



Rethinking leadership realities

“If Martians descended to earth and demanded that we take them to our leaders, we would have to think twice about where to take them

James Bolt, 1996, “The Leader of the Future”

” **The dynamics of the Four Cs**

Why are there more leadership publications than leaders?

One of our clients commented that she thought there were more books on leadership than there were genuine leaders in the world. We agreed with her.

We have become very good at talking about leadership. We can run conferences on the subject. We are increasingly sophisticated in our research and conceptualisations of leadership. We can even produce a new book on leadership almost every day of the week.

But where are the real leaders?

This article explores the dynamics of leadership, arguing that flawed models of leadership are distorting the way in which we assess and develop leadership and how we make key appointments. And it presents an alternative to rethink leadership priorities and improve resourcing decisions.

“We’re in the most severe shortage of talent in corporate history. Most of the people I see are not leaders. They are managers who know how to work the system and have worked it well.”

Henry Wendt, former CEO SmithKlineBeecham

THE A – Z OF LEADERSHIP

There is action centred leadership, authentic leadership, brainSmart leadership, charismatic leadership, collaborative leadership, digital leadership, dynamic leadership, enabling leadership, ethical leadership, frontier leadership, global leadership, high involvement leadership, high velocity leadership, inclusive leadership, leadership for the millennium, managerial leadership, military style leadership, portable leadership, political leadership, primal leadership, principled leadership, quiet leadership, results based leadership, servant leadership, spiritual leadership, strategic leadership, total quality leadership, toxic leadership, transformational leadership, values based leadership, visionary leadership.

Leadership should have “soul”, leadership is an “art”, there are “secrets” of leadership. But it is also a “challenge”, a “paradox”, and a “quest”. Leadership is like being on a “trapeze”, it is also largely “common sense” but there are “no easy answers”. For the numerate we have 4 obsessions, 5 essentials, 8 revolutionary rules, 9 keys, 10 instincts, 20 secrets and 21 indispensable qualities. For the literary-minded, we can follow in the leadership footsteps of historical figures such as Attila the Hun and Moses, learn the leadership secrets of soldiers and politicians like General Patton, Abraham Lincoln, Winston Churchill, and Rudolph Giuliani. Winnie the Pooh also has leadership insights!

Leadership and competency

Hailed in the 1980s as the “big idea” for Human Resources the competency movement promised much. Designing and implementing a competency framework would, it was claimed:

- ensure that employee time and effort was aligned around business goals
- integrate different streams of activity, from recruitment and induction to training and performance management and management development and succession planning
- provide a common language in which individuals could be evaluated to create greater consistency and objectivity in decision making
- clarify leadership requirements to set an agenda for forward looking succession management

And a massive programme of activity began, facilitated by the growth in H.R. consulting.

Classic Competency Model

- **Problem solving**
 - Analysis; Creativity; Judgement
- **Task Management**
 - Planning and Prioritising; Work Flow Management; Results Focus
- **Managing People**
 - Motivating the Work Group; Developing Others
- **Communication**
 - Presentational; Negotiational
- **Business Application**
 - Strategic Awareness; Customer Focus
- **Personal Effectiveness**
 - Self management

The application of competency frameworks

After the intensity of this activity and the serious money that has gone into this enterprise, the first question is:

why do so many of these GravyTrain consulting programmes from varied sectors and industries with different strategies, structures and cultures end up with a listing of dimensions which pretty much look the same as each other. **If they are simply mapping out the standard building blocks of leadership¹, why do we need to keep reinventing the wheel in the name of new research?**

More troublesome is that so many of these competency-profiling enterprises result in much documentation but **break down in real-life application**. Competency frameworks only have any purpose in so far as they refocus recruitment and selection practices, direct the design of training activity, inform how we manage career progression and shape talent reviews. But so often they don't. Typically more work has to be conducted to create additional models with sufficient specifics to work for different applications.

And, why, after this massive effort in competency assessment and development, **do we have a “leadership problem”?** Competency models have now had over two decades to establish their worth. But by any objective indicator:

- levels of employee satisfaction, trust and engagement
- the failure rate of executive appointments
- succession coverage and exposure

they have not delivered the goods.

There are thousands of management activities and behaviours. Competency frameworks are an attempt to group and organise these activities and behaviours into a manageable format. The issue then becomes: is competency the best way to think about the realities of management and leadership.

