

18 Key Leadership Competencies for 2023 Success



Developing a diverse leadership bench is essential. In fact, companies that actively implement training and mentoring initiatives to develop leadership competencies are [3.4 times more likely](#) to be rated as a best place to work. However, [only 40% of organizations](#) rate their leader quality as good or excellent. That's why upskilling leaders and managers is one of the key [HR trends](#).

In this article, we'll explore the most important leadership competencies to focus on and how to develop them within your organization.

Contents

[What are leadership competencies?](#)

[Importance of leadership competencies](#)

[Types of leadership competencies](#)

[– Competencies for leading the organization](#)

[– Competencies for leading others](#)

[– Competencies for leading yourself](#)

[How to develop leadership competencies](#)

[FAQ](#)

What are leadership competencies?

Leadership competencies refer to a specific set of knowledge, skills (technical and soft), and attributes that make a person an effective leader. They are integral to modern workforce management and [succession planning](#).

There isn't one unique set of leadership competencies that works across all industries and companies. Even different leadership positions within the same organization may require different competencies. Therefore, a lot of organizations work with a leadership competency framework, which is a collection of competencies they have identified as key to success for *their* leaders and *their* organization.

When leadership competencies that you have on board align with the vision of the organization, it creates a competitive advantage. It's also important to note that the value of a leader is not just defined by their individual success, but the success of the entire team they manage.

Skills Gap Analysis Guide

Download your free step-by-step guide to identifying the skills your employees need to thrive now and in the future.

It's essential for HR to have a good understanding of leadership competencies so that they can effectively develop current and potential leaders, as well as upskill themselves.

“Think of leadership like sports or music. You wouldn't send someone to a three-day sports clinic and then expect them to play for the season, and yet we often send new leaders to one-off workshops and think they're trained. Just as athletes and musicians need to practice regularly, so, too, do leaders need regular training.

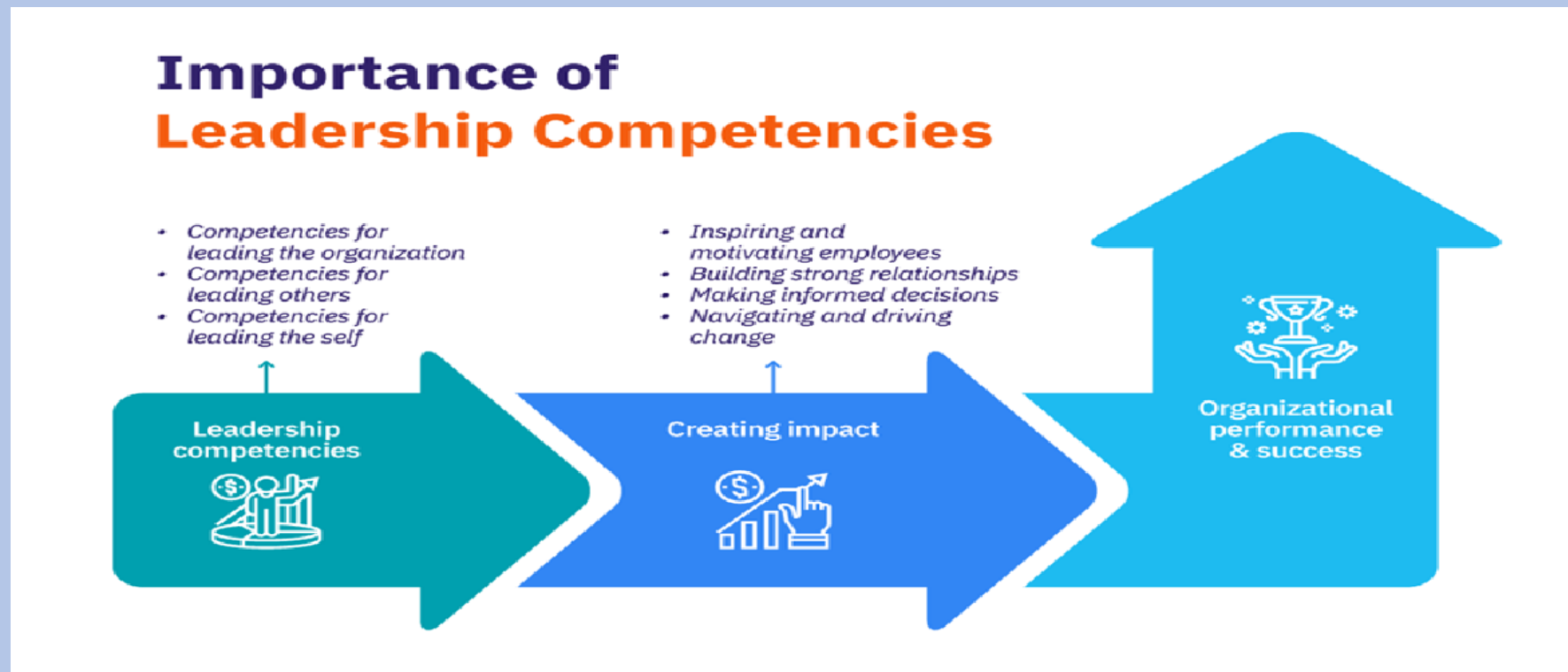
While such training programs can be costly, companies can implement a low-budget in-house peer learning program to train current and future leaders. Such a program also helps to engage and retain employees.” Mark Herschberg, Author of [The Career Toolkit](#)

