Engaging leadership

Creating organisations that maximise the potential of their people

Shaping the
FUTURE

Shaping the Future is a longitudinal action research study and engagement programme exploring sustainable organisation performance. It aims to advance both thinking and practice through generating new insight, provoking debate, and providing practical guidance and tools that can be applied in a work context.

The core research is being carried out with a range of case study organisations already embarking on a change journey of their own initiation and design. The key themes of engagement, leadership and organisational development are also being explored with practitioners through action learning sets.

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This Research Insight was written by Beverly Alimo-Metcalfe, Chief Executive and John Alban-Metcalfe, Director, Real World Group.

Real World Group occupies a unique position in the field of leadership research, development and cultural transformation. We bring together leading-edge research and consultancy in a way that maximises the knowledge and experience of both, while relating this directly and practically to the real world of work.

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Foreword

Leadership in every guise has a bearing on organisational performance – potentially positive or negative: a mass of research studies provides evidence for this assertion. But much of this research fails to identify direct causal links between leadership behaviours and employee engagement – the engine of performance.

What is so interesting about the work of Professor Beverly Alimo-Metcalfe and Dr John Alban-Metcalfe is how they have established those causal links. The authors' overview of the evolving field of leadership theory, including the competencies movement, highlights key gaps in understanding the ways in which leadership can lead to employee engagement. In contrast, their own 'bottom–up' analyses provide real insight into how leadership can be engaging; how leaders can create the context in which people can perform well. Applying their model of engaging leadership in fieldwork in real organisations provides strong validation of the model and establishes the powerful links between certain kinds of leadership behaviours – exercised individually or collectively – and improved employee engagement and performance.

It is both because leadership is so central to individual, team and organisational performance and because of the ways in which the authors have applied their theory to produce real business benefit that this Research Insight is so important. Data is used to both pinpoint new insights and also apply those insights to drive better performance, with benefits for both organisations and individuals.

This is precisely what we are setting out to do in the *Shaping the Future* research programme – a three-year research and engagement programme geared towards helping organisations explore and achieve sustainable high performance in fast-changing contexts. We believe that many factors – internal and external – have a bearing on sustainable performance. But the core of

our hypothesis is that employee engagement lies at the heart of organisational performance, and that leadership is disproportionately influential in terms of its impact on employee engagement and performance.

Unlike many well-known studies of high performance, the *Shaping the Future* study will be future-focused and draw on existing research, not least the famous 'black box' studies (from the *People and Performance* research programme) carried out on behalf of the CIPD by Professor John Purcell and colleagues at Bath University.

We will be working with a range of organisations as learning partners on their journey to sustainable performance. Our action research model will include using employee, customer and business data to create better understanding of where activities and interventions can be targeted to make a significant difference to performance, and measuring that difference. So we are setting out less to prove, than to improve.

We shall be focusing on the conventional core of the HR agenda – talent, in all its forms – and related processes, and will also be adding to that a focus on culture, in particular how HR can help build changeable cultures that stand the test of time. We believe these cultures to be agile, adaptable, customer-focused, 'boundaryless', conducive to learning and innovation, knowledge-rich and fundamentally values-based. Leaders and leadership are vital to the building of these organisational cultures where employees can thrive and business can bloom. These are organisations where the best available talent will want to work and give their best.

Alongside our studies, with a core of case study organisations we shall be aiming to involve in the performance quest a broader community of organisations – large and small – from every sector. We want to use the research process to bring about

change, advance practice and build capability among people management and development professionals. We want to create a movement of practice where HR professionals and line managers can use shared learning and insights to create experiments and improve practice in their own organisations. We want HR to be able to build sustainable competitive advantage and help shape the future.

So I am grateful to Beverly and John for showing just what can be done when you set out to find what can make a difference and then use that understanding to make a difference for the good. In *Shaping the Future* we will be following their lead and I commend this report to you.

Linda Holbeche
Research and Policy Director, CIPD

Introduction

Organisations waste thousands, and in some cases millions, of pounds every year by appointing the wrong people to leadership positions, or by not developing them to become effective leaders, or by creating cultures in which even the most potentially effective leaders are frustrated daily in their efforts to have the greatest positive impact on the performance of their employees.

This Research Insight is about how an organisation, irrespective of size, sector or area of business, can exploit the potential of its people such that they can *give their best in performance* terms, in a way that increases their *motivation, morale and well-being*.

It combines up-to-date research on leadership with what we know about the phenomenon of 'engagement' and its effect on organisational success, with recent UK research into the nature of engaging leadership, and the evidence of its validity in increasing employee morale, job satisfaction, well-being and performance. Other topics discussed include how engaging leadership can be assessed, the current debate surrounding competency frameworks for leadership, questions around leader and leadership development, and factors to consider in embedding a culture of leadership in an organisation.

There are three case studies that describe how such knowledge has been adopted by organisations to deal with the challenges they face and increase their success.

The leadership challenges

Not only are organisations facing challenges of greater complexity than ever before, they are having to cope with them in an environment in which the pressure of competition is relentless and the rate of change is accelerating. One fact is clear, the need for leadership is critical in order for organisations to sustain and increase their effectiveness.

But just when organisations need it most, there is a looming leadership crisis in the West, as most of the current senior managers who formed the generation of the 'baby boomers' are reaching retirement age. Several recently published surveys have asserted that organisations have only until the end of this decade to prepare to fill the void, and that most show little evidence that they will achieve it (Hay 2007; RHR 2005; Wellins and Schweyer 2007). The problem is compounded by the fact that the talent pool from which future leaders will be drawn is diminishing. In the original book entitled *War for Talent*, written by consultants in the McKinsey organisation (Michaels et al., 2001) it states that the number of 25–44-year-olds has shrunk by 6%, but the overall employment numbers have increased by 12%. In a more recent update, the McKinsey organisation asserts that the problems of the shortage of available talent are increasing (Axelrod, Handfield-Jones and Welsh, 2001). If there is a shortage of leaders, how will organisations meet their leadership needs?

In the meantime, given the need for organisations to be increasingly effective and also competitive in delivering the highest levels of performance while still controlling their staff costs, it falls to leaders to get more from their staff, not only in a cost-effective way, but also in a way that does not reduce their motivation and well-being. This is not only for ethical reasons, but also since damaging either will ensure that any benefits will be short-lived.

This stark reality raises critical questions about the *nature of leadership* and of the *use of human and social capital in organisations.*

We believe that there is a way forward that enables organisations to build leadership capacity, while at the same time creating an environment in which employees can give more, and experience higher levels of motivation and well-being.

The next section begins by looking at the ways in which notions of leadership have changed over the decades. It examines the most current focus of thinking in the leadership literature, from which a new model for the beginning of the twenty-first century is emerging.

It's time for leadership to take a new direction

What is leadership?

The literature on leadership can be very confusing, not least because notions of leadership (and therefore the models in use) have changed over time, as have definitions of what leadership is about. Notions of what leadership is are affected by what is happening in society, including social, technological, economic and political change. This has been further confounded by the different ways in which academic researchers have approached their subject, adopting various definitions of leadership and employing different methodologies.

Thus, for example, some researchers have focused on studying who leaders are, or what the personality characteristics are that differentiate those individuals who are perceived as leaders, or who act in the role of leader. Conversely, others have focused more on what leaders do, and how they do it.

It is imperative when considering a particular model of leadership, or of leadership effectiveness, to ask the following questions:

- Who funded the research?
- Who conducted the research?
- When did it take place?
- Where did it take place?
- What major factors were influencing notions of leadership at the time?
- What were the characteristics of the sample(s) studied, on whom the model was based?
- What was the methodology employed?

With these questions in mind, the brief history of leadership research is described below.

Leadership: a brief history of research

The definition of what is 'leadership', which has changed considerably since the first formal studies in the 1930s, can be traced through five main stages. The first three stages – the trait or 'great man' approach, the behavioural approach and the situational or contingency approach – are now best regarded as reflecting the study of what we now refer to as 'management' or 'transactional' leadership. This is because they were based on principles of creating order and maintaining the 'status quo' in organisations by those in leadership positions influencing the behaviour of their 'subordinates' through the use of reinforcement – offering a *quid pro quo* for behaving in ways that enable the organisation to achieve what the leader saw as the objectives.

Following the oil crisis of the early 1970s, there was recession in the West, and a growing realisation that, with increasing competition from the economies of the East, organisations needed to become more adaptable and responsive to the growing forces of change. Advances in information technology contributed to these developments. Leadership academics were accused of being 'out of touch' with the realities of the modern world, since the models they had created were based primarily on maintaining order, predictability and the current situation.

Their response was to switch their attention from studying first-level supervisors, as in the famous Ohio studies, to focusing on those managers at the top of large organisations who succeeded in taking them successfully through the turbulence of the 1970s. The result was the emergence of what became known as the 'new paradigm' models of leadership. Peters' and Waterman's book *In Search of Excellence*, published in 1982, became a best-seller and a modern classic, and provided an analysis of North America's most 'successful' companies, in which they emphasised the role of the 'transforming leader'. This kind of person was seen, first and foremost, as articulating a vision for the organisation, communicating this vision by his or her passion and charisma, and as a consequence defining a meaning for the organisation and – typically

– transforming its culture. Charles Handy referred to the nature of change facing organisations as an environment of 'never ending white water'.

US leadership academics, in particular Professors Bernard Bass (for example 1985,1998), Jay Conger (for example 1989), Robert House (1977) and Marshall Sashkin (1988), developed models of leadership that were concerned with being charismatic, visionary and transformational (see Northouse 2004 for a recent review). They did recognise the importance of leaders also displaying transactional behaviours when appropriate, but stressed that the charismatic–inspirational approach was superior in terms of a range of outcomes from their staff, including extra effort, higher motivation and satisfaction, and higher performance. The focus of their studies was chief executives and very senior managers, almost all of whom were male and most were probably white.

The growing feminist literature being published from the early 1980s (Marshall 1984; Jacobson and Jacques 1990), which argued that the experiences of women and men in organisations were generally very different, was ignored, and the findings from the leadership research were generalised to the whole population.

Thus, what came to be known as the 'heroic' models of leadership came to dominate the 1980s and 1990s.

