

# Defining "Great" Leadership

What does "great" leadership look like in your company?



## Defining "Great" Leadership

Focused on the task of developing leaders for the past 20 years, we have been surprised by what most companies use as their leader expectations: a competency model, adopted from an external firm, with upwards of 50 universal behaviors. At first glance, it is hard to disagree with the common themes and behaviors – for example, being "customer-centric" or a "strong collaborator" are universally good traits. But at second glance, we tend to agree with the President of R&D for a global pharma company: "We, too, have a leadership competency model. To be honest, I've never really known what to do with it or how it applies specifically to our business and my leaders."



Our view is that all-inclusive leadership competency models slow execution for the following reasons:

1. **Theoretical** Most leadership models are written by IO psychologists or the talent function in organizations. As a result, they tend to be generic and based on external research on "leadership truths." At many companies, they have the same leadership model for all leaders – senior vice presidents to front-line managers – yet the roles are very different in their day-to-day challenges. While there are kernels of goodness in these models, they feel ineffective. Showing leaders what high performance is for their level of leadership in their company would be profoundly more practical and helpful.
2. **Not grounded in the company strategy and lacking focus** Most leadership models are "universal" and fail to honor and recognize that each company has a unique history, culture, market position, business model and strategies. By their nature, they fail to define the current reality of the firm, which means they do not focus on the most critical leader behaviors to achieve business results. They also tend to be too much. As noted, many traditional competency models have had 50+ behaviors. The dean of one of the world's largest technology

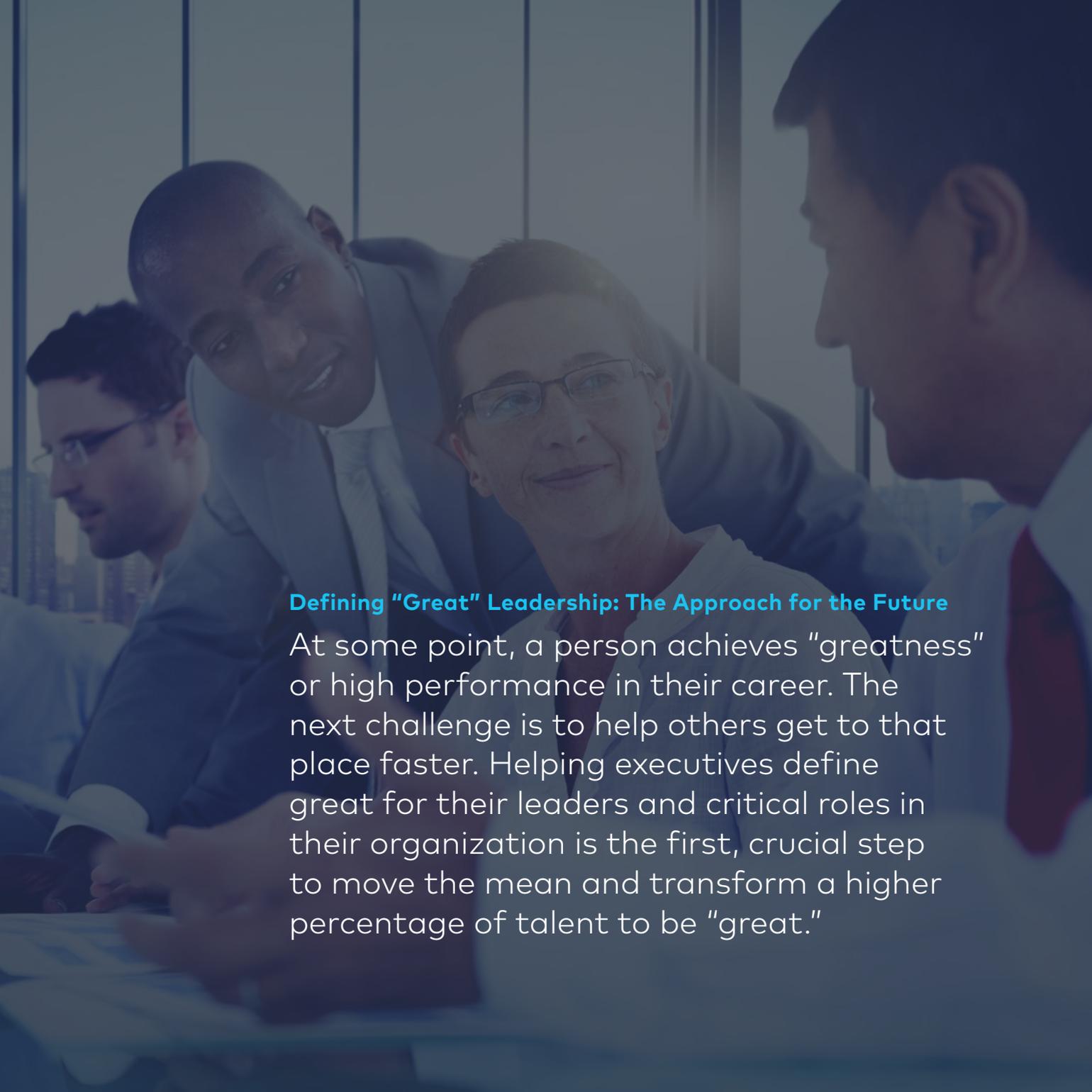
companies shared the guidance his founder and CEO shared with him in setting up their corporate university. "The CEO said, 'We have a unique position in the market and therefore a unique strategy to take share. It would be irrational to apply a standard, universal set of leader expectations against a differentiated strategy. Instead, we establish the most critical leader behaviors, by role, tied to our strategy.'"

