leadership for change
aligning organisations for the future
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Written by Norma Jarboe OBE on behalf of Opportunity Now
For almost two decades Opportunity Now and its members have worked to ensure that business, governments and society fully tap into the talents of women in the workplace. We have seen encouraging progress but it is still too slow. Far more women have entered the pipeline and have achieved management positions, but they are still seriously under represented in senior leadership positions.

Cranfield University’s Female FTSE Report 2008 showed that women hold only 12% of board positions in the top 100 firms despite women making up half of the workforce and 59% of university graduates. The Equality and Human Rights Commission Report, Sex and Power, shows a vastly unequal number of men and women achieving the most senior roles in local government, the senior civil service, universities, the police and the judiciary.

Yet a large amount of research exists to demonstrate that companies with greater numbers of women on their boards achieve better financial results and organisational performance. A new study by McKinsey & Co also indicates that women’s leadership behaviours strengthen organisational performance through their impact on leadership teams, accountability, the work environment and values, direction and motivation.

This document, Leadership for Change explores the challenges that leaders face in aligning organisations with 21st century realities and the qualities and competencies they will need to do this. Women have not been found wanting and are well equipped to contribute. However, talent systems will need to be less biased and more robust and organisational cultures more inclusive. Opportunity Now looks forward to working with our members and partners to make this happen.

Sarah Williams Gardener
Director, Opportunity Now
introduction

Leaders in businesses and governments are grappling with a huge change agenda at a time when public trust in them is low. Most are still trying to transform into organisations that can take full advantage of a globally interconnected world in which knowledge and innovation are changing our lives at warp speed. Restoring trust while taking on the challenges of change very much depends on the calibre of future and current leaders. Many see gaps in the skills that leaders have today and those that will be needed to meet the demands and opportunities of the new knowledge era and an increasingly complex world.

Leadership for Change is a thought piece about what kind of leadership we need for the future, how we build trust in leaders and how we develop future as well as current leaders to realise our collective ambitions. It draws on secondary research from consultants, academics and key business thinkers. It explores the current crisis in trust, the complex trends that define today’s realities and the who, why, what and how of leadership. It provides a gender perspective given the number of talented women that have yet to reach leadership positions. Finally, it looks at what organisations can do to support and develop today and tomorrow’s leaders.
Public and private sector organisations are rethinking their mission, values and operations against a new 21st century backdrop. The current economic downturn and the events that created it have added urgency. Both public and private sector organisations are seeking to restructure and transform themselves to seize the opportunities of a globally, connected world where people, driven by values and equipped with knowledge, will collaborate and innovate. Leadership will play a pivotal role in making this happen.

*Leadership for Change* explores some of the challenges facing leaders and the important behaviours and competencies that will make them successful. It takes a look at leadership behaviours from a gender perspective and suggests key actions to develop and support men and women in current and future leadership roles.

A crisis in trust

Trust in business and government is at a low ebb. Business and government scandals over a number of years have knocked confidence in them yet trust is integral to transforming organisations.

Leadership for the future

Many of our leaders were trained in the last decades of the industrial era in hierarchical organisations typified by command and control. The knowledge era requires leaders who can inspire and empower people to collaborate in flatter structures across boundaries. Executives themselves acknowledge there is a gap in the leadership behaviours needed for the future and current leadership practices in their organisations.

Who leads is also being redefined. Leadership power is increasingly shifting from single individuals to teams in a matrix structure. The focus on what followers want from leaders is rising. At the same time, the demarcation between who is a follower and who is a leader is becoming more fluid.

The why, what and how of leadership

Leadership is the art of bringing people together to achieve common goals. The *what* or results is the end purpose but vision and values are *why* people are inspired to achieve them. Balancing short-term results with the longer-term values and vision builds trust in organisations. Leadership behaviours are *how* followers are engaged, guided and supported. Authentic, collaborative and accountable leadership behaviours are the most effective.

Core competencies: emotional intelligence, communication and networking

Leadership behaviours that are authentic, collaborative and accountable are underpinned by three key core competencies. Emotional intelligence encompasses self-awareness, self-regulation, motivation and social skills. It enables leaders to motivate and engage people. Communication is as much about the ability to inspire through words and deeds as to actively listen. The ability to network, whether face-to-face or virtually, is critical to leveraging knowledge of people inside and outside the organisation.
A gender perspective

Men and women often display different leadership styles although the ability to stimulate people intellectually is seen as gender neutral. Research has shown that women are less likely to display command and control behaviours and are more likely to engage in participative decision making. They demonstrate inspiration and meet expectations and rewards in their behaviours more frequently than male counterparts. In 360 degree feedback, women score more highly than men in showing genuine concern for people, an attribute strongly correlated with inspirational leadership.