From a talent management perspective, does a listing of competency dimensions illuminate the factors which underpin who emerges as a leader, who is effective as a leader, who despite initial success then fails, and who sustains success over the long run?

How would Winston Churchill, Akio Morita, Bill Gates, Nelson Mandela, Warren Buffett or Jack Welch stack up against your competency assessment programmes?

¹ “Personality and the Fate of Organisations” Robert Hogan

The application of competency frameworks

“competencies if you do use them be careful. Competencies are part skills, part knowledge and part talent. They lump together some characteristics that can be taught with others that cannot. Consequently competencies can wind up confusing everybody.....If you are going to use competencies make it clear which are skills and knowledge and, therefore can be taught, and which are talents and therefore cannot.

Buckingham & Coffman, Gallup

Excellent Managers Do Not Think Competency

In 1999, Marcus Buckingham and Curt Coffman of Gallup broke competency ranks to provide the most insightful critique of conventional profiling.

This wasn't just a sniping from the theoretical sidelines. From their analysis of high-performing individuals, identified from their database of 80,000 managers, they noted that those managers associated with superior performance had a view of the world which was very much at odds with the conventional competency mind set.

Rather than attempt to describe “the how” of the role, excellent managers focus on the end-point: the outcomes which need to be achieved. They then allow individual employees to direct their talents to achieve these defined goals. Neither do excellent managers look for across-the-board threshold competency. Instead they focus on identifying the specific strengths which individuals display and look for ways of deploying and developing these strengths further.

Excellent managers do not work through a competency checklist with the expectation that team members will show competency across all themes. They make clear their expectations of what needs to be achieved. They then allow individuals to deploy their talents to maximise their contribution, and also commit high quality time to nurturing and coaching these talents. They don't spend time on what the individual isn't so good at; they focus on those underlying attributes and traits which represent strengths.

Why do we need leadership anyway?

Arguably an imaginative organisational design, progressive personnel policies and practices and self managed teamwork dispenses with the need for leadership. So why do we still need leadership?

Firstly **uncertainty and challenge** will be ongoing facts of competitive life. Leadership is needed to make sense of uncertainty and decide the best way to respond to challenge. For the foreseeable future, hierarchy, in one sort or another, will continue to be the dominant organisational pattern. Leadership is needed to manage within that hierarchy of authority and accountability.

Secondly, **trust**, that critical but fragile dynamic of organisational life, will always need leadership. Organisations are social groupings, a collection of individuals who need to work together to get things done. Working together requires more than procedures and rulebooks. It involves honesty, respect and care; it requires trust. Leadership is needed to maintain the “trust momentum”.

This is leadership at its most fundamental: the response to **challenge and uncertainty and the building of trust** to engage others in that response. Anything else is either tyranny or straightforward management, coordinating others' activity to do what we've always done.

Or put another way, **“the leader will determine the corporate dream, and will define the corporate character.”**

