Leadership Success Factors.

The report explores findings from research conducted by Chandler Macleod People Insights to better understand what drives leadership performance. It utilises the Chandler Macleod Model of Leadership Performance with data collected over 4 years, enabling us to share the true face of successful leadership today.

Introduction

Long gone are the days where leaders are expected to focus primarily on maximising value for shareholders through planning strategies and by controlling and directing others. Leaders in the 21st century face a far more complex, fast-paced and competitive business environment than ever before. These new challenges that comprise this new business world mean that the old ways of leading will not work. Instead, leaders now need to focus on creating value for all stakeholders including their employees, customers, and the broader community.

Adding to this complexity is the fact that teams today are incredibly diverse with people working together across different generations, cultures, geographical locations, and with a range of different values and expectations. There is a call for leaders to engage, retain and develop others in order to unleash the potential and passion of their people that will in turn drive performance. Leaders are also challenged to grow capable teams across virtual environments, constantly adapting to changes whilst remaining commercial in their approach.

Because the leadership landscape is ever changing, we set out to collect data to inform practitioners and leaders and allow them to place themselves at the forefront of the leadership challenge.

The following explores findings from research we conducted to better understand what drives leadership performance. To do this, we utilised the Chandler Macleod Model of Leadership Performance. Over 4 years we have collected data using this model of leadership performance to allow us to share with you the true face of successful leadership today.

By using this model specifically for leadership development feedback, we were able to explain 72% of the variance in leadership effectiveness, as well as 87% in team performance. Put simply a significant reason why one leader's effectiveness differed to their counterparts, or the performance of the team, could be explained by the leadership model.
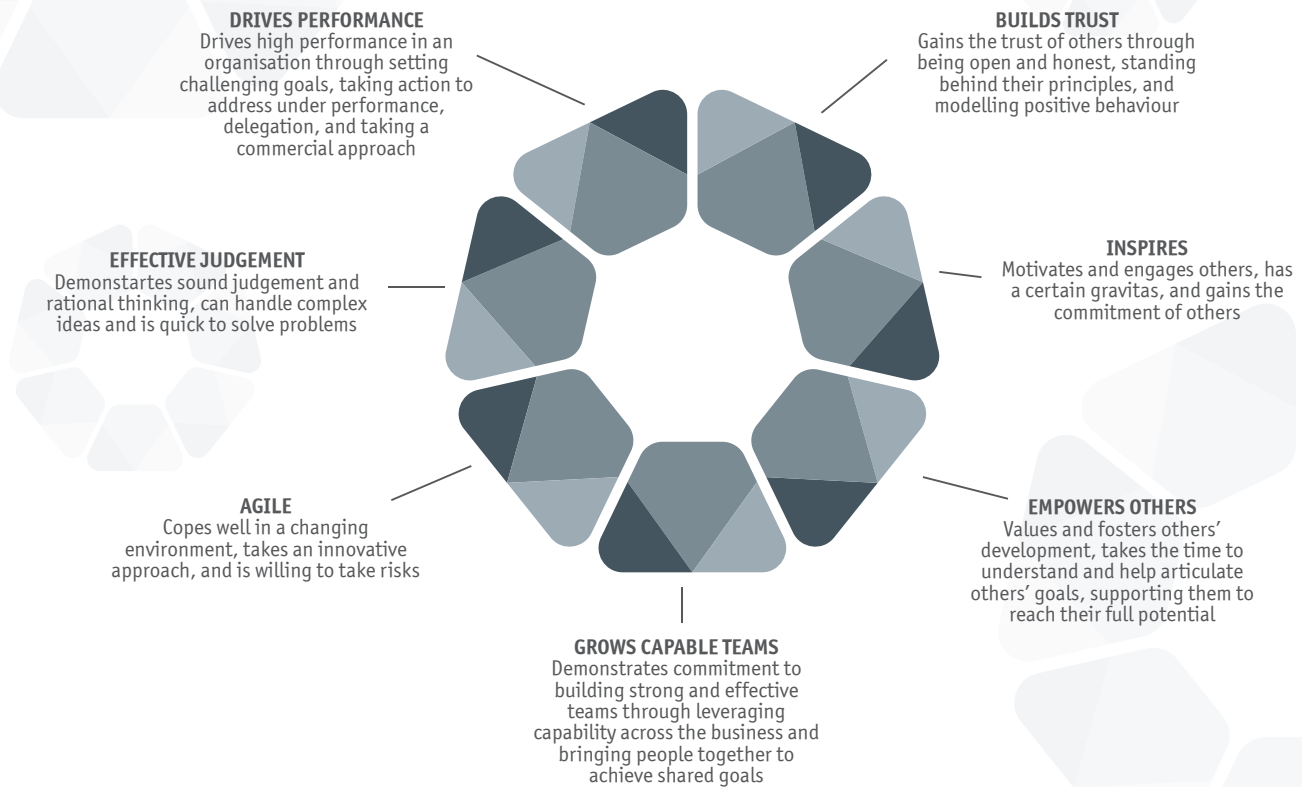
> *As leaders, we can no longer rely wholly on the mentorship of our predecessors to develop our skills, as they were raised in a business world that no longer exists.*
> *-Georgina McIntyre, Innovation & Product Development Lead, CMPI*

