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Leadership Competencies: Putting It All Together

Research supported by the Corporate Leadership Council identified the common elements among leadership competency models in top global companies, what's missing, and best practices for defining leadership competencies.

by George Klemp

INTRODUCTION

Practically every major company has ideas about what it takes to be an outstanding leader. Many of these organizations have developed formal "competency models" — descriptions of knowledge, skills, personal characteristics and behaviors of effective leaders — as explicit statements of these ideas. The models are typically used for a number of purposes, including assessment of current senior managers, identification of high-potential executive talent, performance appraisal, and leadership development.

For the past ten years, Cambria Consulting has developed a significant number of leadership competency models for Fortune 500 businesses and financial services organizations. It was in this connection that we came into contact with the Corporate Leadership Council. In 1997, the CLC gave Cambria access to its database of leadership competency models from selected member organizations. Our tasks were to put these different competency models into a coherent framework; to identify common leadership competency trends; to examine relationships among competencies and organizational strategies; and to clarify how competencies can be used in the early identification and development of leadership talent. This paper presents a summary of this research.

Much has been written about leadership in the popular and academic press, from first-person "how I did it" accounts to predictions about the nature of leadership in the 21st century. The importance of this study is that it is based not on theory but on the criteria organizations are actually using to make judgments about current and potential leaders. It speaks to what is seen as important in today's world and can serve as a reference for other organizations in reexamining their own leadership competencies.

Conceptualizing Competencies

Exhibit 1 lists some of the companies that shared their leadership competency models for this study. Forty-two of these models were provided by the Council's files, and an additional twenty were supplied by Cambria Consulting's clients. These organizations are quite varied in size and type of business, and although most are based in North America, many are truly global in scope. In addition, almost all of the competency models had been developed within the past five years and are in current use.

Exhibit 1: Sample Companies Represented		
▪ Allied-Signal	▪ DuPont	▪ Knight-Ridder
▪ Alcoa	▪ EDS	▪ Merck
▪ American Express	▪ Ford	▪ Mobil
▪ AT&T	▪ General Electric	▪ PepsiCo
▪ Bank One	▪ Hewlett Packard	▪ Siemens-Rolm
▪ British Petroleum	▪ International Paper	▪ Sun Microsystems
▪ Canadian National	▪ Johnson & Johnson	▪ Unilever
▪ Chase		

It was immediately apparent that these models were very different from each other on the surface. Although one could certainly discern common themes, the competency terminology varied substantially. Different models used different words to describe essentially the same concepts (for example, compare "taking charge" with "decisiveness" or "managerial courage"). The level of detail with which competencies were presented differed as well, ranging from short lists with no definitions to lengthy lists arranged hierarchically and defined by precise behavioral indicators.

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The first step in establishing this common language was to distinguish between two different types of competencies:

- **Practices:** what people do on the job to get results. For example, a leader might "set vision and direction," "focus on the customer," and "make decisions."

- **Attributes:** knowledge, skills, and other characteristics that people bring to the job that enable them to carry out leadership tasks. For example, a leader might possess "strategic thinking," "initiative," and "high energy" as personal attributes.

Attributes are the raw ingredients of performance: They are the capabilities needed by people to do their jobs. Practices are what people do with the attributes they possess and are described by observable on-the-job behavior. Practices also depend on the presence of attributes. For example, one cannot "make tough decisions" (a practice) without a high degree of "self-confidence" (an attribute). Having the required attributes, however, does not necessarily guarantee that the required behaviors (practices) will be demonstrated (for example, not all highly self-confident people make tough decisions when the situation calls for them), but it certainly increases the likelihood that the behaviors will be demonstrated consistently over time.

Exhibit 2: Leadership Attributes Menu		
- Accountability	- Dependability	- Judgment
- Achievement drive	- Directive/controlling	- Learning orientation
- Analytic thinking	- Energy/enthusiasm	- Political astuteness
- Attention to detail	- Flexibility/adaptability	- Presence/charisma
- Business acumen	- Global perspective	- Responsiveness
- Communication skill	- Influence skill	- Risk-taking
- Composure/self-control	- Initiative/action-oriented	- Self-confidence/courage
- Conceptual grasp	- Integrity/honesty/ethics	- Strategic thinking
- Cooperativeness		- Technical/functional knowledge
- Creativity	- Interpersonal astuteness	- Tenacity/persistence
- Decisiveness		

A content analysis of the 62 leadership models revealed 30 attributes and 30 practices, presented in Exhibits 2 and 3, that were used to code the leadership competencies from all the models into a common database. Over 99% of the competencies from our sample of leadership models were codable into these categories. The coding process revealed three types of leadership models: those comprised mostly of attributes, those comprised mostly of practices, and those that were a mixture of the two. Of the competency models in our database, 8% were essentially pure

attribute models, 27% were essentially pure practice models, and 65% were a mixture of attributes and practices. I believe that there are two reasons for most of these models being "mixed". One is that this is the way senior managers talk about other senior managers, i.e., as people who both "have the right stuff" and "do the right things." The other is that until now there has not been a clear distinction between practices and attributes to provide rigor and conceptual clarity to the development of competency models.

