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Leading people and teams

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Introduction

People are the key asset in all organisations. They bring the knowledge, expertise, skill, and experience necessary for the organisation to be able to understand what clients find of value and to create a product or service that meets their need. And, people make it possible for the organisation to continuously improve and adapt in order to remain competitive and relevant. It is the people in the organisation, therefore, who ultimately determine its success.

The organisation fulfils its mission through the collective effort of its members. That is how it is typically able to accomplish significantly more than any one person could working on their own. The combined manpower and the complementary knowledge held by its people are the source of its advantage. Importantly, how effectively an organisation can deploy its human capital depends hugely on its leaders. Where organisational leaders bring out the best in those they lead and where they implement management practices that aid people and teams in attaining high performance, they can make a significant positive impact in their organisations.

Skilful leadership and effective management create conditions that help people and teams become and remain effective, i.e. create products and services and other results that meet client needs, grow increasingly capable at producing results, as well as derive personal satisfaction and fulfilment from work and from the results it brings. Leaders and managers who enable people and teams to attain this level of effectiveness are an invaluable asset in every organisation. The practices that can help leaders and managers achieve this aim are the subject of this guide.

1. Establishing credibility

Across geographies, sectors, organisations, functions, and levels people have a common expectation – they want to be able to believe in their leaders. People want to know that their leaders' words can be trusted, that the leaders have the skills to lead, and that they are personally excited about the direction in which they are taking others.[1]

Credibility is the foundation of leadership. It is what people expect from a leader before they willingly follow his or her direction. When a group deems the leader credible, members are more committed to the group's purpose and prepared to dedicate more time, talent, and toil to pursuing it. They are significantly more likely to operate with a sense of ownership and to feel pride in being part of the organisation. When change is involved, they are more open to supporting it. All this has a significant impact on people's performance and results. Establishing oneself as a person of credibility is, therefore, a prerequisite for leadership effectiveness.[2]

Credibility is a belief carried by the group rather than an attribute carried by the leader. It is earned over time. While most group members will initially assume that the leader is credible, they will only gain full confidence in the person after getting to know him or her better. Group members constantly update their views about the leader's credibility based on their interactions with the person. It is through the daily exchanges with the group that the leader gradually gains or loses credibility. Members also rely on information about the leader provided by others.[3]

1.1 Attributes of a credible leader

When deciding whether a leader is credible, people assess the person on a number of attributes.[4] These are listed and described below. Each plays an important role in whether or not the leader is deemed credible.

Figure 1: Attributes of a credible leader

By far the most important expectation people have of a leader is that he or she be honest. People must know that they can always trust what the leader says. They must believe the leader is genuine, has a strong value system, and will lead people in moral ways and to good ends. People must also be able to trust that the leader will do what he or she says he or she will do. Credibility is about consistency between words and deeds. Members in every group are constantly on the lookout for both, and when the leader does as he or she says, he or she gains credibility. If the leader has consistently kept their word on past occasions, the group will assume that this will continue so. When the leader's words and deeds diverge, however, their credibility is depleted and their effectiveness reduced.[5]

Then, to deem the leader credible people need to see that he or she is other-oriented as opposed to self-centred. Leaders who are attentive to others, who take the time to discover people's values, interests, aims, plans, hopes, and aspirations, who ask others for feedback, views, and perspectives, and who take all these into account in the way they lead are seen as more credible than those who do not. In doing so leaders demonstrate appreciation for what people stand for and are able to obtain greater commitment to the organisation and its course. By placing others, rather than themselves, in the centre of attention, leaders succeed in empowering those they rely on to deliver results. By getting to understand what drives members in the group, leaders are better able to motivate those they work with. Attending to others before attending to self gives leaders greater credibility.[6]

Next, to be deemed credible, the leader must also be competent. For people to willingly join in a journey to a better future, they have to believe that the leader has the skill and ability to get them there. People need to see that the leader is capable and effective. One sure way to demonstrate competence is through a track record of successful delivery. With respect to skill, those in leadership positions need to demonstrate leadership skills in addition to other skills their role may require. They will typically need a broad and general understanding of their area rather than specialised expertise, as the latter will be provided by members in the group. Advancing through leadership ranks is therefore best thought of as something dependent primarily on consistent goal attainment in one's current role and on successful development and demonstration of leadership skills (rather than deep domain expertise).[7]

And finally, the leader's credibility hinges on their ability to inspire. The leader must be able to alert others to the exciting possibilities that the future holds and to arouse in people the energy and motivation to act on these possibilities. The leader must communicate his or her vision in a way that appeals both to the mind and to the heart, helps people discover new possible selves, and unlocks their powers of creativity and innovation. And, he or she must then regularly reaffirm and reinforce the vision and direction to help people remain focused and to facilitate alignment of individual efforts across the group and organisation.

1.2 Earning and sustaining credibility

Credibility is a belief held by others. To deem the leader credible, those others need to be able to think of instances when the leader acted in a way that lent him or her credibility. The behaviours known to enhance credibility are listed and described below. Earning and sustaining credibility requires continued adherence and devotion to these.

Figure 2: Behaviours which enhance credibility

Source: Adapted from James Kouzes, Barry Posner, “Credibility”, Jossey-Bass, 2011, p. 35

1.2.1 Discovering your self

Earning credibility starts with exploring one’s inner self: one’s values, beliefs, aspirations, priorities, and abilities. With these brought to the surface, examined and reflected upon, the leader can define his or her guiding principles, i.e. the principles he or she will use when taking stances and making decisions in the course of work and in life. This will allow the leader to take charge and own the way he or she wants to be, to express himself or herself and make choices accordingly, and remain consistent from situation to situation. Principled, consistent and predictable behaviour is what earns people credibility in the eyes of others. Guiding principles enable this. Where the leader also explicitly shares his or her guiding principles with the group, members gain an understanding of the leader’s values, beliefs, priorities, and what he or she expects from self and others. As the leader then lives these principles, he or she earns credibility by demonstrating a match between words and deeds. Clarifying the guiding principles for self and for the group and applying these consistently thus reliably enhances one’s credibility as a leader.[8]

1.2.2 Appreciating people

The next step and the main foundation in building credibility is demonstrating appreciation for all members in the group. This means reaching out to people to understand their values, interests, aims, aspirations, needs, thoughts, opinions, perspectives, and ideas. First of all, this sends a clear signal that people are important to the leader and that their views, inputs, and contributions are always solicited and valued. Second, it serves to affirm members in the group and the legitimacy of their way of looking at the world. It also gives the leader an opportunity to express confidence in the group and the reliance he or she places on each member to help shape the organisation’s future. Third, to remain motivated, people expect work to have meaning and purpose. Finding out how to satisfy people’s needs in this regard is necessary for motivating others. And finally, appreciating people initiates a dialogue which allows others to get to know the leader. All these mechanisms help the leader earn credibility with the group.[9]

1.2.3 Affirming shared values

Having understood what people value and stand for, credible leaders build consensus around a core of shared values. These are the values that all members are prepared to align with. Shared values provide a standard for how people should treat each other and a reference for individual and collective decision making. They give everyone a shared language for collaboration and thus enable effective working relationships. They unite people and help guide and propel group effort. They allow for conflict and dilemmas to be resolved using principles, not positions. All these have as an effect a more productive work environment which enhances the leader's credibility.[10]

The way leaders go about developing shared values matters greatly for the results. It is a process in which all members must participate. This is vital, because when people contribute, they are more likely to own the outcome. And when people are involved, they are more prepared to accept an outcome they might otherwise not be entirely comfortable with. Shared values cannot therefore be prescribed in a top-down fashion. They need to be uncovered by soliciting input from all involved, engaging people in a dialogue, and seeking a multiplicity of viewpoints. Everyone must have a say about what values their organisation should adopt in order to succeed in the future. Then, once agreed, members can make sure they live these shared values whenever a situation calls for it.[11]

1.2.4 Being a role model

Credible leaders keenly demonstrate shared values. They know that for the shared values to make a difference in how a group functions, the leader must adhere to them in ways that are clearly evident to everyone. This not only provides tangible evidence of the leader's commitment to the agreed way of working together but also exemplifies the desired attitudes for all members in the group. It earns the leader credibility, too.

One of the ways people learn is by observing others. Most also pay significant attention to those in leadership positions. Organisational leaders had then better be exemplary role models of the attitudes they would like to see more of. A positive example from the leader is what people will calibrate their own behaviour and choices against. Over time, how leaders conduct themselves will shape how those around them engage and interact.

Credible leaders put shared values into practice in incidents both big and small. In confronting situations where a key value is at stake or someone's behaviour does not live up to the agreed standards leaders make it clear that they stand by the shared values. In holding their daily interactions in a way that exemplifies strong cultural norms and reflects the agreed values leaders strengthen collective trust and create a pattern of credible behaviour.

Another way in which leaders bring shared values to life is by relaying how others applied them in practice. Such narratives illustrate what organisational principles look like in action. They are a powerful means for sharing what the leader considers important and what an exemplary application of shared values looks like. As real-life accounts of people's actual choices, they will be more memorable than abstract examples.

The most tangible indicator of the leader's priorities will always be what he or she dedicates time to, however. People infer what is important to the leader from what he or she attends to and from how he or she allocates time. Credible leaders make sure, therefore, that how they spend their time reflects what they say matters most.

By providing illustrations of appropriate attitudes and behaviours, leaders help people navigate their own daily interactions along with any challenging or confusing situations they may encounter. These illustrations then serve as guidance which people can refer to when deciding how to respond. That is why it is so important that leaders be exemplary role models for the values and principles they represent.[12]

1.2.5 Developing capabilities

Credible leaders know that for a group to be able to live up to its performance commitments, both the leader and all group members must have the necessary knowledge and skills. With this in mind, credible leaders dedicate themselves to developing self and others. They continuously strive to improve existing and build new capabilities.

For leaders developing self means primarily developing leadership skills. People expect to be competently led and attribute credibility to those who have requisite skills. Credible leaders continually ask themselves how they can improve so as to be able to add more value to those they lead and manage. They also seek feedback on this from others, including from members of the group. They then prioritise the skills to focus on.

Credible leaders know that the essence of getting extraordinary things done is to liberate a leader in everyone. This is because leadership capacity of group members is a major contributor to group performance. It is primarily leadership, therefore, that credible leaders seek to develop in others. To achieve this, they[13]:

- Provide opportunities: Credible leaders recognise that leadership is a set of skills that can be learned, and so they provide all members opportunities to acquire those. They set challenging goals whose attainment requires strong leadership. They encourage initiative taking and leading the way.
- Foster ownership: Credible leaders encourage every member in the group to think and act like an owner. And they accept that this must include letting people use their own judgement and make their own decisions. They are aware that autonomy and choice are central to developing leadership.
- Foster confidence: Credible leaders know that believing in one’s ability is essential to initiating and sustaining effort. They therefore foster confidence in people by providing encouragement and facilitating progress, and creating opportunities for small wins.
- Promote a growth mindset: They promote a belief that everyone can develop new skills if they so resolve and that the way to get there is through persistent effort, continued practice, and gradual improvement.
- Promote psychological safety: They create an environment where people feel psychologically safe. When practicing new skills, one rarely gets it right at the first attempt. People need to know that they have the understanding and support of those around them.
- Give feedback and coaching: They give ample feedback and provide regular coaching as these help people to become and feel more competent, lead to improved results, and have highly motivating effects.
- Share information generously: This not only fosters trust, but is also essential for people to put their work into context, make informed decisions, monitor progress, course correct or ramp up effort if necessary, and lead their initiatives effectively.

Other than leadership capacity, credible leaders pay due regard to functional expertise and decision-making skills, both their own as well as those required by members in the group. For the leader to be deemed credible, people need to be satisfied that the leader knows what he or she is talking about. This means the need to acquire relevant functional and technical knowledge to a sufficient degree. People also expect leaders to take balanced decisions. Credibility is earned, therefore, by learning about the business, its operation, its external environment, prevailing industry trends, as well as opportunities and challenges before making changes with wide-ranging ramifications.

Then, organisational success in knowledge industries relies heavily on expertise. Credible leaders, therefore, also make sure that members in their group develop both industry and function-specific knowledge and skill. Good expertise makes it easier for people to identify opportunities and challenges as they arise, to initiate work, evaluate the options they have, make good decisions about how to proceed, and then move forward. Expertise thus enables effective problem-solving and decision-making. And, in order to help members in their group work effectively with others and as part of a team, credible leaders encourage the development of interpersonal skills.

1.2.6 Inspiring positivity

Leaders who inspire positivity improve performance all round and strengthen their own credibility in the process. Positivity creates energy, unlocks creativity and innovation, increases openness to new ideas, improves decision making, heightens interpersonal effectiveness, and boosts satisfaction from work. Positive expectations about the future motivate people to engage in effort that will make that promising future happen.

The leader's ability to keep spirits high, and more generally to inspire and motivate, is seen as an indicator of his or her credibility. People want to know whether the leader will get them where the leaders says he or she will. The leader's ability to keep members in the group inspired and motivated raises the odds of success significantly. And the starting point to this is to engender in people positivity and optimism about the future.

Credible leaders paint a positive vision of the future and communicate it in a way which encourages people to sign on for the journey to get there. They get people excited about what the future holds and express a genuine belief that the group has the capacity to attain it. They are there to tell the group that they can succeed, bring out the best in everyone they work with, and recognise the dedication of those who pursue excellence.

Credible leaders remain driven despite obstacles and setbacks. They demonstrate resilience and determination to succeed. They know that challenges can be overcome with a new method or another try and so move to mobilise resources accordingly. They believe that they can influence the course of events if they take the necessary action, and they seek to instil this attitude in those they lead. They reward grit and perseverance.

With all their positivity, credible leaders never ignore the realities of the present, however. If something is not working, they do not just redouble their efforts but instead evaluate the situation to find a method that is effective. Nor do they believe that optimism about the future means there is less of a need for disciplined decision making or for attention to risk. On the contrary, they carefully consider all options and any downside each may involve. Finally, positivity is not incompatible with entrusting the group with challenging goals and then holding people accountable for results. In fact, leaders earn credibility by driving attainment in this way.[14]

2. Leading people vs. leading teams

When leading others, the leader's main responsibility is to decide whether it will be more effective to lead people individually as independent members in a group or to lead a team of interdependent members. Depending on the type of work at hand and on how it is designed, the group and team options may produce vastly different results.[15]

In a group of independent members each person has work to do, and its completion does not depend on other members in the group. Members are individually accountable for the work they produce. Each contributes what counts as a result in its own right. The overall performance of the group is the sum of these individual results.

In a team, interdependent members work together to produce, complete, or manage something discrete. They are committed to a meaningful purpose which they all interpret the same way. They are also reliant on one another, as each team member typically contributes complementary knowledge, expertise, and skill to the team effort. Each member contributes an equal share of real work, too, and members constantly seek to improve their common working approach. Accountability for results rests with the team as a whole rather than with members individually.

Some types of task are more amenable to being executed by an individual (e.g. writing a report), some typically require handling by a team (e.g. process improvement), but most types of work can be designed for either setting. Where that is the case, the role of the leader is to carefully weigh the merits of each option and choose accordingly.

A team offers the potential for enhanced results thanks to its ability to put to use all the diverse knowledge, skill, and expertise brought by its members. That way teams can be smarter than people working independently. They can also be more creative and innovative. And, teams can aim for goals far loftier than what one person can aspire to achieve individually. For this reason, working as part of a team can be highly meaningful and a source of powerful motivation. Teams also create ample opportunity for members to develop new skills and expertise.

All these benefits do not come without constraints, however. It takes longer to form a cohesive team than it takes to form a group. Teams are inevitably limited in terms of size – a group can be far larger than a team. Unlike groups, teams need to dedicate time to internal co-ordination of work. Other than additional demand on people's time, this also means a need for greater interpersonal skills. And, teams require skilful leadership to prevent them from succumbing to groupthink or relationship conflict, either of which could eliminate the team advantage.

Importantly, being part of a group does not mean working in isolation. Effective groups frequently get together to share information, exchange ideas, and make decisions. Group members give each other feedback and discuss ways of becoming more effective. They are willing to offer their knowledge and expertise where it can help others achieve better results. Yet each member in the group works towards individual goals and produces separately identifiable results (unlike in a team, whose members contribute to team-level goals and its discrete output).[16]

Either approach, group or team, can be highly effective depending on the type of work at hand. The role of the leader is to determine which approach will be more appropriate and to choose accordingly. If the sum of people's individual bests will suffice, a group approach will typically be the choice. If there is a need to combine people's diverse knowledge, expertise, insight, and judgement in order to produce a discrete result (e.g. redesign a product or the way it is offered), a team will be formed. It is important to implement the chosen approach fully for the particular work identified and not confuse people with mixed signals, e.g. use team rhetoric in settings where results are produced individually or attempt to manage people directly where work is done by a team. To do otherwise would not bring the best of the two worlds – it would have the opposite effect.[17]

None of this means, however, that groups and teams cannot be deployed at the same time or that people cannot be members in groups and teams simultaneously. In fact, the modern workplace often requires that they are. What is necessary though is that each of those groups and teams have the group or team approach implemented fully. This means that where one person leads both a group and a team, he or she needs to lead differently in each of these settings. That way all groups and teams are given the opportunity to make the most of their inherent potential.

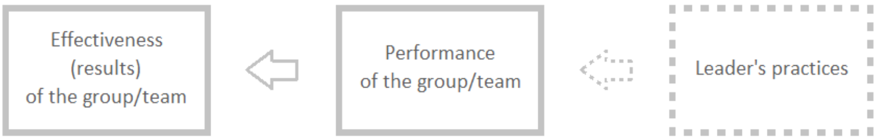
More generally, teams are highly compatible with and can complement organisational structure and hierarchy. As groups operating within vertical structures build functional excellence, cross-functional teams can turn it into client experiences that impress and delight. As groups add stability and continuity, teams can be more quickly assembled and deployed to face performance challenges and opportunities. As contributions in a group are largely determined by member roles, teams allow people to put to productive use all of their knowledge, skill, and ability. And, by bridging vertical hierarchies, teams integrate diverse perspectives and enable strong joint performance.[18]

The choice between group and team applies also to the structure of upper management. Where there is only limited interdependence between the areas being managed (e.g. in case of a holding company, highly independent or unrelated businesses, or highly autonomous divisions), their leaders will likely form a group. Their focus will be primarily on group members' accountabilities. Within a business, on the other hand, managerial responsibilities can be designed either way. In a leadership group, leaders focus primarily on their individual accountabilities (e.g. for a function or area). In a leadership team, although they typically retain functional responsibilities, leaders will always optimise for the business as a whole.[19]

3. Enabling group and team effectiveness

The role of the leader is to enable group/team effectiveness. What this means exactly and how to best go about it is, therefore, something every leader needs to discover. One way to think about it is to separate group/team results from people's performance, notice how results are affected by performance, and conclude that while both are the responsibility of the group/team, there are certain practices the leader/manager can adopt to aid the group/team in attaining high performance. This is illustrated below and described further in the sections that follow.

Figure 3: Leader's practices aid the group/team in attaining high performance



3.1 Defining the three criteria of group/team effectiveness

The purpose of a group/team is to produce results for clients, who may be external or internal to the organisation. Groups and teams are also expected to become over time increasingly capable at producing results. And, members must grow and develop and must be able to derive personal satisfaction and fulfilment from work and its results. These expectations lead to the following three criteria for group and team effectiveness, all of which need to be satisfied for the group or team to be deemed effective[20]:

1. The output of the group/team meets or exceeds the standards of quantity, quality, cost, and timeliness of the client, i.e. the person or people who receive, review, or use the output;
2. The interactions the group/team members have in carrying out work enhance their capability to work together effectively and to produce even better results in the future;
3. The group/team experience, on balance, contributes positively to the learning and personal well-being of individual members.

When it comes to assessing the group's or team's output, it is the client's standards and expectations that count. This is because it is the client who will use the output. The role of the group or team is hence to ascertain what the user needs and to find a way to fulfil the need accordingly. In case of any challenges, the role of the manager is to support this process, i.e. help the group or team identify and fulfil the client's need as accurately as possible. There are times when the client will benefit from advice and guidance from the output provider, but effective groups and teams always keep in mind that great work means whatever the user of the output says it means.[21]

As members in effective groups and teams advance their work, they gain experience working together and discover new and better ways of attaining results. They build trust, become faster at identifying and capturing emerging opportunities, better at making and implementing decisions, more adept at coordinating with each other, more accurate in catching and correcting errors and more skilled at learning from mistakes and other experiences. They engage in healthy debate and productive task conflict without succumbing to mutual antagonisms. When their work is done, they become more capable a unit than they were at the outset.[22]

And lastly, a group or team can only be effective if its members learn and develop in the course of their daily work and find satisfaction and fulfilment in what they do. Expanding one's knowledge, acquiring new skills, and becoming exposed to diverse ideas and perspectives not only enhances one's personal effectiveness but also is highly gratifying in and of itself.[23] Then, making and getting recognised for progress in interesting, challenging, and meaningful work as well as having the opportunity to achieve and grow into greater responsibility are reliable motivators.[24] And, having the ability to make use of one's strengths every day, make important contributions to the success of the organisation and its clients, and satisfy the need for social connectedness are some of the drivers of engagement at work.[25] Leaders of effective groups and teams enable all these outcomes for members.

3.2 Evaluating group/team performance

The criteria listed above are highly useful for the leader in determining the group's or team's effectiveness after the unit has completed its work or at a time of a periodic evaluation of results. In retrospect it will be clear how the unit has done on each of the three criteria. The question becomes how to evaluate the unit's performance in real-time so as to know in advance how effective the unit will likely be when its work is complete or the evaluation time comes. This insight would be immensely useful – knowing how the group or team is doing, the leader would know if his or her way of leading requires any adjustment.

It turns out that four measures of group or team performance, if considered in combination, provide a sound basis for predicting group and team effectiveness[26]:

- <u>Effort</u>: the amount of effort members are expending in carrying out their work;
- <u>Approach</u>: the choices the group or team makes about *how* it will carry out the work;
- <u>Knowledge and skill</u>: the level of knowledge and skill the group or team is applying to its work;
- <u>Time</u>: the amount of time members are allocating to the work that matters most.

The productive power and the eventual effectiveness of a group or team is greatly affected by the amount of effort which members expend in carrying out their work. When people give their best effort, strong results often follow. How driven are people on the group or team then? How committed to it, how proud of it, and how willing to work especially hard to make it one of the best? How excited and energised about collaborating with others? How keen to go the extra mile for a client or a colleague? How passionate about delivering customer experiences that impress and delight? How dedicated to finding better ways of doing things? How supportive of organisational progress? How willing to take the initiative? How ready to put in the effort to overcome all obstacles and challenges?

What matters next is the approach to carrying out the work that the group or team takes. How well suited is the approach to the task at hand? Is the work designed and organised optimally? Is the group or team structure (specialist vs. generalist) suited to the task environment (routine and predictable vs. dynamic and novel)? Is the distribution of decision making (decentralised vs. centralised) suited to the task type (creative or problem solving vs. efficient execution)? For teams, do people work sequentially only if it is impractical to work in parallel? Is the co-ordination that is in place (centralised vs. decentralised) suited to the type of interdependence the team is facing (sequential work vs. parallel or iterative work)? Is the team high on task conflict and low on personal conflict or not? Are the group/team norms cooperative or competitive? Does the group/team encourage healthy debate and critical thinking or does it favour consensus and getting along?[27]

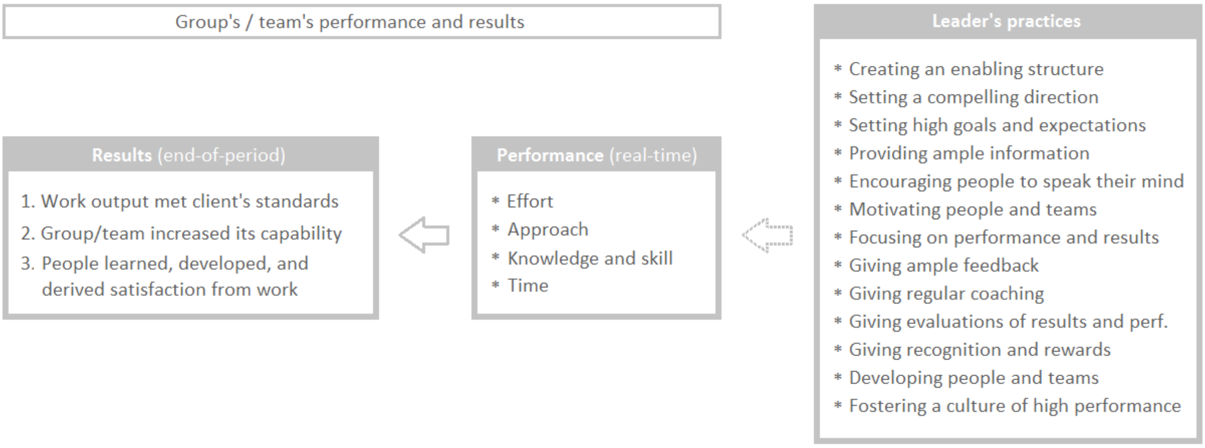
Then, in knowledge work results rely heavily on skilful integration and application of knowledge. Does each group member have the knowledge and skill necessary to produce the desired result? Does each team member have the complementary knowledge and skill relevant to the team task? All in all, does the group/team have all the task-relevant capabilities it needs? Do all team members have teamwork skills? Have they demonstrated these in their prior assignments? Do they work collaboratively with others? Are team members sufficiently diverse so as to bring skill variety but also sufficiently similar to be able to work together well? Is the group or team tapping all members for their individually held knowledge and expertise? Do members actively seek diverse perspectives? Do they reach out to others both within and outside of the organisation to access information and obtain updates? Is the size of the team conducive to effective sharing and integration of knowledge and expertise? Are people's contributions weighted according to their actual knowledge and experience or rather their position (e.g. rank or role), demographic attributes (e.g. age or gender), or behavioural style (e.g. talkativeness)? Is the group/team effectively integrating and applying knowledge in its work? Are people gaining new knowledge and expertise? Are all members receiving ample feedback and regular coaching? Is training provided? Are people developing?[28]

And finally, how people spend their time matters hugely for the final outcomes. The greater the proportion of time people dedicate to productive work and to advancing organisational priorities, the better their results will be. Is everyone clear about the direction the organisation is taking? Is the group's or team's direction aligned with that of the organisation? Does everyone have clear goals and priorities and are they focusing on these? Are people managing their time as tightly as they manage other scarce resources, e.g. financial? Are people aware of the common time sinks, and are they eliminating unnecessary meetings, emails, conference calls, and committees? Are the meetings that remain run productively and efficiently, i.e. have a clear purpose and agenda, materials distributed in advance, attendance limited to those who must contribute, attendee roles and responsibilities clearly defined, and duration minimised? Reading and responding to emails takes hours every week – are people reducing the number of emails they send, especially those of the one-to-many kind? Then, the pace of work is aided by fast decision making. Are decisions taken quickly? For all recurring decisions, is it clear who makes the recommendation, who provides comments, who needs to agree, who takes the decision, and who executes it? And, work proceeds more smoothly if it is devoid of unnecessary complexity. Are workflows arranged in a way which facilitates achieving results? Are people actively looking for ways to simplify how work is done? Are there regular reviews of all work that is being done to make sure it is still necessary and reflective of organisational priorities?[29]

3.3 Leading groups/teams for performance and results

The role of the leader is to enable strong attainment in the group/team. How to do this effectively is top of mind for many leaders. As stated before, there are four aspects of group/team performance that have special leverage in determining results. Research indicates that groups and teams which get all of these aspects right are likely to achieve the results they are aiming for.[30] While getting performance right is the responsibility of the group/team, there are a number of practices the leader/manager can adopt to aid the group/team in attaining high performance. These are listed in Figure 4 below and described in greater detail in the sections that follow.

Figure 4: Leader's practices that aid groups and teams in attaining high performance and results



Source: Adapted from J. Richard Hackman, "Leading teams", Harvard Business School Press, 2002, pp. 22-33, 167, 206, J. Richard Hackman, "Collaborative intelligence", Berrett-Koehler Publishers, 2011, p. 40, Michael Mankins, Eric Garton, "Time, talent, energy", Harvard Business Review Press, 2017, pp. 193-201

4. Creating an enabling structure

The right amount of the right structure can facilitate group/team performance. Too little of it and people may find they lack a solid platform to carry out their work. Too much, or a structure that is not tuned to what the group/team has set out to accomplish, can get in the way of achieving results. It is important, therefore, for managers to reflect about what structure will best support the performance of their group/team. The structural features that research suggests can be key in enabling high group/team performance are described below.[31]

4.1 Designing the task

The first step to creating an enabling structure is to design the task. The task is what an individual or team is being asked to produce, manage, or decide on. The task could be to acquire and advise clients, provide customer service, manage or automate a process, develop a product or service, devise a marketing campaign, teach someone a skill, lead a team, devise a strategy, manage a project, make a recommendation, take a decision, write a report, etc.