Increasing leadership demand but falling supply

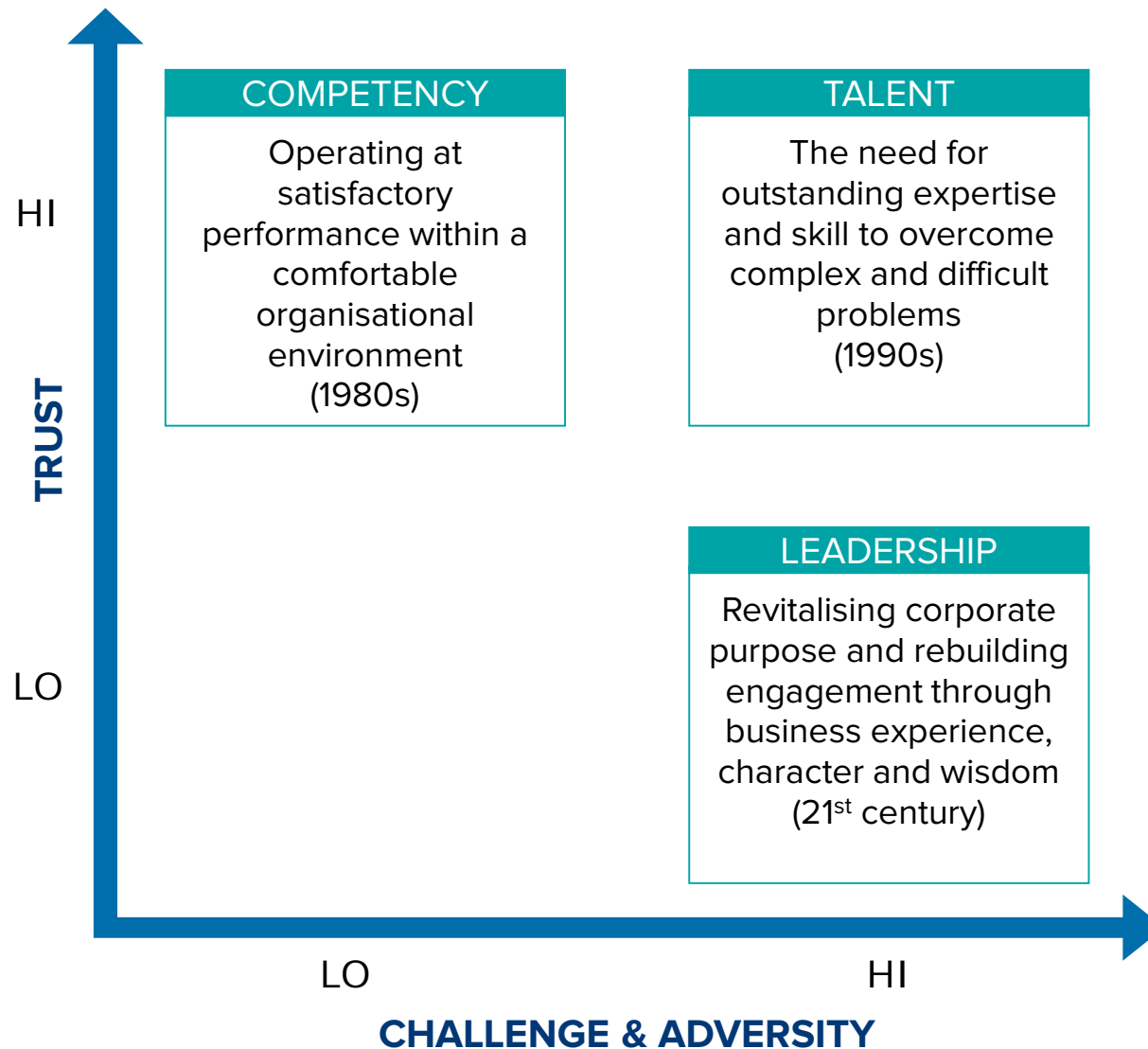
Using this framework of challenge and trust we can chart the leadership story of the last two or three decades. Back in the economic good times of the 80s, for many organisations the issues were simple and straightforward. After the turmoil of the 70s and the political changes that ensued, for many organisations the business rules were well defined and employee mood was positive. In these relatively good times it is perhaps not surprising that the “competency movement” took off. Competency was “enough”.

As we moved into the 90s, the business landscape shifted and familiar landmarks began to disappear. Competition intensified and, as the high tech revolution unfolded, organisations were faced with greater uncertainty. The rules were changing and many organisations didn't know how to respond. Talent was the solution.

Employee trust at this point was still relatively high, but showing signs of wobbling. Performance ruthlessness was becoming a dominant feature of organisational life. It was not enough to meet your objectives if 90% of your peers had met their targets. You were in danger of falling into the dangerous territory of the bottom 10% and about to undergo the “rank and yank” experience. Employee trust began to plummet. Here the outstandingly talented individuals who had been recruited into senior executive positions began to look exposed. They simply were not up to task of establishing a leadership agenda which employees could believe or engage in.

In the early years of the 21st century we are at a time of **high challenge and low trust**, when neither leadership competency nor talent seem enough.

The shifting emphasis



A fresh perspective on leadership: Four Cs

We need to rethink leadership to build better models, firstly to make sense of the proliferation of different theories, and secondly, to provide a blue print to improve the processes for assessment, deployment and development.

Our approach has been to work backwards from the questions which the top team, directly or indirectly, ask of their organisation's emerging leadership. Based on our experience of working with different top teams in succession reviews, it is clear that Boards do not systematically work through the formal competency documentation which GravyTrain Consulting has compiled.

