

# Feuding and Failure

*vs.*

# Performance and Innovation

.....  
A study of leadership in the Canadian workplace



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## Foreword

As a result of the ongoing drumbeat of leadership importance we wanted to learn more about Canadians' experience with workplace leadership. To study this issue we surveyed Canadian human resources (HR) professionals to gather their thoughts about the influence, strengths and weaknesses of today's leaders.

Our interest in leadership is driven by the reality that

- everyone is affected by leadership
- everyone has personal experiences with good and bad leadership
- anyone can play a leadership role
- leadership is found at every level of an organization

With leadership being so pervasive, it is no wonder that the level of interest in improving it is so high. So we also undertook this study to identify some of the ways that leadership can be made better.

We began by asking, "What is leadership?" Telling people what to do? Getting tasks completed? Exercising power? Exerting social influence? At times leadership entails some or all of these. The common thread that runs through all definitions of leadership is this: getting people to work toward a common goal.

The end result of people exercising leadership did not surprise us. Effective use of leadership brings about many positive benefits to people and organizations. Weak leadership results in a wide variety of negative outcomes. What is striking are the things that differentiate between successful and unsuccessful leaders.

## The Research

From November through December 2009 we surveyed 517 HR professionals currently working in Canadian organizations. These individuals work in business, government, consulting, education and not-for-profit organizations. As professionals who frequently observe the exercising of leadership, they provide great insight into the perception and needs of leaders in the Canadian workplace.

## Executive Summary

HR professionals see leadership as an important area of organizational functioning and development. The majority (63.2%) see leaders as having a lot of influence over their organizations' success, with only 2.5% reporting that leaders have very little influence.

The influence of good leadership can be found in a variety of organizational measures. HR professionals have seen good leadership result in increased motivation (85.5%) and improved working relationships (85.1%). Along with these positive effects on work engagement, good leadership also leads to higher team performance (80.7%), better solutions to problems (68.9%), and even major innovations (41.6%).

Leadership does have its downside, however. When not properly used, leadership can have many negative effects. HR professionals have witnessed good people quitting and a lack of morale (91.7%), employees' skills not being utilized (87.2%), feuding staff members (68.3%), and failed projects (60%). Three-quarters (76%) have also witnessed a disconnection between the organization's goals and its employees' work.

With so much on the line in terms of positive benefits versus negative effects, uncovering the skills necessary for effective leadership is very important. When asked to rate the importance of various leadership skills to success, 90% reported that communication is critically important, followed by dealing with change (52.6%), managing people (48.2%), setting goals (37.5%), solving problems (30.3%) and project management (12%).

However, there is a gap between the ratings of importance for these skills and leaders' current level of effectiveness. Only 27.8% rated leaders' communication skills as effective, even though 9 out of 10 saw communication as a critical skill. Twenty-four percent of respondents indicated that the leaders they know are not effective when it comes to dealing with change.

Given the discrepancy, we wanted to know what gets in the way of today's leaders developing their skills. Respondents cited a number of obstacles. These include leaders not seeing the need for improvement (67.5%), not having enough time (63.1%), lacking support from superiors (50.1%), and having inadequate training budgets (41.6%).

## EXECUTIVE SUMMARY



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## LEADERSHIP STUDY

When asked what leaders could do to be more effective, respondents endorsed actions such as

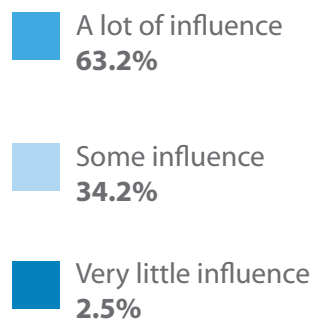
- clearly communicating how the organization plans to manage change **89%**
- talking less and listening more **81%**
- providing clear expectations **78%**
- having more informal interaction with staff **76%**
- assigning tasks to staff based on their skills rather than office politics **71%**
- holding people accountable **68%**
- giving employees more responsibility **65%**
- deferring to people with greater expertise **63%**
- overcoming resistance to change **48%**

## Influence of Leaders

A lot of focus is put on leadership: how good leadership increases organizational performance and how bad leadership results in decline. It is obvious that leadership only matters if this is true. Without influence, leadership is meaningless.

HR professionals see leaders playing an influential role in organizational functioning and development. The majority report that leaders have a lot of influence over their organizations' success. This is followed by 34% who indicate that leaders have some influence. Only 2.5% of respondents see leaders as having very little influence.