Exhibit 3: Leadership Practices Menu		
▪ Act as a role model	▪ Develop strategy	▪ Manage complexity
▪ Align the organization	▪ Drive change	▪ Manage conflict
▪ Build business relationships	▪ Drive for improvement	▪ Manage diversity/ value others
▪ Build teams	▪ Empower others	▪ Manage performance
▪ Communicate	▪ Focus on the customer	▪ Motivate others
▪ Cooperate/team player	▪ Get results	▪ Plan and organize
▪ Create a high-performance climate	▪ Hire and staff	▪ Promote learning
▪ Delegate	▪ Influence the organization	▪ Set vision and direction
▪ Develop creative solutions	▪ Make decisions	▪ Take charge
▪ Develop people	▪ Manage across boundaries	▪ Total quality management

Key Findings

Our original charge was to discern whether there was a set of leadership competencies that could be termed "universal" — applicable to all leaders in all situations. The answer to this question came by examining the scope of the different leadership models (number and type of competencies) and the nuances of the language used to label and define the competencies themselves.

The Scope of the Models

How many competencies does the typical leadership model contain? The answer depends largely on whether competencies are defined as practices or as attributes. Leadership models based mostly on attributes tend to have more competencies on average than models based mostly on practices. However, the sheer number of competencies in a model is less significant than the philosophy that determines the choice of how many leadership competencies to include in the model. From this perspective, the models in the current database are of two types:

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- **Comprehensive:** models based on dictionaries that include anything deemed worth assessing or observing in a current or potential leader. Rather than assigning priorities to competencies in terms of what is most important, these models contain long menus of competencies that can be used for different applications.
- **Selective:** models that focus on a few high-impact competencies. These models implicitly assume that other "baseline," "enabling," or "minimum" competencies exist but focus instead on the competencies that differentiate "outstanding" from "average" leaders.

The companies in our database have apparently made a choice either to focus on a few, high-leverage competencies for special emphasis or to adopt a more comprehensive list of competencies to describe requirements for any conceivable leadership role. The selective models, which typically contain ten or fewer competencies, tend to highlight what is most valued for future success. By contrast, the comprehensive models, which typically contain twenty competencies or more, present assessment and development possibilities that can be used to define a wide variety of job requirements, hiring criteria, and/or development plans.

Meanwhile, a few organizations in our database have adopted a hybrid approach, whereby a small set of key leadership competencies (usually five or less) is grafted onto a larger competency dictionary that can be used for many purposes. The "key" competencies are viewed as essential to anyone in a leadership role, while the others are considered dependent upon the requirements of the leadership situation. This potentially has the virtues of both selective and comprehensive models and could well be an emerging best practice.

The Role of Language

The terms used to label and define competencies in different leadership models showed different sensitivities to the nuances of language and the messages that the competency models communicate to the broader organization. The leadership models fell into two categories, depending on the language used to describe the competencies:

- **Generic:** models that have adopted a standard language from preexisting competency lists. Examples of generic competencies include "dealing with ambiguity," "strategic agility," "managerial courage," "developing others," and "valuing diversity."
- **Strategically informed:** models that have adopted a unique language to emphasize certain aspects of each competency. Examples of strategically-informed competencies include "build

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key relationships," "claim the future," "provide structure and direction," "data-driven," and "foster entrepreneurial thinking."

Generic leadership models are typically developed from standard competency lists. Being generic, they say little about a particular organization's positioning and could have come from any organization. Models developed from the same competency dictionary tend to look alike, despite being from different sizes and types of businesses. In fact, in a number of cases where competency models for different roles were provided by the same company, there was almost no difference between the competencies of first-level managers and those of senior leaders. However, generic competency lists can often be useful as starting points for organizations new to competency-based approaches.

Strategically-informed models, on the other hand, are usually characterized by language that has a flavor all its own and reflects the desired organizational culture. These models also tend to be more selective, reflecting what is most important to the enterprise. Whether they have been created out of standard competency lists or from scratch, a certain care and attention has clearly been given to how the competencies were labeled and organized. In these models, the competency language communicates things that go beyond basic definitions of attributes or practices, such as the organization's position in the marketplace; its relationships to customers, suppliers, and the communities where it operates; and how employees are valued.