The Chandler Macleod Leadership Model

The Chandler Macleod Leadership Model was developed after an extensive review of current research literature, collaboration with experts and experienced practitioners. This Leadership Model enables us to gain insights, such as from a Leadership 360, allowing us to review leadership success from many different angles. In this instance, seven core qualities emerged as being fundamental to leadership success.

DRIVES PERFORMANCE
Drives high performance in an organisation through setting challenging goals, taking action to address under performance, delegation, and taking a commercial approach

BUILDS TRUST
Gains the trust of others through being open and honest, standing behind their principles, and modelling positive behaviour

EFFECTIVE JUDGEMENT
Demonstartes sound judgement and rational thinking, can handle complex ideas and is quick to solve problems

INSPIRES
Motivates and engages others, has a certain gravitas, and gains the commitment of others

AGILE
Copes well in a changing environment, takes an innovative approach, and is willing to take risks

EMPOWERS OTHERS
Values and fosters others' development, takes the time to understand and help articulate others' goals, supporting them to reach their full potential

GROWS CAPABLE TEAMS
Demonstrates commitment to building strong and effective teams through leveraging capability across the business and bringing people together to achieve shared goals

The Leaders we researched

Over **3,400** Australian and New Zealand employees gave their views on close to **300** different leaders.
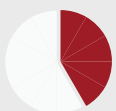
Leaders' Gender
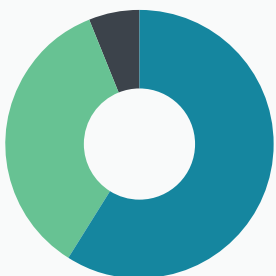
- Male - 59%
- Female - 35%
- Gender Diverse / Other - 6%

Average leadership experience:
12 years

Average time at current organisation:
5 years

Leaders spent an average of 5 hours per week with their raters

Key Leadership Insights

1. What are our best leaders doing well?

Overall, the seven core leadership qualities together accounted for a large portion of why leader effectiveness varies, with driving performance, building capable teams and inspiring others being key players. These are the areas that leaders of all levels, from emerging to executive should actively grow or maintain capability.

So how are these qualities currently being displayed? Australian and New Zealand based leaders are most effective at building trust with others, providing effective judgement, and building capable teams; whereas they are less effective in being agile, empowering their team, driving performance, and appearing inspiring.

We then looked at how highly effective leaders differed in terms of specific behaviours. The top behaviours exhibited by highly effective leaders included:

- Fostering a cooperative team environment
- Demonstrating a commitment to building others' capability
- Encouraging collaboration across teams and functions

2. Our strongest leaders know how to drive employee performance

When we looked deeper at the specific leadership qualities of the model, a clear frontrunner emerged as being the single most important predictor of leadership effectiveness.

A leader's ability to drive performance was by far the most powerful predictor of leadership effectiveness, accounting for a significant portion of each leader's perceived effectiveness.

> ABOVE ALL ELSE, A LEADER'S ABILITY TO DRIVE PERFORMANCE WAS THE MOST POWERFUL PREDICTOR OF LEADERSHIP EFFECTIVENESS.

Interestingly, whilst driving performance was considered one of the strongest predictors of leadership effectiveness, it was also found to be one of the areas most in need of development for the group of leaders we looked at. This has potential implications in terms of how to best support and develop current and future leaders to better drive performance in their roles.

What specific leadership behaviours are associated with driving high performance?

The two most important behaviours that emerged as being key to a leader's ability to drive performance were:

1. Delegating tasks appropriately to others
2. Pushing others to achieve higher levels of performance

This may seem like common sense, however leaders are notoriously reluctant to relinquish control.

