



**LARGE ORGANISATION NETWORK GROUP MEETING  
AT EDINBURGH NAPIER UNIVERSITY  
16 JUNE**

**SUMMARY OF DISCUSSIONS AND OUTCOMES**

This paper summarises the content and outcome of the 16 June meeting of Investors in People Scotland’s Large Organisation Network Group (LONG) which examined Leadership and Management (L&M). L&M is a key element of the Investors in People Framework which impacts profoundly on all aspects of business and organisation performance.

**INTRODUCTION**

John Hutchison outlined the Kotter model of Leadership and Management. Kotter describes Leadership as - the transformation capabilities to improve performance and Management - as the transactional requirements required of day to day operations. In essence, both leadership and management are critical to organisations. Research carried out by Kotter (Harvard University Leadership Professor) indicates that most large organisations are over managed and under led. A summary of the Kotter Model is shown below: (From the book: A Force for Change - How Leadership Differs from Management. ISBN 0-02-918465-7)

	<b>MANAGEMENT</b>	<b>LEADERSHIP</b>
Creating an Agenda	<b>Planning and budgeting</b> Establishing detailed steps and timescales for achieving needed results and then allocating the resources to make that happen	<b>Establishing an agenda</b> Developing the vision for the future and strategies for producing the changes needed to achieve the vision
Engaging with people to achieve the agenda	<b>Organising and staffing</b> Establishing structure and staffing to achieve the plan, delegating responsibility, providing policies and procedures and review systems	<b>Aligning people</b> Communication the direction, influence to ensure that people understand what they have to do to achieve the vision.
Execution	<b>Controlling and problem solving</b> Monitoring results against plan, identifying deviations and then planning and organising to solve these problems	<b>Motivating and inspiring</b> Energising people to overcome major political, bureaucratic and resource barriers to change
Outcomes	Produce a degree of predictability and order, to consistently achieve key results expected by stakeholders	Produce change within the organisation to meet external influences or to bring about significant internal improvements or both.

The Investors in People Framework encourages organisations to align the critical capabilities<sup>1</sup> of its leaders/managers with the core purpose, values and vision of their organisations. Ideally these capabilities should be no more than about 6 or 7 statements which capture each organisation uniquely and describe the behaviours that are core to all. The Kotter model is a good start point for organisations wishing

<sup>1</sup> Capability here is defined as an output, it is what people do as opposed to competencies which are generally regarded as inputs to a development programme

to define or update their capability statements. (We will re-examine core capability aligned to organisational type at the Autumn LONG session).

Given the degree of change that organisations are now facing such the savage economic downturn, web 2 & 3 opportunities, changes in work place demographics (X&Y generations replacing the baby boomers), increasing global competition etc transformational pressures on organisations across all three sectors will increase. It is likely that traditional top down command and control models will no longer be able to cope with the degree of change or the aspirations of the workforce<sup>2</sup>. New ways of leading and managing are already emerging aligned to the external environments which have fundamentally changed over the last three years.

Examples of this are the concept of servant leadership which Ian Gordon explored as the way Bethany Christian Trust operates. Graham Caswell of Search Consultancy led us through his story of entrepreneurial leadership with a focus on values especially integrity and honesty. He also discussed the requirement of perception to “look ahead” to position the business (set the agenda). Both CEOs are from different sectors and businesses but their approach to leadership and management is very similar.

## **EDINBURGH NAPIER UNIVERSITY AND INVESTORS IN PEOPLE SCOTLAND LEADERSHIP STUDY**

**Sandra Watson – Associate Dean of the Business School.**

Edinburgh Napier University and Investors in People Scotland have been working in partnership to develop and conduct the largest and most comprehensive study of Leadership and Management that has been carried out in Scotland. The study is called Enacting Leadership – Vu Jade (opposite of déjà vu) and focuses on behaviours and actions of leaders and managers in the workplace.

The study was based on Yukl’s 10 functions of leadership compiled from the past 50 years of leadership research<sup>3</sup>, and Rath and Condie’s view of Leadership behaviours<sup>4</sup>. The study asked people to rate how important each leadership functions were, and also how prevalent the leadership behaviours/actions were.

The team also referenced a study by Professor Vlatka Hlupic of Westminster Business School which looked at the behaviours of leaders and managers in the US and measured these as 5 grades of individual and organisational leadership.

