Leadership Competencies for the New Millennium

John David Silvernail
St. John Fisher College

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Abstract
Effective leadership is one of the major factors that impacts the success of an organization. Mergers, acquisitions and corporate downsizings have created a more competitive work environment. As a result of the rapidly changing work environment, the need for effective leadership has increased. However, there's currently a leadership gap in the workplace whereby there are not enough competent successors waiting to fill the soon to be vacant leadership positions. Leadership is the ability to create an environment and motivate an individual or groups to have favorable results. In order to be an effective leader, one must have a certain set of competencies. Competencies are a cluster of related knowledge, attitudes and skills that are necessary to effectively perform a major part of one's job. The purpose of this exploratory study was to ask Human Resource professionals to identify the most important competencies necessary for effective leadership in the 21st century. Study results indicate that (a) the ability to have a vision, (b) communication and (c) interpersonal skills were identified by the respondents as key competencies. Over two-thirds of individuals that responded to this study indicate that they work for organizations that do not utilize formal leadership competency models or succession planning strategies. This preliminary study also shows that the definition of a competency varies and is frequently confused with individual qualities and characteristics as opposed to the holistic model most commonly accepted: knowledge, skills and abilities.

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Abstract

Effective leadership is one of the major factors that impacts the success of an organization. Mergers, acquisitions and corporate downsizings have created a more competitive work environment. As a result of the rapidly changing work environment, the need for effective leadership has increased. However, there’s currently a leadership gap in the workplace whereby there are not enough competent successors waiting to fill the soon to be vacant leadership positions. Leadership is the ability to create an environment and motivate an individual or groups to have favorable results. In order to be an effective leader, one must have a certain set of competencies. Competencies are a cluster of related knowledge, attitudes and skills that are necessary to effectively perform a major part of one’s job. The purpose of this exploratory study was to ask Human Resource professionals to identify the most important competencies necessary for effective leadership in the 21st century. Study results indicate that (a) the ability to have a vision, (b) communication and (c) interpersonal skills were identified by the respondents as key competencies. Over two-thirds of individuals that responded to this study indicate that they work for organizations that do not utilize formal leadership competency models or succession planning strategies. This preliminary study also shows that the definition of a competency varies and is frequently confused with individual qualities and characteristics as opposed to the holistic model most commonly accepted: knowledge, skills and abilities.

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St. John Fisher College
The Graduate Human Resource Development Program
in the
School of Adult and Graduate Education

Leadership Competencies for
the New Millennium

A Paper in Human Resource Development
By
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Submitted in Partial Fulfillment
of the Requirements
for the Degree of

Master of Science

May 2000
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Abstract

Effective leadership is one of the major factors that impacts the success of an organization. Mergers, acquisitions and corporate downsizings have created a more competitive work environment. As a result of the rapidly changing work environment, the need for effective leadership has increased. However, there is currently a leadership gap in the workplace whereby there are not enough competent successors waiting to fill the soon to be vacant leadership positions. Leadership is the ability to create an environment and motivate an individual or groups to have favorable results. In order to be an effective leader, one must have a certain set of competencies. Competencies are a cluster of related knowledge, attitudes and skills that are necessary to effectively perform a major part of one’s job. The purpose of this exploratory study was to ask Human Resource professionals to identify the most important competencies necessary for effective leadership in the 21st century. Study results indicate that (a) the ability to have a vision, (b) communication and (c) interpersonal skills were identified by the respondents as key competencies. Over two-thirds of individuals that responded to this study indicate that they work for organizations that do not utilize formal leadership competency models or succession planning strategies. This preliminary study also shows that the definition of a competency varies and is frequently confused with individual qualities and characteristics as opposed to the holistic model most commonly accepted; knowledge, skills and abilities.
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CHAPTER ONE

Introduction

Mergers, acquisitions, corporate downsizing and the global marketplace have all created a more competitive work environment. As we enter the new millennium, the need for effective leadership will increase. Due to a competitive global economy, advances in technology and the overwhelming need for large corporations to continually focus on the bottom line, effective leadership will ultimately influence the success or failure of an organization. Development Dimensions International (1999) reports that over the next five years, 40-50% of all corporate executives will leave their current positions. This exodus will leave gaps in the leadership structure (Byham, 1999). The lack of competent successors to fill these gaps is accompanied by a concurrent lack of well designed succession strategies (Hanson & Court, 1998).

A primary focus of corporations is to advance the organizational mission, vision and goals. It is only by enhancing employee leadership skills and further developing a set of leadership competencies that they will succeed. Weathersby (1999) states that developing effective leadership is an ongoing priority at all levels of today's organizations. Ettore (1999) reports that over two-thirds of the companies polled in their study promote leadership training as a way of retaining employees. Many leaders lack strength in the skills deemed important for their current leadership positions (Bernthal, Rioux, & Wellins, 1999). All of these factors point to the need for the development of effective methods for imparting leadership skills via the use of leadership competencies.

The importance of effective leadership has become more prominent over the past few decades. Low unemployment rates have created a tight labor market and brisk
Leadership

competition for technically skilled workers. Skilled leaders at the helm of corporations can provide a major recruiting advantage when seeking to hire highly educated and skilled workers in the fields of science and technology. The American Society for Training and Development research committee states that there has been a 23% increase in the number of organizations offering leadership development over the past ten years (ASTD, 1998). Effective leaders should possess the skills, knowledge and abilities—or competencies—to enhance individual and organizational growth (Parry, 1998; McLagan, 1989; ACA, 1996).

Purpose of the Study

The purpose of this study is to identify the core competencies that leaders need to possess in order to be effective. Specifically, “In the opinion of Human Resource professionals, what are the most important leadership competencies needed in the 21st century?” This preliminary study reports the most important new millennium leadership competencies identified by 57 Human Resource Professionals from across the globe.

Organization of the Paper

This paper presents a five-part study. Chapter 1 offers background information about the study. Chapter 2 outlines a review of related literature that establishes the framework for this study. Chapter 3 describes the methodology employed to conduct the study, the target population and sample, the survey instrument, and the analysis techniques utilized. Chapter 4 presents the findings and results of the analysis. Last, Chapter 5 discusses the meaning and implications of the results, and offers recommendations for future research.
Background of the Study

Currently there is a leadership crisis in the workplace (Weathersby, 1999; Searcy, 1998). Often, if an organization loses its leader due to retirement or career change, there is a lack of competent candidates waiting to transition into the role as leader (Hanson & Court, 1998). Therefore, organizations must be aware of the volatility of the workplace and develop strategies to ensure a smooth transition of new leadership into the position.

The future will present many challenges to organizations, their culture, and leadership prospects. New visions of leadership will foster change, as will the global economy and e-commerce evolution. Moreover, in the future the workforce will be more diverse and technologically advanced than ever before. The workforce will become older and more experienced as more individuals work past the usual retirement age of 65 years old. In addition, affirmative action has allowed greater diversity and cultural values to impact on the workforce. The result is predicted to be a need for more progressive leadership with a collaborative approach to communication, idea generation and problem solving (Searcy, Hall & Britt, 1999).

Powell (1998) states that the leaders of the next millennium will need to possess different skills than they do today because of continually advancing technology moving a knowledge-based economy forward. He further asserts that the core skills for leaders will continue to include communication and team building. However, in the long-range plan outline by Bernthal, Rioux & Wellins (1999) there is an increased need for strategic decision making and visionary leadership skills. In their benchmark study, DDI (1999) reports that today’s leaders are not well prepared for future responsibilities. The future
will present challenges in the areas of empowering leadership, innovation and performance success.

There will be a need to continually develop the skills required to link creativity with innovation and provide a consistent focus on performance measurement as it relates to the competition. Organizations need to promote leaders who are strong in these skills as well as develop their current leaders in these important competency areas to ensure success in the future.