Instead they focus on four areas:

- is this individual **credible**?
- is this individual **capable**?
- does this individual display **character**?
- is this individual proactive in **career management**?

“*This special secret, it seems to me, can be summarised in four Cs.*”

Walt Disney

Components of leadership: the Board perspective

Credibility

background credentials and connections to build confidence as a potential leader

Capability

the functions, tasks and skills to be deployed to meet the problems of leadership and to be effective

Character

the inner attributes which provide leadership purpose and meaning for the longer-term

Career Management

self management within organisational realities to “play the leadership game”

how credible is this individual?

- do they have a track record of relevant experience and outstanding achievement?
- do they have the respect of their peers?
- have they built up a reputation across the industry?

how capable is this individual?

- what is the breadth and depth of management competency?
- what kinds of business challenge will they be most and least effective in tackling?
- what indicators are there of progression to take on greater responsibility?

does this individual possess real character?

- is there integrity of ethical purpose?
- are they resilient under pressure?
- do they have the distinctiveness to stand out as different?

does this individual understand career realities?

- is the individual’s career motivation consistent with organisational requirements?
- is this individual effective in self management?

The first C of Leadership: Credibility

“The most important quality in a leader is that of being acknowledged as such. All leaders whose fitness is questioned are clearly lacking in force.”

Andre Maurois

The first question senior executives might ask: is this individual credible and believable? If their name is mentioned, does it pass the first test of leadership, the “laughter test?”

Has this individual, for example, worked for successful blue-chip organisations at senior levels and demonstrated a consistent track record? Do they have a breadth of business experience to reassure others of their “right” to operate as a leader? Do they project that kind of self-belief and social confidence which others will respect?

Credibility is the first hurdle of leadership. Credibility provides authority, legitimacy and a reassurance that the individual can operate effectively within leadership roles. Skills and competency, no matter how exceptional, will not be enough. Without credibility an individual will find it next to impossible to succeed in a leadership position.

At best credibility is shaped by a consistent track record of achievement, through relevant experience, and through the regard and respect of peers. Here credibility is the meritocratic outcome of effectiveness.

But credibility is also fickle and can be deceptive. Credibility is driven by many factors, some of which have little to do with real leadership talent. A career resume, the listing of impressive job titles within “big name” companies looks good but may be more a reflection of good luck and smart career management than of any personal talent on the individual’s part. Self belief, social confidence and positive communication at cocktail parties may be nothing more than that - social impact over cocktails - and say little about leadership effectiveness in the real world.

The big problem is that Credibility hinges on stereotypes and prejudice, on judgements based on factors which have relatively little to do with effectiveness (physical appearance, accent, dress sense) but affect our overall assessment of the individual. Human nature is such that we do judge a book by its cover (or our expectation of what the cover should look like) rather than taking the time to read the book.

“A good managerial record is far more a function of what business boat you get into than it is of how effectively you row.”

Warren Buffett

The second C of Leadership: Capability

This component of leadership represents the range of skills and talents which enable individuals to take on the problems and challenges facing the organisation. This is the area in which the competency movement has directed most attention.

Of course capability matters, and there are key themes fundamental to any leadership role. Capability needs to be mapped out in a meaningful way to focus attention on those leadership functions and processes that make a difference. But capability on its own doesn't explain the reasons for leadership emergence, effectiveness, derailment or failure.

Seeing the Future

Decision Making

Planning the Way Ahead

Driving Execution

Optimising Team Effectiveness

Creating Organisational Influence

The third C of Leadership: Character

The third component required for leadership is Character. Character is about the fundamental inner qualities, principles and ethics which shape a full understanding of the role of leadership and what is required to operate effectively. Historically, character has been the dominant theme of leadership but somewhere along the way we forgot its importance. Given recent corporate scandals and the failings of a number of business leaders we are now paying the price. At first sight character seems an old fashioned concept, a return to an era that we thought we'd grown out of in a period of scientific management. But the "character word" is now showing signs of a re-emergence.