Sandra introduced the emergent leadership diagram which is shown overleaf. Leadership practices in the US appear to be currently around Levels 3 to 4 and it seems from the Edinburgh Napier study that this may be similar in Scotland. For organisations to be creative and changing, they need to move away from traditional command and control and embrace collaborative ways of working. (This ties in with Kotter’s research which looks at creating collaborative agendas across different teams and organisations)

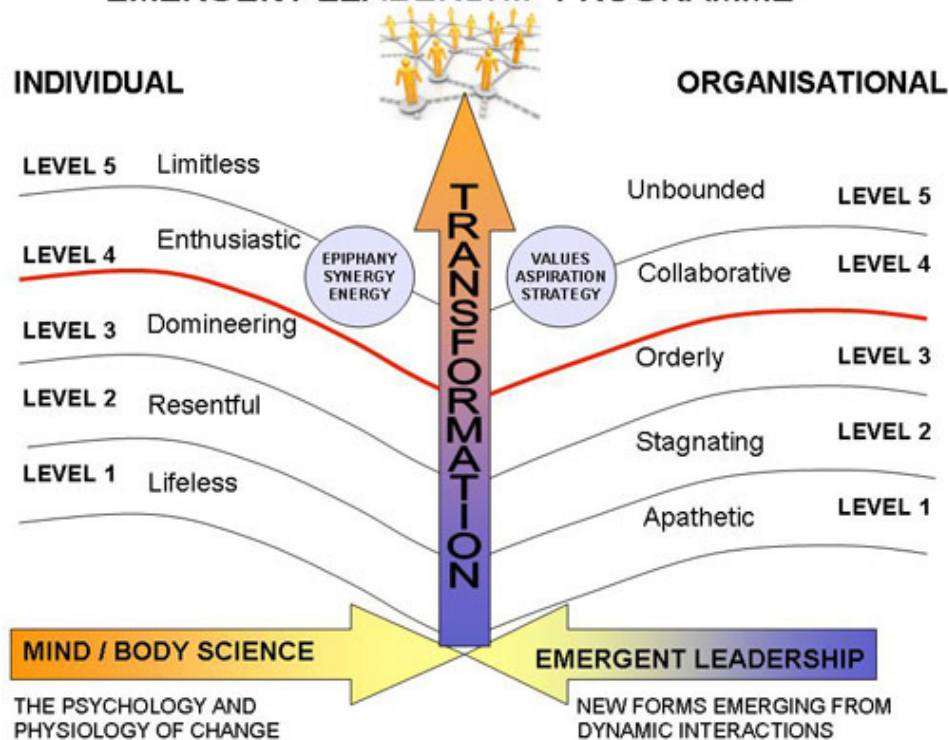
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<sup>2</sup> The Secrets of CEOs, Steve Tappin and Andrew Cave ISBN978 85788 513 2 is a good source for organisations wishing examine how future demands and models of leadership/management will and are changing

<sup>3</sup> Yukl, G. (2009) *Leadership in Organizations*, 7<sup>th</sup> Edition. Pearson

<sup>4</sup> Rath, T. and Conchie, B. *Strengths Based Leadership* Gallup Press 2008

## EMERGENT LEADERSHIP PROGRAMME



The debate which followed was wide ranging and the following issues were raised:

- The top seven behaviours are about creating a 'figurehead' role not a community role. Is that reality? Do we need a figurehead – does it help us build our capacity when we are controlled?
- The lower ranked actions are predominantly based on IQ – Intellectual ability; the top rated areas cover Emotional Intelligence. This might suggest recognition that Emotional Intelligence is more important than IQ in determining leadership effectiveness. For some delegates, promotion to high levels in their organisations is based on technical skills/qualifications, and there remains a fundamental lack of understanding of the importance of emotional intelligence.
- There was agreement that the context in which we are working now is so different to 3 years ago it may have profound implications on the requirement of leadership and management. The management by objectives approach which has been deployed for many years may become less relevant; the key challenge for organisations (particularly in the public sector) will how to leverage better performance and productivity from a lower headcount, and this may require more emphasis on leadership rather than management, and inspiration, motivation, and engagement rather than management by process. This doesn't mean that we fall back on the easy model of the inspirational charismatic leader, but instead that we move from thinking about leadership being the preserve (and responsibility) of a small group of people at the top of the organisation, to being prevalent throughout the organisation.

Investors in People does not prescribe what capabilities your leaders and managers need to have, rather that you are clear on what these are for your organisation – different for product, ideas or service related organisations. Organisations need a view on Leadership and Management capabilities both for the short and long term.

