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CENTRE FOR LEADERSHIP STUDIES

A REVIEW OF LEADERSHIP THEORY AND COMPETENCY FRAMEWORKS

Edited Version of a Report for Chase Consulting and the Management Standards Centre

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1 Executive Summary

♦ This report presents a review of leadership theory and competency frameworks that was commissioned to assist the development of the new National Occupational Standards in Management and Leadership.

♦ The report begins with a review of leadership theories and tracks their evolution over the past 70 years from the "great man" notion of heroic leaders, through trait theories, behaviourist theories, situational leadership, contingency theory and on to transactional and transformational leadership. Each of these offers some insights into the qualities of successful leaders, but there has been a shift in focus from the generic characteristics and behaviours of the individual to a recognition of the importance of responding to different situations and contexts and the leaders' role in relation to followers. The review concludes with an introduction to the notion of "dispersed leadership" and a distinction between the process of "leadership" and the socially-constructed role of "leader".

♦ The next section, on Leadership Models and Competency Frameworks, presents a range of leadership and management frameworks currently being used in organisations. These define the qualities required of people in leadership positions and help to inform the leadership development process. Seven private-sector, nine public sector and eight generic frameworks are discussed and web links to the full models included where available.

♦ The following section gives a brief overview of a selection of leadership development initiatives both associated with, and as alternatives to, a leadership competencies framework. The aim of this is to give an indication of how different techniques can be used to develop leadership capability within individuals and organisations and how this relates to the underlying philosophy of the programme.

♦ The section on Providing Governance, describes the key legal and ethical responsibilities of Directors and an indication of the kinds of skills, behaviours and values required to achieve these.

♦ The report concludes with a discussion of the competency framework approach to leadership and leadership development and a proposal as to alternative ways of addressing these issues. It is concluded that whilst this approach has its strengths, it leads to a particularly individualistic notion of leadership and a relatively prescribed approach to leadership development. The changing nature of work and society, it is argued, may demand new approaches that encourage a more collective and emergent view of leadership and leadership development and of sharing the role of "leader" more widely within organisations.

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3   INTRODUCTION

Welcome to this report which was commissioned to assist development of the new National Occupational Standards in Management and Leadership.

It draws together a range of materials detailing approaches to leadership, leadership development and leadership/management competency frameworks in a wide range of organisations. Much of this material is sensitive in nature so we request that it is treated with care and not copied or distributed without our permission.

The purpose of the report is not to propose a framework of standards for providing direction in organisations, but to draw together a diverse yet comprehensive set of information to act as a reference for those charged with this task.

The material provided is intended to contribute towards the "Providing direction" part of the framework, including "Developing a vision for the future", "Gaining commitment and providing leadership" and "Providing governance" and as such, some other core activities and responsibilities of leaders and managers may be omitted.

This report acts very much as a "first step" towards the development of a new set of occupational standards and it is intended that its results should lead directly into further fieldwork, discussion and consultation.

Leadership is a complex process and we have serious reservations over the extent to which a set of standards, qualities or competencies can ever fully capture the nature of what makes some leaders/organisations successful and others unsuccessful. These concerns are voiced in Section 8.

Finally, we would like to thank all those who helped contribute towards the development of this report, particularly Geoff Carroll of Chase Consulting who initiated the project and Alan Hooper, Peter Wilkinson and Martin Wood for their comments. Special thanks also goes to those representatives from the organisations who were kind enough to contribute their frameworks to this report.

Centre for Leadership Studies,
May 2003.

4   REVIEW OF LEADERSHIP THEORY

A review of the leadership literature reveals an evolving series of 'schools of thought' from "Great Man" and "Trait" theories to "Transformational" leadership (see table). Whilst early theories tend to focus upon the characteristics and behaviours of successful leaders, later theories begin to consider the role of followers and the contextual nature of leadership.

Great Man Theories	Based on the belief that leaders are exceptional people, born with innate qualities, destined to lead. The use of the term 'man' was intentional since until the latter part of the twentieth century leadership was thought of as a concept which is primarily male, military and Western. This led to the next school of Trait Theories
Trait Theories	The lists of traits or qualities associated with leadership exist in abundance and continue to be produced. They draw on virtually all the adjectives in the dictionary which describe some positive or virtuous human attribute, from ambition to zest for life
Behaviourist Theories	These concentrate on what leaders actually do rather than on their qualities. Different patterns of behaviour are observed and categorised as 'styles of leadership'. This area has probably attracted most attention from practising managers
Situational Leadership	This approach sees leadership as specific to the situation in which it is being exercised. For example, whilst some situations may require an autocratic style, others may need a more participative approach. It also proposes that there may be differences in required leadership styles at different levels in the same organisation
Contingency Theory	This is a refinement of the situational viewpoint and focuses on identifying the situational variables which best predict the most appropriate or effective leadership style to fit the particular circumstances
Transactional Theory	This approach emphasises the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of 'contract' through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers
Transformational Theory	The central concept here is change and the role of leadership in envisioning and implementing the transformation of organisational performance

From 'Great Man' to 'Transformational' Leadership

Each of these theories takes a rather individualistic perspective of the leader, although a school of thought gaining increasing recognition is that of "dispersed" leadership. This approach, with its foundations in sociology, psychology and politics rather than management science, views leadership as a process that is diffuse throughout an organisation rather than lying solely with the formally designated 'leader'. The emphasis thus shifts from developing 'leaders' to developing 'leaderful' organisations with a collective responsibility for leadership.

