



organisation effectiveness and development

Leadership Tools

*Effective Organisational Leadership (EOL):
A Framework for Leader Effectiveness*

What is Effective Organisational Leadership?

The **inner ring** and the **three segments** represent **42 personal leadership behaviours**, either individually or in the aggregate for the leadership team. These are identifiable practices that can be assessed to determine how effective leaders are both in carrying out each component of the inner rings - creating vision, building and sustaining commitment, ensuring execution - and in balancing their personal behaviours among them.

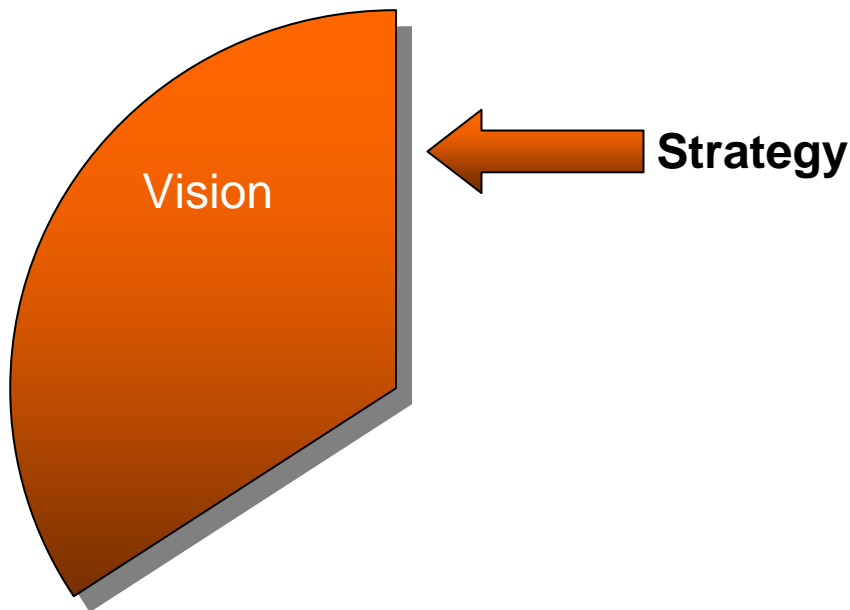


Creating Vision

Effective leaders have a **broad sense of direction**, a vision, that others can share to unify their efforts. It represents a clear view of how the units for which a leader is responsible can contribute to the strategy of the whole. Vision consists of three elements that reflect **the leader's sense of external opportunities, ways in which internal resources can be mobilised to capitalise on them and the leader's personal role (self) in that process.**

Leaders who operate with a **sense of vision** demonstrate to others an orientation to marketplace trends, an understanding of how to get things done effectively within the organisation and how to get the most out of the capabilities of the business. They also demonstrate an excitement and determination about achieving the broader mission of the business. They ensure that daily activities are pursued and that decisions are made in the context of the broader goals.

Note: This Note was originally prepared by Harbridge House Inc. (Coopers & Lybrand 1994; PricewaterhouseCoopers 1997) and has been revised, amended and used with permission as a result of doctoral work undertaken by Fred Cannon, Director, OED Consulting Ltd. 2000-2004.



At different levels in the organisation the leader's personal vision will be shaped by the **wider vision and strategy of the organisation**. Ensuring alignment between these - what we refer to as 'Big V' and 'Little V' - is key to organisational success.

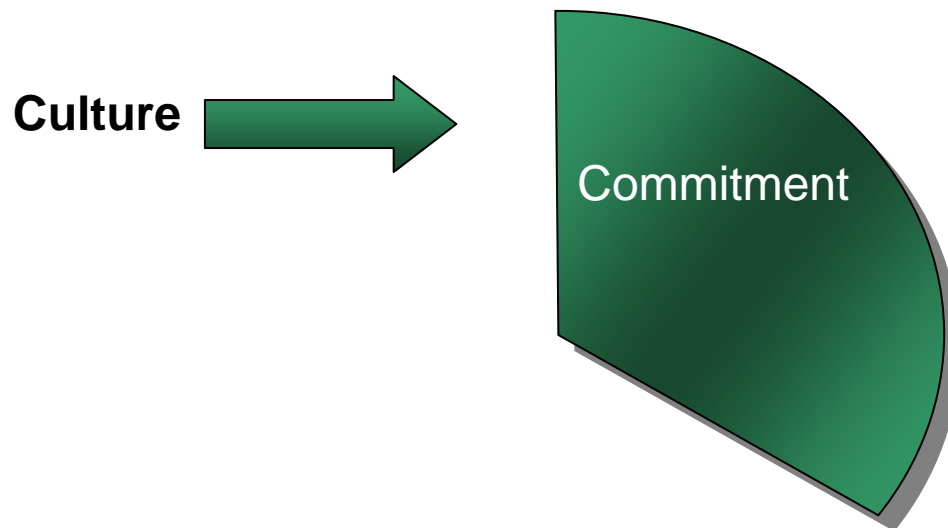
Building and Sustaining Commitment

Commitment is the engine that generates implementation energy from others. It reflects the leader's ability to get others excited about and dedicated to turning the vision into a reality. While a leader has or creates vision, commitment is an 'emotional buy-in response' elicited from others. Leaders who are skilled at building and sustaining commitment do so primarily through five types of practices:

- **Communicating** with others to share information and elicit their views
- **Involving** others in key activities and decisions
- **Supporting** others through resource allocation and by managing external factors that threaten to frustrate their efforts
- **Influencing** others to integrate their priorities with the broader vision
- **Promoting teamwork** to leverage the strengths of the organisation in meeting customer needs.

