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Developing Leaders and Leadership

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Abstract

The following paper confirms the importance of developing leaders and leadership for project management success. The paper's intent is to drive value by sharing knowledge on why, what and how of leader and leadership development including the validation of this intervention.

Leader development is critical for organizational development, that is, for the development of flexible adaptive organizations able to respond quickly, decisively, and effectively to changes in technology, demography, market and customer and employee expectations.

Project management intervention requires effective leaders and leadership. Effective leadership requires effective teamwork and effective strategic execution requires organizational alignment to accept the intervention without conflict.

All elements go hand in hand and the project manager must make sure that all these elements are systematically considered and addressed as part of their strategic plan.

Profound project management achievements occur through transforming individuals and this paper promotes the importance of the HR dimension in project management and the value of investing in human and social capital for transformation and project management success.

Introduction

Newsworthy press and survey data exist that confirms there is a global leadership crisis.

"We are on the precipice of a *war for leadership talent* perhaps unrivaled in human history." (3).

The immediate shortage of leaders and leadership is a serious phenomenon that is affecting both large and small organizations and their projects in many ways. The writer's research has consistently shown that poor leadership at any level in an organization (or project) will ultimately translate into poor performance.

The need for leadership at all levels of an organization is illustrated by the complexity and fast changing nature of the global environment.

Leader and leadership development in most organizations is typically accidental, by luck and not structured. The writer advocates developing leaders first as the start point of strategy, then developing target leaders at all levels in the organization and finally driving leadership to fully engage followers in pursuit of the organization's/project's goals.

To promote a better understanding of the intended approach and contribution of this paper the writer considers the following:

- Background to leaders and leadership.
- Why develop leaders and leadership?
- How to develop leaders and leadership?
- Validating leader and leadership development.

Purpose of Paper

The paper has been written with the project manager in mind and has the following key objectives:

- To confirm why developing leaders and leadership is important
- To consider how to develop leaders and leadership
- To discuss the validation of leader and leadership development.

Background to Leader and Leadership

• Data

Although news worthy headlines may exaggerate the true extent of any leadership problem, data does exist that confirms that organizations may not be prepared for the leadership challenges of the future:

"70 % of companies in the study reported moderate to major leadership shortages." (10)

“Far fewer executives are pleased with themselves when it comes to positioning their businesses for growth, retaining and attracting talent, or developing leaders- all areas that are important for their companies’ chances to thrive after the crisis.” (9).

In May 2010 Stanton Chase published the results of their *CEO Census “Profile and Mobility Trends of the Senior Executives in Middle East”* (11).

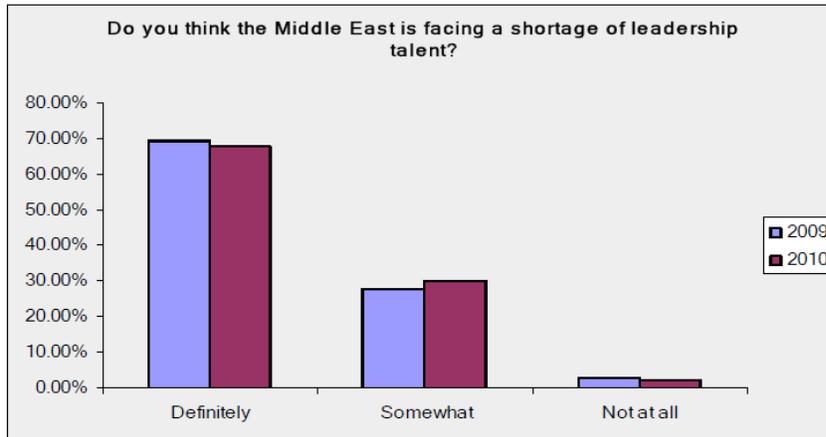


Figure 1- Shortage of leadership talent in the Middle East

Figure 1 (above) taken from this survey confirms that a large majority of 67.7% of responding senior executives believe that the Middle East economies are definitely facing a shortage in business leadership talent, 30.1% believe there is indeed some level of leadership talent shortage and only 2.2% do not identify this deficiency in the market.

- **Definitions**

"Leadership is one of the most observed and least understood phenomena on the earth." (6)

A review of leadership literature reveals that many definitions exist concerning the nature and application of leader and leadership.