In the current section we will focus primarily on the more traditional, individualistic views of the leader as we feel these have greatest relevance to the development of management and leadership standards. We will finish, however, with an introduction to "dispersed leadership" – a concept which will be explored further in Section 8.

4.1   The Trait Approach to Leadership

The Trait Approach arose from the "Great Man" theory as a way of identifying the key characteristics of successful leaders. It was believed that through this approach critical leadership traits could be isolated and that people with such traits could then be recruited, selected, and installed into leadership positions. This approach was common in the military and is still used as a set of criteria to select candidates for commissions.

The problem with the trait approach lies in the fact that almost as many traits as studies undertaken were identified. After several years of such research, it became apparent that no consistent traits could be identified. Although some traits were found in a considerable number of studies, the results

were generally inconclusive. Some leaders might have possessed certain traits but the absence of them did not necessarily mean that the person was not a leader.

Although there was little consistency in the results of the various trait studies, however, some traits did appear more frequently than others, including: technical skill, friendliness, task motivation, application to task, group task supportiveness, social skill, emotional control, administrative skill, general charisma, and intelligence. Of these, the most widely explored has tended to be "charisma".

The table below lists the main leadership traits and skills identified by Stogdill in 1974.

Traits	Skills
- Adaptable to situations - Alert to social environment - Ambitious and achievement-orientated - Assertive - Cooperative - Decisive - Dependable - Dominant (desire to influence others) - Energetic (high activity level) - Persistent - Self-confident - Tolerant of stress - Willing to assume responsibility	- Clever (intelligent) - Conceptually skilled - Creative - Diplomatic and tactful - Fluent in speaking - Knowledgeable about group task - Organised (administrative ability) - Persuasive - Socially skilled

Leadership Skills and Traits (Stogdill, 1974)

4.2   The Behavioural School

The results of the trait studies were inconclusive. Traits, amongst other things, were hard to measure. How, for example, do we measure traits such as honesty, integrity, loyalty, or diligence? Another approach in the study of leadership had to be found.

After the publication of the late Douglas McGregor's classic book The Human Side of Enterprise in 1960, attention shifted to 'behavioural theories'. McGregor was a teacher, researcher, and consultant whose work was considered to be "on the cutting edge" of managing people. He influenced all the behavioural theories, which emphasize focusing on human relationships, along with output and performance.

4.2.1 McGregor's Theory X & Theory Y Managers

Although not strictly speaking a theory of leadership, the leadership strategy of effectively-used participative management proposed in Douglas McGregor's book has had a tremendous impact on managers. The most publicized concept is McGregor's thesis that leadership strategies are influenced by a leader's assumptions about human nature. As a result of his experience as a consultant, McGregor summarised two contrasting sets of assumptions made by managers in industry.

Theory X managers believe that:	Theory Y managers believe that:
• The average human being has an inherent dislike of work and will avoid it if possible. • Because of this human characteristic, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort to achieve organizational objectives. • The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all else.	• The expenditure of physical and mental effort in work is as natural as play or rest, and the average human being, under proper conditions, learns not only to accept but to seek responsibility. • People will exercise self-direction and self-control to achieve objectives to which they are committed. • The capacity to exercise a relatively high level of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population, and the intellectual potentialities of the average human being are only partially utilized under the conditions of modern industrial life.

Theory X and Y Managers (McGregor, 1960)

It can therefore be seen that a leader holding Theory X assumptions would prefer an autocratic style, whereas one holding Theory Y assumptions would prefer a more participative style.

4.2.2 Blake and Mouton's Managerial Grid

The Managerial Grid developed by Robert Blake and Jane Mouton focuses on task (production) and employee (people) orientations of managers, as well as combinations of concerns between the two extremes. A grid with concern for production on the horizontal axis and concern for people on the vertical axis and plots five basic leadership styles. The first number refers to a leader's production or task orientation; the second, to people or employee orientation.
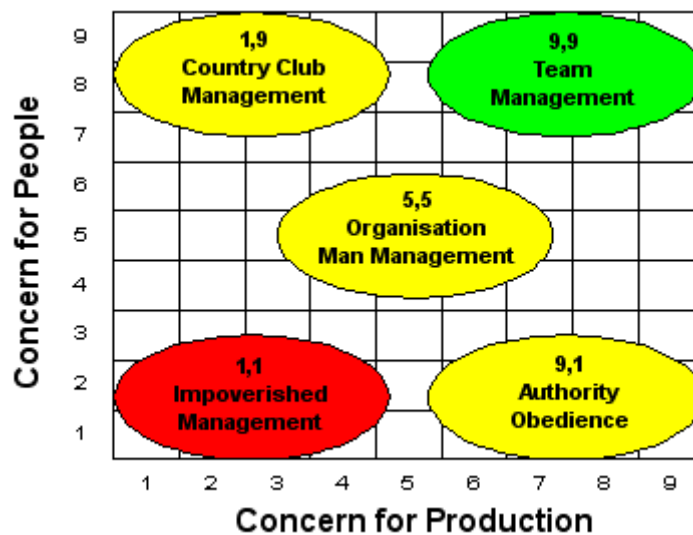
The Blake Mouton Managerial Grid (Blake & Mouton, 1964)

Blake and Mouton propose that "Team Management" - a high concern for both employees and production - is the most effective type of leadership behaviour.