Designing the task involves a decision whether it is to be carried by an individual (e.g. a member in a group) or by a team working interdependently. Each option has its benefits and constraints as detailed previously. Since most tasks can be designed either way, the role of the leader is to determine which option will be more appropriate. It is then important to implement the chosen approach fully, i.e. either lead people (individually) or lead a team (as a unit of performance) but never mix the two approaches for the same task. Only then will the benefits of the chosen approach have the opportunity to materialise. In particular, where a team approach is chosen, the leader's actions described in this guide (e.g. goal setting, motivating, coaching, etc.) need to be carried out on a team level.

If the decision is to adopt a team approach and so for people to work interdependently, then what the leader needs to determine next is how to best combine people's work, i.e. what type and extent of interdependence will be most suited to the task at hand and to the environment in which this task will be carried out. Importantly, each type of interdependence calls for a different way for members in the team to co-ordinate their work. And each way of co-ordinating involves a different level of effort. In general, the higher the level of co-ordination, the greater the ability of the team to navigate environments and settings which are high in volatility, uncertainty, complexity, and ambiguity. The types of interdependence to choose from (according to task and task environment requirements) and the matching ways of co-ordinating work include[32]:

- Pooled interdependence: breaking down the deliverable into parts which can be worked on by individual team members and then combining their outputs into a combined whole. The right way to coordinate pooled interdependence is through standardisation to ensure that all component parts match each other. This can be achieved by establishing routines, rules, templates, specifications, etc. This approach requires that the task environment be relatively stable and predictable and works best for repetitive tasks. On the upside, it allows team members a degree of flexibility in terms of when and where they do their work. It also allows work to be done in parallel which enables fast completion times for the task as a whole.
- Sequential interdependence: having one person's output become another's input and so on in a sequence. Team members work on the deliverable one person at a time and, after they have completed their part, hand it off to the next member to add theirs. This continues until the deliverable is fully complete. The right way to coordinate is through careful planning, i.e. by agreeing schedules which govern everyone's work. This type of coordination relies less on stability and predictability and so can cope with more dynamic situations and an environment where there is change and uncertainty. This is because sequential co-ordination allows teams to make adjustments to their approach mid-course. At the same time, because work is done largely sequentially rather than in parallel, it typically takes much longer to complete.
- Reciprocal interdependence: all members doing work in parallel whilst continuously seeking, receiving, and incorporating feedback from others as well as offering their own feedback for others to incorporate. The result of these back-and-forth exchanges is mutual adjustment which is the right way to coordinate reciprocal interdependence. This type of coordination offers the greatest flexibility and can cope with the most variable and unpredictable of settings and environments. It ensures work is done in parallel which enables fast completion times. Ongoing mutual feedback greatly benefits the quality of work. At the same time this type of coordination requires significant effort of all team members. Also, unlike in the case of pooled and sequential interdependence, where coordination is best done in a centralised way, reciprocal interdependence requires ongoing communication between all team members. Attempting to coordinate reciprocal interdependence in a centralised way is likely to be inefficient and ineffective.

The types of interdependence, the appropriate way of coordinating work for each, and the typical type of task and task environment that benefit from choosing a particular type of interdependence are presented in Figure 5 below. Also shown are how work is done, how fast results are obtained, and how much coordination effort is involved.

It is important for the team to have clarity about what type of interdependence members are supposed to adopt and what type of coordination is required. This will help ensure that the way people coordinate is most effective given the type of their interdependence and that everyone puts in the right amount of coordination effort at the right time during the team's life.

For tasks which are already being carried out, especially for those organised sequentially, it is often useful to consider if the existing type of interdependence is most appropriate. Converting traditionally sequential activities into reciprocal ones can significantly speed up execution and improve quality.

Figure 5: Types of interdependence with matching type of coordination and suitability according to task and task environment

Interdependence	**Coordination**	**Task**	**Environment**	**Work done**	**Results produced**	**Coordination effort** preparation / ongoing
Pooled	Standardisation (centralised)	Repetitive	Stable and predictable	Parallelly	Faster	Higher / Lower
Sequential	Planning (centralised)	Any	Dynamic	Sequentially	Slower	Medium / Medium
Reciprocal	Mutual adjustment (decentralised)	Novel	Variable and unpredictable	Parallelly	Faster	Lower / Higher

Source: Adapted from James D. Thompson, "Organisations in action", McGraw Hill, 1967, pp. 54-56

Next, regardless of whether the choice is to proceed as a group or as a team, designing the task, or work in general, creates an opportunity to design it such that it becomes inherently motivating. While what motivates is ultimately unique to every individual, certain common task characteristics enhance the degree of motivation for most people. These include meaningfulness of the work that is being carried out and the ability to operate with autonomy. Work gains in meaningfulness when it involves responsibility for entire tasks from beginning to end, gives visibility of the results with little lag, entails the use of a variety of skills, and is inherently significant (e.g. its output will be highly valued by those who get to use it, the intended result strengthens markedly the capabilities of the organisation, will enable a breakthrough, is highly innovative, etc.). Tasks created for teams can potentially be more significant than those created for individuals. This is because teams are capable of taking on tasks much larger than one person could. For the same reason membership in a team also offers a greater potential for learning and for using a variety of skills.

A task which allows autonomy is one which does not prescribe in detail the procedure to be followed but instead lets the task owner choose their work methods, organise their resources, and make decisions necessary in the course of their work. Also required is that the person has timely access to information and feedback about the impact they have. That way people can experiment with various approaches, make adjustments to how they work, and take responsibility for results. This creates a sense of ownership, control, and responsibility, motivates effort and achievement, and leads to higher satisfaction from work. Other than by boosting motivation, granting people autonomy brings improved results also through other means. It is usually the case that people on the front lines have a much better understanding of the demands and opportunities in their immediate work situation than their manager or their manager's manager. Letting people decide how to go about their work often yields, therefore, far better results than trying to prescribe a detailed procedure for every task. Having a degree of flexibility in how to respond to a particular work situation usually allows for a more effective response. Over time, people operating with autonomy are likely to work out approaches clearly superior to what can be conceived centrally.[33]

And finally, there may be instances where people or teams are entrusted with multiple tasks. Where this is the case, it is important to keep the number of tasks as low as possible. That way focus can go into the work that is expected to have the greatest impact. It also makes the tasks more meaningful for those who carry them out.

4.2 Putting the right people on the group/team

Composing a work group or team involves attending to the attributes of individual candidates and to the resulting properties of the group or team as a whole. At the individual level it is important that each member have strong task skills and, especially for members in a team, also well-developed teamwork skills. At the group or team level, the focus is on the size of the unit and the mix of members. For groups size is limited by the managerial span for the type of work involved and for teams by the amount of internal co-ordination required. The mix of members needs to ensure coverage of all task skills necessary for task completion. It should also ensure sufficient diversity.[34]

4.2.1 Individual level – people's task skills and teamwork skills

To become operational, a group or team must have some minimum starting complement of skill. Then, during the course of its life, the unit must develop any missing skills that it needs to accomplish the task. This means that the primary consideration for selecting members needs to be their current skillset as well as their potential to learn. The role of the leader is therefore first to determine the skill requirements of the task at hand and the availability of those skills in the talent pool and then to select members in a way that strikes the right balance between their existing skill and their learning potential. The goal is to make sure that the unit will have all the skill it needs.[35]

For teams, teamwork skills play an important role. They are necessary for the team to be able to communicate effectively, learn from one another, resolve differences, agree the way forward, co-ordinate and integrate work. While most can learn teamwork skills, it cannot be assumed that everyone has them. The best way to find out is to make inquiries with those who worked with the candidate previously. Has the person demonstrated the ability to work in a team? What are the examples of behaviours he or she has engaged in that support that view? Teams should be composed solely of members who possess teamwork skills. Where someone has critical task-relevant skills but lacks teamwork ability, they could be offered opportunities to develop the latter, e.g. through coaching, feedback, or training, or could continue contributing in an individual capacity. When making inquiries about the teamwork skills of prospective team members, it is important, however, to ask for specific behaviours so as not to be swayed by general impressions, perceptual distortions, or differences in people's styles of working. Sample behaviours from which teamwork ability can be inferred are listed in Figure 6 on the following page.

Figure 6: Sample behaviours from which teamwork ability can be inferred

Behaviours indicative of high teamwork ability	Behaviours indicative of low teamwork ability
- Speaking up: communicating one's knowledge, expertise, views, and ideas to others openly, directly and respectfully	- Communicating (passive-)aggressively, indirectly, or disrespectfully; withholding information; misleading
- Listening actively: working hard to understand the knowledge, expertise, views, and ideas of others	- Not listening; listening poorly or selectively; interrupting; talking over others; rejecting the validity of others' views
- Resolving differences: understanding the benefits of task conflict; resolving it by referencing facts and assumptions	- Taking task conflict personally; allowing conflict to fester; escalating conflict; inciting or stoking interpersonal conflict
- Integrating: synthesizing different facts and points of view to create shared insights and open up new possibilities	- Escalating differences; questioning team decisions after they have been made; heading off in one's own direction
- Facilitating progress: exploring options and recommending next steps; encouraging decision making and prioritisation	- Bickering; raising issues without considering solutions; revisiting avenues already explored; missing target dates
- Contributing effort: doing an equivalent share of the team's "real" work; contributing to all aspects of work	- Withholding effort; being willing to join the team as an "advisor" only; saying than something is "not my job"
- Co-ordinating one's work with others: devising ways of working which allow the bulk of it to be done in parallel	- Insisting that others adjust their schedules; insisting on working sequentially; not co-ordinating with others
- Reflecting: thinking often about whether the team is on the right track and how to work together more effectively	- Proceeding with work or an approach without reflecting if it is appropriate and continues to meet requirements
- Demonstrating emotional intelligence: self-awareness, self-regulation, social awareness, and social skill	- Not being aware how one comes across; having outbursts; being defensive, argumentative; refusing to listen; blaming
- Appreciating others: valuing people for their uniqueness and recognising everyone's well-intended contributions	- Thinking less of others because they have less knowledge in one's area of expertise; talking behind people's backs
- Maintaining a positive outlook: remaining positive even in challenging times and when the team is facing obstacles	- Focusing on negatives; having a negative attitude; becoming overwhelmed by uncertainty and ambiguity

Source: Adapted from Amy Edmondson, "Teamwork on the fly", Harvard Business Review, April 2012; Jon Katzenbach, Douglas Smith, "The wisdom of teams", McGraw Hill, 2005, p.56; J. Richard Hackman, "Leading teams", Harvard Business School Press, 2002, p. 125

Senior leadership teams, other than teamwork skills, also require that members have the ability and willingness to adopt an enterprise-level perspective. This is because leadership teams are concerned with the success of the enterprise as a whole. This success can only be attained if the organisation is being optimised as a whole rather than function by function or unit by unit. Members in senior teams must, therefore, see their roles as leading in ways that maximise the effectiveness of the firm overall rather than the effectiveness of one function/area in isolation. Members in leadership teams are expected to engage in robust yet constructive debates about the key opportunities and challenges the organisation is facing. As part of this, they must be willing to open their own functions/areas to scrutiny and influence by other members and to actively engage in discussions about functions led by others. And above all, members must work in close collaboration to drive organisational results.[36]

4.2.2 Group/team level – unit size and mix of members

Group/team size

At the group or team level the focus is first on the size of the unit. The size is determined as the number of members required to accomplish all the work in the allotted time. It is important, however, that the size be such that the unit can still be managed effectively (for groups) and can work together effectively (for teams).

Members in a group do their work largely independently of one another. This means that the only practical upper limit to the size of a group is the managerial span – the number of people one person can lead and manage. This number depends on the type of work (work variety, process standardisation), the amount of support and oversight that group members require, the capability of the manager, and the extent of his or her responsibilities beyond managing the particular group. Given the number of variables, managerial spans for groups vary greatly and can be as low as just a few members or as high as 15 or more.[37]

Members in a team work interdependently. This means they need to co-ordinate their work with one another. In practice, this need to co-ordinate puts a cap on the team size. This is because up to a point, adding new members brings more benefit (manpower and any missing expertise) than cost (incremental co-ordination effort needed). But there quickly comes a team size at which adding further members starts bringing more cost than benefit. This is because the overall co-ordination effort grows at an accelerating rate with each new member. This can be seen in Figure 7 which shows the number of links that exist between individual members in teams of varying sizes. (The number of links can be thought of as a proxy for the co-ordination effort involved.) Every new addition creates more new links than the previous one. At the same time every additional member typically brings less incremental benefit (knowledge, expertise, and skill that is not already available on the team) than the previous one. When adding a member would create more cost than benefit, the team has reached its optimum size.[38]

Figure 7: The number of links between members that a team needs to manage (proxy for co-ordination effort) for various team sizes

Team size (# members)	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Number of links (~effort*)	1	3	6	10	15	21	28	36	45	55	66	78	91	105

* assuming reciprocal interdependence between team members

The right size for a team depends then on the type and the demands of the task (produce vs. manage vs. recommend vs. decide; scope, complexity, and timelines) and the type and amount of co-ordination required. The optimal size for a team is typically far lower than that for a group. According to one study of teams engaged in intellective work, the team size which leads to optimal member satisfaction is four to five members.[39] According to another, optimal effectiveness is achieved in teams of five to ten.[40] Smaller teams offer the potential for greater cohesion, faster decision making, and higher member satisfaction. They also require less co-ordination. Larger teams are preferred when there is a need for a greater productive capability overall, for access to extensive and varied knowledge, expertise, and skill, and for a large number of ideas and possible solutions. Larger teams have also been found to be on average more innovative than smaller ones. As an underside, teams larger in size typically require more co-ordination effort of its members and may be less able to maintain effective communication, less able to elicit active participation from all, and less able to agree on actionable specifics.[41]

It is therefore not correct to assume that more is necessarily better when it comes to team size. In fact, the opposite is often the case, because the smaller the team, the lower its co-ordination costs and other inefficiencies. Membership in the team should be limited, therefore, to those who bring knowledge, expertise, and skill vital to team performance and who contribute to the work of the team on an ongoing basis. That way the team has the highest chance of proving effective and accomplishing its objective.

The team size is of particular importance where there is reciprocal interdependence between team members. In such structures, members need to coordinate directly with one another through mutual adjustment. Where this is the case, the coordination burden imposed on the whole team rises significantly with every additional member (see Figure 7). Team size is therefore best kept as small as possible. When interdependence is pooled or sequential, on the other hand, work can be coordinated in a centralised way. This involves far fewer lines of communication and so the team size can be kept slightly larger before the coordination burden becomes excessive.

It is also useful to be aware that adding members to the team with the intention to enhance its performance could inadvertently jeopardise it instead. That could happen, for example, when more manpower is allocated to a project that is running late. If the additional co-ordination costs this creates outweigh the benefit of having a larger team, this could actually increase the project delay. For the same reason, including in the team representatives of every organisational unit affected by the team's work so that all units accept the team's output could affect the team's ability to produce a result that meets the standards of acceptability of the client / end user.[42]

There may be, however, situations when the scope or demands of the task appear to genuinely require a team so large that size would get in the way of the team's effectiveness. When this is the case, those in charge of designing the team can consider the following ways of bringing the size down[43]:

- <u>Creating a core team</u>: creating a smaller team of core members whose responsibilities then also include obtaining inputs from and updating those who would be members if it were not for team size constraints;
- <u>Updating membership</u>: reforming the team as it progresses through its work to only include members whose work is required at the stage the team is in; that way people can rotate between teams;
- <u>Taking a modular approach</u>: dividing the deliverable into work modules, entrusting each to a standalone team and then combining all the completed modules into an end product, recommendation, decision, etc.

<u>Mix of members</u>

With the size of the group or team determined, the focus then moves to the optimal mix of members. Firstly, the mix needs to ensure coverage of all the knowledge, expertise, and skill necessary for task completion. For groups this means that each member must have or must be able to develop the full complement of these. For teams, the unit in aggregate must possess or develop the ability to accomplish its work. And secondly, the mix also needs to be such that there is sufficient diversity among members. This is necessary for both groups and teams.

Diversity gives groups and teams extra strength and is the way to build a successful organisation. In a world where organisations compete through client excellence, ongoing improvement, adaptation, and innovation, the edge comes from the inventiveness, creativity, and resourcefulness of groups and teams. Diversity is what unlocks all these attributes. Diverse groups and teams forge stronger bonds with customers, are more adept at identifying and responding to changing client needs, better at solving complex and non-routine problems, more likely to come up with novel ideas and to develop winning innovations, and instrumental in attracting talent to the organisation.

The improved client orientation of diverse groups and teams stems from two sources. First, groups and teams whose composition reflects that of the organisation's client base in terms of gender, race, ethnicity, culture, social and economic background, age, and sexual orientation, are better able to discern and understand client needs. This allows the group/team to anticipate and respond to these needs more accurately, whether through customer service that is more convenient, a way of communicating that is more appropriate, product design that is more relevant, or otherwise. Second, where clients see that people who they interact with at the organisation look and talk like them, they are likely to feel more comfortable interacting with the organisation and giving it their custom. It is thus important that members in the organisation reflect in their diversity the clients they serve.[44]

Diverse groups and teams are also more adept than uniform ones at solving problems and making decisions. It seems obvious that where people of diverse knowledge, expertise, and background get together to address an issue or challenge, they are in a stronger position to arrive at an effective solution than a group or team that lacks such diversity. What is less obvious, is that diversity in terms of gender, race, ethnicity, and sexual orientation also enhances collective problem solving and decision making. And this is not solely because people who differ bring different information and insight. Research confirms that merely being exposed to visible diversity changes the way people think and work. When people who differ in this way interact with one another, they prepare better, are more diligent in retrieving relevant information, examine facts more carefully, are more open-minded, and work harder to find a solution. All this contributes to effective problem solving and good decision making.[45]

And, diversity fuels creativity and innovation. Where groups and teams are composed of people from a range of backgrounds, there is a greater variety of viewpoints and perspectives. These can, in turn, stimulate generation of novel and useful ideas (i.e. creativity) and their subsequent application or implementation (i.e. innovation). Diverse groups and teams which encourage members to speak their mind and contribute their ideas freely are in a strong position, therefore, to capture the creativity and innovation potential offered by diversity.

In their ability to compete, advance, and succeed organisations rely therefore on diverse membership. Diversity in membership will ensue if the organisation is able to attract and retain diverse talent. This becomes significantly easier where the organisation is quite diverse already, which sends a strong signal that it is a place where diverse talent can thrive. Diversity thus begets more diversity, which is yet another reason why all groups and teams should aim for a sufficiently diverse composition. What is more, openness to diversity also widens the talent pool. And it may be in this wider pool that the talent the group or team needs is.

The size of the group/team and its mix of members play an important role in determining the optimal structure. The right size helps ensure that the unit has adequate resources and can work effectively. The right mix of members contributes to the unit's effectiveness by ensuring adequate skill coverage overall and through member diversity.

4.3 Defining team boundaries and aiming for stability over time

For a team to be able to become effective it is important to clearly define its boundaries. It needs to be clear at all times who is on the team. That way everyone can distinguish between the people who share the accountability for delivering the collective team outcome and colleagues who do not but who are being tapped for input or help or who just wish to offer their opinion. Having clear team boundaries is particularly helpful in settings where people engage extensively with others across the organisation and are themselves likely to be members in multiple teams at any one time (e.g. in professional and managerial work). In such settings it could easily become unclear who is and who is not a member. Where there is a flow of people into and out of the team, it could affect the team's ability to advance work in a coherent way and deliver for the client timely and accurately. Clarity as to who is a member benefits teams at all organisational levels – from the front lines to management.[46]

Having a bounded team does not mean it should be closed off to its environment or adopt an inward focus. On the contrary – members should regularly engage with others both within and outside the organisation to maintain contextual awareness, obtain inputs and feedback, and become aware of any changes that could affect their work. Such openness is necessary for effective team functioning and the team's ability to deliver results.

Other than from having clear boundaries and being open to the environment, teams also benefit from stability in membership. Teams in which who is on the team is reasonably stable over time tend to be more effective than those whose membership changes frequently. Stable teams make it easier for members to develop familiarity with one another in terms of each member's knowledge, strengths, working style, etc. They also allow team members to develop over time a shared understanding of the work situation and effective ways of working together. This increases the team's ability to work efficiently on complex tasks which involve a high degree of interdependence. It is useful to know that the emergence of such efficiencies is further enhanced when team members train together. It benefits the team, therefore, when members are able to attend training as a team rather than individually.[47]

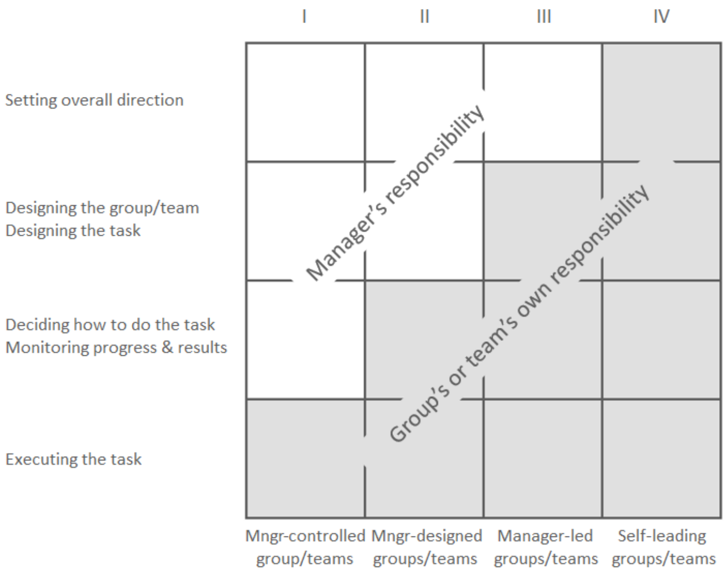
4.4 Delimiting authority

Now that the boundaries are clear, what requires determining next is the extent of authority members in the group or team will have. This is best spelled out explicitly so that members can make full use of the authority they are entrusted with. Delimiting authority means deciding who – the group/team or the manager/leader – is in a better position to perform each of the following four functions, all of which need fulfilling for the unit to be effective[48]:

- Setting a compelling direction: defining what the group/team should aim to accomplish;
- Creating an enabling structure: designing the group/team, designing its task, agreeing group/team norms;
- Deciding how to do the task: choosing work method, monitoring results, trying out different approaches;
- Executing the task: applying physical or mental energy to get the task done.

There are broadly four ways of allocating responsibility for fulfilling these four functions between the group/team and the manager. These are presented in Figure 8 where each column represents a possible allocation.

Figure 8: Four ways of allocating responsibility between the group/team and the manager



Source: J. Richard Hackman, "Leading teams", Harvard Business School Press, 2002, p. 52

I. In manager-controlled groups/teams, members execute the task while the manager retains responsibility for everything else. This approach typically results in a poor utilisation of people's potential and harms their motivation. In specifying and controlling all aspects of people's work, the manager prevents people from using their own knowledge, skill, expertise, ideas, and ingenuity. People are denied autonomy, the presence of which is essential for motivation to develop. Command-and-control management invariably leads to underutilisation of human capital entrusted to the manager and so typically results in subpar performance. For a group or team to be effective, people need to be able to decide how to do their work. They also need to have the means of monitoring their progress and results on their own so that they can make changes to how they work in order to improve those results.

II. In manager-designed groups/teams, the manager sets the overall direction, designs the unit and its task, and then lets people get on with their work. This means members in the group/team are free to choose their work methods, look for better ways of accomplishing the task and change the way they work in order to attain greater effectiveness. On their part, the manager supports people by providing non-controlling feedback, giving regular coaching, motivating effort and attainment, creating developmental opportunities, and recognising strong performance. That way people have the opportunity to use their knowledge and skill, stay motivated and engaged, as well as grow and develop.

III. In manager-led groups/teams, the manager gives people even more authority. He or she sets a compelling direction but then relies on members in the organisation to create the enabling structure, i.e. to design the group/team and its task in a way that is most appropriate for the challenge at hand. Or, if the group/team already exists, then its members are given authority to modify this design as they see fit. Manager-led units can be the right choice in innovative undertakings or where the environment is dynamic, uncertain, or complex. Task forces and proposition development teams often operate with this level of authority, which allows them to be more agile and more adaptable than would otherwise be possible. Members in manager-led units are also free to choose their work methods, experiment with different ways of getting things done, and develop their capabilities in the process. Managers continue to provide all the support members need (feedback, coaching, motivation, development, recognition) to grow their performance.

IV. In self-leading teams, members take responsibility for all four functions. They set their own direction, design the unit and its task, decide their work method, execute the task and monitor results. Operating with such a level of authority are e.g. partners in professional partnerships and co-founders in entrepreneurial ventures.[49]

Manager-designed and manager-led groups and teams (i.e. II and III above) are found in large numbers in organisations of all kind. This is because such units can be highly effective in channelling collective effort. They make it possible for members to put to use the knowledge, expertise, and skill they were hired for, and they create opportunities for people to develop each of these further. They allow members to make their own choices as to how to do the task (and some also as to how to design it in the first place), which tends to yield the best results, since those who actually do the task typically have the best understanding of their immediate work situation. In letting people monitor their results on their own and adjust the way they work, manager-designed and manager-led groups/teams are capable of self-correcting their performance. The ongoing support the manager provides by giving feedback and coaching and by motivating, developing and recognising people serves to enhance this performance further and contributes positively to people's learning and well-being.

4.5 Enabling adaptive performance

For groups/teams to be effective they need to skilfully balance two types of performance: tactical and adaptive. Tactical performance can be thought of as following a prescribed plan, process, or procedure in order to produce results. Adaptive performance, in turn, consists in modifying the established approach in order to meet changed or unforeseen circumstances or to improve the way results are produced.[50] Organisations need people and teams to engage in both of these performance types. On the one hand, having and following a plan (or process, procedure) helps guide collective effort and is a way to drive productivity, efficiency, accuracy and consistency. Where a person or team has worked out an approach that works well, then doing more of the same can bring more in the way of results. That is where tactical performance has its place. On the other hand, no plan, process, procedure, or script can anticipate and address every circumstance a person or team may encounter. It is also a rare plan, process, approach, or way of doing things that cannot be improved upon further. And, there eventually comes a point where doing more of the same no longer does the trick. That is when adaptive performance is required.

Even though both are needed, organisations tend to be better at tactical performance than at the adaptive type. Most are adept at translating organisational direction into plans, goals, initiatives, processes, procedures, metrics, etc. In contrast, few establish systematic ways to encourage adaptive behaviour, which tends to get neglected as a result. With a very rare exception, every task requires both tactical and adaptive performance, however.[51] Tasks should, therefore, be designed in a way which builds into them the requirement for adaptive performance as well. One way to achieve this is by embedding in the task the following performance cycle[52]:

1. Theory of impact: identifying all the activities one undertakes as part of one's work on the task in order to achieve the final result (e.g. I create sales by first [activity], then [activity], etc.) and understanding in detail how each activity contributes to the accomplishment of the final result. Keeping the theory updated.
2. Searching for ideas: looking for ideas about how to change the way each activity is carried out (and about adding new or removing some of the existing activities) in order to achieve better results. Other than through conceptual thinking, ideas can be found by talking to colleagues, clients, vendors, competitors.
3. Categorisation of ideas: deciding which ideas can be tried straight away without involving others and which require a formal approval first. The task design should specify upfront how to make this decision. Good task design aims to give the task holder a significant degree of leeway in how they carry it out.
4. Performance and reflection: implementing the ideas starting with those believed to have the greatest potential. Seeing how the changes in how the activity was carried out affected results. Reflecting about whether the changes had the desired effect. Updating the theory of impact and searching for further ideas.

In addition to having the requirement for adaptive performance built into the task, having it reflected in people's goals will serve to encourage it further. This can be achieved by setting learning goals instead of or in addition to attainment goals. That way people can be explicitly asked to focus on the discovery of new and better ways of achieving results (e.g. learning how to sell more) rather than on the results directly (e.g. selling x worth of goods). Learning goals thus encourage adaptive performance. Attainment goals may or may not. If, given an attainment goal, a person tries to just work harder and do more of the same, their adaptive performance may actually suffer. Unless the task relies on an established practice which is known to produce results at the expected level, setting learning goals instead of attainment goals may actually offer a greater likelihood of higher attainment.

Finally, with people experimenting with new approaches and making insights as to what works well and what does not, it is important to share their learnings with everyone who may benefit. Leaders play a key role in enabling this by establishing ways in which members can share and learn from one another. That way all members get the opportunity to adopt effective practices and elevate their performance.

4.6 Agreeing group/team norms

Group/team norms are a set of agreements about how members will go about their own work, how they will work with one another, and how the unit will work as a whole. Norms clarify to members what is expected of them in the workplace. They set out what behaviours are desired and which are undesired of members in a group or team.

Well-defined norms play an important role in enabling team/group effectiveness. They reinforce behaviours which accelerate progress towards goal attainment and help people become more capable in working together as a unit. They foster conditions where members can learn and develop as well as experience satisfaction and well-being. Strong group/team norms enable, therefore, greater effectiveness on all three criteria listed in section 3.1.

