

“Born to Lead; the Traits of Leadership”

Are there individuals among us who are born to lead, or is leadership a skill which can be taught?

By Susan Cruz

The “elite” leader is the leader who through development of his or her natural leadership ability is able to take an organization to new heights. Put these leaders into any situation and they will, in a relatively short period of time, gain control of dynamic problems with potential solutions, understand their people and how they can successfully motivate these people to execute against strategic initiatives, and produce top tier results on a consistent basis.

Are elite leaders born or can they be developed? The answer is certainly the former, but it is increasingly important for companies to quickly assess the elite leadership potential, and then maximize this potential through proactive and ongoing development. There are very basic characteristics that must be present in order to develop an elite leader. These characteristics, quite frequently, show at very early ages.

Stop by any playground or spend time in a classroom, and you will immediately see them; the one or two in the room who seem to be in charge—the ones who everyone watches. One of my own four children might fall into this category. At her very first parent/teacher meeting my husband was a little surprised to be told point blank by the teacher that “she is a leader.” Time will tell if she, now 12, will become elite; however, she still takes charge of any and all situations, which is interesting to watch when she is in fact the youngest of 4.

The Business Problem

The business environment of the 21st century is dynamic, and successful leadership is dependent upon highly integrated business savvy, personal effectiveness, and people skills. Information flows much more quickly, profit margins are under constant attack, productivity is key to outpacing the competition, and it is critical to produce short term results that do not divert long term success. Elite leaders know how to meet these challenges.

Example: A new manager arrives in his new assignment, an office of highly competitive individuals, who have produced outstanding results, yet this particular situation was one fraught with conflict. The administrative support staff was at odds with each other, and the issues that stemmed from this and the highly competitive nature of the production professionals in the office made an environment that inhibited the true potential of all involved. This young elite used his exceptional interpersonal skills and business savvy to pull everyone onto the same page, get them clear on vision and working more cohesively. This produced strong business results and an environment that attracted strong new talent. Even clients noted the improved energy in the office and how much more pleasant it had become to come in to do business transactions.

Effects of Elite Leaders on Stakeholders; Why We Need Them

Employees

More so than ever before, the key point of competitive differentiation for most companies is people—human resources. Retention of great talent is an increasingly important issue facing companies. The cost to replace a key (first year) employee, this precious resource, is typically 150% the annual salary of the employee being replaced.

Clients/Customers

How much does it cost to replace a lost client? Sometimes that value cannot even be identified, but we all know the dollar value of replacing a client is high. Leaders play an essential role in ensuring employee retention as well as customer satisfaction and loyalty. With stiff competition from all over the globe it is easier, today, to lose customers than ever before. The organization cannot rely on customer loyalty for the sake of loyalty alone. The relationships with the employees, highly effective client solutions, and consistent delivery of these solutions all contribute to client retention, and strong leadership allows the employees to consistently deliver on these critical client retention initiatives.

Shareholders

The shareholder and Wall Street demands improved earnings and profit margins on a quarterly basis, yet the long-term success of the organization cannot be cannibalized to

earn these ever improving results, or the share price will be punished. The “elite leader” is the leader who can work within all of these dynamic scenarios and consistently produce the strongest results.

Value Creation

Elite leaders create value recognized by both inside and outside stakeholders. The internal stakeholders, employees and upper management see them as the “go to” person when something must get done and results must be achieved. Externally, the customer and vendors see this person as a key partner in their own results.

Further, Wall Street analysts look to understand the depth of the management bench and an organization’s ability to attract and keep the best talent. This is one way they assess the potential for future results.

Two Types of Leadership

At the end of the day, “Followers define leaders, as you are only a leader if you in fact have followers.” Leaders interact with followers in two distinct ways, which form the basis of two commonly accepted types of leadership. They are referred to as *transactional* and *transformational*.

In transactional leadership the experience is a “if and then” contract. If this happens then that will happen. For instance, if an employee adds 3 new accounts to the books for a given year they will receive a bonus for their effort of a specified amount. This type



of contractual arrangement in isolation or used by itself with no other leadership influence exerted is transactional. Most also believe that this type of leadership was a better fit for previous generations of business environment such as the early 20th century manufacturing industry in the U.S.

Transformational leadership, on the other hand, is experienced when the leader is able to motivate, inspire and set a vision that moves followers to accomplish a goal or objective. This is most often seen when the future is less certain and the business environment is more complex. The work of the leader is to bridge the gap between the known and the unknown and develop clarity of mission in order to move the organization forward.

The dynamic pace of business today is increasingly calling for a transformational leader, one who is capable of motivating employees to achieve even when the goals and environment are ambiguous.

Traits

The specific traits evidenced in the highest achieving transformational leaders are charisma, environmental sensitivity/emotional intelligence, strategic thinking/the outsider perspective, flexibility, an empowerment orientation, vision, drive for results, grit and the ability to maintain a learning organization. Transformational leaders who is capable of working across all of these dimensions are able to achieve consistent high-level results. They are the elite leaders.

Looking Closely at these Traits

A Closer Look at the Traits needed to be an Elite Leader in Today's Dynamic Business Environment

Charisma is a result of self-confidence and integrity. Individuals with a high level of charisma are able to attract others to their vision. They are able to build trust quickly. The trusting relationship allows followers to move with these leaders.