4.3   The Contingency or Situational School

Whilst behavioural theories may help managers develop particular leadership behaviours they give little guidance as to what constitutes effective leadership in different situations. Indeed, most researchers today conclude that no one leadership style is right for every manager under all circumstances. Instead, contingency-situational theories were developed to indicate that the style to be used is contingent upon such factors as the situation, the people, the task, the organisation, and other environmental variables. The major theories contributing towards this school of thought are described below.

4.3.1 Fiedler's Contingency Model

Fiedler's contingency theory postulates that there is no single best way for managers to lead. Situations will create different leadership style requirements for a manager. The solution to a managerial situation is contingent on the factors that impinge on the situation. For example, in a highly routine (mechanistic) environment where repetitive tasks are the norm, a relatively directive leadership style may result in the best performance, however, in a dynamic environment a more flexible, participative style may be required.

Fiedler looked at three situations that could define the condition of a managerial task:
1. **Leader member relations**: How well do the manager and the employees get along?
2. **Task structure**: Is the job highly structured, fairly unstructured, or somewhere in between?
3. **Position power**: How much authority does the manager possess?

Managers were rated as to whether they were relationship oriented or task oriented. Task oriented managers tend to do better in situations that have good leader-member relationships, structured tasks, and either weak or strong position power. They do well when the task is unstructured but position

power is strong. Also, they did well at the other end of the spectrum when the leader member relations were moderate to poor and the task was unstructured. Relationship oriented managers do better in all other situations. Thus, a given situation might call for a manager with a different style or a manager who could take on a different style for a different situation.

These environmental variables are combined in a weighted sum that is termed "favourable" at one end and "unfavourable" at the other. Task oriented style is preferable at the clearly defined extremes of "favourable" and "unfavourable" environments, but relationship orientation excels in the middle ground. Managers could attempt to reshape the environment variables to match their style.

Another aspect of the contingency model theory is that the leader-member relations, task structure, and position power dictate a leader's situational control. Leader-member relations are the amount of loyalty, dependability, and support that the leader receives from employees. It is a measure of how the manager perceives he or she and the group of employees is getting along together. In a favourable relationship the manager has a high task structure and is able to reward and or punish employees without any problems. In an unfavourable relationship the task is usually unstructured and the leader possesses limited authority. The spelling out in detail (favourable) of what is required of subordinates affects task structure.

Positioning power measures the amount of power or authority the manager perceives the organization has given him or her for the purpose of directing, rewarding, and punishing subordinates. Positioning power of managers depends on the taking away (favourable) or increasing (unfavourable) the decision-making power of employees.

The task-motivated style leader experiences pride and satisfaction in the task accomplishment for the organization, while the relationship-motivated style seeks to build interpersonal relations and extend extra help for the team development in the organization. There is no good or bad leadership style. Each person has his or her own preferences for leadership. Task-motivated leaders are at their best when the group performs successfully such as achieving a new sales record or outperforming the major competitor. Relationship-oriented leaders are at their best when greater customer satisfaction is gained and a positive company image is established.

4.3.2 *The Hersey-Blanchard Model of Leadership*

The Hersey-Blanchard Leadership Model also takes a situational perspective of leadership. This model posits that the developmental levels of a leader's subordinates play the greatest role in determining which leadership styles (leader behaviours) are most appropriate. Their theory is based on the amount of direction (task behaviour) and socio-emotional support (relationship behaviour) a leader must provide given the situation and the "level of maturity" of the followers.

- **Task behaviour** is the extent to which the leader engages in spelling out the duties and responsibilities to an individual or group. This behaviour includes telling people what to do, how to do it, when to do it, where to do it, and who's to do it. In task behaviour the leader engages in one-way communication.
- **Relationship behaviour** is the extent to which the leader engages in two-way or multi-way communications. This includes listening, facilitating, and supportive behaviours. In relationship behaviour the leader engages in two-way communication by providing socio-emotional support.
- **Maturity** is the willingness and ability of a person to take responsibility for directing his or her own behaviour. People tend to have varying degrees of maturity, depending on the specific task, function, or objective that a leader is attempting to accomplish through their efforts.

In summary therefore leader behaviours fall along two continua:

Directive Behaviour	Supportive Behaviour
- One-Way Communication - Followers' Roles Clearly Communicated - Close Supervision of Performance	- Two-Way Communication - Listening, providing support and encouragement - Facilitate interaction Involve follower in decision-making

For Blanchard the key situational variable, when determining the appropriate leadership style, is the readiness or developmental level of the subordinate(s). As a result, four leadership styles result:

- **Directing**: The leader provides clear instructions and specific direction. This style is best matched with a low follower readiness level.
- **Coaching**: The leader encourages two-way communication and helps build confidence and motivation on the part of the employee, although the leader still has responsibility and controls decision making. Selling style is best matched with a moderate follower readiness level.
- **Supporting**: With this style, the leader and followers share decision making and no longer need or expect the relationship to be directive. Participating style is best matched with a moderate follower readiness level.
- **Delegating**: This style is appropriate for leaders whose followers are ready to accomplish a particular task and are both competent and motivated to take full responsibility. Delegating style is best matched with a high follower readiness level.

To determine the appropriate leadership style to use in a given situation, the leader must first determine the maturity level of the followers in relation to the specific task that the leader is attempting to accomplish through the effort of the followers. As the level of followers' maturity increases, the leader should begin to reduce his or her task behaviour and increase relationship behaviour until the followers reach a moderate level of maturity. As the followers begin to move into an above average level of maturity, the leader should decrease not only task behaviour but also relationship behaviour. Once the maturity level is identified, the appropriate leadership style can be determined.