O'Toole (1999), author of “Leading Change A to Z,” states that leadership is the ability to create followers while keeping a close eye on the vision of the organization. He argues that leadership in the future will need to incorporate decision-making processes that are aligned with the vision of the company. For example, in a recent speech given at the Lakeside Foundation Dinner in Rochester, New York, General Norman Schwartzkopf stated that leadership in the 21st century will need to demonstrate two key rules. Rule 13, as Schwartzkopf (1999) fondly calls it, states that “When placed in command, take charge.” The second rule, number 14, states that when making a decision, “Do What’s Right.”

According to Stanford (1999) the future will be a positive one if leaders keep in mind four key techniques that demonstrate key competencies associated with effective leadership. First, leaders need to maintain positive expectations of their team and thereby empower them to perform. This technique requires leaders to possess strong interpersonal skills and team building competency. Second, leaders need to clearly map out their goals and objectives for the future. The key competency here is visioning. By mapping goals, the team has a clear idea of the direction they are headed and are
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provided the tools they need to reach their destination. A visionary as their leader encourages success. Third, accept failures as part of the learning process. Success should be regarded as a long range plan. Don’t expect overnight success. Strong decision making skills and abilities are required. Fourth, rewards and recognition plans should be used at the end of a project. Leaders who reward people during the project may minimize other team members and diminish their efforts (Stanford, 1999). The ability to invent best practices empower and reward employees is critical in this application.

Future leadership competencies will include the ability to exhibit entrepreneurial visions for organizations (Smith, 1999). The Society for Human Resource Management (1999) reports that eight out of ten leaders believe that the manifestations of entrepreneurial philosophies will be the defining leadership trend in the 21st century.

Bullard (1999) asserts that leadership will be influenced by our aging workforce and attitudes towards other generations of workers. The workplace will be redefined due to the dynamic changes associated with older workers. For example, in New York City, older workers make-up almost 19% of the workforce which is relatively close to our younger workers at 20% (Bullard, 1999). Cultural differences created by varying age groups requires specific expertise to be exercised by the leadership of an organization. Consequently, the need for competence in cultural awareness and diversity is imperative.

Finally, the future will be influenced by the support of subordinates and the leadership’s ability to motivate followers. Kouzes and Posner (1995) note seven lessons that leaders need to embrace in their journey towards the future:
1. Leaders Don’t Wait
2. Character Counts
3. Leaders Have Their Head in the Clouds and Their Feet on the Ground
4. Shared Values Make a Difference
5. You Can’t Do It Alone
6. The Legacy You Leave Is the Life You Lead
7. Leadership Is Everyone’s Business

Mergers, acquisitions, the global marketplace and technology have all created a more competitive work environment. Thus, the need for effective leadership will increase. Currently, there is a leadership gap in the workplace whereby new leaders lack the skills, knowledge and abilities to be successful. The rapid rate of change in our society and in the workplace will create new challenges as the future unfolds. Therefore, organizations must be proactive in developing their leadership successors to ensure a smooth transition into new leadership roles. Identifying needed and desired competencies to aid organizations in this development and transition process is critical. Thus, the purpose of this study supports this need. Chapter Two presents a review of the related literature that frames this study.
CHAPTER TWO

Literature Review

This preliminary study attempts to identify the core competencies associated with effective leadership. Specifically, "In the opinion of Human Resource professionals, what are the most important competencies leaders should possess in the 21st century?"

This chapter offers a six-part discussion of the literature associated with this study. First, a brief overview of the definition of leadership is examined. Second, leadership traits are discussed as primary predictors of leadership success. Third, leadership development is investigated using current leadership development models, assessments and career development approaches that lead to competency development. Fourth, an in-depth examination of Emotional Intelligence is presented as a contributing factor of leadership success. Fifth, succession planning is explored through two examples of companies that utilize succession planning strategies. Finally, leadership competencies are investigated using case studies, and job competency models.

Leadership Defined

"Leadership is the ability which enables an individual to motivate others to do willingly that which they have the ability to do, but might not spontaneously be likely to do on their own" (Epsilon, 1998). Farr (1999) states that leadership is the ability to get people to follow you, while Drucker (1997) contends that an effective leader is someone that has followers. Leadership means learning to communicate effectively (Schultz, 1996). Leadership does not mean aggression, force or coercion (Farr, 1999). Leadership is the ability to create an environment and motivate groups and individuals to achieve favorable results (University of Michigan Medical Branch, 1999). Leadership implies
that an individual has a special effect on others which warrants their respect and admiration. A leader causes others to follow him/her on a course of action that is based on the positive attitudes of both them and their subordinates (Farr, 1999). The course of action is based on the leader’s awareness of the organization’s mission, the capabilities of his/her associates and a desire to achieve realistic goals.

According to Neck and Manz (1998), leadership does not involve striving for perfection, but for excellence. Striving for excellence allows leaders to demonstrate the ability to distinguish themselves from others. Career development for leaders is a major component for achieving this personal excellence. To achieve personal excellence a coordinated effort between the organization and the employee is essential (Searcy, Hall & Britt, 1999). Thus, formal career development programs must be in place. Here, the demand for leadership career development becomes the responsibility of the individual, or the developing leader (ASTD, 1998).

Leadership requires the ability to motivate, understand and inspire followers. In the past, the command and control style of leadership was the primary tactic used (Farr, 1999). More recently, leaders are responsible for determining the values and principles for the organization as well as demonstrating the team based approaches to leadership (Malgalhaes, 1999). Therefore, the power approach is passé.

Casselman and Daughtry (1998) describe the lack of specific features that contribute to success as the “success trap.” The authors assert that leaders can avoid the “success trap” by remaining positive about their abilities. In a four dimensional leadership model, Casselman and Daugherty (1998) identify the areas required for leadership success. This model includes (a) dimensional leadership, (b) interpersonal
leadership, (c) personal leadership, and (d) implementation leadership (Casselman & Daughtry, 1998). Dimensional leadership comprises the goals and vision for the direction in which the organization is going and how it will get there. Interpersonal leadership defines the quality of experiences between the leader and follower. Personal leadership contains a focus on oneself to build character and competence. Last, implementation leadership is the carrying out of desired tasks and projects.

Huber (1998) states that becoming a leader involves leading from within. In line with Huber, Searcy, Hall and Britt (1999) identify four characteristics of exemplary leaders: (a) passion for personal growth; (b) authenticity; (c) credibility; and (d) ethics. In other words, follow-through, being genuine and having a clear sense of purpose influence a leader's abilities. By having a high regard for human dignity, leaders can lay the foundation to bring about change in any organization. Galpin (1998) asserts that leaders have the ability to make organizational [change] work through their use of people. As Farr (1999) notes, leadership is the ability to get people to follow you. This ability requires individuals to possess a particular set of leadership traits. A discussion about leadership traits and characteristics of people adds focus to this preliminary study.

Leadership Traits

In the past, corporate leadership was dictated by seniority, achievements, or various forms of popularity. However, as the competitive work environment changed, so did the way in which leadership was examined (Spencer, 1999). In a detailed report, Thomas Spencer (1999) briefly illustrates the progression of the observable factors noted when leaders/leadership was described during the 20th century starting with the financial crisis in the early part of the century to the current e-commerce revolution to frame this
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discussion of leadership traits. The following component summarizes Spencer’s (1999) report.

**Spencer’s Report**

During this infancy of leadership research, the personality traits of leaders were evaluated to determine which ones had the most impact on their ability to lead. Traits such as intelligence, socioeconomic status, birth order and the child-rearing practices experienced by these leaders were investigated. After failing to find one single trait or combination of traits that explained a leader’s success, researchers began to focus on the effect of external variables or situations and their impact on the skills and behaviors of leaders.