Developing and supporting leaders

Talent management systems determine who will be given leadership opportunities but they are not always bias free. Senior leaders, consciously or unconsciously, often stress capabilities or select people that mirror themselves. This may exclude new capabilities that the organisation needs or talent from more diverse backgrounds. Interactive dialogues about talent management need to take place within organisations. Unconscious bias needs to be better understood and addressed.

Creating listening and learning organisations will support the development of emotionally intelligent, collaborative leaders. The use of 360 degree feedback, focus groups and well structured employee surveys foster organisation and individual learning. They are most effective in organisations characterised by openness and trust in which honesty does not damage career prospects.

Organisational cultures that value difference in thinking are more likely to recruit and retain a diverse group of leaders in a highly diverse world. While mainstreaming diversity initiatives through the breadth and depth of an organisation is important, efforts to do this have not yet yielded more diversity at senior levels. Embracing different thinking and positively working through disagreement and conflict in a collaborative way will create social rules and cultures where different people can thrive.
The challenge for leaders is real and urgent. A superficial approach will not suffice, significant action is required. Leaders have to put major organisations back on course while effectively transforming them to meet the demands of the future. Paradoxically, they are expected to do this when confidence in their institutions and ability is low and in some cases declining. Business failures and a series of corporate and political scandals over a number of years have taken their toll.

Edelman’s 2009 trust barometer shows that only about 40% of informed people aged 35–64 trust business to do what is right in North America and Europe. There is also a lack of trust in government to do what is right – only 40% believe they will do what is right. Globally, senior leaders are given low ratings as sources of information – less than 30% of informed individuals, aged 35–64 consider CEOs and government officials or regulators as very credible sources of information. A study by a US based organisation on leadership power revealed that 28% of executives believed that power is misused by top leaders in their organisations.

In DDI’s Global Leadership Forecast 2008/2009, only about one third of HR professionals have high confidence in the ability of leaders to assure organisational success and this confidence has been steadily declining for eight years. Leaders also rated themselves low in the survey – only a third had high confidence in leaders in their organisation and, in Western Europe 22% of leaders rated themselves as fair or poor.

Workplace trust in leaders is critical to engaging employees, and without engagement, change programmes will falter. Over a three-year period, Gallup interviewed 10,000 employers across organisations and found that trust was one of the top attributes in leadership. Gallup’s research has found that when employees trust leadership, there is a greater than 50% chance they will be engaged as opposed to 8% when they don’t trust them.

“Faith in the effectiveness and honesty of business and government has dropped and people are unnerved by the abrupt disappearance of solid–seeming enterprises – especially if their falls are associated with incompetence and outright wrongdoing. Both private and public sector leadership has been found wanting.”

Many of today's leaders were trained and developed in traditional hierarchical organisations that emphasised conformity, command and control. While this type of leadership built organisations over many decades, it is ill-suited to the realities of the 21st century knowledge society. Effective leadership today inspires people through vision and values, empowers them, and allows them to make meaningful contributions to collective goals. Leaders need to acknowledge and reward these contributions.

The gap between leadership behaviours needed to meet the challenges of the future and those currently observed in organisations has been underscored by a McKinsey & Co survey of senior executives in North America and Europe. Executives rated nine leadership behaviours in terms of their importance in addressing global challenges of the future. These nine behaviours were: inspiration, communication, acting as a role model, people development, managing expectations and rewards, intellectual stimulation, participative decision making, individualistic decision making and control and corrective action.

A clear majority of respondents saw intellectual stimulation, inspiration, participative decision making and managing expectations and rewards as the most effective behaviours to address future needs. Over 70% of the respondents who put these behaviours at the top of their list, saw a deficit of these behaviours in their company’s current leadership practices.

What is also noteworthy about the nine behaviours studied is that many of them would not have rated highly in the traditional MBA programmes that trained many of today’s leaders. Two that probably would have, “control and corrective action” and “individualistic decision making” are seen as the most effective for the future by only 18% and 12% of respondents respectively.

who leads?

Traditionally, people have thought of leaders as a very elite group of designated senior people with power and authority in their organisation’s hierarchy. People achieved senior leadership roles through a linear career progression. Experience and expertise are still important but increasingly leaders are distinguished by attributes and characteristics that allow them to influence others.

Because of the growing complexity of the world and the development of flatter organisational structures, top leadership is increasingly assumed by senior teams reporting to a CEO and, in some cases, executive directors on the main Board. Making these teams operate efficiently and effectively is a challenge for the CEO as well as the senior team players. Participative decision making does not come easily to competitive, achievement orientated executives who are stars in their own fields. Many of them are competing to become the next CEO which means every decision taken can have important organisational as well as personal outcomes.