Jamie Greer, General Manager of Chandler Macleod People Insights, and Registered Psychologist, says *"Leaders will often possess strong underlying drivers related to initiative, self-management and a tendency to work to self-imposed high standards. These behavioural characteristics will often facilitate their progression into more senior roles, however, it is these same characteristics that can also affect their willingness and ability to delegate to others"*.

Appropriate delegation means that you have more time to focus on driving strategic priorities and people management, but this also provides your direct reports with opportunities to learn new skills and to step up.

Overall, driving performance is about ensuring as a leader you are being commercial, and giving others the opportunity to help drive goals forward, but also being comfortable with challenging and difficult conversations when those around you are not achieving.

Other key behaviours associated with driving performance

- Setting clear goals and objectives
- Coping well under pressure
- Having difficult or challenging conversations to address underperformance
- Cultivating and driving a high-performance culture

Tips for developing the ability to drive performance

The benefits and outcomes of developing and focusing on this area of leadership look impressive. Therefore, based upon this research, here are some research endorsed tips for developing this quality further:

- Push others to achieve high levels of performance
- Actively delegate work to your team and others
- Remain commercial in your approach, even when leading through challenging times
- Take appropriate action when others are underperforming
- Set challenging goals for your team

3. Leadership capability matters more than leadership experience

When we looked at leadership effectiveness, an individual's tenure was not found to be important. This means that years of leadership experience, time in an organisation and time in a role does not impact upon the effectiveness of a leader. What has been outlined so far is that leadership capability is important in predicting whether a leader will be effective, but not how long they have been a leader for. This reinforces the importance of leadership capability development, and not experience (in years) on the job in order to become a successful leader.

This finding would be something to consider when planning for the development of those around you, that time in role will not directly relate to whether they are ready for a secondment or promotion. Purposeful development activities and stretch opportunities aligned to areas of weakness will help strengthen skills that lead to being an effective leader. In a recruitment setting, this reinforces the need to have objective measures of capability such as psychometric assessment, structured behavioural based interviews and reference checks. This eliminates the focus on 'years in previous role' as a suggestion of leadership effectiveness. Gone are the days of hiring off a resume alone.

4. Leaders of any gender can succeed

> Personal biases are costly to organisations and can affect hiring decisions and therefore performance of organisations. Tools that objectively measure leader performance are valuable to remove these effects of unconscious bias.

In our research, of the 300 Australian and New Zealand leaders that were assessed, 59% identified as male, with 35% identifying as female and 6% as gender diverse / other.

Male, female and other leaders had no difference in their ability to display the behaviours in each of the core leadership qualities. Additionally, there were no differences in their rating of overall leader effectiveness either, suggesting that utilising objective measures that target specific behaviours can help objectively measure leadership in a group of leaders, without gender influencing the results.

Although the leadership and gender debate is a complex one, a general consensus of the influence that gender has upon leadership has not been found. What this research adds to the area, is that leadership may be an even playing field when it comes to capability, and that other factors may be influencing reported differences.

5. Leadership face-time is especially important

Perhaps not surprisingly, the time spent with the leader significantly predicted overall leadership effectiveness. Such that, ratings of leader effectiveness increased the more time the leader spent with the raters. What this is clearly demonstrating, is that presence and 'face-time' with employees is extremely important for a leader to be seen to be performing effectively.

This is not to say that every possible minute should be spent with others in the organisation, and not on the leader's tasks and responsibilities, but being a present leader and engaging in quality time with those around you is important.

This will be especially important in the growing virtual world, to ensure that presence is not only felt by those geographically close in the office environment, but also virtually to those working remotely.

Time spent with leaders also significantly predicted team performance. This result suggests that the more time a leader spends with their team, the performance of the team increases. So, not only does leadership effectiveness increase as face-time is increased, so does the performance of the team. Thus, reinforcing that being a present leader, even in this virtual world is key to success.

> Being present as a leader will be increasingly important as we move into a more flexible and 'virtual' office environment post COVID-19.

6. Leaders high in trusting and inspiring qualities have more influence on team engagement

Employee engagement has been shown time and time again to be pivotal in organisational outcomes such as customer satisfaction, talent retention, productivity, individual performance and organisational performance. The research is consistent and compelling. In our research, leaders who scored higher in trusting and inspiring also had more engaged teams. Putting this into context, those leaders that are able to build trust through being open, honest and modelling principles and positive behaviours, can also inspire their team and influence engagement.