Groups and teams can establish norms about all matters which members feel particularly strongly about. Then, as people hold one another accountable for adherence to these, the unit will operate in a way which reflects the agreed standards. Different norms contribute differently to group and team effectiveness however. When defining norms for a group or team, it is useful to be aware that some benefit effectiveness particularly strongly. These are listed below and, given the effect they have, should be part of the norms agreed for every group and team[53]:

- <u>Actively considering how to do the work</u>. The choice the group or team makes about how it will carry out the work is always highly consequential for results. Effective groups and teams thus actively consider how to best do the work and periodically revisit that choice. They challenge existing ways of doing things and search for better ways. And they search beyond what is the most familiar or most obvious solution. They never lose sight of their purpose, however, always validating their options and choices against it. In fact, effective teams often start off by debating and defining their purpose so that everyone is aligned.
- <u>Actively exchanging knowledge with other members</u>. The benefit of members having diverse knowledge, expertise, and skill can only materialise if the group/team integrate these effectively. This requires that members actively seek out knowledge from others and proactively offer their own, with particular focus on knowledge that is individually held rather than that already shared by all. It also requires that members uphold a psychologically safe environment so that everyone feels free to contribute their perspective.
- <u>Actively scanning the external environment</u>. That is where all opportunities and challenges come from. Not connecting with the outside world may mean that the group/team fails to become aware of these. The environment also continuously changes and evolves. Not adjusting may mean that the way the unit does its work becomes outdated or suboptimal. Effective groups and teams are constantly on the lookout for developments elsewhere (other units, client feedback, industry trends, competitors’ activities, etc.). Yet they chart their course deliberately rather than react to everything that comes or is sent their way.

- Having behavioural boundaries clearly demarcated. For a group or team to be effective, people need to have the flexibility to adjust the way they work to the circumstances of the situation. They also need to engage in productive task conflict with others. Without any guidelines as to what is permissible and what is not, however, they may remain overly cautious and may refrain from doing either. This is where clearly demarcated boundaries come to aid. Effective teams need clarity about the few things they must always do and the ones they must never do. Members then know the bounds they should operate within.

It is the role of the leader to help the group/team establish effective norms to guide the way people operate. This is best done early in the unit's life, before "imported" norms (from people's other or former groups/teams) take over or less effective norms develop, both of which can happen rather fast. If no norms had been agreed at the outset, the leader can facilitate this at a time when the group/team starts a new task or at the start of the next performance cycle. It is then a good leadership practice to re-examine and reinforce the norms periodically.

It is important to be aware that effective norms rarely arise on their own. This is because the behaviours listed above operate in opposition to typical human tendencies, which get in the way of group/team effectiveness.

One such tendency is to develop habitual patterns and collective routines for how work is done. These, over time, easily become "the way things are done here" which may continue to be followed without much conscious thought long after it stopped being appropriate. Such inertia can only be interrupted with deliberate effort, hence the need for active consideration of how best to do the work. Where the group/team upholds such a norm, it is far more likely to achieve strong results than if it were to shy away from change.[54]

Another tendency is to hold back from a discussion if there is a perceived risk of embarrassment that could come from turning out to be wrong, not knowing something, having one's idea rejected, or needing to admit to a mistake or ask for help. Unless countered, this could inhibit the exchange of knowledge and perspectives in the group/team leading to inferior decision making and suboptimal outcomes. That is why there is a need to normalise active participation of all members in group/team discussions. Only then will the group/team be able to access and integrate all the knowledge it needs to make good decisions and attain strong results.[55]

Yet another tendency is to take a reactive rather than a deliberate stance towards the external environment. When this tendency takes hold, it manifests itself through reacting to whatever captures one's attention or arrives in the inbox rather than actively seeking out and attending to developments which are directly relevant to one's priorities. This could lead to groups/teams redefining success as the efficiency with which they handle the daily barrage of demands coming from others. Or, it could lead to members heading off in their own preferred directions without regard to the overarching group/team purpose. Both could put the attainment of group/team objectives at risk which is why taking a deliberate stance toward the environment is a vital norm for all groups/teams to adopt.[56]

The final tendency to be aware of is to seek harmony in interactions with others. While apparently a helpful tendency, it may at times lead to undesired outcomes. It may make people disinclined to engage in productive task conflict with other members even though such conflict is something all groups and teams need as a means of making new insights and creating new understanding. Or it could result in members committing to provide a level of service which goes beyond what the organisation can offer, exposing it to risk or excessive cost. The tendency to strive for harmony may thus cause people to be either overly cautious or to exceed allowable performance parameters or both. Having norms which clearly define the boundaries within which people are expected to operate reduces the risk of this happening and allows people to proceed with their work with greater confidence.[57]

Given these tendencies, some of the norms which are vital for group/team effectiveness are unlikely to arise on their own. It is therefore necessary for leaders to facilitate their inclusion in the norms that groups/teams follow. That said, there will likely also be other matters which members feel should be reflected in their group/team norms to aid performance and help people work together better. This can be anything members find important, e.g. being highly committed to the work of the unit, arriving on time, not interrupting one another, not checking messages during meetings, having each other's back once the meeting is over. Leaders can find out what these are by setting aside a part of a meeting with the group/team to discuss norms and asking[58]:

1. What are the one or two things we must always do as we work together if we are to become a great group or team?
2. What are the one or two things we must never do; behaviours that keep us from using the full range of our knowledge, skill, and experience?

Having established such additional norms through debate and discussion, members can then periodically review how these benefit the way the group/team operates and whether any changes are required. This process also helps members understand what they stand for as a group/team and contributes to the creation of a group/team identity.[59]

Where an existing group or team has never gone through a norm setting exercise, but its members have worked together for a period of time, the unit will have developed behavioural norms on its own. These can be observed as regular and relatively stable behaviour patterns which are accepted and expected by group/team members. They manifest themselves in how meetings are held, decisions made, feedback given, conflict resolved (or not) and how people interact with each other. Leaders should make assessments of the effectiveness of the prevailing norms. Where members hold each other to high standards, the leader can reinforce and recognise continued adherence to those. If norms are ill-defined, however, or if members have low expectations as to what the norms should be, leaders can exert a huge influence over how norms evolve. They should make sure they set appropriate and high standards for group/team norms and should then hold people accountable for adherence to those. This is essential for effective group/team functioning and so an important responsibility of every leader.[60]

5. Setting a compelling direction

Having a compelling direction is a key enabler of collective effectiveness. People must know where the leader is headed if they are to join in on the journey. And, for people to want to join, the direction had better be compelling. Setting direction for the organisation, division, group, or team is thus an important responsibility of every leader.

5.1 Making the direction compelling

Having a compelling direction is a key enabler of organisational effectiveness. Setting a compelling direction for the organisation, department, group, or team is, therefore, an important responsibility of every leader. To be seen as compelling, the direction must be clear, challenging, and consequential. When it is, it has the effect of orienting attention and action, energising members in the group/team, and fully engaging people's skill and ability.[61]

Figure 9: Attributes and benefits of a compelling direction

Clarity →	Orients the group / team
Challenge →	Energises the group / team
Consequentiality →	Engages members' skills and abilities fully

Source: J. Richard Hackman, "Collaborative intelligence", Berrett-Koehler Publishers, 2011, p. 73

To be compelling, a direction must be clear. It then orients all members on the same destination without fail. It thus serves to unify people and provides the context to guide and align their individual and team efforts. Clarity of direction also makes it easier for people to make good decisions and choices. This is because organisational direction serves as a shared criterion against which to assess alternative ways of proceeding.[62]

To be compelling, a direction must also be challenging. This means neither clearly within reach, as this would fail to motivate, nor so demanding that it appears unattainable. It must involve a clear stretch beyond what is achievable today. That way it will energise members and will motivate effort. Getting the level of challenge right requires that the leader be familiar with the group/team and have a good understanding of what it is capable of.[63]

And, to be compelling, a direction must be consequential. We all search for purpose and meaning. Articulating a consequential direction creates a general sense of purpose in the organisation and breathes additional meaning into everyone's work. When what people do is significant to others, to the organisation, and to themselves, they summon all their skill and ability to make headway. They also willingly team up with others to advance the cause.

The attributes of a compelling direction and the effect they have on performance are summarised in Figure 9 above. Leaders who establish a direction that is clear, challenging, and genuinely consequential significantly increase the likelihood that the group or team they lead will deliver strong results for the organisation.

5.2 Specifying the ends rather than the means

An effective direction points to a destination but does not specify how to get there. It focuses people's attention on the desired outcome without insisting on any particular way of achieving it. In fact, an effective direction deliberately refrains from prescribing any method at all. Articulated that way, it allows people to draw on their own knowledge, skills, and abilities to devise the way forward. This approach typically produces the best results.

Specifying ends but not the means offers significant advantages. First, it sends a clear signal that the leader has confidence in the competence of their group or team. Second, focusing on the ends by definition improves the chances of reaching the destination. Third, it allows people to operate with greater autonomy and make fuller use of their knowledge and skill. This makes work more meaningful and boosts motivation all round. Fourth, by trusting groups and teams to find the way forward, the organisation puts talent to the most productive use. Fifth, originating from the group or team directly, any plan or strategy already has their buy-in. Sixth, and perhaps most importantly, individual members will usually have a deeper expertise and more localised understanding. Groups and teams can also devote, in aggregate, significantly more time to working out the way forward than the leader. The collective plan or strategy is therefore bound to be more effective than what the leader could come up with.

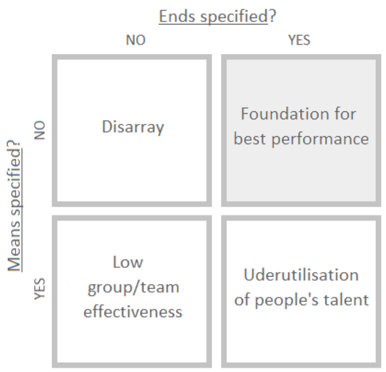
Specifying both ends and means typically leads to lower attainment. This is because none of the advantages listed above are given the opportunity to materialise. When both ends and means are stated, means tend to attract more attention, as people inevitably focus on immediate process requirements. Following procedure takes priority over applying one's knowledge and skill to find effective routes to attainment. Setting direction in this fashion leads, therefore, to underutilisation of people's talents. It also often affects their motivation. In spite of this, some leaders find refraining from specifying the means difficult. This could be due to habit, due to discomfort felt when giving up control, or due to lack of confidence in the competence of others. All these get in the way of effective leadership, however, and leaders can improve their effectiveness markedly when they specify the ends only.

Specifying neither ends nor means is not uncommon yet rarely is effective. It amounts to not setting a direction. Often the grounds for this are that the group or team, e.g. a group of high-level professionals or a team of managers, is seasoned or senior enough to know best what to do or at least can easily figure it out. Or, the leader could be of a view that giving people no or little direction serves to empower them (it does not). Or, a leader committed to egalitarian values could seek consensus about direction. This could result in no direction or it being highly diluted. Or, the group or team could assume that they have a common understanding about the direction without checking it. In all these cases there is risk that members will pull in different directions or work at cross purposes. Seasoned and senior groups and teams benefit from having a compelling direction as much as all other groups and teams. This allows them to focus on finding the way forward without the need to have debates about where to go.

The least effective option is to specify means but not ends. This is akin to prescribing the path without telling anyone what the destination is. It means setting out how work should be done, insisting on specific approaches, focusing on rules and procedures, and otherwise giving detailed instructions without providing any sense of what role these play and what purpose they serve. When there is no awareness of the overarching purpose and intent, groups and teams tend to perform at their worst: their results are not satisfactory, their capabilities erode, people's development stalls and motivation suffers. Specifying the means without specifying the ends is thus a recipe for low group/team effectiveness. Leaders must, therefore, make every effort to avoid this approach and should set direction in precisely the opposite way, i.e. by specifying the ends without specifying the means.[64]

In summary, specifying the ends rather than means tends to produce the best results in direction setting, as shown in Figure 10. The other ways of setting direction are significantly inferior.

Figure 10: Effective and ineffective ways of setting direction and the outcome of each



Source: Adapted from J. Richard Hackman, "Leading teams", Harvard Business School Press, 2002, p. 73

5.3 Setting direction for the organisation

”What to do” is a question every management needs to find an answer to for the organisation. The choice of direction is by far the most consequential decision managements take and a key responsibility of management. This is because a valid choice of what to focus on is an important prerequisite for organisational success.[65]

Setting direction always starts with the assessment of the external environment. The decision about direction must be firmly rooted in the realities of the environment the organisation operates in. This means the need to learn and find out the latest about the organisation’s clients, its non-clients, its competitors, and the wider industry.

With the environment examined, the organisation can decide its mission – its reason for existence. This means defining how the organisation intends to make a difference in its environment. What customer needs will it satisfy and how will it create value for customers? How will the organisation’s customer proposition meet the identified needs of the organisation’s target market clients better than propositions offered by competitors?

What the organisation should identify next are the core competencies that the new mission will require. These are the specialised knowledge and skill at which the organisation will need to excel in order to be successful. They will need to be created or enhanced, and accomplishing this must be part of the organisational direction.

The process of setting direction thus consists of three steps as illustrated in Figure 11.

Figure 11: Setting direction for the organisation

Source: Adapted from Peter Drucker, “The theory of the business”, Harvard Business Review, September-October 1994

The answer to “what to do” thus becomes:

- Develop or acquire the core competencies the organisation will require in order to be successful
- Leverage these core competencies to create a customer proposition that will enable the new mission
- Monitor the external environment for any developments that render the organisational direction obsolete

Once the direction has been defined, it is important to communicate it such that it is well known and understood throughout the organisation. This will allow all managers and leaders to set direction for their groups and teams in a way that is consistent with organisational direction. It will also allow members to set their goals accordingly.

6. Setting high goals and expectations

Skilfully crafted goals are one of the most effective tools for motivating strong performance and helping people and teams attain successful results. Setting goals in an effective way and ensuring they remain at the top of people's minds at all times are important responsibilities of every leader.

6.1 Mechanisms affecting performance

Goals affect performance through the following three mechanisms:[66]

- Goals bring attention towards activities relevant to goal attainment.
- Goals motivate the right amount and persistence of effort needed to attain the goal.
- Goals encourage the discovery and use of effective approaches towards attaining the goal.

Additionally, where the goals are high, they[67]:

- Challenge people and teams to deliver ever increasing results for the organisation.
- Encourage creativity and innovation (doing more of the same will not be enough to reach the goal).
- Serve as a performance challenge that can motivate individuals and can encourage team formation.

6.2 Setting goals for individuals vs. teams

In a group, members are individually accountable for the results they produce. Goals should therefore be set individually. In a team, in contrast, people work together to produce, complete, or manage something discrete, and accountability for results rests with the team as a whole rather than with members individually. Goals should thus be set on a team level and all members should be working towards exactly the same set of overarching team goals (as far as their work in this particular team is concerned; in professional and managerial work people are often members in more than one group or team). In teams, like in team sports, what ultimately matters is whether the team wins and not whether individual members have done their part. Everyone still needs to do their part, but if a team does not win, then the fact that one or more members have delivered their bits cannot become anyone’s claim to fame. Team-level goals help work teams foster the cooperation necessary to attain those team goals. They encourage members to dedicate themselves to the team’s work, provide others with all the support they may require, give each other feedback and hold one another jointly accountable for the team’s progress and results.

The exception where goals for members in a team may be set individually are instances when interdependence between team members is particularly low, e.g. in pooled interdependence. Where people work independently of one another, even though their outputs do not constitute a usable result on their own and need to be first combined with the outputs of others, there may be little benefit in setting team-level goals. If all the co-ordination is done centrally by the team leader, then team members should focus on delivering their parts, with goals set accordingly.

6.3 Selecting the correct goal type

Effective goal setting involves considering the nature of the task and the current level of ability of the goal owner (person or team) and then selecting a goal type that is consistent with both. When setting goals, it is useful to be aware that the higher the difficulty and challenge built into the goal, the higher typically the goal owner's level of effort (and performance overall) will be. This holds true until the point where the person or team reaches the limits of their ability in terms of current knowledge and skills relevant to performing the task. What this means is that where a person or team already has the knowledge and skill the task requires, a higher and specific "attainment goal" (i.e. one that targets a specific end result), if accepted by the person/team, will lead to them working harder towards achieving it. In contrast, urging people to just do their best is likely to result in lower attainment in this case. This is because "do-your-best" goals lack a reference point and so are not precisely defined. When working toward a do-your-best goal, different people may find vastly different levels of attainment equally acceptable.[68]

Where the nature of the task, on the other hand, is such that it exceeds the person's or team's current level of knowledge and skill, setting a high "attainment goal" is likely to actually lead to subpar attainment. This is because where current ability is insufficient, success relies less on working hard and more on discovering effective ways to attain the desired result. In such circumstances, emphasizing the required end result may lead to anxiety which can prevent this discovery, and so setting a "learning goal" instead of an "attainment goal" may yield better results. "Attainment goals" focus attention on the challenging end result while "learning goals" on the discovery of effective ways to achieve the desired challenging result.[69] As such, the former are more suited to familiar tasks which rely on an established practice and the latter to novel and more complex endeavours.

When a goal calls both for results that are significantly beyond previously attained levels and for the discovery of novel paths and approaches to bring that goal within reach, it can be called a stretch goal. Stretch goals are effective motivators in a situation when the individual, team or organisation (as applicable) has had a period of strong attainment *and* also has spare capacity available to tackle the new challenge. Then, the recent wins will facilitate optimistic attitudes and there are resources that can be committed towards the goal. When either element is lacking, it may be difficult to secure commitment to the goal.[70]

The characteristics of the three goal types are summarised in Figure 12.

Figure 12: Comparison of goal types

Goal type	Objective			Nature of the task		Person's or team's knowledge and skill	
	Achieving incremental results	Discovering effective ways of achieving incremental results	Achieving exceptional results	Familiar task that relies on established practice	Novel, complex or challenging; no established practice	Person/team has requisite knowledge and skill	Current level of knowledge or skill not sufficient
Attainment goal	✓			✓		✓	
Learning goal		✓			✓		✓
Stretch goal*		✓	✓		✓		✓

* To be effective, stretch goals require strong attainment in preceding period and availability of spare resources that can be assigned to the stretch goal.

6.4 Using objectives and key results (OKRs) as a framework for setting goals

One way to set goals is to use the objectives and key results (OKR) formula. Its usefulness stems from the fact that it sets out clearly both what a person or team will achieve (objective) and how they will measure this achievement (key results). The formula for defining goals thus becomes[71]:

I / We will ____objective______ as measured by _____ this set of key results______.

The objective is a qualitative description of what the person or team has set out to achieve. It should reflect and be aligned with the organisational as well as group/team direction and will typically focus on what drives value for the customer and for the organisation. Short, memorable and engaging objectives are often best.

As an example, the objective could be: "Create an excellent customer experience."

Key results, in turn, are metrics that measure progress towards attaining the objective. They define what success looks like. Key results must include a quantitative target and must be measurable. Each objective will typically have 2 to 5 key results associated with it. For example, the key results for the objective identified above could be:

→ Increase the score of how satisfied clients are with our communication in general from X to Y
→ Increase the score of how clients rate the clarity of our communication in particular from X_c to Y_c
→ Increase the score of how clients rate the timeliness of our communication in particular from X_t to Y_t
→ Maintain the cost associated with customer communication under $Z

It is possible and likely that more than one person or team will work towards the same objective. It is everyone's focus after all to create an excellent experience for clients (external and internal). The key results will often differ according to the person's or team's remit, however – everyone will work towards their specific key results.

It is important for the key results to focus on the objective and not on the ways to get there whenever possible. This means that rather than measure activity, key results should target the value created for customers and for the organisation. That way the goal owner will not be restricting themself to any particular solution but will have the flexibility to try out different approaches with the aim of discovering and pursuing the one that creates the most value. The formula for well-defined key results therefore is: "Increase/reduce [metric] from X to Y" or "Maintain [metric] above/under Z". Value-focused metrics may include for example: customer satisfaction scores, qualified leads, lead conversion ratios, customer acquisition, customer retention, customer referrals, sales, multi-product sales, repeat sales, effective margin, revenue, efficiency ratios, quality or error rates, timeliness, productivity ratios, penetration ratios, traffic, click rate, active users, channel offload, various types of cost, etc. In contrast, activity-based results are less preferred, because they restrict the goal owners in their choice of means of delivering value. Activity-based goals include results formulated in terms of developing, creating, delivering, launching, making or doing things. While attaining a value-based goal will often require some of these activities, they are means to the goal and not the goal itself. Unless specifically required by circumstances, the goal should not specify the means – these are for the goal owner to discover and experiment with.

The one area where activity-based results may have their place is with learning goals. These are intended to focus the goal holder's attention on discovering effective ways of attaining the value-based end result (rather than directly on attaining the end-result, which is what attainment goals do, e.g. the OKR in the example above). That way the person or team can dedicate themself more fully to a systematic discovery of smarter ways of working. With these discovered, the person/team will be capable of significantly higher attainment than was possible before. A few examples of key results intended to complement (different) learning objectives are listed below.

→ Discover and try out ten new ways of acquiring new clients (during the coming quarter)
→ Create and try out five new ways of introducing our service to prospective clients (within a month)
→ Learn to handle two biggest customer objections (during this month)
→ Find two new ways to describe how our different products categories create value together (this week)

With the OKRs defined, the person/team can start coming up with and implementing ways to attain these. Where this involves launching new initiatives intended to enable the attainment of a goal, these initiatives form an important part of the person's or team's work, but they do not become goals themselves. They remain means to attaining the goal. When tracking and updating others on progress, the focus needs to be on actual results vs. targets set out in key results, rather than on the progress with any particular initiative. Initiatives can be thought of as hypotheses about what will lead to improved results. Goal owners use their best judgement when forming these hypotheses but need to update these periodically based on the results they get. That is why it is important for people and teams to arrange for ready access to information about the results they achieve. That way everyone can be quick to make adjustments to how they work and to course correct if necessary.

6.5 Setting goals in an effective way

Goals will enable greater organisational effectiveness when leaders facilitate the following:

- <u>Alignment of goals with organisational direction</u>. The organisation can only succeed if all members are headed in the same direction. To allow people and teams to set goals in a way which is aligned with organisational direction, all leaders must communicate clearly and frequently what the direction is. This will make it possible for everyone to define their objectives and key results in a way that supports it.
- <u>Alignment between organisational departments</u>. Everyone heading in the same direction also means that the objectives different departments are working towards need to be consistent and mutually reinforcing. And, for teams formed of members of different departments, all team members must have the same team goals. It is an important responsibility of all departmental and functional leaders to enable this alignment.
- <u>Results orientation</u>. Organisations succeed when they deliver strong results. The goals that people and teams work toward need, therefore, to be primarily results-based rather than activity-based. This fosters a results-focused culture, rather than one focused on activity (activity may or may not lead to results).[72]
- <u>Prioritisation and focus</u>. Leaders who deliver strong results typically focus on three or four clear priorities which everyone can grasp. The ability to identify what will influence the results of the group/team the most and delivering on these priorities in a focused manner is the key to successful attainment.[73]

- Shorter goal setting cycle. Frequent goal setting helps ensure that goals stay up to date and continue to be relevant. It also reduces the risk that what people work on diverges from what is in the goals. And, shorter goals cycles enable faster learning, faster improvement, and faster adaptation to change. All this, in turn, leads to better results. A quarterly cycle is in many ways an improvement over the annual one.
- Weekly check-ins. These are an opportunity for the goal owner and the manager to discuss progress and results, for the manager to provide feedback and coaching and for the goal owner to ask for support if required. Weekly check-ins are intended to make existing meetings more productive rather than to create additional meetings for people to attend. Section 10.2 has more on weekly check-ins.
- Thoughtful link between goal attainment and result evaluations. It is in the interest of every organisation that people set themselves ambitious goals. Linking evaluation solely to goal attainment could discourage this. In evaluating people's results, it is thus more effective to consider not just the extent of goal attainment but also the difficulty of the goal and the impact the person's work has had on the organisation.

6.6 Creating goal alignment across the organisation

Goal setting starts with setting organisation-level goals. These are the overarching goals that the organisation sets out to accomplish over a given period. They reflect the organisational direction and flow from the organisation's operating plan for the year. Once this plan and the overall goals have been shared throughout the organisation, all its groups and teams need to start looking for ways in which they can contribute to reaching these overall goals. People and teams must then set their own goals such that all the individual and team attainment will add up to where the organisation needs to be at the end of the period.

In setting their goals, groups and teams which use OKRs for goal setting are in effect answering the following two questions[74]:

- How can we contribute to organisation-level objectives?
- Which key results included in the organisational level OKRs are we able to impact?

The answers to these questions are the starting point to formulating group and team OKRs. The role of all leaders and managers in this process is to inspire in people bold and ambitious thinking about what is possible. Leaders and managers also need to make sure that members in their groups and teams co-ordinate goal setting with others in the business and solve all interdependencies such that:

- When combined, the individual and team key results enable the attainment of organisation-level OKRs.
- All goals set by different parts of the organisation are compatible, consistent and mutually reinforcing.

Other than the attainment goals that enable the accomplishment of organisation-level OKRs in the current period, people and teams will also often set themselves learning goals. This is so that they can use their learning to attain higher results in future periods. As such, current period learning goals enable future attainment goals.

Creating alignment of goals and priorities across the organisation is essential for its ability to attain its OKRs. Only when all parts of the organisation work in complete alignment can all groups and teams deliver what they set out to deliver.

6.7 Holding a results planning meeting with every person/team

The clearer people are about what is expected of them, the better able to meet these expectations they are. Clarity around expectations significantly improves people's results. Managers and leaders can thus aid the group/team in attaining results by making sure that every member is absolutely clear about what is expected.

One effective way of achieving this is by holding a results planning meeting with every person/team at the very start of the performance period. In this meeting the manager/leader clarifies with the person/team their[75]:

- Key responsibilities
- Goals/OKRs
- Behaviours and competencies

and also what the manager will consider to be successful attainment at the time of the results evaluation.

Key responsibilities help put things in perspective. What is the purpose of the role/assignment? Who is the main client of the person/team? How is value created for the client? If the person is a people manager, what are his or her key responsibilities? What does it take to be successful in this role/assignment? What is the easiest way to tell if the job is being done well? Before proceeding to discuss the other points the manager needs to make sure that there is complete clarity around the key responsibilities of the job and that everyone sees them the same way.[76]

Once these have been clarified, the discussion can move to goals/OKRs. These should cover all the work that the person/team is expected to carry out during the performance period (including work done as a member in other teams outside of the direct manager's oversight). Other than the detail of each goal/OKR, what the manager needs to clarify is how exactly the level of attainment in each goal will be evaluated and what weighting each goal will get in the overall evaluation. If people know in advance what success looks like and what the relative importance of each goal is, they are better able to make good decisions about what to focus on and what to prioritise.

Next, the manager should go through the behaviours and competencies he or she considers important in getting the goals/OKRs accomplished and expects the person/team to demonstrate in the course of their work. These will be a combination of organisational and job-specific behaviours, skills, and abilities which the manager considers necessary in order to perform a particular job at a successful level. The manager should focus on those behaviours and competencies which are critical to success. For example, for people managers the important behaviours and competencies are likely to include giving feedback, motivating strong attainment, and developing people. To ensure the person/team are clear about what is expected of them, the manager should provide descriptions of what successful performance in each behaviour/competency looks like. These can usually be obtained from HR or, if not, can be found online, e.g. here: bit.ly/31competencies. As far as organisational competencies go, one way for the manager/leader to make them come alive in the group/team is to circulate the list with descriptions to all members asking for suggestions about how these can be embedded in daily work.[77]

Finally, the manager should explain what he or she will consider to be successful attainment come evaluation time. This is to make sure that all members are clear about what it takes to be seen as meeting goal-related as well as behavioural expectations. Importantly, other than for behavioural expectations, managers should not attempt to spell out what it takes to have one's results rated at the 'exceeded expectations' level or make advance agreements about what the person/team needs to do exactly to receive a higher rating. Managers should point people to the rating descriptions that the organisation uses which are available for all members to see and can be used as a guide.