According to Spencer, following leadership research regarding personality traits, subsequent leadership research focused on the difference between the leader and the follower. Initially, traits that could be identified in effective leaders were studied. Financial panic in 1907 identified J.P. Morgan, as a “mogul” type of leader. Mr. Morgan called together the nation’s leading financial guru’s and refused to let them leave until they pledged the necessary money to stabilize the economy. In the 1920s, celebrities had the personality traits associated with leadership. One example was Charles Lindbergh, whose success as a leader was media-driven. Lindbergh was the first aviator to complete a transatlantic flight from the United States to Europe in 1929 (Lindbergh Report, 1997). He also won a Pulitzer prize in 1954 based on his autobiography “The Spirit of St. Louis.” In the 1930s, the union worker and his personality traits gained leadership recognition as the first to arrange sit-down strikes that resulted in power at the bargaining
table with corporate leaders. After Europe was ravaged by World War II in the 1940s, the United States established itself as the economic leader.

Honeywell Chairman, Harold Sweatt, became the spine of corporate America by wearing a gray flannel suit in the 1950s setting a standard in professional attire for those in leadership positions. In the 1970s, women were a new generation of graduates entering the workforce with high expectations of hoping to “lead”. During that time, women struggled to become leaders in the corporate arena but found themselves limited by corporate “glass ceilings” that made it very difficult to ascend past low-level management positions (Rosner, 1999). “Glass Ceilings were defined as a transparent barrier that kept women from rising above a certain level in corporations” (Morrison, White & Velsor, 1995, p 13).

In 1974 Stogdill developed a model for identifying six personal factors that were deemed important for successful leadership (Spencer, 1999). These factors are capacity, achievement, responsibility, participation, status and the situation. While the model was good for identifying the personal attributes of leaders, the scope of these traits was not sufficient for establishing guidelines for leaders.

Following Stodgill's “trait” investigations, researchers started to examine “situation” as the basis for leadership (Spencer, 1999). The situational approach examined leadership by the requirements of the social situation. Situational leadership unveiled the complex nature of leadership due to its inability to predict which leadership skills or characteristics would be more effective in certain situations. These leadership traits were examined to identify the potential success of leaders in various situations.
The contention here was that successful leaders possess certain traits that can be developed.

The 1980s became the decade of MBA (Master of Science in Business Administration). The MBA prepared leaders as well as resulted in an increased emphasis on effective leadership (Spencer, 1999). Most recently, the 1990’s have been the decade of e-commerce, the Internet and electronic communications (Spencer, 1999). Leadership studies in the 1980s and 1990s again focused on the individual traits of leaders and the impact those characteristics had on the overall success of the organization.

Conclusion

In the early 1990’s, Bolman & Deal (1991) and Oliver (1995) reexamined Maslow’s Hierarchy of Needs which states, as basic needs of food, clothing and shelter are met, an individual can focus on socialization, self-esteem and finally, self-actualization. Thus, when a leader is fully progressed along Maslow’s hierarchy, he/she possesses some of the individual traits necessary to motivate others to follow him/her.

This section of the literature review presented Spencer’s observations of leadership traits. Traits were viewed over time—1900-1999. A discussion about leadership development provides another dimension to this literature review.

Leadership Development

Currently, leadership development is a major focus in organizations today (DDI, 1999). The Center for Creative Leadership (1999) indicates that there is a 31% increase in the number of executives attending leadership development programs. Leadership development activities are being implemented at all levels of organizations. DDI cites that current leadership development programs currently receive less than one fifth of the
total training and development budget. In the next year, 84% of organizations project that they will increase their expenditures in leadership development in order to prepare their leaders for the demands of the future (Bemthul, Rioux & Wellins, 1999). As leadership successors are identified in conjunction with their strengths and weaknesses, development plans are implemented. The overall focus of leadership development is to enhance leadership capabilities in accordance with the organizational mission, vision and philosophy. The organization and its culture are key indicators of the need for potential changes in leadership styles within the organization (Wellins & Bradac, 1996). In this part of this literature review, leadership development is discussed. An example of a leadership development model is highlighted by examining Lubrizol, a large chemical company. Assessments designed to inventory knowledge management and career development concepts will also be explored.

Lubrizol Corporation

Lubrizol Corporation is a leader in the chemical industry (Welches, 1999). Initial surveys of the organization concluded that the corporation needed to improve their leadership development efforts. These surveys included an executive council assessment indicating a gap in leadership development. A climate survey indicated that there was a need for improved leadership while the market indicated that the pool of leadership talent was shrinking as the demand for leadership was increasing (Welches, 1999). The Human Resources department developed a leadership succession planning process to identify and develop future leaders. This process consisted of four phases. The four phases of development included analysis, review, coaching and development, and identifying future leadership positions. The analysis phase included considering all candidates from
all locations and divisions. Here, the recommended candidates were assessed to determine their strengths and weaknesses and their relation to relevant core competencies of the organization. The second phase was to meet and have a discussion regarding all successor candidates. In the third phase, coaching and development activities were implemented to ensure job rotations, project management leadership, internal and external training and presentations to senior leadership. In the fourth phase, as leadership positions became available, the executive committee met with the HR department to review potential candidates. The overall goal of Lubrizol's succession planning process was to ensure quality of leadership (Welches, 1999). In so doing, a larger pool of potential leadership candidates was pre-established in order to help alleviate any potential leadership gaps.

This example shows how succession planning helps to identify core competencies that leaders need to possess for each specific situation within an organization. In turn, leadership development can be initiated to strengthen the competencies of targeted leadership. More importantly, leadership development helps to promote opportunities for growth through the use of assessment tools and feedback from mentors in leadership roles.

Assessments

Leadership development requires leaders to take inventory of their knowledge management skills (Grayson, 1996). Assessment tools such as 360 degree feedback, personal assessments and SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis are ways for organizations to evaluate their leadership candidates. Leadership competencies are at the forefront of leadership assessments (Kravetz, 1999). The
assessments are then analyzed to initiate development training sessions which may include one-on-one coaching, mentoring or role-play situational activities.

**Career Development for Leaders**

Career development for leaders is a major component of personal excellence. Leadership does not involve striving for perfection, but excellence (Neck & Manz, 1998). The demand for career development in leadership is mainly the responsibility of the person themselves (ASTD, 1998). However, self-leadership involves a coordinated effort between the organization and the employee. Action learning is one of the most widely used forms of leadership development (Powers, 1999). An example may include providing real-time case studies as the basis for developing leadership strategies and problem solving skills. These case studies allow leaders to prepare for real-life situations involving the current issues within their organizations.

Leadership development pertains to the ability to motivate, understand and inspire the followers. Power was the primary source of leadership in the past (Farr, 1999). However, leaders are responsible for determining the values and principles for the organization as well as developing team-based approaches to leadership (Malgalhaes, 1999). For example, in the Health Care area, doctors are now assuming leadership roles within their practices due to managed care (Olson, Scott & Wright, 1997). Most alarming, is the fact that they do not teach leadership in medical schools as it continues to reflect the values of a time when physicians were viewed primarily as clinician leaders not business leaders (Olson, Scott & Wright, 1997).

Competency-based training and building competency models are just a few of the ways of developing and setting standards for leadership development (Stone, 1997).
More organizations are including leadership competency development as part of their strategic plans (Solomon, 2000).

Leadership development involves skill enhancement that allows leaders to perform their jobs more effectively. Almost 94% of leaders say that the primary reason for developing their skills is to enhance job performance (DDI, 1999). However, another reason for leadership development is a passion for personal growth (Searcy, Hall & Britt, 1999). More importantly, leaders that grow with the organization through development programs are less likely to leave the organization. Retaining good leadership is a concern for most organizations. Leaders will be lost to other organizations if the opportunity for growth and self-actualization is not provided (Filson, 1998).

In the late 1980s, Emotional Intelligence was identified as a predominant predictor of successful leadership performance (Martinez, 1997). Emotional Intelligence combines the social skills of a leader with their abilities to manage working relationships within the workplace. Further discussion of this defining predictor clarifies Martinez’s (1997) assertion.