Daniel Goleman, proponent of EQ, acknowledges that the vocabulary of Emotional Intelligence is an attempt to grapple with the theme of character: *"there is an old fashioned word for the skills that Emotional Intelligence represents – character."*

Peter Drucker, 50 years ago said, *"It is character through which leadership is exercised, it is character that sets the example....It is not something one can fool people about."* He was right: character is the fundamental component of leadership. He was also wrong. In recent times we have allowed ourselves to be fooled by leaders without character.

“95% of all leadership failures in the last century have been failures of character.”

Norman Schwarzkopf

The third C of Leadership: Character

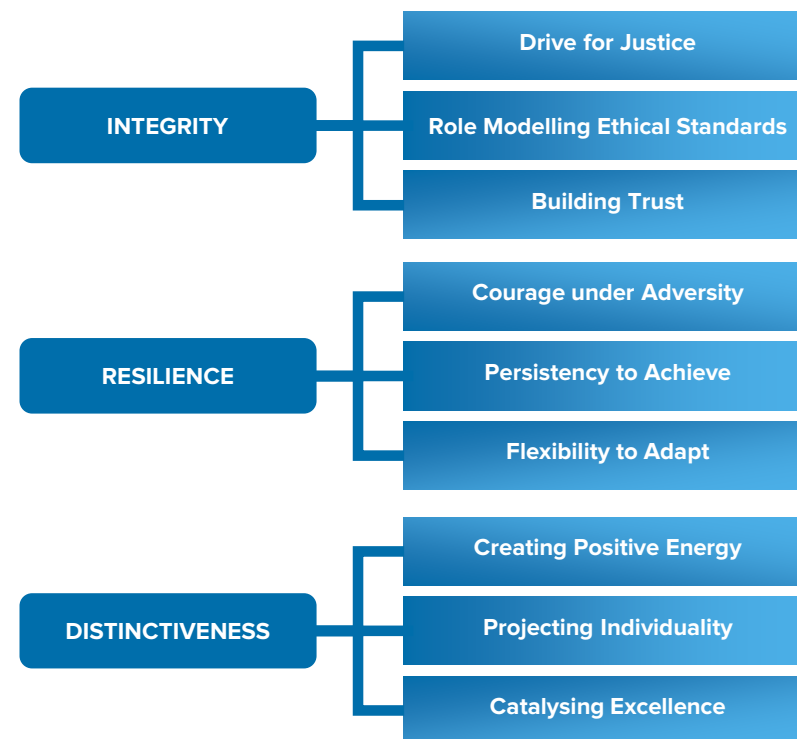
In our research to explore the concept of character, we found three recurring themes.

Firstly, character is about **Integrity**: moral and ethical purpose. It is a leadership outlook based on the fundamental principles of honesty, truth and honour. Leadership without this element is leadership without a moral compass.

Secondly, character comprises **Resilience**: the robust toughness that keeps going in the face of adversity to recover from disappointments and setbacks. It is the mental and emotional strength to persist and keep going to overcome challenges and the flexibility to adapt and shift to changing circumstances.

The third component is **Distinctiveness**, about standing out as different, as unique and special. It is difficult to think of character as boring or dull. Character seems to have a certain “stamp”, a way of marking individuals out and differentiating them from others.

Character hinges on the interaction of these three themes. **Integrity** on its own will be well intentioned and honourable in its commitment to the long-term. It establishes a long-term purpose around authentic principles and ethics, but in itself it won't stand out and stay the distance. **Resilience** has a certain relentless purpose but without Integrity and Distinctiveness simply becomes ruthless determination without a fundamental purpose or creative flair. And **Distinctiveness** might stand out as different but it needs Integrity and Resilience to sustain its promise and build something lasting for the long term.



The fourth C of Leadership: Career Management

Leadership operates in the real world, in the organisational “shadow side”, a world in which organisations do not operate with perfect rationality. The most talented candidates do not necessarily get the job and the “cream does not always rise to the top.”

At its fundamental, leadership success is not “win-win” for everyone. It is a competitive game in which one person’s advancement threatens the position of their peers, and the progress of peers constrains the individual’s options. Talented individuals who do not understand the realities of corporate life or how to advance their own personal agenda will find it difficult to compete with peers also keen to achieve their goals. To progress to a leadership role it is not enough to be effective; an individual must compete more successfully than his or her peers.