At the same time, the distinction between managers and leaders has become blurred. The Chartered Institute of Personnel Development (CIPD) points out that all managers including first line supervisors need to be leaders. The higher one goes up the organisational ladder, the more complex leadership becomes and the more it focuses on long-term aims. Typically the most senior managers assume responsibility for vision, mission and strategy. Other leaders are concerned with running the operational side of the business or delivering specific results through teams. Managers need the influencing skills of leaders to engage their teams and ensure that they perform at a high level.

However, in today’s knowledge industries, not all leaders are managers or seek to climb the organisational ladder. Many professionals – scientists, doctors, researchers and technical experts – influence others in achieving shared goals through their knowledge and behaviours. Often they eschew management roles and do not seek to acquire
management skills through formal MBA programmes or in-house training. Thought leadership, outside of the management box, would have been an irritant in the hierarchical industrial economy but is widely accepted in the knowledge economy.

Those who have the ability to influence others, i.e. successful leaders, normally have the following attributes:

- General intelligence
- Technical or professional knowledge and competence
- Personality
- Ability to inspire
- Listening, sharing and delegating skills
- Self knowledge of own strengths and weaknesses

All of these attributes develop trust, without which leaders would not be able to command loyalty from their peers or those they lead.

**without followers, there are no leaders**

Leaders are only one side of the equation. Only with followers can they achieve their vision, transform organisations and deliver organisational and societal goals. Followers, who may be employees or external partners, not only play an important role in the delivery of these goals but in the empowerment and removal of people designated as leaders. They are also future leaders, future partners and valued talent. They are important in rebuilding trust in organisations – The Edelman Trust Barometer indicates that information received from a regular employee of a company is as credible as that of the CEO. Industry experts and academics are the most highly trusted sources of information.

While volumes have been written about leaders and leadership, a parallel interest is growing in “followership.” In today’s flatter, knowledge based organisations, followership may be even more important to organisational success than leadership. Leadership and followership can be seen along a spectrum. At one end there is heavy leadership with light followership and at the other, there is light leadership and heavy followership. Light leaders are typically those who are able to constantly switch between following and leading. Heavy followers, who are actively engaged, lead upwards.

Rob Goffee and Gareth Jones, authors of *Why Should Anyone be Led by You?*, have interviewed people for over twenty years at every organisational level and have found that followers like leaders are individualistic and diverse. However, what they want from leaders can be described under four broad headings:

- **authenticity**
  Followers want real people to lead them not clones or cut out copies of other leaders. They prefer leaders to be themselves and to know who they are and where they’ve come from. Followers want to know who leaders are as people, their human differences matter.

- **significance**
  Leaders need to make followers feel that they have a vital role to play and recognise their individual contributions.

- **excitement**
  Followers like for leaders to excite them to higher levels of effort and performance. They want something more than just getting things done. Leaders who excite do this through their own passionate commitment, values and vision.

- **community**
  Followers want to belong, to be part of something bigger and to relate to others. Leaders help them connect to each other and to the organisation.

You can’t do anything in business without followers and followers in these ‘empowered’ times are hard to find. So executives had better know what it takes to lead effectively – they must find ways to engage people and rouse their commitment to company goals.

Robert Goffee and Gareth Jones, authors of "Why Should Anyone be Led by You?"
Leadership embodies the why, what and how of bringing people together for collective action around common goals. Why is about values and vision, how is about the behaviour of leaders and what is about the results achieved. The recent economic turmoil has brought into the open the damage that can be done through ignoring the “how” and “why” and focusing on the short term “what”. As people focus on the need to transform organisations to be viable for the longer term, all three dimensions are important. They are also important in engaging and meeting the expectations of followers.

**why: fundamental vision and values**

The 21st century is values driven and people want commercial organisations and governments to deliver a sustainable future in which all can benefit. In essence, stakeholders expect major organisations to play an active role in transforming society. How they will do this is embodied in their vision and values.

A vision’s optimism inspires people to achieve. Resonant leadership is characterised by optimism because it is attuned to people’s feelings and moves those feeling in positive directions. The opposite of this are dissonant environments that create negative energy characterised by fear, anger, anxiety, pessimism and often extreme individualism. Gallup research, based on 10,000 interviews with followers around the world identifies hope as one of the four key positive leadership attributes. Values and vision statements are not web-site window dressing, but rather need to be lived and cascaded throughout organisations by leaders. They form the framework for strategy, day-to-day decision making and relationships with people inside and outside of the organisation.

Rosabeth Moss Kanter at the Harvard Business School believes that shared values enable transformation. She studied a dozen global corporations to see how they were grappling with the need to become more agile, innovative and connected to communities. She is convinced that, after 350 interviews on five continents, that there is a decisive shift in the guidance system of global giants, that they are moving as rapidly and creatively as smaller enterprises while taking on social and environmental challenges. She argues that values are the key ingredient to making this happen because people who agree on what they respect and aspire to can make decisions independently and not work at cross purposes. They are able to communicate and collaborate in highly diverse teams with a strong sense of purpose and corporate identity.