**Emotional Intelligence**

Intelligence Quotient (IQ) is valued significantly in our society. IQ was used as a way of predicting a person’s knowledge as it relates to everyday life. However, Emotional Intelligence (EI) has been established as a more prominent predictor of successful leadership than IQ (Martinez, 1997). EI has been deemed twice as important as IQ, or technical skills. Individual success in an organization is 80% dependent on EI and only 20% dependent on IQ (Goleman, 1998).
Based on these data, successful leaders must then develop their emotional intelligence in an effort to combine leadership competencies and the emotional side of workplace success. EI involves what Goleman (1998) calls “street smarts.” EI is defined as “the combination of self-awareness, self-management, social skills, social awareness and the person’s ability to use positive attitudes associated with these competencies when dealing with other people” (Leonard, 1999). The major advantage of EI is that it can be learned (Goleman, 1998). Most people in their 40s or 50s have significantly higher EI than those of younger people because they have greater life experience to draw upon. Pitcher (1999) states that not having EI can lead to rigid thinking that will provide complacency with the present, and not allow for envisioning the future.

Many organizations are grappling with the concept of EI. For example, American Express (AE) Financial Advisor’s used EI as a motivation tool for promoting pride, trust and a sense of security (Hays, 1999). AE contracted with an outside consultant to implement an EI program designed to effectively manage client relationships. These relationships ultimately impacted the success of the organization. As a result, advisor’s now realized the importance of emotions in dealing with their clients and how these emotions impacted the buying decisions of people. Therefore, developing leadership training that is suited for expanding a person’s perceptive skills in EI is encouraged (Hays, 1999). Recent findings regarding EI support the concept that education develops an interaction between the cognitive and emotional domains (Emotional Quotient, 1999).

EI involves a behavioral change that is not designed for seminars, but for long-term approaches to behavioral change. Leaders need to realize the importance of EI skills and how they enhance a person’s performance and leadership capabilities.
According to Goleman (1998), there are five skills associated with EI. More understanding of EI and its five skills explores how it relates to leadership effectiveness.

**EI Skills**

**Self-awareness.** According to Goleman (1999), self-awareness is the first skill of EI. Self-awareness involves “knowing thyself.” It extends outwardly to our emotions, strengths, weaknesses, needs and drives. Individuals who are self-aware will be frank about their failures, but will often tell their tales with a smile. Self-aware leaders have a basic understanding of their values and goals. More important, is their knowledge of where they are headed and why. Leaders need to exhibit self-awareness of their own personal attributes so that they can lead others.

Effective leadership involves the ability to develop internal working relationships with members of the organization. In turn, leaders must develop competencies in communication, interpersonal skills and negotiation skills in an effort to enhance working relationships and their abilities to effectively lead their organizations.

**Self-regulation.** Self-regulation is the second characteristic of EI. Our emotions drive our personal impulses and we have to learn to manage these impulses. Often, we are captives of feelings which need to be controlled in order to channel our emotions in more useful ways (Goleman, 1999). Leaders need to exhibit emotional self-regulation and are more able to create an environment of trust and fairness. This positive work environment reduces the level of political in-fighting and in turn, produces a more productive work atmosphere. Interpersonal skills and the ability of leadership to effectively cultivate their self-regulation will foster trust, integrity and fairness in their
work environments. Leaders need to remain in control of their emotions and utilize a calm, well directed approach to work situations.

**Motivation.** Motivation is the third component of EI. Leaders are often driven by their need to achieve beyond expectations. The basis of motivation lies in the passion for the work itself. Most important, leaders seek out creative challenges, love to learn and take pride in a job well done. Motivation involves the need to constantly seek out different approaches to work while raising the performance benchmark. Optimism and organizational commitment are key motivational concepts that result from leadership. Passion for growth comes with effective leadership. Leadership passion not only constitutes organizational growth but individual growth in both the leader and his constituents. Passion for growth starts with a plan to grow, accountability of your growth, sharing your experiences, organizing and initiating new experiences and networking with others (Searcy, Hall & Britt, 1999).

**Empathy.** Empathy is the fourth component of EI. Of the five dimensions of EI, empathy is most easily recognized. However, in businesses, there is a lack of rewards for being empathetic. When making decisions, leaders need to express empathy towards other’s feelings in relation to the other factors in the process of making sound business decisions (Goleman, 1998). The three main reasons that leaders need to promote empathy is the increasing use of team-based approaches, the global marketplace and the organizational need to retain talented workers. Empathetic skills for effective leadership include honesty/integrity, teamwork and diversity for promoting empathy of another person’s feelings.
Social skills. The fifth component of EI is social skills (Goleman, 1999). Social skills and empathy are reflective of a leader’s ability to manage relationships. Therefore, leaders usually have a large networking alliance that is helpful when key decisions need to be made. Positive attitudes that leaders exhibit can be channeled into all levels of the organization. Socially adept leaders do not limit the scope of their networks. Social skills enhance teamwork and promote optimism.

Finally, the components of EI can be learned and used for our diverse and dynamic workforce. Organizations need to develop effective leadership that possess tools and abilities to communicate the passions for the growth within the organization.

Strong leadership is comprised of several ingredients including technical ability, IQ and EI (Emotional Intelligence). This equation would not be complete without EI. As organizations change and grow, developing their leadership becomes critical. Succession planning is one way to improve leadership development and is a defining factor for future stability. Succession planning strategies are implemented to increase the skills and abilities of high-potential candidates. A formal discussion of succession planning strategies describes this progression.

Succession Planning

Succession planning involves the selection of key managers that are deemed potential candidates for leadership positions (Hagberg, 1999). In conjunction with being identified as high-potential prospects, many organizations seek to further develop the leaders’ competencies in an effort to ensure a smooth transition into leadership roles. Assessments, job-competency matching, as well as strengths and weaknesses are identified for further development. This portion of chapter two examines the relevance
succession planning in organizations and provides an example of a comprehensive succession planning strategy.

Succession planning is no longer suited for organizational stability where static structures and heirs apparent previously prevailed (Bruer, Liberman & Maki, 1996). The key theory for succession planning is the enormous rate of change that is characterized in our global economy. In order to bring about a different set of succession strategies, organizations must think differently about developing their future leadership. Unfortunately, in developing our leadership through identifying key leadership competencies, only 28% of companies use competency models for succession planning purposes (Aon, 1997).

An example of a succession planning strategy will be explored through approaches employed by Hagberg Consulting, a consulting firm specializing in succession planning. This example provides a framework for identifying future leaders in organizations while developing their necessary competencies.

Hagberg Consulting

In a study of their clients, Hagberg Consulting (1999), identified four distinct phases of succession planning. The first phase is to identify the required set of competencies for management and leadership. Hagberg utilizes empirical research to validate the competencies. Second, after identifying the competencies, organizations must evaluate leaders using a customized 360 degree evaluation tool or another form of assessment instrument. Third, following the evaluation, a list of likely successors will be developed to identify the candidates with the most potential. Fourth, the prospects are
further refined through ongoing development programs. In addition to the development programs, all managers are coached and groomed for future success.

Succession planning helps organizations by engaging senior leadership in a structured review of leadership talent (Hall, Searcy & Edwards, 1999). Moreover, the process involves assessing the development activities of key executives. Coupled with leadership renewal, the planning process helps organizations review rewards systems, management development and selection processes. Last, the succession planning process establishes a continuity of leadership which prevents transition problems and avoids premature promotion.

This example shows how succession planning helps to identify core competencies that leaders need to possess for each specific situation within an organization. In turn, leadership development can be initiated to strengthen the competencies of targeted leadership. More importantly, leadership development helps to promote opportunities for growth through the use of assessment tools and feedback from mentors in leadership roles. A more thorough understanding of leadership competencies adds focus to this study.