Competency models that are both selective and strategically informed have a number of advantages, not the least of which is their ability to communicate expectations for leaders throughout the organization in a distinctive way. Tailoring the competency language to reflect the organization's strategy and culture, using language that resonates within the organization, makes the competencies more accessible and business-focused.

So which competencies best characterize leaders in the organizations surveyed? Again, the answer depends on whether competencies are defined as practices or as attributes.

The Top Leadership Practices

When competencies are defined as practices, nine competencies emerge as the most common, with an additional nine being represented with sufficient frequency to be significant (see Exhibit 4). The percentages in the exhibit reflect the number of leadership competency models where the practice was represented. Recalling that 8% of the models

in our database were defined completely as attributes and that 65% of the models were a mix of attributes and practices, it should come as no surprise that the most represented leadership practice, "Develop People," was found in only 58% of the models in the database. If the leadership models had been developed using the language of leadership practices, the percentages in Exhibit 4 would certainly have been higher.

Exhibit 4: Top Leadership Practices	
Key Practices	Other Practices
▪ 64% Develop people	▪ 36% Build teams
▪ 55% Get results	▪ 36% Cooperate/team player
▪ 52% Focus on the customer	▪ 34% Develop creative solutions
▪ 52% Communicate	▪ 32% Create a high-performance climate
▪ 46% Set visions and direction	▪ 32% Drive change
▪ 43% Build business relationships	▪ 29% Act as a role model
▪ 41% Make decisions	▪ 29% Manage diversity/value others
▪ 39% Manage performance	▪ 25% Develop strategy
▪ 38% Influence the organization	▪ 23% Take charge

In interpreting these results, the fact that many leadership practices are not universally represented suggests that leadership is situational: Different leaders face different situations, and different situations require different behaviors. In addition, some of these practices may have been assumed as "baseline" competencies by some of the organizations surveyed and therefore would have been absent from their competency models.

Perhaps the most surprising finding is the presence of "Develop People" at the top of the list, ahead of "Get Results." My personal experience in working with some of the companies in our database is that developing people is more of an aspiration than a reality, given the varying attention paid to it by senior managers. I surmise that the reason it is included in so many of the leadership competency models is that there is a significant gap between what leaders typically do and what the organization needs them to do. Particularly given the great need for executive talent and the fact that leaders play a pivotal role in developing their replacements, this finding suggests a strategic emphasis on this competency for the future viability of organizations.

The Top Leadership Attributes

In determining which competencies defined as attributes were represented most often, the leadership models were coded into our database in two ways. First, the competencies already defined as attributes were coded into the 30 attribute categories shown in Exhibit

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2. Next, the competencies defined as practices were decomposed into attributes from the definitions and behavioral indicators provided by the source organizations and encoded into the 30 attribute categories. The resulting database contained the frequencies with which each attribute was referenced in each model and the number of models where each attribute was represented at least once. The results that follow are based on the percentage of leadership models in which an attribute was noted at least once, without any weighting of importance given to attributes represented more than once in any given model.

From this perspective, ten attributes achieve "universal" status by being found in 60% or more of the models, with an additional ten attributes found in 40% to 60% of the models (see Exhibit 5). Again, since different leadership situations require different behaviors, we conclude that not all of the possible leadership attributes are needed to perform effectively in a given leadership role. Many of the attributes cited most frequently are rooted in either the character of the individual (e.g., "integrity"), personality characteristics (e.g., "flexibility"), or capacities (e.g., "conceptual grasp"), none of which are particularly easy to develop. Logically, such attributes should be the focus of selection or early talent identification.

Exhibit 5: Top Leadership Attributes	
Key Attributes	Other Attributes
▪ 77% Integrity/honesty/ethics	▪ 58% Initiative/action oriented
▪ 76% Achievement drive	▪ 52% Communication skill
▪ 73% Interpersonal astuteness	▪ 50% Energy/enthusiasm
▪ 73% Learning orientation	▪ 50% Political astuteness
▪ 66% Directive/controlling	▪ 48% Analytical thinking
▪ 64% Influence skill	▪ 48% Accountability/commitment
▪ 64% Strategic thinking	▪ 48% Cooperativeness
▪ 63% Conceptual grasp	▪ 44% Decisiveness
▪ 61% Flexibility/adaptability	▪ 44% Judgment
▪ 60% Self-confidence/courage	▪ 40% Business acumen

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Distinguishing leadership practices from leadership attributes can help answer the question of whether leaders are "born" or "made." Leaders are "born" to the extent that they develop certain qualities or characteristics early in life and have the opportunity to nurture their native capacities, motivations, and preferences. However, not everyone who has the necessary attributes will emerge as a leader. Leadership comes from having the "right stuff" plus being thrust into situations that call upon one's internal resources to rise to the challenges of leadership. While the presence of role models and mentors can speed up the process, and recognizing that education also plays an important part in preparing

leaders with know-how essentials, there is no substitute for experience and accountability in molding people with the right attributes into capable leaders.

