



The Leadership Multiplier Effect

by Edith Onderick-Harvey

A third of all CEO's surveyed by The Conference Board say the most pressing issue they have is attracting, developing and retaining the right talent. Two of the biggest factors in engagement and retention are trust in senior leadership and the relationship people have with their managers. With 75% of employees in a recent Gallup Organization survey reporting that they are unengaged or actively disengaged at work, leadership is not successfully addressing this issue.

Leadership excellence has a multiplier effect on organizations. Investing in developing leaders, increasing the leadership multiplier effect, is a short-term and long-term strategy that allows your organization to adapt and thrive in various economic circumstances by attracting, retaining and engaging your human capital.

What is the leadership multiplier effect?

Resources spent on leadership development have a cascading effect throughout the organization. The effective leader creates exponential value for the organization through his or her influence on the strategy, people and processes in the organization. One leader's effective decisions and actions has a ripple effect that can impact dozens or hundreds of employees, positively changing business performance for the entire department or business unit. Likewise, the impact of poor leadership decisions and actions can lead to the decreased ability to attract, develop and retain the right talent. In addition, effective senior leaders model behaviors and skills for other leaders in the organization. They set the tone for the leadership practices that define the organization and its culture. They demonstrate the business skills that address business issues and create innovation. They define and operationalize high performance through their interactions with each other and the entire organization.

As others mature in their leadership roles, their effectiveness is increased for having been effectively developed and for the role-models presented by senior leadership. A cascade is created. With more effective leadership focused on the right things at all levels in the organization, factors impacting business performance improve. Groups led by effective leaders are more engaged resulting in higher productivity rates, increased willingness to give extra effort, and greater acceptance of change. In other words, effective leadership creates an environment that attracts and retains high quality talent. Ensuring the effectiveness of your leaders is critical whether your business is expanding or contracting. When your business is expanding, bringing on new people, introducing new products, serving new customers, leaders need to integrate and assimilate the growth. They need to plan strategically for growth, effectively develop their teams, establish business practices and maintain the engagement people feel in those initial few months on the job.

When business is contracting, leaders need to manage the change brought on by staff reductions, reduced revenue streams and increased cost constraints. They need to maintain the remaining staff's focus and morale. Need to maintain customer service levels, identify how to do more with less.

Optimizing the Leadership Multiplier Effect

For the leadership multiplier effect have its maximum impact, leaders must be developed effectively. Effective development includes:

1. Identifying the core of effective leadership. What makes leaders effective? One way to start thinking about leadership effectiveness is to identify what results you want the leader to achieve and use this to identify behaviors that are effective in achieving those results.
2. Communicating what is expected of a leader. This communication is not always in words. It's important to understand that how you select, how you assign resources, what people are held accountable for and how you recognize and reward say a great deal about your expectations of leaders.
3. Assessing your leaders against your model of effectiveness. If some are less effective than you need, identify a strategy for addressing it. It may be development, assignment changes, or an exit strategy. No matter what strategy seems most appropriate, it should start with a frank conversation with the leader.
4. Identifying potential leaders within your organization and outside your organization. Do you have the bench strength you need? Also remember that leaders aren't just those with formal titles but also those in roles that are pivotal to business success.
5. Developing leadership effectively. Formal learning experiences, business-driven assignments and projects, coaching, mentoring and other leadership development experiences need to align with the business strategy and the expectations you've communicated about leadership within your organization. Utilize a suite of development activities that build leaders throughout their careers. Developing leaders is process not an event. You must take a planful approach to leadership development, not one that only addresses obvious flash points that may be ignoring underlying causes.

By taking advantage of the Leadership Multiplier Effect, you will optimize talent and create competitive advantage.

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