The writer concludes that there is a fundamental difference between leader and leadership development and what many organizations term a leadership development effort should more accurately be labeled leader development. This paper assumes the following definitions:

- Developing leaders builds human capital
- Developing leadership builds social capital

“Leadership is not defined by the exercise of power but by the capacity to increase the sense of power amongst those led. The most essential work of a leader is to create more leaders.” (8).

This goal should be one’s primary focus on leadership and how one defines and develops leaders.

The writer advocates **developing leaders (human capital) first** to prepare target leaders at all levels in the organization to develop better leadership (social capital) that fully engages followers in pursuit of the organization's goals.

- **Made or Born?**

The question whether leaders are made or born has been widely debated for a very long time without any real consensus of opinion or hard data to support any opinion.

However, evidence is now accumulating that suggests that one can develop leaders and leadership: Research using the Minnesota Twin database has found that for both men and women, that approximately 30% of leadership emergence was heritable, while 70% was due to environmental events (4).

This data along with the writer's own experience confirm that leaders and leadership can be developed (made) as well as born and this conclusion further supports the relevance of this paper.

- **Impact on Performance**

Great leaders and leadership drive great organizations/projects that deliver great results. If leader and leadership is not great then leader and leadership resist the progress and success of the venture resulting in poor performance including dissatisfied customers, rising costs, lost profits, slower speed, interrupted growth, and a starved bottom line.

Why Develop Leaders and Leadership?

Many of the reasons why developing leaders and leadership is so important have already been highlighted above. A convenient summary is as follows:

- ✓ Improves:
 - Strategy development & implementation
 - Ability to identify and manage complexity
 - Speed of change and project progress
 - Bottom line results
- ✓ Decreases:
 - Recruitment costs
- ✓ Prevents:
 - Dissatisfied staff, suppliers and customers
 - Loss of profit

How to Develop Leaders and Leadership

The writer recommends adopting a systematic approach for developing leaders and leadership:

1. Create the right context for development.
2. Research the theory and employ HR specialists if required.

3. Identify and select a valid model upon which to design and develop your intervention.
4. Construct a competency frameworks for leaders and leadership
5. Assess leaders, target leaders and leadership against these frameworks to define their level.
6. Agree metrics to record the impact (outcome) of the intervention
7. Train to close the competency gap
8. Measures the impact of the intervention (determine your ROI)
→ Start again (the process is cyclic and life-span) →

The time allocated for this paper does not allow a detailed look into all these steps but the writer would like to share the following:

- **The Theory of Leadership**

Theories of leadership have developed over hundreds of years, with four main theoretical trends emerging, i.e. trait theory, behavioral theories, contingency theories and transformational or attribution leadership theories.

Current research data indicate that leader’s who uses a full range of leadership behaviors is what separates effective from ineffective leaders. It has been empirically shown that transformational leadership positively engages individuals at all levels of just about every type of organization (1).

The writer’s conclusion is that the development of transformational leadership behavior offers the best opportunity for maximum positive impact.

- **The Full Range Leadership Model**

At the core of effective leadership development is a well validated leadership model. (7)

The writer recommends the use of The Full Range Leadership (FRL) model (figure 2) as a central part of developing leaders and leadership.

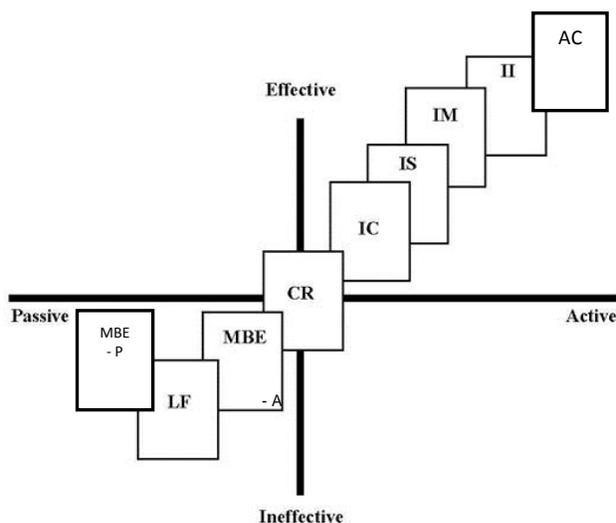


Figure 2- The Full Range Leadership Model (5, updated by writer to reflect work by 2):