Most people are certain that leadership is about direction, about giving people a sense of purpose that inspires and motivates them to commit and achieve. Leadership is also about a relationship between people – leaders and followers–that is built on firm ground; enduring values build trust.

*Barry Conchie, co author, *Strengths Based Leadership* and Principal Gallup Leadership Consultant*
When giants transform themselves from impersonal machines into human communities, they gain the ability to transform the world around them in very positive ways.

*— Rosabeth Moss Kanter, Professor of Business Administration, Harvard Business School*

**what: achieving results**

Leaders have to deliver results defined within the context of vision and values. They also need to balance short term results with building strong, cohesive entities and meeting public expectations in the longer term. Leaders are generally very competitive about results as they are the primary consideration in promotion and compensation. The recent crisis in financial institutions has brought to light the damage that can be done by linking compensation to short term results.

The Hay Group reports that since the mid 1990s, there has been a steady increase in achievement as the primary motivation for executives. An ethos has developed that celebrates individual achievement and, although it has produced business results in terms of productivity and innovation, this ethos can be counterproductive. They point out that a relentless focus on tasks, goals, sales and revenue targets will damage an organisation over time because overachievers tend to command and coerce rather than coach and collaborate, ignore concerns of others and not communicate essential information. Over the longer term, the team’s performance begins to suffer.1

Too intense a focus on achievement can demolish trust and undermine morale, measurably reducing workplace productivity and eroding confidence in management, both inside and outside the corporation. While profits have risen during the last decade, public trust in big business has slid.


**how: authentically, collaboratively and accountably**

The complex global challenges leaders are facing, the shift to a more values based society and the huge need to rebuild trust in major institutions require a shift in leadership behaviours. These behaviours take into account that followers and their preferences are critical factors and that organisations are becoming flatter and more highly networked internally and externally.

**authentically**

Authentic leaders are true to themselves and to what they believe in – they are consistent in what they say and do. Their integrity and honesty engenders trust and allows them to inspire, engage and motivate others. They are prepared to admit mistakes and weaknesses and learn from them. Bill George, author of *True North: Discover your Authentic Leadership*, interviewed a wide range of leaders considered to be effective and authentic in both for profit and nonprofit institutions and found that their leadership emerged from their life stories. They constantly tested themselves through real world experiences, developed self awareness and shaped their futures with a keen understanding of their values and principles. Importantly, he found that authentic leaders build strong support teams around them and live integrated, well-grounded lives.
People want to be led by someone “real.” This is partly a reaction to the turbulent times we live in. It is also a response to the public’s widespread disenchantment with politicians and business people. We all suspect that we are being duped.

Rob Goffee and Gareth Jones, “Managing Authenticity: The Paradox of Great Leadership”

Authenticity is not always easy for leaders to achieve even when they recognise its value. Senior executives understand authenticity as a key skill to building a collaborative workplace because it fosters camaraderie, personal understanding and communication. But executives report obstacles in bringing their authentic selves to work, i.e., maintaining an executive image and fear of negative reprisals.

What is important is that those wanting to be authentic leaders understand that it is being themselves “with skill.” Gareth Jones and Rob Goffee point out that they must be able to adapt to situational circumstances and know how to conform when required without losing the inner self. Authentic leaders “sense the situation” through understanding what motivates individuals and caring about them. They also read teams and are able to analyse the balance between members, the tensions between tasks and processes and how the team build its capabilities. They can decode the cultural characteristics of organisations and are aware of subtle shifts in organisational climate.

collaboratively

Collaborative leadership represents the new approach to participative decision making and the harnessing of talent across organisations and borders. It reflects the desire of knowledge workers to be empowered and the growing importance of external stakeholders and partners. Some of these partners are non-governmental organisations that are more highly trusted than governments or corporations.

Collaborative leaders are able to gain value from difference and deliver results across boundaries between different organisations. Collaborative leaders learn to share control, and to trust a partner to deliver, even though the partner may operate very differently from themselves. Collaboration requires that people deliver goals through people and resources outside their control.

In the current turbulent times, the Boston Consulting Group recommends that leaders respect and mobilise the extended leadership team. “There is power in numbers. The members of a broader team will provide complementary skills and multiply the manpower and brainpower available to tackle critical issues.”

A leader’s network is also an important source of their power. In a survey of executives in the US, 89% identified “the power of relations,” as a critical source of power to leverage in the next five years. This was four times greater than “position” as a critical source of power.