### In your experience, how much influence do leaders have over their organization's success?



*"All leadership is influence."*  
- Robert Townsend

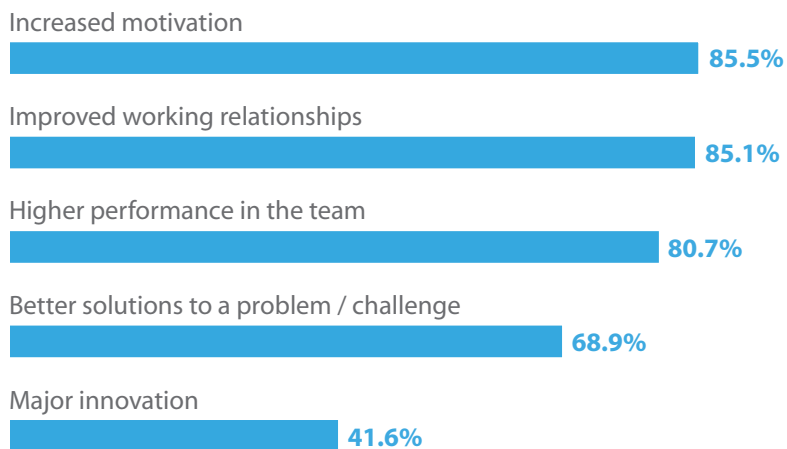
## INFLUENCE OF LEADERS

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LEADERSHIP STUDY

With nine out of 10 HR professionals indicating that leaders are influential, there is little doubt that those in leadership roles have a significant impact on their organizations. We wanted to know what positive outcomes resulted from good leaders who make the most of this influence.

**What positive outcomes of good leadership have you witnessed?**

The influence of good leadership can be found in a variety of organizational measures. Eight out of 10 professionals have seen good leadership positively affect motivation, working relationships and team performance. Approximately seven out of 10 have seen leadership result in better solutions, and more than four out of 10 have seen leadership bring about major innovations. Each of these positive influences has a profound impact on the organizations' immediate and long-term success.

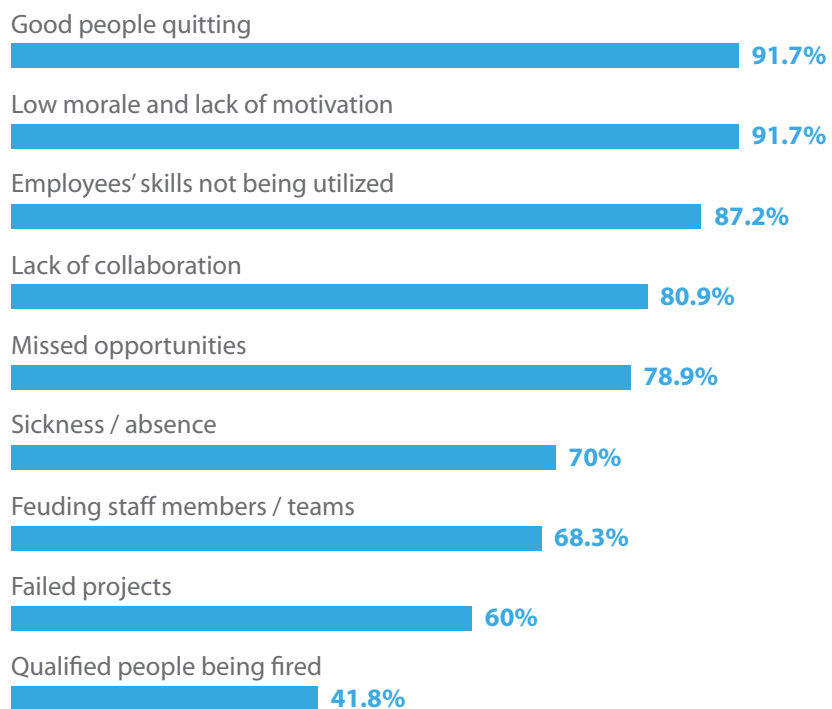
## INFLUENCE OF LEADERS

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## LEADERSHIP STUDY

However, the influential nature of leadership has a dark side. When not properly used, leadership can result in negative outcomes. The vast majority of HR professionals have witnessed the following consequences of poor leadership: good people quitting, a lack of morale, and employees' skills not being utilized. Three-quarters of professionals have also witnessed a disconnection between organizations' goals and employees' work because of inadequate leadership. Other problems that come from poor leaders are missed opportunities, workplace conflict, increased sick days and absences, and qualified people being shown the door.

**What negative outcomes of poor leadership have you witnessed?**

Life at the top is a position of influence and power. How that leadership is exercised plays a role in the success or failure of an organization. Good leadership has the influence to bring about many positive outcomes. Poor leadership retains the influence but brings about negative results.

## INFLUENCE OF LEADERS



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## LEADERSHIP STUDY

### Too much applause?

Leaders' influence does not seem to be in question, but are leaders alone in getting things done? We asked our study participants the following question:

**Based on what you have observed, are leaders given too much credit for what gets accomplished in their organizations?**



The majority of people see leaders as influential. Yet, six out of 10 people also believe that leaders are given too much credit for what their organization accomplishes. So although leadership is significant, its impact on success may be overstated.