The x-axis represents the leadership style in terms of a range that includes highly inactive to proactive; summarized as follows:

Transactional behaviors include:

- **LF-** laissez-faire (hands-off leadership)
- **MBE- Passive-** management-by-exception (putting out the fires; punishes failure)
- **MBE- Active-** management-by exception (actively measuring performance; punishes failure)
- **CR-** contingent rewards (let's make a deal)

Transformational behaviors include:

- **IC-** individualized consideration (compassionate leadership)
- **IS:** intellectual stimulation (thinking outside of "the box")
- **IM-** inspirational motivation (exciting the masses/sharing the vision)
- **II-** idealized influence (walking the walk)
- **AC-** attributed charisma (charismatic leadership)

Substantial evidence now exists that supports the idea that by developing transformational and constructive transactional leadership styles one could expect a greater, positive impact on follower motivation and performance (3).

The y axis is whatever metric that one might choose to include but should of course link back to performance otherwise the model would be of little use.

Together the leadership style and the chosen metrics can be used to construct the organization's leader competency framework, which provide the organization with a basis from which to systematically assess the leaders, target leaders and leadership to define any competency gap that needs to be closed through training intervention.

When the FRL is used as a basis for developing leaders one could expect a greater positive impact on follower motivation and performance (1).

- **Close the Competency Gap**

Leader and leadership development starts with an individual's enhanced self awareness.

Self Awareness + Development Readiness → Self Regulation → Self Development (2)

- **Self Awareness**

Once aware the individual leader is able to properly establish their identity as a leader. The leader's identity drives their values, beliefs and determination to acquire new knowledge and skills that ultimately sustained over time will reflect in the new behaviors desired.

- **Development Readiness**

To optimize the validity of leadership development, the interventions must be customized to target the individual's development readiness (2).

– **Self Regulation**

The responsibility for self regulation is with self and your organization to create the right context for self regulation to occur, including transparency and openness.

Without proper alerts, reinforcement, reflection and support for self regulated change, it is unlikely that any attempts at leadership development will be sustained in an operational context (2).

• **Accelerating Development**

There is an obvious desire to accelerate leader and leadership development. The writer recommends the use of the following to accelerate development:

- Statistically valid and reliable assessment tools to establish the leader's position on the FRL model continuum and developed competency framework.
- Business simulations to translate competencies that are developed in the training sessions into capabilities in a safe, low cost way before taking new practices to the workplace.

Validating Leader and Leadership Development

Return on investment (ROI) from leader and leadership development is not getting attention.

Over 90% of leadership training involves little if any follow-up interventions to upgrade or boost an individual's self awareness or to reinforce self regulation behavior during critical periods of transferring what was learned into practice (1).

A recent McKinsey study reports that only 8% of corporations even track training's ROI (12).

Metrics must be agreed before training intervention so that ROI can be confirmed.

The measurement of ROI will likely fuel even more investment in developing leaders and leadership and corresponds with the surge in interest in estimating human capital, psychological capital, well-being and engagement as leading indicators of how individuals, groups and organizations will perform (3)

Conclusion

Newsworthy press and survey data exist that confirms there is a global leadership crisis. The shortage of strong leaders has also been proven in the Middle East.

Poor leadership at any level in an organization (or project) will ultimately translate into poor performance and the complexity and fast changing nature of the global environment demands great leadership at all levels of an organization for positive growth and success.

This writer advocates developing leaders (human capital) first as the start point of strategy, then developing target leaders at all levels in the organization and finally driving leadership (social capital) to fully engage followers in the pursuit of the organization's/project's goals.

Emerging data along with the writer's own experience confirm that leaders and leadership can be developed (made) as well as born and this conclusion further supports the relevance of this paper.

Environmental change takes time but organizations and their projects can drive leader and leadership development by

- ✓ Creating the right context for development
- ✓ Adopting the right approach
- ✓ Measuring outcome and ROI

If ROI gets measured then this attention is likely to fuel even more investment in developing leaders and leadership.

Profound project management achievements occur through transforming individuals.

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