There were some voices of criticism in the academic literature, including the accusation from Australian academic Peter Gronn (1995) that they resembled the 'great man' theories that had been debunked in the 1950s.

Unfortunately, the research findings of Israeli psychologist Boas Shamir (1995) appeared to be largely unnoticed. Shamir stated that it is important to realise that there are differences between the characteristics people associate with charismatic 'distant' leaders, such as very senior managers or public figures, and 'close' or 'nearby' charismatic leaders, such as one's line manager. Distant charismatic leaders were characterised as having, for example, rhetorical skills, an ideological orientation and sense of mission, as being persistent and consistent, and as not conforming to social pressures – descriptions that

are typically reflected in the new paradigm models. In contrast, 'close' or 'nearby' charismatic leaders were more frequently characterised as sociable, open and considerate of others, with a sense of humour and high level of expertise in their field, and as intelligent and setting high performance standards for themselves and their followers. In the main these characteristics are not noted in new paradigm models.

Given the focus on white male senior and top managers, that is 'distant' leaders, it is perhaps not surprising that 'heroic' models emerged.

Recent developments in leadership
In the first year of the new millennium the world experienced at least two seismic shocks that, arguably, have led to the greatest challenge of the dominance of the heroic models.

In the wake of the tragedy of 9/11, and the corporate scandal surrounding the collapse of Enron (and later AmCom and WorldCom), there is increasing concern with the potential dangers of extolling the virtues of 'charismatic' and 'inspirational' leadership. In the hands of some people – fanatics or corrupt top executives – these attributes can be lethal.

In its wake, the term 'toxic leadership' (Lipman-Blumen 2004) was born, which refers to those individuals who destroy those whom they are responsible for managing, and/or their organisations, for personal gain and self-aggrandisement. While there were earlier publications about 'the dark side of charisma' (Conger 1990), which focused on similar themes, they had not achieved the same prominence in the general managerial and leadership literature. It was only recently (2007) that one of the most prestigious academic leadership journals, *The Leadership Quarterly,* devoted a special issue to papers relating to aspects of 'destructive leadership' because, as the editors state: '…we are increasingly faced with the reality that those in leadership positions sometimes have the capacity, and motivation, to be destructive.'

At a less dramatic level, most individuals will have encountered or worked with some individuals in leadership positions who, although charismatic and inspiring in public, might be overwhelmingly arrogant

or egocentric in private. They are people who 'take all the glory', or who show no concern for the impact of their behaviour or ambition on others.

It is not, however, always easy to identify individuals who reflect the 'dark side of charisma', since certain individuals who appear charismatic, and highly attractive, might hide less appealing characteristics below the surface. Indeed their very attractiveness and social skills increase the chances of them being supported for promotion by colleagues, and the discovery of their 'dark side' might come too late to save colleagues and organisations from the damage and destruction they have wrought along the way.

Canadian scholar Henry Mintzberg (1999) has expressed his distaste for the 'celebrity-like' focus on those in the most senior leadership positions. He chastises the common practice of business journals to display on their front cover a photo of the latest CEO to single-handedly 'save' his or her company by, for example, enabling a new and highly lucrative product to come to market. He states that they are not only making a ludicrous assertion, they are dismissing the contributions of the many hundreds or thousands of employees in the company. Moreover, they are in danger of contributing to the creation of a culture of emasculation and submission, which is exactly contrary to the needs of the modern organisation.

Before leaving the subject of charismatic leadership, it is worth noting that a recent US study based on a sample of 59 CEOs of the largest companies in the US (Fortune 500 companies) investigated the link between the perceived charisma of the CEO and the performance of their company over a ten-year period and found no relationship (Tosi et al 2004). However, and perhaps as important to note, the researchers did find a significant positive correlation between their perceived charisma and the size of the CEOs' compensation package!

While this might be viewed as somewhat amusing, there is a more serious side to the results, and it is reflected in the authors' conclusions: 'Our results… suggested that boards should be a bit more circumspect in advocating charisma as a criterion for the selection of CEOs.'

To bring the importance of the implications of these findings into clearer relief, it is worth noting that separate research has found that the characteristic assessors at selection interviews and assessment centres are most likely to associate with candidates possessing leadership potential is the degree to which they are perceived to be 'charismatic' (Hogan and Hogan 2001). This finding clearly suggests the importance of very rigorous design in selection processes, and in the training of assessors.

While some writers have focused on their concerns with the dark side of charisma, there has also been an increasing interest in the notion of 'humility' as a characteristic of leadership. This movement has been partly fuelled by the success of a book entitled *Good to Great,* published in 2001, which is based on the findings from a substantial study by US writer Jim Collins. He set out to investigate whether there were any characteristics in common among chief executives of organisations quoted on the US Stock Exchange, who moved their organisations from solidly 'good' performance to 'outstanding' performance and maintained their superior market position for at least 15 years (Collins 2001).

Based on the observations in his sample of over 1,400 organisations, and controlling for a wide range of variables such as specific economic factors affecting the performance of certain industries, organisational size, and so on, Collins identified 11 such chief executives. Of the characteristics in common, the two most evident were their unflinching belief that their company would be the best in its field and the second was their deep personal humility. In fact, they appeared unassuming and not very charismatic. Interestingly, Collins adds that among the companies that he observed as being on a downward spiral, for at least two-thirds of them their failure could be attributed to the presence of a CEO with 'a gargantuan ego', who began a major restructuring campaign shortly after taking office and thereafter caused chaos.

This book, which is probably now a modern 'classic', has had a significant influence in challenging earlier notions of leadership.

Leadership in the 'post-heroic' era: the importance of 'nearby' leadership and the concept of 'engagement'

The crucial question now is, 'What form of leadership will replace the "heroic" models at the beginning of the twenty-first century?'

Over the last 70+ years, US researchers have provided an invaluable source of data and theory about the nature of leadership, and they still dominate the landscape. However, researchers, both in the US and elsewhere, have started to point out the absence of consideration for the influence of context in modern studies of charismatic/transformational leadership (Yukl 1999), not least of which is the influence of different cultures across the world.

Closely related to this fact, and undoubtedly influencing such a view, is the realisation that we live in an increasingly interdependent world, where the way in which individuals and organisations act in one part of the world has an effect – sometimes dramatic and rapid – on the other side of the world. Concern for environmental issues has obviously accelerated this realisation. The strength of economic growth in China provides countless examples of such consequences.

In the world of business organisations, the new model for big business has been described as 'the globally integrated enterprise' (cited in Kanter 2008), where there is sensitivity to cultural differences and a premium is placed on collaboration and mutual respect.

But what are the implications for leadership in organisations?

One of the strongest and clearest themes to have emerged in the business literature in the last few years is the considerable interest being shown by organisations in the concept of employee 'engagement'. Private sector companies are spending substantial amounts of money investing in interventions that increase levels of employee engagement.

Engagement has been described as: 'a positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organisation' (Robinson et al 2004).

In essence, engagement relates to the degree of discretionary effort employees are willing to apply in their work in the organisation. It recognises that whatever their level or role in the organisation, every employee ultimately chooses whether to contribute the minimum levels of performance required (or to sabotage), or to go beyond the minimum required by the post and to offer outstanding effort in their role.

Some writers (Scottish Executive 2007) argue that:

'The literature on employee engagement builds on earlier research and discussion on issues of commitment and Organisational Citizenship Behaviour (OCB), but means more than what these terms encapsulate. The defining distinction is that employee engagement is a two-way interaction between the employee and the employer, whereas the earlier focus tended to view the issues from only the employee's point of view. Definitions of engagement, or characteristics of an engaged workforce, focus on motivation, satisfaction, commitment, finding meaning at work, pride and advocacy of the organisation (in terms of advocating/recommending either the products or services of the organisation, or as a place to work). Additionally, having some connection to the organisation's overall strategy and objectives and both wanting and being able to work to achieve them, are key elements of engagement.'

Why are organisations investing so much in engagement? The answer is that the rewards for high engagement are considerable, with several recent studies having shown indisputable links between engagement and various measurements of financial success in the private sector. Thus, for example, a US survey of 24 publicly listed traded companies with a total of over 250,000 employees conducted over the last five years found that the stock prices of the 11 companies with highest employee morale increased an average of 19.4%, while those of other companies in the same industries increased by an average of only 8% – a margin of 240% (Sirota Survey Intelligence 2006).

A survey conducted by Towers Perrin (2005) of over 85,000 employees working for large and mid-size organisations in 16 different countries on four continents found that companies with high employee

engagement levels also experienced a higher operating margin (up to 19%), net profit margin, revenue growth and earnings per share (up to 28%) than companies with low employee engagement.

In addition, a Watson Wyatt study of 115 companies (2006, 2008) asserts that a company with highly engaged employees typically achieves a financial performance four times greater than a company with poor employee attitudes. Moreover, high job and organisation commitment, which are affected significantly by levels of engagement, also lead to reduced absenteeism and turnover.

In large public sector organisations, the costs of absenteeism, turnover and of training new staff are among the highest financial burdens. A recent item in the *Health Service Journal* (Shepherd 2007) relates the effect of engagement to financial savings in an NHS Trust. The Leeds Mental Health NHS Trust made savings of over £1.8 million in the short term, with the promise of a further equivalent saving, when the trust focused on increasing involvement of staff in achieving shared organisational targets and worked towards transforming a culture of blame into one of learning.

The attraction to organisations of the effects of engagement is obvious; it potentially enables the organisation to increase employee effort and productivity, and reduce turnover and absenteeism, without increasing salary costs. This was one of the critical challenges facing organisations and leaders described at the beginning of this publication.

It should, however, also be noted that one of the studies mentioned found that while many people are keen to contribute more at work, the behaviour of their managers and culture of their organisations is actively discouraging them from doing so (Towers Perrin 2005).

The crucial question for organisations is now, 'What form of leadership creates "engagement"?'

What does 'engaging leadership' look like?
The Institute for Employment Studies' publication *The Drivers of Employee Engagement* (Robinson et al 2004) states that: 'Engagement is big in the HR consultancy market, yet there is a dearth of academic research in this area.'