Career Management isn’t simply highlighting that aspect of leadership which recognises and skilfully plays the political game. Career Management is also the shrewd deployment of self-management skills, of directing time and energy around the “art of the possible”, of balancing competing life and work priorities to advance personal aspirations. If Capability maps out the functions, tasks and skills needed by the organisation, this theme outlines the personal ambitions and the career tactics and manoeuvres which are required for the individual to advance and compete in the leadership arena.

“Keep your shoulder to the wheel, your nose to the grindstone, your ear to the ground, and your hands to yourself. And if you can get a damn thing done in that position, please let me know how you did it.”

Marcel Rocca

The dynamics of leadership

The four themes, Credibility, Capability, Career Management and Character provide the fundamental building blocks of leadership. However they are not stand-alone components. There is an inter-play across them.

Credibility on its own is largely leadership reputation: the superficialities of “looking and sounding the part”.

Credibility with Career Management describes that leader who has been in the right place at the right time and knows how to play the game to advance his or her own interests. Arguably, it is this breed of leaders who have dominated the succession agenda over recent years.

High levels of Capability can drive Credibility, but a superficial factor of Credibility (e.g. dress sense) can also weaken perceptions of Capability. Career Management through polished interpersonal skills and positive impression management can be “disguised” to look like Capability, or it can maximise the impact of Capability through shrewd self-management and political influence.

Character without Credibility is irrelevant, but Credibility without Character is dangerous.

Capability and Character identifies that leader who takes on the complex challenges facing the organisation, refusing to take the short-term easy way out but is committed to building something worthwhile which will stand the test of time. This may describe the leaders highlighted by Collins in his analysis of “Level 5” leadership. Warren Buffett endorses these individuals: *“when you have able managers of high character running businesses about which they are passionate, you can have a dozen or more reporting to you and still have time for an afternoon nap.”*

However **without Credibility and Career Management**, there is a danger that these individuals will be under-rated and overlooked by their organisations. Whilst their more ruthless and self-seeking colleagues “play the game”, these leaders are more concerned to do what is right for the organisation rather than advance their own personal agenda. Here they are outmanoeuvred by peers more skilful at impression management and political influence.

The dynamics of leadership

Perhaps for organisations the **riskiest leadership choice is high Credibility, high Capability, high Career Management and low Character**. These individuals look and sound the part. Their reputation and past accomplishments combined with their interpersonal charm build status and respect within their peer group. Their exceptional talents provide them with the opportunity to take on greater and greater responsibility. Their skills and charm conceal the absence of character. And it is the absence of character, which provides them with the freedom of manoeuvre to achieve results quickly in the short term, which their more principled peers would find difficult.

It is this type of leadership which most of all in the long run wreaks the greatest havoc on organisations.

Leadership to build and sustain long-term organisational well being whilst surviving and thriving in the midst of organisational uncertainty and corporate politics (and also have a full and flourishing personal life) requires all four Cs: **high Credibility, high Capability, high Career Management and above all high Character**.

“During the Senate hearings investigating the Enron debacle, one senator observed to Jeff Skilling, the former CEO of Enron that, “Enron looks to me like the captain of the Titanic who gave himself a bonus, then lowered himself and the top folks down in the life boat and then hollered up and said, “By the way everything’s going to be just fine”.

Skilling’s response: “I think it’s a pretty bad analogy Senator because I wasn’t on the Titanic. I got off in Ireland.

Which C does your organisation value most and least?

