

Exceeding Expectation: the principles of outstanding leadership

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Executive Summary



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Summary

This major research project set out to explore in depth the beliefs and practices of outstanding leaders to test and bring new dimensions to the world of leadership theory.

The two-year qualitative study, captured in the full report *Exceeding expectation: the principles of outstanding leadership* shows that outstanding leaders combine a drive for high performance with an almost obsessive focus on people as the means of achieving this.

What is striking is that the research has uncovered clear differences between good and outstanding leadership. There is now evidence to support a systemic, people centred approach to high performance leadership. This is a paradigm shift for most leaders who remain focused on the numbers and has implications for all organisations seeking to improve their performance.

The Work Foundation's analysis of organisational performance summed up in *Cracking the Performance Code* was the original trigger for this major research project. It highlighted leadership as one of five key aspects of success, with a more democratic style of leadership emerging as the hallmark of better performing organisations. As a consequence, The Work Foundation committed to a two-year, in-depth project to explore leadership as part of its endeavour to improve the quality of working life by equipping leaders and others with evidence, advice and new thinking.

The research process

A team of eight researchers conducted 262 in-depth meetings with leaders, their managers and their direct reports in six of the UK's most well known and enduring organisations: BAE Systems, EDF Energy, Guardian Media Group, Serco, Tesco and Unilever. All the companies showed sustainability; some had at some point in the recent past faced turbulent conditions and survived, others continued to perform well in challenging circumstances and some were clear market leaders. All are recognised as key players in their sectors. Each company identified 10 to 15 senior leaders to be interviewed: a total of 77 (15 women and 62 men) all of whom were business unit managers or at a similar level. Each leader was interviewed twice, once about their leadership philosophy and the second time about how they practised leadership.

The information which emerged was then categorised into nine broad headings: vision; environment; relationships; power and control; performance; communication; culture, systems and processes and self. At this point, the researchers took performance data for three-quarters of the sample from their organisations (a mix of hard measures on meeting targets and objectives as well as colleagues' feedback). They then compared the responses of 'good' and 'outstanding' leaders under each of the nine categories.

The results show some fascinating differences. For instance, all leaders talked about the importance of engaging others in the vision but outstanding leaders conveyed a greater depth and higher purpose when speaking about vision, seeing it as a clarion call which affected employees' commitment and engagement. Good leaders were more likely to see vision as aligning people through a cascade of objectives.

When it came to creating the right working environment, all leaders understood the need for trust, respect and honesty. But outstanding leaders understood how they combined to create the conditions for exceptional performance. They also understood the role they played in creating these conditions and were careful to be consistent even though that might mean controlling their emotions and not betraying their own fluctuating mood.

In response to failure, outstanding leaders were more likely to try to maintain and build trust, focusing on what an individual had achieved and how they could grow from the experience, whereas good leaders might unwittingly fail to connect their actions and reactions with the possible consequences.

Again, all leaders understood the importance of team spirit and engagement. But outstanding leaders manipulated the environment through team bonding, removed hierarchy, formed deep relationships and co-created plans rather than making a decision and simply asking people what they thought.

And in discussion about processes, outstanding leaders were more likely to see the link between behaviour and outcomes and use systems to provide greater clarity and the space for meaningful conversations. Good leaders were less likely than outstanding leaders to link processes to outcomes and were more focused on ensuring compliance.

In short, there were a number of clear differences between good and outstanding leaders in each category as shown on the next page.

For the final stage of analysis, researchers took an overview of these differences and observed nine clear themes which differentiated good and outstanding leaders (see panel on page 7). These were explored exhaustively then condensed into three fundamental organising principles, from which behaviour flows.



Three principles of outstanding leadership

1. They think and act systemically: they see things as a whole rather than compartmentalising. They connect the parts by a guiding sense of purpose. They understand how action follows reaction, how climate is bound and unravelled by acts, how mutual gains create loyalty and commitment, how confidence provides a springboard to motivation and creativity and how trust speeds interactions and enables people to take personal risks and succeed.
2. They see people as the route to performance: they are deeply people and relationship centred rather than just people-oriented. They give significant amounts of time and focus to people. For good leaders, people are one group among many that need attention. For outstanding leaders, they are the only route to sustainable performance. They not only like and care about people, but have come to understand at a deep level that the capability and engagement of people is how they achieve exceptional performance.

3. They are self-confident without being arrogant: self-awareness is one of their fundamental attributes. They are highly motivated to achieve excellence and are focused on organisational outcomes, vision and purpose. But they understand they cannot create performance themselves. Rather, they are conduits to performance through their influence on others. The key tool they have to do this is not systems and processes, but themselves and the ways they interact with and impact on those around them. This sense of self is not ego-driven. It is to serve a goal, creating a combination of humility and self-confidence. This is why they watch themselves carefully and act consistently to achieve excellence through their interactions and through their embodiment of the leadership role.

**How does
the research
relate to
current
leadership
thinking?**

The research provides overwhelming evidence for one of the popular ideas of current management debate: that truly people-centred leadership leads to more effective performance. Underpinned by a reliable evidence base, the report goes further than today's popular management theory – a good deal of which is derived from informed belief rather than empirical research. This qualitative research has enabled deep and detailed engagement with the issues. In this way, the research findings both corroborate and diverge from contemporary leadership theory.