They should also explain that all ratings are subject to end-of-period calibrations and approvals and so are only decided then. In the interest of fairness all members need to abide by the same rules when it comes to evaluations. They can rest assured, however, that results in line with what the manager said would count as fully successful attainment will be rated as such, and results clearly deviating from this level to the upside will be rated higher.[78]

7. Providing ample information

Organisational results depend heavily on the amount of effort people expend, on the quality of choices they make about how to carry out their work, on the level of knowledge and skill they apply and on the extent to which they prioritise work that matters most. While various factors affect each of these performance measures, they all benefit from people having up-to-date information relevant to their work. By providing people with ample information and by encouraging them to find out what they need to know, leaders help, therefore, drive performance across the organisation. The particular areas where people need a steady stream of up-to-date information include:

- Organisational direction. A clear and frequent communication of where the organisation wants to get to and what it is trying to accomplish is a must if people are to succeed in taking it there. Clarity of direction enables effective goal setting and makes it easier for people to make good decisions and choices. Where there are different ways of proceeding, clear direction serves as a criterion against which to assess them.
- The way the organisation creates value. The clearer everyone is about what clients value most, the easier it will be for all members in all roles to contribute in a way which creates more of it. Similarly, the better everyone's understanding of the main revenue and cost drivers in the organisation, the easier it becomes for people to make good decisions about what to work on and about the use of organisational resources.
- Client expectations and feedback. The reason firms exist is to provide a product or service that clients find of value. Finding out what clients expect and how well they think the firm satisfies these expectations is therefore key. People can only become effective if they have information about both. The same applies to understanding the expectations and feedback from internal clients – it is their standards that count.
- Competitive landscape and industry trends. The more information people have about developments in the external environment, and the more accurate that information, the greater people's ability to put their work into context, to come up with ideas for organisational improvement, to initiate change, to adapt and to lead the way. Everyone should be encouraged to keep a tab on what is happening outside.
- Challenges and opportunities. The same applies to communicating about the challenges the organisation is facing and the opportunities it is seeking to win. Where everyone is well informed, people can put their work into context and can actively support the organisation in addressing these. Everyone can then start thinking about what actions the organisation should take and how they can personally contribute.
- Developments in other parts of the organisation. People want and need to understand not only what is happening in their most immediate area but also what others are working on elsewhere. This again helps everyone put their work into context, facilitates alignment across the organisation, and lets people form a holistic picture of how the organisation works. All this aids people's effectiveness.

- People's results. For the organisation to be able to improve, people need reliable and timely information about what their results are. The best source of information about results is client feedback. The other source is actual attainment vs. targets set in OKRs. All members are therefore relied upon to arrange for information about their results to be provided to them with as little a time lag as possible.

The more information people share with each other in the organisation, the more effective everyone can be. When people have the information they need, they can think through what they have to do in order to reach their goals. They are then able to take the initiative and make informed decisions and choices about how to do their work and what actions to take. When information is lacking, on the other hand, people's ability to deliver results is significantly impaired. It is an important responsibility of all leaders and managers, therefore, to provide ample information and to enable information sharing in the organisation. Members should take pride in facilitating and supporting this process too, obtaining information from their own sources and sharing it with others in the organisation.

Importantly, the job of communicating is never done. Information needs to flow on a continuous basis with key messages reaffirmed regularly, so that their prominence does not wear away in the whirlwind of day-to-day busyness. Leaders can achieve this by disseminating information frequently and by making themselves available for question taking from members in their groups and teams (e.g. by way of regular Q&A sessions). The more up-to-date and the better informed everyone is on the matters listed above, the better people's results will be.

8. Encouraging people to speak their mind

When people have ample information, they often have thoughts about whether or not the way their group/team is going about attaining its goals is most appropriate given all the circumstances. They also form ideas about what the group/team could do differently (or more or less of) to become more effective. It is likely that a person's thinking is based on information which other members do not have. And, if the composition of the group/team is sufficiently diverse, people's perspectives and opinions are likely to be equally varied. There is, therefore, huge value in finding out what others think. Where all members speak their mind, the group/team can consider its work from multiple viewpoints, can come up with more ideas about how to proceed, can be quicker to identify emerging opportunities and risks, more accurate in their assessment and better at decision making. People can learn from one another, can get useful feedback and comments on their ideas/work and can get help when they need it.

Speaking up is less common than many assume, however. People often hold back and refrain from contributing their thoughts and ideas about work related matters. Or, they speak behind people's backs thus depriving them of helpful feedback. This applies even to those who otherwise consider themselves to be direct and straightforward. According to studies, there is a striking paucity of directness in the workplace.[79] This means that the speaking-up behaviours on which group/team effectiveness depends must be actively encouraged and cultivated.

Effective leaders achieve this by promoting psychological safety in the workplace. Psychological safety is the extent to which people feel free to speak their mind. It is a measure of people's willingness to trust others to welcome their well-intended contributions and not to attempt to embarrass, reject or penalise them for speaking up. In an environment considered to be psychologically safe, people feel free to share a thought, ask a question, propose an idea, take initiative, try a new behaviour, practice a new skill, seek feedback, ask for help or admit a mistake. This is because they know that others will respond in a constructive way. Where psychological safety is lacking, people are likely to feel self-conscious and may refrain from engaging in collaborative and learning behaviours. Weighing the potential gains and losses of speaking up every time, they will likely choose not to when they are concerned that they could come across as ignorant, incompetent, negative or disruptive. Every instance of such avoidant behaviour deprives the group/team of vital information or input and reduces its effectiveness.[80]

Beliefs relating to psychological safety are formed over time through daily interactions between team members and with the leader. Leaders play therefore a crucial role in creating psychologically safe environments by shaping team members' perceptions of appropriate and desired behaviour. They shape these perceptions primarily through their own role modelling. In particular, they[81]:

- Are accessible and approachable. By adopting this attitude leaders make it easier for others to reach out and speak up. Leaders also thus exemplify this attitude for members in the group/team, role modelling accessibility and approachability in interactions with others.
- Admit they do not have all the answers. This signals that it is okay not to always know everything and lowers the barrier for people to ask questions and seek clarifications – both desirable learning behaviours which demonstrate that the inquirer is responsible and surely not that they are ignorant or incompetent.
- Are willing to display fallibility. Mistakes do happen to everyone and the right way to go about them is to admit one promptly, learn from it and own its resolution. Displaying fallibility encourages others to accept and admit theirs. No one is right 100% of the time either, which requires similar handling.
- Invite inputs and participation. Progress and group/team success in general depend on members gaining access to information and knowledge held by others. Seeking it out, especially from those reluctant to contribute, is an important leadership behaviour which leaders should model for everyone to adopt.
- Promote healthy debate. Constructive conflict of views and opinions, so long as it does not morph into personal conflict, is a powerful enabler of effective decision making. Effective leaders encourage people, therefore, to disagree with and challenge each other whenever they have opposing views. They require, however, that all communication be respectful and the contributions of others welcomed and encouraged.
- Encourage collaboration. Collaborative behaviours such as sharing information, collective planning, coordinating actions, seeking feedback and discussing what is going well and what is not all help people attain improved results. By encouraging collaboration leaders encourage people to speak up.
- Encourage experimentation. Improvement and innovation rely on members inventing, trying out and speaking to others about new approaches to getting work done that often go against established practice. Similarly, people's learning and development requires practicing new skills and experimenting with new behaviours that often go against ingrained habits. Both are likely to cause a person to feel unsafe, self-conscious or even stressed. Leaders help when they endorse experimentation and offer encouragement.
- Encourage reflecting aloud. Where people develop a habit of regular reflection about how the work is progressing against the plan and the goals, groups and teams can figure out faster how to work more effectively and do not miss out on the opportunity to learn from experience. After action reviews, regular reflection sessions and in-the-moment reflection can aid group/team effectiveness substantially.

Psychological safety is the sum total of the beliefs and perceptions held by members in a group or team about how safe the environment is for interpersonal risk taking. As such it is not something leaders can bring about directly. Instead, creating psychological safety requires that leaders exemplify the attitudes and behaviours listed above and encourage all members to adopt them as well. It is an important responsibility of every group/team leader to maintain high psychological safety in the unit. All members expect it and group/team performance requires it.

9. Motivating people and teams

Strong results and ever higher attainment can only materialise if all members deliver first-rate performance: give their best effort, willingly work together and contribute all the knowledge, skill, creativity, and inventiveness they can summon. For this to happen, everyone in the organisation must be genuinely motivated. How to keep people motivated is, therefore, a matter of huge importance to every manager and a key leadership skill to develop and put to regular use.

What prompts in a person an inner drive to deliver strong results is always specific to the individual. For most people sustained motivation comes from making and getting recognised for progress in interesting, challenging and meaningful work, and from the opportunity to achieve and grow into greater responsibility.[82] What is more, necessary for motivation to arise is a work climate where people can satisfy three basic psychological needs. And, key to people's ability to stay genuinely motivated is the absence of economic and emotional pressure.

What work a person finds interesting (i.e. inherently enjoyable) and meaningful (i.e. advancing an important purpose for others or potentially opening prized opportunities for self) is always specific to the individual. This is because what is interesting and meaningful to a person is determined by their unique preferences, values, beliefs, causes, and aspirations. Finding out what these are has to be, therefore, the starting point to motivating others. With this insight, the manager is in a position to understand what people's motivators are. And, knowing people's motivators, the manager can connect their work to these, thus providing motivation.

And finally, the best way to motivate depends on whether people are members in a group or a team. In a group, it is most effective to motivate people individually. In a team, in contrast, motivating will work best if the team is being motivated as a unit. This is because in a group people work largely independently of one another, and so the work "belongs" to members individually. Motivating, which consists in connecting the work to the motivators, should hence be done individually. In a team, the work "belongs" to the team, not to its members individually. Connecting the work to the motivators requires, therefore, that these be team-level motivators, i.e. motivators which appeal to all team members. Motivating in a team setting is thus more effective if done collectively.

9.1 Understanding what fuels the person's / team's motivation

With interesting and meaningful work among the attributes that determine the extent of motivation, the approach to motivating others will depend greatly on the individual or on the composition of the team – what is interesting and meaningful to one person or team might not immediately appeal to another.

The first step therefore is always to understand what fuels the motivation of each person individually (for groups) or of the team as a whole (for teams) and then rely on this knowledge to make work more interesting and meaningful specifically for this person or team. *What type of work does the person or team enjoy most? What are the values and beliefs they espouse? What causes are they passionate about? What do they aspire to achieve?* These questions aim directly at what typically creates an inner drive in people and asking them has to be the starting point to motivating others. The more detailed the picture of people's interests, preferences, values, beliefs, causes and aspirations the leader can develop, the stronger his or her position will be to motivate them.

With these attributes explored and understood, the leader can consider them in light of the work at hand. *To what extent will the work reflect the person's / team's interests and preferences? What is the purpose that unifies the outcome of the work with the causes the person/team is passionate about? What opportunities consistent with the person's / team's personal or professional aspirations will the completion of the work potentially open up?* These three resulting areas – enjoyable work, its purpose, and the opportunities it opens up – are all effective motivators. They are what connects the work at hand with the matters which the person/team cares about.

The more motivators the leader can correctly identify for a particular work task, the better prepared he or she will be to motivate those who will be carrying it out. When identifying motivators, it is useful to know that the more direct the connection between the motivator and the doing of the work, the greater the motivating power. When carrying out a particular type of work is enjoyable, then it is the work itself that is the motivator. Interesting work is therefore the strongest motivator of all. When serving a purpose is what motivates, it is about the outcome of the work rather than the work itself. The motivator is then a step away from the work, which itself may or may not be interesting to the person/team carrying it out. But they will still be motivated because they value the benefit the work creates for others. And finally, where potential professional opportunities are the motivator, they can be thought of as being two steps away from work. This is because they are an indirect outcome of the work.

The motivators listed above motivate because they connect the doing of the work to what a particular person or team finds to be interesting and important. Figure 13 illustrates this connection for each motivator type. Importantly, the benefits of the motivators listed here are additive – the more a leader can accurately identify, the better. This is unlike with some other types of motivators which can have a detrimental effect on motivation.

Figure 13: Main types of motivator. The more direct the motivator's connection to the work itself, the greater its motivating power.

Motivator	**Its connection to person***	**Its connection to work**	**Motivating power**	**Examples**
<u>Work itself</u>	Interests, preferences	Work *is* the motivator	Highest	Work that involves exploring new or better ways of working
<u>Purpose</u>	Values, beliefs, causes	Work outcome (direct)	Medium	Providing useful advice; healing patients
<u>Opportunities</u>	Values, beliefs, aspirations	Work outcome (indirect)	Lower	Developing new skills; acquiring new knowledge

* to a person if he or she is a member in a group or to a team collectively if people work as a team

Source: Adapted from Neel Doshi, Lindsay McGregor, "Primed to perform", Harper Business, 2015, pp. 7-9

9.2 Setting direction, goals, and expectations in a way that motivates

Once what motivates the person/team is well understood, the leader can proceed to set the direction, goals, and expectations for the person/team in a way that motivates. This can be done by connecting these elements to the motivators identified earlier (i.e. interesting work, purpose, and opportunities). The prospect of engaging in work which is interesting, important, and meaningful will be motivating for many. Endorsing the work as such to the person/team and highlighting the motivators is an effective way to motivate.

The more time the person/team is able to devote to activities they find inherently interesting and enjoyable, the higher their overall motivation and satisfaction from work is bound to be. Knowing people's preferences in this regard, the manager can allocate or reallocate responsibilities such that they are assigned to those interested in them most. That way people can do more of their preferred type of work. And, to make work more interesting, important, and meaningful, roles and assignments can also be enriched horizontally to cover a broader range of activities or vertically to increase the level of accountability and autonomy built into the role/assignment.

Purpose that unifies the outcome of the work with the causes the person/team is passionate about is another important motivator. Demonstrating to a person/team how their work contributes to the wellbeing of others will make the assignment more meaningful and the participation in it more rewarding. For example, testimonials from clients who benefited from the firm's service could be shared with non-client facing members to bring to life the impact of their work and to convey client appreciation for it. Or, the person/team could share the outcome of their work with the end users directly and see first-hand the impact it has. Or, the leader could illustrate how the work is contributing to causes important to the organisation, e.g. customer satisfaction, cultural strength, competitive standing, business growth, organisational efficiency, regulatory compliance, etc. Work that has a positive impact on clients, colleagues, the organisation, the community, or the wider society can be highly motivating. The more of such work people have the opportunity to do, the greater their motivation will be.

And finally, engaging in work which helps advance one's own professional goals leads to greater satisfaction and is associated with higher self-reported well-being. Professional goals could consist of learning new skills, building connections and gathering experiences required to grow into greater responsibility or move to a different role. Understanding people's aspirations in this regard and the requirements of their preferred next positions can help identify the requisite skills, experiences, and relationships. With the person's existing role enriched to enable the acquisition and development of these, work will gain on meaning with motivation likely going up accordingly.

In order to be able to motivate others effectively leaders need, therefore, to constantly reflect about how they can make work more interesting, important, and meaningful for people. Some of the questions to consider include: *What can I do to make the assignment more interesting and enjoyable for the person/team? How can I demonstrate the alignment between the work at hand and the values and beliefs the person/team espouses? What purpose does the work realise that the person/team may find meaningful? How does the work benefit clients, colleagues, the organisation, or others? How can the assignment help the person/team further their personal or professional aspirations? What else could this particular person/team find appealing about the work? What else can I do to make their work more motivating?* It is also useful to adopt the mindset that a member raising a concern related to the meaningfulness of work is an opportunity to discuss how work could be made more meaningful. On the rare occasion, however, when there is little scope to vary the work assignment, an empathic acknowledgement of the person's perspective and a thoughtful rationale for why the work is required can enhance its perceived utility.

9.3 Facilitating a motivating work environment

With work defined in a way that motivates, the next step is for the manager to facilitate a motivating work environment, i.e. one where members are able to make progress, attain goals, as well as grow and develop. Clarity about direction, goals, and expectations is paramount here – without it there can be no progress or attainment.

Clear communication and periodic reaffirmation of these is therefore key. Then, with work under way, the ability to make continued progress has a huge effect on motivation and satisfaction. "Best days" at work are often those where one has advanced work or achieved a breakthrough – such is the power of progress. Leaders make it easier for members to make progress by setting people up for success, removing obstacles, and providing support. They help people experience progress by bringing it to their attention when it happens and by providing recognition for it. And, for the work environment to be motivating, group/team leaders must create developmental opportunities for members. Engaging in developmental pursuits is not only fulfilling in its own right, but it also brings thoughts of an exciting future. Feeling that someone supports our growth and has our back is highly satisfying and motivates towards greater effort. Effective leaders make sure that everyone has a development plan in place. Finally, they recognise people for their growth and development – both for the effort people put in and for their results.

9.4 Facilitating a motivating work climate

Finally, effort aimed at motivating others will be most effective when the work climate is conducive to people's ability to satisfy three basic psychological needs: the need for autonomy, the need for competence, and the need for connectedness. These are shared by all humans, and it has been found that when all three needs are satisfied, meaningful work prompts motivation, brings satisfaction, and engenders positive work-related attitudes.[83]

Autonomy involves acting on one's own volition and having a choice. In the organisational context, granting autonomy means creating opportunities for people to take initiative, set themselves challenging goals, take responsibility for complete units of work, organise their resources and choose their work methods. It also means providing a commensurate degree of authority and giving non-controlling informational feedback to allow people to make the necessary decisions in their work and to participate in the decision making in the wider organisation.[84]

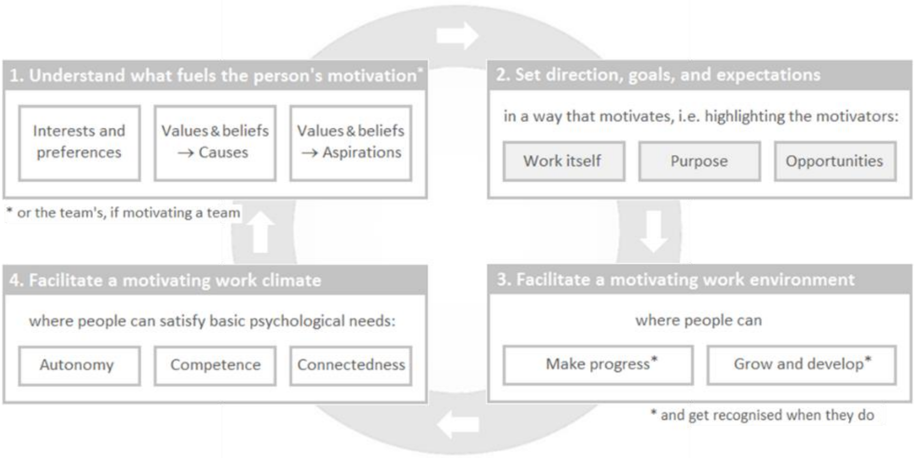
Feeling competent, i.e. having a belief that one possesses the skills required to attain a goal, is a prerequisite for engaging in effort aimed at reaching the goal. Then, engaging in enhancing one's competence further, through training or otherwise, is known to be an enabler of motivation.[85] Giving people opportunities to experience feeling competent and to hone their skills is, therefore, part and parcel of motivating others. Prime ways of achieving this include giving people regular feedback and coaching. Feedback serves to reinforce strong performance and to help the goal holder notice where they can become more effective. Coaching empowers the person and helps them grow and develop. Other than from coaching and feedback, the feeling of competence also comes from making steady progress in meaningful work. And, when the work goals the person is working towards are difficult, their attainment will reinforce the person's belief in his or her ability to handle challenging assignments in future.[86]

The need for connectedness is satisfied where one has effective working relationships with others, experiences a sense of belonging, feels valued and respected, and can count on the group/team to provide social support.[87] Effective leaders hence foster psychological safety, encourage collaboration between departments, and structure work to promote interdependence. They also recognise that a fairness is key for people to be able to satisfy the need for connectedness and so make all hiring, rewards, and promotion decisions fairly and transparently.

9.5 Motivating people and teams – cycle

Motivating people and teams is a cycle which leaders need to keep in motion and support on a continuous basis. Keeping people motivated starts with developing a detailed understanding of what exactly motivates them – either individually (if people work in a group) or collectively (if they form a team). With this understanding, the leader sets the direction, goals, and expectations in a way that motivates, i.e. highlighting the motivators he or she has identified. The leader then continuously facilitates a motivating work environment and a motivating work climate. He or she revisits people's motives periodically as these are likely to evolve. This cycle is illustrated in Figure 14.

Figure 14: Motivating people and teams



Importantly, in contrast to other methods, motivating people through interesting work, purpose, and opportunities as illustrated above has highly beneficial effects. It is, therefore, preferable in organisations. Specifically, it[88]:

- Creates in people an inner drive to produce great work
- Yields better performance overall and significantly better adaptive performance in particular
- Leads to people deriving satisfaction from making progress at work and from attaining work goals
- Does not lead to maladaptive performance (i.e. to cutting corners or to attempts to game the system)

9.6 Avoiding ineffective ways to motivate

While interesting work, purpose, and opportunities are highly effective and reliable motivators, other ways of motivating sometimes used by managers typically lead to inferior results. The ineffective ways to motivate include pressure and control. These create a sense of having to do the work which drives out people's inner want to do it. It also destroys adaptive performance (described in section 4.5) and may give rise to the maladaptive kind. Pressure and control only produce results if all that is needed is tactical performance. Even then, any positive effect on results may be short-lived and will come at a cost of reduced personal well-being. Given all the side effects, motivating through pressure and control should be avoided.[89]

Pressure can generally come in two forms – emotional and economic.[90] Emotional pressure becomes the motivator if a person does the work primarily in order to feel worthy (e.g. sees their job as an opportunity to prove their abilities), gain approval from others (e.g. by demonstrating superior ability or accomplishment), or avoid disapproval (e.g. displeasure from the manager or irritation or accusations from colleagues which could lead to the feelings of shame, guilt, or embarrassment).[91] In all these cases the motivator is linked more to the person's self-perception and to the judgement of others than it is linked to the person's work. Because of that, and because of the distraction and pressure this type of motivation creates, the person's performance will likely suffer. What is more, with the focus on proving (rather than improving) one's abilities and accomplishment and on conformance with the expectations of others (rather than on charting new paths), adaptive performance is likely to suffer first.

Economic pressure, in turn, becomes the motivator when the primary reason for doing the work is to obtain a desired benefit (e.g. bonus, pay rise) or to avoid disciplinary consequences. This creates an experience of *having* to do the work, even if it is work that in the absence of economic pressure would seem interesting and worth doing on its own merit. That is how economic pressure can drive out people's inner want to do great work. Such pressure also creates a distraction – when the stakes are high, attention becomes inevitably divided between the work and the stakes. And, when working under economic pressure, people tend to focus narrowly on the specific metrics which are incentivised. This encourages short-term thinking (targets are usually short-term), discourages helping and collaborative behaviour (takes time and is not incentivised) and discourages experimenting with novel approaches (takes time and poses risk to target attainment). In effect economic pressure creates conditions which favour tactical performance and make engaging in the adaptive kind significantly more difficult.

Being rewarded for delivering results does not on its own create economic pressure, however. What creates it is working solely or primarily for economic gain and overemphasizing economic rewards when motivating others. Monetary or other tangible rewards contingent on successful attainment on a task tend to crowd out the inner drive if used as a primary way to motivate. When not linked to the person's results on a specific task (e.g. base salary) or when unanticipated and awarded after successful task completion (e.g. unexpected gift), monetary and tangible rewards do not undermine the inner drive and contribute positively to the person's overall motivation. Even if contingent on successful results, monetary rewards may enhance the person's inner drive if administered in a work climate where his or her need for autonomy, competence, and connectedness is being satisfied.[92] Incentive programs based on contingent monetary rewards tend, therefore, to be more effective where there is support for people's autonomy and where controlling elements are avoided.

Working under either type of pressure – emotional and economic – takes an emotional toll, and so any tactical performance upside that such pressure creates may turn out to be short-lived and not sustainable in the long run. What is more, when the pressure is high, then rather than stimulate tactical performance it may cause maladaptive performance. This occurs when in order to reduce the pressure a person undermines others, starts taking shortcuts (e.g. by not following procedure) or games the system (e.g. by overreporting results). The root cause for such maladaptation is typically pressure and an ill-conceived rewards system rather than people's personal flaws.[93]

Other than pressure, the reason for continuing to work on a task can also be inertia. This is the most insidious type of motivation which robs people of all desire and ability to adapt. No longer remembering the reason for doing the work or only doing it because one is doing it already, one cannot adapt. The results of such work are also most likely going to be subpar. Managers should therefore actively prevent inertia from setting in.[94]

The three ineffective motivators are summarised in Figure 15. If any of these are present in a group or team, they bode ill for people's performance (especially the adaptive kind), their results, and their well-being. The right leadership response is to motivate members primarily through work itself, purpose, and opportunities. It is also important for managers to satisfy themselves that other aspects of how people are led support people's motivation.

Figure 15: Motivators that lead to poor adaptive performance.

Motivator	Mechanism	Effect on adaptive performance
Emotional pressure	Doing the work in order to feel worthy, prove one's ability, or avoid feeling shame, guilt or embarrassment in front of others.	Destructive*
Economic pressure	Doing the work in order to obtain a desired benefit (e.g. bonus, pay rise) or to avoid an unwanted disciplinary consequence.	Highly destructive*
Inertia	Doing the work just because one is doing it already. No longer remembering the reason for doing the work.	Most highly destructive

* additionally, where the emotional or economic pressure is high, it may result in maladaptive performance

Source: Adapted from Neel Doshi, Lindsay McGregor, "Primed to perform", Harper Business, 2015, pp. 9-13, 23, 108-109

Finally, also highly detrimental to people's performance is exercising control over how they do their work. Putting people under close supervision, requiring that they work to detailed instructions and not involving them in decision making means that members are unable to satisfy their need for autonomy. By definition it also prevents adaptive performance. Being able to work with autonomy is necessary, however, for people to become motivated by the work itself, by its purpose, and by the opportunities it opens up. For people to be genuinely motivated and able to behave adaptively, they must have the freedom to decide how to go about reaching their goals.

10. Focusing on performance and results

Leaders who take charge of getting things done and remain actively involved in how the group/team is going about its work can have a material positive impact on the performance of the unit and the results it attains. Having a clear and up-to-date plan for how the group/team is going to reach its goals and attending to people's ongoing performance and results is what successful leaders focus on in order to make sure they can deliver on their own goals and commitments to the organisation.[95] Furthermore, effective leaders orient the organisation, its groups and teams, and its members towards activities that will make the biggest positive difference for organisation-level results. And, they make attaining results easier by helping people regain time and reduce complexity.

10.1 Requesting and reviewing goal delivery plans

With the goals (objectives and key results – OKRs) set, the group/team will engage in planning how to attain the goals. Where the key results specified in the goal are value-based, i.e. target specific metrics, the person/team needs to define the initiatives that will enable the attainment of those key results. Where a goal is activity-based, the initiative is already specified in the goal, and the goal owner can proceed to activity planning directly.

Once the group/team have come up with the initiatives and plans, the role of the leader is to hold discussions on these with the goal owners. This is to ascertain how sound their plans are, how well thought through and how aligned with the organisational direction, client needs and industry trends. The discussion is also an opportunity for the leader to help the person/team consider aspects of the plan they may have not thought about and to discuss what other options for reaching the goal they explored and the reasons why they chose not to pursue these.

The following points could be relevant during the discussion[96]:

- Is the idea or plan straightforward, concise and easily understood?
- Is it aligned with organisational direction? Is it something the organisation wants to get into?
- Is the plan sharply focused or is it scattered? Does it reinforce or dilute our focus on our target market?
- Who is the client? Why will he/she buy? What is their need? Is the value proposition good enough?
- How will the initiative deliver value for the organisation? How will the key results be attained?
- What are the assumptions behind how the initiative will deliver the expected results? Are they realistic? How do we know if they are valid? Have they had client input? Are they consistent with market forecasts?
- What is the level of confidence of the goal owner that he/she will deliver the expected key results?
- Does the organisation have the capabilities and bandwidth to implement the initiative/plan?
- Who needs to be involved to make it happen and have they given their input? What did they say?
- What resources and support will the goal owner require? Will he/she be able to obtain these?
- What risks to successful completion does the goal owner foresee? How will he/she mitigate these?
- What are the timelines and key milestones? How will the delivery be managed? What are the next steps?

An effective review ends with closure and follow-through. The leader needs to be satisfied that the initiative/plan is sound, that the goal owner is on top of it and has taken accountability for what he/she has agreed to do. If that is the case, the leader and the goal owner can then include the initiative/plan in their regular check-ins / operating reviews.

10.2 Holding regular check-ins / operating reviews

High attainment in a group/team relies on the leader giving regular and disciplined attention to performance and results and on there being a systematic process for discussing and deciding how to improve these. The role of the leader is to set up the necessary review cadence or, if one is in place already, to make sure that it is effective, revising it if necessary. This will help ensure that the work is on track and people's efforts translate into results.[97]

Groups and teams can only attain their goals if they have a clear plan for attaining them, if they continue meeting or exceeding their interim targets and milestones, and if they take quick corrective action to make up for any shortfall or delay. Holding weekly check-ins or regular operating reviews is one way to help the group/team achieve this. Check-ins/operating reviews allow the leader and the group/team to keep track of OKR attainment and discuss factors affecting results as well as what the person/team/group is doing in order to improve those results. They also allow the leader to see who is on top of their work and up-to-date on developments in the external environment that may affect that work. And, they create opportunities for the leader to evaluate people's effectiveness and development needs, give feedback and provide coaching.

At a check-in/operating review the leader validates the results actually attained vs. the targets stipulated in OKRs. For value-based KRs this means evaluating relevant metrics. For activity-based KRs this involves checking the progress of initiatives against the plan. What results have been attained? What can they be attributed to? What is working well? What is there a challenge with and why? What information do you use to track progress? Are you on track to meet the goal? What do the leading indicators say? With all the information you have today, how confident are you that you will meet each KR? What is happening in the external environment that is relevant?