Importance of leadership competencies

Defining and developing leadership competencies in your managers, business leaders, and yourself as an HR professional is essential for many reasons, such as:

- **Inspiring and motivating employees** – A strong leader has the power to inspire, energize and motivate their entire team to work together to achieve shared goals, leading to more effective collaboration, innovation, and productivity.
- **Effective leadership is key to organizational success** – Motivated employees create a positive work environment that everyone benefits from, and, in turn, leads to better performance. Therefore, it's vital to identify the employees who possess the natural potential to lead and nurture this. Done effectively, [leadership development](#) will lead to sustainable success for the organization.
- **Building strong relationships** – People with strong leadership attributes and competencies are not only able to build strong relationships with their team but also with shareholders and customers, which is essential for long-term success.
- **Making informed decisions** – Developing leadership competencies helps leaders consider problems and challenges from different perspectives, analyze potential outcomes, take calculated risks, and make decisions that help propel the organization forward.

- **Navigating and driving change** – Leadership skills are vital to identifying the need for change, executing change management processes, managing periods of uncertainty and disruption, and maintaining stability and continuity for the organization.



Types of leadership competencies

Although leadership competencies vary between roles, there are some core leadership competencies that are essential for every leader, regardless of the industry and company they are in. Being able to understand and spot these leadership competencies enables HR to make better-informed decisions when it comes to hiring, developing, and promoting leaders.

The [Society for Human Resource Management \(SHRM\) distinguishes](#) three competency categories, namely:

Learning & Development Certificate **Become an**

L&D Specialist Gain the skills to design effective and data-driven L&D programs that align with your organization's goals.

Download Syllabus

- **Competencies for leading the organization** (e.g., conflict management, decision-making, change management)
- **Competencies for leading others** (e.g., emotional intelligence, being a good coach, inclusiveness)
- **Competencies for leading the self** (e.g., self-management, courage, learning agility)

Other categorizations are possible too. For example, [Deloitte's Leadership Capability model](#) identifies two distinct elements. The first is **developable capabilities**, which are the learned factors that are acquired and change over time and reflect what a leader can *do*. The second is **leadership potential** – those are innate factors that are hard(er) to develop, stable over time, and reflect how a person *is*.

In this article, we'll explore the three main types of leadership competencies presented by SHRM in more detail. It's important to note that the below list of leadership competencies isn't exhaustive and that many competencies can fit within multiple categories.



Competencies for leading the organization

1. Social Intelligence (SI)

Social intelligence refers to our awareness of different social situations and dynamics and our own interactions with others in those settings. According to [Psychology Today](#), it is one of the best predictors of effective leadership.

In the workplace, a leader with strong social intelligence knows when to talk and listen, what to say, and when to say it, which leads to effective communication, and helps to minimize conflict.

2. Problem-solving

Effective leaders must be able to use their knowledge and experience to identify and analyze problems. Before voicing a potential solution, a competent leader will test multiple options to see how viable each one is and only present it once they are confident in the outcome.

3. Conflict management

Conflict is inevitable in an organization when navigating people with different personalities, beliefs, cultures, and moods. Therefore, competent leaders are able to reduce and manage such conflict, which leads to stronger teams and better performance. The art lies in finding a way to combine both people's opposing views rather than making a choice or asking them both to compromise.

This is one of the leadership competencies examples that fits within leading the organization as well as leading others.

4. Decision-making

Decision-making is one of the key leadership competencies because it's at the core of a leader's responsibilities. A good leader knows when to make a decision by themselves, when to consult their team members or peers and get their opinion on a certain matter, and, perhaps most importantly, when to take a step back and let others decide.