Environmental Sensitivity/Emotional Intelligence is easiest associated with an innate ability (something naturally done) to put one self in another's shoes; the ability to understand how those around him are affected by all that is impacting them.

Strategic thinking ability includes an outsider's perspective and an insider's knowledge of the situation. The leader has to understand how decisions, directives and change fit into the world picture, the industry's competitive pressures, demographic trends and organizational capability. The leader must be able to size up the internal situation as well as the external pressures in the dynamic environment.

Flexibility includes a willingness to take risk and make sacrifices and knowing which risks to take. The leader needs to understand that the business environment does not move according to a perfectly written plan. The leader has to know when flex in general practice is appropriate and be able to make



Traits For Dynamic Business Environments

- 1. Charisma**
- 2. Environmental Sensitivity / Emotional Intelligence**
- 3. Strategic Thinking / Outsider Perspective**
- 4. Flexibility**
- 5. Empowerment Orientation**
- 6. Vision**
- 7. Grit / Drive**
- 8. Maintain Learning Organization**



these calls without derailing him or herself, the strategic initiative, or the organization itself. Further, leaders must be personally flexible as the world shifts around them as not to lose their personal footing.

An orientation to empowerment is critical to operating in a dynamic environment. The empowerment-oriented leader respects the input of others as well as works to seek it out. We have seen even very high level leaders derail because they do not listen or value the advice of those around them. This leader must be comfortable with empowering those closest to the customer and know how to hold those he is empowering accountable for those important decisions. In a fast paced environment where decisions have to be made quickly in order to deliver the best solutions to customers, being oriented to empower those around you is a key competitive advantage.

Vision is constantly identified as a key leadership trait, and it is. There is much academic and practical research that point to vision as the most important trait of a leader. A charismatic leader cannot be effective if the message, strategic plan, or vision is not clear. Strategy without vision is akin to having one's ladder leaned against the wrong building during a five alarm fire. The vision has to be right, and it has to be clear.

Drive for results, a personal drive or resilience, sometimes referred to as "grit" comes up more and more in the literature. There is a strong body of research that suggests that those who are able to come back time and again after disappointment while staying focused on the goal or "end game" are those who are the most successful of all.



Finally, the ability to maintain a learning organization has proven to be among the most critical of leadership traits. This is especially true in the 21st century business environment. This means that leaders have to constantly be in a learning mode and transcend this mindset to their employees. There is much talk about today's economy being knowledge based. It is clear that the fiercest competition is won by the organization with the strongest and most complete solution for their customer. Delivery of solutions - the best solutions - come from a constantly evolving learning organization.

Leadership Studied

Leadership has been studied for years, and there are many ways to look at leadership. In fact, at least 8 primary schools of leadership styles are evident dating back to the early 20th century. The difficulty is that for each identified school of thought there is at least as many pros as there are cons. The dominant underpinning to the schools deal with identification of traits versus behavior. A trait is a characteristic inseparable from the person; part of who they are. Behavior is how the person does something, the way they execute a process.

At the turn of the 20th century, the "Trait School of Leadership" first identified the theory around the "great man" perspective. These researchers identified specific traits such as intelligence and courage that were seemingly ingrained in the individual who was a successful leader.

In the mid 1950's "Behavioral School of Leadership" replaced the "great man" theories. This school of thought focused on how the leader interacted with those who followed him or her. To a great extent, the way a leader behaved or engaged the followers was



believed to be why the leader was able to cause the group to succeed toward established goals and objectives. From here several schools of leadership developed: Contingency, Contextual, Relational, New Leadership (Neocharismatic/Transformational/Visionary), Information-Processing, and even a Skeptics of Leadership School.

In all of this academic research a great deal is said about behaviors and traits. In order to assess true leadership potential, behaviors must be delineated from traits. Behavior can be learned; traits cannot. A leader missing key traits can only succeed in some environments and only for short periods of time because the true nature of an individual always comes to the surface especially when put under pressure. In each case the question has to be asked if a personal quality is learned or is innate. Is what this individual is evidencing the way they do their work (which can be learned), a behavior, or is it inseparable from their person (innate), a trait? This is the center of the entire argument around traits and behaviors. Therefore, traits must be identified in order to know that the individual has the fundamentals to be an “elite” leader.

A Process

It is important to understand that the first step in developing leaders is to identify the most talented raw substance available. It is then critical to create a safe learning environment for the individual evidencing true leadership traits. We allow the identified talented leader to become elite through conscious application of skill in different



circumstances. With intentional development of the individual, along with the right combination of leadership traits, it is possible for the elite leader to evolve.

They *are* Born to Lead

Elite leadership traits can be assessed. Those people who have these defined traits can become elite leaders with proactive leadership development and coaching. But those who do not have these innate traits would not likely become “elite leaders.” They will disappoint over time.

Early detection and training of these people with potential is essential in building successful companies able to compete in today’s rapidly changing marketplace.

The process of developing elite leaders includes a selection method based on the leadership traits listed above, coaching, direction, providing a safe environment to test skills acquired and establishing accountability for results of the development process.

In summary, leadership traits are innate. They can be discovered, developed and refined. They evolve over time, but they are ingrained in the person. Identifying these elite talented individuals and developing them must be a priority in order to build long-term strength and value in your organization.