The subject of 'engaging leadership' was precisely the focus of a three-year study the authors began in 1999 and eventually completed in 2001 (Alimo-Metcalfe and Alban-Metcalfe 2001) although at the time they referred to it as ('nearby') transformational leadership.

As was mentioned at the beginning of this Research Insight, leadership has been studied from a variety of different perspectives and researchers have adopted very different methodologies. There were several reasons why, despite a plethora of research in the area, we felt, in 1999, that yet another study was required. Foremost among these was the relatively unquestioning acceptance of the 'heroic' charismatic/inspirational leadership models that have dominated the literature since the mid-1980s. The specific reasons were the following:

- It was not clear how valid US models were for non-US organisations, such as those in the UK.
- Such models are based on the study of 'distant leaders', or the characteristics of managers at the top of organisations, such as CEOs. We did not believe that the findings from such studies could necessarily be generalised to individuals at lower levels.
- Added to this, to identify 'engaging leadership' a focus was needed on the day-to-day behaviours of managers/bosses with whom one comes into frequent contact. Such leadership has been referred to as 'nearby' leadership.
- The heroic models were often seeking the views of the 'distant' leaders themselves, whereas it was clear that the people whose views of 'nearby' leadership should be sought were the people on whom the leader was having an impact; in other words, staff. This makes even more sense in the light of recent findings from evidence of the importance of 'engagement'.
- Leadership research had been based almost entirely on studies of men; it is essential to have a gender-inclusive sample
- There had been no apparent attempt to ensure that the research is also inclusive by ethnic background; this is what we did.

These various reasons combined to show that there was a pressing need to investigate the nature of the behaviours and characteristics of managers who

achieve high engagement – that is, high levels of motivation, job satisfaction, and job and organisational commitment among their staff (direct reports), based on an inclusive sample of individuals at various levels in organisations.

Investigation into 'engaging' leadership

The intention was to investigate the nature of leadership experienced daily in peoples' working lives – initially in the UK public sector, but later replicated in the private sector – through the eyes of those whom 'leaders' (line managers) are intending to 'lead'. That is, 'nearby' leadership was studied, as perceived by those individuals working at middle to chief executive level, in various organisations in the public sector and in three FTSE 100 companies based in the UK. The findings from the public and private sectors were virtually the same (Alimo-Metcalfe and Alban-Metcalfe 2002; Alban-Metcalfe and Alimo-Metcalfe 2007).

In brief, a repertory grid interviewing technique was used. These interviews, which involved asking individuals to compare several examples of bosses with whom they had worked – some (n=2–3) of whom they regarded as 'outstanding' in relation to their leadership, some 'poor' and some 'between the two', plus the notion of their 'ideal leader' – enabled us to elicit over 2,000 constructs of 'nearby' leadership.

Using this approach ensured that notions of 'nearby' transformational or 'engaging' leadership were tapped.

Data were also collected employing focus group techniques and we reviewed the most recent literature on leadership to ensure that there was an element of 'futures' thinking in the data.

Statements were then content analysed and from these data a pilot leadership questionnaire was developed, which was distributed to over 600 organisations. Individuals in these organisations were asked to anonymously rate their current, or previous, boss on the questionnaire statements. Over 3,500 responses were received, which probably makes this one of the largest investigations ever conducted into the nature of leadership.

Analyses of these responses revealed a far more complex model of leadership than hitherto described

in the 'new paradigm' or 'heroic' literature, and one of a very different tenor.

A subsequent study among the three FTSE 100 companies (in the pharmaceutical industry, e-technology and leisure) yielded more than 1,200 constructs, which produced almost exactly the same dimensions as those found in the public sector.

Several articles describe the findings (Alimo-Metcalfe and Alban-Metcalfe 2000, 2002; Alban-Metcalfe and Alimo-Metcalfe 2007), including evidence of the study's validity in assessing those leadership behaviours that have a significant impact on several aspects of staff attitudes to work, morale and well-being, among which are motivation, job satisfaction, commitment and reduced work-related stress, outcomes related to engagement (Alban-Metcalfe and Alimo-Metcalfe 2000a, 2000b; Alimo-Metcalfe and Alban-Metcalfe 2002, 2003). An independent study by the Home Office which adopted the same technique as the original study (Dobby et al 2004) provides evidence of its concurrent validity and generalisability, in this case, within the UK police service.

A model of engaging leadership

The structure of the model is represented by four clusters of dimensions or scales: 'engaging individuals', 'engaging the organisation' (or team), 'moving forward together' (which relates to working with a range of internal and external stakeholders), and 'personal qualities and core values'. Figure 1 shows the various scales in each cluster.

It is important to note how this model differs significantly from the dominant US 'heroic' models.

First, the emphasis is not on heroism, but on serving and enabling others to display leadership themselves. It is not about being an extraordinary person, but rather a somewhat *ordinary, vulnerable* and *humble*, or at least a very open, accessible and transparent individual.

Second, it contains a persistent theme of teamworking, collaboration and 'connectedness', and of *removing barriers to communication and ideas,* whether between individuals at different levels, or in different teams and departments, or with outside 'stakeholders' and partners. It consistently echoes

Figure 1: The structure of the 'engaging' transformational Leadership Questionnaire™ (TLQ)™

Engaging individuals
Showing genuine concern
Enabling
Being accessible
Encouraging questioning

**Personal qualities
and core values**
Acting with integrity
Being honest
and consistent

**Engaging the
organisaton**
Inspiring others
Focusing team effort
Being decisive
Supporting a
developmental culture

**Moving forward
together**
Networking
Building shared vision
Resolving complex
issues
Facilitating change
sensitivity

the desire to see *the world through the eyes of others*, and to take on board their concerns, agenda, perspectives on issues, and to work with their ideas.

Another persistent theme is to *encourage questioning and challenging* of the status quo and to ensure this happens by creating an environment in which these ideas are encouraged, listened to and truly valued; and in which *innovation and entrepreneurialism is encouraged*. A culture that supports development is created, in which the leader is a role model for learning, and in which the inevitable mistakes are exploited for their learning opportunities. Leadership acts as a 'cognitive catalyst', shocking and even iconoclastic.

Gone is the heroic model, along with the notion of one person – the solipsistic leader – with a monopoly on the vision; it is replaced by a commitment to building

shared visions with a range of different internal and external stakeholders. It exploits the diversity of perspectives and the wealth of experiences, strengths and potential that exists within the organisation, and with partners and other stakeholders.

This model (which incidentally is currently being embraced by military and quasi-military organisations) replaces the heroic approach with a far more exciting, complex and challenging one, in which the emphasis is on *actual leadership behaviours and attitudes* rather than being seen as possessing the 'God-given right' that comes automatically with status.

The transformational leadership model that emerges is one of 'nearby' leadership, which in several ways is akin to Greenleaf's (1970, 1996) notion of 'servant as leader', though we would expand this to 'servant and

US models of 'distant' leadership	TLQ model of 'nearby' leadership
based on empirical studies of CEOs and senior managers	based on empirical studies of managers at all levels
research undertaken mostly in US	research undertaken in UK
based predominantly on white males	deliberately inclusive with respect to age, ethnicity, gender and level
based predominantly on managers' self-reports	based on direct reports' perceptions of their line manager
heroic	non-heroic
leader as 'saviour'	leader as 'servant' and 'partner'; leadership is a shared process
leadership in the hands of CEO	leadership distributed throughout the organisation
emphasis on 'charisma'	emphasis on 'openness', 'curiosity', 'connectedness', empowerment, humility, and humanity

Figure 2: The differences between the US 'heroic' models of leadership and the UK model of 'engaging' leadership
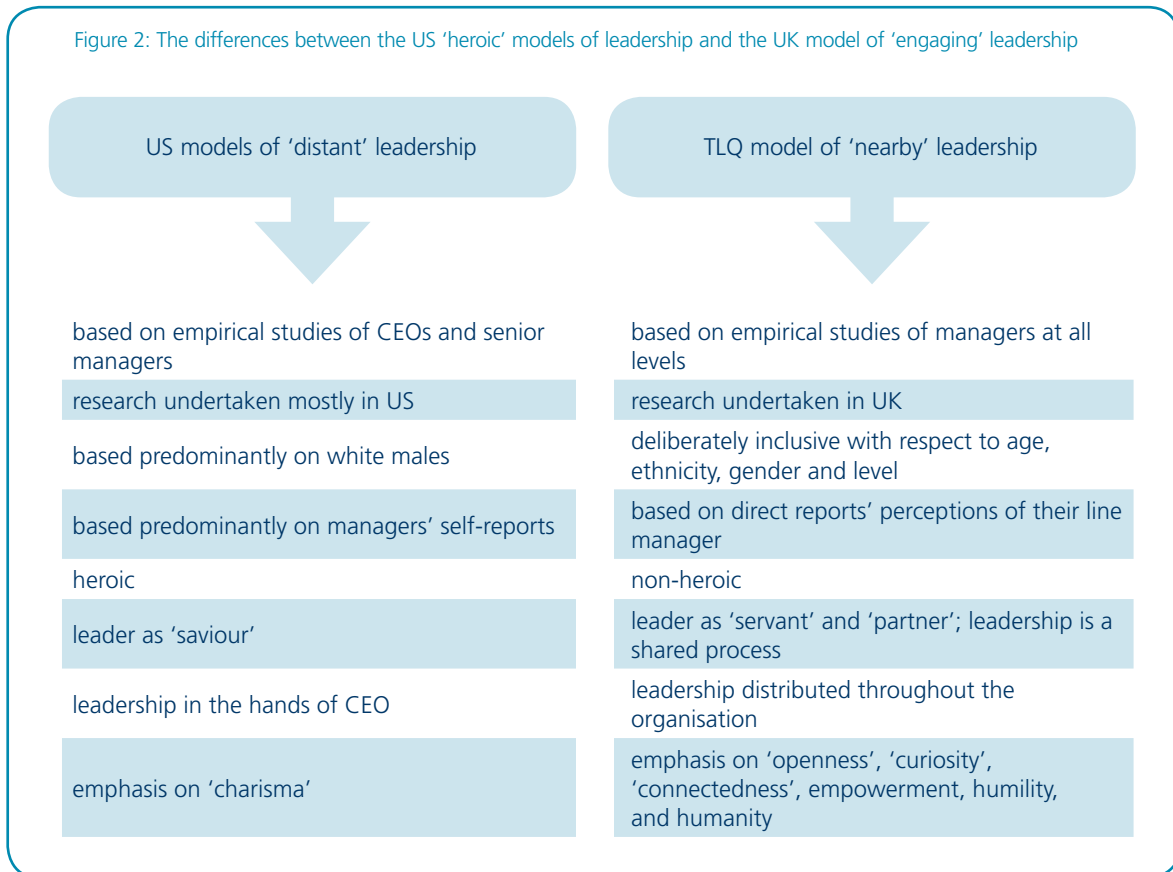
partner'. It is a model that is characterised by a strong sense of inclusiveness; a model in which leadership is seen as 'distributed' throughout all levels of an organisation, rather than being the sole province of a single individual or a small clique of senior staff; a model in which the nature of leadership is essentially about being humane, treating others with respect, valuing their contributions and seeing others as human beings rather than human *doings*.

