



6 CRITICAL LEADERSHIP CAPACITIES TO GET YOUR ORGANISATION FROM HERE TO THERE

Leadership capacity

The defining trait of organisations that successfully grow and navigate critical change is the practice of regularly revising their form of leadership, thinking and operations. Simply put, these great organisations understand that what got them to where they are today, is unlikely to get them to where they want to go next.

WHY LEADERSHIP CAPACITY?

Many organisations successfully establish and grow without particular regard for the quality of their leadership. Maybe they have developed breakthrough technology, maybe economic conditions are in their favour, maybe the personality of the founding leader drives success. Eventually though, most organisations face challenges and need to adapt in order to continue to thrive. Such challenges come from a range of external and internal factors such as environmental or competitive issues, regulatory change, acquisition or disposal, or change of leadership. The natural evolution of the organisation itself brings about the need to adapt in order to transition successfully to the next phase of growth.

It is at these most critical times, when an organisation is at a *strategic inflection point*, that the capacity of leadership is called upon. Those organisations that have developed a greater capacity of leadership stand a greater chance of navigating the inflection point and of continuing to thrive. Our work therefore focusses on promoting the development of leadership capacity and our model defines those particular capacities needed at times of critical change.

Great and really effective leadership has a depth of quality more than know-how and behaviour. It comes from an inner awareness, self-management and a willingness to go beyond what was ever achieved previously. Because strategic inflection points challenge so much of what is already known, well understood and is "safe and comfortable", this inner nature of leadership becomes critical and certainly more critical than the outer action aspects alone.

WHAT DO WE MEAN BY CAPACITY AND WHAT'S SPECIAL ABOUT IT?

We have chosen to use the term capacity for distinctive and outstanding organisational leadership. Capacity evokes the idea of quantity or scale. It is not binary; leaders and teams can have more or less of it. It is qualitatively different from the simple application of a skill or model. It is about the structure and application of thinking; it shows up with resolve, with heart to set and stay the course, with constancy and authenticity; it engenders committed followership when it's most needed.

For our purposes we define capacity as the combined character, capability and intentionality of individuals, teams and organisations to lead, grow and evolve. Each of these critical dimensions contributes to determining the capacity within an individual leader, a leadership team and, ultimately, the effectiveness of the whole organisation:

- + Character - the mental and moral qualities
- + Capability - the ability to do something
- + Intentionality - the fact of being deliberate or purposeful



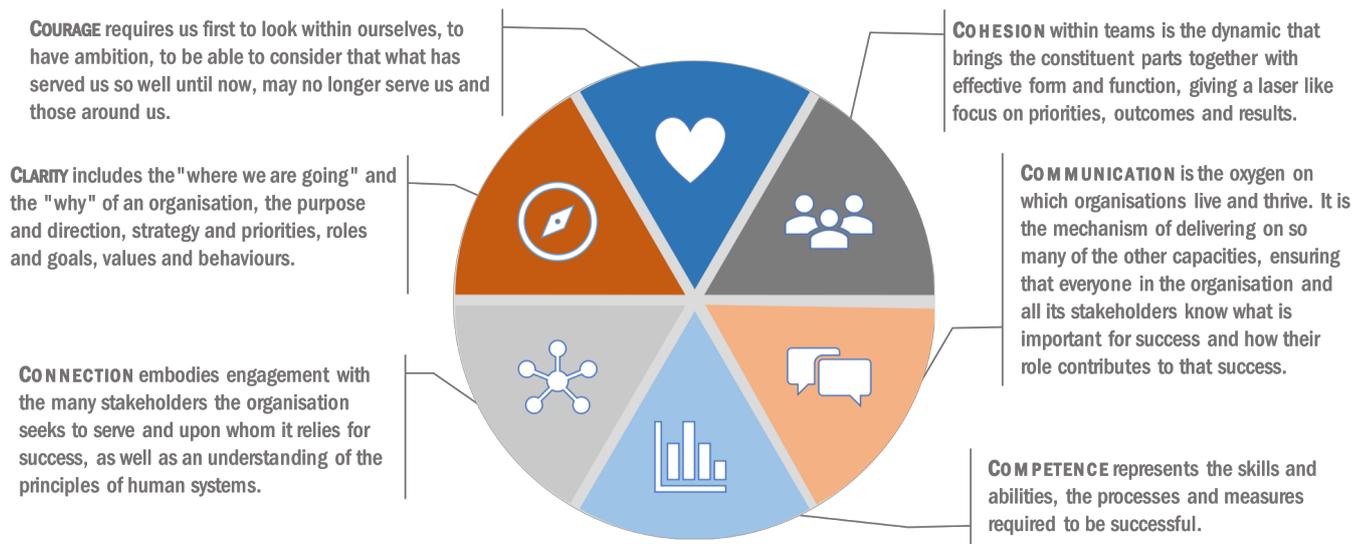
6 CRITICAL LEADERSHIP CAPACITIES TO GET YOUR ORGANISATION FROM HERE TO THERE

And the most critical of these dimensions is **intentionality**: the mental game, engaging in the experience of leading and the collective process; committing to practice and improvement; examining and developing the structure of thinking and taking action from there.

Our emphasis, therefore, is on both the inner and outer aspects of leadership, on the being as well as the action of doing, and connecting these through **intentionality**.