What's Missing

In our view, the results presented above do not fully reflect the importance of certain competencies to effective leadership. The gaps are principally at the attribute level, where the following are either under-represented in our data or are missing altogether.

- **Business acumen.** Having real business know-how and a broad perspective on how business deals are done are critical to effectiveness as a senior manager. Financial, technical, or functional knowledge is a foundation competency, whether it is already present in the leader or is acquired on the job. It was therefore surprising that only 40% of the competency models in our sample included this competency. We suspect that this is so for two reasons: 1) business acumen is a tacit requirement or is assumed as a baseline competency, and 2) competencies defined as attributes are heavily biased toward a language of personal characteristics.

- **Ambition.** Shakespeare noted the inconsistency between being "ambitious" and being an "honorable man" in Mark Antony's famous funeral oration in Julius Caesar. Yet the evidence is that many if not most leaders are, indeed, highly ambitious people. Aspiring leaders have high career aspirations, are attracted to challenge, have the desire to run a business someday, and are driven by the need for power. People with these characteristics, of course, do not necessarily make good leaders, but it is almost certain that ambition is one of the key ingredients of effectiveness: Effective leaders have to want to lead.

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Putting It All Together

With competencies defined as practices and attributes, and different leadership models emphasizing different mixes of each, are there any truly universal themes? If you have ever seen an Impressionist painting up close, you know that the specks and globs of paint are distinctive from each other but appear as an incoherent blur: all texture, but with no discernible forms or shapes. Only when you step back do you see the distinct forms, shapes and images become apparent — literally, the "big picture." Like the up-close viewer, we have been immersed in so many of the details that it was difficult to see the broader patterns of leadership competency: the ingredients (attributes) and the behaviors (practices) seem only to add up to another laundry list.

Nevertheless, a view from a distance revealed a set of nine "meta-competencies" that combine different attributes and practices. This set of meta-competencies, which I call the "Nine Bucket Model," captures what I believe is the core of effective leadership, regardless of differences among leadership competency models.

First, the five core leadership-attribute buckets:

- **"IQ" (mental horsepower).** Effective leaders need high general intelligence to handle the complexities inherent in an executive role, exemplified by strong conceptual grasp, analytical capability, strategic thinking, and the ability to make swift judgments in ambiguous or novel situations. In effective senior leadership, there seems to be no substitute for high intelligence: 97% of the leadership competency models reflect this attribute.

- **"EQ" (emotional intelligence).** Effective leaders are also astute about reading people and their unspoken feelings, able to anticipate the reactions of others to what they may say or do, are in touch with the morale and climate in the work environment, and are aware of the interpersonal and political dynamics operating between individuals and throughout the organization. This theme was present in 84% of the leadership models.

- **"Know" (business and technical acumen).** Knowledge is the foundation of effective performance. I include wisdom in this category as well — understanding the limits of factual knowledge in making sound decisions and using understanding gained from experience. This theme was present in 55% of the leadership models (a low estimate of its importance, as noted earlier).

- **"Grow" (personal development).** Effective leaders are inquisitive and thirsty for knowledge, eager to take on new situations and learn by doing, and are mentally flexible and willing to consider other views. They also see mistakes as valuable learning opportunities and encourage others to do the same. This theme was present in 81% of the leadership models.

- **"Ego" (strong sense of self).** Effective leaders are self confident and decisive, but they must have a healthy ego that allows them to admit when they are wrong and to surround themselves with highly capable people without feeling threatened; it is also the foundation for acting with honesty, integrity, and strong ethics. This theme was present in 92% of the leadership competency models.

Next, the four core leadership practice buckets:

- **"Tell" (giving direction).** Taking charge is the sine qua non of leadership. Effective leaders set direction, focus on results, make decisions, delegate authority, control discussions, manage

performance, and hold others accountable. The authority to do these things is theirs, and they use it to get things done. This theme was present in 82% of the leadership models.