5. Setting and sharing a compelling vision

Strong leaders build a compelling shared vision with other leaders and their team, are able to inspire and influence those around them to translate that vision into action, and create positive organizational change.

Where your organization is heading in the future will be one of the key reasons why someone will want to (and continue to) work there. It's also why customers and business partners would be attracted to your company. Therefore, leaders must be able to set and share a vision that rallies everyone behind it.

6. Change management

Organizations are continually evolving, especially as they grow. Sometimes these changes will be small, for example, a new way to clock in and out of work. Other changes will be bigger and take place over a long period of time, such as the digitization and automation of processes or the move to a more hybrid or remote way of working.

An effective leader must be able to prepare their team for such changes and guide and support them through it. This requires strong communication skills and the ability to simplify complexities.

7. Innovation

The market leaders in every industry are always highly innovative and creative. The result of this is products and services that continue to increase the value of their offering or the customer experience.

To achieve this, an organization must have innovative leaders who allow (and encourage) their employees to be creative, offer a collaborative work environment, and view mistakes and failures as a necessary precursor to innovative success.

8. Entrepreneurship

Effective leaders have an entrepreneurial mindset and are constantly looking for new opportunities, ways to make processes more efficient, and improving products and services for customers. Their strategic skills enable them to take calculated risks to meet and exceed organizational objectives.

Competencies for leading others

9. Interpersonal skills

Interpersonal skills are also known as people skills or soft skills. This includes treating people with sensitivity and respect, responding to the needs of different people in different scenarios, active listening, giving and receiving feedback, non-verbal communication, problem-solving skills, and teamwork.

10. Emotional Intelligence (EI)

Emotional intelligence centers on our ability to understand people's emotions and emotional situations. It's also about our capacity to understand and manage our own emotions.

Emotional intelligence comprises several [components](#):

- **Self-awareness** – Knowing your strengths and weaknesses.
- **Self-regulation** – Being able to manage our own emotions.
- **Motivation** – People with high emotional intelligence are usually also highly motivated.
- **Empathy** – People with empathy and compassion tend to connect better with others.
- **Social skills** – The social skills of emotionally intelligent people show they genuinely care for and respect others.

“Leaders with high emotional intelligence are usually good at empathizing with others, managing stress, and navigating conflict, all of which contribute to building a positive team culture,” explains Jamie Olson, VP of People & Culture at a learning software company [Continu](#).

11. Coaching ability & trustworthiness

One of the key leadership competencies is the ability to be an effective coach for their team and peers. For example, knowing when to (gently) push someone to move past their comfort zone, giving useful feedback when necessary, and helping people find their personal vision.

“The easy way to lead is to tell people what to do, but then they don’t need to think on their own. Coaching allows people to develop in a meaningful way, it builds trust and helps the individual to activate their strengths to get things done,” notes Susie Tomenchok, Executive Coach at [Syndeo Institute](#).

Trust is crucial for a successful coaching relationship. It’s also vital for leaders in building and maintaining strong relationships with the people they manage, as well as customers and clients.

[Harvard Business School professor Frances Frei explains](#) what the three component parts of trust are:

- **Being authentic** – To be true to yourself at all times.
- **Having rigor in your logic** – Ensuring the quality of your logic and your ability to communicate it.
- **Empathy** – Being empathetic with the people we interact with, actively listening to them, and seeing things from their unique points of view.

12. Inclusiveness

Good leaders know how to create a work environment in which everybody feels welcome. They make sure that every employee is treated equally and respectfully, has the same opportunities and resources, and can participate and thrive. In other words: good leaders are inclusive.

According to [research by Harvard Business Review](#), inclusive leaders share the following traits:

- **A visible commitment** – To diversity, challenging the status quo, holding others accountable, and making D&I a personal priority.
- **Humility** – They are modest about capabilities, admit mistakes, and create space for others to contribute.
- **Awareness of bias** – They show awareness of personal blind spots, as well as flaws in the system, and work hard to ensure a meritocracy.
- **Curiosity about others** – They demonstrate an open mindset and deep curiosity about others, listen without judgment, and seek to understand those around them with empathy.
- **Cultural intelligence** – They are attentive to others' cultures and adapt as required.

- **Effective collaboration** – They empower others, pay attention to the diversity of thinking and psychological safety, and focus on team cohesion.