For instance, the notion of *dispersed leadership* has a similar focus on people, but tends to see leadership as dispersed through a group, with different people taking the lead in different contexts. While the report describes the importance outstanding leaders place on empowering others to deliver, there is no suggestion that they are simply giving up control to others or that this evolves somehow naturally. Rather, these outstanding leaders see themselves as facilitating and nurturing empowerment through a conscious philosophy and practice.

Similarly, *servant leadership*, an idea originating from Robert Greenleaf in the United States during the 1960s which has been revived by a number of organisations in recent years, places emphasis on the leader as serving the people. But while the outstanding leaders examined in the research work through people, these people are not their sole client. Instead, they understand excellent performance is reliant on people. So the need is to engage others in the endeavour. The team is then motivated by a common purpose and goal. Outstanding leaders focus on the outcome as the purpose and align people to this.

Compared with the principles expressed by those espousing transformational leadership, there are many similarities but we see the characteristics of transformational leadership in both good and outstanding leaders. Both seek to create compelling vision, live their values, and focus on the individual. Outstanding leaders however, place less emphasis on charisma. While they

recognise that being positive is important, being consistent and creating purpose are more so. Instead, outstanding leaders speak about seeing the whole, about acting in systemic and sophisticated ways to create excellence, and about focusing on capability and autonomy of people to deliver. They recognised that how they are with people hinders or helps to galvanise others behind the vision.

What does this mean for organisations?

The research begs a number of questions: how do organisations identify people with potential to become outstanding leaders? To what extent can the required behaviour be developed? And, assuming it can be, what kind of management development will work best?

The report's researchers observe that there may not be a continuum from average leadership to outstanding leadership and that people with potential to become outstanding leaders may behave in a recognisably different way early in their careers.

But becoming an outstanding leader is likely to depend a great deal on maturity, self-awareness and self-development within the job. Some of the outstanding leaders featured in the research did not originally have a people-focused approach, but realised the impact they were having on people and therefore adjusted their style accordingly. They arrived at this point through experience, maturity and reflection. They had a very sophisticated understanding of cause and effect and how their actions can dramatically affect outcomes.

Researchers conclude that development of outstanding leadership needs a different approach to the traditional models of talent identification and development and the second phase of the research programme is now examining the implications for leadership development.

Nine themes which characterise outstanding leaders

1. *Think systemically and act long-term*

Outstanding leaders achieve through a combination of systemic thinking and acting for the long-term benefit of their organisation. They recognise the interconnected nature of the organisation and therefore act carefully.

2. *Bring meaning to life*

Outstanding leadership enables a strong and shared sense of purpose across the organisation. They emphasise emotional connection for people with a focus on passion and on ethical purpose.

3. *Apply the spirit not the letter of the law*

Outstanding leadership focuses on the few key systems and processes which help provide clarity, give structure, enable feedback, allow time for discussion and enable the development of vision. They use them to achieve outcomes rather than focus on the process, and put flexibility and humanity first.

4. *Self-aware and authentic to leadership first, their own needs second*

Outstanding leaders unite a deep understanding of others, high levels of self-awareness and a systemic appreciation of their symbolic position to become a role model for others.

5. *Understand that talk is work*

Outstanding leadership depends on trusting and positive relationships that are built over time for the long-term benefit of the people and their organisation. They spend a significant amount of time talking with people to understand what motivates and how they can support and boost enthusiasm in others.

6. *Give time and space to others*

Outstanding leaders both give significantly more time to people than non-outstanding leaders and allow their people considerably more freedom and influence over the work they do and how they do it.

7. *Grow people through performance*

Outstanding leaders passionately and constantly invest in their people and use the challenges presented every single day to encourage growth, learning and engagement.

8. *Put 'we' before 'me'*

Outstanding leaders work hard on issues such as team spirit, shared decision making, collaborative working and a strong bond within and between teams. Sustainable performance comes from collective wisdom and intent, encouraging people to get involved, and giving them voice and autonomy.

9. *Take deeper breaths and hold them longer*

Outstanding leaders actively build trust by delivering on promises and acting with consistency, which in turn, leads to a sense of security and greater freedom of expression. They understand the power of trust to speed up interactions, enable people to take risks, diminish arguments or disputes and underpin innovation.

Conclusion The research explores how outstanding leaders think and act differently to their good peers, and in doing so finds evidence of how a highly people-centred approach to leadership can result in outstanding performance.

It does, however, go beyond this. Outstanding leaders are focused on sustainable performance, purpose and meaning, knowing that people are the only route to its achievement and that they themselves enable others through their influence on those around them. They also have broad horizons and a deeply connective philosophy, with an ability to see how the people and systems in an organisation fit together and a vision that extends from the past, through the present and into the future.

The report's researchers stress that the emphasis on people-centred leadership is particularly critical while the world is still experiencing tough economic conditions. They point to the widespread tendency to assume that in difficult times, people think they need powerful leaders, with a controlling, target-driven approach. Yet, evidence from the research indicates the opposite, demonstrating that this instinct can be counter-productive.

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