A survey of senior leaders predicts that future success will depend on “the ability to collaborate and focus on the team rather than the individual leader.” Ninety-seven percent of respondents said leaders in their organisation needed to collaborate to succeed. However less than half of the senior leaders surveyed believed leaders in their organisation were highly skilled in collaboration. A challenge in developing collaborative leadership is the breadth – it encompasses technology driven skills as well as team development and interpersonal understanding.

The growth in matrix roles makes collaborative leadership all the more important. Some 62% of respondents in the 2008 Best Companies for Leaders Survey said that matrix roles were increasing in their organisations creating a need for collaboration and cohesive teams and bringing confusion over roles, decision making authority and accountability. A range of skills were identified to make a matrix work including collaboration, relationship building, adaptability and interpersonal skills.
accountable to peers, team and stakeholders

Writing in Leader to Leader, management consultant and author, Howard M. Guttman points out the shift from a traditional hierarchical organisation to a flat, horizontal one radically changes the notion of leader-player accountability. High performance teams are essential in flatter, networked organisations and "not only are team members held accountable for results by the leader, they are expected to hold one another accountable and – in the most significant departure of all – they are expected to hold the leader equally accountable."

Guttman points out that the leader needs to shift mindsets to this new paradigm of accountability. Overcoming reluctance to cross functional lines, question peers and leaders and deliver honest candid feedback requires change at the deepest personal level. He suggests behaviours that leaders can embrace to help teams make the transition. These suggestions could also be used with important stakeholders and result in greater trust and better relationships.

Guttman recommends:

**Walking the talk** – demonstrating honest feedback is wanted by listening to others critique their performance and acting on it, by not cutting off or denigrating dissenters and their opinions and by not pulling rank when it's time to make a decision.

**Inviting feedback** - initiating conversations that make it easy for feedback to be given when there is an inkling that something is not going right. It's about intentionally opening the door and encouraging team members to do the same with each other.

**Admit mistakes** – leaders encourage mutual accountability by owning up to personal mistakes in front of the team. While many old-school leaders try to appear infallible, it's better to admit misjudgements and turn them into learning experiences.

**Learning to depersonalise** – treat team comments on performance and what needs to be done to improve it from a business case perspective. Listen and identify actions that can be taken together rather than rushing to explain or excuse.
core competencies: emotional intelligence, communication and networking

Authentic, collaborative and accountable leadership require competencies in emotional intelligence, communication and networking. These are not "nice to have" nor innate – they are essential and can be learned. Coaching and mentoring often focus on how to gain and use these competencies.

"...most of us operate on false assumptions about what it takes to be a great leader – including myths that good leaders should be able to take the heat, that emotions don’t matter and that intellectual prowess will carry the day."

Richard Boyatziz, Annie McKee and Frances Johnston, Becoming a Resonant Leader

emotional intelligence

Daniel Goleman introduced emotional and social intelligence as a concept relevant to business leaders over a decade ago. Many considered it novel at first but the changing structures of organisations and their challenges have made it a buzz word. It is now considered one of the main attributes that distinguishes a successful leader. Emotional intelligence is critical to understanding how to motivate people, make them feel significant and gain co-operation across highly diverse teams.

Emotional intelligence encompasses self awareness, self regulation, motivation, empathy and social skills. It underpins effective leadership in flatter non hierarchical and collaborative structures that characterise 21st century organisations. Goleman’s work found direct ties between emotional intelligence and measurable business success. In the UK, a study of 100 managers who attended Henley Management College indicated that emotional intelligence accounted for half the variation in individual success while IQ accounted for only about a quarter.

Goleman’s work has spawned an industry of emotional intelligence training with many organisations offering proprietary products that lead to certification. Coaching of senior executives draws heavily on his work.

communication

Excellence in communication skills – being heard as well as listening – are essential to becoming an authentic, collaborative and accountable leader. Communication plays a major role in inspiring and motivating others and in working effectively across geographic and organisational boundaries. Communication is also not just about spoken or written words – actual behaviour, i.e walking the talk sends powerful messages that people can see.

"...my research, along with other recent studies, clearly shows that emotional intelligence is the sine qua non of leadership. Without it, a person can have the best training in the world, an incisive, analytical mind and an endless supply of smart ideas, but still won’t make a great leader."

Daniel Goleman, “What makes a Leader?”

Goleman’s work has spawned an industry of emotional intelligence training with many organisations offering proprietary products that lead to certification. Coaching of senior executives draws heavily on his work.
Communication that engages people is often built on convincing stories that allow people to draw their own conclusions. Leaders are better able to connect if these stories are drawn from their own personal experience or from the context of daily life which reflects shared experiences. Personal anecdotes, analogies and humour also help leaders establish their authenticity by revealing more of who they are.