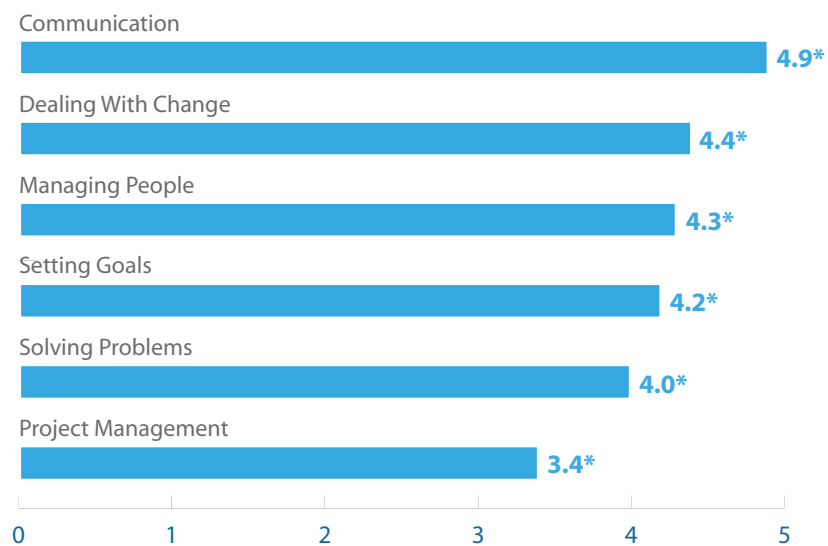
*"No man will make a great leader who wants to do it all himself, or to get all the credit for doing it."*

**- Andrew Carnegie**

## Getting the Job Done

If effective leadership involves getting people to work toward a common goal, then certain skills are required—skills that, when lacking, may prevent an individual from being an effective leader. To identify these essential leadership skills, we asked HR professionals to rate the importance of six areas of competency: Communication, Managing People, Setting Goals, Dealing With Change, Solving Problems, and Project Management.

### How important are the following leadership skills?



**1** = Not Important   **2** = Somewhat Important   **3** = Important   **4** = Very Important   **5** = Critically Important

\*The average rating is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

## GETTING THE JOB DONE



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## LEADERSHIP STUDY

Each of the six areas was rated by most professionals to be important, but some more so than others. By far and away, the highest rated in terms of importance was communication. Consistently HR professionals indicated that communication was the most critically important of the six areas of skill. This was followed by dealing with change, managing people, setting goals, and solving problems. The average ratings for these four competencies were in the “very important” range.

The lowest rated skill was project management. Though it was still seen by most as an important capability, project management was not rated nearly as high as the other five skills. There could be a number of reasons for this. First, project management is a well defined and applicable skill set that is easier to acquire and as a result more common. By its frequent presence it may be seen as less important. Second, project management may be seen not as a leadership skill, but instead as a task for managers.

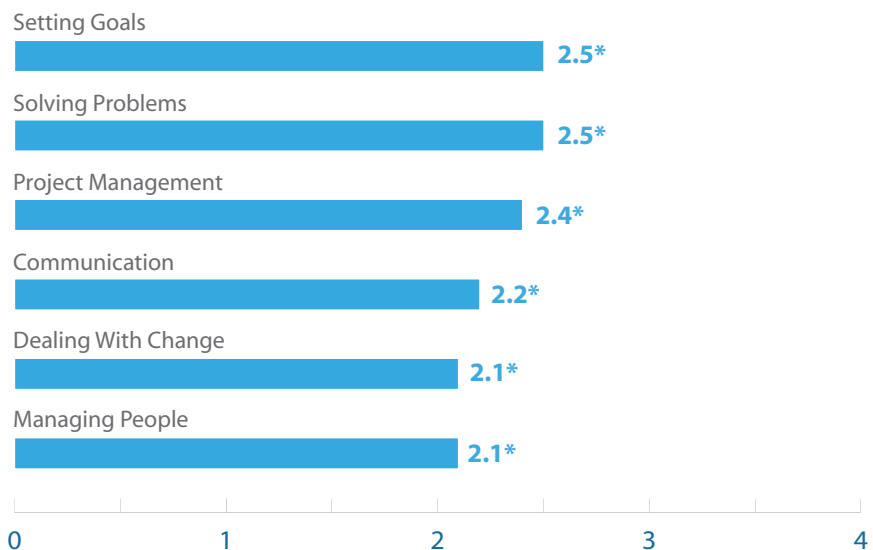
### Different strokes for different folks?

Across work sectors the rankings of leadership skills remained the same, with communication being rated the highest and project management the lowest. It did not matter whether leaders were in business, government, consulting, education, or not-for-profit; the ranking of the skills' importance did not change. This indicates that there are core leadership skills that are essential in all types of organizations.

## How Do Leaders Measure Up?

We asked HR professionals to rate the effectiveness of leaders they know in each of the six areas of skill. The results indicate that leaders tend to be more effective at setting goals, solving problems and project management than they are at communication, managing people and dealing with change. It appears that today's leaders are more effective in the skill areas that are rated as less important. This is a significant gap: communication, dealing with change and managing people are seen as the most important skills for leaders, but they are the very skills leaders are not as effective in using.