For an organisation to successfully implement a strategy the leader's vision needs to have been shared with others in a way that builds conviction that the strategy will both work and benefit them.

A leader's ability to generate commitment shapes and is shaped by the **broader culture** of the organisation. The achievement of high levels of commitment depends both on articulating the values of the organisation and on valuing the contributions of others.



Ensuring Execution

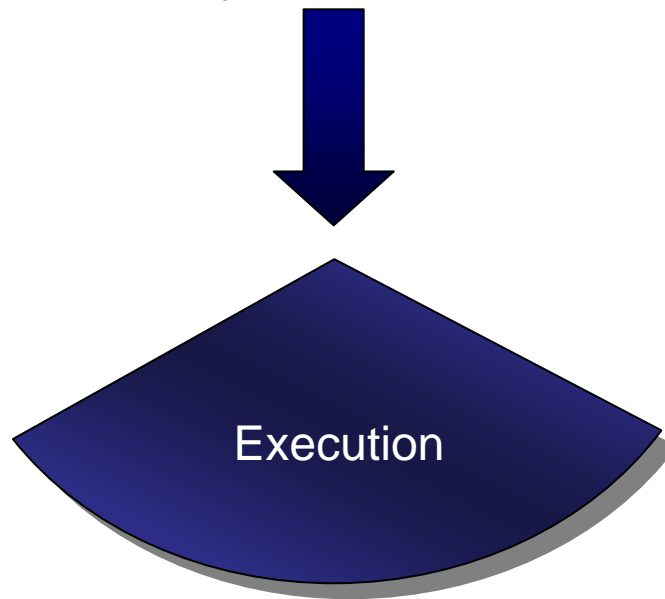
Leadership involves not only vision to set broad direction and commitment to gain buy-in from the organisation but also the ability to influence the performance of others to ensure that the desired results are achieved.

Ensuring execution prevents vision from becoming ethereal and commitment from becoming a love-in.

While vision sets the direction for the organisation and commitment provides the fuel for strategy implementation, **execution represents the discipline that focuses the organisation's ideas and energy to getting things done.**

Ensuring execution over the long term requires the willingness and ability of the leader **to build the capability of others by actively managing their performance and fostering their professional growth.** By coaching others on how to learn from their experiences, encouraging innovation and providing assignments that 'stretch' people's capabilities, leaders foster organisational learning that increases the ability of the business to achieve results.

Structures, Systems & Procedures



Generally, the broader structures and systems of the organisation (e.g. reward, IT) influence ensuring execution behaviours. To the extent that a leader's vision or a new strategy requires significantly different behaviours from those that were appropriate in the past, management tools and broader planning and control systems may require significant modification to facilitate implementation. Alignment is the key.

Personal/Professional Qualities

Central to effective leadership, and therefore the innermost core of the EOL Model, are the personal and professional qualities of the leader. While vision, commitment and execution are primarily focused on how executives lead others, personal/professional qualities represent the leader's ability to be a role model. Effective leaders possess a personal integrity that inspires trust. They demonstrate in their behaviours the high performance standards they expect of others. They continually seek to improve themselves. They encourage and facilitate similar improvement in their people and their business.

The personal/professional qualities of leaders also reflect the need to manage the dilemmas and apparent contradictions inherent in the leadership role. Dilemmas between results and people, between short and long term, between profit and care for the environment. How able leaders are in managing these dilemmas depends in large part upon their personal/professional qualities. In modern leadership thinking character and integrity are as important as capability and cannot be learned.

Relative Balance in Leadership Behaviours

Balance between vision, commitment, execution and personal/professional qualities is critical to effective organisational leadership. This balance ensures that the vision remains grounded in reality, that key players are on board and that results are achieved in a focused and disciplined manner. If the behaviours of individual executives are not in balance, it is **the leadership team** that must provide it.

Reliability and Validity

The EOL Questionnaire constructed around the 42 behaviours **meets the statistical requirements for internal reliability** (as measured by Cronbach Alphas). Cross comparisons have also been made against other models as part of establishing the model's validity.

Most importantly, research conducted by OED demonstrates statistically that leadership practices are a greater determinant of organisational climate ('how it feels to work here') and therefore motivation and performance than organisation culture even in organisations where the culture is very strong. **Leadership practices are therefore the primary vehicle for building high performance work climates.**

(More on this from 'Leadership as a Determinant of Organisational Climate' by Fred Cannon: The Henley Working Paper Series HWP 0409 through www.henleymc.ac.uk)