

LESSONS IN LEADERSHIP *with* Fusi Akinkugbe

Leadership capacity: 3 reasons why it is so important

There are two fundamental requirements for effective leadership: *capacity and character*. Leaders must have both if they want anyone to willingly follow them. This week we examine what leadership capacity means and why it is so important for leaders.

What exactly is Leadership Capacity? It is the sum of the qualities and capabilities required to perform effectively as a leader. It can also be described as leadership ability. These varied qualities and capabilities are what leaders are expected to be able to demonstrate as evidence of their ability to lead. You cannot claim to be an effective leader if you cannot show proof of your capability.

Leadership capacity essentially defines the limits of your leadership: it determines the results you achieve; how much you can do and how far you can go as a leader. Your performance or effectiveness as a leader is therefore directly correlated to your leadership capacity. Since leadership is principally built on capacity, it follows that ineffective leadership is often rooted in a lack of capacity. For example, the reason why a new CEO can turn around a floundering organisation where a predecessor failed, even though both had the same resources available to them and operated under similar circumstances, is essentially attributable to leadership capacity. A good example of this comes from former Continental Airlines in the USA

(now merged with United Airlines). The company went through a lot of problems in the '80s and '90s, and things were so bad that it filed for bankruptcy protection twice in eight years and went through 10 CEOs in one decade! But in 1994 a new CEO, Gordon Bethune came in. The year he took over, the airline had lost \$600m, and was last in all performance categories.

But Bethune was able to turn things around - in a short time. The following year, the airline made \$250m (from a position of losing money) and was able to rebuild trust in the company. Leadership expert Simon Sinek in his book *Start with Why* says Bethune turned "*the worst airline in the industry into the best airline in the industry with all the same people and all the same equipment.*" Circumstances were the same as when the company was experiencing problems, yet the results after he took over were totally different: evidence of his leadership ability.

Effective leaders are somehow able to leverage whatever is available to them (which may be very little), and make it result in changes to the status quo. Assessing and determining leadership capacity is therefore important for selections into leadership positions.

Let us look at three reasons why leadership capacity is important to every leader:

First, leadership capacity justifies your leadership. Whatever the circumstances or setting in which

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you lead, no one will recognise you as a leader and subject themselves to your influence if there isn't a tangible reason for it. Your leadership capacity demonstrates and justifies your leadership, because to lead others you must prove your capability. In these times in which there are people of capability in every sphere of life, no one will follow you as a leader if you are unable to demonstrate that you possess leadership capacity. Why should they?

Secondly, leadership capacity validates positional authority. If you are a positional leader somewhere (i.e., you have a formal leadership position), having leadership

capacity validates you and authenticates the title you have in the eyes of those you lead. As a positional leader when your leadership capacity is evident, you will be better able to influence others without resorting to the authority of the position. However, if your capacity is not evident to subordinates, then you may have to depend on your authority to get things done. This is the reason some people in positions of leadership have problems with their subordinates: because they cannot demonstrate their capability, they are unable to justify their leadership and get respect as leaders. They have the leadership title alright, but because of their lack of capacity, they don't have credibility in the eyes of those they are meant to lead. They are in leadership, but they are not leaders.

Thirdly, leadership capacity is important because your capacity determines who you attract. People choose who they follow as leader, and your capacity plays a very important role in determining who is attracted to you: that is, who follows you as a leader or allows themselves to be influenced by you. The reason for this is that a highflyer (a person with high leadership capacity) will normally not follow a 'low flyer' (a person with low leadership capacity). The highflying subordinate will naturally want to be influenced by someone of an equally high or preferably higher leadership capacity because he or she wants to improve him or herself. So, if as a leader you have high leadership capacity and

are continually improving yourself, then you are more likely to attract followers who are of high capacity. On the other hand, someone in a leadership position who has low leadership capacity will not attract people who are highflyers as followers. A highflyer subordinate may take orders from a boss who is a low flyer, but this will only be because of the boss's authority rather than due to his influence.

Ultimately, your leadership capacity will to a large extent determine how effective you are as a leader. If you haven't already started, begin to take steps today to build your leadership capacity.

Thank you and until next week, let me challenge you to begin to lead from where you are.



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