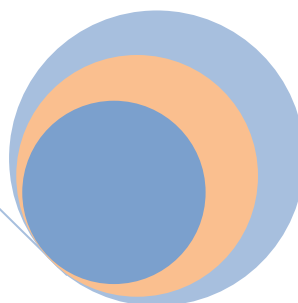
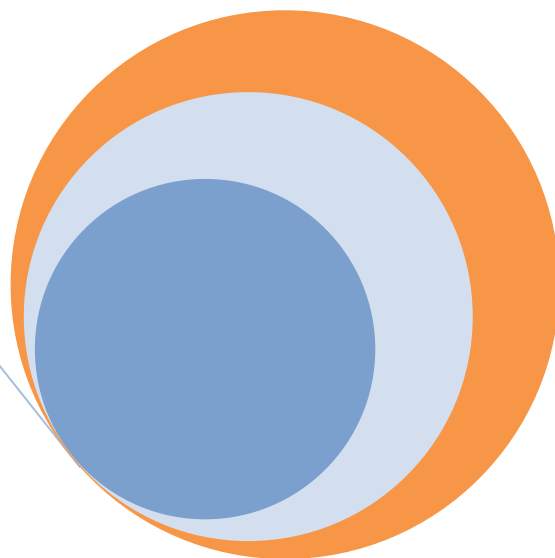


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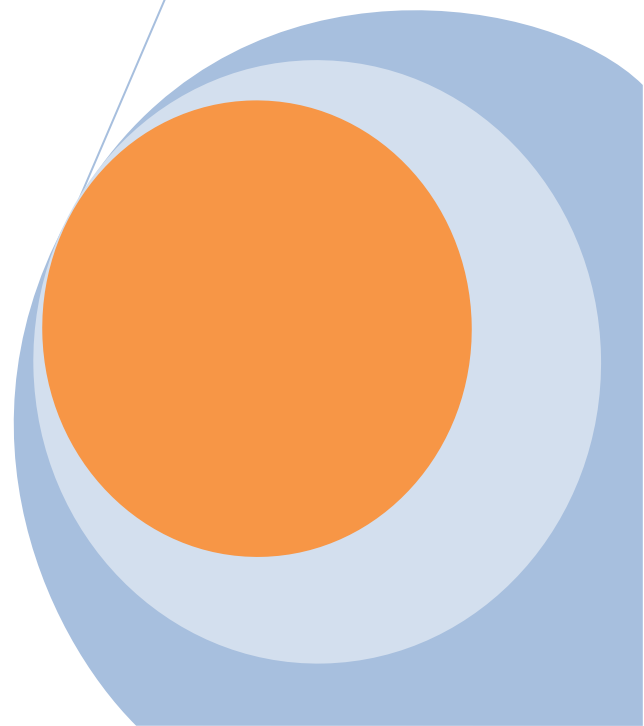


The Leadership Mystery

Defining Leadership Success through Competency
Modeling and Workforce Analytics

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The Leadership Mystery: Defining Leadership through Competency Modeling and Workforce Analytics

What is the profile of a successful leader? And, what does effective leadership look like in your organization? As you read these questions, a few talented leaders may come to mind. However, are you able to describe them by more than name? Can you accurately define what makes them successful leaders? And, more importantly, can you hire others like them and build your current talent pool to mirror their strengths?

The mystery surrounding the top performing leader is the talk of senior executives and Human Resources leaders in every organization. In fact, the obscurity around *how* these leaders become successful is what remains puzzling. To clue into what makes them tick, you must develop an understanding of the behaviors that differentiate truly successful leaders. Your detective work will help you to articulate the specific competencies that characterize high performing leaders in your company.

As leadership development experts, we are frequently asked to provide organizations with a “standard” leadership competency model for companies to use to both define and assess leadership success. In reality, a standard set of leadership behaviors or principles that define successful leaders across all organizations does not exist. There are common competencies that one would expect to be a part of any leadership competency model, such as: Coaching and Developing People, Strategic Thinking, and Managing Execution. These common competencies do not provide a complete picture of leadership success in each individual organization. Every company is different in terms of culture, strategy, goals, execution and values.



HR leaders can play a critical role in working with the senior leadership team to define the organization’s profile for leadership success. This profile should form the foundation for all talent management processes. So, how do you build a profile of leadership success? Consider the following plan of action.

