

Outperform: What Leadership Do You Need, Precisely?

In a world full of general ideas about leadership, how do you secure the right leader in practice?

As Boards and CEOs, the task is clear: To lead organisations that will outperform.

Success of organisations relies on effective leaders. The demands on modern leaders are considerable, and they will increase over time.

Requirements of leaders on what to do and what to be able to do differ depending on organisational context and situation. Despite many well-researched theories, there is no standard profile of an effective leader. **It is very difficult to predict who will succeed in practice.**

More than ever – you need leaders who will succeed. Now and for the long run.

The Way Ahead Series, by Mercuri Urval

Our team advise and support thousands of leaders across all sectors.

In this series of articles our CEO, Richard Moore, distils practical advice from real leader successes and challenges.

Advice focussed on how leaders can ensure their organisations – teams – outperform.

Effective Leadership: An Ever-Bigger Challenge

An effective leader correctly understands their current conditions, determines the right opportunities and decides how to organise for success in a given context. They will stick to the things that need to be done and secure the most able and willing followers. By doing so they will have a large and immediate impact on results.

In contrast, an ineffective leader will decrease the company value, undermine your culture and as a worst-case – given long enough to do their work – erase your enterprise altogether. Today, the task of securing effective leadership has become more difficult:

Leaders are in high demand: Leaders who know what they are doing, who can take care of your people and achieve results are in high demand in times of change. It's not only you that are in need. Volatility and uncertainty mean fewer leaders will perform well. *Demand increases, but not supply.*

Change is faster (and more uncertain in character): New risks, opportunities and problems come and go at breakneck speed making the job more difficult and more critical. At the same time demand on your leader's performance increases, their contribution is ever more obvious, and they may prefer a change themselves. *Predicting correctly and continuously which leaders to select defines success.*

Precision is needed: Acquiring the leaders that will be highly effective in your specific real-world context becomes more important, urgent and demanding. It is arguably your greatest opportunity and your largest business risk. To ensure you acquire and appoint effective leaders, you will need to see past complexity and distraction, and *identify precisely what you need.*

What Do You Need, Really?

Understanding the leadership you need can be made simple. Effective engagement and selection of a new leader requires a clear understanding of precisely what you need from the start. To begin, decide on your most important **(A) expected results, (B) the context in which the leader must perform and (C) the tasks they must succeed in.** Then by connecting these three, you will create the profile of the leader you need for your organisation.

A.

Start With Needed Results

Fortunately, although every leadership challenge is unique, the scope of results your leader must achieve is not. Analyse the scope with a proper structure, and then decide what matters most:

- Customer (or citizen for public sector):** Lead value creation, innovation and alignment to common purpose and direction
 - What result do you need to achieve for customers?
 - How will you relate to customers, stakeholders, competitors and society?
- Economic:** Lead actions to set goals, achieve income and make the right decisions about capital, resources and costs
 - What financial results do you need to achieve?
 - What assets do you need to develop?
- Organisational:** Lead the right organisation design, select able people who can perform, grow and shape your culture
 - What organisational vision and goals do you need to reach?
 - What people, set up and process will work best?

Within this scope, the essence of superior leader performance for a specific job in your organisation can be crystallised. Is it a transformation of how you already operate, or to drive out costs? Is it a repositioning towards your customers or growth through organic means or by acquisition? Once you know precisely which results are most important and agree it with all key stakeholders, the context in which your leaders must perform can be considered. The more focussed the result requirement, the better.

B.

Understand the Leader's Performance Context

The main reason why there is no single profile for effective leaders is that each context in which leaders must perform is unique. The environment in which the leader must succeed needs to be properly understood, in order for the right leader capabilities and behaviours may be selected:

- Context and ecosystem:** Customers, suppliers, partners and society
- Colleagues:** People, teams and culture (including how the new leaders own personal characteristics may impact on these)
- Organisation set up:** Structure, systems and processes
- Future:** Possible changes and known strategic goals and plans

In the future, post Covid-19 every leader's context has changed of course. When we asked leaders in our clients what may affect their context in 2021, the responses were multi-layered:

- ✓ **Culture change – we are all in this together. Or are we?**
The experience of living through and beyond Covid-19s impact has been very different for every leader and follower in your organisation. Some have been furloughed, others have been given more work to do with the same or less reward. Many are back to normal, and many are not. There is naturally some process of readjustment when your colleagues come back together. And for some organisations solidarity, team spirit and cultural bonds have been able to be strengthened. What scars will need to heal, and how will leaders support the process? *Culture will need high attention.*
- ✓ **Working practices change – we are all digital now. Or are we?**
When and how will we meet again? To what extent has your employee, customer and stakeholder behaviour changed? Have new digital working habits been formed? What about traditional pre-19 offices, do you need those? Whatever else has happened, a lot has been learned and a lot of new ways of working have been made possible. And some will like it, and others will not. If you have operated satisfactorily or even very well with home working, on what grounds do you expect buildings to be important in the future? If people need to meet at your workplace still, how will that be different now? *New ways of working should be established.*
- ✓ **Environmental change – some are homeworking, others are at home trying to work**
Domestic realities and individual family situations are now workplace issues. Whilst some are lucky enough to be able to work productively at home, many others are at home with full hands desperately trying to be productive. What is work-life balance post-19 for those that need to attend a workplace, and those that do not. *The key to future productivity and flexibility is not the same.*
- ✓ **Supply chains change – just in time or just in case**
Is it more valuable and cost-effective to reduce inventory and have a 'Just in time supply chain', or rather is greater resilience required? *The balance between lean and resilience shifts.*
- ✓ **Management change – harnessing the breakout of innovation whilst maintaining control**
We should expect, after rapid change and disruption, to see a period of innovation. At the same time, many organisations need to control and manage costs, resources or supply chains with closeness and detailed follow up that is unprecedented. Leaders need to ensure innovation is captured and great ideas are put to use – whilst not becoming distracted from the results and task that matter most. *The balance between inclusive innovation and disciplined focus changes.*

But what about for you? Only by understanding the unique context for your leader, and how it is changing, can the most important leader tasks and the effort required to accomplish them be determined.

C.

Define the Necessary Tasks

When the key tasks and capability requirements of a leader should be specified it has to be done considering the result needs and the context evaluated. To succeed your leaders will rely on relevant functional expertise and will need to perform well in the most vital leader tasks. What are those? Well even if they are unique, covering the answers to these questions will help:

- Strategy:** What strategic choices does your leader need to make and when?
- Execution:** What change does your leader need to secure and how?
- Operations:** What must your leader make happen, how and with who?

Summing It Up: The A, B, C of Understanding Precisely What Leadership You Need

In summary, to create the profile of the leader you need, these are the essential points to work through:

Your expected results:

- What result(s) must be achieved in this position?
- Which result(s) are most important?

Your leader(s) performance context:

- What is the culture to fit and shape?
- What is the organisation to perform within?

Your required leader(s) task:

- What is the size of this leader position?
- What are the most important tasks in this position?
- How will the demands of the position change in the future?

With these essentials in hand, you will know precisely what leader you need to find and attract. Now the search for relevant candidates moves your focus on to the next stage.

In the next article in the series, we'll address how to analyse the market and attract the most relevant leaders.