### In your experience how effective are leaders in the following areas?



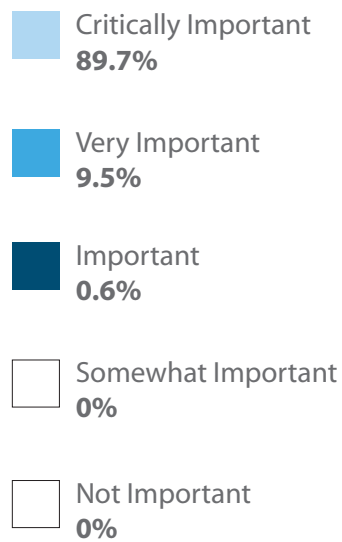
**1** = Not Important    **2** = Somewhat Effective    **3** = Effective    **4** = Very Effective

\*The average rating is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

## Communication Is Critical

Communication was the highest rated leadership skill in terms of importance. Ninety per cent of respondents indicated that communication is critical, with most of the remaining ten per cent rating it as very important.

### How important is communication as a leadership skill?



- **90%** rate communication as a critically important leadership skill.

## COMMUNICATION IS CRITICAL



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## LEADERSHIP STUDY

Considering how important communication is to being an effective leader, it is not surprising that poor communication leads to a variety of negative outcomes. These include misunderstandings, information not being shared, misalignment between goals and work tasks, and conflict.

**What negative effects of poor leadership communication have you witnessed?**

*"There's nothing more demoralizing than a leader who can't clearly articulate why we're doing what we're doing."*

**- James Kouzes & Barry Posner**

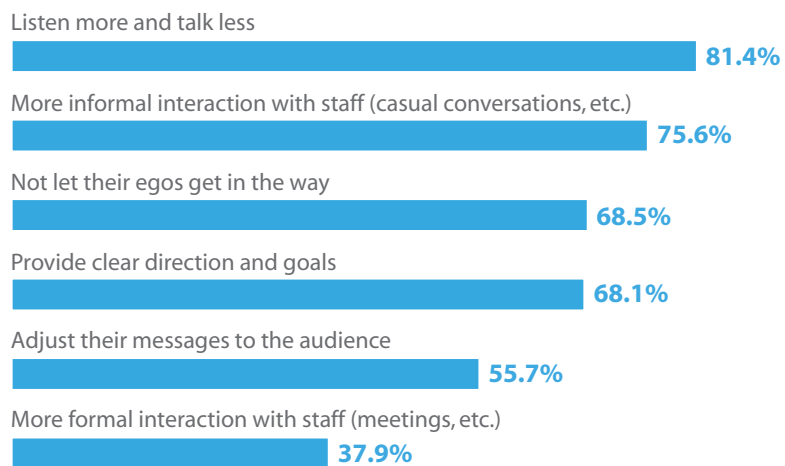
## COMMUNICATION IS CRITICAL



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## LEADERSHIP STUDY

Clearly the stakes are high when it comes to communication. To find a better way forward, we wanted to know what HR professionals believed that leaders could do to improve their communication. Part of the improvement in effectiveness appears to be in quantity; leaders need to communicate more. Another area of improvement is in the quality of the leaders' communication. By providing clear directions and adjusting their message to their audience, leaders could communicate more effectively. With more frequent and clearer communication, leaders can eliminate misunderstandings and get people working together.

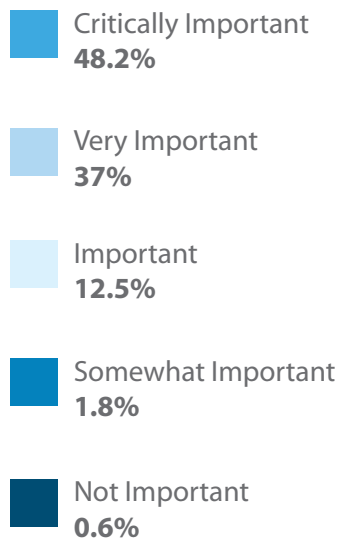
**What could leaders do to communicate more effectively?**

- **76%** indicate that leaders could improve their communication with more informal contact with their staff.

## Managing People: Clarity Is Key

HR professionals rated the ability to manage people as another key leadership skill. Although respondents did not universally endorse this skill the way they did with communication, 85% of respondents still indicated that they saw managing people as a very important to critically important competency for leaders.

