

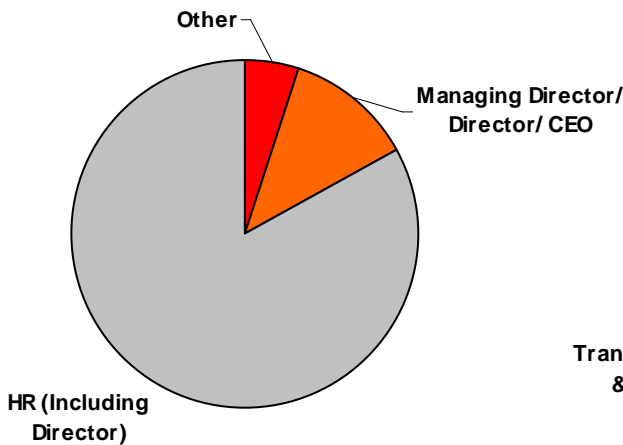
# Leadership Development & Engagement - What Makes an **hda** Effective Leader?



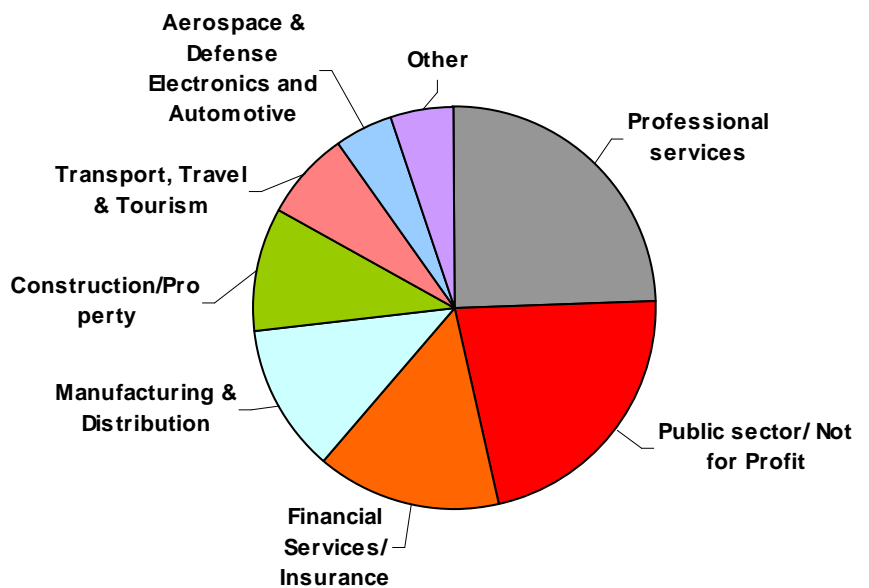
Although there has been an ever so slight shift upwards in the market; the current economic climate still dictates that now is an employers market; so what will happen when the economic crisis we currently find ourselves subsides - are you confident that your talented employees will remain with your organisation? Or do you believe you need to act now to ensure your talent is retained in the future? It is important to develop strategies for ensuring your key talent are engaged, motivated and ultimately committed to your organisation and its objectives, regardless of how green the grass may appear on the other side. There are many factors that can influence employee engagement and retention – one of the most powerful being the existence of an effective leader.

An effective leader is instrumental in the creation of a cohesive, engaged workforce. According to recent research, it appears that there is a highly positive correlation between effective leadership and employee engagement and indeed if effective leadership is present in an organisation then the negative impact of other factors such as perceived poor pay or limited work-life balance is reduced (Financial Times Top 100 Companies, 2008). This research reflects Maslow's hierarchy of needs theory (i.e. that different elements are more important to us as humans and if the lower level is satisfied then this impacts the level of need for the higher levels). So what makes an effective leader and has the current climate altered what is required to be considered effective?

In order to go some way towards answering this question, HDA recently surveyed senior executives (including HR Professionals, Managing Directors, and Vice Presidents) across various sectors. The results provide an interesting insight into the perceptions of effective leadership in today's economy.



