Follow your leader...

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What is the secret of outstanding leadership in tough times? According to a major new study, an obsessive focus on people – rather than a rod of iron – is the key.

“If you lead a country like Britain, a strong country, a country which has taken a lead in world affairs in good times and in bad, a country that is always reliable, then you have to have a touch of iron about you”.

So said the Iron Lady, Margaret Thatcher, during her tenure as Britain’s only female prime minister; a position she held from 1979 to 1990. But does an effective leader still require that infamous iron touch? With many of our current influential leaders – from politicians to bankers – failing us, do we require a leader with a firm hand on the tiller and an attitude to match?

Not according to the results of a study, launched today, from the Work Foundation, that crushes what it describes as the commonplace assumption that powerful leaders with a “controlling and target-driven approach” are essential in tough economic times. Instead, it says, leaders need to do quite the opposite and switch to a much more subtle, people-centred approach to leadership.

“The evidence from our research indicates there needs to be a paradigm shift for all leaders who remain focused on numbers and targets,” says Penny Tamkin, lead author of the report. “Outstanding leaders focus on people. Instead of seeing people as one of the many priorities, they put the emphasis on people issues first.”

Such an approach should spell an end to those endless one-to-one meetings centred on tasks, for example, with a manager instead taking time to understand individual staff and what motivates them, she says. Tidious training days should be ditched, with more of a focus on developing staff through challenge and support.

The two-year study was based on more than 250 in-depth interviews with senior managers and their colleagues. It focused on six high-profile organizations including EDF Energy, Guardian Media Group, Tesco and Unilever. All of 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 leaders.

**Good versus outstanding leaders:**

The study was able to separate good leaders from outstanding leaders and, according to Tamkin, there was a surprisingly stark contrast in how the two types behaved.

Good leaders, for example, were found to take a “what you see is what you get” approach, while outstanding leaders were consistent and careful in their behaviour.

“Outstanding leaders always show their best behaviour rather than throwing tantrums. They understand the idea of using themselves carefully as facilitator of better performance from others,” she says.

“They are careful to be consistent even though that might mean controlling their emotions.”

**Why trust is key:**

The findings from the Work Foundation are largely supported by the ILM (Institute of Leadership & Management) which recently found that almost a third of UK employees (31%) have low or no trust in their senior management teams. More than 5,600 employees were surveyed for the Index of Leadership Trust, which revealed that, for CEOs, ability alone is not enough. It concluded that trust is the cornerstone of good leadership.

“In the current climate of economic uncertainty and an air of mistrust, CEOs must work harder at demonstrating their personal integrity, in addition to their leadership ability, if they are to inspire trust in their staff”, says Chief Executive of the ILM, Penny de Valk.

“Really, the skill we need in leaders today is not to be the expert but to facilitate the new solutions. It’s not about “I have the answer””, says de Valk, “The overarching finding is the need for personal resilience in this environment and not to go into command and control”.
Today’s leaders - leadership styles compared.

The high street: Mone vs Rose

Old school: Michelle Mone - Founder and co-owner of MJM International, the multimillion-pound lingerie company that produces the Ultimo bra. Left school at 15, has appeared on The Celebrity Apprentice and famously fell out with Rod Stewart by replacing his girlfriend with his ex-wife as the face of her underwear range.

Mone’s way: “I always say to people in the organization that we’ve all got to win. If I’m winning and you’re losing, you’re not going to be happy. If you’re winning and I’m losing, I’m not going to be happy. So let’s all win, then we’ll all be happy.”

New school: Stuart Rose – King of the bras, outgoing chief executive of Marks and Spencer. Known for people-focused and ethical-minded leadership. Green issues high on his agenda at M&S; also known for taking a personal interest in customer’s thoughts on his products.

Rose’s way: “The business has substantial further trading potential which will be unlocked through a return to the core values of quality, value, service, innovation and trust.”

The global stage: Obama vs Sarkozy

Old school: Nicholas Sarkozy – Glamorous wife, sharp wardrobe and celebrity trappings once earned the French leader the nickname “President Bling Bling”. Leadership style described variously as “confident and fast-paced” and “aggressive”.

Sarkozy’s way: “Nothing – I mean nothing – and no one – I mean no one – will stop me going through to the end and trying to be ready for the challenge of 2007.”

New school: Barack Obama – Credited with very “open” style of leadership and also praised for making intelligent recruitment decisions. Before being elected he said if he were to become US president he would focus on providing leadership, vision, judgment and inspiration, and would delegate responsibility for controlling the agencies that would report to him.

Obama’s way: “To those Americans whose support I have yet to earn: I may not have won your vote, but I hear your voices, I need your help, and I will be your president too.”

Five key skills of an Outstanding Leader (Work Foundation)

1. Seeing the bigger picture
   Outstanding leaders recognize the interconnected nature of their organizations and act accordingly.

2. Understanding that talk IS work
   Outstanding leaders talk to staff to find what motivates them and how they can boost enthusiasm.

3. Giving time and space to others
   Outstanding leaders allow people more freedom and influence over the work they do.

4. Growing through performance
   Outstanding leaders invest in their workforce and use challenges presented to encourage growth, learning and engagement.

5. Putting “we” before “me”
   Outstanding leaders work hard on team spirit, shared decision-making, collaborative working and forming strong bonds between teams.