13. People management

When it comes to leading others, good [people management](#) is crucial, especially for HR leaders. Depending on the leadership level, this involves the process of overseeing the training, development, motivation, and day-to-day management of employees.

Good leaders give their teams the 5 c's of people management: clarity, context, consistency, courage, and commitment.

Competencies for leading yourself

14. (Learning) Agility

The pandemic shed light on how important it is to be able to quickly adapt to rapidly changing circumstances. This goes for everyone in the workforce, but especially leaders, as they need to support and

guide others – and the organization – through these sometimes challenging times. As such, agile leaders aren't afraid of change; on the contrary, they embrace it.

“Agility is the ability to move a business quickly in response to external or internal circumstances. In the organization, it looks like receptiveness to change, willingness to review courses of action regularly, and a flexible mindset,” explains leadership development and career coach [Diane Gallo](#).

Good leaders also have the ability to continually learn, unlearn, and relearn, also referred to as [learning agility](#). They know how important it is to keep developing, growing, and using new strategies to tackle the increasingly complex problems they face in their organizations.

15. Industry knowledge and expertise

People change jobs, companies, and industries more often than they did ten years ago, and developments in some areas (particularly in technology) are so rapid that it might seem impossible to stay on top of them, in addition to other leadership responsibilities.

However, effective leaders understand it's still essential to develop a certain expertise in the area and company they're leading in, and to be aware of future trends.

16. Managing yourself

Managing oneself includes workload, emotions, schedule, and more. One can only manage others effectively and succeed in the leadership role if they are able to manage themselves.

Everyone has their own way of doing this, but being well-organized, planning ahead, and knowing how to prioritize are key elements for mastering this competency.

17. Courage

Leaders frequently need to make decisions, some of which will be challenging and necessitate taking a calculated risk, and this requires courage.

Courage also means standing by your values and your team and defending them in front of others when necessary.

18. Organizational citizenship behavior

Organizational citizenship behavior (OCB) describes all the positive and constructive employee actions and behaviors that aren't part of their formal job description. It's anything that employees do, out of their own free will, that supports their colleagues and benefits the organization as a whole.

The five most common types of OCB are:

- **Altruism** – When an employee helps or assists another employee without expecting anything in return.
- **Courtesy** – Polite and considerate behavior towards other people. Examples of courtesy at work include saying good morning, asking a co-worker how their holiday was, how their kids are doing, how a project they're currently working on is going, etc.
- **Sportsmanship** – Being able to deal with situations that don't go as planned and not demonstrate negative behavior when that happens.
- **Conscientiousness** – Employees don't just show up on time and stick to deadlines but also plan ahead before they go on holiday so that their colleagues won't be drowning trying to manage their workload.

- **Civic virtue** – How an employee supports their company when they're not in an official capacity. Civic virtue can be demonstrated by employees signing up for business events such as fundraisers or running a marathon for a charity with a team of co-workers.

Leaders must set a good example to inspire others, and one way to do so is by demonstrating the OCB they would like to see in others.

How to develop leadership competencies

Now that you have a clear understanding of the top leadership competencies, let's explore how you can start developing these in your employees, and also in yourself as a (future) HR leader.

It's important to note that developing leadership competencies is not an easy and straightforward process, so below, you will find a brief summary of what you can do.

Conduct a leadership development assessment

Conducting a leadership competencies assessment or self-assessment will help you identify the strengths and weaknesses of employees and identify key areas for development. This will be different for everyone, so it's important not to take a blanket approach and tailor leadership development initiatives accordingly.

The assessment should be based on your leadership competency model to make sure that what you're assessing are the qualities you need at your organization.

"Leadership competencies should be connected with organizational values and culture. It is crucial to involve stakeholders across the business so that leadership competencies drive behaviors and success.

Any leadership competencies developed in a bubble and filtered down are unlikely to become truly embedded, believed or felt – and it is a missed opportunity to influence change & progress across the workforce when they are not included in the change. Displaying the leadership competencies is more important than simply stating what they are and expecting employees to live them.

When determining the leadership competencies which should be in play across the organization, you have to consider strategic ambitions and organizational values to ensure you are driving behaviors for success. This allows the continual evolution of your internal culture and allows space for creating connections with your employees and your customers – enabling them to truly experience your organization and ensuring what is expected internally is what it also felt externally. Authenticity is key." Jay Barrett, Founder & HR Executive of the HR consultancy [Culture Canopy](#)

Identify suitable methods of leadership competency development

Mentoring and coaching

Pairing potential leaders with experienced ones is a brilliant way to develop leadership skills through practical and theoretical learning. It's possible to learn a lot about a company, its product offering, and target customer from people who have spent considerable time working for it. In addition, [peer mentoring](#) can help you enrich your leadership develop program.