**Fig 1 – Respondent Job Titles**



**Fig 2 – Respondent Industry**



So what of our experience of working with effective leaders – are they commonplace? Do they exist? It would appear that most people (78%) have experience working with an effective leader; with various factors making these leaders stand out as effective, for example:

*“They exhibited both a fair, robust but intellectual considered approach to leadership and always led by example. The tacit approach to leadership is not necessarily what you do when the garden is rosy, it is your ability to lead under adverse conditions and use your strength of character coupled with a sense of humour to take individuals to the unknown or a place where they might not necessarily wish to tread.”*

*“...taking us from an ok performing to high performing business by focussing the business on a tighter set of priorities and then relentlessly driving these through; engaging and mobilising the leadership team and their direct reports. At the same time increasing the investment in people and team development starting with the leadership team...also has not avoided tough decisions but made sure they were done in the right way.”*

*“They encouraged me to learn, gave me responsibility for my own work, inspired me to progress in my career and achieve my goals.”*

Figures in the public eye that attract our attention as effective leaders (and why) include:

- **Richard Branson** - has a vision, inspires, engaging, his businesses break new ground and challenge dominant players, he thrives on challenge and change;
- **Barack Obama** - gravitas, honesty, he has a vision and can use his oratory to build a sense of belief in that vision and trust in his ability to lead, adjusts his style and communication to meet changing needs;
- **Fabio Cappelo** - focused on the meaning of success, with the ability to inspire and motivate where others have failed;
- **Sir Alex Ferguson** - inspires a team to work well together to achieve common goal, ability to stay at the top of his profession over 25 years with differing societal and professional changes not to mention individual and team management expectations.

In terms of specific characteristics that we identify with effective leaders – over 88% of those responding believe that an effective leader is ‘ethical and fair’ – “not avoiding tough decisions but making sure they are done in the ‘right’ way”. It would be naive not to assume that this is heightened as a result of the downturn and that staff members will perceive a leader as more effective based on both the way any organisational changes have been handled and also on the success of these changes.

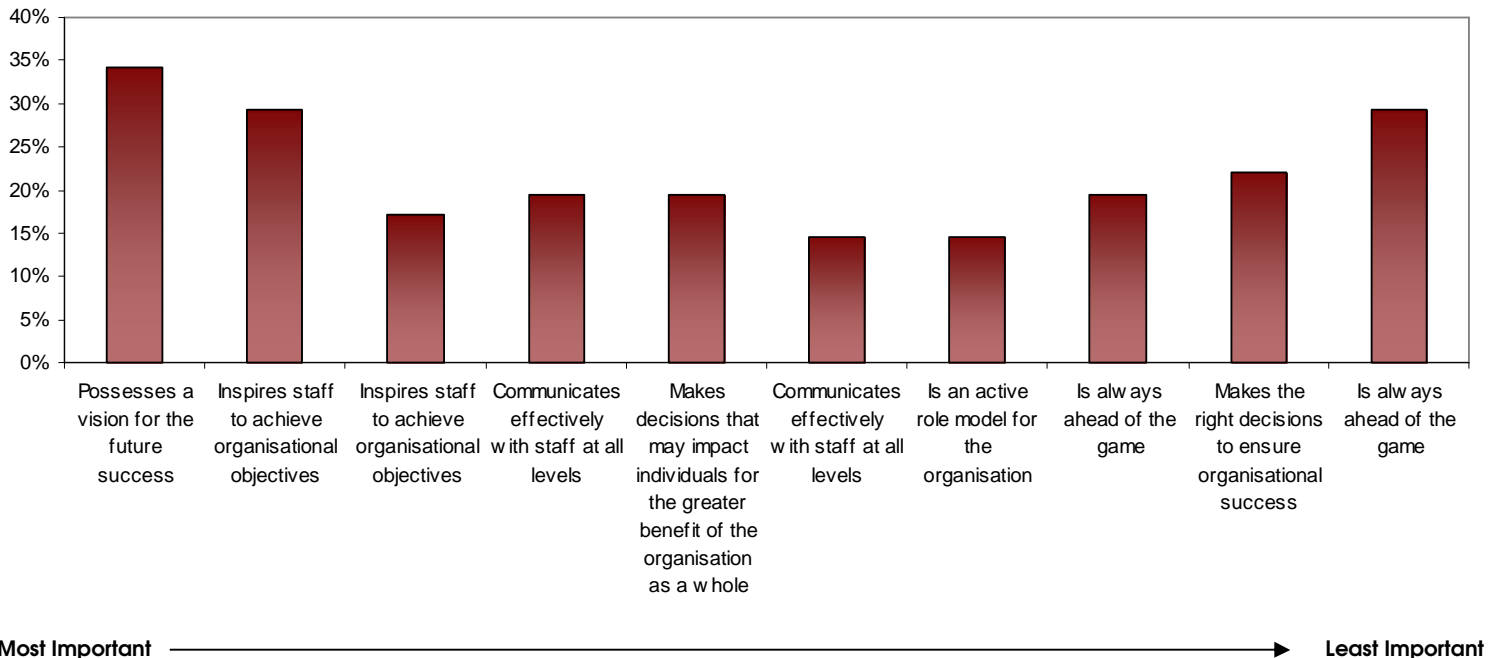
When asked to rank a number of factors in order of importance, ‘possessing a vision for the future’ was the most important element for the majority (34%) of people (see Fig 3). ‘Motivating others through persuasion and influence rather than intimidation’ was also ranked as most important for a large percentage of respondents (20%). These factors may also be a symptom of the current climate in that currently staff members equate successful leaders as being those that ‘possess a vision for the future’; a goal – something stable in an otherwise tumultuous, unpredictable environment. Staff members want to have something to believe in and someone to trust, that will navigate them and the organisation through these challenging times.



