

Good leaders and engaged staff: Vitamin or Aspirin?

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In a survey by the Chartered Management Institute (CMI), it was revealed that organisations believed that only 1 in 5 managers had the qualifications that they need to do their job. Not only that, but poor morale and poor leadership were cited by almost half of organisations as the main reason for pessimism about the year ahead.

Cutting L&D seen as an easy cost saving

Over recent years, as organisations have cut costs and driven greater efficiency, budgets for leadership development, management training and staff engagement were easy targets. It seems we are about to reap the inevitable consequences of such short term decision making.

Eighteen months ago, I was talking with a senior manager in a publishing company. When I asked him what he was doing to motivate his team, following a set of savage redundancies, his curt response was that he didn't need to. 'Shouldn't having a job in the first place be enough?' he hurrumphed. Speaking to him recently, his view has changed, and he is worried. 'We have a tough year ahead and we all need to put in extra effort but they don't seem very keen'. It seems obvious that his staff doesn't feel very engaged and their manager doesn't have the skills to lead them. He is right to be worried.

In the good times, we were happy to go along with the idea that investing in leadership and engagement was the right thing to do. Of course we knew that many of the benefits were intangible and probably quite long term, but it seemed wrong to ignore them. But as soon as organisations were under pressure to invest only in what really mattered, we revealed our true colours. Investing in the 'soft stuff' could be done away with. What mattered was short term revenue and profit. It turned out we never really believed in the value of people after all.

Leadership development, staff engagement, and management training were all seen as

vitamins. Vitamins are good for you and your mother would be proud that you have a daily dose. While vitamins don't make you feel better immediately, you know, or believe, that over time you will be stronger and calmer and generally healthier. But when you have a thumping headache what you really need is an aspirin. And you need it now. Vitamins seem like a distraction.

What the CMI survey suggests is that leadership development, staff engagement and management training may not be vitamins after all. Many organisations see 2013 as a year of transition; coping with consolidation, new products or markets, or a return to growth to assuage shareholder concerns. If, as the CMI survey suggests, pessimism about the future is largely driven by a concern about the organisation's ability to lead and engage staff, then what was seen as a vitamin last year, may now be seen as an aspirin.

So while the case for leadership development, staff engagement and management training looks more urgent, that doesn't mean we should just increase the budgets and engage more HR people and consultants. We have to make sure that we learn from past mistakes and build support for investment that will withstand future headaches.

The case for business driven action learning

We have to ask why the support for developing leaders and engaging staff was so easily destroyed when we hit harder times. I think it was because the benefits were seen by many senior executives as intangible and long term. We asked the shareholders to trust us, and since we were delivering bottom line expectations at the same time, we got away with it.

The reason aspirin is such a universally successful medicine is that it appears to solve a very clear problem, and you can see (or feel) the results quickly. Leadership development, staff engagement and management training

need to be seen the same way, so that budgets will be more resilient next time a splitting headache comes along.

In our experience, getting leaders to work on tangible business issues as part of a leadership development programme is critical, and makes the investment more resilient. It is easier for the organisations to see that the participants of the programme have made a tangible impact on the business (for example, helping a product reach the market more quickly, or altering a supply chain to drive out greater efficiency) than to try and judge whether each participant is a better leader this month than they were last month. Credit for the business success goes to the leadership programme, and long term sponsorship and budget protection quickly follow.

A clear business case for a leadership development programme, or a staff engagement programme, can and should be put together. Scoping the programme should include the identification of tangible business issues that the programme can solve within a limited time frame, for example 100 days. The programme's activities can then be designed around solving those issues.

Focus on skills that support business strategy

We also see far too often programmes put together that focus on skills that are generic and presented in isolation of the business objectives. We see many organisations with a people strategy that does nothing more than state the obvious. Of course you want your best people in the right place at the right time. Hiring great people is always a good idea, but



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hiring people who can develop teams may not be as important as people who can drive innovation into new product development. So what do you want your leaders, and your people to be doing? What would have the biggest impact on the business' objectives?

Even the specific elements of leadership, or engagement, should depend upon the organisation and its strategy. From the myriad of books written on both subjects, we know that there is no single definition of leadership or engagement. Context is everything. If communication skills are important, what is the best style that fits the company? What makes a good communicator in a professional services firm may not be the same for a food manufacturer. Setting clear objectives for people may be vital for a construction company, but in a software company setting broad direction and encouraging innovation may be more important. What we do know is that people who have the skills and tools to do their jobs are happier, more engaged and more productive.

Interestingly, the CMI survey also reveals that over 40% of organisations believe the skill their managers most need is strategic decision making. Strategic decisions that, for example, are based on a belief that proper investment in leadership development and staff engagement enables an organisation to adapt to changing environments, ride out uncertainty and drive more sustainable future success.