4.3.3 Tannenbaum & Schmidt's Leadership Continuum

One criticism of early work on leadership styles is that they looked at styles too much in black and white terms. The autocratic and democratic styles or task-oriented and relationship-oriented styles which they described are extremes, whereas in practice the behaviour of many, perhaps most, leaders in business will be somewhere between the two. Contingency theorists Tannenbaum and Schmidt suggested the idea that leadership behaviour varies along a continuum and that as one moves away from the autocratic extreme the amount of subordinate participation and involvement in decision taking increases. They also suggested that the kind of leadership represented by the democratic extreme of the continuum will be rarely encountered in formal organisations.

Four main leadership styles can be located at points along such a continuum:

- **Autocratic:** The leader takes the decisions and announces them, expecting subordinates to carry them out without question (the *Telling* style).
- **Persuasive:** At this point on the scale the leader also takes all the decisions for the group without discussion or consultation but believes that people will be better motivated if they are persuaded that the decisions are good ones. He or she does a lot of explaining and 'selling' in order to overcome any possible resistance to what he or she wants to do. The leader also puts a lot of energy into creating enthusiasm for the goals he or she has set for the group (the *Selling* style).
- **Consultative:** In this style the leader confers with the group members before taking decisions and, in fact, considers their advice and their feelings when framing decisions. He or she may, of course, not always accept the subordinates' advice but they are likely to feel that they can have some influence. Under this leadership style the decision and the full responsibility for it remain with the leader but the degree of involvement by subordinates in decision taking is very much greater than telling or selling styles (the *Consulting* style).
- **Democratic:** Using this style the leader would characteristically lay the problem before his or her subordinates and invite discussion. The leader's role is that of conference leader, or chair, rather than that of decision taker. He or she will allow the decision to emerge out of the process of group discussion, instead of imposing it on the group as its boss (the *Joining* style).

What distinguishes this approach from previous discussions of leadership style is that there will be some situations in which each of the above styles is likely to be more appropriate than the others.

- **Telling:** In an emergency, a telling style may be most appropriate and would normally be considered justified by the group (as long as the general climate of that group is supportive and mature).
- **Selling:** The selling style would tend to fit situations in which the group leader, and he or she alone, possesses all the information on which the decision must be based and which at the same

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time calls for a very high level of commitment and enthusiasm on the part of group members if the task is to be carried through successfully.

- **Consulting:** The consulting style is likely to be most appropriate when there is time in which to reach a considered decision and when the information on which the decision needs to be based lies among the members of the group.
- **Joining:** The joining style is appropriate under similar conditions, with the important exception that this is likely to be appropriate only in those instances where the nature of the responsibility associated with the decision is such that group members are willing to share it with their leader, or alternatively the leader is willing to accept responsibility for decisions which he or she has not made personally.

4.3.4 Adair's Action-Centred Leadership Model

John Adair has a long pedigree in the world of leadership. The Adair model is that the action-centred leader gets the job done through the work team and relationships with fellow managers and staff. According to Adair's explanation an action-centred leader must:

- direct the job to be done (**task** structuring)
- support and review the **individual** people doing it
- co-ordinate and foster the work **team** as a whole
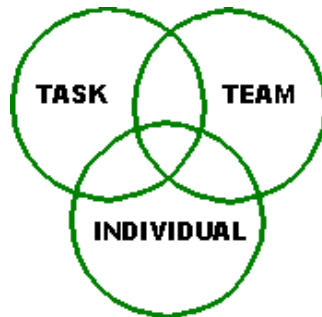
Action-Centred Leadership Model (Adair, 1973)

His famous three circle diagram is a simplification of the variability of human interaction, but is a useful tool for thinking about what constitutes an effective leader/manager in relation to the job he/she has to do. The effective leader/manager carries out the functions and exhibits the behaviours depicted by the three circles. Situational and contingent elements call for different responses by the leader. Hence imagine that the various circles may be bigger or smaller as the situation varies i.e. the leader will give more or less emphasis to the functionally-oriented behaviours according to what the actual situation involves. The challenge for the leader is to manage all sectors of the diagram:

Task	- define the task - make the plan - allocate work and resources - control quality and rate of work - check performance against plan - adjust the plan
Team	- maintain discipline - build team spirit - encourage, motivate, give a sense of purpose - appoint sub-leaders - ensure communication within group - develop the group
Individual	- attend to personal problems - praise individuals - give status - recognise and use individual abilities - develop the individual

4.4   Leaders and Followers

The models discussed so far have dwelt on the leader as some frontal figure who stands out from the rest as being somehow different and "leading" the rest of the people. The discussion now moves to recognition of the importance of the leaders' relationship with his/her followers and an interdependency of roles. No longer the hero or solo leader but the team leader. Not the leader always out in front but the leader who has the capacity to follow. Not the master, but the servant.

4.4.1 Servant Leadership

The notion of "Servant Leadership" emphasises the leaders' duty to serve his/her followers - leadership thus arises out of a desire to serve rather than a desire to lead

Robert Greenleaf, founder of the Center for Servant Leadership describes it as follows:

> *"The servant-leader is servant first… It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she is sharply different from the person who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. For such it will be a later choice to serve – after leadership is established. The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature.*
>
> *The difference manifest itself in the care taken by the servant-first to make sure that other people's highest priority needs are being served. The best test, and difficult to administer , is: do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society; will they benefit, or, at least, will they not be further deprived?"*
>
> Taken from the Servant as Leader published by Robert Greenleaf in 1970.