### How important is managing people as a leadership skill?



*"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."*

**- John Quincy Adams**

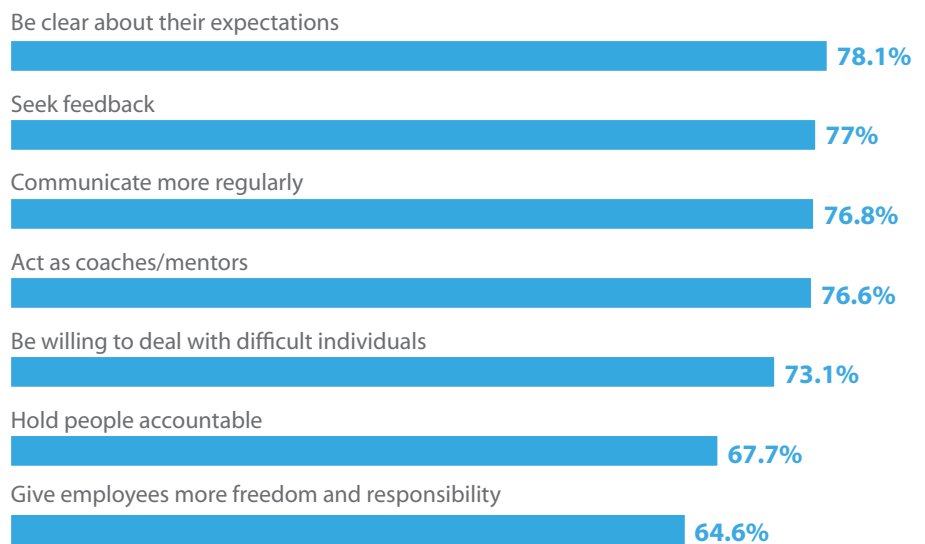
## MANAGING PEOPLE: CLARITY IS KEY



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## LEADERSHIP STUDY

In a work environment that involves harnessing the efforts of a large number of individuals, good leaders must be able to manage people effectively. When asked what leaders they know can do to better manage people, HR professionals chose tasks such as providing clear expectations, seeking feedback from others, and giving employees more freedom and responsibility.

**What could leaders that you know do to manage people more effectively?**

- **77%** feel that leaders would increase their effectiveness by acting as coaches and mentors.

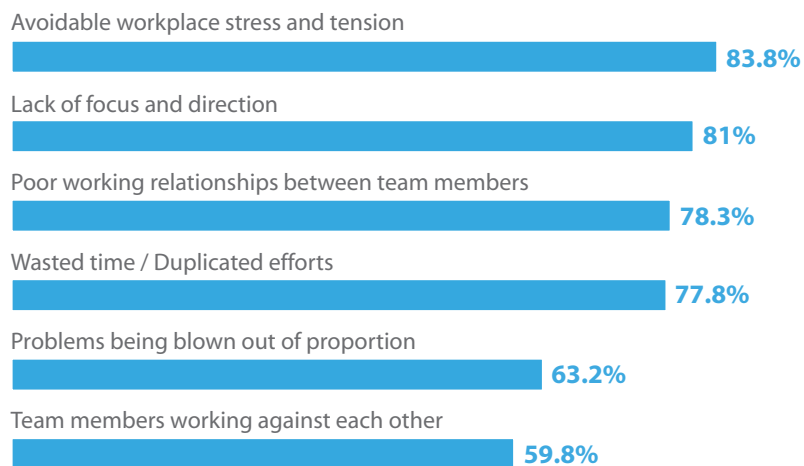
## MANAGING PEOPLE: CLARITY IS KEY

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## LEADERSHIP STUDY

Managing people poorly can result in decreased work performance and deteriorating relationships. More than 80% of respondents indicated that ineffective leadership in this area can result in a lack of focus and direction, and workplace stress and tension. Three out of four HR professionals have seen feeble management of people lead to wasted time, duplicated efforts, and poor working relationships. Straight out of a worst-case scenario, more than half of the survey respondents have observed team members working against each other as a result of ineffective leadership.

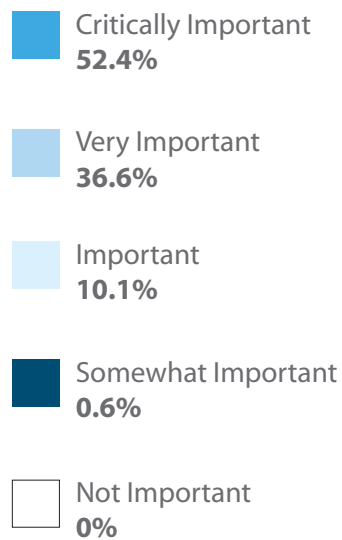
**Which of the following have you witnessed as a result of leaders managing people poorly?**

- **More than half** of respondents have seen team members working against each other because of poor leadership.

## Leading Through Times of Change

The second highest rated skill in terms of importance was the ability to deal with change. Just over half of the respondents stated that being able to deal with changes at work was critically important for leaders, with a further third seeing this as a very important skill.

