Trust Me: Credible Leadership Delivers Results

BY DOUGLAS J. MATTHEWS

Leaders who are trustworthy, competent and dynamic drive many results, not the least of which are higher worker productivity and heightened organizational performance.

There has likely never been a time when leaders are under so much scrutiny to behave credibly and ethically. The volume and type of change occurring today has created a seemingly unstable and stressful work environment. Consider the far-reaching impact of the global financial crisis, resulting in organizational cutbacks, restructurings, mergers, alliances, bailouts and even bankruptcy.

It's up to leaders to guide employees through these times in ways that inspire optimum levels of worker productivity, performance and commitment. And to do this, it takes credible leadership. Credible leaders are trustworthy, competent, dynamic, inspiring and accountable. It's not enough to have one or a couple of these attributes — which is how most of us have historically defined a great leader. Today, a credible leader needs to hold all of these attributes, while being proficient and competent to execute strategically.

It is leaders' responsibility to build a workforce that is highly engaged and performing at maximum levels of contribution. Effective leadership impacts essential business metrics. As a critical component of a talent management strategy, investing in the development of credible leaders can drive:

• Improved engagement.
• Increased workforce productivity.
• Better business performance.
• Improved morale.
• Optimum retention.

DATA POINT

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Source: Right Management Global Engagement Survey

• Stronger ability to attract top talent.
• Increased levels of customer satisfaction.
• Innovation and creativity.

Bottom-line business results depend on bringing leaders to the peak of their potential with maximum efficiency. Effective leaders positively impact employee retention and engagement. Capable leaders positively impact productivity and performance. Credible leaders do both while also demonstrating respect for worker contribution — the top leadership factor promoting employee engagement.

Leadership's Influence on Employee Engagement

Engagement encompasses more than traditional notions of job satisfaction. It consists of an active commitment to doing the job well and helping the organization achieve goals and implement strategies. Engaged

employees take pride in their organization and work; take ownership of their projects; talk positively about themselves, their employer and the goods and services they help deliver; view working for their organization as a career, not just a job; and, above all, perform better. A growing body of evidence is emerging to show that engagement is one of the essential levers of individual and organizational productivity and success.

However, in many organizations, the levels of employee engagement have reached crisis lows. Global research from Right Management indicates that only 34 percent of employees in organizations employing more than 50 people identify themselves as fully engaged, while 50 percent identify themselves as completely disengaged. Nine percent indicate they are engaged by their organization but not by their job, and 7 percent indicate they are engaged by their job but not by their organization. The former group, sometimes called bench warmers, is happy to cheer from the sidelines but reluctant to play a strong role in achieving collective success. The latter group, sometimes referred to as free agents, is happy to make a strong contribution but feels no particular loyalty to the organization and may leave at any time.

The study, which surveyed nearly 30,000 employees in 15 countries on a wide range of topics related to organizational effectiveness, including leadership and engagement, showed a statistically significant correlation between positive assessments of leadership and strong declarations of engagement and also isolated leader practices and behaviors that appear to impact engagement most.

Among the leadership practices and behaviors analyzed, the four showing the highest correlations with engagement are:

1. Senior leaders value employees.
2. Senior leaders have the capability to make the organization successful.
3. Senior leaders effectively implement the organization's strategy.
4. Senior leaders effectively communicate the organization's strategy to employees.

What stands out about these drivers is how coherent a picture of employee engagement they present. Employees want to work for successful organizations and for leaders with the capacity to implement strategy and create success (drivers 2 and 3). They want the organization's strategy to be effectively communicated to them so they can play a meaningful role in realizing that strategy and helping the organization succeed (driver 4). Above all, they want leaders to acknowledge their work and value their contribution (driver 1). Leaders who ensure these conditions are satisfied will be rewarded with higher levels of engagement and better business performance.

The Behaviors of Credible Leaders

Eight behaviors foster credible leadership and subse-

quently higher levels of employee engagement and contribution.

1. Create a culture reflecting values with which employees can identify.

An organization's culture has a life of its own. No leader or group of leaders can control it entirely. However, leaders can influence a culture in ways that will drive engagement. The most effective leadership behavior is leaders showing that they value employees. Credible leaders must do more than simply say they value employee contribution. They need to make it real and demonstrate it. To maximize employee contribution, top management must be aligned and show employees that they really count. This includes their ideas, contributions, values and commitment. It has to be ongoing, not an annual event.

