

## **If You Were A Better Leader, What Else Would Get Better?**

### **As The Leaders Go, So Goes The Organization...**

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It is, perhaps, a common oversight to underestimate the true importance and impact of leadership competence. In fact, an organization's successes and setbacks can be tied to the quality of its leaders. It is far more probable and predictable that organizations will achieve great things with great leadership, than in spite of inept or weak leadership. So, if you were a better leader, what else would get better in your sphere of influence, department or total organization?

Because leaders are the sculptors of their cultures, it is incumbent upon them to enhance their skills, and the leadership skills of their direct reports. Generally speaking, as the leadership skill sets develop, so too will the efficiency, the effectiveness, and the profitability of the enterprise.

The ROI on leadership competence can be seen in nearly every aspect of a business. A study of US companies conducted by Hewitt Associates found an unambiguous link between investing in leadership development and delivering results for shareholders. Research shows that a continual investment in leadership competence improves employee commitment and reduces turnover.

Few would debate that satisfied employees provide better service and are more conscientious in their efforts to meet or exceed quality standards. Neither should we debate the impact of our leadership techniques or approach.

The how of leadership, as in how you lead, has a direct and immediate influence on the level of employee satisfaction and productivity. As a part of a research study focusing on business performance, the Wilson Learning Corporation studied 14 organizations, encompassing 25,000 employees. The data supports the conclusion that corporate performance, including financial success, is strongly correlated with employee fulfillment. Amazingly, 39% of the variability in total corporate performance is attributable to the personal fulfillment of employees. It's pretty straightforward and simple, as we get better at leading; our direct reports get happier about being in the organization.

In one of the most recurrently cited studies of the correlations and causations of culture and performance, an in depth analysis of 34 large American firms, researcher D.R. Denison found that companies with a participative culture reap an ROI that averages nearly twice as high as those in firms with less responsive cultures. Undeniably, culture is important, but leadership must understand that culture is the by-product of the leadership teams' actions, or in many cases, their inactions. Clearly, if leaders are willing to invest in their skills, it is an investment that strengthens the bottom line.

Peter Senge, an organizational development guru, believes that every organization is perfectly designed to achieve the results it achieves. Yet, it may not be as simple as modifying the design of the organizational structure or the reporting scheme. I understand those disappointing results to be not just a function of design, but also evidence of the need for enhanced leadership competence. Many organizations lament that their associates are uninspired, inefficient, and inconsistent. Jeffrey Pfeffer, a business professor from Stanford University, contends that these organizations get exactly what they deserve. "If you create a "toxic" or dysfunctional work environment," said Pfeffer, "You are going to get toxic behavior from your employees." According to Pfeffer's research, companies that manage people effectively will outperform companies that don't by 30% to 40%. In a market where the margin of success or failure is often as small as 3%, leveraging leadership competence becomes a true competitive advantage.

While the research is interesting, it only substantiates what you've known intuitively for decades. Here's the simple truth: rarely will and organization perform above the competency threshold of its leadership team. The leader's competence is significant in creating an environment conducive to the actualization of the mission and vision. Financial results, morale, productivity, and creativity all hinge on the environment created by the leader. Consultant Roxanne Emmerich found that competent leaders harvest 57% more discretionary effort from their direct report - daily.

What specific behaviors must you modify to enhance your effectiveness as a leader? In short (and extensively substantiated by tomes of research), enhancements in your core leadership skill set will translate to an improvement in the core success measures of your enterprise. If you want to see measurable and near immediate impact on teamwork, creativity, retention, knowledge sharing, efficiency, productivity and profitability, then invest in upgrading your leadership skills, and the leadership skills of your direct reports.

**Key Lesson For Leaders:** Your effectiveness as a leader ultimately impacts every aspect of the operation. There is no such thing as an inconsequential leader or an inconsequential interaction. Leaders sculpt culture, culture dictates employee satisfaction, and satisfaction predicates profitability and competitive advantage. When we get better at being leaders our associates become more productive, collaborative and engaged. If you and your colleagues were better leaders, what else what get better...?

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