### How important is dealing with change as a leadership skill?



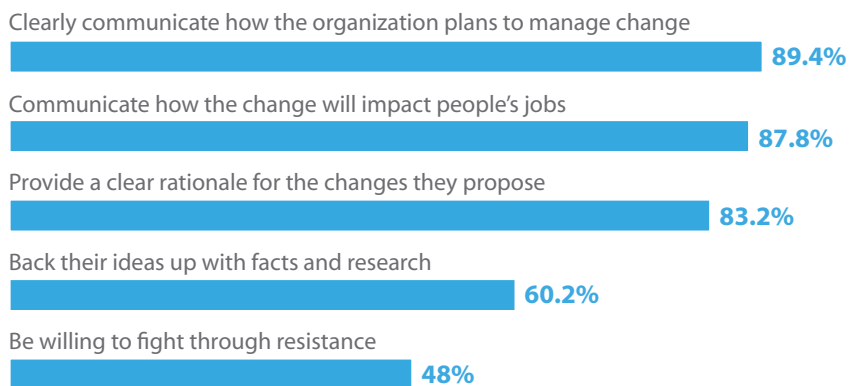
## LEADING THROUGH TIMES OF CHANGE

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## LEADERSHIP STUDY

Respondents indicated that, to successfully lead people through times of change, leaders could increase their effectiveness primarily through more and better communication. Approximately 90% of respondents indicated that leaders could best combat the challenges inherent in managing through times of change by describing how the organization plans to manage the change, and how those plans will affect people's jobs. The results show that pushing through change is not as important as communicating the why and how of the change.

**How could today's leaders manage change in their organizations more effectively?**

- 
- **8 out of 10** indicate that communication plays a key role in managing change effectively.

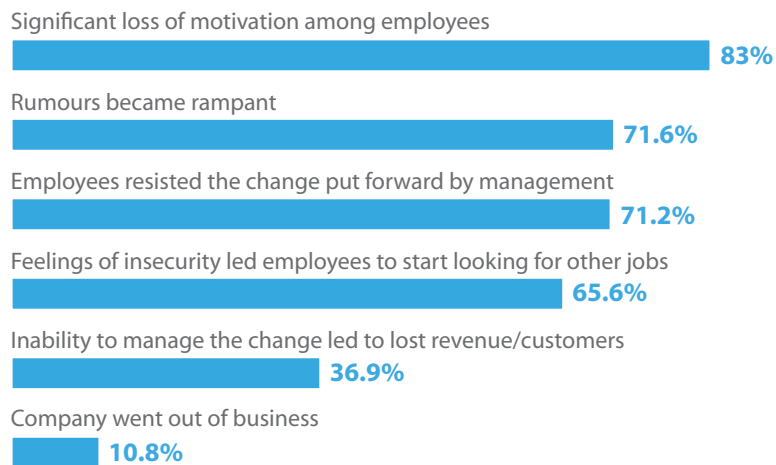
## LEADING THROUGH TIMES OF CHANGE

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## LEADERSHIP STUDY

When leaders are not able to manage change effectively, the results can have a strikingly negative effect on organizational performance. Eighty-three per cent of HR professionals have seen a significant loss of motivation among employees when leaders were not up to the task. Along with the loss of motivation, feelings of insecurity have been witnessed by two-thirds of respondents to lead employees to start looking for other jobs. Almost three-quarters have seen employees resist change that management proposes because it was poorly managed, and one-third have seen the inability to deal with change lead to a loss of revenue and customers. A much rarer but also more tragic finding was that 10.8% of respondents have seen the inability to lead through change result in a company going out of business.

**What negative effects of poor leadership have you witnessed when it came to managing change?**

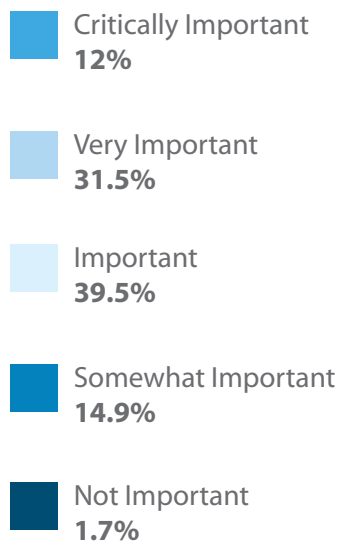
- **10.8%** of respondents have seen the inability to deal with change result in a company going out of business.

## Marshalling Resources

Planning and project management are at the intersection of leadership and management, where people often function as both leaders (engaging people) and managers (executing a plan). As a result, project management is often considered a management skill, not a leadership skill. However, given that most leaders must also act as managers, their capabilities in this area do affect their overall performance.

Of the six areas examined in this survey, project management was the lowest rated skill in terms of importance. However, being least important does not make it unimportant. More than 80% of HR professionals still rated it as important or higher as a leadership competency.

### How important is project management as a leadership skill?



*"Delegating work works, provided the one delegating works, too."*  
- Robert Half

## MARSHALLING RESOURCES


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## LEADERSHIP STUDY

To manage projects more effectively, leaders are advised to make better use of their employees' skills, defer to others with expertise, clearly communicate the rationale for the project, and take accountability rather than using employees as scapegoats. In what has become a theme throughout this research, communication once again plays an important role in the successful implementation of leadership.