	Credibility	Capability	Character	Career Management
Which criteria are key in determining progression?	Background, credentials and connections to establish leadership legitimacy and authority	Mastery of the functions and tasks of leadership and the skills to respond to new challenges	The ethics and principles to provide leadership meaning and stewardship and fulfil the full range of the obligations of the leadership role	The management of the “rules of the game” to advance a leadership agenda in overcoming political dynamics
Where do you place most and least resourcing emphasis?	Greater use of external recruitment and head-hunters to buy in prestigious leaders from outside A focus on established credentials and an employment history with blue chip firms	An encouragement of promotion from within through a recognition of contribution and effectiveness Objectivity and consistency in career progression Moderate use of external recruitment to “buy in” specific expertise	Prolonged and demanding selection and induction processes to evaluate the fundamental leadership qualities Looking to promote from within based on a shared understanding of values	Appointments made on the basis of corporate loyalty and support Highly politicised resourcing decisions as a trade-off to preserve the political dynamic
What is your organisation’s attitude to development?	Relatively minor emphasis placed on internally driven development initiatives Moderate use of business education with “big badge” names Encouragement of networking and making connections with players across the industry and political arena	Greater investment and a higher usage of internal skills development Fostering personal growth and development	Substantial use of real life experience and the assignment of tough challenges to drive development Top management involvement in coaching emerging leaders in business strategy and organisational values	Overall moderate application Extensive use of networking and mentoring and relationship building The importance of formal and public events to lobby support and build commitment
What risks does your organisation face?	A danger of drawing from a narrow pool of talent - “the club” - of like-minded individuals with similar backgrounds Assuming leadership effectiveness through association with high-performing firms and allowing those who “look and sound the part” to take on leadership responsibility	Developing a leadership population which is naïve and fails to grapple with the complexities of organisational reality An arrogant belief in own problem solving talent which may be dismissive of other organisational talent	Creating a narrow definition of leadership talent which encourages dogmatism rather than diversity	The advancement of self seeking game players into leadership positions Organisational politics and deal making drives out genuine talent

A survey of leadership realities and personal priorities

In 2004 we put this perspective to the test. We sent out a short survey questionnaire to over 200 business leaders. It focused on two key themes:

Leadership Realities

Drawing on your experiences of organisational life and the leaders you have worked with and observed in action:

- which themes are more or less important in determining who gets on and who doesn't?
- who progresses, and who makes most and least impact?

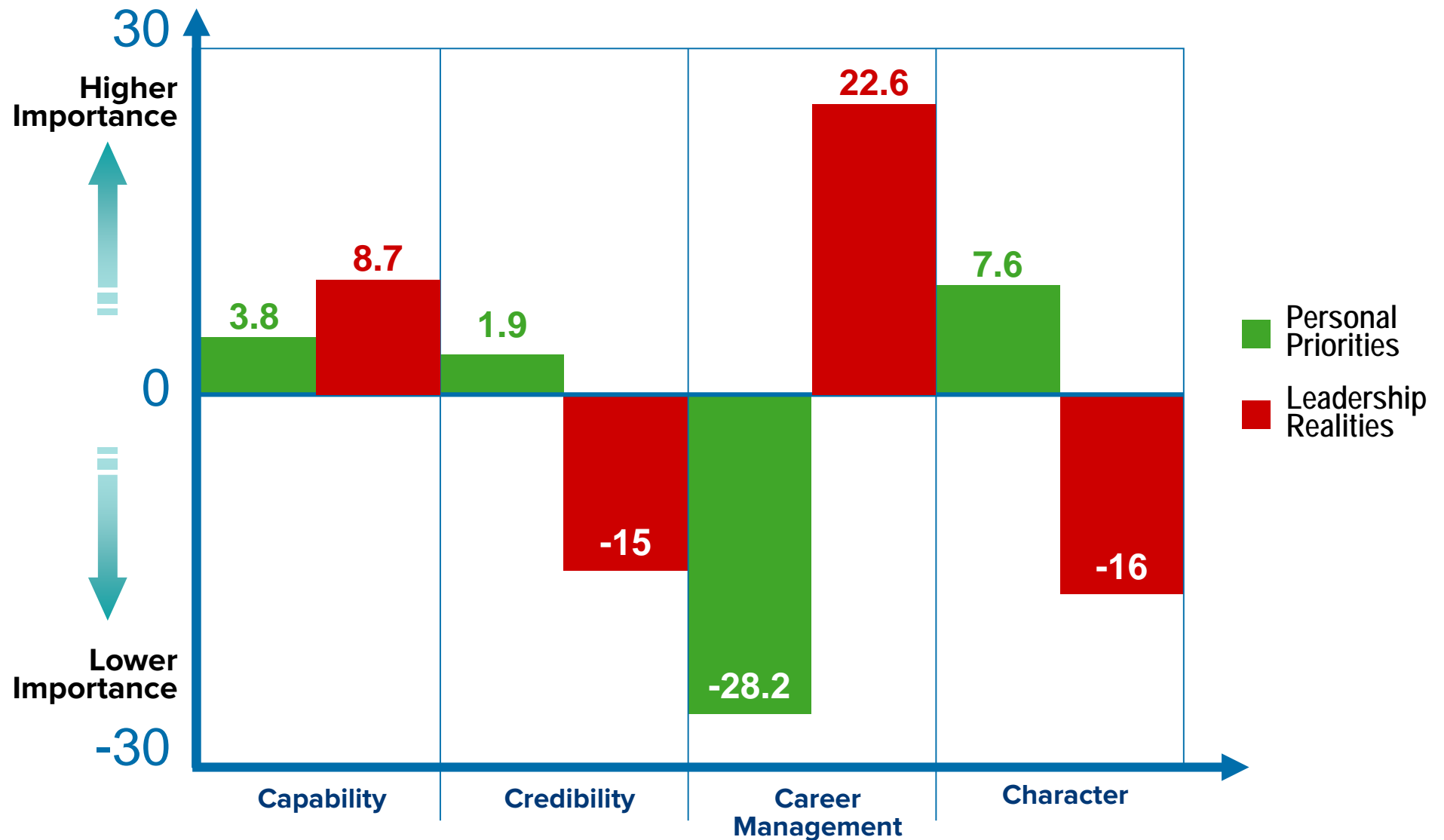
The focus of this section wasn't **who should** make it as leaders, but **who in reality does**? What are the key drivers: Credibility, Capability, Career Management or Character?

