

Leader effectiveness deconstructed

In my last article I explored the important components of leader development that can improve leader effectiveness. Some who read that article might have thought, “I’m already a good leader.” Or, “I don’t have many employees — it’s mostly family, so leadership doesn’t really apply.”

Wrong. Studies have consistently found that leaders who think they are good leaders are typically not highly rated by those they lead. Also, leadership is not limited to “boss-employee” situations. As I asserted in my first article, effective leadership has a positive impact on all relationships.

So how can we measure leader effectiveness when leadership can be practised in so many different domains? I will clarify this and provide five questions that you can self-assess and ask your peers and employees to rate your leadership by. You won’t get a sense of what your evaluations mean relative to other leaders, but it will give you some feedback to think about.

So let’s get started.

Right off the top, I want to make an important distinction regarding leader effectiveness.

Effective leadership is contextual. Understanding this helps us understand why leaders can be both effective and ineffective at different times in their lives. A highly effective leader in one role can fail spectacularly in another. Take a 5,000-acre farmer who has been rated in 90th percentile in leader effectiveness against a norm data base of hundreds of thousands of leaders rated by millions of evaluators. Ranking in the 90th percentile means their leadership in their current role is a big part of the success of that operation. However, don’t think for a second they should consider applying for a CEO position at a multinational.

It also applies to moving into a leadership role with wider responsibilities. Managing the day-to-day on the farm isn’t the same as being accountable for long- and short-term business results.

Context also means that what is cur-

rently going on in their environment can radically influence their effectiveness. You might remember I asserted the importance of developing our leadership to meet the demands of a world that is increasingly being experienced as VUCA (volatile, uncertain, chaotic and ambiguous). What is your leader effectiveness in a low VUCA environment versus a high VUCA environment? How hard is it to lead in multiple years of low- versus high-priced crops? How about higher interest rates? How about low prices, high interest rates and low quality? (I could keep going.)

Today, farmers have the benefit of digital financial management tools that add clarity to the decision-making process in contrast to my parents’ generation which, for instance, learned the impact of 18 per cent interest rates without amortization tables, never mind mortgage and loan calculators on their phone.

“Leadership matters most in tough times ... Will we have what it takes when we need it most?”

Through all this complexity and access to information, we still must make a decision and successfully execute it. This is where management meets leadership. As I asserted earlier, leadership matters most in the tough times and I think there is a whole generation of farmers whose leadership hasn’t been tested.

It’s natural that leader effectiveness will decline as the burden increases. The question is, “Will we have what it takes, when we need it the most?” I will describe a pathway in future articles to explain what specific behaviours create high-impact leadership.

Leadership readiness is a big part of farm business succession that is under-

emphasized and therefore under-actioned. Obviously, estate and financial considerations are important, but I wonder how many successions are delayed because of unspoken and unaddressed concerns regarding the readiness of the upcoming generation to take a firm and steady hand.

I’ve also noticed that most leader succession plans (if there is one) are largely “wait and see, give it time” based. Successful businesses are not operating their leader succession plan based on hope. They are actively planning and ensuring the next generation accesses the support and development necessary to be ready for a dramatically different world than the previous generation experienced.

How would knowing that the next generation has the “right stuff” influence your transition decision? What if the leadership learning curve could be made steeper without having a negative impact on the bottom line, but actually strengthening it? This is possible, but not probable without development and support.

Here are five questions you can ask those who know your leadership best. They’ll help you determine your effectiveness as a leader:

1. Are you satisfied with the quality of leadership that I provide?
2. Am I the kind of leader that others should aspire to become?
3. Am I an example of an ideal leader?
4. Does my leadership help this organization thrive?
5. Overall, do I provide very effective leadership?

I have a good idea what you might be thinking, “There is no way I’m asking these questions!”

I get it. It’s tough, even embarrassing to ask these questions face to face, especially when there is a high probability you won’t like some of the answers. Yet those five questions have been shown to strongly correlate to organizational results.

They’re tough questions, but the right ones. Leader development will help you discover the real answers, and help you develop and execute a plan to improve the answers. **CG**

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