### Based on your experience, how could leaders better manage projects?



- **63%** believe that leaders can better manage projects by getting out of the way of those with expertise.

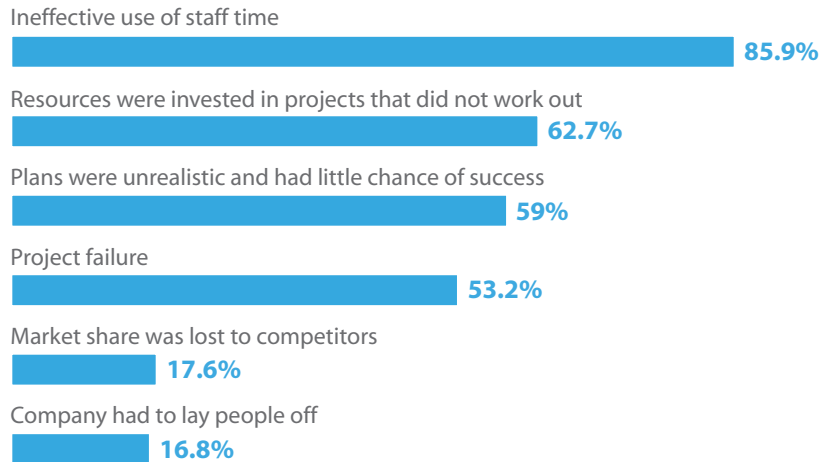
## MARSHALLING RESOURCES

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## LEADERSHIP STUDY

So what happens when it goes wrong? The most glaring example of poorly led projects is the waste of people's time, which more than 85% of respondents noted. This was followed by poorly invested resources, unrealistic plans with little chance for success, and project failure. At the most extreme, poor planning and project management have been observed to lead to lost market share and layoffs.

**What negative outcomes have you observed that resulted from poor planning and project management?**

- Ineffective use of staff time is the highest selected outcome of poor project management.

## Investing in Leadership

There are a lot of leadership development and training materials available for those interested in improving their leadership competencies. However, these materials are worthless if leaders are not motivated to use them.

Respondents indicate that only a small minority of leaders are not motivated to improve their skills, and take none of the opportunities available. However, the largest group of respondents, which is more than half, see leaders as being only somewhat motivated to improve their leadership skills. These leaders take only a few of the opportunities available to them.

### In your experience, how motivated are leaders to improve their skills?



*"Leaders aren't born, they are made. And they are made just like anything else, through hard work."*

**- Vince Lombardi**

## INVESTING IN LEADERSHIP

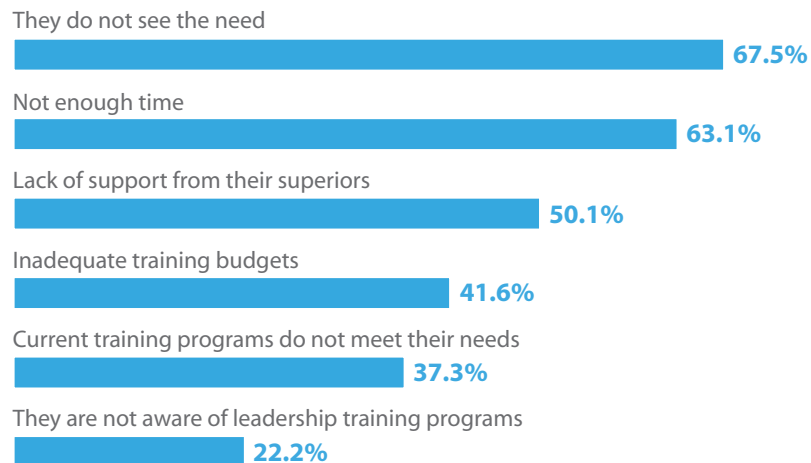
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BUILDING BETTER ORGANIZATIONS THROUGH PEOPLE

LEADERSHIP STUDY

Although motivation plays a key role, there are other obstacles that get in the way of leaders improving their skills. Lack of time, curtailed training budgets and lack of support from superiors prevent many from developing their leadership competencies. Surprisingly, the highest rated issue that stalls leadership development is that leaders do not see the need. Perhaps this is the greatest reason today's leaders do not take the opportunities for improvement: they don't think they need it.

### Considering leaders you know, what gets in the way of them improving their leadership skills?

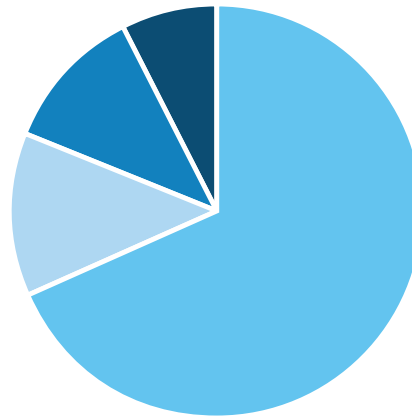


- **68%** believe that leaders do not see the need to improve their skills.