Personal Priorities

We then asked the survey sample about their own personal leadership outlook?

- what for you as an individual are the key priorities?
- which leadership themes are more or less prominent in your own leadership approach and operating outlook?

A survey of leadership realities and personal priorities



A survey of leadership realities and personal priorities

Leadership Realities

If the competency movement has achieved its aims then Capability as the driver of leadership progression should have won by a mile. It didn't. Career Management emerged as the most relevant component in driving leadership progression and success. Survey respondents saw the combination of skilful self-management and political influence as the most determinant of leadership progression.

Capability did emerge as a relevant theme but it was less important.

And Character and Credibility were seen as much less relevant in determining leadership realities.

For this group of business leaders leadership was seen as less about consistency of track record and experience or about long-term purpose around authentic values and more about those reasonably talented individuals who know how to get on and advance their own interests.

Personal Priorities

What about the survey respondents' own leadership outlook and approach?

The contrast is remarkable. The message seemed to be: *“organisations are advancing those career minded individuals who know how to play the game. But I don't. I'm more focused on doing the right thing through my talents and competency.”*

No doubt there is a self-serving bias in this survey, a tendency to emphasise some aspects of leadership in our peers and play down others in ourselves.

Nonetheless the analysis indicates **a dilemma in talent management**. Most of us, most of the time would rather be part of an enterprise engaged in building something positive for the future, to be part of a meritocracy in which leadership is governed by capability and character. But we operate in the real world in which we compete with others, some of whom are less concerned with the substance of long term and meaningful success and more preoccupied with personal advancement through impression management and political gamesmanship.

It is in this world that potential leaders have to operate; talented individuals wanting to do the “right thing” are in head to head conflict with those who have mastered the rules of the game and know how to play the system to their own personal advantage.

Leadership realities and talent management

At executive levels there needs to be a vigorous and mature discussion about the realities of leadership within the organisation. This is a debate that puts formal competency documentation to one side to ask the fundamental questions about:

- the focus of the organisation's strategy and which leadership themes are becoming more and less relevant
- the selection process and who is and isn't being appointed into key positions?
- succession reviews and who is and isn't being identified as potential successors?
- talent management and the kinds of individuals who are and aren't being nominated for accelerated development programmes
- how career management is operating and the messages it sends out about what who is and isn't valued?

The organisational capacity to build and when necessary to reinvent leadership is fast becoming a key strategic capability in its own right. But if your organisation is operating around flawed assumptions about the causes, dynamics and consequences of leadership, it will find it difficult to compete in a demanding and challenging market place whilst retaining high levels of employee trust and engagement.

The Four C Leadership framework and supporting assessment tools have been extensively used in a range of applications across different sectors and organisations, from coaching potential successors in FMCG, the development of aspiring Vice Chancellors in Higher Education, to talent reviews in gaming and profiling senior HR executives in professional services.

If your organisation is interested in accessing this material, contact us on 44 (0) 1608 654007