A summary of the differences between the model of 'engaging' transformational leadership and earlier 'heroic' models of leadership is presented in Figure 2.

This model, and the instruments based on its measurement, has now been adopted in various public sector organisations in the UK to support leadership development, including the NHS, local government, central government departments and agencies, universities, schools, public libraries, the Police Service and the Fire and Rescue Service, and increasingly in the private sector. It is also being used in the US in a project for supporting the leadership development of senior and head teachers/principals in US schools.

Validation for its use in the US includes a doctoral study undertaken by a US-based researcher (Miller 2005).

Is the model valid? Does it work?
Evidence of its validity in predicting outcomes related to 'engagement' including increased job satisfaction, motivation, motivation to achieve, job and organisational commitment, and reduced stress, is provided in a later section (see page 20), as is the first longitudinal study to provide evidence of its ability to assess the leadership behaviours that predict productivity.

Current approaches to leadership: the competency debate

There has been an extraordinary increase in the use of competencies as the basis of leadership frameworks across the UK private and public sectors, and what we believe to be an often misguided understanding of the relationship between competencies and effective leadership practice.

It is important to state from the start that we believe that competencies or 'skills' are crucial for the effectiveness of anyone, whatever their job; it would be a nonsense not to believe that to be true. However, what we also believe is that competency frameworks alone are not sufficient for assessing the full range of leadership behaviours that are required for effective leadership and organisational success. Indeed, we argue that believing that possessing the competencies is sufficient for leadership is rather like believing that by equipping someone with a 'painting-by-numbers' kit, they can produce a Monet.

The use of competency frameworks in the UK, as in the US, has become almost ubiquitous. UK writers Bolden and colleagues (2003), for example, reviewed 29 such frameworks, which were being used in private sector organisations (including Lufthansa, Shell and BAE Systems), in public sector organisations (including Senior Civil Service, NHS Leadership Qualities Framework, National College for School Leadership) and generically (including Investors in People, Council for Excellence in Management and Leadership).

At the same time, competency frameworks have been the subject of continuing criticism, both in the UK (Alimo-Metcalfe and Alban-Metcalfe 2008; Bolden and Gosling 2006), and the US (Hollenbeck et al 2006). For example, on the basis of a review of the literature, Bolden and Gosling cite various researchers who have pointed out that: (1) the competency approach has been criticised for being overly reductionist, fragmenting the role of the manager, rather than presenting an integrated whole; (2) competencies are frequently overly universalistic or generic, assuming that they are the same, no matter what the nature of the situation, individual or task; (3) competencies focus on past or current performance, rather than future requirements, thereby reinforcing rather than challenging traditional ways of thinking; (4) competencies tend to focus on measurable behaviours and outcomes to the exclusion of more subtle qualities, interactions and situational factors; and (5) what results in a rather limited and mechanistic approach to education.

In spite of these criticisms, as Bolden and Gosling (2006) point out, there has been an expansion in the use of competencies to incorporate leadership as well as management. They go on to comment that, 'This expansion of the concept of competencies raises further concerns because of its tendency to disguise and embed rather than expose and challenge certain assumptions about the nature and work of leadership.'

Buckingham (2001) has argued in his article entitled 'Don't waste time and money' that, however well-intentioned, the competency approach is based on three flawed assumptions. These are: (1) that individuals who excel in the same role display the same behaviours; (2) that such behaviours can be learned; and (3) that improving one's 'weaknesses' necessarily leads to success. Certainly, there is evidence that individual leaders achieve similar results using different approaches, and despite significant personal flaws (McCall 1998).

From a US perspective, Hollenbeck and colleagues (Hollenbeck et al 2006) criticised what they saw as the four assumptions upon which the competency approach is based. Thus they commented, (1) that, 'as a descendent of the long-discredited "great man" theory, competency models raise again the spectre of one set of traits, abilities, and behaviours… that make up the "great leader"'; (2) that effective leaders

are not the sum of a set of competencies, and that the research demonstrates that 'what matters is not a person's sum score on a set of competencies, but how well [or as we would put it, *in what way*] a person uses what talents he or she has to get the job done'; and they questioned (3) whether the tautological assumption that, 'because senior management usually blesses competencies and sometime even helps generate them, they are the most effective way to think about leader behaviour' is correct; and (4) the assertion that, 'when HR systems are based on competencies, these systems actually work effectively.'

Hollenbeck and colleagues concluded that, '…we see little evidence that these systems, in place for years now, are producing more and better leaders in organizations.'

In similar vein, although the latest 'National Occupational Standards in Management and Leadership' have recently been released (Management Standards Centre 2004), there remains significant doubt about the extent to which such standards relate to improved or superior practice (Swailes and Roodhouse 2003; Holman and Hall 1996; Grugulis 1998, 2000). Indeed, most competency frameworks are singularly characterised by a lack of empirical evidence of their concurrent or predictive validity.

In addition, it can be argued that the competency approach '…reinforces a focus on the individual "leader", while restricting consideration of "leadership" as a distributed relational process' (for example Bolden and Gosling 2006; Jackson 2004) – a subject to which we shall return in a later section.

Personal qualities and values and competencies

We have come across at least one leadership competency framework that has tried to respond to some of the criticisms aimed at competencies by incorporating aspects of personal qualities and values, in the belief that this ensures that they are, thereby, incorporating notions of being 'transformational'. However, this is to misunderstand the nature of their limitations.

A job competency has been defined by Boyatzis (1982) as '…an underlying characteristic of an individual that is causally related to effective or superior performance in a job.'

This definition is valuable in that it specifies what an individual has to do in order to be an effective leader. It does not, however, draw a clear distinction between leader attributes that are more 'fundamental' and thus least likely to change, such as having integrity or intellectual flexibility, and leader behaviours or 'skills', such as effective communication or planning, which can more readily be learned.

Thus, we suggest that it is important to distinguish between 'personal qualities and values', which are generic and more deep-seated, and 'leadership competencies' or 'skills', which are more or less specific and can more readily be developed.

In the present context, personal qualities and values may be defined as: 'those cognitive and emotional characteristics of an individual that are essential pre-requisites for appropriate managerial or leadership behaviour' (Alimo-Metcalfe and Alban-Metcalfe 2008).

Thus, for example, the personal quality of being 'resilient' or 'tenacious' is a requirement of someone who shows 'competency' in 'achieving results', just as 'effective communication' is a prerequisite for 'working in a team'. However – importantly – showing resilience or tenacity *does not guarantee* achieving results, any more than being an effective communicator ensures effective teamwork, or having integrity ensures that someone can be a successful finance director.

It follows, then, that the possession of certain qualities and values is necessary, but *not sufficient,* for achieving success.

A way of moving forward

In defence of the competency approach, it should be pointed out that their value should be judged in terms of what they do, not in what they fail to do. What competency frameworks can do – when thoroughly researched, properly constructed and differentiated to meet the particular needs of different groups of managers and professionals – is define and describe what a leader needs to be able to do in order to achieve the goals and targets appropriate to their role. Thus:

A competent leader may be defined as someone who enables the functioning of an organisation in a way that is *goal directed*, and is geared to developing

processes and systems. This enables staff at all levels to plan *effectively and efficiently*, in order to achieve agreed goals.

High levels of competency can lead to a *degree of consistency*, and thereby enable staff to make *day-to-day decisions* and *short-term predictions* with a measure of confidence. Leadership competencies, which are often largely closed-ended in nature, are necessary in order that staff can undertake *strategic planning*, and in this way help to turn the *vision* of an organisation, department or team *into a reality*.

Acceptance of such a definition leads to the self-evident conclusion that being competent is an essential characteristic of anyone who occupies a management or leadership role. It is equally true, particularly in the light of the earlier criticism, that possessing competencies does not automatically ensure effective leadership.

To recast the phrase used earlier, being competent is necessary, but *not sufficient*, for leadership; and the question to ask is, *'What else is required?'*

The answer to this question is that, if being competent can be thought of as the 'what' of that which leaders do, then that which enables a leader to have an impact to take on a leadership role is the 'how'. And the how of leadership is the way in which it is enacted – whether this is in a 'nearby' transformational or 'engaging', or a 'non-engaging' way.