While discussing results to date enhances everyone's understanding and thus makes people better prepared to drive results going forward, check-ins and operating reviews are meant to be primarily forward-looking. The focus should therefore be on what the group/team is planning to do next to drive and improve the results further. The role of the leader is to initiate this dialogue and make sure it continues. As part of it, effective leaders challenge people on all aspects of their work in order to help them identify and make the most of as many opportunities to improve performance and results as possible. While this dialogue may be at times tough and direct, it is always conducted in the spirit of accelerating progress and enabling strong attainment.[98]

Giving urgent attention to performance and results is particularly important when there is a delay or shortfall against plan. The earlier the goal owner takes action to remediate the situation, the higher the chances he/she will catch up or make up for the shortfall and still meet the goal. It is the responsibility of the leader to initiate this conversation as soon as the delay or shortfall comes to his/her attention and to find out from the person/team why commitments are not being met. That way the discussion can focus on the root causes and what the person/team will do to fix the problem. At the same time, leaders should set the expectation that goal owners quickly respond to performance misses by planning and taking necessary action and that they come to check-ins / operating reviews prepared to explain what happened and what they are doing to get back on track.[99]

For check-ins / operating reviews to be effective they must end with a clear agreement about who is going to do what and when as well as how and to whom the action owner will provide an update on completion. To this effect accountabilities must be clear and the leader has to be sure that each member has carried away the right information. It is then the role of the leader to hold people accountable for delivering on the commitments they made. In setting high accountability standards leaders set an important example for others and help create a culture of getting things done in the organisation.[100]

Leading requires from the leader active involvement and interest in how people/teams get things done. Leaders need to be knowledgeable about the realities of the work situation and some of the key details. This is so that they can connect with people and hold robust dialogue about the substance of the task at hand. Yet effective leaders do not tell people what to do in order to meet OKRs. They do not make decisions for people about how people should do their work. Instead, effective leaders trust members in the group/team to find out and decide this for themselves. By empowering others that way, the leader can have a much greater impact in the organisation, and members in the group/team can make fuller use of their knowledge and expertise. That way everyone adds more value.

10.3 Focusing on what will make the biggest difference

At any one time groups and teams in the organisation preoccupy themselves with a multitude of different activities. The same typically applies to activities taking place within groups and teams. Not all of these activities bring the same amount of value to the organisation and its clients, however. Some affect organisational results significantly more than others. This may be because they e.g. help drive sales or improve customer satisfaction. Or they may be what will enable profitable growth in the future, e.g. by building out capabilities which clients find of value or streamlining processes to enable greater efficiency. Every group/team in the organisation does both higher value and lower value work in terms of how that work contributes to organisation-level results and growth.

How does your group/team create value for the organisation and its clients? Of all the tasks the group/team does, where does most of the value come from? What could the group/team do for the value it creates to be even higher? What is the single one thing (or a few) that would make the biggest difference? Taking the time to reflect on these questions will likely help leaders identify ways in which their groups and teams could create significantly more value in the organisation. This would then allow leaders to set goals, define priorities, allocate resources and make staffing decisions for the key roles accordingly.

The same principle applies to the organisation as a whole. The organisational direction will make it clear which organisational capabilities are most critical to the organisation's ability to compete and succeed in the marketplace. It is then these capabilities that need to receive particular attention and sufficient investment of time, effort, talent and other resources. While this does not mean neglecting other areas, it does mean skewing the allocation of scarce resources toward the capabilities identified as critical. This requires the support and understanding of organisational leaders during budget, talent allocation and other prioritisation discussions. It also requires keen and effective cross-functional collaboration to implement the initiatives that will determine the organisation's future prospects. That way the organisation as a whole can focus on what will make the biggest difference.[101]

Importantly, such optimisation, i.e. focusing on what will make the biggest difference, needs to start at the organisation level (identifying critical capabilities) and then be carried out on the group/team level (what each unit as a whole can do to create more value). That way interdependencies between units can be taken into account. Once complete for all groups and teams, their members can ask similar questions about their own roles: how does each task I carry out create value? Of all these tasks, where does most of the value come from? What can I do to create even more value? What is the single one thing (or a few) that would make the biggest difference?

10.4 Regaining time and reducing complexity

In a fast-changing world, organisations need to be able to make decisions, take actions and produce results fast. Whether this is happening or not is affected by how much time people dedicate to productive work and how easy it is to get things done in the organisation. By helping people save time at work and by reducing the complexity with which the organisation operates leaders create conditions where people and teams can attain results faster.

Regaining time is primarily about making sure that internal meetings and communications are used effectively. Internal meetings should only be scheduled when they are the best way to get the work done. Attendance should be limited to those who must or want to contribute. Duration should be kept to a minimum. All meetings should have a clear purpose and agenda with attendee roles and responsibilities clearly defined and materials distributed in advance. Leaders should periodically review the overall meeting load in their group/team to ensure that it is not excessive and that all recurring meetings are necessary (and attendee list, duration and frequency appropriate).

Similarly, organisations are awash in electronic communications. Reading and responding to emails and other types of messages takes significant amounts of time every day. Many are useful, but some are not. When people read messages which they did not need to receive or respond to messages which do not require it, they are not making the best use of their time. A collective effort to limit unnecessary e-communication can potentially save everyone huge amounts of time. People should feel free to call out others who copy them on e-mails they did not need to receive, and leaders should periodically remind people of the importance of effective e-communication.[102]

Then, work proceeds more smoothly if it is devoid of unnecessary complexity. Are processes and workflows arranged in a way which facilitates achieving results? Are people actively looking for ways to simplify how work gets done? Are controls reasonable? In repetitive tasks, is the number of handovers of work within and between groups/teams kept to a minimum? Is the automation that is in place effective? Are there periodic reviews being done to make sure that all work that is carried out is still necessary and reflective of organisational priorities?[103]

The pace of work is also aided by fast (and good) decision making. Are decisions made fast? For all recurring decisions, is it clear in advance who makes the recommendation, who provides comments, who needs to agree, who takes the decision and who executes it?[104] Are the decision rights with those actually doing the task, whenever possible? Do management trust people to make decisions affecting their work on their own? Do leaders match their decision-making approach to the decision at hand (seeking consensus when complete buy-in is needed vs. deciding himself/herself after considering comments received from others when time is of the essence)?[105]

11. Giving ample feedback

Giving every member of the group (or, for teams, the team as a whole) regular, frequent and ample feedback is key to their ability to both develop for the future and to perform at a high level in the present. It is a critical skill for every people manager and group/team leader. It is also not any less useful or relevant for people in other roles who can use feedback to engage effectively with colleagues and management. Feedback serves to recognise and reinforce strong performance and to help people notice areas where they can become more effective. It draws the recipient’s attention to what they may be unaware of, helps him or her (or the team) become more competent and leads to improved performance. Providing regular feedback demonstrates commitment to the success and growth of others and motivates their continued effort. Helpful feedback helps create trusting relationships between the leader and the group/team and between colleagues working together.

11.1 Giving positive feedback

Effective leaders make skilful use of both positive and redirecting feedback. Although both play an important role in helping others grow and achieve great results, positive feedback is the kind of feedback that is often underused. Generous use of positive feedback to recognise and reinforce strong performance is critical to ensuring that people continue to hone their skills, become aware of their strengths, feel accomplished and remain highly motivated and engaged.[106] Through positive feedback the recipient’s attention is drawn to a successful outcome he or she attained and the behaviour that enabled this outcome. As all feedback, positive feedback works best when it is specific. Rather than say “You did really well in the meeting”, which does not shed any light on what the person did well, it is far better to say e.g. “You projected confidence, spoke with authority and made a really convincing argument about X”. That way positive feedback helps the person notice an effective behavioural pattern and reinforces it further. It also serves as encouragement to recreate it in future. Positive feedback thus contributes to the person’s growth and development directly. And it contributes highly effectively – learning happens best when one notices what works well rather than what does not. Every instance when the team or individual puts in the effort and makes a difference or delivers an excellent result is therefore worthy of stopping everyone for a minute for all to notice it, reflect on it and feel great about it.[107] That way people can see what excellence and success look like and those who demonstrate highly effective behaviours can grow their strengths further. Finally, and importantly for managers, ease at and willingness to provide positive feedback increases the manager's perceived effectiveness in the eyes of the group/team. Managers who give only redirecting feedback do not come across as as effective as managers who give both.[108]

11.2 Giving redirecting feedback

Redirecting feedback serves to address behaviour or way of working which gets in the way of effectiveness. Correctly delivered redirecting feedback brings the situation and behaviour to the person's / team's attention, describes the impact the behaviour has had, gives the person/team the opportunity to share their perspective and concludes in a discussion about how the person/team could handle similar situations more effectively in future. As does positive feedback, redirecting feedback plays an important role in helping others get better. Without it, the person/team might be unaware of how their behaviour or way of working is getting in the way of their success and putting at risk the attainment of goals and aspirations. If the behaviour relates to a critical flaw a person/team has, withholding feedback deprives the person/team of the opportunity to change course and recover before it is too late. It is therefore incumbent on managers to give redirecting feedback.

11.3 Having the feedback conversation

All feedback needs to be delivered with respect and care and redirecting feedback particularly so. Feedback given in a constructive and open-minded way with a forward-looking focus on helping the person/team improve is more likely to be accepted and to lead to the desired behavioural change. Feedback that targets a person rather than their behaviour, ascribes a motive to the behaviour or is delivered in a way the recipient finds biased could be met with a defensive reaction. How managers approach feedback conversations matters, therefore, greatly for the outcomes. One way to deliver feedback effectively is through the situation, behaviour and impact (SBI) structure. This involves describing the situation in which the behaviour occurred, the behaviour itself as an observable action taken by the person/team and the impact the behaviour had. For example, the manager could say: "Oliver, can I talk to you for a minute? During the meeting today, when Olivia was sharing an idea (situation) you interrupted her twice saying it would not work (behaviour). Olivia then gave up and ended up not sharing her idea in full. Others were also unwilling to contribute ideas after that either (impact). I am concerned about your behaviour." The manager can then ask the person to share their perspective on the situation: "What is your perspective on this?" The person will then share their point of view, and the two can discuss more effective ways of interacting in future.

As all feedback, redirecting feedback is best offered in the moment or as soon as practicable after the behaviour occurred. That way the event is fresh in the memory of all involved which makes the discussion more meaningful. Delaying the feedback until the next day, the next one-to-one, the next check-in / review or until after the end of the assignment, or resolving to give feedback only after the behaviour reoccurs deprives the person/team of the opportunity to improve right away. Secondly, the more fact-based and the more focused on observable behaviour and impact the discussion is, the lower the chance that the feedback will be questioned. Any discrepancies in facts will likely be pointed out which will diminish the credibility of feedback and will detract from the purpose of the discussion which is to agree how the person/team can improve. Also, a factual (and factually correct) account of the behaviour and its impact is far less likely to be disputed or lead to a defensive reaction than if the leader were to ascribe a motive, make interpretations of the behaviour, be judgemental, label the behaviour (e.g. say it was *rude* to do something), use a personal frame ("*you* were rude") or generalise ("you *always* interrupt"). Thirdly, inquiring about the recipient's perspective should be an integral part of every feedback discussion. That way the leader can learn about facts or circumstances he or she was not aware of. Soliciting the person's input also demonstrates that the leader sees them as a person, intends to address the matter in a fair way, is open-minded and not coming to the discussion with any preconceived views. In fact, the leader can indicate that they will be asking for the person's input at the very outset of the conversation. The leader might say: "Oliver, I would like to talk to you about our morning team meeting because I have some concerns. Let me tell you how I'd like to approach this conversation and see if it works for you. I will share with you what I saw that raised my concern and will then ask if you saw the same things. After we agree on what happened, I want to say more about my concerns and see if you share them."[109] With the behaviour and impact discussed, the two can proceed to explore more effective ways of approaching similar situations in future. Continuing the example above, this could involve touching on the point that new ideas are fragile and so colleagues can support each other by acknowledging all well-intentioned contributions. If there is agreement on the approach, the manager could then ask Oliver to think of a specific way he could express acknowledgement without judgement going forward. That way the feedback discussion provides a learning and practice opportunity.

11.4 Facilitating 360-degree feedback

If feedback from one person can help another grow and achieve great results, then feedback from many can have an even more powerful effect. This is where 360-degree feedback comes into play. It is not only the sheer feedback count that speaks to its advantage. This kind of feedback also usefully solicits inputs from different stakeholder groups the person engages with – direct reports, peers, managers and potentially customers, suppliers, and others. This is important as each of these groups experiences the person's behaviour in a different context and so can make observations that others cannot. Finally, multiple respondents in each stakeholder group mean not only more but also more accurate feedback, since averaged responses tend to be more on the mark than individual feedback.

360-feedback offers a holistic picture of how a person shows up in the world. It allows the recipient to find out if there are any gaps between how he or she intends to come across and how he or she is actually perceived. Unlike the former, it is not easy to know the latter without asking others. With personal effectiveness determined by how one engages and comes across rather than by the intentions one has, any gap between the two had better be found out fast. Making and acting on insights that come from 360-feedback can have a transformational effect on one's career. Also, this type of feedback is by far one of the best ways to find out about one's strengths and weaknesses. Specifically, it yields results which are significantly more accurate than those coming from self-assessment. With the effectiveness of a development plan relying heavily on the accuracy of the inputs that go into it, those seeking to grow and develop would not want to miss out on the benefits that 360-feedback can offer.

Leaders can help their groups/teams make productive use of 360-degree feedback in a number of ways. First of all, clarifying that it is intended to first and foremost assist everyone in their growth and development will result in people being more open to it. Secondly, discussing with the group/team the benefits such feedback brings and the transformational role it can play will likely increase people's openness to it further still. To model such openness, leaders can share with their teams the 360-degree feedback they themself received, normalising the fact that everyone has some developmental needs. Thirdly, offering people and teams helpful ways of thinking about feedback and providing guidance on how to incorporate it into their development plans will ensure everyone can make the most of it. Finally, recognising those who change and improve on the back of the feedback they get will set a powerful example for others – achieving this is, after all, a far more impressive feat than being perfect all along.

12. Giving regular coaching

Coaching is a leadership practice that unlocks the potential of individuals and teams in order to help them fulfil their immediate responsibilities more effectively as well as advance their development for the long run.[110] This is achieved through interventions that support people and teams in setting priorities, finding the best way to attain them, moving forward and taking responsibility for their decisions and actions. Interventions are intended to allow the coachee to come up with answers on their own and so consist primarily of open-ended questions. A coaching manager intentionally refrains from giving advice or offering interpretations and solutions. By giving people space to arrive at these on their own instead, coaching empowers, raises awareness and promotes accountability. When the insights, conclusions, and ideas are theirs, people act as owners. Able to exercise control and operate with greater autonomy, they are more motivated, more creative and more engaged. Over time, they develop a habit of taking responsibility and taking the lead, thus enhancing their own effectiveness and that of the organisation.

12.1 Why coaching works?

Giving regular coaching increases the effectiveness of both the manager and the group/team. It helps the manager fulfil their core responsibility – setting the overall direction and empowering the group/team to find the way to get there. It also helps to keep the manager away from what the purpose of their role is not – jumping in with answers and solutions. A coaching manager realises that allowing people to find their own way makes them more empowered and less dependent on advice and suggestions from others. That is how people can learn to operate with greater autonomy, make fuller use of their knowledge and expertise, and grow faster as a result. To do otherwise would create an overdependence on the manager which would hamper productivity and creativity. There is also a risk that, unable to keep up with all the detail the group/team run past him or her, the manager could become a bottleneck and slow down work. This is a sure way to get overwhelmed and lose focus. Coaching, in contrast, unlocks the potential in the group/team, allows both the manager and members to add more value in their respective roles and makes work more meaningful for everyone.

Some may think that work life is sufficiently busy as it is, and so spending time on coaching and allowing time for people to find their own way is not something a manager can easily afford. When a manager says he or she does not have the time to coach though, then in all likelihood he or she does not have the time not to. Short-term it might be at times quicker to just give others instructions how to do something if they ask, but in the longer run this approach is bound to prove unsustainable and counterproductive. First of all, in a world where change is rampant, even if the manager encountered a similar situation in the past, what worked back then might not necessarily be the best way forward today. Often it will not. The manager cannot therefore give an answer at the drop of a hat and would need to analyse the circumstances first. There is no time saved from approaching the manager then – someone still has to do that analysis. Secondly, if they were to rely on the manager's advice most of the time, group/team members would miss out on the opportunity to learn how to operate with autonomy: make use of their own expertise, apply their own judgement, reach their own conclusions, and make their own decisions. That would be detrimental to their growth and development. And, in the longer run, continuous advice giving would absorb more of the manager's time overall than it would take to coach the group/team how to operate with greater autonomy. It would also detract from the manager's core responsibility which is to lead and to manage. It could also convince the group/team that running things past the manager is something the manager expects. That could result in both the group/team and the manager engaging in a ritual which neither side sees much value in. Finally, coaching does not have to take much extra time in the first place. When thought of as an effective way of leading and interacting with others rather than a dedicated event, coaching can take place on occasions that are scheduled and taking place already.

12.2 Having a coaching conversation

Managers provide coaching to support people in developing their performance and building skills. For example, a manager might coach a person/team to support them to reach a goal, overcome a challenge, find a way forward, make a decision, set priorities, change a behaviour, resolve conflict, learn from an experience, build a strength, etc. In the coaching conversation the manager will ask the coachee questions aimed at helping them define for themselves what it is that they want to focus on, become aware of all relevant aspects of their current situation, explore all their options, and decide what they want to do. The manager will then often continue to support the person/team with further coaching until they have taken all necessary actions and attained their desired results. While there are many ways to coach, one way to hold a coaching conversation which works in a wide range of circumstances is through the goal, reality, options and way forward (GROW) structure presented below[111]:

Goal	What is the person's / team's goal? What are they trying to accomplish? Where do they want to get to?
Reality	What is the current situation? What are the challenges? What has the person/team tried? What worked?
Options	What could the person/team do to move towards the goal? What else? And what else?
Way forward	What will the person/team do now? And will they do that?

Each element is described in greater detail in the sections that follow. Depending on the matter, it may take one or more coaching conversations to cover them all.

12.2.1 GROW – Goal

A good starting point to any coaching discussion is to find out what the person/team wishes to discuss or address. What would they like to focus on? What is on their mind and what is going on in their world? What have they set out to accomplish that they require support with? What challenge are they facing that they would like to overcome? How would they then define their goal? And what is the outcome of this particular exchange with their manager that they are looking for? At the end of the meeting, what do they need clarity about that they do not have now? What actionable outcome are the looking for? Approached this way, the ownership of the session is firmly with the coachee from the very outset.

After the coachee has stated their discussion topic, it is always a good idea to see if there is anything else they would like to bring up. Perhaps there is something they have not thought of immediately, or they only raised the first matter that came to their mind. There could be further areas the person/team might need support with, in which case asking "And what else?" will help uncover these. In fact, it makes sense for the manager to keep asking if there is anything else until the person/team has had a chance to share everything that is on their mind and says that there is nothing else. That way the manager can help ensure that nothing important is left out.

If the person/team has raised a number of topics they would like support with, it is important for the manager to let them prioritise these and select the one they would like to discuss first. This will allow the coachee to focus on what is most useful and important for them. The manager could ask: "If you had to pick one of these to focus on, which one would be the real challenge for you?"[112] And in case there is a proliferation of challenges, the manager could see if the person/team can think of a way to group all items into common themes first.

The focus of every coaching discussion should be on the coachee and the role they play. With this in mind, if in framing the issue the coachee appears to be preoccupied with the role of their direct report, another colleague, project, or process, it is best for the manager to bring the person's attention back to what this situation means for them. This will make it easier for the coachee to take ownership of resolving the matter. The manager could say: "I think I understand some of what's going on with [person, project, process]. What is the real challenge here for you?" That way the manager can focus on coaching the coachee, and the coachee can in turn coach their direct report, resolve the matter with the other person or manage the project or process as necessary later.[113]

Finally, given the attention-focusing effect goals have, it is important for them to be stated in the positive. Defined in terms of a favourable outcome (e.g. we want to be number one or number two), a goal focuses attention on that favourable outcome. This has the effect of inspiring and energising. It also breeds positivity. Goals framed in terms of avoiding an undesirable result (e.g. we want to avoid staying in the position we are in) have the opposite effect – they bring attention to failure. Fortunately, any goal can be easily restated such that it targets a successful outcome, and it is important that goals are always stated in the positive.[114]

12.2.2 GROW – Reality

With the goal defined, the next step will be for the manager to invite the coachee to clarify the current situation. The purpose here is for the coachee to revisit all relevant facts, form an overall view of the situation, clarify their thoughts and feelings, and make new insights. To achieve this the manager asks open-ended questions rooted in *what, who, when,* and *where* to help the coachee develop awareness of the situation as it is in actuality. What is happening? What is the present situation? Who is involved? Who is affected? What is the real issue here? What has the coachee's plan been so far? What actions has he or she taken? What were the results? What has prevented the coachee from achieving more?[115] To help the person/team explore any aspect of the situation in greater detail, the manager can probe further by asking "What else can you say about that?" and "What else is important here?"

Why questions are best avoided as asking these can come across as judgemental and could put the person on the defensive.[116] If the coach believes it is still helpful to explore motives and reasons, he or she can ask *what* questions instead, e.g. "What got you to choose this course of action?" or "What were you planning to achieve?"[117]

As the coachee proceeds to share the facts, it benefits the coachee when the manager paraphrases what the coachee says or alternatively reflects it back to them using the coachee's own language, making sure they do it in a neutral and non-judgemental way. This serves to acknowledge what the coachee is sharing and importantly lets them hear and clarify their thoughts for themself.[118] Other than paraphrasing, the manager also listens attentively to what the coachee says. Does it appear that the person is focusing mostly on one aspect of the situation (e.g. process) and may be overlooking another (e.g. people)? If that is the case, then asking further questions about the unaddressed aspect could help the coachee notice how something may have been missed or not attended to. Such insights can then be helpful when it comes to exploring options and deciding the way forward.

Other than help the person/team revisit the facts, it is useful for the manager to ask the coachee about their thoughts and feelings in light of these and what actions they have already taken to move toward their goal. What are their thoughts about the situation they are in? How do they feel about it? What actions have they taken? What results did these bring? Were these results what they were hoping for? This will help the person/team develop awareness as to the link between how one's thoughts and feelings affect the course of action one takes and then in turn the results one gets. Such insights can be of great help when it comes to improving one's effectiveness. If the person is aiming for different results, then what different approaches could they try? How would they need to think and feel about the situation to act in that new and different way?

12.2.3 GROW – Options

With the situation diagnosed, and before the coachee can decide on the course of action to take, he or she (or the team) will need to identify and consider their options. The way the coach can help here is to make sure that the person/team comes up with as many of these as possible. This is because the broader the pool of options to choose from, the higher the odds of making a good decision.[119] In fact, augmenting a simple choice of doing something vs. not doing it (or between doing something one way and doing it another way) with just one further option of doing something else (or doing it differently) can significantly increase the success rate of a decision.[120] The more options the coachee is able to think up, the better their decision will therefore likely be. The coach can facilitate this by encouraging the coachee to consider multiple options. Asking what the person/team has already thought of, acknowledging all ideas and then challenging the person/team to come up with further ideas ("And what else could you do?") is one way to achieve this. It may make sense to keep asking "And what else?" until the person/team says they cannot think of anything else.

At times the coachee may feel stuck believing that their options are limited to just one or two. This could be because the person/team feels constrained by circumstances, e.g. a narrowly defined scope or objective, perceived lack of resources or limited ability to obtain support from others. If that appears to be the case, the role of the manager is to encourage the coachee to engage in free and unconstrained thinking, while refraining from giving the coachee advice or offering solutions. What really matters here? What is the right thing to do? If the coachee could do anything, what would it be? If no constraints existed, what would they do? With this established, the manager can then ask how the person/team could overcome any obstacles they thought stood in the way such that their newly identified options could become feasible. This approach can open up further and possibly better options, meaning a greater likelihood of success for the final outcome.

If the person/team on their own is able to come up with so many ideas, then them collaborating with others can result in even more. What is more, coming from people with different backgrounds, the ideas themselves are then likely to be more diverse as well thus benefitting the breadth of the options pool. Also, involving others in finding solutions has the added benefit of facilitating their buy-in and support for the decision after it is made. In this spirit, who could the coachee reach out to? Who could help brainstorm ways of attaining the desired outcome?

The role of the coach is to support the coachee in finding their own way. When providing coaching to a direct report, the manager therefore refrains from offering advice, at least until after they have given the person/team plenty of opportunity and encouragement to come up with options and ideas on their own. If the manager is approached for advice, the manager could say: "That is a great question. What have you already thought of?" or "That is a great question. I have some ideas which I will share with you, but before I do, what are your first thoughts?"[121] Once the person has offered these, the manager could ask what else the person/team can think of and could continue asking "And what else?" until the coachee runs out of ideas. If the options the person/team has come up with include what the manager had in mind, then that is very good news, and the manager can confirm that this is the case. If not, then it is at this point that the manager could offer his or her input.

At times the manager may feel that the coachee has not noticed an opportunity that is superior to all the options identified thus far. The manager can then say that he or she also has thoughts on the matter and ask if the coachee would like to hear them. Any advice is then best given directly, e.g. "I think you should consider…" rather than in question form, e.g. "Have you thought of…?" Or, if having weighted the pros and cons of all options, the person/team is intent on going in a direction which the manager believes is suboptimal, the manager can probe further to understand the coachee's thinking in more detail. The manager could ask the coachee what results they expect to attain by pursuing that selected option. What is the upside? What are the risks? What other outcomes could taking that route lead to? What will be the consequences of each? Can the person/team live with these in all cases? That way the manager can make sure the person/team has thought through all the implications and has had the opportunity to consider all options.

12.2.4 GROW – Way forward

With the options explored, the coachee can identify the one they want to pursue and can put thought into how they will go about it. The manager can in turn ascertain the person's/team's level of commitment to their chosen course of action. What will they do? Are they convinced this is the best thing to do? Are they willing to own it and take it forward? How will they go about it? What needs to happen now? Who do they think they will need to involve? What support do they need from the manager? How will they track their progress? With the will and the way confirmed, the coachee can proceed with the plan and can then meet the manager periodically for further coaching as and when required. That way coaching can result in considered and committed action.

12.3 Engaging with the coachee effectively

Whether coaching is effective depends heavily on how the manager engages with the coachee. The effectiveness of this engagement, in turn, relies on the manager's ability to adopt approaches which often go against ingrained habits. It is therefore useful to consider what ways of engaging lead to effective coaching outcomes.

With the purpose of coaching being to unlock the potential that resides in the coachee, effective coaching requires that the manager ask incisive questions and listen deeply rather than put forward their own ideas and suggestions. Some may find this difficult, as the instinct will often be to jump in with advice, especially when the manager sees the person/team struggling. It takes will and deliberate practice to develop a habit of not interrupting and letting the coachee arrive at answers and solutions on their own. That way the manager can add much more value, however, than if they were to do the opposite.