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- 3. Unnecessarily complex** Most leadership, competency, and performance models define different levels of mastery and performance—below average, average, good, excellent—embedding a bell curve for leadership into our organizations. Why would you tolerate average or below average leaders, especially when they impact so many of your employees? Why confuse your leaders with three or four variations of performance? Set high performance or “great” as the standard and quickly the new-to-role leaders will rise to the occasion and become “great.”
- 4. Slow to evolve and lacking a forward-looking focus** Many leadership models have been in place for years. As a result, they no longer reflect the company’s priorities, new business model, new strategies for success and desired operating style. It seems as if the companies are afraid to “rip out” their leader expectations much in the same way they would cringe at the difficulty in changing their IT system. Yet if the executives viewed their leadership model as the expectations they are setting for their people, they would realize they are often asking their leaders to lead in an old way, which often is at odds with what the company needs in order to evolve and secure the next phase of growth.

For decades, leadership gurus and research firms have brought their research and leadership framework to companies, trying to prove their model is better than the last and better than the firm’s current leader expectations and tools. While we agree that there are lessons to be learned from leadership research, we believe one secret to increasing a leader’s ability to perform—and for companies to achieve great execution—requires a new way of thinking about setting expectations.





**Defining "Great" Leadership: The Approach for the Future**

At some point, a person achieves "greatness" or high performance in their career. The next challenge is to help others get to that place faster. Helping executives define great for their leaders and critical roles in their organization is the first, crucial step to move the mean and transform a higher percentage of talent to be "great."

What follows are the critical elements to consider when setting leader expectations—an important first step on the path to great execution:

- 5. Honor the pockets of greatness in your company** We believe in defining what “great” leadership looks like for your company. In every key role, you have leaders who think, act and engage with employees, customers and stakeholders better than anyone else. These leaders can scale. They see around corners and often are the early adopters.

Sometimes they are new leaders you have brought into the company to lead new business initiatives and drive significant change. These leaders have a vision for the future and inspire others to join. We codify what they do differently and build your model of “great” for the pivotal roles in your company. And we do it in the

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context of your current or new business model, strategy, and culture, because context counts. They have pioneered your unique leadership model, and now you must capture, codify and democratize their capabilities, actions and mindset across the organization.

- 6. Get external input—especially from your customers** We do not discount external perspectives if they are relevant to you. For example, one company interviewed customers to better understand what their “great” executive leaders did differently from other vendors. Customers were able to provide a unique perspective on their “secret sauce,” giving the company new insight they didn’t have internally. Over and over, customers gave examples of critical situations (challenges) and then explained how the “great” handled them (choices). They also told stories of what the “not so great” vendors and even other leaders from the same company did, pointing out that these produced sub-par results and a broken relationship. The customers focused a lot on the leader’s mindset and values, proving that the way they did things was just as important as what they did.

- 7. Target critical roles and levels in your organization** Serving your leaders with great expectations means making it relevant to them. Take the time to define what behaviors (often the values) apply to all leaders and which specific behaviors are most important to each role. For example, the challenges and daily moments a sales leader experiences throughout a quarter are different from the challenges an engineering manager faces with his team during a product release. Given the challenges and team differences, the behaviors will also be different.
- 8. Be practical** Rather than set expectations by a competency or content area, organize them by the daily and pivotal moments your leaders face during the year. Codify a "Great Playbook" that first defines the daily and pivotal challenges your leaders face on the job. Then, for each challenge, capture how your best leaders think and what choices they make in those moments. Contrast that to your average or "not so great" leaders, so that your novice leaders have clarity on their path to becoming great, and your great leaders have a reminder of what great leadership looks like at their company, given the culture, history, business model and strategy. Imagine how different the challenges are for an engineering scrum master (software product leaders) during a six-week, agile release cycle versus a senior project leader for a multi-billion dollar, multi-year nuclear facility build out. Not only are many of the challenges unique, but given the teams, cultures and business pressures, what "great" looks like varies by company.
- 9. Assume dynamic and adaptive expectations** In today's world, the rate of change is faster than ever before, new and emerging technologies impact every business no matter what industry, and the economy is global and inter-connected in ways that can change the business landscape overnight. Just as business priorities evolve and shift, so should the most critical leader behaviors and mindsets. For example, take a company that has operated with three very independent products for some time. The expectations of their leaders would most likely be about them running the three products as separate businesses, with dedicated teams, full P&L responsibility and maximum autonomy and accountability for their unique product success.