Leadership Competencies

What is a competency? More specifically, what are leadership competencies? By definition, a competency is made up of a plethora of multifaceted features. These features may include any of these following elements: skills, abilities, knowledge, attributes, attitudes, capabilities, behaviors, characteristics, motivations, or anything else that distinguish superior performers from average performers (Clark, 1999). Parry (1998) identified a competency as a cluster of related knowledge, attitudes and skills that are
necessary to effectively perform a major part of one's job. Webster's (1996) defines a competency as sufficient means for one’s needs and abilities. Rothwell & Sredl (1992) state that a competency is an area of knowledge or skill that is critical for producing key outputs. McLagan’s (1989) definition reports a competency as internal capabilities that people bring to their jobs that may be expressed in a broad, even infinite, array of on-the-job behaviors. The Center for Creative Leadership (1999) identifies competencies as the knowledge, skills and abilities necessary to perform one’s job. The American Compensation Association defines competencies as individual performance behaviors that are observable, measurable and critical to success of individual corporate performance (Canadian HR Reporter-Press Release, 1996). According to Byham (1997) core competencies can be confusing to HRD professionals due to the human characteristics skills/knowledge, behaviors and motivations that are associated with one’s job success. The competency confusion is accentuated by these numerous definitions.

In the next chapter, the methodology to conduct this study is discussed. Here, ten individual leadership competency models are presented and examined. These models are the basis for the development of the survey instrument utilized in this preliminary study. Each of the previously mentioned definitions, or a combination thereof, are represented within this collection of models. Thus, the perplexity of this topic becomes more apparent.

In Chapter Three, the target population, sample and sampling strategies are described. In addition, data analysis and data collection methods are discussed. Finally, the process of administration, development of the survey and limitations of the methodology are examined.
CHAPTER THREE

Methodology

The purpose of this exploratory study is to identify the core competencies of effective leadership. Specifically, in the opinion of Human Resource professionals, "What are the most important leadership competencies for 21st century leadership?"

This chapter presents the conduct of this study. An overview of the survey research including target population, sample and sampling techniques are discussed. In addition, data analysis and data collection is described. Finally, the survey instrument and survey development are presented.

Target Population and Sample

The target population consists of Human Resource development professionals currently employed in the profit and non-profit sectors. The sample includes members of two professional on-line listservs. These listservs include the Training and Development listserv based out of Pennsylvania State University and the Industrial Organizational Psychology listserv at Rutgers University. A professional listserv is a moderated forum for discussing, transmitting and exchanging information. Membership in the Training and Development listserv is comprised of professionals from the training, organization development, career development fields and has in excess of 5000 subscribers worldwide. The membership of the Industrial Organizational Psychology listserv consists of 1500 subscribers including students from the Rutgers I/O psychology program, professors as well as other HR related professionals.
Sampling

Non-probability convenience sampling was employed in this study. "Non-probability samples are chosen based on judgments regarding the characteristics of the target population and the needs of the survey" (Fink, 1995 p.9). Fink (1995) notes three reasons for using non-probability samples:

1. Surveys of hard-to-identify-groups;
2. Surveys of specific groups; and

While convenience sampling has no controls to ensure precision, it is a useful procedure to test ideas, gain knowledge about subject matter and to seek guidance for future examinations (Cooper & Schindler, 1998). This method allows researchers to choose whomever they wish to participate in a study, or groups of individuals that are available to access information. For the purposes of this study, this approach to sampling is most appropriate because this is a preliminary examination of the subject. Moreover, in these early stages of this study, identification of the group to be studied is undetermined.

Disadvantages of this method include a high potential for bias or a misrepresentation of the population where participants may be unlike most of the targeted constituents. Therefore, the findings may be distorted and the range within which to expect the population parameter cannot be estimated. These disadvantages add to the limitations of this exploratory study.

Although convenience non-probability sampling is considered to be the least reliable sampling design, it is still considered a useful procedure in exploratory studies such as this one. To add greater precision to the sampling, more careful selection of
sample members can or may lend credibility to a study. In this case, an assumption is made about the chosen sample: that the two professional listservs are comprised of HR professionals or professionals in allied HR fields.

Data Analysis

Descriptive statistics were applied to analyze the data. Here, frequencies and percentages were calculated to determine the leadership competencies identified as most important. In addition, the analysis included an “order-of-importance-ranking” to identify the first, second and third most important leadership competencies. Percentages of respondents that work for organizations that use leadership competency models and succession planning strategies were also computed. Finally, biographical data were analyzed to identify specific characteristics of the respondents such as size of their organization, years employed with the organization, gender and job title.

Data Collection

Data were collected using a self-administered questionnaire. A self-administered questionnaire is an instrument used to collect information from people who complete the instrument themselves (Bourque & Fielder, 1995 p. 3). The advantages of self-administration is that the cost is lower compared to other methods. Other advantages include consistent stimulus of response, possibility of more representative samples, and larger geographic coverage and sample sizes. Disadvantages of self-administered questionnaires include inaccurate availability of lists, low response rates, biased questions and no control over who responds to the survey. This type of questionnaire should be used when the motivation to seek information is high (Bourque & Fielder, 1995 p. 7). “Self-administered questionnaires can be completed as one-to-one, group,
semi-supervised or unsupervised" (Bourque & Fielder, 1995, p. 8). For the purposes of this study, unsupervised administration was used. This means that there was no control over who responded to the survey, but is likely to be a more representative sample (Bourque & Fielder, 1995).

Process of Administration

An invitation to complete the survey was sent to the two chosen listservs for one week. This type of posting must meet approval by the listserv moderator. The listserv moderators approved the postings after examining the study invitation (See Figure 1). Listserv subscribers were invited to participate in this study in two different waves for each listserv. The invitation was posted to the Training and Development listserv for seven days then removed while the posting was issued at the Rutgers University listserv. This process was then repeated, but for four days instead of seven. When willing participants viewed the study invitation, they responded through the researchers’ email address. The survey was sent to their email address with an attached cover letter and thank you note (Appendix B). A detailed description of the survey instrument and its development process further details the methodology for this study.
Leadership Competency Study Invitation

My name is John Silvernail and I am a Master of Science in Human Resource Development student conducting a research project about leadership competencies. The purpose of this study is to identify the core competencies associated with effective leadership. Specifically, "In your opinion, what are the most important competencies for 21st century leadership?"

If you are interested in completing a questionnaire for this study, please email me at jsilver1usa@netscape.net. In your request, include your email address or your postal mailing address so that I may respond to you in a timely and most accommodating way. The questionnaire will then be forwarded to you. Results of the study will be posted on the St. John Fisher College Graduate Human Resource Development Webpage at http://home.sjfc.edu/~hrd/index.htm. Thank you in advance for your participation. I look forward to hearing from you.

Figure 1. Listserv Invitation

Survey Instrument

The purpose of the survey was to collect information that would lead to the identification of the most important leadership competencies for 21st century leadership. Survey development included acquiring and studying leadership competency models and analyzing the competencies within these models.

Survey design. The survey was designed to collect three categories of information: (a) to identify the most important leadership competencies; (b) to determine if organizations utilize formal leadership competency models and succession planning...
strategies; and (c) biographical data about the respondents' size of the organization, years employed in the organization, gender and job title (See Figure 2). Data were collected to assess the use of leadership competency models and succession planning strategies because of the need for planned successors. Biographical data were collected to capture demographic information about the respondents and to provide a rationale for each of the three categories.

Survey development process. The survey was developed by collecting information from three sources: (a) existing literature; (b) Websites; and (c) organizations that specialize in leadership competency models. The models were analyzed using Attribution Content Analysis. An Attribution Content Analysis examines the frequency with which certain characteristics or descriptors are used. "This is a simple counting exercise with emphasis on adjectives, adverbs, descriptive phrases or qualifiers rather than the targets of these parts of speech" (Stewart & Shamdasani, 1990, p. 107). The Attribution Content Analysis used in this exploratory study identified the most frequently mentioned competencies from these models. Appendix A shows the Attribution Content Analysis Summary Table. To read this summary table, the following components need clarification. The left side of the table shows a listing of the related competencies from the models. The abbreviations for the represented organizations are listed at the top of each column. A Table Key of participating organizations is located at the bottom of Appendix A. In this analysis, each time a competency was used by a respective organization, it was marked with an "X." The total number of responses for each competency is listed in the far right hand column. If a competency was mentioned four or more times, the competency became part of the list presented in Question 1.
This analysis identified 17 competencies. These competencies became the basis of the survey.