Active listeners observe others and reflect on what their behaviour means as well as pay close attention to what is said. An active listener probes for the person’s real thoughts and feelings and this increases emotional intelligence. The benefits of listening are immense – it creates bonds of respect, increases problem solving, reduces conflict. Innovations are also incubated through listening – it encourages others to think and invites people with fresh eyes and unique backgrounds to contribute to solutions.

Listening and reflecting are at the heart of the learning organisation that is able to adapt to change both quickly and with agility.

**networking**

Herminia Ibarra, INSEAD Professor of Organisational Behaviour, believes that networking is a requirement for business leaders in today’s competitive environment because “what you know is who you know.” Other things being equal, it gives leaders an edge because relationships augment what they know and allow them to translate this into practice.

In *How Leaders Use and Create Networks*, Herminia Ibarra and Mark Hunter studied emerging leaders and believe that the alternative to networking is to fail – either in reaching for a leadership position or succeeding in it. They found that three interdependent forms of networking – personal, operational and strategic – were important in leadership transitions. These facilitate building strong working relationships, reaching out to contacts who can make referrals and leveraging inside-outside links.

Technology has enabled an explosion in web-based social networking through sites such as My Space and Facebook. Business networking sites, such as LinkedIn are growing along side them and enterprise social networking is gaining in acceptability. In a survey of industry executives by Trampoline Systems at Web 2.0 events in London and Boston, 84% of respondents reported that social networking would help with sharing knowledge and expertise with colleagues across the organisation.

Mining valuable contacts and information-flows from enterprise social networks is a next step. Software now exists to map an organisation’s informal networks. Trampoline Systems uses it to analyse such networks internally and externally, extracting key data from emails, blogs and wikis. This builds a visual picture that highlights the topics and people that are being discussed. The system automatically builds a social networking-style portfolio for each employee, and employees are able to use the network to mine others’ profiles and communications for the information they want.

Although networking has always been an important component of developing leaders and managers, an age of global collaboration across organisational boundaries gives it new meaning. A recent article in the Harvard Business Review points out that the new leaders in innovation will be those who figure out the best way to leverage a network of outsiders. “In an era when great ideas can sprout from any corner of the world and IT has dramatically reduced the cost of accessing them, it’s now conventional wisdom that virtually no company should innovate on its own.”

Leaders and organisations will need to become sophisticated in the kind of collaborative networks they form and how they are governed. The challenge for leaders and organisations is to decide what type of collaborative model best suits their purposes and organisation, how it will be governed and who can join it.

> Successful leaders have a nose for opportunity and a knack for knowing whom to tap to get things done. These qualities depend on a set of strategic networking skills that nonleaders rarely possess.

“How Leaders Create and Use Networks,” Herminia Ibarra and Mark Hunter
Men and women frequently display different behaviours in many aspects of their lives so it is not surprising that there would be differences in the way they exercise leadership in the workplace. Whether this is a result of nature or nurture is a long running debate and many accept it is both. Some who have reviewed the scientific literature believe that males and females are innately different with women hardwired to be more empathetic and focused on people and men more focused on action and things. Others would argue that the way society nurtures young boys and girls from an early age makes the difference and creates “gender” cultures. Industrial psychologist Pat Heim, points out that young girls are focused on relationships in early play while boys are trained through competitive sports. She argues that this affects behaviours in the workplace later in life - making men being more goal focused, hierarchical and competitive and women more concerned with process, relationship, and win-win results.

Regardless of the reasons men and women behave differently in the workplace, numerous studies have documented various differences and put them in the context of leadership and organisational needs.

**leadership behaviours**

In the McKinsey's Women Matter 2 Study, nine leadership behaviours were identified as being important to addressing global challenges of the future. Women are seen to apply five of the top leadership behaviours more frequently than men while two of the leadership behaviours were gender neutral. Men applied only two of the nine behaviours more frequently than women and control and collective action and individualistic decision making were at the bottom of the nine behaviours with only 18% and 12% of those polled ranking them important.

The behaviours which women demonstrate more frequently were put in the context of McKinsey’s model of the dimensions that create organisational excellence. These behaviours strengthen organisational performance through their impact on leadership teams, accountability, the work environment and values, direction and motivation.

**transformational leadership**

There is a link between the behaviours which women demonstrate and key characteristics of transformational leadership. This type of leadership relies on inspiring and motivating others through vision, values and trust to achieve the interests of the wider group and exceed expectations. Transformational leaders demonstrate a genuine concern for people, their development and individual needs. Transactional leaders rely more on control and command, rewards and actions and rules and standards. Transactional leaders derive their authority from their position rather than from personal influencing skills.