Coaching questions tend to work best when they are short, simple and straightforward. Open questions rooted in *what*, *who*, *when*, *where*, *how many* and *how much* are effective at raising awareness and responsibility in others and so are highly suited to coaching conversations. Closed questions and questions rooted in *why* are best avoided as they respectively shut down thinking and imply criticism. Asking "What were the reasons" instead of *why* tends to yield more specific and factual responses, if the manager must ask. Questions formulated according to these principles encourage observation, train attention, and bring to awareness considerations that may be important.[122]

Except at the outset of the coaching interaction, when it is appropriate to discuss its purpose, questions during the coaching session itself are best asked directly, without additional introductions or explanations. If the manager feels it is necessary to lessen the heaviness of a question, he or she can start it with "Out of curiosity, what …". Then, asking just one question at a time will help ensure the coachee does not become overwhelmed. And, having asked the question, the manager needs to give the person space to collect their thoughts. Becoming comfortable with silence is crucial here as rephrasing the question or asking follow-up questions while the coachee is thinking would only serve to distract them. After the person has given their answer, it is a good practice for the manager to first acknowledge, reflect, or rephrase what the person has said before proceeding with further questions.[123]

As does asking good questions, good listening plays an important role in every coaching conversation. When a person is really listened to, they feel supported, valued, and encouraged. Listening well conveys respect for the other person's views and contributions. Effective coaching requires deep listening – being fully attentive to what the coachee says and how they say it. This means paying attention not only to the words but to the tone of voice and body language as well. It also means avoiding distractions of any kind such as thinking in parallel about another matter or the next question to ask. This would be quickly noticed by the coachee, would reduce trust and would distort the flow of the coaching conversation. Finally, effective listening also requires monitoring one's own emotions and reactions to make sure these do not reveal the manager's judgement or preference or otherwise unduly influence the coachee. Self-awareness thus helps the manager maintain their neutrality and detachment.[124]

Furthermore, to coach effectively the manager needs to be prepared to cede control over the discussion to the coachee and refrain from directing its course. The objective is, after all, for the coachee to become well versed in defining priorities, assessing reality, identifying options and making decisions on their own rather than relying on the manager to do it for them. Effective coaches adopt a mindset that the coachee is capable, resourceful and full of potential. With this mindset there is no need to control the conversation and the manager can instead give the person/team room to reach their own conclusions and make their own considered choices. This means the manager is not attempting to steer the discussion in any particular direction and instead follows the train of thought of the coachee and lets them explore all the avenues they are interested in. If, after that, there are still some aspects of the situation which the manager feels the coachee may have left unaddressed, the manager can inquire "Is there anything else?" or "I notice you have not mentioned [aspect]. Is there any particular reason for this?" Or, at the stage of identifying options, after the coachee has exhausted all their ideas and cannot come up with anything else, if the manager can think of further alternatives, they can say "I have a couple of ideas, would you like to hear them?" The only aim here, however, should be to support the coachee in considering all options, not to influence any particular choice. The decision about the way forward needs to be made and owned by the coachee. Their commitment to the chosen course of action would be diluted if this choice were to be influenced by the manager.[125]

In addition to all this, to be able to engage effectively the manager needs to recognise and accept that everyone has a unique way of being, follows a different style and approaches things differently. Each holds their own values, beliefs, views, and preferences. These will have been influenced by a multitude of factors such as upbringing, education, cultural and social background, life experiences, peers, and role models. What is more, everyone continues to evolve as they go through their life. All in all, everyone on the group/team, the manager included, will in all likelihood differ in a multitude of ways. Effective coaching requires that the manager respect these differences, remain non-judgemental and engage with people without attempting to impose his or her own ways.

Finally, where the manager brings positive energy into interactions with the person/team, he or she engenders positivity in them as well and creates an environment conducive to people's growth and development. Where the manager creates frequent opportunities for the coachee to notice their strengths and make progress towards their goals, they help the person/team experience positive emotions and become excited about what the future holds. This allows the person/team to become more open, more engaged, more creative, and more motivated.

13. Giving evaluations of results and performance

Evaluations of people's results and performance are an important element of the performance management cycle. If the results planning meeting held at the start of the performance period provides the person/team with the answer to the question "What do you expect from me?" and the feedback given regularly throughout the period keeps the person/team informed about how they are doing at meeting expectations, the end-of-period evaluation of results and performance gives people the answer to the question "How have we done at meeting the expectations?"[126]

Evaluations cover results and performance, and the reasons managers carry them out are broadly two-fold:

- To evaluate people's *results* during the period that has just ended so that there is a fair basis for the manager to give recognition and rewards, if any, or to administer consequences.
- To evaluate people's *performance* in the period that has just ended in order to help them do even better in the period that has just started.

When done right, evaluations can have a highly positive effect on people's motivation, performance, results, and growth and development. This means they are yet another driver of results which leaders can put to effective use. Evaluations which people find helpful and useful every time are thus the norm every leader should be aiming for.

13.1 Evaluating people's results and performance in groups and teams

Managers need a way of deciding how to approach evaluations of results and performance depending on whether people form a group or a team. And, evaluations are often carried out in settings where people serve on more than just one group or team. As a frequent scenario in managerial and professional work, this also needs addressing.

When deciding on the first matter, it helps to keep in mind that both results evaluations and performance evaluations will only be fair if they cover what was within the influence of those being evaluated. What is and what is not within one's influence is determined by the amount of interdependence between the person and others. Within a group, there is none, and so people can only be held accountable for their own performance and results. In a team of highly interdependent members, in contrast, people can influence the performance and results of the team as a whole and so can be held accountable for the entirety of both. And, in teams where there is low or medium interdependence, accountability for team-level performance and results can also only be partial. This means that in such teams evaluations should take into account both individual and team-level performance and results.[127] This is summarised, for teams, in Figure 16 (in groups evaluations are individual).

Figure 16: Evaluation measures to be used depending on the type of interdependence between team members

Interdependence	**Coordination**	**Evaluation to be based on:**
Pooled (i.e. low)	Centralised (Standardisation)	Individual *and* team results & performance
Sequential (i.e. medium)	Centralised (Planning)	Individual *and* team results & performance
Reciprocal (i.e. high)	Decentralised (Mutual adjustment)	Team results & performance

Evaluations of results

Evaluations of results should be based on the three criteria for group/team effectiveness described in section 3.1. These are also listed in Figure 17 below and cover both the *what* and the *how* of goal attainment.

Figure 17: Results evaluation criteria covering both the *what* and the *how* of goal attainment

What / how	**Results – evaluation criteria**	**Who decides**
What – Goals	Goals (OKRs) have been attained and the work output has met or exceeded the standards of the client (the people who use, receive, or review the work output)	Client
How – Behaviours	The interactions the person/team had in carrying out the work enhanced their capability to work with others/together effectively and produce even better results in the next period	Manager/360
Learning & Dev.	The person enhanced existing or learned new skills as laid out in the development plan (as measured by the extent of improvement over the period rather than the skill level)	Manager/360

Evaluations of results is what determines people's ratings for the evaluation period. This underscores the role that achieving strong results plays in the success of every organisation and emphasises the importance the organisation attaches to achieving results. Evaluation of goal attainment forms an important part of the evaluation of results. Where the person had multiple goals (including as a result of serving on more than one group or team), the manager needs to aggregate individual goal ratings into a combined rating. The aggregation method should be defined by the manager and shared with the person in advance, i.e. at the time of goal setting. This may be in the form of a scorecard where each goal has a weighting corresponding to its relative importance (if the person is expected to work on their goals in parallel) or to its scheduled duration (if the person is expected to commit themself fully to one goal at a time). Managers need to make sure that all work people do in teams outside of their primary group is fully reflected in their goals and then in evaluations of results. And, to ensure fairness and to guide and motivate, managers need to tell people in advance how all their results will be evaluated. This is best achieved through OKRs and results planning meetings held at the start of every performance period.[128]

Building a group/team which consistently meets or exceeds its goals/targets is one of the main responsibilities of every manager and leader. Results evaluations and ratings the manager gives play an important role in enabling this. Since they affect compensation, rewards, promotion and other decisions, they allow the manager to recognise and reward people who deliver strong results and also make it possible to identify instances of underperformance and take early action to address it. It is, therefore, important that managers make use of the entire scale of their organisation's rating system and assign ratings which most accurately reflect the extent to which results have been attained. Where ratings are assigned to individual goals first, then other than the extent of goal attainment, ratings should also take into account the relative difficulty of individual goals (to encourage people to take on high value-based goals and stretch goals which are inherently more difficult than activity-based goals). It is then important that managers meaningfully differentiate recognition, rewards, and consequences, if any, in line with the ratings. To do otherwise would create an impression that results do not matter much after all. Needless to say, results are what matters most, and making effective use of ratings is necessary to attain and sustain them.[129]

Importantly, most organisations expect not only that people meet their goals, but also that members accomplish this in a way that reflects organisational values and standards.[130] Behaviours and competencies demonstrated over the performance period are, therefore, an equally important consideration in results evaluations. Organisations typically communicate to people the values and standards which all members are expected to abide by. In addition to these, it is a good practice for managers to set expectations around behaviours and competencies they consider essential to successful attainment in their particular group or team. Both sets of expectations – organisational and job-specific – can then serve as the benchmark to be used by managers in results evaluations. Included in these expectations and documented in the development plan often are expectations around the learning and development people engage in. When this is the case, relevant results should be part of the behavioural evaluation.

Evaluations of performance

Evaluations of results will tell what the results are. But they will not be of much help in determining how to attain better results in the period that has just started. This is because results cannot be driven directly. If a manager tells a sales person that he or she needs to sell more, this may be true, but it is unlikely to help the person sell more. What will help is if the manager provides the person with an evaluation of their performance and highlights both demonstrated strengths and areas which require improvement. That way the person will know what to continue doing, what to add to their repertoire, and what to change. And this is likely to help the person attain better results.

Driving results is thus best done indirectly by driving performance. The four main aspects of performance that drive results are effort, approach, knowledge and skill, and time. These were discussed in section 3.2 and are listed again in Figure 18 below. Where the manager can provide the person with an evaluation of his or her performance across these four areas, it can be immensely helpful for the person in determining how to improve results.

Figure 18: Performance evaluation criteria

Aspect	Description	Who decides
Effort	The amount of effort the person/team expended in carrying out their work.	Manager/360
Approach	The choices the person/team made about how to carry out the work and attain the goals.	Manager/360
Knowledge & skill	The level of knowledge and skill the person/team applied in their work.	Manager/360
Time	The amount of time the person/team allocated to each of their goals (i.e. prioritisation).	Manager/360

Source (descriptions): J. Richard Hackman, "Collaborative intelligence", Berrett-Koehler Publishers, 2011, p. 40; Michael Mankins, Eric Garton, "Time, talent, energy", Harvard Business Review Press, 2017, pp. 20-24

Depending on the task, this evaluation can be done for the task as a whole or for each of its constituent sub-tasks. The more detail the manager can provide in the evaluation, especially for the approach taken and the knowledge and skill applied, the more useful it will be. The manager should, therefore, be sufficiently close to people's work to be able to provide meaningful evaluations. Then, for most tasks the evaluation can be significantly aided when it comes not only from the manager but also from others who work with the person and from those who use the output of the person's work – customers, direct reports, colleagues, and teammates. This is because these other constituents experience the person in different contexts and so can make observations the manager cannot. Importantly, when the person being evaluated is part of a highly interdependent team where co-ordination is decentralised, the evaluation will be incomplete if it does not contain inputs from all other team members. Multi-rater 360-degree feedback significantly enhances the validity and usefulness of all performance evaluations.

It is useful for the manager to frame the evaluation in terms of what the person should continue/stop/start doing in order to become more effective. This will make the evaluation highly practical and something the person can immediately put to use in their work. Managers should thus make sure that every person they give a performance evaluation walks away with clear answers to the following three questions:

- What am I doing that I should keep doing?
- What am I doing that I should change?
- What am I not doing that I should start doing?

Importantly, none of this means to say that the manager should tell people how to do their work. What it means is that the manager's role is to bring to people's attention the strengths and weaknesses in their performance. It is then for the person to make use of this feedback in deciding how to go about their work in order to hit their goals. Ultimately it is the results that matter, and performance evaluations are there to help people to this end.

The strengths and weaknesses identified through performance evaluations also become an important input into people's personal development plans (along with other considerations such as the skill requirements of the role the person is currently in and his or her vision for the future). It is useful to keep in mind that it is a good practice to hold discussions covering people's development after (not during) evaluation discussions. That way people will have the time to reflect how to incorporate information about strengths and weaknesses into their development plans.

Finally, it is a good practice for the manager to provide people with all their evaluations in good time ahead of the meeting where these will be discussed. That way the person can have the initial emotional reaction – positive or negative – in private and will have the time to think about the evaluations and prepare for the meeting.[131]

13.2 Ensuring evaluations given are fair and unbiased

For the organisations' performance management system to be effective it must be fair, and it must be seen as fair. This is necessary for all its pillars and particularly so for evaluations of results and performance. The organisation thus relies on all people managers to ensure that all evaluations they carry out are fair.

When it comes to evaluating quantifiable results, like the extent to which measurable goals have been attained, maintaining fairness is relatively easy. What is necessary is making sure that people's goals are clearly defined at the outset, that the evaluation criteria are shared with the goal owners at the time goals are set, and that accurate measurements of the results actually attained are taken at the time of the evaluation. When it comes to evaluating results which do not lend themselves to quantitative measurement (e.g. activity-based goals), behavioural aspects of goal attainment (i.e. the *how*), and performance during the period, maintaining fairness requires more attention and is more difficult. This is because these evaluations inevitably involve judgement. Human judgement is prone to bias, which may distort evaluations. What is more, many biases are unconscious, which means we are not aware they affect our judgement. It is important, therefore, to learn how to stop bias from affecting evaluations.

The first step to achieving this is to recognise the common types of bias and how they may affect evaluations. These are listed in Figure 19 below. Next, all evaluations need to be prepared in a way that prevents bias. And last, once drafted, managers need to check the drafts for any potential signs of bias.

Figure 19: Common biases affecting evaluations of results and performance.

Common biases	**Description**
1. Spillover effect	The tendency for managers to mentally categorise people as either strong or weak performers and to allow this categorisation to affect the way they evaluate people's results in the current period.
2. Primacy bias	The tendency for first impressions or results/performance at the outset to overly influence the evaluation.
3. Confirmation bias	The tendency to look for, interpret, or recall information about performance that confirms prior beliefs.
4. Recency bias	The tendency for most recent results, as most salient, to overly influence the rater's evaluation.
5. Halo/horns effect	The tendency for strong/weak results in one dimension to overshadow those in other dimensions.
6. Centrality bias	The tendency to compress ratings resulting in less variance in ratings than there is variance in results.
7. Leniency bias	The tendency to inflate people's evaluations such that they do not accurately reflect results attained.
8. Gender bias	The tendency to favour one gender over another in evaluations of results and performance.
9. Likeability penalty	Penalising women when they violate gender stereotypes (e.g. saying they are "bossy" or "pushy").
10. Personal bias	The tendency for the rater to inflate/reduce the rating when the rater likes/dislikes the person.
11. Similarity bias	The tendency to evaluate favourably those who share the rater's interests, background, or social style.

12. Contrast error	Evaluating the person's results against those of other people rather than against the person's goals.
13. Rater bias	The tendency for raters to apply their own rather than organisational standards in their evaluations.

Preparing evaluations in a way that prevents bias

With an understanding of the common types of bias, it is significantly easier to prepare evaluations in a way that prevents bias from creeping in. Good practices that help accomplish this include:

- Organisational standards: defining and communicating frequently to all members a clear set of standards and expectations (incl. behavioural) that everyone needs to abide by; relying on these in evaluations.
- Evaluation criteria: defining and communicating to every person/team at the start of each performance period a clear set of evaluation criteria that the manager will use during the end-of-period evaluation.
- Multi-dimensional criteria: making sure that the evaluation criteria cover a broad range of behaviours and skills relevant to the role so that no one strength or weakness can overshadow everything else.
- Record keeping: creating and updating throughout the evaluation period a file documenting the person's or team's results and performance so that all relevant information is easily retrievable at evaluation time.
- Evidence: obtaining specific evidence from others to prove or disprove beliefs the rater has formed about the person/team. Actively seeking and paying attention to feedback that disproves any prior beliefs.
- Specificity of comments: putting comments in terms of people's specific behaviours, actions, and results (what have they actually done?) rather than as general impressions about their personality or potential.
- Inputs from others: incorporating inputs from other people the person/team works with reduces bias; the more raters, the more objective and accurate the evaluation. This can be done e.g. through 360° feedback.
- Ratings differentiation: making use of the entire scale of the organisation's rating system and assigning ratings which most accurately reflect the person's attainment.

Checking evaluation drafts and proposed ratings for signs of bias

With the evaluations drafted and with the proposed ratings worked out, it is prudent for managers to check both for any signs of bias. This can be done in the following way:

- Common biases: reviewing each evaluation draft against the list of common biases to ensure that none apply and, if required, adjusting the evaluation can be an effective way of eliminating bias in evaluations.
- Ratings analytics: assessing proposed ratings for any signs of bias, such as representatives of a particular demographic being rated on average higher or lower than others.
- Ratings calibration: reviewing proposed ratings in a forum of all managers to obtain inputs the manager may have had no knowledge of and to ensure the final ratings are fair, equitable, and free from bias.
- Approval by manager's manager: requiring such advance approvals helps ensure that ratings are assigned consistently across groups and teams and that all managers set and apply demanding standards.

13.3 Choosing the main message to give

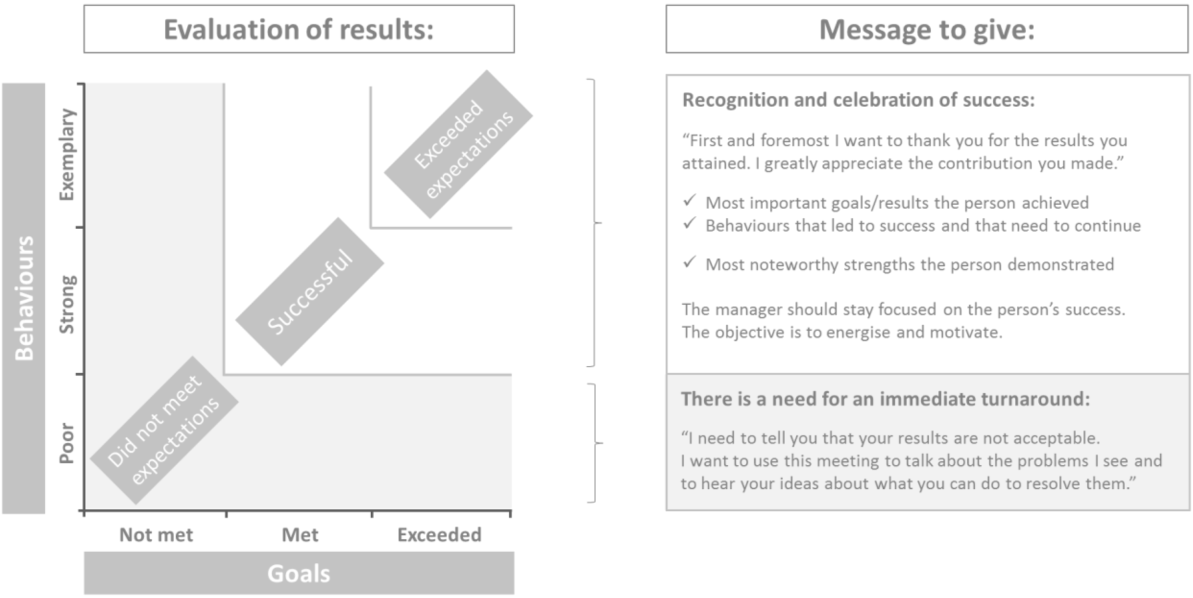
Evaluations are a prime opportunity for the manager to either reinforce or redirect people's performance. Where people have been successful, the manager's main objective is to make sure that they remain motivated to continue delivering strong results. They must leave the evaluation feeling appreciated and energised, and the message they get must have this very effect. Those whose results did not met expectations, in contrast, must make an immediate and total turnaround. The message they receive from the manager must make it clear that this is the case. To do otherwise, i.e. to dilute the message for either group, would have the effect of leaving successful results not fully appreciated and making those who underdelivered think they are doing fine. That would be counterproductive.[132]

Successful results are those where people both meet their work goals and consistently engage in effective behaviours. Such people are the heart and soul of the organisation and account for the vast majority of its members. Because of this, it is these successful members who get the bulk of the work done at the firm. And, they work hard throughout the performance period to meet the high standards set by the organisation. The message they deserve and need to get to stay fully motivated and energised is that of complete appreciation and recognition. Emphasis on successful attainment, of all approaches a manager can take when giving evaluations to successful performers, has by far the biggest positive impact on their future performance.[133] The discussion in the evaluation meeting should thus centre on those examples in the evaluation document where the person's achievements were particularly noteworthy, their strengths most apparent, and their behaviours especially commendable. Needless to say, the same approach is also best adopted to holding evaluation meetings for members whose results in the period exceeded expectations, i.e. those who both significantly exceeded their goals and consistently demonstrated exemplary behaviours.[134]

Results evaluated as not meeting expectations are those where a person did not meet a core part of their goals or exhibited poor behaviour during the period under evaluation. For example, they may have exceeded their goals, but they demeaned or demoralised other people. Or, they are highly likable but do not meet their work goals. It is the role of the manager to inform the person in such cases that their results are not acceptable and that correction must occur. The main message of the discussion must be on the need for an immediate and complete turnaround.[135]

Figure 20 on the following page illustrates how to differentiate the main message of the evaluation discussion depending on the outcome of the evaluation of results.

Figure 20: Main message to give depending on the outcome of the evaluation of results



Source: Adapted from Dick Grote, "How to be good at performance appraisals", Harvard Business Review Press, 2011, pp. 145-162

13.4 Preparing for the evaluation meeting and for the meetings that follow

Prior to the evaluation meeting with the person/team, the manager will reflect about the best way to approach it. Listed below are things to consider.

- Self-assessments: When these are in use in the organisation, they are a useful way for the manager to gain the person's perspective on the results attained. They also allow the manager to assess how capable of realistic self-assessment the person is. And, they create for the person an opportunity to reflect about his or her accomplishments and contributions. The evaluation is still the manager's to make, however, and except where the self-assessment provides information the manager was not aware of, it should not affect the way the manager carries out their evaluation.[136]
- Evaluating results: To maintain fairness, the sole focus in carrying out evaluations need to be the results attained by the person during the evaluation period. It is also useful to remind people that this is the case. This means that people's ratings may vary significantly from period to period (it is not the people who are being evaluated but their results during the period). As a consequence, previous ratings can have no bearing for the current evaluation. That way all members will want to give their best in every period. To do otherwise would immediately be seen as unfair by many and would adversely affect results overall.
- Rating descriptions: Where the organisation has these, as most will, it is important that managers rely on them when assigning ratings. The description that best describes the weighted results the person achieved during the period then indicates the appropriate rating. That way the organisation can ensure consistency in how rating are assigned and, importantly, members know what results to aim for in order to receive a particular rating. The use of rating descriptions increases the effectiveness of evaluations in promoting high attainment and makes the evaluations process fairer for all.

- Results evaluated as successful: Often results will be evaluated as successful, i.e. meeting expectations. This is a fully successful outcome which confirms that the tough expectations of the manager and of the organisation have been met. A successful rating should be, therefore, viewed as such by both the person and the manager. There is no reason why managers should hesitate to award this rating when the person's results are best described by the rating description corresponding to this rating. There is also never a need to identify any deficiency in results in order to justify this rating. Successful genuinely is what it sounds.
- Preparing the meeting plan: The points the manager will make in the meeting and the order in which to make them are the manager's decision. One way to hold the meeting is by starting with the main message, then, if results were successful, highlighting the person's key accomplishments and contributions, the strong behaviours that enabled them, and the most noteworthy strengths the person demonstrated. Then the manager can cover other matters in the order of importance. That way the meeting will be much more engaging than if the manager were to follow the order in which items are listed in the evaluation form.[137]
- Surprises: If the manager gives all members in the group/team regular and frequent feedback throughout the performance period, as should always be the case, there will rarely be any surprises that come to light at evaluation time. The evaluation meeting then serves primarily to restate what the manager has shared with the person already. Giving people regular feedback thus facilitates end-of-period evaluations.
- Development plan: In the evaluation meeting the manager covers both the evaluation of results and the evaluation of performance. Information about the person's strengths and weaknesses identified as part of the latter become an important input into his or her development plan. It is a good practice to schedule the developmental discussion as a separate meeting a week or two later so that the person has the time to think about how to incorporate that information into his or her development plan. Agreements reached in the development planning meeting can then be used as inputs into goal setting for the next period.
- Team evaluations: Where people work as a team, the team leader will provide evaluations of results and performance to the whole team and, except for teams where the interdependence between members is high, will also provide such evaluations to members individually. Where people work as part of a team in addition to their work in a group, the team leader's evaluation of the person's and the team's results and performance become an input into the evaluation carried out by the person's line manager. It is important for all work people do in teams to be reflected in their evaluations.

14. Giving recognition and rewards

Recognition and rewards are a way to motivate people and teams to meet their goals and strive for high attainment. To emphasize the importance the organisation attaches to achieving results, recognition and rewards (rewards in particular) should be granted primarily in connection with strong results rather than strong performance. Both recognition and rewards have a role to play, with recognition requiring a special mention as a particularly potent motivator which successful leaders and managers rely on regularly to very good effect. Where rewards are used, it is important to make sure that they are administered in a way that motivates – how to do this is described below.

And finally, both recognition and rewards should be differentiated according to the results attained and the results ratings. Yet they ought to be awarded in a way which does not limit teaming and collaboration in the organisation.

14.1 Recognising people and teams on an ongoing basis

Recognising contributions and achievement and showing appreciation for great work are powerful motivators. Acknowledging strong performance and reinforcing desired behaviours demonstrates that people's efforts are noticed and appreciated. Done consistently and frequently, it encourages everyone to continue giving their best, living strong values, and building a high-performance culture.[138]

Favourable customer feedback, effective collaboration between departments, service quality and customer satisfaction metrics on the rise, exemplary demonstration of business ethics, a milestone getting achieved or a project delivered, a person going beyond the call of duty to help a colleague or meet a deadline and exceptional results being realised by an individual or a team are all great opportunities to recognise people.[139]

Small and unexpected gestures, such as walking over and thanking someone, can be highly effective in rewarding and motivating others. Other ways to recognise a person could involve sending a personal note, publicly recognising their contribution or holding a celebratory event to mark the achievement.[140] Such social rewards are highly valued and do not need to entail tangible or monetary elements to be effective.[141]

Recognition tends to be most effective when delivered immediately after the person's / team's contribution or favourable outcome. When the situation is fresh in people's minds, they are in the best position to internalise and reflect on the recognition. As a general rule, the more personal the way in which recognition is delivered, the greater the motivational effect it will have. It is important, however, to honour individual preferences as to how the person likes to receive recognition – some will prefer a one-to-one setting while others a group occasion. Similarly, teams may have their unique preferences too. Leaders should therefore take the time to ask people and teams how they would like to get recognised. Finally, recognition will be seen as genuine and valuable when it references a specific desired behaviour or contribution rather than general or subjective impressions.[142]

Organisation often have recognition programs designed to acknowledge strong results attained by individuals. Many do not have recognition programs for teams, however, even though these are an excellent way not only to recognise important team accomplishments but also to demonstrate to everyone that teams can be an effective means of accomplishing important organisational goals and that team attainment is valued as much as individual contributions. This can help facilitate a wider adoption of teams in traditionally group-oriented organisations.[143]

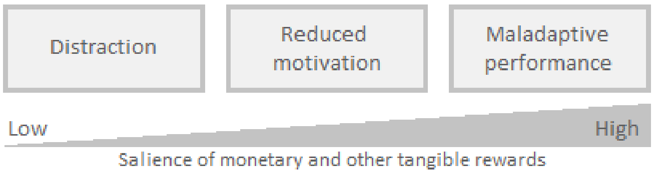
14.2 Giving monetary and other tangible rewards (rewards contingent on results)

In their attempts to motivate people leaders often rely on monetary and other tangible rewards which are agreed in advance but contingent on successful results. It is important to be aware, however, that these only enhance performance if administered in ways that motivate. Otherwise, rather than help the person/team achieve higher performance and results, rewards may actually reduce motivation and reduce performance.

This is because *why* one works affects how *well* one works – the motive affects performance. The more directly linked the motive is to the work itself, the better the performance it brings about. Most closely linked to one's work is the work itself, then followed by its purpose and the opportunities it creates for the worker in the future. Rewards, as a motive, are only loosely linked to the work itself. They tend to draw attention more to the reward than to the work thus potentially causing distraction.[144] A more effective way to motivate, therefore, is by helping people find *interest* in their work (or matching them with interesting work), inspire them to find *purpose* in their work, and encourage them to envision the *opportunities* that doing the work can open up for them.[145]

What is more, when used as the primary way to motivate, rewards contingent on results tend to diminish the motivational effect of the work itself, its purpose, and the opportunities it affords. Because of how potent these are as motivators, when their effect is reduced or losts, the net effect will likely be a reduction in motivation overall. Where there is excessive emphasis on rewards, they become a controlling element which creates in people an experience of *having* to do the work, inhibiting their inner drive to do it.[146] And, when the stakes are particularly high, the use of rewards may lead to maladaptive performance with people trying to undermine others (in competitive situations), taking shortcuts or trying to game the system.[147] Figure 21 illustrates the unintended consequences of overemphasizing monetary and other tangible rewards in motivating others.

Figure 21: Unintended consequences of overemphasizing tangible rewards



It is therefore important to design and administer tangible rewards in a way which minimises these side effects and contributes positively to overall motivation, performance, and results. The key point to be aware of here is that the climate in which rewards contingent on results are administered has a significant influence on whether such rewards enhance or reduce people's overall motivation. When administered in a motivating work climate, i.e. one where people's need for autonomy, competence, and connectedness is being satisfied, rewards contingent on results enhance people's inner drive to do great work. Where the group/team operates in a controlling climate (e.g. under pressure, motivated primarily by tangible rewards, under close supervision, with detailed instructions), rewards contingent on results undermine people's overall motivation.[148] This is illustrated in Figure 22.