[Coaching](#) can also be effective, especially when it comes to learning more about non-verbal communication, active listening, and mastering how to give and receive constructive feedback. [AI-based coaching](#) is growing quickly, giving HR more opportunities to design leadership coaching programs for employees.

Formal training

Formal leadership training can include practical guides and seminars, and is a popular choice. In fact, the corporate leadership training market is expected to [grow by \\$26.7 billion by 2024](#).

Certain leadership competencies will be delivered more effectively in a formal way, for example, people management training, conflict management, and change management.

Focus groups and workshops

Group workshops and focus groups are another way to develop leadership competencies. In a group setting, people can gain more practical experience and potentially learn different techniques they may not pick up from working one on one with a mentor.

Self-directed learning

With the right resources, employees can develop leadership competencies in their own time and at their own pace. Some people may be too busy to attend a workshop during the day or have family responsibilities that prevent them from sitting down with a coach after hours.

Ephraim Schachter, Founder of a leadership development consultancy [CSuite Accelerator](#), emphasizes the importance of fostering a leadership mindset throughout the organization and proposes three steps to do so:

- Instill a leadership mindset throughout the organization by promoting the importance of leadership at all levels.
- Encourage employees to take ownership, initiative, and accountability in their roles.
- Provide resources and support for leaders to develop their emotional intelligence, communication skills, and resilience.

KK Byland, CHRO at [American College of Education](#), adds: “Organizations can celebrate leadership at all levels. You don’t need to have direct reports to be a “leader”. When organizations recognize and celebrate those who are moving the mission forward that will lead to organizational success and higher engagement from the workforce.”

Job shadowing

[Job shadowing](#) is common in succession planning when a person will work with someone with the plan to eventually take over their role. But job shadowing can be effective in simply giving an employee a stronger idea of what it means to be a successful leader at an organization and what a typical day might look like.

Professional certifications and accreditation

There are various online and in-person certifications and accreditations that can help people develop their leadership competencies. As we've already mentioned, online offerings tend to allow students to learn at their own pace, which allows them to fit it around their existing responsibilities.

Create leadership development plans

Create [leadership development plans](#) for employees to help them develop their leadership competencies and prepare them for a managerial role in your organization. Typically, this will be a structured and personalized long-term plan that is tailored to the needs of the employee and the organization. It will outline a set of learning objectives and other activities the employee will complete to reach their goals.

You can also create targeted [HR leadership development programs](#) that focus on upskilling and developing HR professionals into leaders who are ready to face an unpredictable future landscape at work. Within this program, there will be an emphasis on developing core HR competencies and leadership skills through a range of training and assessments.

A leadership consultant and coach at the [Leadership Forum](#), Dr. Wanda Wallace, advises breaking down each leadership competency into its component behaviors and then training the behaviors and the associated habits.

“Every competency I see has a host of behaviors that make that competency real. Teach the specific, actionable components. For example, giving feedback is about observing the team member, getting comfortable delivering a hard message, being able to manage emotions, and knowing when to coach and when to wait,” says Dr. Wallace.

On a final note

Leadership competencies vary between industries, organizations, and the ranks and roles within those organizations. What’s important is that HR understands the unique leadership competencies necessary for leadership success in each role, so they can make better decisions when it comes to hiring, developing, and promoting leaders.

It’s equally important that employees believe their organization prioritizes their development and provides the structure needed for them to successfully advance in the business and perform in their roles.

FAQ

What are leadership competencies?

Leadership competencies are a set of knowledge, skills, abilities (KSA), and behaviors that, when combined, make an effective leader.

What types of leadership competencies are there?

There are many categories when it comes to sorting leadership competencies into groups, but SHRM distinguishes the following three categories:

- Leadership competencies for the organization
 - Leadership competencies for others
 - Leadership competencies for the self
-

What are examples of key leadership competencies?

Key leadership competencies include social intelligence, conflict management, interpersonal skills, (learning) agility, decision-making, being a good coach, emotional intelligence, industry expertise, change management, setting and sharing a compelling vision, courage, managing yourself, inclusiveness, organizational citizenship behavior, and people management.

How do you identify leadership competencies?

Organizations can develop leadership competency frameworks and conduct assessments to determine the skill levels and potential gaps when it comes to leadership competencies. Then, they can create leadership development plans that address these gaps.