The identification of women as transformational leaders is not new – research into this subject goes back more than a decade. In the mid nineties, Bernard Bass and Bruce Avolio, surveyed the followers of 150 males and 79 female managers and found that women were rated higher than men on three of the four characteristics of transformational leadership: inspirational motivation, idealised influence and individualised considerations. However, like the McKinsey study, they found that the fourth element, intellectual stimulation was gender neutral.
Professor Beverley Alimo Metcalfe at the University of Leeds studied the behaviours of 2013 male and female managers at middle to senior levels in the National Health Service using a 360 degree Transformational Leadership Questionnaire. Female managers were rated by their subordinates more highly than men on 11 of the 14 dimensions measured. Broken down by gender, male middle managers rated female managers significantly higher on 13 of the 14 dimensions. Female senior managers were found to score higher on “showing genuine concern” and “resolving complex problems.” The ability to show genuine concern was found to be the most important leadership dimension measured as it was the most important predictor of ten independent variables including reduced stress, increased motivation, increased motivation to achieve beyond expectations, job satisfaction and organisational commitment. 

Human resource consultants TalentSmart conducted a worldwide study using their Emotional Intelligence Appraisal and found that both women and men have emotional intelligence but women scored higher than men overall. They demonstrate greater skill in three of the four areas they measured – self-management, social awareness and relationship management. Men and women equally display self-awareness. The scores were highly consistent in different areas of the world. TalentSmart points out that while men and women have the same average IQ, women tend to be more expressive and empathetic than men and are more able to understand emotional references.
Innumerable commercial and internal programmes as well as books and self-help tools offer leadership development choices. Googling "leadership development" yields 38,400,000 results. Regardless of which methods or suppliers organisations chose to use, there are fundamental actions they can take to support the development of leadership talent:

**Review talent management systems**

Talent management issues moved from 11th to 7th place in Ernst & Young’s top ten risks for global business. A PricewaterhouseCoopers global survey of CEOs revealed concern that talent shortages are resulting from the inadequacy of integration of older workers, women and immigrants into the labour force. Women, who appear to have many of the leadership behaviours needed for the future, tend to be in lower rather than higher level leadership positions.

In *Holding Women Back*, a survey of over 10,000 leaders from 376 organisations, DDI found that women were much more likely than men to fall off the management ladder before reaching top executive status. In industries where leaders are mostly men, the majority of women managers at first level management fell off the ladder before reaching senior or executive leadership status. When there is gender balance at first-level management, there is still a shift to male dominance at senior and top executive levels with males taking up about 65% of these posts. Both women and men value support as they make transitions into higher level positions but organisations that are poor in providing this support are especially likely to neglect women.

Talent management systems are meant to identify high potential individuals and then support and develop them as they progress from one leadership level to another. The best systems are formal, objective and transparent but all too often bias and secrecy creep in. In the DDI study, men were found to make up progressively larger proportions of high potentials within each management level. At executive level, 50% more men than women were in high potential programmes.

Men were also twice as likely to be given multinational responsibilities which, in today’s global economy, can be critical to career advancement. This raises the question of whether biased assumptions are made about women’s suitability for these responsibilities because of relocation or increased travel.

A difficulty in talent management systems is that the current senior leadership team heavily influences values and norms and this becomes embedded in talent management processes, in competency models, performance appraisals and rewards. Bias creeps into the system when senior leadership teams do not truly represent the capabilities and leadership behaviours needed for the future or if they are a non-diverse group. The conscious or unconscious bias of “leaders look like me” is all too prevalent.

The findings cast doubt on arguments that the gender difference in the highest level positions occurs because women have not been given sufficient time to rise through the ranks. Realistically, achieving gender parity is not just slow but impossible if organisations continue to place disproportionately more males in the high potential programmes that are the feeder pool for senior leadership.

*Ann Howard and Richard Wellins, Holding Women Back*
The US based Catalyst organisation conducted an assessment of talent management systems, collecting data from over 100 corporations in 19 different industries from a gender perspective. They found that senior leadership teams have a significant effect on talent management systems as the tone from the top cascades down and that systems more commonly include masculine stereotypes when characterising senior leaders and that masculine norms are embedded in the system. Senior leaders involvement in selecting individuals for important assignments disadvantages women when bias about competencies influences decisions.

**rooting out bias**

Amongst Catalyst’s recommendations is that senior leaders and employees engage in interactive dialogues about talent management. This will provide broader perspectives of what makes a leader and what capabilities are needed for future organisational success. Such an approach would not only have benefits for women who aspire to be leaders but also for the rest of the talent pool that is highly diverse across cultures, gender, race, age and sexual orientation.