Characteristics of Servant Leaders are as follows:

> *"Servant-Leadership is a practical philosophy which supports people who choose to serve first, and then lead as a way of expanding service to individuals and institutions. Servant-leaders may or may not hold formal leadership positions. Servant-leadership encourages collaboration, trust, foresight, listening, and the ethical use of power and empowerment."*
>
> Taken from the Center for Servant Leadership web site, April 2003.

The emphasis on serving a higher purpose has made this model popular within the Church and other religious institutions.

4.4.2 The Following Part of Leading

Katzenbach and Smith, authors of 'The Wisdom of Teams' talk of the "following part of leading", saying that the critical behaviours of leaders are:

Asking questions instead of giving answers	By asking such questions such as "What do you think we should do?" or "How do you suggest we proceed?" you take a step behind another person. Whether you stay behind, of course, depends on your intention to actually follow the suggestion or answer of that other person.
Providing opportunities for others to lead you	This goes beyond the traditional notion of looking for growth opportunities for other people. Unless the opportunity in question bears a real risk for your personal performance outcome, you are not actually positioning yourself as a follower.
Doing real work in support of others instead of only the reverse	Rolling up your sleeves and contributing "sweat equity" to the efforts and outcomes of other people earns you their appreciation as someone upon whom they can depend, regardless of the relative hierarchical or functional position each of you holds.

Becoming a matchmaker instead of a "central switch"	In addition to following other people yourself, you must learn to help them follow each other. This requires you to get beyond considering yourself the "central switch" through which all decisions flow. Instead, you need to look for every possible chance to help people find their best collaborators. "Have you asked Sally or Rasheed what they think?" is often the only input required to facilitate the effort at hand, although you then must submit your effort and support to whatever the people in question suggest.
Seeking common understanding instead of consensus	The pejorative meaning associated with consensus management has nothing to do with either effective leading or effective following. Leaders who know when and how to follow build deep common understanding, not superficial consensus, around the purpose, goals, and approach at hand. They submit themselves and others to the discipline of ensuring that all sides to any disagreement are fully understood by everyone, recognizing that mutual understanding is far more powerful than any particular decision to choose path A over path B. All people will follow strong, commonly understood purposes and goals more easily than the "put-up jobs" associated with consensus.

<div align="center">Key Behaviours of Leaders (Katzenbach and Smith, 1994)</div>

They go on to say that the indicators of when a leader must follow are:

Individual performance	As a leader, you must follow another individual, regardless of hierarchy, if: • That individual, through experience, skill, and judgement, knows best. • That individual's growth demands that you invest more in his or her skill and self-confidence than in your own. • Only that individual, not you, has the capacity (the time and opportunity) to "get it done"
Team performance	As a leader, you must follow the team if: • The team's purpose and performance goals demand it • The team, not you, must develop skills and self-confidence • The team's agreed-upon working approach requires you, like all the others, to do real work
Organizational performance	As a leader, you must follow others, regardless of hierarchy, if: • The organization's purpose and performance goals demand it • The need for expanding the leadership capacity of others in the organization requires it • "Living" the vision and values enjoins you to do so

<div align="center">When a leader must follow Leaders (Katzenbach and Smith, 1994)</div>

4.4.3 Team Leadership

In the late 1970's Meredith Belbin conducted a study of teams focusing on the factors separating successful and unsuccessful teams via a college business game at Henley a feature of which was shared leadership.

Through the game Belbin found that the composition of the team was important and that individual differences in style, role and contribution far from underlining personal weaknesses, were a source of potential team strength. Balanced teams comprised of such individuals who engaged in complementary role behaviour performed better than unbalanced teams.

Nine distinctive roles were identified in the study, with most people being found to embrace a mix of two or three roles whilst also avoiding others with which they were uncomfortable. Where there was an individual with clear, useful and appreciated attributes they would fit into a team on the basis of the strengths they brought. These people would also have weaknesses that belonged to the same cluster of characteristics as the strength itself. These potential deficiencies were considered the price that has to be paid for a particular strength, a price that is worth paying, and were referred to as 'allowable weaknesses. Belbin found no 'ideal' team member, individual who could perform all of the roles.

From this work, Belbin drew the distinction between the "Solo" and the "Team" leader. He suggests that "leaders are not notable for admitting their weaknesses, whether allowable or not. They act as

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though they have no weaknesses". To many people the image of the leader - a person heading up a team of followers, ever ready to take on any role and assuming any responsibility - is very familiar to us for it is the one based upon our past experiences and beliefs. Belbin classified such leaders as 'Solo leaders' and in the workplace this type of behaviour may have great advantages, for internal barriers can be overcome and decisions, especially those of an urgent nature, can be made and put into effect with little or no delay.

The increasing complexity and the discontinuous nature of modern work however, poses greater problems where Solo leadership is less appropriate and 'Team leadership' more suited. The key difference between the 'Solo leader' and 'Team leadership' revolves around the behaviour and participation of the two as illustrated below:

SOLO LEADER	TEAM LEADER
Plays unlimited role – the Solo Leader interferes in everything	Chooses to limit role to preferred team roles – delegates roles to others
Strives for conformity – the Solo Leader tries to mould people to particular standards	Builds on diversity – the Team Leader values differences between people
Collects acolytes – The Solo Leader collects admirers and sycophants	Seeks talent – The Team Leader is not threatened by people with special abilities
Directs Subordinates – subordinates take their leads and cues from the Solo Leader	Develops colleagues – the Team Leader encourages the growth of personal strengths
Projects objectives – the Solo Leader makes it plain what everyone is expected to do 1. Chooses to limit role to preferred team roles – delegates roles to others	Creates mission – the Team Leader projects the vision which others can act on as they see fit

Solo and Team Leader (Belbin, 1993)

Belbin uses a definition from Charles Handy to illustrate his hypothesis of Solo leadership:
'A leader shapes and shares a vision which gives point to the work of others' (Handy, 1992).