Skills integral to team engagement

It is clear more than ever, that while engagement is experienced at an individual and employee level, it can indeed be influenced and driven by the leader in the team. Practical leadership tips for increasing team engagement include focusing on these types of behaviours:

- Being transparent, and honest in interactions with others
- Upholding ethical standards and principles
- Acknowledging mistakes
- Consistently modeling positive behavior, even during challenging times
- Fostering a cooperative team environment
- Quickly resolving conflict within a team
- Creating a safe environment, where individuals can feel safe to express their views
- Aligning tasks to the right people within the team
- Coping well under pressure, and in the face of setbacks
- Pushing others to achieve high levels of performance
- Setting challenging goals for others

7. Leadership effectiveness predicts organisational performance

While this research has confirmed that great leadership can drive individual performance, we were also interested in unpacking what influences organisational performance. Each leader and their manager were asked to rate whether in the last year, their organisation met performance target metrics related to return on investment, safety, customer satisfaction, team productivity and turnover.   It was found that leadership effectiveness did indeed predict organisational performance. Such that, the leaders that were rated as more effective, were members of organisations that were more likely to achieve their organisational targets.

While this research presents the positive impacts that effective leadership has upon a variety of outcomes, it is also evident that poor and ineffective leadership has the opposite effect. Endorsing what has already been demonstrated to be true over a number of years of research, that investing in your people is of upmost importance. From this research, it can be suggested that ineffective leadership may result in poorer levels of employee engagement, team performance and be less likely to influence organisational performance outcomes.

Leaving you with the well known conversation where the CFO says to the CEO, *"What happens if we invest in developing our people and then they leave us"* and the CEO says, *"What happens if we don't, and they stay?"*

Implications for the future of leadership

It is clear from our research that a leader's effectiveness can impact team performance, team engagement and even whether or not an organisation hits their performance targets. There is no doubt that we need to invest in selecting, developing and retaining top leaders.

Past notions of leadership effectiveness being linked to years of experience, or even gender can now be permanently retired. Organisations should instead, be focussing on leadership capability and using this framework to better identify, retain and develop leaders for future success.

It is arguably the most important strategic goal for an organisation. Armed with the knowledge of the core areas that distinguish between good and great performance we can enable our organisations to not only survive but thrive in a fiercely competitive world.

Our research methodology

To understand the core leadership qualities that drive effective leaders, an extensive review of current research literature was conducted. What emerged was the seven core qualities that had been established as being fundamental to leadership success. These seven behavioural-based factors became Chandler Macleod People Insights model of leadership, which has been utilised to develop and provide leadership assessment and developed through our proprietary Leadership 360 Degree Model Evaluation tool.

Using the data from our Core Leadership tool allowed our investigation into leadership which is based on over 3700 leaders and raters. We first analysed data at the individual level to examine for effects such as rater gender, as well as differences between the self-ratings completed by leaders and the other-ratings completed by the various managers, direct reports, peers, customers and stakeholders that work with the leaders. Group differences were examined while controlling for the leader who was being rated to allow more confidence in our findings.

After this was complete, aggregate ratings for each leader were calculated to provide an overall score for all metrics gathered so overall comparisons between leaders could be conducted. These aggregated scores provided a more accurate measure of a leader as it is a score based from many perspectives. These aggregated scores were used to examine differences between the core leadership qualities, and their impact on performance metrics such as overall leader effectiveness, targeted outcomes such as leader performance, team performance, and team engagement, as well as organisational outcomes through several nested ordinary least squares (OLS) regression models. Moderation and interaction effects of a range of factors were also examined such as target and rater gender, tenure and time spent with the leader through both hierarchical OLS regressions and regression based moderation analyses.

This report was brought to you by the Innovation and Product Development Team at Chandler Macleod People Insights.

Contact us today to talk about your organisation's leadership assessment needs.

About the Chandler Macleod Group

Chandler Macleod Group provides a suite of talent solutions services. We offer these through a number of operating brands across various industries and throughout the Asia Pacific region. These services include casual and permanent recruitment, managed services, recruitment process outsourcing, management and organisational development, recruitment and human resource consulting, career transition, psychometric assessment, training and executive coaching.

CHANDLER MACLEOD
UNLEASHING POTENTIAL

ahs hospitality

vivir healthcare

Aurion PEOPLE & PAYROLL SOLUTIONS

CHANDLER MACLEOD MANAGED TRAINING SERVICES

OCG

CHANDLER MACLEOD PEOPLE INSIGHTS

LEADERSIT SERVICES

peoplebank

PORTERALLEN

CHANDLER MACLEOD GROUP

Chandler Macleod Group
info@chandlermacleodgroup.com
chandlermacleodgroup.com

CHANDLER
MACLEOD
GROUP