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The term *leadership* in some contexts refers to a level or position, e.g. “the senior leadership team.” In other contexts, it refers to a level of attainment or domain competency, e.g. “she is the leading performer on the team.” Yet leadership is fundamentally about characteristics of influence that drive positive results. It is characteristics of influence that positively impact organizational performance and moves people to action. Leadership competence can be learned by anyone and employed regardless of position or domain.

Characteristics that drive positive influence and performance vary from organization to organization. An organization that relies on frequent product innovations might value the leadership competency of *fostering creativity* more than an organization that relies on being a low cost provider which might place more value on the leadership competency of *enabling efficiency*.

Not only do leadership characteristics vary, most are intangible. Characteristics of influence by definition are indirect. Organizational performance is impacted by the *ripple effect* of a leader’s influence on all the individuals within the organization. If as a leader you do or say something that motivates your employees to take more responsibility and they improve the quality of their work, the resulting improvements are due to the ripple effect of your influence. The end result is *theirs*, but it was because of *your* influence. Characteristics of influence that impact organizational performance such as employee engagement, the organization’s work ethic, and people’s sense of ownership for results are extremely valuable, but not easily measured.

The best measure of leadership effectiveness is the organizational performance over which the organization has control and the leader has influence.

So how do you measure leadership? Some would rightly suggest that an organization’s culture, attitude, values, and energy level give insight into the quality of leadership. However, cultures, attitudes, values and energy are means to an end, not ends in themselves. The same can be said for leadership. Leadership is not an objective but the means to an objective. The objective is

achieving a desired outcome. Therefore, if you want to accurately assess the effectiveness of your organization’s leadership competence, the best measure is the organizational performance over which the organization has control and the leader has influence.

The following two pages list the high-impact business performance areas that organizations and leaders typically have influence over. They represent the metrics on which leadership competence can be objectively assessed. To assess how well you or another leader has performed, evaluate the change in these metrics that occurred due to your/their influence.

You’ll note that the metrics in this assessment uniquely measure what **wasn’t** adequately achieved. This is because most organizational change is measured in small percentages. It is more meaningful to measure the percentage that something changed when it is based on what remains as unacceptable like “15% employee turnover” than to measure “85% of employees stayed”.



Leadership Effectiveness Assessment

Assessment completed by: _____.

Timeframe for which assessment applies: _____ to _____.

Select the metrics below that are most important to your organization and assess how well your leadership has impacted them.

Importance	% Before	% Now	High-Impact Performance Measurements
_____	_____	_____	Sales: % of qualified sales and business opportunities unengaged or lost
_____	_____	_____	Profit: % decrease in profit
_____	_____	_____	Market Share: % of market share not held
_____	_____	_____	Customers: % of customers dissatisfied
_____	_____	_____	Partners: % of partners unsatisfied (or % of partners and 3 rd parties whose talents and capabilities are underutilized)
_____	_____	_____	Assets: % asset underutilization
_____	_____	_____	ROI: % of investments that didn't meet the required hurdle rates
_____	_____	_____	Expenses: % of costs of goods sold or other expenses (or expenses not directly adding value to the organization or its mission)
_____	_____	_____	Quality: % of costs due to preventable mistakes, quality control issues, scrap, rework, warranty claims, and other failures to meet specified standards
_____	_____	_____	Employee Engagement: % of employees with low morale, low engagement, attitudes of entitlement, and sub-optimal work ethic
_____	_____	_____	Employee Turnover: % of undesired turnover (or the cost of recruiting and training that was allocated to back-filling undesired turnover)
_____	_____	_____	Employee Promotion: % of managers brought in from outside versus those from internal promotions
_____	_____	_____	Employee Productivity: % of employee's time not billing, not adding value (or ratio of employees per unit of output)
_____	_____	_____	Employee Development: % of employees not regularly participating in training and not being actively coached by their managers
_____	_____	_____	Talent: % of employees who are not appraised as top performers
_____	_____	_____	Project Performance: % of projects completed behind schedule, over budget, or not to required specifications
_____	_____	_____	Community Impact: % of organizational resource not positively impacting the community
_____	_____	_____	Environmental Impact: % of environmental impact that is negative vs. positive
_____	_____	_____	Values: % of organizational issues and costs related to employee conflict, lawsuits, fraud, ethics violations, audits, and/or dishonesty that should have been avoided had organizational values been followed



Leadership Effectiveness Assessment

Importance	% Before	% Now	Indirect High-Impact Performance Measurements (difficult to measure)
_____	_____	_____	Communication: % of communications lacking clarity, accuracy, relevancy and timeliness
_____	_____	_____	Meetings: % of time spent in meetings that waste time and resource
_____	_____	_____	Employee Leverage: % of employee's capabilities not leveraged
_____	_____	_____	Teamwork: % of employee's energy focused on the "me" at the expense of "we" (or the % of team cooperation and synergy not leveraged)
_____	_____	_____	Goal Orientation: % of organizational effort not directed toward specific goals and objectives
_____	_____	_____	Best Practices: % of repeatable best practices and good ideas not being leveraged or shared between employees
_____	_____	_____	Value Add: % of employee time not directly contributing value to the organization
_____	_____	_____	Employee Pride: % of employees lacking self-esteem, or not proud of their place of employment
_____	_____	_____	Employee Sense of Responsibility: % of employees lacking sense of ownership or responsibility
_____	_____	_____	Employee Sense of Urgency: % of employees with poor follow-up, who work below the expected organizational pace, or who lack a sense of urgency
_____	_____	_____	Processes and Systems: % of processes and systems considered below the optimal levels needed to enable the required performance of the organization
_____	_____	_____	Doing vs. Leading: % of manager time doing work instead of coaching, empowering, guiding, enabling, encouraging, and leading their employees
_____	_____	_____	Decision Making Quality: % of decisions which were made poorly (or not made at all) and resulted in sub-optimum products, services, strategies, personnel moves, sales, etc.
_____	_____	_____	Competitive Differentiation: % of organization's offerings that are not sufficiently differentiated
_____	_____	_____	Progress Toward Vision: % of vision not yet attained

To interpret your assessment, compare the relative percentage change in the "before" metrics from the "now" metrics that occurred due to your leadership influence. From an absolute percentage score and only by rough measure, any percentage listed above that is over 15% is unacceptable. Any measure over 25% should raise serious concerns about a leader's effectiveness.

For additional information on leadership and leadership development, contact info@alpinelink.com.