2. Build trust and show you value employees.

No organization can afford to overlook the need to develop credible leaders and instill a culture that fosters such growth.

Credible leaders are professionally and personally interested in employees. They know what is going on in their lives, both at work and outside of work. They ask questions about where their interests are and link these to the direction of the company. Credible leaders build trust through effective communications. This is particularly essential during times of change. They emulate appropriate behaviors and act as role models, and they utilize technology, communication and social networking vehicles, such as Twitter and LinkedIn, to stay connected with employees and other stakeholders in the organization. Employees need to trust that their leaders have the capability to make the organization successful. To win that trust, credible leaders must show that they have a plan, articulate that plan clearly to employees and demonstrate that the plan is being implemented effectively. Credible leaders make employees feel like valued partners in a common enterprise.

3. Implement the organization's strategy effectively.

Mergers, acquisitions, restructurings and dynamic market conditions all can necessitate strategic change. But to ensure a change in direction doesn't mean going off in all directions, the organization must maintain focus. Credible leaders execute strategic change by first understanding the complexities of the change and facing the realities of the external forces putting pressure on their business. Then, they optimize the organization's structure, capacities and capabilities; its people, systems and processes; and its leadership performance. They prioritize critical issues, analyze root causes of performance inhibitors and identify capability gaps. Once strategy has been clearly articulated and agreed upon, they clarify fit-for-purpose structures and roles, deploy people, systems and processes, and assign capable leadership at all levels. And finally, credible leaders measure for impact on actual business performance.

4. Communicate strategy to employees clearly.

Fluid strategies reflecting today's dynamic business conditions can make communicating business objectives as difficult as writing on water. Yet a workforce that better understands the organization's strategy is better able to execute it. Credible leaders convey clear, consistent messaging that links every employee to strategy and drives engagement, productivity and success. They develop a comprehensive communication plan to carry employees at all levels from awareness and understanding to commitment and enhanced performance. They deliver messages in a clear and compelling manner and monitor the effectiveness of the delivery and its impact on strategic goals.

5. Put strategy to work.

A winning strategy is no guarantee of successful results. Unless an organization can align its workforce behind its strategy, its strategy is likely to remain on the shelf gathering dust. The workforce needs to be aligned with strategic objectives. Credible leaders identify employee and workforce issues impeding strategy implementation. They prioritize workforce management strategies and align them with broader strategic goals. They typically use diagnostic tools to build executive team alignment around the organization's greatest strengths and needs. Credible leaders identify top priorities, gain team consensus around priorities, analyze gaps between the organization's current state and the state of benchmark organizations, and then build collaborative approaches with the workforce to get the job done.

6. Step up and be accountable.

Credible leaders act with character and integrity. They earn and maintain credibility when they hold themselves accountable and behave in ways consistent with the values of the organization. To view leaders as credible, all stakeholders need to know that the people expected to lead will accept respon-

sibility and account for their actions, claiming ownership for results produced as a result of their efforts, regardless of success or failure.

7. Manage change effectively.

More than half of the respondents in the employee engagement research did not believe their senior leaders managed change effectively. Credible leaders need to take a greater role to ensure change is communicated and implemented effectively. They should communicate openly and honestly, keep employees informed, solicit feedback from those impacted by change and commit to meeting expectations set by leadership. From the senior leader on down, the messaging must be consistent.

8. Develop leaders at all levels.

Credible leaders invest in their own ongoing learning while also developing other leaders. Preparing a strong leadership pipeline of candidates who are ready now or will be ready in the future, enabled by an effective assessment and development process, ensures those leaders are capable of performing at the highest levels and leading effectively through change. By having a strong succession management process in place, identifying high-potential and high-performance leaders, organizations will be in a much better position to identify talent to take on new roles created by the organization's changes.

With new challenges confronting leaders at a quickening pace, no organization can afford to overlook the need to develop credible leaders and instill a culture that fosters such growth. In a volatile economy in which many organizations face strong head winds, employee engagement and productivity assume increasing significance. Credible leaders can create a culture of engagement based on trust. Credible leadership is the foundation to demonstrate trust in employees and, in turn, inspire employees to place their trust in leaders. **CLO**

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