Figure 2 shows the resulting Leadership Competency Survey. The three part survey asks participants to respond to eight questions. From the list created in the Attribution Content Analysis, Question 1 asks participants to identify in their opinion the ten most important competencies for effective leadership in the 21st century. From the list created in Question 1, Question 2 of the survey asked respondents to rank order the first, second and third most important competencies from the list that participants.

Questions 3 and 4 asked respondents to identify the use of formal leadership competency models and succession planning strategies within their respective organizations.

Question 5 asked respondents to report the size of their organization based on number of employees. Questions 6, 7 and 8 asked participants to identify the years employed with their current organization, gender and job title.

Limitations

As in all preliminary studies, this examination has several limitations. For the purposes of this discussion, three will be addressed. First, the non-probability approach to sampling utilized to conduct this study, convenience sampling, causes a high potential of bias or a misrepresentation of the population where the participants may be unlike most of the targeted constituents. Therefore, the findings may be distorted and the range within which to expect the population parameter cannot be estimated.

The second limitation is the design of the survey itself. Here, the subject matter information was limited to a small number of "leadership competency models" acquired from three source areas: (a) existing literature; (b) Websites and (c) organizations.
Leadership Competency Survey

Thank you for agreeing to participate in this preliminary study. The study is part of a larger project designed to identify the core competencies considered most important for 21st century leadership.

Instructions
Please complete the following survey. You may return it to me by email at jsilver1usa@netscape.net, or by US Postal Service to

John Silvernail
95 Fairlea Drive
Rochester, NY 14622

Results of the study will be posted on the St. John Fisher College Graduate Human Resource Development Webpage at http://home.sjfc.edu/~hrd/index.htm. Thank you for your participation.

1. Below is a list of key leadership competencies. This list was generated through an analysis of ten widely used and accepted leadership competency models. Please place an “X” in the ( ) indicating your opinion of the ten most important leadership competencies.

( ) Vision   ( ) Change Management
( ) Flexibility   ( ) Creativity and Innovation
( ) Communication   ( ) Performance Management
( ) Negotiation   ( ) Coaching/Mentoring
( ) Customer Orientation   ( ) Diversity
( ) Conceptual Thinking   ( ) Strategic Planning
( ) Teamwork   ( ) Honesty/Integrity
( ) Interpersonal Skills   ( ) Accountability
( ) Decision Making/Problem Solving
( ) Other Please specify: __________________________________________

Figure 2. Leadership Survey
2. From the ten leadership competencies you have identified with an X, please rank the top three from most to least. In other words, rank the competencies from 1 to 3 with 1 being the most important, 2 being the second most important and 3 being the third most important.

1. __________________________
2. __________________________
3. __________________________

3. Does your organization utilize (a) formal leadership competency model(s)?
   ___ Yes  ___ No  ___ Don’t Know
If Yes, please indicate which model(s)________________________________________

4. Is there a formal succession plan in place for future leaders within your organization?
   ___ Yes  ___ No  ___ Don’t Know

Tell me about your organization:

5. Number of Employees:
   ___ 1-100  ___ 101-200  ___ 201-300  ___ 301-400  ___ 401-500  ___ over 500

Tell me about yourself:

6. How many years have you been with your current organization?
   ___ Less than 1 year  ___ 1-5 years  ___ 6-10 years  ___ over 10 years

7. What is your gender?   ___ Male   ___ Female

8. What is your job title?  __________________________

Would you like the results of this study mailed to you?
   ___ Yes  ___ No  Thank you for participating in this survey!

Figure 2. Leadership Survey
specializing in leadership competency models. While these sources provided a foundation on which to begin, the foundation is narrow in scope. Each examined model varied by definition. There was little agreement between them with regard to the definition of a competency. Thus, the models themselves differed by both terminology and perspective. While this situation is indeed a limitation, clearly it is indicative of the status of the topic in general. This study presents seven definitions of a “competency,” each providing different terminology and perspective. Because of these differences, survey Question 1 is leading as well as restraining. Respondents are presented with only 17 choices. Because respondents are presented with a predetermined list, there is a potential for constraining the respondents' ability to think of competencies on their own.

Third, survey question 5 asks participants to report the number of employees in their organization. In this question, the size category selections limit the responses (See Figure 2). Increased category selections were needed to enable respondents who have bigger organizations to respond more accurately. An open-ended option was needed to allow respondents to answer with greater precision.

Chapter four presents that results of this exploratory examination.
CHAPTER FOUR

Results

The purpose of this exploratory study is to ask Human Resource professionals to identify the most important competencies necessary for effective leadership in the 21st century. Study results indicate that (a) the ability to have a vision, (b) communication and (c) interpersonal skills were deemed most important by the respondents. Over two-thirds of individuals that responded to this study indicate that they work for organizations that do not utilize formal leadership competency models or succession planning strategies. This preliminary study also shows that the definition of a competency varies and is frequently confused with individual qualities and characteristics as opposed to the holistic model most commonly accepted; knowledge, skills and abilities (McLagan, 1989, Rothwell & Sredl, 1992, Parry, 1998, Clark, 1999, Center for Creative Leadership 1999).

Data Analysis Results

Sixty-seven willing participants responded to the leadership study invitation and 57 completed the survey. Question one of the survey asked participants to identify the ten most important leadership competencies. The data collected are summarized in Table 1. The results indicate that the competency deemed most important by these respondents is Communication skills (88%). The second most important leadership competency is Vision (84%) followed closely by Interpersonal skills (79%) and Honesty/Integrity (74%).

The competency rated as least important is Diversity with only 11% of respondents identifying it as an important competency. Other competencies regarded as
least important include Negotiation skills (27%), Customer Orientation (27%) and Performance Management (30%). Each of these competencies were valued by less than 30 percent of this study’s respondents.

Table 1.

Question 1 Summary: Number and Percentage of Responses

Summary of Most Important Competencies

<table>
<thead>
<tr>
<th>Competency</th>
<th>Number of Responses</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td>48</td>
<td>84%</td>
</tr>
<tr>
<td>Change Management</td>
<td>35</td>
<td>62%</td>
</tr>
<tr>
<td>Flexibility</td>
<td>28</td>
<td>52%</td>
</tr>
<tr>
<td>Creativity and Innovation</td>
<td>38</td>
<td>67%</td>
</tr>
<tr>
<td>Communication</td>
<td>50</td>
<td>88%</td>
</tr>
<tr>
<td>Performance Management</td>
<td>17</td>
<td>30%</td>
</tr>
<tr>
<td>Negotiation</td>
<td>15</td>
<td>27%</td>
</tr>
<tr>
<td>Coaching/Mentoring</td>
<td>36</td>
<td>62%</td>
</tr>
<tr>
<td>Customer Orientation</td>
<td>15</td>
<td>27%</td>
</tr>
<tr>
<td>Diversity</td>
<td>6</td>
<td>11%</td>
</tr>
<tr>
<td>Conceptual Thinking</td>
<td>27</td>
<td>48%</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>27</td>
<td>50%</td>
</tr>
<tr>
<td>Teamwork</td>
<td>31</td>
<td>54%</td>
</tr>
<tr>
<td>Honesty/Integrity</td>
<td>42</td>
<td>74%</td>
</tr>
<tr>
<td>Interpersonal Skills</td>
<td>45</td>
<td>79%</td>
</tr>
<tr>
<td>Accountability</td>
<td>23</td>
<td>40%</td>
</tr>
<tr>
<td>Problem Solving/Decision Making</td>
<td>37</td>
<td>65%</td>
</tr>
</tbody>
</table>

Note. The total number of responses were 57.