Using Team Role theory the word 'shape' indicates to us 'shaper', whilst the word 'vision' implies 'plant'. Looking at leadership using Handy's definition is interesting for vision is certainly important to leadership, but does it have to be unique to an individual? Where it is unique to an individual with a drive to enact it such as a 'Shaper', strong Solo leadership is likely to prevail. Vision alternatively may be 'borrowed' by a 'Shaper' who treats it as a product of the self and similarly will adopt a Solo leadership style. Many organisations have rewarded Solo leadership behaviour by promoting individuals to management and leadership positions, for such individuals have met past organisational needs

In today's organisation the alternative approach, the Team Leader, is more appropriate. Whilst Team leadership may not be as natural as Solo leadership, Belbin suggests it can be learned through understanding the nature of leadership and the qualities required. In the rapidly changing and uncertain work environment of today no one person has all the answers to leadership. A Team leadership style based upon the development of the strengths and the allowable weaknesses of all of the roles will permit a more holistic, or participative, style of leadership where teamwork, problem solving, decision making and innovation can flourish with heightened teamwork and work performance.

4.4.4 Transactional and Transformational Leadership

James MacGregor Burns writing in his book 'Leadership' was the first to put forward the concept of "transforming leadership".

To Burns transforming leadership "*is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents*". Burns went on to also further define it by suggesting that:

> "*[Transforming leadership] occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality…*"

Burns draws upon the humanistic psychology movement in his writing upon 'transforming leadership' by proposing that the transforming leader shapes, alters, and elevates the motives, values and goals of followers achieving significant change in the process. He proposed that there is a special power entailed in transforming leadership with leaders "*armed with principles [that] may ultimately transform both leaders and followers into persons who jointly adhere to modal values and end-values*" .

Burns sees the power of transforming leadership as more noble and different from charismatic leadership, which he terms 'heroic' leadership, and executive or business leadership. Despite this it is surprising that most of the application of Burns' work has been in these two types of leadership.

Bernard Bass developed Burns' concept of transforming leadership in 'Leadership and Performance Beyond Expectations' into 'transformational leadership' where the leader transforms followers – the direction of influence to Bass is thus one-way, unlike Burns' who sees it as potentially a two-way process. Bass, however, deals with the transformational style of executive leadership that incorporates social change, a facet missing from Burns' work. For Bass 'transformational leaders' may:

- expand a follower's portfolio of needs
- transform a follower's self-interest
- increase the confidence of followers
- elevate followers' expectations
- heighten the value of the leader's intended outcomes for the follower
- encourage behavioural change
- motivate others to higher levels of personal achievement (Maslow's 'self-actualisation').

Tichy and Devanna in their book 'Transformational Leadership' built further on the work of Burns and Bass in organisational and work contexts. They described the hybrid nature of transformational as "… *not due to charisma. It is a behavioural process capable of being learned*".

Bass writing with a research colleague Avolio suggested that "*Transformational leadership is closer to the prototype of leadership that people have in mind when they describe their ideal leader, and it is more likely to provide a role model with which subordinates want to identify*".

Transactional leadership has been the traditional model of leadership with its roots from an organisational or business perspective in the 'bottom line'. Stephen Covey writing in 'Principle-Centred Leadership' suggests that transformational leadership "… focuses on the 'top line'" and offers contrast between the two (a selection being):

Transactional Leadership	Transformational Leadership
• Builds on man's need to get a job done and make a living • Is preoccupied with power and position, politics and perks • Is mired in daily affairs • Is short-term and hard data orientated • Focuses on tactical issues • Relies on human relations to lubricate human interactions • Follows and fulfils role expectations by striving to work effectively within current systems • Supports structures and systems that reinforce the bottom line, maximise efficiency, and guarantee short-term profits	• Builds on a man's need for meaning • Is preoccupied with purposes and values, morals, and ethics • Transcends daily affairs • Is orientated toward long-term goals without compromising human values and principles • Focuses more on missions and strategies • Releases human potential – identifying and developing new talent • Designs and redesigns jobs to make them meaningful and challenging • Aligns internal structures and systems to reinforce overarching values and goals

Comparison of Transactional and Transformational Leadership (Covey, 1992)

Both kinds of leadership are necessary. Transactional leadership has remained the organisational model for many people and organisations who have not moved into or encouraged the transformational role needed to meet the challenges of our changing times.