In the light of our research into the nature of 'nearby' transformational or 'engaging' leadership – since engagement is what a 'nearby' transformational style of leadership strives to achieve – we propose the following definition:
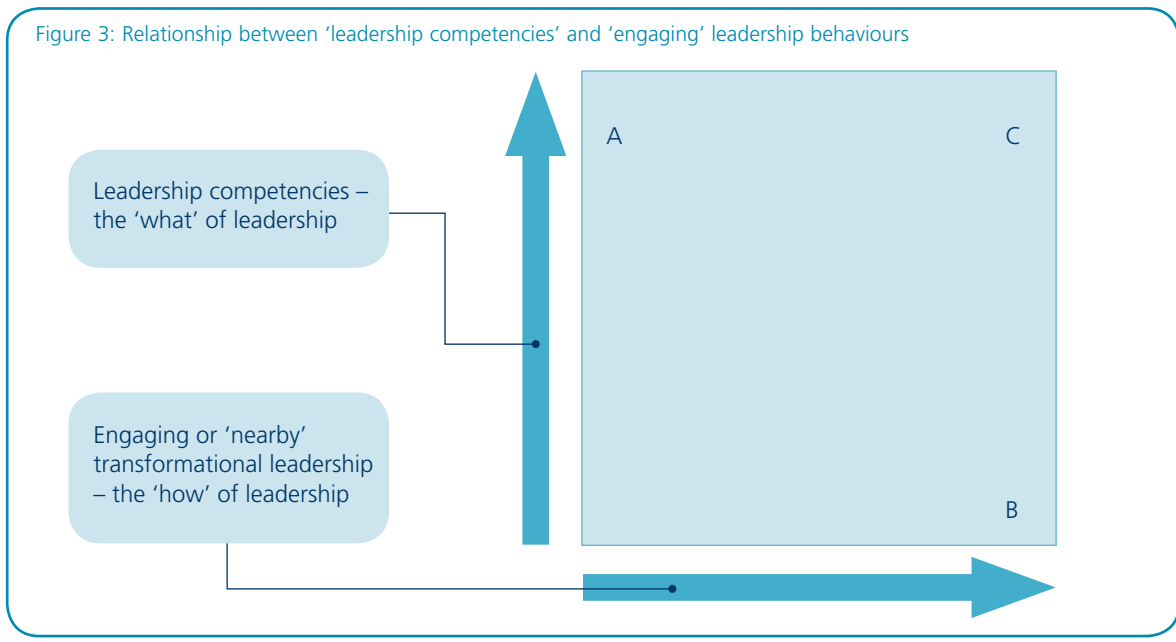
A *'nearby' transformational* or *engaging leader* may be defined as someone who encourages and enables the development of an organisation that is *characterised* by a *culture* based on *integrity*, *openness* and *transparency*, and the *genuine valuing of others and of their contributions.*

This shows itself in concern for the development and *well-being of others*, in the ability to unite different groups of stakeholders in articulating a *shared vision*, and in delegation of a kind that empowers and *develops potential*, coupled with the *encouragement of questioning* and of *thinking which is critical* as well as *strategic*.

Engaging leadership is essentially open-ended in nature, enabling organisations not only to *cope with change*, but also to be *proactive in shaping their future*. At all times engaging leadership behaviour is guided *by ethical principles and the desire to co-create and co-own ways of working with others towards a shared vision.*

Relationship between competency and engagement

The relationship between leadership competency and engaging leadership can be summarised in Figure 3.

Figure 3: Relationship between 'leadership competencies' and 'engaging' leadership behaviours

Leadership competencies – the 'what' of leadership

Engaging or 'nearby' transformational leadership – the 'how' of leadership

A   C

B

Thus, person A can be seen to be highly competent as a leader, but not very engaging in their behaviour – perhaps the kind of person who is very detailed in their planning, or who can devise very effective systems for quality control, but shows a lack of understanding of, or concern for, the needs of others and their impact on others.

Conversely, person B is someone who, perhaps, shows great concern for others, and creates a supportive environment in which all staff are valued, but who is unable to deliver what is required of them in terms of achieving goals or meeting agreed targets on time. Such a person's style of leadership is highly engaging, but they show a low level of competency as a leader.

Person C, then, is the kind of manager or professional who, by acting in an engaging way, with all that entails, can use their competency as a leader in ways that are *relevant to the particular individual or situation and have a positive impact on the motivation, well-being and discretionary effort of others.*

The relationship between competent and engaging leadership has been usefully expressed as follows: '…a competency framework could be considered like sheet music, a diagrammatic representation of the melody. It is only in the arrangement, playing and performance, however, that the piece truly comes to life' (Bolden and Gosling 2006).

So, what leaders need to strive towards is to lead competently in an engaging way.

Assessing engaging leadership and testing the validity of the model

To examine whether the model of engaging leadership we identified from our three-year investigation in the public and private sector in the UK is valid, it is necessary to assess a large and diverse sample of managers on the behaviours and then check whether they did, in fact, relate to the impact they have on their staff's engagement – that is, their attitudes to work and well-being at work. For this purpose, and in order to support leadership development, we developed a 360-degree feedback instrument, which we originally called the *Transformational Leadership Questionnaire (TLQ)™*, and now refer to as the 'engaging' *Transformational Leadership Questionnaire (TLQ)™*.

Assessing engaging leadership in an individual 360-degree diagnostic

The TLQ, which is a multi-rater diagnostic instrument, assesses an engaging style of leadership, in relation to the 14 scales. It also assesses the impact of the leadership style of the person being rated on their staff, in terms of 12 attitudes to work (for example motivation, job satisfaction, organisational commitment, and well-being (for example reduced/increased work-related stress, self-esteem).

The extent to which any leadership multi-rater diagnostic can be regarded as a valid measure of effective leadership can be judged in terms of the extent to which the dimensions of leadership assessed are significantly correlated with measures of staff attitudes to work and their well-being at work. In the case of the TLQ, there are statistically significant correlations between each of the leadership dimensions/scales and impact measures on staff, for example job satisfaction, motivation, commitment, and so on.

Furthermore there are several articles in which evidence of the unique predictive links between certain scales and certain aspects of attitudes and well-being have now been published in academic journals (Alban-Metcalfe and Alimo-Metcalfe 2000a, 2000b). Figure 4 on the following page shows the summary of the findings of the relationship between how managers are rated in the multi-rater instrument on the leadership scales assessed in the TLQ and the 'leadership impact measures' as rated by their staff.

Such relationships are important, both in their own right and also because there is consistent evidence from the organisational behaviour research literature that staff attitudes, such as job satisfaction, are significant predictors of organisation performance and profitability (Patterson et al 2004; Xenikou and Simosi 2005), and organisational commitment predicts intention to quit and turnover (for example Elangovan 2001; Lum et al 1998).

However, a far more rigorous examination of the model is to assess whether it predicts the performance and productivity of individuals, or teams, or organisations. We shall describe a recently completed three-year study to examine the model in this way, but since it adopted a team-based measure, it is briefly described here.

Assessing engaging leadership in a team or organisation

Leadership can be assessed at an organisational, department or team level, from the perspective of different groups of internal and external stakeholders. The instrument we designed to do this is the 'Leadership Culture and Change Inventory' (LCCI)™, which is designed to assess two aspects of the quality of leadership – *engaging leadership* and *leadership capabilities* in teams or organisations. The different groups of internal and external stakeholders are defined with reference to predetermined categories, for example by department or workplace, disability, ethnicity, gender, level of seniority, responsibilities as a carer.

Figure 4: Predictive relationship between the ratings of managers on the TLQ scales and their impact on staff (N = 5,110 managers)

TLQ scale / impact on staff	Job satifaction	Motivation	Commitment	Achievement	Self-confidence	Reduced stress
Showing genuine concern	✗	✗	✗	✗	✗	✗
Being accessible	✗	✗		✗		✗
Enabling	✗	✗	✗	✗	✗	✗
Encouraging questioning	✗			✗		✗
Inspiring others	✗	✗	✗	✗	✗	✗
Focusing team effort			✗		✗	✗
Being decisive				✗	✗	
Supporting a developmental culture	✗	✗	✗	✗	✗	✗
Building shared vision	✗	✗		✗	✗	✗
Networking	✗	✗	✗	✗		✗
Resolving complex issues			✗			
Facilitating change sensitively	✗			✗		
Acting with integrity			✗		✗	
Being honest and consistent	✗	✗	✗	✗	✗	✗

NB. While each of the TLQ scales is significantly correlated with each of the impact measures (p < .01), this figure shows relationships that are 'unique', that is, cannot be accounted for by the other relationships.

Longitudinal research (described in the next section) into the leadership of multi-professional mental health 'crisis resolution teams' has led to the validation of a health and social care version of the LCCI.

The validity of versions of the LCCI for the Fire and Rescue Service, Police Service and private sector has also been established (for example Alimo-Metcalfe et al 2007).

Evidence of effectiveness

Evidence of the effectiveness of an engaging style of leadership comes from three principal sources – survey data, research evidence and case studies.

Survey data

Over the last few years, data from several large-scale surveys have shown that engagement pays, and these were referred to at the beginning of this Research Insight. One of the studies cited was conducted by Towers Perrin, which also found that: '…while many people are keen to contribute more at work, the behaviour of their managers and the culture of their organisations is actively discouraging them from doing so' (Towers Perrin 2005). Similar conclusions emerge from studies by the Institute for Employment Studies (IES) and the Improvement and Development Agency (IDeA) (IDeA 2004; Robinson et al 2007).

While correlational studies suggest associations between different variables, such as the relationship between high engagement scores and organisational performance, one cannot conclude that the relationship is causal – that is, that engagement leads to higher performance – since there might be other variables affecting the relationship that are not taken into account.

Investigating a causal relationship between engaging leadership and performance and productivity

The only way to establish a causal relationship is by assessing engagement, or engaging leadership, at the beginning of an investigation (Time 1), and then assessing performance or productivity some months later (Time 2). It is also important to identify possible contextual variables that might affect the relationship and attempt to control for their effect.

Such research is rarely conducted since it is expensive to undertake, and it takes time. We were fortunate to have the opportunity to investigate this relationship in a recent study funded by the Department of Health.

The research study

Together with colleagues at King's College London, Sainsbury Centre for Mental Health (funded by NHS SDO R&D Grant 22/2002), we embarked on a three-year longitudinal investigation of the impact of engaging leadership in multi-professional mental health 'crisis resolution teams' on their productivity. The findings have provided one of the first studies of its kind to produce empirical evidence of significant predictive relationships between leadership behaviour and both staff attitudes to work and well-being, and organisational performance (Alimo-Metcalfe et al 2007; Alimo-Metcalfe and Bradley 2008; Bradley and Alimo-Metcalfe 2008).

The investigation involved over 740 managers and professionals – clinicians, nurses, occupational therapists, physiotherapists, social workers and support staff, who work in teams that operate 24/7, 365 days a year. These teams were created to support individuals experiencing mental health crises, such that they could be supported in their homes rather than requiring hospital admission.

Since the teams operated around the clock, it would have been inappropriate to have only assessed the leadership of the formal team leader, given that other individuals would be affecting the leadership within the team. It was decided to adopt a team version of the TLQ, the Leadership Culture and Change Inventory (LCCI)™, which assesses engaging transformational leadership and relevant team competencies or capabilities, which were identified by a range of 'experts'.

