

Psychometrics Canada

News Release

February 9, 2010 - for immediate release

Feuding and Failure vs. Performance and Innovation

A study of leadership in the Canadian workplace

Psychometrics Canada, a leading assessment publisher and consultant for the development and selection of people in business, government and education, today announced the results of its study of leadership in the Canadian workplace. In many cases strong leadership has resulted in dramatic effects on work engagement, team performance and innovation. However, the report also shows that poor leadership has negative effects on employee morale, project success and working relationships.

The study, which involved a poll of 517 human resources (HR) professionals across Canada, confirms that leadership is seen 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 most common effects of good leadership are increased motivation (85.5%), improved working relationships (85.1%), higher team performance (80.7%), better solutions to problems (68.9%), and major innovations (41.6%).

Leadership does have its downside, however. When not properly used, leadership can have 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.

"These figures should be a strong alert to organizations that poor leadership could be causing them major problems," said Shawn Bakker, psychologist at Psychometrics Canada. "Our results show that leadership is influential, and organizations with effective leadership in place are realizing a wide range of benefits including increased financial performance and improved work relationships."

When asked to rate the importance of various leadership skills to success, 90% of respondents 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%).

The study also uncovered a serious gap between the ratings of importance for these skills and leaders' current level of effectiveness. Only 27.8% of respondents rated leaders' communication skills as effective, even though nine out of 10 see communication as a critical skill. Twenty-four per cent of respondents indicated that the leaders they know are not effective when it comes to dealing with change.

Respondents cited a number of obstacles that get in the way of today's leaders developing their skills. 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%).

Recommendations for Leaders

Recommendations for leaders to be more effective included talking less and listening more (81.4%), providing clear expectations (78.1%), having more informal interaction with staff (75.6%), clearly communicating how the organization plans to manage change (89.4%), assigning tasks to staff based on their skills rather than office politics (71.4%), holding people accountable (67.7%), giving employees more responsibility (64.6%), overcoming resistance to change (48%), and deferring to people with greater expertise (63.1%).

“What surprised me from our research was that, even with the understanding that leadership is key for organizational success, the leaders themselves were not actively pursuing their own development—despite the opportunities available,” said Mark Fitzsimmons, president of Psychometrics Canada.

To read the complete report, visit www.psychometrics.com/docs/leadership.pdf

-30-

For more information, contact

Shawn Bakker, Psychologist, Psychometrics Canada; 7125 77 Ave, Edmonton, AB T6B 0B5;
800-661-5158 ext. 238; sbakker@psychometrics.com; <http://www.psychometrics.com>

Fact Sheet

- From November through December 2009, Psychometrics Canada surveyed 517 HR professionals currently working in Canadian organizations. These individuals work in business, government, consulting, education and not-for-profit sectors.
- 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 may be overstated.
- It does not matter whether leaders are in business, government, consulting, education, or not-for-profit; the ranking of skills' importance does not change.
- Three out of four HR professionals have seen feeble management of people lead to wasted time, duplicated efforts and poor working relationships. More than half of the survey respondents have observed team members working against each other as a result of ineffective 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.
- 10.8% of respondents have seen the inability to lead through change result in a company going out of business.
- Almost three-quarters have seen employees resist change that management proposes because it was poorly managed.
- 67.3% of respondents said the ideal leader for their organization would be “someone who is democratic and involved, focuses on working with and through people.”
- Based on a sample of 26,477 leaders (Center for Creative Leadership), 40% of people in leadership roles today are described as being thorough, orderly and focused on organizational stability and consolidating systems. Thirty-nine per cent 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.
- Psychometrics Canada is the publisher of the Work Personality Index and Career Values Scale and is the only authorized Canadian distributor of the Myers-Briggs Type Indicator®, Strong Interest Inventory®, Thomas-Kilmann Conflict Mode Instrument, FIRO-B®, CPI 260™, and CPI™ 434. These assessments are available in both French and English.