THE MODEL IN OVERVIEW - WHAT MAKES UP OVERALL LEADERSHIP CAPACITY

To help understand, assess and work with these ideas we identify and define six constituent capacities:

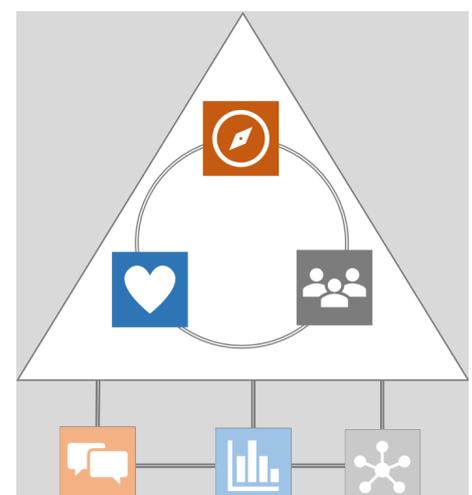


While we recognise that there are many leadership traits, we believe that these six capacities are foundational and that individually and in combination, they incorporate many other important leadership traits.

WHICH ARE MOST IMPORTANT AND HOW DO THEY INTERACT?

Effective leadership is not simply the sum of the six capacities. The development of each of the capacities in a leader and team is an essential starting point. However, it is the interaction of the capacities and the natural flow of direction, trust and decisions between them that develops the whole capacity of leadership, which is essential to the evolution of an organisation and the navigation of critical change.

The primary capacities of leadership are Clarity, Cohesion and Courage. Having the capacity of Clarity brings a vision for the future of the organisation, strategy to achieve it and values which drive the behaviours needed for success. Clarity also means that the priorities for success are clear and well understood by all. The capacity for Cohesion means that leadership and operations teams can be developed which will function on the basis of trust and mutual support, and which follow a clear direction and focus on results. It is the capacity for Courage in the leadership that is the driving





6 CRITICAL LEADERSHIP CAPACITIES TO GET YOUR ORGANISATION FROM HERE TO THERE

force which enables Clarity and Cohesion to achieve the levels of performance needed for success, and which allows self-limiting tendencies to be confronted and overcome.

The secondary capacities are Communication, Competence and Connection. These are the action-oriented capacities critical for successful execution. However, it is the combination of primary and secondary capacities that develops an organisation's environment in which the understanding and alignment of vision, strategy, values and priorities are pervasive.

Such an environment enables leadership that builds teams which act on trust and accountability, a work environment which gives everyone the competence and resources to do the job they need to do for success, connecting the entire business as a single system which drives towards the achievement of its purpose.

WHAT CAPACITIES DO YOU NEED TO FOCUS ON AND DEVELOP?

In the opening section, we set this paper in the context of strategic inflection points - that's when your capacity for leadership is called upon most. However, "*what got you here, won't get you there*" holds true across the life of an organisation, as changes and challenges come and go, difficulties have to be met, opportunities embraced. How fit and ready are you and your leadership for these challenges? Are there gaps that need to be addressed? Regularly reviewing your leadership capacity is an important step to maximising effectiveness and ensuring readiness for the future.

Use this **Mini Self-Assessment** to assess the scale of your own and your senior team's leadership. Rate each statement on a scale of 1 to 5 where 1 is low and 5 is high.

I / My leadership team / My organisation:

1. Are clear about where we are going, what our purpose and direction are, the strategic priorities, key values and behaviours. _____
2. Have the courage to have ambition beyond what we've had before, to confront the assumptions we hold about ourselves, to retire those ideas and behaviours that no longer serve us and to take risk beyond self-imposed boundaries. _____
3. Have the cohesion to operate with trust and effectiveness, to understand, embrace and work with varying personalities, motivators, ambitions, communication and behavioural styles and to hold each other to account. _____
4. Constantly communicate to ensure that everyone in the organisation and all its stakeholders know what is important for success and how their role contributes to success. _____
5. Have the competence, skills and abilities, processes and measures required to be successful from here on. _____
6. Have the connections to engage with the many stakeholders the organisation seeks to serve and upon whom it relies for success. _____



6 CRITICAL LEADERSHIP CAPACITIES TO GET YOUR ORGANISATION FROM HERE TO THERE

Use this paper and the mini self-assessment as the basis of a leadership development meeting by having everyone read the paper and answer the questions separately. Then review the scores together and have a conversation to get beneath any low averages or variances between assessors.

Average scores for a question that are 3 or lower, as well as significant differences between assessors on a particular question, are pointers to the need for further exploration and potential development action.

You could also consider, for example, how customers might score you, what gaps employees might highlight, and how the next level of leadership might respond.

Agree one priority area for development, just one gap or issue which, if developed, will make the most difference to your leadership performance. Define your improvement plan and any support needed. Regularly check in with each other to make sure you are staying on track and staying the course. Above all, become more **intentional** about your individual and collective leadership experience and to making the improvements you desire.

ABOUT THE AUTHORS – ALASTAIR KIDD AND TONY MCGUIRE

We have many years of combined business leadership, consulting and coaching experience, working with successful leaders across many sectors. The six capacities model is derived from both our own business experience and from our extensive work with clients. It is a framework best used when it is important to look at individual and team leadership. We deploy it in team workshops and 1:1 coaching and have built a assessment and organisation survey to help clients understand the current state of their leadership and take action to improve it.