Nine contextual variables were also identified and assessed at 'Time 1', and they included the size of the team, the extent to which the team was multidisciplinary, the length of time the team had been working together, and so on.

The output variables assessed at 'Time 2', 12 months later, included performance and productivity

measures, which were calculations of reduced hospital admissions. We were also keen to assess the attitudes to work and well-being of the teams, since very productive teams might suffer from high levels of stress and exhaustion, which might, in turn, reduce morale and job satisfaction. This relates closely to the statements made at the beginning of this Research Insight, in relation to the need in organisations for a form of leadership that increases employee effectiveness while at the same time maintaining or increasing morale and well-being.

Team members rated their teams in terms of these aspects and analyses revealed the emergence of three distinct scales, two of which related to aspects of leadership and one that comprised the combination of all the competencies, which were referred to as 'capabilities'. These were labelled: 'engaging with others'; 'visionary leadership'; and 'leadership capabilities (or competencies)'.

What emerged from this research was that: (1) the degree to which teams perceived the style of leadership adopted in their team as one of 'engaging with others' was a better predictor of staff morale and well-being than either 'visionary leadership' or 'leadership capabilities'; and (2) that only *'engaging leadership' significantly predicted the team's performance*, measured in terms of productivity, even when contextual factors had been taken into account. This is, as far as we are aware, the first study of its kind to show such a relationship.

The good news from the study is that it provides evidence that the most productive teams also experienced high levels of morale and high levels of well-being. This was described in the introduction to this Research Insight as one of the greatest challenges of leadership in today's organisations, namely, how to increase performance while also maintaining and promoting satisfaction, motivation and well-being.

These findings, plus the qualitative data that emerged from 60 interviews and case studies with some of the teams, have provided important clues as to the nature of engaging leadership that has such a positive effect on performance, morale and well-being. More details are available in other publications (Alban-Metcalfe and Alimo-Metcalfe 2006; Alimo-Metcalfe et al 2007; Bradley and Alimo-Metcalfe 2008).

Building leadership capacity: embedding engaging leadership in the culture

To increase the impact of engagement throughout the organisation, and to sustain the efforts of those individuals who practice a style of engaging leadership, irrespective of their formal leadership status, it is imperative to embed such behaviours and 'ways of being' in day-to-day interactions and communications – that is, to create a culture of leadership and engagement.

In relation to embedding leadership so that it is sustained, we are concerned about working with organisations simply on leadership development activities and not focusing also on the importance of ensuring that such practice is reflected in day-to-day behaviours of all managers, at every level, and is the accepted way of behaving, and 'of being', throughout the organisation, whatever the role of the individual.

Embedding engaging leadership in the culture of an organisation has the enormous pay-off of simultaneously building internal leadership capacity, since the model of engaging leadership identified from our research was also essentially about behaving in ways that liberate the leadership of others, irrespective of their role or level in the organisation. It strengthens both human and social capital in the organisation and addresses another of the major challenges facing organisations, namely the 'crisis of leadership' and 'war for talent'.

As people development professionals, there is a need to reflect on the consequences for individuals who undertake some form of leadership development activity and become strongly excited by the experience, the affirmations it brings and the new possibilities for behaving in ways that are more fulfilling for themselves and their colleagues. But these individuals might then become more aware of the dissonance between these possibilities and the reality of the less-than-effective leadership practised in their organisation. Expectations that were raised may be dashed by the desolate culture in which they work. The effect on their morale, performance and well-being can also bring negative responses to the organisation, which is clearly not in its interest. We believe that there are ethical questions to address before embarking on such interventions and initiatives.

To sustain the practice of leadership throughout the organisation, it is essential to aim to create a culture of leadership such that it becomes second nature and ingrained within 'the way we do things around here'. This takes us to the important role of the most senior managers.

The need to involve senior and top managers

Research shows that one of the best predictors of the culture of the organisation is the approach to leadership of the most senior managers (for example Schein 1992 and Bass 1998). In fact, some researchers go so far as to state that the single most important responsibility of every leader, and particularly the most senior, is: to create the appropriate culture (Bass and Avolio 1993).

A few years ago we were commissioned to undertake a research project to investigate why most leadership development initiatives fail in the public and private sector (Alimo-Metcalfe et al 2000).

It revealed that the three most formidable blocks to success were the behaviours and attitudes of the most senior managers. The first barrier was that these top managers believed that their status in the organisation was evidence enough that 'they had what it took' to be regarded as a leader, and regarded their development as, therefore, unnecessary. Nonetheless, they believed that the managers below them needed it! However, when these managers returned to the workplace with a clearer idea of what leadership should look like, they became much more aware of the poor quality of leadership role-modelled by their senior managers, and their frustrations increased. This

was deepened by the third major problem, which was that when the managers attempted to implement their learning, their suggestions for improvement were rejected or ignored by their somewhat defensive and/or reactionary bosses.

The result was disenchantment, greater cynicism and lower morale among the manager group, who eventually stopped making any suggestions or trying new ways of leading.

These findings, and our own experiences of working with organisations on cultural transformation, have led us to seriously question whether it is ethical to work with specific groups in such organisations when those at the top of the organisation are not willing to accept that their leadership style might be at variance with the underlying values and principles of our model of engaging transformational leadership. What impact might this have on the staff of the organisation who are excited by the notion of engagement?

Lessons from working with organisations on building cultures of engagement: implications for HR professionals

The following is a list of some of the lessons we have learned that increase the chances of success.

- **Top management buy-in is crucial.** It is almost impossible to exaggerate the importance of this stage; therefore, consider carefully how best to present the strongest business case for strengthening engagement in the organisation. There may be the need for some 'courageous conversations' with these groups of managers to get them to consider their responsibilities regarding their influence on the culture of the organisation and to reflect on their role as leaders in terms of their impact on the organisation. It might be a good idea to consider an external person to facilitate and input to such discussions. *It is crucial to have a top/senior manager as a champion of the activity.*

- **Undertake an organisational culture diagnosis before embarking on any intervention.** Such data will inevitably reveal different perceptions of the culture for different parts of the organisation and groups of individuals. These data can be provided to top and senior management groups as evidence that the culture is experienced very differently by different people and groups compared with their own perceptions of reality. The data can also be used as a 'Time 1' measure, which when repeated at 'Time 2' after some intervention period reveals where the change is taking place and where to focus the next priorities.

- **Tailor interventions for different groups and parts of the organisation.** This is another major benefit of gathering organisational cultural diagnostic data, since it can provide the basis for identifying key themes on which to focus interventions while at the same time ensuring that

there is a strong and consistent message around the nature and importance of engaging leadership and its principles.

- **Ensure that the ROI is assessed**. The increased demand from organisations to evaluate the return on investment (ROI) of initiatives such as the ones discussed here might lead to more careful planning, design, implementation and review of such activities. This is no bad thing. While most organisations would probably attempt to assess impact by gathering information on progress on personal development plans (PDPs), project work, action learning sets and other activities, it is worth thinking creatively about how each stage can be conducted in a way that increases the engagement of the range of stakeholders involved. If the process is well thought out, this very process can generate invaluable ideas and suggest new ways of connecting people in organisations. Providing 'Time 1' and 'Time 2' data, as suggested in the previous bullet points, can be useful in identifying where developments appear to be having a particular impact. Publicise progress when appropriate.

- **Only start if you're ready.** Once the initiative starts, bear in mind that development needs will need to be addressed and issues that arise will need to be dealt with. It is important that resources are available to support individuals, and possibly teams, in their development. Information and challenges may emerge that are unexpected; the way in which they are handled will act as strong evidence of the 'real' commitment of the organisation to the values and principles of engagement. Don't rush the process, and build in time to reflect on how things are going and to learn from the experience. It is important to be aware that initiatives such as

conducting an organisational cultural diagnosis will make people more sensitive to areas where there may be problems in the organisation, and that if some strong themes emerge that suggest an area of concern, make sure that there is a genuine attempt to acknowledge this and do something about it. *Do not undertake this process if commitment to dealing with what emerges is weak.*

- **Let everyone know what is happening and why.** This may not be feasible in all organisations, but when it is feasible, this can have enormous benefits. We have worked with organisations where we held workshops in different locations, at different times of the day, to make it easier for staff from across the organisation to attend, if they so chose. Explaining why the initiative was starting and asking them what they thought about it led to considerable interest and excitement in the organisation, even when the same people knew they would not receive any specific personal support for at least a year. There was so much enthusiasm for what the organisation was doing that, after consultation with the organisation, we invited people across the organisation to become 'change champions'. We held two two-hour workshops and equipped them with a toolkit to use back in their teams. Thereafter, every two or three months, groups of change champions arranged to meet to share ideas and celebrations of what they had achieved.

- **Empowering and keeping the faith.** This is one of the key ingredients of engaging leadership, but it also needs to be shown by the organisation. Regular reviews of the activities can help those who are most anxious in relinquishing control sustain a more engaging style, as can peer coaching.
- **Relating everything to the business objectives.** This includes all aspects of the intervention, from multi-rater PDPs to project activities, action learning set challenges, and so on.
- **Ensure organisation people processes** (for example recruitment, appraisal, performance management, and so on) **are consistent with the engaging principles and values.**
- **Keep promises, and share celebrations and learning!**

Case studies

The effectiveness of an engaging style of leadership is exemplified by the following case studies, which draw on experience in a number of different private and public sector contexts.

Leading towards 2015 – leadership in Glasgow Caledonian University (GCU)

Setting the scene

Higher education institutions (HEIs) in the UK are facing a number of strategic challenges. These include: internationalisation, which involves the recruitment and provision for the needs of overseas students, with the attendant benefits and risks; funding and sustainability, with income from research, teaching and knowledge transfer, and associated business development; market drivers, including fees and demographics; a performance culture, with influences that include organisational focus, government agenda and 'value for money'; the possibility of mergers and the need for differentiation; and decisions about the most appropriate form of leadership and management.

In relation to leadership and management, the issues include: a retirement bulge among senior academics; the need to attract new entrants; recognition that universities need to think of themselves as businesses; changing societal and government expectations; awareness of new approaches to leadership, management and the psychological contract between employer and employee; and the distinction between a transformational and a transactional style of leadership.