> *"The goal of transformational leadership is to 'transform' people and organisations in a literal sense – to change them in mind and heart; enlarge vision, insight, and understanding; clarify purposes; make behaviour congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building"*

According to Bass and Avolio, transformational leaders display behaviours associated with five transformational styles:

Transformational Style	Leader Behaviour
1) Idealized Behaviors: living one's ideals	• Talk about their most important values and beliefs • Specify the importance of having a strong sense of purpose • Consider the moral and ethical consequences of decisions • Champion exciting new possibilities • Talk about the importance of trusting each other
2) Inspirational Motivation: inspiring others	• Talk optimistically about the future • Talk enthusiastically about what needs to be accomplished • Articulate a compelling vision of the future • Express confidence that goals will be achieved • Provide an exciting image of what is essential to consider • Take a stand on controversial issues
3) Intellectual Stimulation: stimulating others	• Re-examine critical assumptions to question whether they are appropriate • Seek differing perspectives when solving problems • Get others to look at problems from many different angles • Suggest new ways of looking at how to complete assignments • Encourage non-traditional thinking to deal with traditional problems • Encourage rethinking those ideas which have never been questioned before
4) Individualized Consideration: coaching and development	• Spend time teaching and coaching • Treat others as individuals rather than just as members of the group • Consider individuals as having different needs, abilities, and aspirations from others • Help others to develop their strengths • Listen attentively to others' concerns • Promote self development
5) Idealized Attributes: Respect, trust, and faith	• Instill pride in others for being associated with them • Go beyond their self-interests for the good of the group • Act in ways that build others' respect • Display a sense of power and competence • Make personal sacrifices for others' benefit • Reassure others that obstacles will be overcome

Transformational Leadership Styles and Behaviours (Bass and Avolio, 1994)

Transformational leadership is a process in which the leaders take actions to try to increase their associates' awareness of what is right and important, to raise their associates' motivational maturity and to move their associates to go beyond the associates' own self-interests for the good of the group, the organization, or society. Such leaders provide their associates with a sense of purpose that goes beyond a simple exchange of rewards for effort provided.

The transformational leaders are proactive in many different and unique ways. These leaders attempt to optimize development, not just performance. Development encompasses the maturation of ability, motivation, attitudes, and values. Such leaders want to elevate the maturity level of the needs of their associates (from security needs to needs for achievement and self-development). They convince their associates to strive for a higher level of achievement as well as higher levels of moral and ethical standards. Through the development of their associates, they optimize the development of their organization as well. High performing associates build high performing organizations.

Hooper and Potter (1997) extend the notion of transformational leadership to identify seven key competences of "transcendent leaders": those able to engage the emotional support of their followers and thus effectively transcend change.

1) Setting direction
2) Setting an example
3) Communication
4) Alignment
5) Bringing out the best in people
6) The leader as a change agent
7) Providing decision in a crisis and on the ambiguous

4.5 Dispersed Leadership

The importance of social relations in the leadership contract, the need for a leader to be accepted by their followers and a realisation that no one individual is the ideal leader in all circumstances have given rise to a new school of leadership thought. Referred to as 'informal', 'emergent' or 'dispersed' leadership, this approach argues a less formalised model of leadership where the leaders' role is dissociated from the organisational hierarchy. It is proposed that individuals at all levels in the organisation and in all roles (not simply those with an overt management dimension) can exert leadership influence over their colleagues and thus influence the overall leadership of the organisation.

Heifetz (1994) distinguishes between the exercise of "leadership" and the exercise of "authority" – thus dissociating leadership from formal organisational power roles whilst Raelin (2003) talks of developing "leaderful" organisations through concurrent, collective and compassionate leadership.

The key to this is a distinction between the notions of "leader" and "leadership". "Leadership" is regarded as a process of sense-making and direction-giving within a group and the "leader" can only be identified on the basis of his/her relationship with others in the social group who are behaving as followers. In this manner, it is quite possible to conceive of the leader as emergent rather than predefined and that their role can only be understood through examining the relationships within the group (rather than by focussing on his/her personal characteristics or traits).

The origins of such an approach have their foundations more in the fields of sociology and politics than the more traditional management literature and draw on concepts such as organisational culture and climate to highlight the contextual nature of leadership. It is a more collective concept, and would argue for a move from an analysis and development of individual leader qualities to an identification of what constitutes an effective (or more appropriate) leadership process within an organisation. A move in focus from the individuals to the relationships themselves.

The implications of such an approach to the development of leadership and management standards will be explored further in Section 8.

5   LEADERSHIP MODELS AND COMPETENCY FRAMEWORKS

This section of the report will look at some different leadership models and frameworks used in practice across the public and private sector organisations. The chosen models were selected as the organisations were known to researchers at the Centre for Leadership Studies and/or details of the framework were publicly available. They are not intended to represent a comprehensive, or even representative, sample of available frameworks but rather a preliminary examination of readily available materials. The inclusion of a particular framework does not necessarily indicate that it is in any way assumed "better" or more "typical" than those that were not included and, indeed, there may well be many excellent models which have not been discussed.

To many participating organisations the material reviewed represents an element of their "competitive advantage" and is thus confidential. We have therefore chosen in this report, not to include the full framework but simply to refer to the key elements. Where further information is available on the Internet we have included the web address.

For ease of presentation, they have been divided into private-sector, public-sector and generic (cross-sectoral) frameworks.

5.1   Private Sector Frameworks

5.1.1   AstraZeneca Leadership Capabilities

The AstraZeneca Leadership Capabilities were defined shortly after merger in 1999 and have been used in performance management, development planning and management planning across the global company. They are a central part of leadership development programmes and a 360 degree feedback tool has been developed to support their application. The leadership behaviours provide a link between business priorities and the AZ values of: respect for the individual and for diversity; openness, honest, trust and support for each other; integrity and high ethical standards; and leadership by example at all levels.

