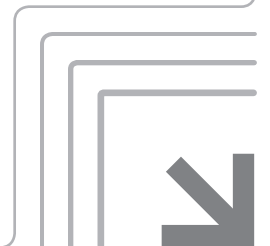


Effective Leaders Combine Attributes and Results



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Dave Ulrich and Norm Smallwood

When we ask people, *What makes an effective leader?*, their responses tend to cover the same personal attributes: setting a vision, having integrity, communicating well, being bold, making things happen, etc.

This approach is *half right*. Yes, leaders need to have *effective attributes*—but they also need to *get results*. In fact, leaders need to deliver **five results** for five key constituents:

- 1) *Employee*: Leaders increase employee productivity by building competence, commitment, and contribution.
- 2) *Organization*: Leaders build sustainable capabilities that shape organizational identity;
- 3) *Customer*: Leaders ensure customer share by creating long-term relationships that delight target customers;
- 4) *Investor*: Leaders build intangible value (about 50 percent of a firm's market value) by creating investor confidence in future earnings; and
- 5) *Community*: Leaders boost organizational reputation by becoming active community citizens.

Attributes and results are interrelated. Neither alone is enough. We connect attributes and results with *so that* and **because of**. For example, when a leader receives 360-degree feedback, which is about *individual competencies*, we pose the *so that* query: I must improve this competency so that I deliver a particular result to my stakeholders. Alternatively, another leader delivers results and should ask the *because of* question: I delivered this result *because of* this competency I have (or lack). Leaders need to know why leadership matters and link attributes to results.

What Makes an Effective Leader?

What must leaders know and do to make that important difference? We focus on the importance of *brand* as a metaphor for defining effective leadership. This draws on two conceptual shifts in leadership thinking:

- From a focus on *leader as a person* to a focus on *leadership as an organizational capability*. The metaphor of brand is more about *leadership* than about the *characteristics* of individual leaders.
- From a focus on *what happens inside the leader or firm* to a focus on *meeting customer, investor, and other external expectations*. The metaphor of brand starts from the outside and focuses clearly on business results.

This typology leads to **four approaches to leadership**:

- **Competent Leaders**: Determine and develop the knowledge and skills of the individual leader.
- **Leadership Systems**: Align selection, development, compensation, and retention systems to reinforce desired leadership behavior.
- **Celebrity Leaders**: Recruit famous leaders who are known to customers and investors, and who help draw attention and resources to the firm.
- **Leadership Brand**: Develop leaders who are recognized by employees and customers and investors for their ability to deliver results in a manner consistent with firm brand identity.

By integrating the other three views Leadership brand offers a robust definition of *effective leadership*. It translates *customer expectations* into *internal behaviors* so that leaders ensure employees deliver *the desired customer experience* whenever they touch the customer.

Leadership brand consists of two elements:

- 1) **Code**—the basic characteristics that every leader must possess; and
- 2) **Differentiators**— the *unique characteristics and behavior patterns* that enable enterprises to connect with outsiders and distinguish themselves in the minds of their customers.

From our research and experience, we estimate that 60 to 70 percent of the characteristics of effective leaders are shared across the board. We then created a framework, the *Leadership Code*, mapping two dimensions (time and focus) and placing *personal proficiency* (self-management) at the center.

Five Essential Rules

The Code captures the *five essential rules of leadership*:

Rule 1: Shape the future. Strategists answer the question *Where are we going?* and ensure that those around them know the direction. They *envision*, then *create* a future.

Rule 2: Make things happen. *Executors* focus on the question *How will we make sure we get where we want to go?* They translate strategy into action. They have *disciplines* for getting things done and *expertise* to get right things done right.

Rule 3: Engage today's talent. *Talent managers* answer the question *Who goes with us on our journey?* They coach and communicate with employees around *competence* (skills), *commitment* (engagement), and *contribution* (meaning). They help people develop themselves for the good of the organization.

Rule 4: Build the next generation. *Human capital developers* answer the question, *Who stays and sustains the organization as newcomers join it?* They ensure that the organization has the long-term competencies required for future strategic success. They build the talent needed as conditions change.

Rule 5: Invest in yourself. Effective leaders are *personally proficient*: they take care of themselves *intellectually* (by learning), *physically* (by managing their bodies and space), *emotionally* (by renewing

themselves), *socially* (by connecting to others), and *spiritually* (by attending to personal values). They govern themselves wisely so that others willingly trust and follow them.

Four Summary Observations

After working with these *five rules of leadership* over a decade, we conclude:

1. All leaders must excel at personal proficiency to engage followers.

2. Effective leaders often have one towering strength (*signature strength*). They tend to excel in at least one of the four roles and are predisposed to one of the five areas.

3. All leaders must be at least average in all four outer leadership domains. It is possible to train leaders to be *strategic*, *execute*, *manage talent*, and *develop future talent*. The behaviors and skills can be identified, developed, mastered.

4. The higher leaders rise, the more they need to develop excellence across all five domains. These five domains synthesize what makes effective leadership—they represent the code, the basics of leadership.

About the Authors



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