Leadership development model

Within this context, GCU developed an integrated ten-year plan, which focuses on: (1) leadership; (2) dealing with cultural change, leader as coach, and communication; and (3) team-building, empowerment and performance (creating an empowered high-performance team). Running in parallel are four concurrent activities: incentives and recognition; strategic career development; management skills and competency development; and one-to-one coaching.

The intervention started with a five-day senior manager programme for the principal, vice-principals and deans, which was delivered in three stages by Real World Group (RWG) using the TLQ as the principal diagnostic tool. The programme has now been rolled out to 350 academic and administrative staff, who have participated in 'Delivering the Vision and Managing People'.

To ensure the effectiveness of the programme throughout the university, 55 internal facilitators/mentors have been trained.

Leading towards 2015 – leadership in Glasgow Caledonian University (GCU) (continued)

Outcomes

The benefits of the programme, which started in December 2004, have been shown in terms of:

- individual experiences, for example developing new relationships with colleagues, developing or confirming own understanding of the challenges facing the university, developing own perspective towards their leadership role
- culture, for example leadership and management development took place, visibility of senior managers and HR has increased, downward trend in grievance and harassment cases, initiation of cross-university leadership/management mentoring, foundations established for longer-term initiative and benefits.

Liberating leadership – Bradford and City Primary Care Trust*

The board and senior management wanted an approach to leadership that helps the organisation achieve its vision of high-quality healthcare for the people of Bradford, and to do this through creating a culture that reflected its vision and values for its staff. The starting point was to identify the vision and values in practice and to link these to (nearby) transformational leadership at all levels. The model adopted was the 'engaging' transformational leadership based on the dimensions in the TLQ. The process of the intervention is summarised in Figure 5.

Figure 5: Structure of the cultural transformation process in Bradford City PCT
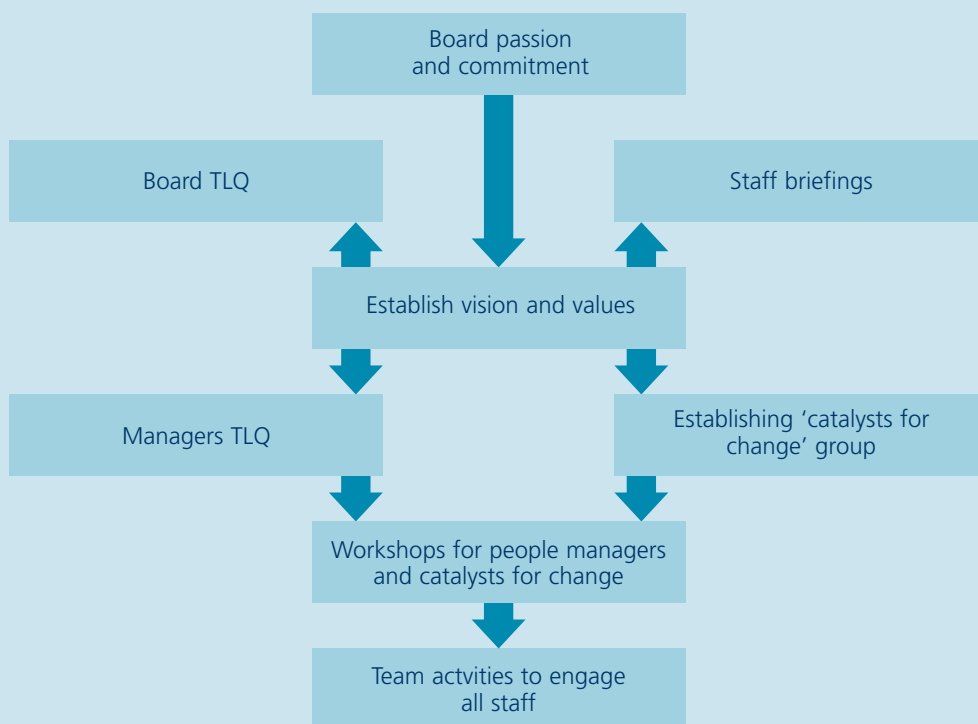
Liberating leadership – Bradford and City Primary Care Trust* (continued)

The overarching objective was to focus on the impact of transformational leadership behaviour on patients and service users, and on staff, including those on the front line – a key aspect being to remain positive and feel valued.

Executive and non-executive directors and *senior managers* received feedback and coaching on the basis of their TLQ results, delivered by Real World Group (RWG). The **outcomes** included: board-level commitment to developing *engaging/transformational leadership at all levels;* personal development based on feedback and coaching; improved teamworking at executive levels; and agreement that an empowering, developmental approach was most suited to turning the vision and values into reality. Ten staff were trained as internal TLQ facilitators.

Managers and *team leaders* were involved in workshops and action learning that was built on existing leadership strengths in engaging front-line staff and continually focusing on small changes that can make a real difference to patients and service users. The **outcomes** included: individual skill development; increased awareness of customer focus; greater understanding of effectively managing change and of individual working and learning styles; and seeing the service from the perspective of service users.

Catalysts for change at different levels in the organisation were trained to support the managers and teams referred to above. In association with RWG, they developed a 'Liberating Leadership' toolkit, which comprises a range of activities for managers and team leaders for focusing on excellence in providing for service users, even during periods of change. RWG facilitated a *six-module development programme,* which included 'organisational raids' to a range of private and public sector organisations. The **outcomes** included: individual skill development, including facilitation skills and increased understanding of different working systems; facilitators trained to work throughout the organisation; and the teams referred to above.

Evaluation
Examples of the comments made during a formal evaluation of the programme that were relevant to the practice of engaging leadership included:

- 'Learnt many aspects of being a good leader, importance of supporting others, and not see it as a problem when people do sometimes become pessimistic/negative about work/change.'
- 'Extremely useful in "snapshotting" performance and identifying developmental needs. Very good training in the run-up.'
- 'The experience with the facilitator made me feel valued and was constructive where necessary.'
- 'Equipped with skill to manage change/manage teams.'

* Subsequently reconfigured to Bradford and Airedale Teaching Primary Care Trust

Competent and engaging – Northern Rail

Northern Rail employs 4,500 staff, and operates 2,500 trains per day across the north of England. The Northern Leadership Development Programme (NLDP) was developed in response to strategic reviews that have taken place across the business. Its aim was to develop a consistent approach to and standard of leadership across the organisation, working initially with senior managers, but to be made available to all levels of management.

The main objectives of the NLDP, which was delivered in association with Real World Group (RWG), were: to provide an excellent standard level of leadership development for all senior managers; to encourage senior managers to feel valued and be more confident as leaders of the business; to promote the importance of self-development; to encourage cross-functional working between senior managers; and to build on existing management/leadership skills.

Scope of the NLDP
The first two programmes each had 12 participants from different functions, who participated in workshops, coaching sessions and group projects.

Northern Rail and Real World Group approach
To ensure maximum impact and outcomes for this programme, the following principles applied at all stages of the programme, from launch to delivery to evaluation: *practical and in the real world; underpinned by cutting-edge research; relevant; inspirational; challenging; focused and measurable;* highly *motivational; integrated* with other aspects of the wider programme; and business-critical, with a *customer excellence focus.*

Programme
The programme comprises three main elements:

1 **Diagnostics**: This involved the use of the NL-360 and MBTI. NL-360 is a 360-degree diagnostic instrument that assesses individual behaviour in relation to both the 'Northern Rail Values and Behaviours' framework and *engaging leadership* behaviours and qualities derived from the TLQ. Each participant has the opportunity to discuss their feedback with data during three one-to-one coaching sessions and to devise practical action plans.
2 **Workshops**: Two two-day workshops were provided, which focused on how to engage individuals and teams through a series of theoretical inputs, activities and skills practice, resulting in action plans.
3 **Projects**: Participants were also involved in one of four group projects, which focused on specific aspects of the 2007 business plan. These enabled them both to put their learning into practice at a strategic level and to reflect on their individual and group learning.

Evaluation
• Diagnostics and workshops
Evidence of the effectiveness of the programme in relation to the diagnostics and the workshops included responses to three questions about translating learning into action.

(continued)

Competent and engaging – Northern Rail (continued)

Examples of the responses, which reflect an *engaging* style of leadership, are:

1 **What has been the key learning for you as a leader?** Looking at different ways of managing to really get the best out of different styles; self-awareness and understanding of others; the 360 provided me with a real benchmark of my performance; to really understand where people are with their development so you can understand their needs.

2 **What are you doing more of or differently as a leader as a result of the programme?** Listening and really trying to stand back from situations before jumping in with opinions, suggestions and so on; spend more time with my direct reports – interact and involve them on a more regular basis; implementing new ways for my team to work together; stepping out of my comfort zone; taking time and sometimes stepping back to ensure people around me are with me and what I need to do to ensure I am doing enough to bring people with me; asking more if people are on my page.

3 **What key achievements, as a result of the programme, are you particularly proud of?** Actively seeking out feedback on performance as a leader; gave the managers and union reps enough information during a change process – this could have been a really difficult project but by managing the change in this way it has allowed for a much easier transition; gaining respect from the team through empowering and trusting their abilities; the 'ah ha' moments – it works; I understand my management style a lot more than I did before and I am now in a position to share this with my team. I also feel I have a more open and honest approach to my team and my job. I am more comfortable for feedback and debating issues within my team; the team has developed and become less dependent on me as a result of identifying their needs and they are more empowered to make decisions and actions, which releases my time to do other things and also allows them to take ownership of their job and outputs.

- Projects

One of the projects – entitled 'Cumbrian Christmas Cracker' – was to increase passenger usage on Sundays on the Newcastle to Carlisle line during the run-up to Christmas. The overall aim of providing better transport to customers at a local level was to be achieved by enabling them to travel between the two destinations at times that would allow them to undertake a full day's Christmas shopping and return home on the same day.

To achieve this, managers adopted an *engaging* style of leadership. This took the form of: explaining the nature of the project to staff; discussing the practical implications with staff; and asking for volunteers. The project was successful, not only in the result – an efficient service, run profitably – but also in the way it was achieved, which included staff taking pride in their work, demonstrated by staff taking time out to clean and scrub the rolling stock and other facilities.