Figure 22: Rewards contingent on results (in order to have the desired motivating effect) require a motivating work climate

Rewards		**Work climate**		**Effect on overall motivation**
Rewards contingent on results	+	Motivating work climate	=	Enhanced motivation
Rewards contingent on results	+	Controlling work climate	=	Reduced motivation

In summary, while the most effective way to motivate strong performance on the job is through interesting work, through purpose and through opportunities, rewards contingent on results can be used to enhance motivation further. For such rewards to enhance motivation, however, leaders need to make sure that they create a motivating work climate (i.e. one where people are able to satisfy the three basic psychological needs) and that controlling elements are avoided. Importantly, tangible rewards contingent on results are best used in addition to, rather than as a replacement for, motivating others through the work itself, purpose, and opportunities. If used, tangible rewards should not be overemphasized in motivating others, as to do otherwise is likely to give rise to side effects. Finally, leaders should keep in mind that providing verbal recognition for strong attainment plays an important role in motivating people and that it can be as effective or even more effective than tangible rewards in this regard.

14.3 Linking discretionary rewards to results evaluations

Compensation adjustments and discretionary awards, when thought of in monetary terms, have a relatively small impact on people's performance and results. What matters, however, is that rewards are differentiated according to results attained. When it comes to discretionary rewards, it is not the amount that matters then but the allocation. People expect the discretionary rewards they receive to be commensurate with the evaluation of their results.[149]

Studies of the corporate world show that productivity of people holding similar roles in an organisation can vary greatly. The difference between typical and high attainment can range from 50% to as much as 800% and it tends to be towards the higher end of that range for jobs that are information- and interaction-intensive. It is then only fair to recognise that people's results differ and reflect that in the way rewards are administered.[150]

Linking discretionary rewards to results (goal attainment and demonstration of effective behaviours), is also important in that it signals the significance the organisation attaches to achieving results. The ability to deliver results is what distinguishes successful organisations. This is because whether or not an organisation is able to execute on its plans is the key determinant of its success in the marketplace.[151]

For the link between results evaluations and rewards to take hold in an organisation, it needs to be first adopted by its top leadership, who by holding each other and the next layer of management accountable for results, set the tone for the whole organisation. When these managers hold all their people accountable, then with the cycle so perpetuating all members in the organisation can benefit from a close link between results and rewards.

When defining how rewards will be administered, it is important to do so in a way which does not discourage collaboration and teamwork. For members who in addition to being part of a group also contribute in teams this means creating goals for all their team-based assignments as well. That way results achieved by teams will be included in people's evaluations and so will qualify for recognition. Furthermore, collaboration and teamwork across the organisation can only thrive if supported by line managers. This can be encouraged by incorporating in line managers' rewards elements linked to the results of the business as a whole, not just their own function.[152]

As with other types of monetary and tangible rewards, leaders need to keep in mind that discretionary awards are no substitute for motivating people through work itself, purpose, and opportunities. Furthermore, to have their motivating effect, discretionary rewards need to be administered in a motivating work climate (i.e. one where people are able to satisfy the three basic psychological needs) and overemphasising rewards should be avoided.

15. Developing people and teams

Great managers do a great job at developing others. That is how they help everyone on the group/team contribute at their best, both now and in the future. Developing people is therefore at the core of what effective managers do. It benefits all and serves vital interests of the organisation.

When people can honestly say that there is someone at work who encourages and enables their development, they not only gain in skill and effectiveness but are also more motivated, engaged, and satisfied. Managers who develop others gain a reputation as effective and inspiring leaders. They are able to build dedicated and committed groups and teams whose members go the extra mile and strive to exceed expectations. Where everyone in an organisation can grow and develop, the organisation as a whole can be more productive, more innovative, more adaptable, better able to attract and retain talent, and in a stronger position to win clients.

While all members are personally in charge of their learning and development, successful managers create an effective culture of learning and actively develop everyone in their group/team. They coach members through the people development process to help them realise their long-term ambitions. And they help people achieve more in the present by developing their current performance.

15.1 Creating an effective culture of learning

We are all wired to learn, and we make new learnings every day. We constantly absorb new information, determine what is important, and decide how to act. This holds equally true for members in every group and team. People learn through observation and experience – their own and that of their colleagues. They discover how things are done, what attitudes dominate and what behaviours are effective. They develop new insights and perspectives.[153]

Successful organisations tap into and help guide this natural learning. Managers foster a culture where learning is highly valued, encouraged, integrated with work, and practical for people to pursue and apply on the job. They actively engage in practices which help people increase their knowledge, competence, and performance. As part of this they make sure that everyone on their team has an up-to-date development plan to guide their learning. When holding people accountable for delivering on these plans, they focus on the practical knowledge and skills gained rather than courses attended or certifications completed. They recognise people who take charge of their own development and celebrate those who share their learnings with others. Keen hiring from within of those who successfully master new skills and competencies allows managers to demonstrate the usefulness of engaging in self-development and creates multiple internal mobility opportunities via a ripple effect.

With a strong learning culture in place, people development will yield better results. Then, how managers approach people development itself has profound implications for the outcomes as well. Where developing others is rooted in a desire to help them uncover and fulfil their hopes, dreams, and aspirations, the effort is likely to lead to the unlocking of positive emotions, energy, and motivation and to propel the person towards accomplishment and lasting change. In this approach, the manager acts as a coach who lets the person define an exciting personal vision for the future and then supports them in attaining it. Where, on the other hand, the manager attempts to guide the person in a direction he or she believes the person ought to follow, or if the manager focuses primarily on the gaps he or she believes the person needs to address, the person is likely to be far less excited about and less committed to the development process. Any behavioural change that results could then be short-lived and made more out of a sense of obligation than out of internal conviction or desire.[154]

15.2 Coaching members through the people development process

People tend to change their behaviour in an enduring way when that change is something they themselves want. When asked to change for reasons they do not identify with, they may be reluctant to, and even if they do comply, any change that results could be short-lived. In other words, people change for their own reasons and not for those of others.[155] An effective people development process takes this into account. One way managers can help people develop which is likely to produce lasting change is thus to root the effort in their hopes, dreams, and aspirations. Driven by an internal desire to attain these, the person will likely persist in developing the skills and abilities, as these will help them get to where they want to get. They will do it for their own reasons, but in the process, as they become better skilled and more effective, they will also benefit their group/team, the organisation, and clients. The role of the manager is to coach members of their group/team through their development accordingly.

With this in mind, the people development process described here starts with the manager asking the person to articulate their personal vision for the future. Without regard to any perceived obstacles, who would they want to be and what would they want to do, say ten years down the line? A compelling personal vision reflects the person's dreams, desires, passions, values, core identity as well as purpose and sense of calling. When aligned with these, skill development and behavioural change becomes something the person wants to pursue rather than an externally imposed mandate they might resent.[156]

With the vision articulated, attention needs to turn to the person as they are today. In this step the manager helps the person uncover an accurate view of their current self. This will allow the person to become fully aware of where they are relative to their envisioned future self. Areas where there already is alignment between the two are the person's strengths. These can be cultivated and built upon. Where there is currently little or only some alignment are areas that potentially need strengthening. Importantly, the view of the self will be most accurate if it is based on both how the person sees themself and on how others see them. Inputs from others can help make the person aware of any discrepancies between the two and can also be a source of other insights.[157]

The next step will be for the person to create a development plan which identifies the skills and abilities they would like to strengthen in order to get closer to their envisaged future self. The aim of the plan is to set out a path to a future where the person has developed a number of key strengths that their vision requires and has addressed the skill gaps that could prevent its attainment.

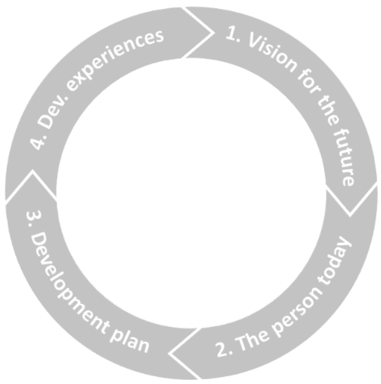
With the plan in place, the person can start engaging in developmental experiences. These typically involve learning conceptually about a skill, experimenting with different approaches, selecting the one that works best, practicing it to the point when the person feels comfortable with it, and then practicing further until the point of mastery. Seeking feedback from others and remaining closely attuned to the impact one has will aid the process. The person will often find that many skills can be learned as part of their current job or role but developmental experiences may also involve assignments specifically designed to allow them to learn and practice a new skill.

Even though developing new skills could appear to be something one can handle in isolation, the best results will be achieved if the person is able to enlist the support of others. Behavioural change is hard and having a trusted support network can help immensely. In fact, one can benefit hugely from such support at each stage of the development process: from learning about the life experiences of others when exploring options for one's own future, from the feedback others can give about how one comes across at present, when deciding which learning goals to prioritise, and from a trusting and encouraging environment during the practice itself.

It is helpful to observe that the four steps form a cycle. The vision will require re-examination for its continued validity, either periodically or on major events in personal or professional life. One's current self will continue to evolve over time as well, and so engaging in regular reflection and seeking feedback from others is in order. The extent of alignment between the current and envisioned selves will also inevitably vary with time, which will have implications for the development plan and for further developmental experiences one may wish to engage in.

The people development process thus consists of four steps. These are illustrated in Figure 23 below and described in greater detail in the sections that follow.

Figure 23: The people development process consists of four steps.



Source: Adapted from Richard Boyatzis et al., "Helping people change", Harvard Business Review Press, 2019, p. 34

15.2.1 Discovering the person's vision for the future

A compelling personal vision for the future, if it reflects one's dreams, drives, and desires, is a powerful enabler of behavioural change. It serves as an ongoing source of inspiration and motivation to persist in the change effort. For these reasons, exploring the person's vision is where all people development discussions should ideally start.

Without regard to any perceived obstacles, if the person could live an ideal life, who would they want to be and what would they want to do, say ten years from now? If their life could be perfect, what would it be like? Many will be clear in their minds about what their personal vision is and will be able to answer these questions directly. Some will prefer to work their way to the vision from the ground up by reflecting on their dreams, drives, desires, passions, values, core identity as well as purpose and sense of calling. Becoming clear about these can help crystalize the vision. Yet another approach is to ask the coachee to think directly about all the things they would still like to accomplish in their lifetime and have them group these into common categories such as career, family, health, adventure, etc. This can give rise to a holistic vision that encompasses all aspects of life.[158]

When the person is defining a personal vision, it is important for them to discern who they really *want* to be and what they really want to do from any pursuits they might think they *ought* to engage in. Otherwise, social expectations or other causes could take them down a path which is not their true calling. Only a deeply felt vision will provide the coachee with the enthusiasm and energy they will need to succeed. Focusing on a longer time horizon, say ten years out, is another way to help the person isolate what they genuinely want. It pushes the coachee to think beyond what they had in mind for the next two or three years – a plan that might be more related to who they are today than to who they would ideally want to be if they could live a perfect life in the future.[159]

Discovering one's ideal future self will often require some soul-searching and exploration. As part of this, the coachee may consider different destinations before settling on the ultimate. When they zero in on it, they will typically show lots of positivity, enthusiasm and excitement about what the future holds. Arriving at a compelling vision tends to fill people with energy and motivation to pursue growth and initiate change. That is how the manager can usually tell that the person has discovered a highly appealing future for themselves.

15.2.2 Understanding the person as they are today

Uncovering an accurate view of their current self will allow the person to become fully aware of where they are relative to their envisioned future self. The extent of alignment between the two selves will then serve as the basis for a development plan that will allow the person to build the skills they need to attain their vision.

An accurate view of self is a function of how the person sees themself and how others see the person. The collective view by others reflects how the person shows up in the world and so forms an important part of their current self. The manager should therefore encourage the person to request 360-degree feedback in addition to carrying out a self-assessment. Both should cover the skills relevant to the person's vision for the future.

The degree to which the person can accurately evaluate their strengths and weaknesses and the degree to which they can accurately predict how they are perceived by others are both measures of self-awareness. The skill assessments are, therefore, also an opportunity for the person to practice and improve this competency.

15.2.3 Creating a development plan

With the person now clear about where they are relative to their envisioned future self, the next step is for them to create a development plan. The purpose of the plan is to identify the skills and abilities they will work on in order to get closer to their envisaged future self. The plan also specifies the approach for developing these.

When deciding which skills to select, it may help to consider where success comes from. It turns out that successful people typically have a number of profound strengths while not having any critical flaws. They are rarely perfect though in a sense that they do not excel at all relevant skills. At the same time, it is a rare person who succeeds by merely being good at many skills but not outstanding at any. The lesson that comes from this is that it makes sense to develop a few profound strengths, fix any critical flaws, and only attend to other skills later.[160]

With this in mind, developing signature strengths should be the focus of the development plan. This could mean honing the skills one is already good at or, for someone with no standout strengths as yet, selecting a few most relevant competencies and developing these into clear strengths.

Any critical flaws require attention as well. Critical flaws are those that drag down the perceptions of one's effectiveness across other competencies or which otherwise get in the way of one's ability to attain one's vision. A very low skill rating likely indicates a critical flaw. It most likely is one if the competence in question is also highly relevant to the person's vision and if the flaw is very obvious to most people who work with the person.

Also, flaws related to the lack of integrity and honesty are critical flaws. Fixing critical flaws, if any, will have a highly beneficial effect on one's ability to attain the vision.

This approach does not mean that one should dismiss other weaknesses altogether. To be effective, every member in the group/team needs to meet certain skill thresholds that their role requires, and if they as yet do not, they need to bridge any gaps. Excellence and exceptional results are, however, enabled by one's strengths and not by the absence of weaknesses. Developing strengths should thus always remain the focus of a development plan.

For each skill the person resolved to develop or strengthen, the development plan specifies the approach the person will take. It identifies the developmental experiences the person will engage in along with the timelines, the specific behaviours they will practice, the resources they will access, the relationships and support structures they will put in place and any other activities they will undertake to aid their development.[161]

With the plan likely identifying a number of skills to develop, it is helpful to be aware that the ability to focus on only one or at most two or three skills at a time vastly increases the odds of success. Having made demonstrable progress in those, the person can move on to developing further skills.[162] Prioritisation can be done on the basis of the benefit to effort ratio that developing each skill offers. When prioritising, inclusion of skills that constitute existing strengths will help ensure that the person has the ability to work from these. Working from strengths allows one to feel competent which brings satisfaction and motivates. Demonstrating strengths is also likely to be noticed by others and to elicit their recognition and praise. Finally, working from strengths often creates a positive halo effect whereby being good at one thing leads to a perception of overall competence.[163]

15.2.4 Enabling developmental experiences

With the plan in place, the person can begin developing the skills they identified. A good place for the person to start is to learn conceptually about the skill. This can be done from books, magazine articles, training courses or by asking others. It will also be useful for the person to find someone who is already good at the skill and to observe that person apply it. With this preparation, the next step will be for the person to try out the new skill a few times in real-life situations when there is a suitable opportunity.

It is then important for the person to continue applying the skill and experiment with different approaches. Inevitably some of these will turn out to work better than others. Remaining closely attuned to the impact they have as well as engaging in regular reflection will allow the person to gain insights about the effectiveness of each approach. Seeking feedback from others will provide a helpful outside perspective on how the person is coming across.

With the approaches that work best identified, the person can focus their practice on these selected approaches specifically and put them to use every time there is an opportunity. The new behaviours may not feel natural at first, but one is bound to become more comfortable with them over time. It is important to continue with the practice beyond this point until the skill becomes second nature and mastery is attained.

The process of learning a new skill is illustrated in Figure 24.

Figure 24: Learning a new skill

The role of the manager is to coach the person through these steps. Asking the right questions at the right time will help ensure that the person is making the most of the developmental opportunity. It will help the person reflect on their chosen approach, consider other approaches, reflect on the results they get and the key lessons they learn. Other ways of providing support include encouraging ongoing experimentation and continued practice as well as giving feedback to help the person improve and to recognise the progress they make. Encouraging a growth mindset and promoting psychological safety will facilitate behavioural change. Finally, helping the person overcome any major challenges or course correct, if necessary, will contribute to their success.

People often find that the skills they need can be developed in the role they already hold. In all likelihood carrying out one's existing responsibilities gives plenty of opportunity to apply and practice requisite skills. The manager should explore with the person where such opportunities exist in their role. If required, the two can also explore other ways of creating developmental opportunities[164]:

- Devoting more time to one or more existing responsibilities and delegating or sharing others
- Being delegated additional responsibilities by the manager
- Swapping some or all responsibilities with a colleague so that both can learn new skills
- Creating new responsibilities within the role to realise both business and developmental benefits
- Joining or initiating a special project or task force
- Filling in for a colleague who is on a temporary leave
- Moving to a different role within the organisation

The group/team member and the manager can come up with specific developmental assignments that give the person an opportunity to apply the skills they are developing. To illustrate how this could be done, examples of assignments for selected skills are listed in Figure 25.

Figure 25: Examples of developmental assignments for selected skills

Selected areas of skill	**Example assignments**
Collaborating with others	- Build and maintain strong relationships with colleagues across the organisation - Work with a colleague to resolve a cross-departmental challenge - Serve on a cross-functional task force or project - Resolve a conflict with a colleague from another group/team
Influencing without authority	- Learn effective ways of influencing others and demonstrate the skill in practice - Put together and obtain buy-in for a proposal for a change to a process or service - Serve on a cross-functional task force which prioritises projects or initiatives - Agree with a colleague a change to the way they work on deliverables you use
Championing change	- Engage your colleagues in exploring how to do something better, smarter or faster - Put together a compelling case for a change initiative and obtain buy-in for it - Join a team that is ploughing new ground in your organisation - Champion in your group a new way of operating which someone else has proposed
Managing and developing others	- Delegate one of your job responsibilities to a direct report - Give frequent and regular feedback to your group; give feedback to colleagues - Provide regular coaching to your group; agree mutual coaching with a colleague - Put in place development plans for all direct reports; teach colleagues a new skill

Source: Adapted from Cynthia McCauley, "Developmental assignments", Centre for Creative Leadership, 2006, pp. 21-40

When defining the assignment, it helps to realise that for developmental benefits to materialise, the assignment needs to be sufficiently novel for the person and should require the use of skills they set out to develop. Personal and professional growth takes place not when dealing with the familiar but when operating outside of one's comfort zone. It often feels uncomfortable as a result. Trying out new behaviours may feel awkward at first but that is a stage everyone has to go through if they want to become competent at a new skill. The willingness to experience this is what makes it possible for the person to become better at the new skill.[165] Other than through willingness to step outside of one's comfort zone, growth is further accelerated when the assignment involves a significant change or a high stakes outcome, requires cross-functional work and engaging stakeholders across organisational boundaries, and offers exposure to diverse thinking and multiple perspectives. The more of these elements the assignment incorporates, the higher its developmental value for the individual.[166]

15.3 Developing teams

The use of team-based and cross-functional work in organisations continues to rise.[167] Cross-functional teams are often the choice when there is a need to define and implement initiatives that will determine the organisation's future prospects. Teams can also help drive ongoing improvement of organisational capabilities and can be formed to fulfil other tasks. Given how much the results of teams can matter, how well all teams perform and how effective they are is of high importance to the organisation. Developing teams for strong performance is, therefore, a vital leadership competency in organisations which rely or intend to rely on teams.

Some of the actions which leaders can take in order to aid people and teams in attaining high performance are described throughout this guide. When it comes to developing team performance specifically, it is additionally useful to be aware that in teams[168]:

- There are times in the life of a team when actions aimed at supporting performance are particularly likely to be effective – these are the beginnings, the midpoints, and the endings in a team's lifecycle.
- Different aspects of team performance are best addressed at different times in the life of the team – these are shown in Figure 26 and described in more detail below.

Figure 26: Best timing for actions aimed at supporting team performance

Team life cycle:	Beginnings	Midpoints	Endings
Focal performance aspect:	Time and effort	Approach	Knowledge and skill
Leader's action:	Motivating	Coaching	Coaching

Source: J. Richard Hackman, "Leading teams", Harvard Business School Press, 2002, p. 178

The beginning of a team's life is the time for the leader to create energy and focus the team on the direction.* Where leaders facilitate a motivating team launch, they foster collective commitment and set the team on a positive trajectory. In helping members get oriented to one another, to the team structure, and to the task the leader brings forward the time when the team will attain high performance. In creating a shared understanding of the direction, goals, and expectations the leader helps members focus their effort where it is needed most. Team beginnings are a critical time as they tend to shape the performance of the team during the first half of its life. In facilitating a good team launch leaders can, therefore, have a significant positive impact on team performance.[169]

Midpoints, with teams well into their work, are often a suitable time for leaders to provide coaching focused on the approach aspect of performance. At midpoint, having experienced what has worked well and what less so, the team can have a meaningful discussion with the leader about the approach it has taken. With there still being time to change the approach if needed, coaching will help the team reflect on and potentially revise the way it is going about its work. It can help the team avoid over-reliance on established or usual work routines and can trigger the adoption of a different approach better suited to the task, thus allowing the team to realise a results upside. By providing approach-focused coaching midway into the team's life, leaders can significantly aid its performance.[170]

Milestones getting achieved or the team wrapping up its work are a good time for leaders to provide coaching that helps members exchange insights and reflect on lessons learned. It is important that this takes place, as such coaching will make people better prepared to work effectively on their next team. Learning from team experiences enhances people's knowledge and skill, an important enabler of high performance in future. With work complete, there is less anxiety about getting everything done, and so the team is able to dedicate time and attention to learning and reflection. It will by then have also accumulated all the experiences. The time is right, therefore, for the leader to facilitate a debriefing and provide coaching. What went well for us? What did not go as well as it could? How do people assess the team's level of performance? What were the key decisions that explain the results attained? With the benefit of hindsight, what would the team have done differently? By enabling this discussion, the leader can have a material positive impact on people's performance in future.[171]

By facilitating a team launch, a midcourse review (incl. potentially a midcourse correction), as well as post-performance learning, leaders help place teams on favourable performance trajectories. In between these events, there are other actions leaders can take to help teams make the most of their potential. These include providing ample information, encouraging people to speak their mind, promoting collaboration and teamwork, giving ample feedback, and focusing on ongoing performance and results. The leader will also support the team's performance if he or she recognises competent team behaviours, strong performance, desirable outcomes, and high results.[172]

And last, teams will attain higher performance and results if team members are skilled in navigating situations that frequently arise during the course of work of nearly every team. This includes problem solving, ideation in groups, group decision making, influencing others, and conflict resolution. Leaders who facilitate training in requisite skills and techniques for team members make it possible for the team to attain higher performance.

* assuming the leader has already put in place an enabling structure

16. Fostering a culture of high performance

A strong culture is a powerful enabler of organisational attainment. It encourages members to give their best and always aim for strong results. Leaders who foster a culture of high performance aid their group/team significantly in attaining it. In so doing they also role model culture building in the organisation for others.

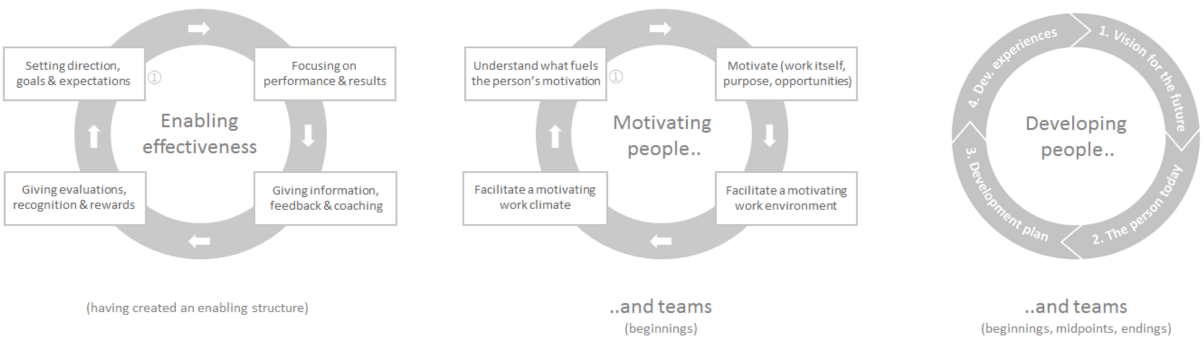
Fostering a culture of high performance involves the following three practices.[173] Each is described further in the sections that follow:

1. Adopting the general leadership practices that help create a culture of high performance in organisations
2. Orienting people towards a culture that is most suited to enable high performance in *their* organisation
3. Embedding effective behaviours that underpin the desired culture

16.1 Adopting leadership practices that help create a culture of high performance

The leadership practices that help create a culture of high performance in organisations are the very same practices leaders use to aid their groups and teams in attaining high performance.[174] These fall into the general categories of enabling effectiveness, motivating people, and developing people and are illustrated in Figure 27.

Figure 27: Leadership practices that help create a culture of high performance



In pursuing these practices leaders align effort, encourage people to focus on results, inspire high commitment to the mission of the organisation, create clarity and meaning for members, elicit their inventiveness, creativity, and expertise, and create opportunities for people to find fulfilment in personal and professional development. This gives the organisation the edge it needs to succeed in a competitive marketplace. Propelled by a culture of high performance, the organisation can attain more and can do it faster, better, and more productively than competitors.

16.2 Orienting people towards a culture that is most suited for their organisation

Organisational culture can be an important enabler of high performance. This is the case when it helps members make effective choices in the areas that determine performance: effort, approach, knowledge and skill, and time.

A useful way to think about culture is, therefore, to consider which aspects of performance are particularly relevant to organisational success and to orient people towards a culture that best supports these aspects in particular.

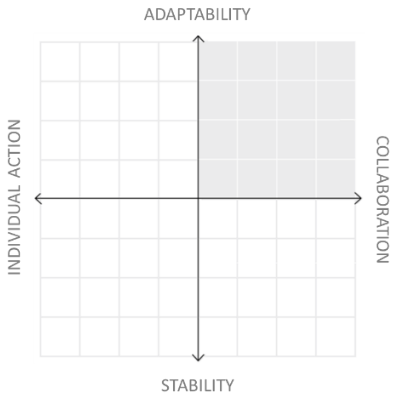
What benefits performance most will differ from organisation to organisation and may also change over time. One important consideration is the industry the business is in, how much competition and how much change there is in this industry, and how knowledge-intensive the industry is. The other two important factors are specific to the business: is the business meeting its goals/targets and, secondly, is there a need for it to change its direction and if so then how fast. The answers to these questions will point to specific aspects of performance.

When deciding what culture will be most suitable for the business given its internal and external circumstances, it is useful to start with the two primary dimensions of organisational culture: people interactions and response to change.[175] These reflect well what organisational culture in essence is – a learned set of basic assumptions about how to navigate issues of internal integration and external adaptation.[176] Using the two primary dimensions – people interactions and response to change – every organisational culture can be described as[177]:

- Favouring either individual action or collaboration between members (in terms of people interactions)
- Favouring either stability or adaptation (in terms of its response to change)

It is helpful to be aware that in industries/markets which are competitive, undergoing change, or are knowledge-intensive, attaining high performance is particularly reliant on the quality of decisions made about the approach and the knowledge and skill aspects of performance. These decisions in such environments, in turn, can be better when the organisation is adaptable and members collaborate. This is because organisations that stay attuned to the external environment and adapt readily are more likely to stay competitive. Collaboration has a similar effect – people who actively exchange knowledge with others and seek diverse perspectives typically take better decisions. In the aforementioned circumstances a culture that encourages adaptation and collaboration can thus aid people in choosing effective approaches and accessing necessary knowledge and skill. In fostering such a culture leaders make, therefore, the attainment of high performance in the organisation easier. This is summarised in Figure 28.

Figure 28: Attaining high performance in competitive, changing or knowledge-intensive industries requires adaptability and collaboration



Source: Boris Groysberg et al., “The leader’s guide to corporate culture”, Harvard Business Review, January-February 2018

With the industry situation and its implications for organisational culture considered, the leader can turn his or her attention to the business. What is the current culture in the business? What does the leader observe in terms of the prevailing patterns of behaviour that determine how things are done in the organisation?[178] Which of these are a source of strength that supports organisational effectiveness? What aspects of culture tend to get in the way of achieving results? And, what behaviours that could strengthen the organisation are not yet sufficiently present? With these considered in the context of both the targets the business needs to achieve and the destination it needs to reach as set out in its direction, organisational leaders can identify the behaviours that are particularly important for members to adopt in order to facilitate goal attainment in the organisation. Arriving at the list of behaviours can be done with the help of employees through surveys or focus groups, on the basis of any existing assessments, and by people managers exchanging their observations. Broad participation in the process can help create energy and emotional commitment throughout the business. With the key behaviours identified, orienting people towards these can bring about a cultural shift that will allow the organisation to attain greater effectiveness.

