

McKinsey Explainers

What is leadership?

Leadership is a set of mindsets and behaviors that aligns people in a collective direction, enables them to work together and accomplish shared goals, and helps them adjust to changing environments.



All leaders, to a certain degree, do the same thing. Whether you're talking about an executive, sports coach, or schoolteacher, leadership is enabling others to accomplish something they couldn't do on their own. Some people in formal leadership positions are [poor leaders](#), and many good leaders have no formal authority. In this sense, leadership is something you do and not something you are. It is a person's actions, rather than their words or job title, that inspire trust and commitment.

What's more, leadership is not something people are born with. Because good leadership is often expressed through behavior rather than personality, it is a skill that can be learned. How? Getting to know oneself is a key first step. The most effective leaders are highly conscious of their own thoughts and beliefs and show up with integrity as their fully authentic selves.

There are many contexts and ways in which leadership is exercised. According to McKinsey analysis of academic literature and a global survey of nearly 200,000 people in 81 organizations, there are [four types of behaviors](#) that account for 89 percent of leadership effectiveness:

- being supportive
- operating with a strong orientation toward results
- seeking different perspectives
- solving problems effectively

Effective leaders know that what works in one situation will not necessarily work every time. Leadership strategies must reflect an organization's context. For example, a [situational approach](#) enables executives to focus on the leadership behaviors that are most relevant to the organization as it evolves.

Learn more about McKinsey's [People & Organizational Performance Practice](#).

What is the journey of leadership?

Most great leaders learn to lead over time. Within organizations, the combination of programs, books, and courses to cultivate these skills is often referred to as "leadership development"—though the results vary.

McKinsey's latest book, [The Journey of Leadership](#) (Portfolio/Penguin Group, September 2024), draws on the authors' decades of experience guiding the world's top leaders to become the best versions of themselves. With these insights, the authors have developed a distinctive approach to leadership development, one they believe is more effective than most other programs.

[Ramesh Srinivasan](#) and [Hans-Werner Kaas](#) are codeans of McKinsey's Bower Forum CEO leadership development program, where, over the past ten years, more than 500 of the world's top CEOs and business leaders have bravely confronted personal and professional challenges. [Dana Maor](#) is the global cohead and European leader of McKinsey's People and Organizational Performance Practice, and [Kurt Strovink](#) leads McKinsey's global CEO Initiative to help build great CEOs and CEO counselors.

Leadership development, according to the book, is a journey of personal growth and improvement that helps a person challenge their current psychological and emotional conditioning. This is often a difficult process because it involves rewiring the habits and behaviors that got them to the top of their game in the first place. For example, skills such as financial acumen, strategic and operational management, and systems thinking are critical for executive roles—but they are not skills known for sparking passion in employees. Put simply, it's about unlearning management and relearning being human. Human-centric leadership is, as coauthor Hans-Werner Kaas puts it, when leaders "[show up as human beings](#) and behave as such when they interact with their coworkers, whether they lead executive teams or interact with internal or external stakeholders."

To succeed today, great leaders should be able to carefully balance the following:

- certainty about what they know versus openness to new ideas and approaches—and the confidence to adjust their original plans
- an obsession with financial performance versus the needs of all the company's shareholders and stakeholders
- being a conservative steward of the business versus taking the occasional bold and well-calculated risk
- being in control versus empowering teams to take initiative
- being a hard-headed professional versus someone who takes a more humane approach

A well-designed and executed leadership development program can help organizations build leaders' capabilities broadly and at scale. And these programs can be built on coaching, mentoring, and solving challenging problems by applying them in real time to real work.

What are microhabits?

Dramatic changes in our behavior can happen in small increments. Microhabits are a pragmatic way of improving yourself in measurable, small steps, says Hans-Werner Kaas. These may look very different for different people and will depend on the changes you're trying to make. In addition to yoga, coauthor Dana Maor has cultivated the habits of not sleeping less than five hours for more than two nights in a row and ensuring she has 15 minutes before every meeting for reflection. Coauthor Ramesh Srinivasan listens to classical Indian music with his wife every morning over a cup of coffee while discussing their intentions for the day.

Learn more about McKinsey's [People & Organizational Performance Practice](#).

What is a traditional management style, and what are its limitations?

In the past, leadership was called "management," with an emphasis on providing technical expertise and direction. In the industrial economy's traditional, [command-and-control organization](#), leaders focused exclusively on maximizing value for shareholders and had three roles: *planners* (who develop strategy, then translate that strategy into concrete steps), *directors* (who assign responsibilities), or *controllers* (who ensure people do what they've been assigned and plans are adhered to).

Traditional management was revolutionary in its day and enormously effective in building large-scale global enterprises that have materially improved lives over the past 200 years. However, as the 21st century marches on, this approach is reaching its limits. For one thing, the management style of leadership doesn't guarantee happy or loyal managers or workers. Indeed, a large portion of American workers—56 percent—[claim their boss is mildly or highly toxic](#), while 75 percent say dealing with their manager is the most stressful part of their workday.

For organizations operating in today's complex business environment, a more effective approach to leadership has emerged. Leaders have begun to focus more on building [agile](#), human-centered, and digitally enabled organizations that are able to meet the needs of a broader range of stakeholders: that is, customers, employees, suppliers, and communities, as well as investors.