Table 2 presents a summary of the ten most important leadership competencies. These data results show that more than half of all respondents identified all ten of these competencies. The top four competencies discussed earlier are followed by Creativity and Innovation (67%), Problem Solving/Decision Making (65%), Coaching/Mentoring (62%), Change Management (62%), Flexibility (52%) and Strategic Planning (50%) (Ranked 5th - 10th). Additional reported competencies included Passion, Trust, Thinking
Globally, Empathy and Personal Development. Each of these competencies were reported only once as write in suggestions.

Table 2.

Summary of competencies identified as most important: The top ten

<table>
<thead>
<tr>
<th>Competency</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Communication</td>
<td>88%</td>
</tr>
<tr>
<td>2. Vision</td>
<td>84%</td>
</tr>
<tr>
<td>3. Interpersonal Skills</td>
<td>79%</td>
</tr>
<tr>
<td>4. Honesty/Integrity</td>
<td>74%</td>
</tr>
<tr>
<td>5. Creativity &amp; Innovation</td>
<td>67%</td>
</tr>
<tr>
<td>6. Problem Solving/Decision Making</td>
<td>65%</td>
</tr>
<tr>
<td>7. Coaching/Mentoring</td>
<td>62%</td>
</tr>
<tr>
<td>8. Change Management</td>
<td>63%</td>
</tr>
<tr>
<td>9. Flexibility</td>
<td>52%</td>
</tr>
<tr>
<td>10. Strategic Planning</td>
<td>50%</td>
</tr>
</tbody>
</table>

Question 2 of the survey asked respondents to rank order the first, second and third most important competencies from the list of the top ten created in Question 1 of the survey. The results identify the most important competencies as Vision (1st) Communication (2nd) and Honesty/Integrity (3rd) (Table 3).
Table 3.

Question 2 Summary: Percentage of Responses

Summary of Most Important Competencies in Ranking Order

<table>
<thead>
<tr>
<th>Competency in Ranking Order</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vision</td>
<td>35%</td>
</tr>
<tr>
<td>2. Communication skills</td>
<td>26%</td>
</tr>
<tr>
<td>3. Honesty/Integrity</td>
<td>20%</td>
</tr>
</tbody>
</table>

Question 3 of the survey asked respondents to identify the use of leadership competency models within their respective organizations. The summary of the results are reported in Table 4. These results show that only slightly more than one in four organizations utilize formal leadership competency models. Almost one in ten respondents did not know if their organization utilized leadership models and 65% of organizations did not possess formal leadership competency models at all. Most respondents (24%) listed the types of competency models that were used in their organizations as custom developed for their organizations’ particular leadership needs. Other leadership models were reported as “Senior Executive Leadership Capability Models”, “APS models”, “PDI models” and “Management Competency Models.” Descriptions of these models were not provided thus their construct in unknown. A consensus of the respondents is that leadership competency models need to be developed internally and designed for the leadership of the specific organization.
Table 4.

Question 3 Summary: Percentage of Responses

<table>
<thead>
<tr>
<th>Summary of Formal Leadership Competency Model Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usage of Leadership Competency Model</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Don't Know</td>
</tr>
</tbody>
</table>

Similarly, Table 5 presents the results of respondents reporting that their organizations that have succession planning strategies in place. The results show that 71% of organizations do not implement succession planning strategies while less than 18% do. In addition, over 11% of respondents indicate that they don't know if their organizations implement succession planning strategies to develop their high-potential leadership.

Table 5.

Question 4 Summary: Percentage of Responses

<table>
<thead>
<tr>
<th>Summary of Usage and Percentage of Responses - Succession Planning Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usage of Succession Planning Strategies</td>
</tr>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Don't Know</td>
</tr>
</tbody>
</table>
Biographical Data

This study acquired demographic data from the respondents regarding the size of the organization that participants work for, years employed with the organization, gender and job title. These data were collected to identify the construct of the responding group.

This study shows that most respondents were employed at organizations with fewer than 100 employees. Here, 46% of respondents were from organizations with less than 100 people and 41% of respondents were employed in organizations with over 501 people (Table 6). Other significant trends show that less than 15% of respondents in this study were employed in organizations with 101-500 employees. In addition, no respondents worked in organizations containing 401-500 employees.

Table 6.

Question 5 Summary: Percentage of Responses

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 100</td>
<td>46%</td>
</tr>
<tr>
<td>101 - 200</td>
<td>7%</td>
</tr>
<tr>
<td>201 - 300</td>
<td>2%</td>
</tr>
<tr>
<td>301 - 400</td>
<td>4%</td>
</tr>
<tr>
<td>401 - 500</td>
<td>0%</td>
</tr>
<tr>
<td>Over 500</td>
<td>41%</td>
</tr>
</tbody>
</table>

This study shows that almost four out of ten respondents were employed in their organizations from one to five years in duration. Similarly, 21% of respondents were employed for less than one year as well as over ten years (Table 7). In addition, more than
60% of this study’s participants have been employed for less than five years with their current organization.

Table 7.

Question 6 Summary: Percentage of Responses

<table>
<thead>
<tr>
<th>Summary of Respondents Years Employed with their Current Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years with Organization</td>
</tr>
<tr>
<td>less than 1 Year</td>
</tr>
<tr>
<td>1 - 5 Years</td>
</tr>
<tr>
<td>6 - 10 Years</td>
</tr>
<tr>
<td>Greater than 10 Years</td>
</tr>
</tbody>
</table>

This study shows 63% of the respondents were male and 36% were female (Table 8). Table 9 reports the results of job titles for this study. The data show that over 40% of respondents were from the human resource development fields including training specialists, consultants, instructors and organizational development specialists. The human resource management participants included career resources administrators, HR specialists and program coordinators which comprised almost 15% of this study’s participants. Other key points include the responses of over 20% who are currently are in senior management as owners, partners or executive directors. The educational field is represented in this study by over 15% of respondents working at universities as professors, high school principals or educational program directors.
Table 8
Question 7 Summary: Percentage of Responses

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>63%</td>
</tr>
<tr>
<td>Female</td>
<td>37%</td>
</tr>
</tbody>
</table>

Table 9.
Question 8 Summary: Percentage of Responses

<table>
<thead>
<tr>
<th>Job Titles</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource Development(^1)</td>
<td>41%</td>
</tr>
<tr>
<td>Human Resource Management(^2)</td>
<td>13%</td>
</tr>
<tr>
<td>Education(^3)</td>
<td>16%</td>
</tr>
<tr>
<td>Senior Executives(^4)</td>
<td>21%</td>
</tr>
<tr>
<td>Others(^5)</td>
<td>9%</td>
</tr>
</tbody>
</table>

Note. \(^1\)Human Resource Development respondents included training specialists, consultants, instructors and organizational development professionals. \(^2\)Human Resource Management participants included career resource administrators, HR specialists and program coordinators. \(^3\)Educational respondents reported job titles of professors, principals and program directors. \(^4\)Senior Executives were comprised of business owners, partners and executive directors.
This chapter summarized the results of this study. The data analysis in this exploratory study was conducted to identify the frequencies and percentages of responses. The results identify the three most important leadership competencies as Communication, Vision and Interpersonal skills. In addition, the respondents indicated that the organizations they work for are more apt to use leadership competency models versus succession planning strategies. The respondents were predominantly male and were working in the Human Resource Development field. Respondents worked primarily for organizations with either under 100 employees or over 500 employees. Finally, the majority of respondents worked for their organizations from one to six years. The next chapter describes the recommendations, limitations, future research and conclusions of this exploratory study.
CHAPTER FIVE

Summary

The purpose of this study is to identify the most important competencies needed for effective leadership. Specifically, in the opinion of HR professionals, “What are the most important competencies for 21st century leadership?” Chapter Five presents a three part discussion reporting three findings of this exploratory study. Limitations, recommendations for future research and conclusions are provided in conjunction with the findings.