16.3 Embedding effective behaviours that form the desired culture

Having worked out what behaviours can be particularly beneficial for organisational effectiveness, the question becomes how to encourage their wide adoption. The first step will be for managers and leaders to let their groups and teams know what these behaviours are, explain why they are important and how they can help the business become more effective, ask for ideas about how people can make greater use of these in their day-to-day work, and set the expectation that all members help strengthen the culture of the organisation through their frequent use. Then, reinforcing the desired culture will rely on a consistent application of the following by all managers:

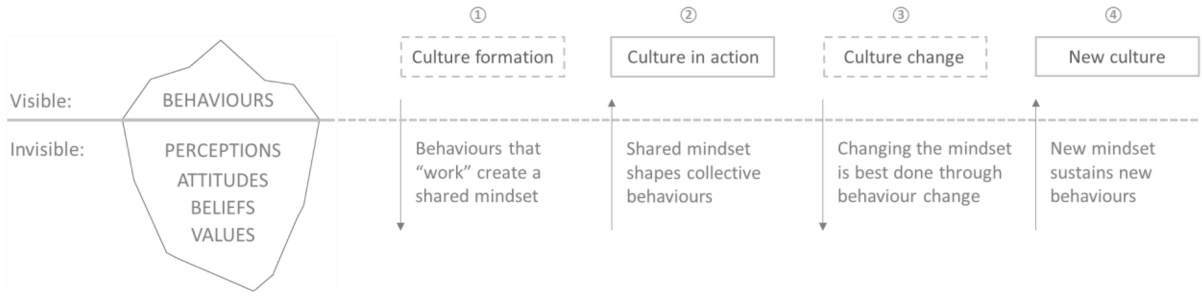
- Deliberately role modelling the desired behaviours
- Paying attention to people demonstrating the desired behaviours
- Motivating people to engage in the desired behaviours
- Recognising members in their groups and teams for engaging in the desired behaviours
- Including the desired behaviours in the expectations they set at the outset of each performance period
- Giving people feedback on their use of the desired behaviours
- Giving people coaching on the desired behaviours
- Reflecting how well people engage in the behaviours in periodic evaluations of results and performance
- Giving high weighting to the desired behaviours in hiring, rewards, promotion and other decisions
- Giving prominence to the desired behaviours during the onboarding of new hires
- Communicating the desired behaviours periodically to members in their groups and teams

Considered more holistically, organisational culture is not only the prevailing patterns of visible behaviour that determine how things are typically done in the organisation, but also the shared perceptions, attitudes, beliefs, and values that underpin these behaviours.[179] That is why organisational culture is often depicted as an iceberg whose visible part represents the observable behaviours and the shared perceptions, attitudes, beliefs, and values are beneath the surface.[180] While these cannot be seen, they are what shapes people's observable behaviours.

Culture starts forming the moment the organisation is established. As people start navigating issues of internal integration and external adaptation, they discover what behaviours are accepted and yield favourable results.

Behaviours that "work" are repeated and those that do not fall out of use. Over time, behaviours that succeed start to be taken for granted as the way to go about things around here. This gives rise to a system of shared perceptions, attitudes, beliefs, and values. The shared mindset that results becomes part of the collective identity and continues to shape collective behaviour.[181] This process is illustrated in Figure 29 (*culture formation* and *culture in action*).

Figure 29: Organisational culture: interplay between the collective behaviour and the shared mindset



Source: Adapted from Scott Keller, Mary Meaney, "Leading organisations", Bloomsbury, 2017, pp. 170-171, Edgar Schein, "Organisational culture and leadership", 5th ed., Wiley, 2017, pp. 6-15, Jon Katzenbach et al., "The critical few", Berrett-Koehler, 2018, pp. 58-62, 152

It is useful to keep in mind that while it is the shared mindset that subsequently shapes collective behaviour, it was the behaviours which the group found to work well enough at the outset that gave rise to that shared mindset. This has implications for how to go about strengthening an organisation's existing culture, since the mechanism to do so is the same. The most practical way to achieve this is by embedding a new set of behaviours as described earlier. Over time, as these behaviours are consistently reinforced by all managers and leaders in the organisation, they will start reshaping the shared perceptions, attitudes, beliefs, and values. This will rewire the shared mindset: seeing how the new behaviours bring favourable results, people will willingly adopt them. Once the new set of behaviours becomes firmly embedded as "the way we do things here", the culture will have been strengthened.[182] This is illustrated in the remainder of Figure 29 (*culture change* and *new culture*).

17. Leading remote people and teams

With the rise of remote working, leaders look for effective ways to lead people and teams in settings where not everyone is working from the same location. This may be the case where people work from home or are located in different offices or sites. How to aid group and team performance in such instances is of increasing relevance.

The important point to keep in mind when working out one's approach for how to lead is that whether or not people work from the same location as the leader, what enables their effectiveness, what motivates them, and what helps them grow and develop stays the same. What is different is that the leader and members in the group/team are not in the same location. This means that the actions leaders take to aid people in attaining high performance do not change. What is new is the need to take into account and offset the fact that people work at a distance.

First of all, distanced working typically means fewer interactions with the leader and, for people working from home, also with other members in the group/team and the wider organisation. This means a sense of isolation can set in. It also means that people working remotely might not have all the information they need or may be receiving it with a delay. Without bumping into colleagues in the office, there are fewer opportunities to get general updates about what is going on. As a result, people may lack the necessary context to aid them in their work. All this is pointing to a need for leaders to regularly engage remote people and maintain a continuous flow of information. This will be needed to the extent required to compensate for the fact that people are not co-located. Erring on the side of overcommunication will often be the right approach for leaders to take. It will also be useful for leaders to encourage people to interact socially with each other during working hours while remote so as to replicate the "water-cooler conversations" they would be having if they were in the office.

Secondly, working at a distance means no or fewer opportunities for face-to-face contact and a need to rely on electronic means of communication instead. This has implications for the quality of communication. Face-to-face conversations are often more effective as they entail both verbal and the complete range of non-verbal elements. The latter convey a significant proportion of emotion and meaning and so allow for more impactful and empathic interactions. They also make communication clearer, leaving less room for misunderstandings. For these reasons the in-person environment is highly suited to building trust. Trust, in turn, is a prerequisite for high performance.[183] It is, therefore, useful for people who are to work at a distance to meet in person to get to know each other when the group/team is first formed and where practicable also periodically thereafter. It is then worthwhile for leaders to use video conferencing for their regular interactions with the group/team as well as for exchanges which are important, complex, or sensitive. Other communication channels will, of course, often be more appropriate for ongoing work and members can voice their preferences in this regard as part of agreeing group/team norms.

Third, leading at a distance means not having people and teams in sight. This leaves some managers wondering whether their groups and teams remain fully committed and highly motivated during working hours.[184] It is useful to keep in mind that in remote settings giving people autonomy and being results-focused is as important as when people are in the same location. Having autonomy is key for people's ability to stay motivated, and working with a focus on results benefits performance. This does not mean, however, that leaders should limit their interactions with remote people. Quite the opposite – regular check-ins aid performance and so it is important that leaders hold them. Check-ins are most effective when they focus on keeping track of results actually attained vs. plan and on what the person/group/team will do next to drive results further. Effective leaders challenge people on all aspects of their work in order to help them identify opportunities for improving performance and results. They do not provide instructions or advice, however. They expect that people come up with how to attain results themselves.

In summary, the practices that aid people in attaining high performance do not change when people work at a distance. What is different is the need to carry out these practices mostly through remote means of communication and, where people work from home, also in a way that addresses the sense of isolation they are likely to experience. This means leaders need to work out how to best communicate with remote people and teams and how to help them stay engaged and connected with others.

18. Leading across cultures

Where organisations operate globally, across boundaries, or otherwise across cultures, leaders will often find that how people work together differs from one place to the next. It could become apparent that people hold a different view of authority, are accustomed to a different decision-making style, or communicate and influence differently. Where this is the case, national or regional cultural differences are likely the root cause with individual preferences playing a secondary role.[185] With cultural norms shaping behaviour around the world, the ability to recognise and appreciate these and to lead in a way which takes them into account becomes an important skill for every globally-minded leader. The key cultural dimensions to be aware of are described in the sections that follow.

18.1 Leading in cultures with different attitudes towards authority and decision making

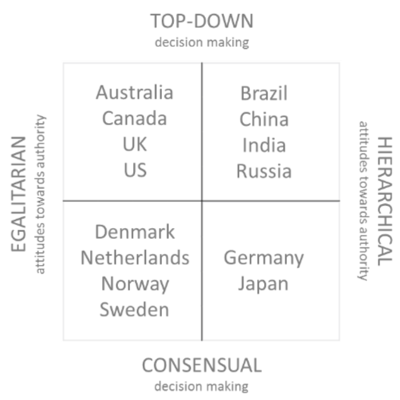
The two facets of culture which are particularly relevant to leadership are perceptions of authority and the approach to decision making. Both can vary noticeably across cultures. As a result, what is perceived and accepted as good leadership can also vary from country to country and from region to region.

Attitudes towards authority can range from highly egalitarian to highly hierarchical. In egalitarian cultures the power distance between the leader and members in the group/team is low. The leader and the group/team members are on a first name basis. People are comfortable speaking up and communicating across hierarchical lines. They also feel empowered to take the initiative and swiftly move to action to seize opportunities and address challenges. Authority comes primarily from successful attainment and from living egalitarian values. In hierarchical cultures, in contrast, rank and position are important, and the power distance between the leader and the group/team is high. Formal titles are typically used, and communications tend to take place along hierarchical lines. Members in the organisation usually defer to those who are higher in rank or status and to their opinions. They may also prefer to obtain approval from higher-ups prior to moving to action.[186]

The other dimension of culture that is important for leaders to consider is the way decisions are typically made. In some cultures decision making is the domain of the manager while others favour decisions made by consensus. Top-down decision making usually allows for decisions to be made faster, but decisions taken that way may then take longer to implement. They may also need to be revised if new information or arguments are brought to the manager's attention. In contrast, it typically takes far longer to reach a consensus, but when this is accomplished, everyone is already aware and onboard with the decision, so it typically takes far less time to implement. It is also far less likely that the decision will need to be reversed, since everyone's arguments and inputs have been carefully considered. While each of the two approaches has thus its pros and cons, different cultures typically favour one over the other, and this preference is often firmly ingrained in the social psyche.[187]

It is useful to keep in mind that hierarchical attitudes to authority do not automatically imply that decisions are taken in a top-down fashion and that the fact that a culture is egalitarian does not mean that people seek consensus. Japan is an example of a hierarchical culture which places a high value on reaching consensus, and countries of the Anglosphere are egalitarian yet with decisions often ultimately taken by the person in charge. Emerging market cultures, on the other hand, typically combine hierarchical attitudes to authority with top-down decision making, while Scandinavian countries and the Netherlands are both egalitarian and consensus-oriented. Cultures can thus be categorised as illustrated in Figure 30 on the following page.

Figure 30: Cultural differences in attitudes towards authority and approaches to decision making



Source: Erin Meyer, "How cultures across the world approach leadership", hbr.org, 19 June 2017

Cultures vary along the continuum of each of the two dimensions. There will thus often be differences between any two cultures, including within the categories illustrated above. For example, to a leader from China the culture in Brazil will likely appear more egalitarian than his or her own, but to a Dutch leader Brazilian culture will often come across as more hierarchical. What matters to leaders is how the culture they grew accustomed to relates to the culture they are about to operate in. Knowing how the two cultures differ, the leader can engage with people in a way which takes these differences into account.[188]

Differences in attitudes to authority

Where there are differences in attitudes to hierarchy, leaders are likely to find that these can be at least in part alleviated by promoting a results-based culture in the organisation. When leaders set a clear direction as well as high goals and expectations, they create conditions where everyone can thrive. Members whose culture is more egalitarian than that of the leader will appreciate the opportunity to set their goals jointly with the leader and then own their delivery. They will welcome value-based goals, as these do not prescribe any specific means or method. Groups and teams accustomed to a more hierarchical culture, on the other hand, will appreciate the clear direction. What is more, where value-based goals are in place, the leader is able to point to these and set the expectation that people work out the means with the end in mind. The choice of method is usually best entrusted to the goal owner, who as the expert and someone closest to the work situation is typically best placed to make that choice. Clarifying to people the leader's beliefs in this regard will encourage many to take the lead in addressing the opportunities and challenges they face in the course of their work.

Where the culture of the group/team is more hierarchical than that of the leader, he or she may at times have the impression that members do not willingly volunteer opinions and ideas. This could be because where people defer to the leader, they might prefer to avoid expressing views that might turn out to be different to what the leader believes. Or, people may need some time to think about or look into the matter. Or, it could be because where a more senior person is present, the local culture dictates that people only offer their views when asked to individually. To be more successful in obtaining inputs from the group/team the leader may try the following[189]:

- Ask the group/team to meet separately to brainstorm ideas about how to seize an opportunity or address the challenge at hand. Without the manager present, there is no need to defer to his or her opinions.
- Give the group/team heads up that you will be asking for their views about a particular topic in the next meeting. In that meeting ask people individually about their thoughts.

Finally, unlike in egalitarian cultures, in hierarchical ones it is often the expectation that communication should follow hierarchical lines. Other than with their manager or their group/team, leaders typically communicate with other leaders at their level. Reaching out to the boss's boss or to a direct report of a direct report may require that those who are in-between be involved first. The same holds for contacting people elsewhere in the organisation.[190]

Differences in approaches to decision-making

The other dimension of culture – the way decisions are typically made – may also present differences between the culture the leader is accustomed to and the one he or she operates in. It is useful to keep in mind that even though both top-down and consensual decision making can be highly effective, cultures often favour one over the other. Adapting to that prevailing style can increase the leader's effectiveness. Where the culture of the country is more consensus-oriented than that of the leader, he or she may find the following approach useful[191]:

- Solicit inputs from the whole group/team or invite the group/team to reach a consensus.
- Remain in contact with people throughout the process or facilitate the exchanges.
- Show commitment to the process and be welcoming of everyone's views and suggestions.
- Focus on the accuracy of the information gathered and the soundness of the rationales.

Where, on the other hand, the culture favours top-down decision making to a greater extent than the leader, the following approach could be a good starting point[192]:

- Solicit inputs needed to make the decision and aim to make the decision quickly.
- Expect that people will follow the decision even if they had a different view.
- Remain open to adjusting the decision in due course if new information so requires.

Regardless of the decision-making approach the leader intends to adopt, it is always useful for him or her to clarify to the group/team what that approach is. This will be particularly useful when the group/team comprises members from cultures that differ in this regard.

18.2 Leading in cultures with different norms governing communication and feedback

Another pair of cultural dimensions that is important to take into account when leading across cultures is the way of communicating and the way of giving feedback. Both can vary substantially from culture to culture. And, in what may seem counterintuitive at first, the two dimensions can vary independently from one another.

The first dimension in the pair defines what is considered an appropriate way to communicate. Some cultures, e.g. US, favour highly explicit ways of communicating. From a young age people are taught to speak literally. Communication is good when it is precise and clear. Recaps and repetitions are in order and are often used. People tend to assume that the responsibility for the correct interpretation of their communication is theirs. It is considered a good business practice and a matter of professionalism to put things in writing. Other cultures, e.g. many Asian and African ones, have a preference for communication that is more implicit. People may communicate between the lines, and often the message is not in what was said but in how it was said and in what was not said. What is being communicated is thus often implied rather than stated directly, and the recipient is expected to decipher the message. There is also less of a tradition of emailing recaps of the agreed next steps after the conversation.[193]

The second dimension describes how cultures differ in the way people give each other redirecting feedback. This can range from highly direct (e.g. Germany and Russia) to highly indirect (Asian and African cultures) with other cultures falling in between (e.g. UK and US – both leaning slightly towards the indirect side). In cultures that favour highly direct redirecting feedback, it is typically given in a blunt way without wrapping it in positive messages. It also often includes words meant to make it stronger and may be given in the presence of others. This contrasts with cultures where providing redirecting feedback indirectly is the norm. In those, redirecting feedback is given subtly, with positive messages included to soften it. Feedback is always given in private.[194]

Using these two dimensions, cultures can be categorised as illustrated in Figure 31.

Figure 31: Cultural differences affecting ways of communicating and giving feedback

Source: Erin Meyer, “The culture map”, Public Affairs, 2016, p. 72

As was the case with the pair of cultural dimensions described earlier, cultures vary along the continuum of each of the two dimensions illustrated in the figure above. There will, therefore, often be differences between any two cultures in terms of the way people typically communicate and give feedback. Knowing how the culture they operate in differs from their own in this regard, leaders can adapt the way they engage with others.

Differences in communication style

Where the culture favours a way of communicating that is more explicit than the style the leader is accustomed to, the following practices can help the leader become more effective when interacting with others[195]:

- Recognising the moments when the leader expects others to read between the lines can serve as a prompt to adopt a more explicit way of communicating. Over time this can help form a habit of being explicit.

- Communication clarity can be aided by explicitly stating the reason for the conversation at the outset, making all requests and stating all arguments directly, and then restating what has been agreed.
- Where the leader is not sure if he/she has been fully understood, it is always appropriate to ask if he/she has been sufficiently clear and/or follow up with a recap by email.
- If the leader is not sure if he/she understands the other person correctly, it is always appropriate to ask. There is no need to make assumptions or to try to read between the lines.

Where, on the other hand, the culture favours communication that is more implicit than the leader's own, keeping the following in mind can aid the leader's effectiveness[196]:

- Listening carefully to what is meant, and not just what is said, is necessary for correct understanding.
- Non-verbal elements of the communication may contain the other person's real intended message.
- People may prefer not to say "no" explicitly, including when talking to their manager or client.
- Reaching an accurate understanding may be best achieved by asking open-ended clarifying questions.
- When speaking to others, there may be less of a need for the leader to repeat his/her message for clarity.

That said, where the group/team comprises of members who come from different cultural backgrounds, then even if all of these cultures favour implicit communication, it may be more advisable for the leader to recommend that people adopt an explicit way of communicating. This is because communicating between the lines is highly reliant on cultural cues and behaviours which are often unique to each culture. It often therefore breaks down if attempted across cultures. In the interest of avoiding misunderstandings, it may be thus best to communicate explicitly.[197]

<u>Differences in how feedback is given</u>

Depending on how direct or indirect the culture is in terms of how redirecting feedback is typically given, the leader may find the following approaches useful[198]:

- <u>Direct feedback cultures</u>: While the feedback others exchange may appear significantly more direct than the leader is accustomed to, it may be advisable for the leader not to dial up the directness of the feedback he/she gives. This is because without knowing the subtleties of the culture it is easy to miss the mark.
- <u>Mid-indirect feedback cultures</u>: Leaders are likely to notice that redirecting feedback tends to be given in a slightly softened way in these cultures. It may be useful for leaders to balance the amount of positive and redirecting feedback they give over time, as this will increase people's openness to receive the latter.
- <u>Highly indirect feedback cultures</u>: Leaders may find that redirecting feedback is given significantly more subtly than in their own culture. Leaders can consider giving feedback not instantly but over a number of interactions over a period of time where they gradually help the person become aware of the feedback.

Building awareness of one's own preferred feedback giving style, of the style that is appropriate in the culture the leader operates in, and of the style that works best for members in their group or team can help the leader develop a way of giving feedback that people find most useful. Discussing with the group/team cultural differences that affect the way feedback is given and received can also be helpful to that end.

18.3 Being aware of other cultural norms

Besides the differences described earlier, there are other norms that affect the way people typically go about their business dealings in any given culture. Being aware of these can be useful for leaders who operate in cross-cultural settings. A number of such cultural norms are described below.

Building trust

Trust is the necessary foundation of all business dealings in every culture. The way people go about building it can differ immensely from one place to the next, however. In some cultures, e.g. US and Australia, trust in business is primarily a function of perceived competence and reliability. As such it is built through joint work on tasks and a track record of successful accomplishment. Trust in those cultures can thus be thought of as being task-based. In other cultures, e.g. China and India, building trust in the business world involves creating a personal connection, and competence and reliability on their own are unlikely to suffice. Trust in these cultures is therefore relationship-based. It is created by having meals together, socialising informally over drinks, and letting the guard down.[199]

Reasoning and obtaining buy-in

Similarly, seeking buy-in for business proposals is something people do in all cultures. But the way they typically go about it can vary substantially from one to another. As a result, different cultures require different approaches. In some, e.g. France and Spain, proposals are often built from the ground up, i.e. starting with the assumptions, explaining one's reasoning and then logically arriving at the solution. People usually want to understand the *why* before the *what* or the *how*. This theory-first approach contrasts with the approach typically taken in other cultures, e.g. US and Australia, where the focus tends to be on the practicalities. Presentations often start with a summary of the recommendation, make generous use of case studies and real-life examples, explain the practical next steps, and rely on the appendix to provide background information. The *what* and the *how* often come before the *why*. Common in Asia, in turn, is a preference to consider the bigger picture first and how what is being proposed fits in it. Taking the time to cover the broader implications the proposal will have throughout the organisation and its environment is likely to make the proposal more appealing in cultures that favour such holistic thinking.[200]

Disagreeing

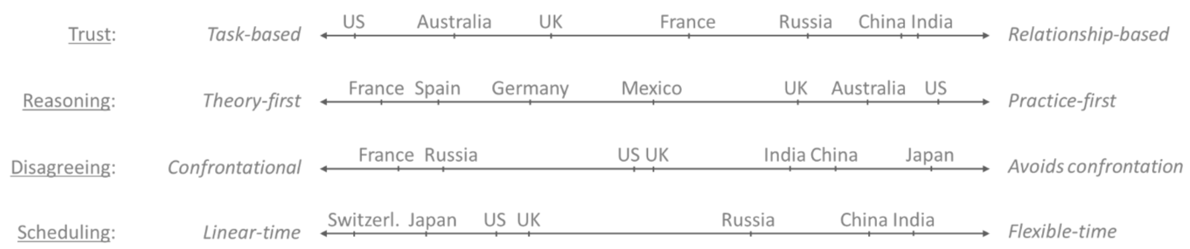
Another way in which cultures can differ is in attitudes towards engaging in debate and expressing disagreement. In some cultures, e.g. France and Russia, the willingness to challenge the opinions and ideas of others is typically far greater than in cultures which place high value on group harmony, e.g. China and Japan. In the former, debate and disagreement tend o be viewed as necessary for good decision making and so beneficial for the group or team. Disagreeing with someone's view does not imply disapproval of them as a person and does not adversely affect relationships between group/team members. Cultures which avoid open confrontation, on the other hand, consider it inappropriate to openly challenge the opinion of another, especially if they are the boss or are elder. Even among peers disagreement will often be expressed as a subtle hint rather than directly. To disagree openly could disrupt group harmony putting work relationships at risk.[201]

Scheduling

Cultures can also differ in how people think of time and how they typically approach scheduling. In some cultures, e.g. Switzerland and Japan, business operates in a structured and linear way. Activities are scheduled significantly in advance and tasks are usually executed sequentially. Once finalised, plans are generally considered fixed, and the focus is on meeting the target dates. Heavy emphasis is placed on good organisation. Discussions in meetings are held in line with the agenda. In other cultures, e.g. China and India, scheduling is often approached in a more flexible manner. Plans are likely to focus on the nearer future and will often get adapted along the way. Which tasks are being worked on may change according to current need. Adaptability is favoured over careful planning. Meeting agendas are often indicative and actual discussions may take their own course.[202]

The cultural norms described above as well as where selected cultures plot is illustrated in Figure 32.

Figure 32: Cultural norms that affect the way people typically go about their work



Source: Erin Meyer, "The culture map", Public Affairs, 2016, pp. 96, 171, 201, 227

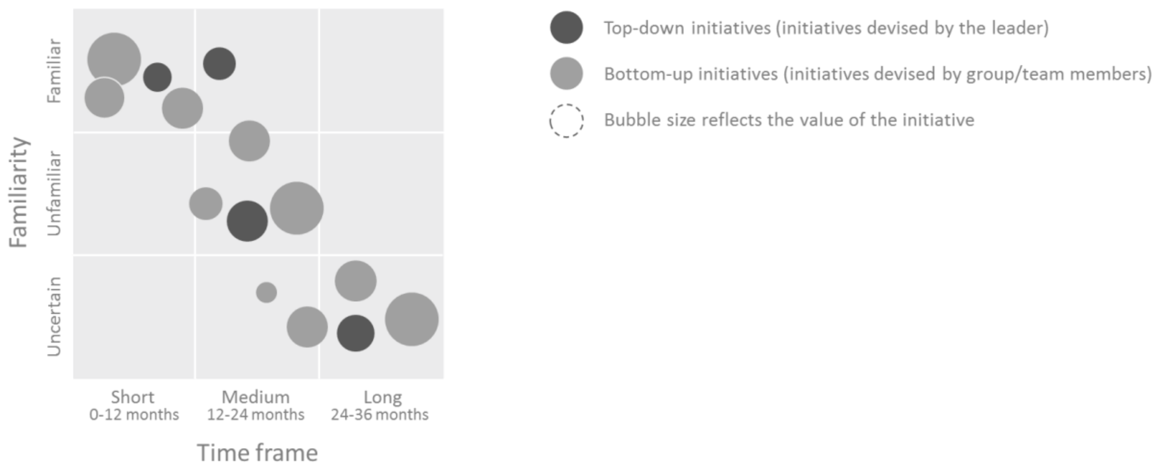
For leaders who operate across cultures it will be the relative positions of culture pairs that will be of particular interest. It is also useful to keep in mind that all positions in the figure reflect typical preferences, and within each culture people's individual preferences will vary.

19. Leading for today and for tomorrow

For most organisations, especially those that rely on external providers of capital, success depends on continuous growth. Businesses are expected to both meet their current financial targets *and* to grow their results meaningfully over time.[203] This means an ongoing need for leaders to maintain a dual focus on delivering results in the present and on finding ways to deliver even more in the periods that will follow. Leaders who make sure their group/team both delivers short-term results and enables future growth already now are an asset to every organisation.[204]

Successful groups and teams thus balance the day-to-day running of the business with work on initiatives that will bring about greater effectiveness and efficiency in future periods (with some groups/teams possibly focusing solely on the latter). They each have a strong pipeline of initiatives that will enable sales and revenue growth, cost and capital productivity improvements, or a combination of these. All their ongoing initiatives benefit from a clear rationale, are adequately resourced and have well-defined implementation plans. The pipeline is well balanced in terms of the time frames in which individual initiatives will yield their impact, in terms of how familiar the subject matter is to the group/team (so that there is scope both for incremental improvement and quantum leap innovation), and in terms of the number and size of the initiatives (to ensure focus but avoid excessive reliance on any particular initiative).[205] Some of the initiatives will be devised by the leader while others by members in the group/team. How a pipeline of initiatives might look is illustrated in Figure 33.

Figure 33: A group's/team's pipeline of growth and productivity initiatives



Source: Scott Keller, Bill Schaninger, "Beyond performance 2.0", John Wiley & Sons, 2019, p. 120

Attaining growth often means making thinking about it part of one's daily routine. What are the developments in the organisation's external environment? What insights are emerging from customer activity and feedback? What is the latest about potential clients, competitors, and the wider industry? What is the client need the organisation is trying to address? How can all this knowledge be translated into an offering that wins the target market clients' preference? Groups and teams that reflect on this on a regular basis will be better able to define promising growth initiatives. And those who do not hesitate to reinvent their offering from scratch without regard to current practice will often be the ones who come up with the best ideas.

Similarly, successful groups and teams continuously think about how their unit can operate more effectively and efficiently. Leaders thus promote ongoing process optimisation and encourage people to look for better ways of achieving results. They know that regular improvements can add up to huge productivity gains over time, even if on its own each is only marginal. Successful groups and teams also constantly examine if there is anything they could do less of or could discontinue altogether in order to focus on work which creates more value. In facilitating such reviews leaders can make sure their groups and teams can be at their most productive.[206]

Organisations that succeed are invariably those whose leaders task their groups and teams with growing the business while keeping costs under control. To aid people in achieving this, leaders attend both to short-term financial results and to initiatives that will enable growth in the medium and in the long term. They also instil in the organisation a habit of continuous improvement in order to grow productivity and provide a superior client experience. Their groups and teams make sure they build the right set of metrics into everything they do to guide their decision making and to keep track of results. They then execute relentlessly to meet and exceed their goals.

Conclusion

The organisation is its people. It is people who make up the organisation and it is people who achieve all its results. How successful people are depends in part on the effectiveness of leadership and management. Leading people and teams is, therefore, a hugely important function of the organisation.

Great leaders and managers create conditions that aid people and teams in attaining high performance. They achieve this through a set of practices that help people contribute their best. The practices which successful leaders rely on when leading people and teams are described in this guide.

While leaders will often have their own unique style or may adopt different leadership styles depending on the circumstances of the situation[207], these should be thought of as ways of implementing the enabling practices rather than as an alternative to these practices.[208] The main source of leadership effectiveness is the consistent application of the practices mentioned.[209] The use of any particular style is not required for these practices to be effective. That said, when leading across cultures, taking cultural differences into account becomes an important skill.

Adoption of effective leadership and management practices has a positive effect on organisations. Where there is effective leadership and management, people are more motivated, create better outcomes for clients and the organisation's other stakeholders, deliver stronger results, become more capable, and experience improved well-being at work. Effective leadership and management also allow organisations to become more successful in terms of their productivity, innovativeness, profitability, and growth.[210]

Version control

No.	Date	Changes
1	Nov 2020	Original version
2	Sep 2021	- Renamed “Performance goals” in section 4.5 to “Attainment goals” (for consistency with 6.3) - Made small updates in section 5.3 (“Setting direction for the organisation”) - Minor wording changes throughout

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