Over 29% of respondents indicated that the second most important characteristic for an effective leader is that they ‘inspire others to achieve organisational goals’ – again this is aligned with staff members desire to have a focus for the future. In order to share a commitment to achieving a common goal, staff members must first trust in the ability and vision of the leader. This is achieved not through intimidation but through influence, persuasion and leading by example.

‘Responding effectively to changing environments’ was rated as the third most important characteristic (17%) – this is a characteristic that will have been particularly important over the last eighteen months; where those that have possessed the flexibility and intuitiveness to respond quickly will have had the greatest chances of success.

‘Communicating effectively with staff of all levels’ was ranked fourth by 20% of respondents. Engaging staff with what the organisation is trying to achieve requires not only clear leadership and supportive management but also excellent communications in order to establish trust and elevate concerns over the future. Effective leaders must now *“possess the ability to manage people holistically, i.e. business outputs are affected by personal circumstances. They must be perceived as an active and effective listener.”*



**Fig 3 – Leadership Characteristics ranked in order of importance**

With altering leadership priorities for e.g. consolidation/containment compared to growth and expansion; it would seem that the weightings placed on the various factors that are deemed important for effective leadership have also changed over the last 18 months. However the impact of an effective leader on organisational success has not and largely the characteristics required remain constant regardless of the industry the leader operates in.

If the above are the perceived characteristics of an effective leader then are these characteristics innate or can they be learned? It appears that many characteristics are innate and people who are effective leaders have always been 'leaders' throughout their career. However, at times individuals in leadership positions may be technically proficient but lack the skills required to motivate and engage staff to work towards a common goal, a shared vision for the future – as one respondent noted *“leadership is a privilege with accountability and responsibility for people and resources and often individuals are placed in such a position because they are an excellent banker/accountant/lawyer and not because they demonstrate the necessary ability or attributes to lead”*.

Recognising the powerful role that an effective leader can play in engaging, retaining and indeed attracting key talent (with 100% of respondents indicating that the presence of an effective leader would be a key factor in attracting them to an organisation) – naturally developing these leaders and equipping them with the skills required for success, should be at the forefront of any talent strategy. In doing so you will ensure that your organisation is well placed to survive the war for talent when it resumes once more!

For more information on any of the above or to understand how HDA can add value to your organisation, Please contact **Melissa Gallagher, Client Partner & Project Manager** – [mag@hda.co.uk](mailto:mag@hda.co.uk) / 020 7484 5065