internal and external organisational issues, and realises the relevant goals, as well as leads and promotes organisational change and manages the implementation of improvement initiatives that align with the strategic direction and culture of the organisation. They also get the fact and interpret conditions affecting the organisation.

Rate each practice separately from 1 to 10:

1. Collaborating among stakeholders ☐
(Includes knowing the stakeholders, identifying what is at stake, determining their needs and expectations, understanding each stakeholder's issues.)

2. Demonstrating agility and expertise ☐
(Includes willingness and ability to learn about organisation's internal and external issues, openness to try something new and different, knowing the capabilities of the organisation's cross-functional teams, seeking sources of information, and using feedback.)

3. Leading the organisation through adversity ☐
(Includes learning the challenges, knowing motivations of the work groups, building unity, directing people to achieve strategies and goals, developing people engagement to suggest solutions.)

4. Facilitating strategic change ☐
(Includes adopting change, communicating change, and connecting it to the organisation's values, engaging people to plan and execute change, making sure that beliefs and behaviours support change.)

5. Changing organisational culture ☐
(Includes defining desired values and behaviours, aligning culture with strategy and processes, aligning organisational culture with its brand, connecting culture and accountability.)

Determine the average of the above practices' scores, and circle that average score on the following scale.

1	2	3	4	5	6	7	8	9	10

Table 2: Evaluation questionnaire – criteria and practices for the management area of navigating the organisation and getting the fact.

Total score	Interpretation	
74-80	Excellent	Overall leadership effectiveness is outstanding.
56-73	Very good	Overall leadership effectiveness is high.
34-55	Average	Overall leadership effectiveness is neither high nor low.
16-33	Below average	Overall leadership effectiveness is low.
1-15	Failing	Much work is needed to improve the effectiveness.

Table 3: Interpretation of the effectiveness of the leadership process.

If eight areas are considered in the questionnaire to evaluate the effectiveness of the leadership process at the top-tier management level of the organisation, by specifying the average score of each area and calculating the overall score for all areas, the effectiveness of the process at that level can be determined and interpreted using the guide in Table 3.

Type of organisation and leadership

The basis of the division of type of organisation is the organisational climate, which is defined, primarily, by leaders. The four types of organisation are exploitive, impoverished, supportive and enlightened (see below).

The criteria for classification of the type of organisation include:
• Level of leadership;
• Level of performance standards;

"In exploitive organisations, leadership is autocratic and low in trust"

• Level of organisational clarity;
• Level of communication;
• Level of organisational motivation;
• Effective communication;
• Level of people engagement;
• Level of teamwork;
• Level of organisational controls.

The evaluation of the criteria considered above can be done using a questionnaire such as the one employed to evaluate the effectiveness of the leadership process. From the results, leaders can reinforce strengths and improve on weaknesses.

In exploitive or impoverished organisations, the average scores of different criteria are low and estimated at a poor level. In supportive and enlightened organisations, however, they are considered high and desirable.

In exploitive organisations, leadership is autocratic and low in trust. Employees cannot easily talk to leaders about job-related problems. Leaders make decisions and employees are expected to comply without any active engagement in the decision-making process.

In impoverished organisations, power remains at the top level and employees have a little opportunity to participate in the decision-making process. The amount of attention to employees' ideas, and effective communication at different levels of the organisation, are still low.

In supportive organisations, employees' engagement – and intra-organisational communication – is good, but power remains with leaders. Employees are aware of the organisation's objectives and their role in achieving them. Job problems are discussed at various levels.

In enlightened organisations, power in leadership gives way to the desired focus on employees' benefits and their job-related problems, and the provision of an appropriate degree of freedom to employees to coordinate and accomplish action plans. Internal communication is done in a proper, open and honest, and effective way.

The effective leadership style depends on using the strengths of the personality traits of leaders to create a supportive and enlightened organisation that, ultimately, leads to the success of the whole organisation. ∎

Types of organisation

From autocratic 'exploitive' to open and honest 'enlightened' organisations.

Exploitive
Impoverished
Supportive
Enlightened

Organisation culture →