## Leader of the Pack

Given the different needs of organizations and individuals, we wanted to know who HR professionals identified as the ideal leader. We were expecting an evenly scattered response to each of the four leadership styles. What we found was a strong endorsement of the democratic and involved leadership style. Almost seven out of 10 respondents chose this style of leadership as the ideal for their organization.

### In your organization, who would be the ideal leader?



**67.3%**  
Someone who is democratic and involved, focuses on working with and through people

**12.5%**  
Someone who is pragmatic and analytical, focuses on creating far-reaching and comprehensive plans

**11.1%**  
Someone who is practical, focuses on concrete problems and does whatever it takes to solve them

**7.2%**  
Someone who is thorough and orderly, focuses on organizational stability and consolidating systems

## INVESTING IN LEADERSHIP

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BUILDING BETTER ORGANIZATIONS THROUGH PEOPLE

## LEADERSHIP STUDY

### Leader of the Pack

*continued...*

Do men and women identify different leadership types as ideal? The answer appears to be no. The ratings on the previous page come from all the respondents when separated into male and female groups, the rankings stay the same, with the vast majority identifying the ideal leader for their organization as someone who works with and through people.

What about the ideal leader by work sector? Here, too, we found that the democratic style of leadership was by far the most popular, followed in the distance by a small minority who desired a leader who is pragmatic and analytical.

The final demographic variable we split the data on was age. Again, regardless of age bracket, respondents stated that democratic and people-focused leadership would be ideal for their organization.

So what does this mean? It certainly highlights a key difference between today's leaders and what HR professionals see as ideal. Forty per cent of people in leadership roles today are described as being thorough, orderly and focused on organizational stability and consolidating systems. Thirty-nine percent of leaders say their style is being pragmatic and analytical, and focusing on the development of long-range, comprehensive plans. Only 12% of today's leaders have a primary style that is democratic and involved (Center for Creative Leadership sample of 26,477 leaders).

It is important to remember that this evaluation of the ideal leadership style comes from people working in human resources, where the key focus is people. It is possible that certain important elements of leadership are not encountered as frequently in this work setting, and therefore affect the rankings of ideal leadership styles.

*"Leaders are more powerful role models when they learn than when they teach."*  
- Rosabeth Moss Kantor

## Conclusion

Leadership is influential. For HR professionals that is beyond doubt. They overwhelmingly indicated that people in leadership roles can positively or negatively affect an organization.

Based on the results of our survey, it does not appear that improved leadership is an impossible mountain to climb. Rather, with enhanced communication, change and people skills, the leaders of today and tomorrow can bring about many more positive outcomes.

Fortunately there are many avenues available for leaders to improve the use of their influence. Books, training programs, coaching and retreats are designed to help leaders develop their communication, change management and people management skills.

Unfortunately, leaders are not taking advantage of these developmental opportunities. Some have valid reasons. The same time and budget restrictions that face us all also constrain leaders' opportunities. What is worrying, is that many leaders do not see the need to improve their skills. Perhaps through a lack of self-awareness or because of ignorance, these leaders are likely to continue making the same mistakes, holding back the success of those they lead and their organizations.

We see the results of this survey in two ways. First, as a wake-up call to our current and upcoming leaders—development of leadership skills is important and necessary. Second, as a positive view of the future—becoming a better leader is possible. For those who put their mind to it, increasing their leadership skills is well within reach. As are the positive effects on the people they interact with and the organizations they lead.

## CONCLUSION



BUILDING BETTER ORGANIZATIONS THROUGH PEOPLE

LEADERSHIP STUDY

### Top Tips for Improving Leadership

Here are the highest rated tips for leadership improvement.

1. Clearly communicate how the organization plans to manage change.
2. Communicate how change will impact people's jobs.
3. Listen more and talk less.
4. Be clear about expectations.
5. Seek feedback.
6. Communicate more regularly.
7. Have more informal interaction with staff.
8. Better communicate the reasons and objectives for projects.
9. Assign tasks to staff based on their skills rather than office politics.



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LEADERSHIP STUDY

## Psychometrics Canada

Psychometrics Canada has been providing assessment tools and consulting services for the development and selection of people in business, government and education for over 30 years. Our expertise is in applying business psychology in the areas of personal and leadership development, team building, conflict resolution, employee selection, and skills and performance assessment.

Our client list of more than 5,000 organizations includes 84 of the top 100 companies in Canada. These clients use our assessment products and services to identify the strengths and potential of people—better enabling these individuals to work together, complete projects, plan their careers and lead others.

*Some of the assessment solutions from Psychometrics are the Work Personality Index, Career Values Scale, Myers-Briggs Type Indicator®, Strong Interest Inventory®, Thomas-Kilmann Conflict Mode Instrument, FIRO-B®, CPI 260™ and CPI™ 434 instruments. These assessments are available in both French and English through our online platform, CareerID.com, as well as in traditional paper/pencil format.*

For more information on this study, contact Shawn Bakker:  
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