Let's say that same company has come to realize that there are synergies in bringing their customers a more integrated product suite. Now, those three discrete businesses have to quickly find ways to integrate at the right moments and operate as a team. This shift would necessitate some key changes in the behavior of the three leadership teams running those three businesses. If they continued to run businesses the old siloed way, the company would

lose market share. If they are able to operate more as a cohesive team, with shared resources and metrics, and a mindset of "company first, my product line second," there is a much better chance that the company's new strategy will yield growth.

- 10. Move from bell curve to "great" at scale** Employees want and seek great leaders and a high performance culture, so don't let a model of scarcity force you into a bell curve. Perhaps that's why the "Netflix Culture" presentation went viral with millions of downloads and sharing. People resonated with their high performance values and conviction that a "great workplace is stunning colleagues." We believe all leaders can and should be "great," creating extraordinary value for their employees, colleagues, customers, partners and key stakeholders. With a goal of employing all high performers, why waste time defining good or average? Set "great" as the performance objective. Since we know all companies are unique and leadership is contextual, take the time to show leaders what "great" looks like at your firm. It's a measure of respect to the leader to have clear expectations. With clear, high performance expectations, the average leaders will get to "great" more quickly than the generation before.

Southwest Airlines is an example of a company that focuses on "great" leadership. They set "high expectations for all employees, higher expectations for leaders and even higher expectations for senior leaders." These leadership requirements are summarized by "Warrior Spirit, Servant's Heart and Fun-LUVing Attitude," all with very clearly defined behaviors. Those close to Southwest know these powerful beliefs and actions come from the Founder Herb Kelleher, and are deeply engrained in the business and the culture.<sup>5</sup>

## Define “Great”: Generic Leadership Competency Models vs. Defining Great Leadership at Your Company

The president of an Asian business unit at a leading Oil and Gas company defined what leadership capabilities would be required for their top 100 leaders to meet the business objectives laid out in their five-to-ten year strategy.

The company has operated in one of its countries for more than a century, but leases for many of the large producing fields are expiring in the next decade. Meanwhile, the national oil company was eager to assume the leases and take over production. Operating in the country had distinct challenges—the government had no tolerance for harmful incidents and demanded that 80 percent of employees and management be native to the country.

It’s tempting to see these challenges requiring effective “communication” and “stakeholder management” skills. But this competency based approach hardly gets close to the complexity and nuances of what was actually demanded from these Oil and Gas leaders in this market. The successful renewal of the leases required:

- Anticipating and responding to changes in power in the local or federal government
- Building relationships with government officials, parliament members, and local and existing community leaders in power both today and in the future
- Adapting to changes in regulations and policies

Yes, there are core skills required, like communicating your value proposition to stakeholders and engaging with stakeholders to find win-win solutions. However, these would never sufficiently position the company’s leaders for success. The leadership capabilities needed for success are significantly more complicated and contextual to the challenge and the market. To learn more, read the full piece [here](#).

## Define "Great": Global Software as a Service Company: Engineering Product Managers ("Scrum Masters")

Recognizing that the company's core strategy was most influenced by their scrum masters' (the software release leaders) ability to lead successful product releases, and realizing that they had not done a thorough job of setting the right expectations with these leaders, this company set out to capture how their best scrum masters lead and what was most important to the culture they wanted to protect and drive.

Rather than license a competency model, or write leadership expectations that could apply to everybody in the company, they knew that engineers with PhDs in computer science not only were very bright, they also often knew it. They also knew that engineers tend to have white cell-(antibody) like reaction to leadership and leadership development. They knew the expectations they set had to be very practical and in their language.

We worked closely with their top performing managers: those who consistently had the best features released and whose team (software team and direct reports) were very happy and loyal. The result was a leadership playbook organized by the daily and pivotal challenges these managers faced during their operational rhythm of a six-week release cycle. The challenges ranged from their daily stand-up meetings, to the sprint planning meeting, to aligning their team to the company strategy, to a one-on-one with a hotshot developer, to a one-on-one with a new team members, to protecting the team from cross-function requests. For each challenge, we captured how their best think and act in those moments. We also captured what their average or "not-so-great" do in those challenges, and now the engineering managers have a handy guide (an app) that reminds them what great leadership looks like in the moments they face on the job.

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