This exploratory study asks Human Resource professionals to identify the most important competencies necessary for effective leadership in the 21st century. Results indicate that (a) the ability to have a vision, (b) communication and (c) interpersonal skills were identified by the respondents. Over two-thirds of individuals that responded to this study indicate that they work for organizations that do not utilize formal leadership competency models or succession planning strategies. Study results also show that the definition of a competency varies and is frequently confused with individual qualities and characteristics as opposed to the holistic model most commonly accepted; knowledge, skills and abilities.

Limitations

As in all preliminary studies, this examination has several limitations. For the purposes of this discussion, six will be addressed. First, the non-probability approach to sampling utilized to conduct this study, convenience sampling, causes a high potential of bias or a misrepresentation of the population where the participants may be unlike most
of the targeted constituents. Therefore, the findings may be distorted and the range within which to expect the population parameter cannot be estimated.

The second limitation is the design of the survey itself. Here, the subject matter information was limited to a small number of "leadership competency models" acquired from three source areas: (a) existing literature; (b) Websites; and (c) organizations specializing in leadership competency models. While these sources provided a foundation on which to begin, the foundation is narrow in scope. For example, each examined model varied by definition. That is, there was little agreement between them with regard to the definition of a competency. Thus, the models themselves differed in both terminology and perspective (See Appendix A). While this situation is indeed a limitation, clearly it is indicative of the status of the topic in general. This study presents seven definitions of "competency" each providing different terminology and perspective. Because of these differences, survey Question 1 is leading as well as restraining. Here, respondents are presented with a long list of 17 competency choices. By viewing these choices, respondents are more likely to choose from this list and are less likely to consider unique or different competencies for the write-in section.

Third, survey question 5 asks participants to report the number of employees in their organization. In this question, the size category selections limit the responses (See Figure 2). Increased category selections were needed as 41% of the respondents indicated that their organizations employed more than 500 employees. Here, an open-ended option or expanded options were needed to allow respondents to answer with greater accuracy.
Fourth, this study is limited by the narrow scope of the sample. Although the study targeted HR professionals, they were drawn from only two sources—the listservs.

Fifth, the response rate for this examination is very low. The individual response rate as calculated from the number of willing participants that were able to complete the survey (85%) seems satisfactory. However, in reality, the response rate was exceptionally low (<1%) considering the 6500 available participants from the selected listservs. Different approaches to accessing this group should be explored. These limitations directly identify areas for future research.

Recommendations

Future research recommendations include targeting leadership development and the use of competency models in organizations of a certain size or industry. Additional research should be formulated to correlate development activities and competencies. In addition, studies should be conducted about this topic drawing from several specific target audiences in Fortune 500 companies. A longitudinal examination to substantiate the identification of vision, communication and interpersonal skill as the most important competencies should be considered. Here, leaders of larger organizations should be asked their opinions of what the most important leadership competencies are.

In addition, the need to analyze the subscribers of the selected listservs is apparent. In this study, 46% of respondents work for organizations with under 100 employees and 41% work for organizations with over 500 employees. Questions to examine include: What does this finding mean with respect to the demographic construct of the subscribership? Who are the primary subscribers to these listservs? Does the size of the organization influence participation in professional listservs or participation in a
study such as this one? A comprehensive examination of the demographics of these, and other professional listservs, needs further examination.

Using different sampling techniques is essential. By using probability sampling such as simple random sampling, stratified random sampling, systematic sampling or cluster sampling the rate of response and reliability of the study may be improved. Random sampling eliminates subjectivity in choosing a sample, thus reducing bias.

An attempt to define “competency” is recommended. By defining more clearly what a competency is, studies such as this one may yield more precise results.

Finally, the results of this study imply that if leadership is one of the major components of the success in many organizations, then time, effort and care must be allocated to initiate leadership development programs. A benchmarking study to assess best practices in this area should be conducted.

Discussion

The results of this study conclude that communication, vision and interpersonal skills are the three most important competencies of effective leadership in the 21st century. The needs of effective leadership should include the ability to communicate well at all levels of the organization (Schultz, 1996; United States Coast Guard, 1999; Searcy, Hall & Britt, 1999). In addition, leaders need to make clear and convincing oral presentations to individuals and groups as well as express facts and ideas clearly in writing (Office of Personnel Management, 1999). This essential competency is core for effective leadership (Powell, 1998; Searcy, Hall & Britt, 1999). The competency, Vision was ranked as first most important competency. These results are in alignment with the literature: (a) Vision evokes leaders as being the catalyst for change within an
organization (University of Texas Medical Center, 1999); (b) Leaders need to influence others to translate the vision into action (Bernthal, Rioux & Wellins, 1999); (c) and leadership is the ability to create followers while keeping a close eye on the vision of the organization (O'Toole, 1999). Literature also suggests that having an entrepreneurial vision and philosophies will define 21st century leadership (Smith, 1999; Spinelli, 1999; USA Today, 1999). Interpersonal skills are the abilities to interact with others in open, objective ways that show trust and respect (Casselman & Daughtry, 1998; County of Henrico Virginia, 1998; University of Texas, 1999). These skills include the ability to listen to concerns of others while focusing on the issues and not the personalities (University of Michigan Medical Center, 1999). Imperative for successful leadership the competency Interpersonal Skills were rated 3rd by the respondents of this study.

Twenty-six percent of respondents work for organizations that use formal leadership competency models while 18% utilize succession planning strategies. The results are compounded by 65% of respondents reporting that their organizations did not use leadership models and 71% did not use succession planning strategies. These results are supported in the literature that the leadership crisis continues to flourish (Aon, 1997; Hanson & Court, 1998; Byham, 1999).

There is some ambiguity with the term competency and what it actually means. Some say it refers to skills, knowledge and abilities (Parry 1999; The Center for Creative Leadership, 1999). Others refer to competencies as knowledge skills, attitudes, behaviors, measurable outputs, attributes and various other characteristics (McLagan, 1989; Rothwell & Sredl, 1992; Schultz, 1996; Webster's, 1996). If competency models are increasing in prominence, then a clear and uniform definition of a competency must
be implemented in the HR field. As HR professionals, we need to establish some clear guidelines for using the term competency. In seeking to define the most important leadership competencies, the deficiency becomes more clear.

Conclusion

This leadership crisis needs attention. According to DDI (1999), 40-50% of leaders will leave their current positions within the next five years. This exodus will leave gaps in the leadership structure. There are a lack of competent successors waiting to fill these leadership gaps as well as the lack of well designed succession planning strategies. Therefore, organizations must develop their leadership using competency identification while determining the high-potential candidates through succession planning strategies. These strategies should be implemented at a more aggressive pace than they do today. The rapid rate of change in our business environment has created a more competitive global economy. Moreover, corporate downsizings, mergers and acquisitions have fueled the need for effective leadership. Ultimately, the success of an organization is directly related to effective leadership. Effective leadership is effective only when the necessary competencies are exhibited.

This preliminary study concluded that the competencies ranked as the first and second most important are vision and communication skills. Theodore Hesburgh, President of the University of Notre Dame, recognizes these two competencies as the very essence of leadership:

"The very essence of leadership is that you have to have a vision. It’s got to be a vision you articulate clearly and forcefully on every occasion." p. 7
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http://www.hr.utmb.edu/hrmanuals/ss_sum.htm.


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Date:

Dear Participant,

Thank you for agreeing to participate in this study. The purpose of this preliminary study is to identify the most important core competencies of effective leadership in the 21st century. The survey contains 8 Questions and should take no longer than 5-10 minutes to complete. I have copied the survey below and ask that you complete the survey and email it back to me in its original format. Thank you again for your participation and I look forward to receiving your responses.

Regards,

John D. Silvernail