Do we want leader development or leadership development?

The short answer to this question is that we want both. But the reason why the question is asked is that – as we shall explain – much, if not most, development work focuses on the former to the exclusion of the latter.

In a recent article, Paul Iles and David Preece (2006) pointed out that:

'Leader development refers to developing individual-level intrapersonal competencies and human capital (cognitive, emotional, and self-awareness skills for example), while leadership development refers to the development of collective leadership processes and social capital in the organization and beyond, involving relationships, networking, trust, and commitments, as well as an appreciation of the social and political context and its implications for leadership styles and actions.'

Thus, as they go on to point out: 'Leadership development involves the development of leadership processes in addition to the development of individual leaders.'

Leadership development, therefore, which is predicated on a *distributed* model of leadership, is about enabling individuals and groups to work together in meaningful ways. It has, as its goal, the building of social relationships involving all members of the community to respond proactively and effectively to changing circumstances and thereby achieve organisational and societal goals.

In other words, leadership is about behaving in an *engaging way,* and leadership development is – or should be – concerned with enabling leaders to combine *what* they must do as leaders with *how* they must interact with others in ways that will enable them and their colleagues to be optimally effective.

The processes involved in leader development, as distinct from leadership development, can be summarised in terms of a presage–process–product model, as in Figure 6.
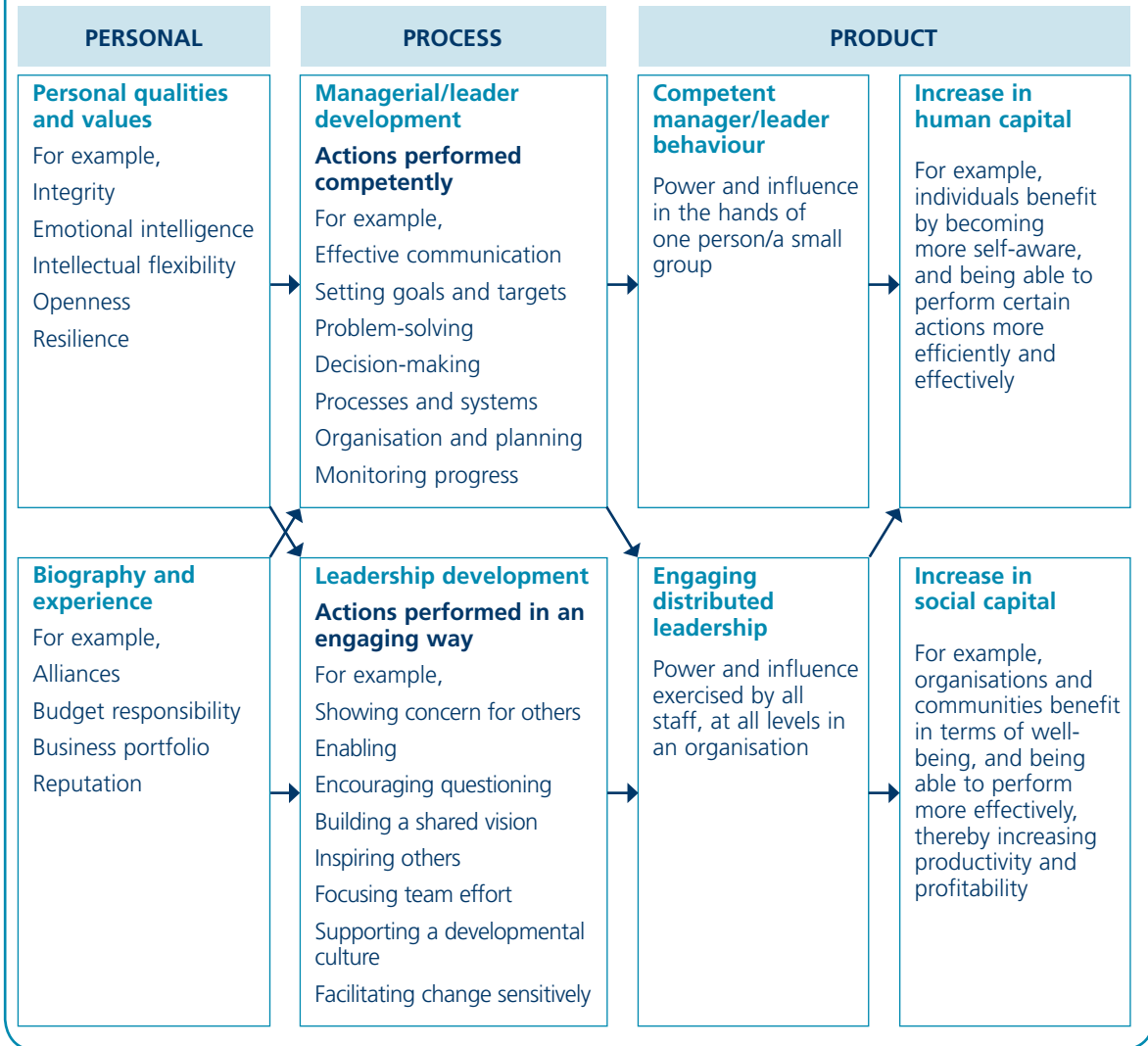
In addition to the factors that have already been discussed, this model also incorporates 'biography and experience'. This refers to the wealth of life experiences that an individual brings to their job that enables them to perform their role effectively and – in a development context, whether it be formal or informal – of the combination of 'positive' leadership experience and the 'baggage' that can sometimes get in the way of new learning. Two aspects of 'experience' – 'business portfolio' and 'alliances' – emerged as significant predictors of actual performance one year later (Alban-Metcalfe and Alimo-Metcalfe 2007).

Human capital and social capital

Thus, *leader development* involves use of previous experience and the development of certain personal qualities and values (presage characteristics), plus learning to perform one's role competently (process). Included among the former are integrity and intellectual and emotional intelligence, while the latter are exemplified by effective communication and a focus on ability to plan and to develop systems and processes. The consequence is that the individual concerned has created within themselves more 'human capital' (product) – capital that is tied up in the individual and not necessarily shared. This is capital that, unless and until it is released in certain ways, will be of benefit only to that person.

In contrast, *leadership development,* which also uses previous experience and involves the development of certain personal qualities and values, plus learning to perform one's role competently, additionally involves becoming more engaging in the way one interacts with others. And it is through such interactions that an individual's human capital is turned into 'social capital' – capital that is available within the organisation and more widely in society. Of the 14 leadership dimensions that have been identified through our empirical research, 'showing genuine concern' emerges as accounting for far and away the most variance in accounting for the impact on staff attitudes and well-being, but is complemented

Figure 6: Relationship between leader development and leadership development

PERSONAL	PROCESS	PRODUCT	
Personal qualities and values For example, Integrity Emotional intelligence Intellectual flexibility Openness Resilience	**Managerial/leader development** **Actions performed competently** For example, Effective communication Setting goals and targets Problem-solving Decision-making Processes and systems Organisation and planning Monitoring progress	**Competent manager/leader behaviour** Power and influence in the hands of one person/a small group	**Increase in human capital** For example, individuals benefit by becoming more self-aware, and being able to perform certain actions more efficiently and effectively
Biography and experience For example, Alliances Budget responsibility Business portfolio Reputation	**Leadership development** **Actions performed in an engaging way** For example, Showing concern for others Enabling Encouraging questioning Building a shared vision Inspiring others Focusing team effort Supporting a developmental culture Facilitating change sensitively	**Engaging distributed leadership** Power and influence exercised by all staff, at all levels in an organisation	**Increase in social capital** For example, organisations and communities benefit in terms of well-being, and being able to perform more effectively, thereby increasing productivity and profitability

by other types of dimension. These include: 'encouraging questioning' – essential for creating a culture of innovation; 'inspiring others'; 'building a shared vision' – rather than one that is imposed; 'facilitating change sensitively'; and 'supporting a development culture' (Alban-Metcalfe and Alimo-Metcalfe 2000a).

What is fundamental is a form of distributed leadership that reflects a strong sense of connectedness and inclusiveness, of a leader as servant and partner (Greenleaf 1970, 1996), such that designated leaders do not just act through others, but also act *with* them. Such a leadership style enables human capital to be turned into social capital.

There is a distinct shifting of emphasis in the academic leadership literature, away from seeing leadership as the characteristic of certain individuals who may or may not occupy formal roles of 'leadership' towards a view of

leadership as a process that only exists in relationships between individuals (Hernez-Broome and Hughes 2004). Leadership is 'profoundly interpersonal' (Jackson 2004) and as Jackson states, it is more complex than leading, since it cannot be assumed or imposed, but can only be bestowed wilfully by those who are to be led.

Leadership is ubiquitous in the organisation, but the vast majority of its capital lies dormant among its employees, who themselves may be unaware of their potential. The role of the leader, then, is to liberate, harness and focus it for the benefit of the organisation and the individuals through whom it achieves its success (Jackson 2004).

The desire to build a culture of engagement in an organisation has at its core the purpose of realising this latent potential by creating the environment, the opportunities and the means for its release.

Conclusions

The challenges facing organisations in the twenty-first century are of a magnitude and complexity that we have never before experienced; the only certainty we have is that the world will become even more complex and that the rate of change will become more rapid.

To cope with these forces, demands for leadership will increase exponentially. If organisations expect the resources to reside in a few gifted people, they will be sowing the seeds of their own destruction, since a culture that sustains such a conception of leadership will reinforce dependency and encourage passivity. This will be barren ground for nurturing the massive potential that resides within its walls.

New notions of leadership stress that leadership is not simply the domain of a few, but is prevalent throughout the organisation in the untapped talent of all its employees. The role of the organisation and its formally appointed leaders is to create a culture in which such latent potential is nourished, recognised and released in daily interactions and ways of 'being', and of doing things together. Engagement is the key to exploiting this resource.

We now have the knowledge as to how to enact engagement and how to embed it in the culture such that it becomes the 'modus operandi', and HR professionals will play a crucial role in advising, guiding and supporting their organisations in encouraging new ways of working in which *connectedness* is absolutely the key.

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