Decoding leadership: What really matters

New research suggests that the secret to developing effective leaders is to encourage four types of behaviour.

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Research by McKinsey & Company and The Conference Board into the state of Human capital in corporations concluded amongst other things, “over 90 percent of CEOs are already planning to increase investment in leadership development because they see it as the single most important human-capital issue their organisations face.”

To assess what areas should be invested in McKinsey followed this up with a survey of 189,000 employees from over 81 organisations worldwide and found that a small subset of leadership skills closely correlates with leadership success, particularly among frontline leaders.

Most interesting was the finding that leaders in organisations with high-quality leadership the four behaviours listed below explained 89 percent of the variance between strong and weak organisations in terms of leadership effectiveness.

1. **Solving problems effectively.** The process that precedes decision-making is problem solving, when information is gathered, analysed, and considered. This is deceptively difficult to get right, yet it is a key input into decision making for major issues as well as daily ones (such as how to handle a team dispute).

2. **Operating with a strong results orientation.** Leadership is about not only developing and communicating a vision and setting objectives but also following through to achieve results. Leaders with a strong results orientation tend to emphasise the importance of efficiency and productivity and to prioritise the highest-value work.

3. **Seeking different perspectives.** This trait is conspicuous in managers who monitor trends affecting organisations, grasp changes in the environment, encourage employees to contribute ideas that could improve performance, accurately differentiate between important and unimportant issues, and give the appropriate weight to stakeholder concerns. Leaders who do well on this dimension typically base their decisions on sound analysis and avoid the many biases to which decisions are prone.

4. **Supporting others.** Leaders who are supportive understand and sense how other people feel. By showing authenticity and a sincere interest in those around them, they build trust and inspire and help colleagues to overcome challenges. They intervene in group work to promote organisational efficiency, allaying unwarranted fears about external threats and preventing the energy of employees from dissipating into internal conflict.