Identify and Articulate Leadership Competencies

The action plan begins with establishing a leadership competency model which articulates the qualities and skills that successful leaders within your organization must demonstrate. Relying on standardized leadership competency models will only get you so far. Seek the answers to these questions in order to define your organization’s competencies:

- What knowledge, skills and abilities are required of leaders in order for the organization to reach its strategic objectives?
- What are the characteristics of the high-performing leaders that enable them to demonstrate critical behaviors more often, in more situations, and with better results?
- What type of leader thrives in your organization's environment?
- What are the attitudes that motivate leaders to excel within the organization?

Developing a leadership competency model is the first critical step in the process. However, many organizations rely solely on the competency model to form the foundation for selection, development, and succession decisions. Organizations must take this process further and seek answers to the following questions:

- What differentiates average leaders from those who consistently deliver optimal results?
- What areas do high performing leaders excel in?
- How do the best leaders weather changing conditions and overcome challenges?
- Who's team is truly engaged and why?

The answers to these questions will define an organization's leadership success profile.

Build a Leadership Success Profile



Accurately Assess Leadership Competencies:

Once a leadership competency model is defined, conduct a baseline assessment of the leadership team using the new leadership competency model. Ideally, this assessment process would be conducted using 360-degree feedback. Feedback from multiple perspectives offers differing perspectives on performance and thus yields more accurate results. Further, 360-degree feedback can be used to identify both the strengths and development needs of the leadership team, as well as facilitate individual development planning. Initial assessments of

performance against those behaviors will provide a wealth of new information on the population of leaders being evaluated. There are new tools available in today's HR technology marketplace which enable HR leaders to easily analyze assessment results at the aggregate level.

Differentiate Top Performing Leaders: Many organizations are beginning to explore the use of workforce analytics to pinpoint the leadership behaviors within their competency models which truly differentiate top performers. This innovative approach is based upon regression analysis and allows organizations to determine the specific behaviors that drive important organizational



outcomes. The resulting differentiating behaviors define an organization's leadership success profile.

Case Study #1

Results of workforce analytics initiatives can yield powerful results. In our work at a large pharmaceutical company, organizational leaders were surprised to uncover data that demonstrated leadership "soft skills" ultimately drove sales performance. Specifically, we conducted a correlation analysis using several different data points of sales performance information for 150 sales leaders. Each individual sales leader's sales data was correlated with their 360-degree feedback results on leadership skills. Several critical behaviors surfaced that differentiated top leaders from their peers, including:

- Aligning team and individual goals with strategic goals
- Demonstrating a flexible approach in coaching and motivating others
- Assisting people in developing the skills required to achieve their goals
- Being adaptable – modifying their approach to tackle challenges and changing priorities

Their leadership success profile was defined by these critical behaviors – those proven to drive results within their organization. The organization has aligned all of their HR processes around this success profile, including behavioral interviewing, skill and experienced-based training, performance management, and succession planning.

Case Study #2

In an effort to clearly identify the drivers of employee engagement, we partnered with an industry-leading retailer to determine the impact of leadership behavior on employee engagement. Results demonstrated a strong link between leadership performance and employee levels of engagement. In particular, a number of specific leadership behaviors were found to be drivers of employee engagement, including the following:

- Leaders who set clear expectations and provide direction to team members lead employees who are more engaged and work harder to accomplish their goals,
- Leaders who focus time, resources, and energy on priorities that matter to the business manage staff that are more motivated and produce greater results,
- Leaders who provide regular communication to staff about things that affect them lead employees who are more engaged, and
- Leaders who follow through on their commitments lead more highly engaged employees.

New Information Drives Action

These case studies demonstrate workforce analytics can produce accurate, reliable and actionable "new" information for the C-Suite and Human Resources to use to reshape their



human resource strategies. Some of the initiatives, programs and interventions that were immediately put into place follows:

- Development of behaviorally based interviewing tools
- Focused development and training for those leaders that needed improvement in the critical competencies and skills
- Revision of performance evaluation processes to include competencies
- Succession planning and high-potential development programs
- Employee retention programs

As in these organizations, companies who work to develop their leadership capabilities in systematic and data-driven ways will be more successful in building a top-performing leadership team. Identifying and assessing leaders on behaviors that truly differentiate top performance leads to a wealth of new knowledge regarding the talent pool, and can facilitate selection and development efforts that significantly improve leadership performance across the organization.

The Bottom-Line on Leadership Development

As the talent shortage creates increasing competition for high performing leaders, organizations that are able to solve the mystery of leadership effectiveness will realize a significant competitive advantage. Those companies that have defined a profile of leadership success will ensure they have the talent in place to achieve their strategic objectives and deliver optimal bottom-line results. Whether your organization is looking to enhance performance, retention, or be better prepared to make succession decisions, a focus on your leadership success profile will help to build and sustain talent for the future.

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