Ernst & Young has implemented a new initiative to remove unconscious bias on decision making around people. Recognising that everyone has unconscious bias and is prone to stereotype, it initially ran a virtual training session attended by 500 managers. The excitement this created resulted in a web based tool to help people consider how their unconscious bias impacts the decisions they make about recruiting, how clients are assigned and who is developed and promoted. Importantly, the UK Leadership Team has taken ownership of this tool and after only a year, Ernst & Young has seen a significant and positive impact in the number of women selected for leadership programmes and the parity between men and women’s performance ratings.

Seven steps organisations can take to help women move up the leadership ladder:*

1. Formalise succession planning and start at the very bottom of the hierarchy
2. Recognise performance equally – research shows that women need to perform significantly better than male counterparts to be seen as equally competent
3. Democratise development by giving women equal access to developmental programmes
4. Provide women with mentors
5. Internationalise women’s experiences
6. Equalise transition support
7. Make HR policies more family friendly


**Encourage a listening and learning organisation**

Employee feedback through focus groups, surveys and 360 degree reviews offer huge opportunities. Using them effectively not only gives valuable organisational information but also creates a culture in which individuals will be more likely to listen to peers, reports and partners. Revising the content and process of these feedback groups can help organisations align themselves with new priorities.

Discussions for focus groups and the construction of employee surveys would do well to probe on areas that relate to authentic and collaborative leadership, emotional intelligence, communication and networking. Feedback can also be sought on how inclusive they believe the organisation to be and how fair talent management systems are. This feedback broken down across departments, operating areas and personal characteristics can provide vital insights to keep leaders on track as well as help them learn and grow.
Using 360 degree feedback as a learning and development tool as well as a performance management tool is essential in creating more authentic and collaborative leaders with the emotional intelligence to build relationships and inspire others.

Using them effectively within an organisation often requires a cultural shift to a more open, learning organisation characterised by trust. People will be hesitant to participate and be honest if what they say will damage their career prospects or if results are used to punish as opposed to develop people.

**Develop an appreciation of difference**

Most organisations, recognising that talent, consumers and stakeholders are diverse, have implemented diversity initiatives. However, most of these initiatives have yet to make a major impact on the diversity of senior leadership. A key reason is that diversity initiatives have not been mainstreamed across the breadth and depth of organisations nor integrated into change management strategies. Many people making day-to-day decisions do not understand the business case for diversity at a corporate or operational level and are not held accountable for actions to achieve it.

A recent report from KPMG and Roffey Park Institute, *Thriving in a diverse business world,* gives a different perspective on why diverse talent, i.e. people who think differently, do not thrive to reach senior posts. This relates to a lack of “positive conflict” within an organisation. Positive conflict is defined as working through disagreement and conflict in a collaborative way, sparking creativity, innovation and good decision-making. To achieve this, organisations need cultures and social rules that genuinely encourage and welcome different thinking.

*Thriving in a diverse business world* recommends addressing the leadership style of the executive team and senior management group because they set the tone for the social rules of an organisation. Their leadership style needs to be open to different views and perspectives and they need to actively spend time investigating perspectives that are not mainstream and exploring the knowledge and wisdom in alternative points of view. By doing this, diversity of thinking will be more welcome in the organisation and make it easier for people with diverse backgrounds to assume leadership roles. The diversity of thinking will also have the benefit of creating new products and services.
At the heart of leadership is the ability to inspire and enable others to reach common goals. New organisational realities mean that a broad range of people will be needed to do this. They may occupy a key position in the hierarchy of the company, be part of a matrix, a team leader or a member or partner of a collaborative team. Regardless of which one, they will need to continually develop and redevelop their influencing skills to be effective in the new knowledge era. The days of command and control and influencing based solely on the power of position are disappearing.

Both public and private sector organisations will benefit from supporting current and future leaders to develop authentic, collaborative and accountable leadership behaviours and build the emotional intelligence, communication and networking skills that underpin them. Because people matter, they will need to build inclusive workplaces that embrace difference and inspire everyone to contribute to their vision of a better future. Trust in organisations and leaders won’t shift overnight, but new leadership is essential to restoring it.

About Opportunity Now:

www.opportunitynow.org.uk

Opportunity Now empowers employers to accelerate change for women in the workplace because it makes good business sense. It works with its membership of 350 employers, from the UK’s largest, to some of the smallest, in the private, public and education sectors to offer tailored, practical and pragmatic advice on workplace issues.

Opportunity Now is part of Business in the Community, a charity which mobilises business for good. It inspires, engages, supports and challenges companies on responsible business, working through four areas: Marketplace, Workplace, Environment and Community.
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Business in the Community – mobilising business for good.
We inspire, engage, support and challenge companies on responsible business, working through four areas: Marketplace, Workplace, Environment and Community. With more than 850 companies in membership, we represent 1 in 5 of the UK private sector workforce and convene a network of global partners.

www.opportunitynow.org.uk
opportunitynow@bitc.org.uk

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