What is a newer approach to leadership?

This new approach to leadership—what we sometimes call [service leadership](#)—is based on a simple idea: rather than directing people, it may be more effective for leaders to be in service of the people they lead. The focus is on how leaders can make the lives of their team members easier—physically, cognitively, and emotionally.

Service leaders practice empathy, compassion, vulnerability, gratitude, self-awareness, and self-care. They provide appreciation and support to employees, creating [psychological safety](#) so their employees are able to collaborate, [innovate](#), and raise issues. This includes celebrating small achievements on the way to reaching big goals and enhancing people's well-being through better human connections, which have both been shown to enable a team's best performance.

An example from the COVID-19 pandemic era offers a useful illustration of this new approach. In pursuit of a vaccine breakthrough at the start of the pandemic, Moderna CEO Stéphane Bancel [increased the frequency of executive meetings](#) from once a month to twice a week. At the same time, the company implemented a decentralized model that enabled teams to work faster and more independently. "The pace was unprecedented," Bancel said. And the results speak for themselves: Moderna delivered on the bold goal of providing 100 million doses of vaccines in 12 months.

Learn more about McKinsey's [People & Organizational Performance Practice](#).

What is the impact of the service leader approach?

This new approach to leadership is far more effective in today's work environment. While the dynamics are complex, countless studies show [empirical links](#) between effective leadership, employee satisfaction, customer loyalty, and profitability. Critically, research suggests that a service leader mentality can [enhance](#) both team performance and satisfaction.

In practice, [empowering employees](#) might mean taking a more hands-on leadership approach. Employees whose leaders empower them to make decisions are also over three times more likely to say that their organization's delegated decisions were swift and high-quality. But this type of coaching doesn't always come naturally.

If you're a leader looking to empower others, here are [some tips to get started](#):

- Provide employees with clear rules, for example, by communicating who makes which decisions. Clarity and boundary structures, such as role remits and responsibilities, help teams stay focused on their primary tasks.
- Avoid being a complicit manager—for instance, if you've delegated a decision to a team, don't step in and solve the problem for them.
- Address culture and skills, for instance, by helping employees learn how to have difficult conversations.
- Solicit personal feedback from others, across all levels of your organization, on how you are performing as a leader.

How can leaders communicate effectively?

Good, clear communication is a leadership hallmark. [Some fundamental tools for effective communication](#) include the following:

- Define and point to long-term goals.
- Listen to and understand stakeholders.
- Create openings for dialogue.
- Communicate proactively.

And in times of uncertainty, [these things are important for crisis communicators](#):

- Give people what they need, when they need it.
- Communicate clearly, simply, and frequently.
- Choose candor over charisma.
- Revitalize a spirit of resilience.

- Distill meaning from chaos.
- Support people, teams, and organizations to build the capability for self-sufficiency.

Learn more about McKinsey's [People & Organizational Performance Practice](#).

How can CEOs be successful leaders?

Just as for leaders more broadly, today's environment requires CEOs to lead very differently than they have in the past. Recent research indicates that between one-third to one-half of new CEOs are deemed to be failing [within 18 months](#).

What helps the best executives thrive? To find out, McKinsey led a research effort to identify the CEOs who achieved breakaway success. We examined 20 years' worth of data on 7,800 CEOs from 3,500 public companies across 70 countries and 24 industries and distilled our insights in the McKinsey book [CEO Excellence: The Six Mindsets That Distinguish the Best Leaders from the Rest](#) (Scribner, March 2022). [Watch an interview](#) with the authors for more on what separates the best CEOs from the rest.

Getting perspective on leadership from CEOs themselves is enlightening—and illustrates the nuanced ways in which the new approach to leadership, as described above, can be implemented. Here are a few quotes from [McKinsey's interviews with these top-level leaders](#):

"I think the fundamental role of a leader is to look for ways to shape the decades ahead, not just react to the present, and to help others accept the discomfort of disruptions to the status quo."

—[Indra Nooyi](#), former chair and CEO of PepsiCo

"Leaders of other enterprises often define themselves as captains of the ship, but I think I'm more the ship's architect or designer. That's different from a captain's role, in which the route is often fixed and the destination defined."

—[Zhang Ruimin](#), founder and former CEO of Haier

"We need an urgent refoundation of business and capitalism around purpose and humanity—to find new ways for all of us to lead so that we can create a better future, a more sustainable future."

—[Hubert Joly](#), former chair and CEO of Best Buy

What are mentorship, sponsorship, and apprenticeship?

[Mentorship, sponsorship, and apprenticeship](#) can also be part of leadership development efforts. Mentorship refers to trusted counselors who offer guidance and support on various professional issues, such as career progression. Sponsorship describes senior leaders who create opportunities to help junior colleagues succeed. These two roles are typically held by more senior colleagues, whereas apprenticeship could be more distributed. [Apprenticeship](#) describes the way any colleague with domain expertise might teach others, model behaviors, or transfer skills. All three of these approaches can be useful not only for developing leaders but also for helping an organization upskill or reskill employees quickly and at scale—which is more critical now, in the [age of generative AI](#), than ever before.

For more in-depth exploration of these topics, see [McKinsey's insights on People & Organizational Performance](#). [Learn more about McKinsey's leadership and management](#) and check out [job opportunities](#) if you're interested in working at McKinsey.

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