## **CASE STUDY - BETHANY CHRISTIAN TRUST**

### **Ian Gordon, Chief Executive.**

Ian presented Bethany Trust's philosophy on Leadership which is Servant Leadership (see slides). He reinforced that the underpinning 'mantra' at Bethany is 'it's all about relationships'. Everything at Bethany is about relationships including the behaviours for Leadership and Management, and Ian stated that leadership is about investing in the relationship with your followers, with a common goal is the basis upon which to build everything else.

At Bethany, leadership is not only for those in senior positions but is applicable to all staff and volunteers with the view that having more leaders gives more creativity and capacity for success. They work from "mobilise – connect – support" as a means to roll out vision. It is for management to create an environment where leaders can thrive and build the infrastructure within which the employer can operate.

## **CASE STUDY - SEARCH CONSULTANCY**

### **Graham Caswell, Chief Executive.**

Graham introduced himself as people often see him – straight talking, entrepreneurial workaholic. He sees himself as an honest man who spots opportunities and works hard to achieve goals.

He described his first entrepreneurial opportunity – as an eight year old finding an avenue for money to pay for football tickets by washing rich people's cars. He soon managed a gang of boys to do this for him. Good leaders spot opportunities.

He runs Search on the principle of honesty, and suggesting the future not dictating it. Search have achieved had 20% compound growth year on year and diversified from a straight recruitment company to an outsourcing solutions company. For example, they don't recruit bricklayers, they build walls for people.

His way of working is based upon:

- Leading from the front with a clear vision
- Measuring performance in order to praise not criticise
- Rewarding performance with transparent schemes
- Retaining staff and understanding the cost of losing people. The recruitment sector has a very high turnover of staff, but it is better to work to develop people than start again.
- 'Cajoling' people – showing and helping them to be successful and understand their 'hot buttons' which is essential for leadership.
- Promoting from within and focus on people's strengths
- Not keeping 'bad apples' and killing company politics
- Saying it as it is and have an open door policy
- Encouraging good and bad ideas – you need ideas
- No blame culture - making a mistake is not a problem
- Leaders must know how to apologise

- Encouraging ownership and trust people to make reasonable judgement calls
- Focussing on the customer

## **KEY LEARNING POINTS TO TAKE AWAY**

Key ideas discussed throughout the day included:

- Old ways of leading and managing may no longer be robust enough for the new environments organisations are facing
- Empower people anywhere in the organisation. It is not about status but what they can bring and contribute.
- Perhaps it is less about top down command and control and more about new models which empower people and encourage initiative
- Management by objectives has been around since 1954 but there are other ways of leading and managing such as emergent leadership, servant leadership etc. It may no longer be about detailed translation of corporate objectives from the top team but perhaps more about setting broad direction and enabling staff to use their initiative to align outcomes to the broad strategies/agendas. Less about activity based measurement and more about value/impact based measurement
- The future is perhaps less about micro-management down functional silos and more about building relationships across teams and organisations (Collaborative agendas)
- Promote from within – manage succession.
- Get rid of blame cultures
- Leadership is not just for managers but all people need to have leadership capabilities encouraged and developed.
- There are lots of ways to develop future leaders/managers such as coaching, shadowing etc. Encouragement being the key
- It is not just about the leaders – it also about the followers.
- Leadership model must be in line with values and the context in which you operate.
- Leadership/management capability must have customer focus and be able to adapt – flexibility. Think outside first. (This is especially so with the public sector given the economic pressures it is facing)
- There is a distinction between leadership and management but these must fit together and be supported by the vision.
- Establishing trust is the key.
- Do not do what you have always done. Think how the world is changing and adapt accordingly. Your leaders are leavers for organisational change.

## **NEXT LONG EVENT**

### **Date**

The next Large Organisation Network Group meeting is on 14 September and will focus on People Management. The venue will be Scottish Natural Heritage in Perth.

### **Format**

We have adapted to your feedback concerning the last two LONG events. Case study from speakers is the preferred delivery method. You would also like more time

to reflect and share. Accordingly, we have adapted the format for the next LONG as follows:

1. Introduction to set the theme
2. Speaker 1 followed by:
  - a. Questions
  - b. Syndicate reflection
  - c. Individual action planning based on your own organisation
  - d. Lesson share
3. Speaker 2 followed by:
  - a. Questions
  - b. Syndicate reflection
  - c. Individual action planning based on own organisation
  - d. Lesson share
4. Making it happen – Final session to translate lessons into practical steps which will make a difference to your organisation.

We are already exploring suitable speakers for the next session and we will distribute a detailed agenda when these have been confirmed.

### **Dates and Costs**

14<sup>th</sup> September – Scottish Natural Heritage Centre – People Management

£65+VAT (£75+VAT for non recognised organisations)