- **"Sell" (influencing others).** As a counterpoint to "telling," effective leaders are masters of influence. They are highly persuasive in one-on-one discussions and work formal and informal influence channels effectively, build effective coalitions and teams, create a high-performance climate, and support all of these activities through skillful and frequent communication. This theme was present in 76% of the leadership models.

- **"Initiate" (making things happen).** Effective leaders are highly proactive: They drive change, take risks, shake things up, push for improvements even in the best-run operations, and take decisive action rather than let circumstances or events drive their behavior. Characteristically, many are also impatient and restless, always looking for new opportunities to act. This theme was present in 79% of the leadership models.

- **"Relate" (building relationships).** Effective leaders understand the importance of strong relationships built on trust and respect. They build these relationships at many levels, both outside (customers, business partners, community, and government) and inside (peers, superiors, and employees at lower levels), and they leverage these relationships to get things done. This theme was present in 79% of the leadership models.

These nine meta-competencies hold up well across almost all of the leadership competency models in our database, despite differences among organizations and the challenges of particular leadership roles.

Recommendations

The results of this analysis of the 62 leader-ship competency models suggest that there are, indeed, some universal competencies despite differences in how competencies are conceptualized, labeled, and defined. We have sought to understand the connections between competencies and strategy and how competencies are used in selection, high-potential identification, performance management, succession planning, and leadership development. The following are some concluding thoughts about best practices that were gleaned from the leadership models available to us as well as from our experience in consulting to organizations about using competency models to drive human resource strategy.

- **Be selective.** Whether your leadership competencies are defined as attributes or practices, keep their number to ten or fewer. If you are considering a broad dictionary approach, focus on the ones with the

biggest impact on organizational performance. Chances are that the other competencies will fall into place if your leaders attend to developing and demonstrating the most important ones first.

- **Select for attributes, manage to practices.** Although specific leadership practices may vary substantially with business and role requirements, the attributes of effective leaders are more fixed and consistent across situations. In general, attributes are more appropriate for early talent identification and practices are more appropriate for assessing the performance of incumbent leaders. More specifically:

  – Consult the four attribute meta-competencies that are most difficult to develop ("IQ," "EQ," "Grow," and "Ego") to identify people with leadership potential.

  – Assess results achieved using the four practice meta-competencies ("Tell," "Sell," "Initiate," and "Relate") to evaluate how well people currently in leadership roles are performing.

  – Use all nine meta-competencies to identify people who are ready to take the next step into the executive ranks.

- **Use the Nine Bucket Model as a template.** This model can be used as a framework to determine how well-rounded a particular leadership competency model is, assuming every competency model should include something in each of the nine meta-competency buckets. Gaps in a particular leadership model either might be there for a good reason or might reveal important areas that need attention.

- **Refresh your competencies over time.** Leadership competencies should be reviewed and revised periodically. This is especially true when competencies are defined as practices — behaviors fine-tuned to business strategy and situation requirements. A number of companies, including General Electric, AT&T, and PepsiCo, have updated their leadership models periodically to reflect changing business priorities and capabilities needed for the future. As business conditions and strategic imperatives change, it only makes sense that the competencies be reexamined and repositioned.

- **Keep your concepts clear.** There is nothing particularly wrong with "mixed" models that include both practices and attributes, but be clear about the purposes and applications of each. Attributes are the ingredients needed for leadership effectiveness, but possessing them does not mean that one will be a good leader. The proof points are the behaviors — the leadership practices — that transform capability into action. The power of attributes is in their ability to predict leadership potential, while the power of the practices is in their definition of what effective leaders actually do.

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About the Author

George Klemp is one of Cambria's founding partners. He leads Cambria's executive assessment practice and co-leads the consulting practice. George has more than 35 years experience in consulting and assessment and is an acknowledged thought leader in the field. He helps his clients define and develop the leadership qualities that are essential to their business strategies, as well as implement competency-based talent development programs that boost organizational performance. His clients have included a variety of leading organizations, including Accenture, Assurant, CVS Caremark, Deloitte, Exxon Mobil, Fidelity Investments, Limited Brands, Microsoft, Timex, and United Technologies Corporation.

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Since 1985, Cambria has helped Fortune 500 companies, government agencies and non-profit organizations accelerate the development of individuals and teams. Extensive experience creating and applying best practices in all facets of talent management and development enables Cambria to rapidly implement innovative solutions tailored to each client's business objectives.

With a worldwide network of consultants and partners, Cambria is recognized for its expertise in executive coaching, talent assessment, competency modeling, role profiling, succession planning, blended learning, and online talent development systems.