There are seven key capabilities, each with associated indicators/behaviours:
- Provides clarity about strategic direction
- Ensures commitment
- Focuses on delivery
- Builds relationships
- Develops people
- Demonstrates personal conviction
- Builds self-awareness

For more information please visit:
http://www.astrazeneca.co.uk/careers/developingyourself/leadership.asp

5.1.2   BAE Performance Centred Leadership

Performance Centred Leadership competencies provide a set of related behaviours used to improve business performance. They have been developed from 360 degree feedback information, benchmarked against the competencies of high performing organisations, changed to reflect input from the Senior leader focus groups and statistically evaluated by London University.

The competencies and related behaviours are used to evaluate performance in Peer Recognition and Employee opinion survey, identifying development opportunities through 360 degree feedback and are used as part of the appointment process.

There are five core competences, each with a set of related behaviours:

- Achieving High Performance
- Focusing on the Customer
- Developing Others

- Continuously Improving
- Working Together

The framework forms a basis for leadership development in BAE which is fully integrated with all other strategic processes in the organisation through the Performance Centred Leadership Development Framework.

5.1.3 Federal Express Leadership Qualities

FedEx has a system for rating aspiring leaders according to 9 attributes:

- Charisma
- Individual consideration
- Intellectual stimulation
- Courage
- Dependability
- Flexibility
- Integrity
- Judgement
- Respect for others

For more detail on the framework please visit: http://www.geocities.com/gvwrite/9faces.htm

5.1.4 Lufthansa Leadership Compass

The Lufthansa Leadership Compass sets out a framework for effective leadership that is used by the Lufthansa School of Business in its leadership development education.

It includes the following six key categories, which set out a range of skills and behaviours including: vision, decisiveness, concern for people, self-reflection and professional know-how:

- Entrepreneurial leadership
- Breakthrough problem solving
- Winning others
- Leading people
- Attitude and drive
- International business competencies

Development Centres based on this framework are used to help "high potential" employees define their current position and determine the next steps for their professional career. This involves a self-assessment exercise, development centre (comprising individual and group exercises) and a post DC process whereby the participant develops an individual development plan with the support and coaching of their superior. It is intended that this process should occur about 1 year before moving into a C grade post.

5.1.5 Philips Leadership Competencies

Six Leadership Competencies define the behaviour that is required to achieve business success in Phillips. They provide a balanced approach, stating the importance of task aspects while recognising that results are obtained through people. These competencies are as follows:

- Shows determination to achieve excellent results
- Focuses on the market
- Finds better ways
- Demands top performance
- Inspires commitment
- Develops self and others

For more information please visit: http://ad.chinahr.com/jobads/philips/leadership.asp

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5.1.6 Shell Leadership Framework

The Leadership Framework used by Shell includes nine key elements as indicated below:

- Builds Shared Vision
- Champions Customer Focus
- Maximises Business Opportunities
- Demonstrates Professional Mastery
- Displays Personal Effectiveness
- Demonstrates Courage
- Motivates, Coaches & Develops
- Values Differences
- Delivers Results

5.1.7 Vodafone Global Leadership Competencies

The Vodafone leadership competencies underlying their Global Leadership Programme are divided into five categories:

- Values communication
- International team development
- Strategic vision
- Building organisational capability
- Commercial drive

For the full framework please visit: www.glp.vodafone.com/global.htm

5.2   Public Sector Frameworks

5.2.1 Senior Civil Service Competency Framework

This framework sets out key attributes that have been identified by Civil Service Corporate Management as required for the Senior Civil Service (SCS). There are six main sets of competences, each with a series of related behaviours. The competencies are as follows:

- Giving purpose and direction
- Making a personal impact
- Thinking strategically
- Getting the best from people
- Learning and improving
- Focusing on delivery

For more information please visit: http://www.cabinet-office.gov.uk/civilservice/scs/competences.htm

5.2.2 DfES - Management and Leadership Attributes

This framework sets out what is expected of managers and leaders in the Department for Education and Skills as the organisation moves forward to deliver the Department's Strategic Framework. It is based on the SCS Competency Framework and was developed following a period of internal consultation in the DfES. It distinguishes between "effective" and "ineffective" behaviours in relation to three clusters of attributes (interpersonal, delivery and improvement) each of which comprises a set of behaviours, skills and knowledge.

- **Interpersonal Attributes**: Making a personal impact, Giving purpose and direction
- **Delivery Attributes**: Focussing on delivery, Thinking strategically
- **Improvement Attributes**: Getting the best from people, Learning and improving

The framework takes a situational/contingency view of leadership in that it states that:

"Competent DfES managers and leaders at all levels will demonstrate varying combinations of these attributes in different circumstances and at different times. The effective behaviours and skills within each attribute are examples of what competent managers and leaders do when they are modelling good management and leadership – they may not do all of them all of the time!"

5.2.3 Northern Ireland Senior Civil Service Core Criteria

This is the Northern Ireland equivalent of the SCS Competency Framework, covering 8 key competencies including leadership.

- **Leadership**: Envisioning, Team building, Standards and integrity
- **Conceptual and strategic thinking and planning**: Conceptual thinking, Strategic thinking, Planning
- **Focus on outcomes**: Customer orientation, Outcomes focus, Meeting and improving performance standards
- **Managing and developing staff**: Managing staff effectively, Promoting and facilitating development
- **Managing relationships and partners**
- **Communication**: Oral/written, Influencing, Presentation
- **Managing resources innovatively**: Cost awareness, Improvement orientation
- **Personal effectiveness**: Change orientation, Develop orientation, Self confidence and resilience, Commitment, Intellect in action

5.2.4 Scottish Executive Framework

This framework, devised for the Scottish parliament, identifies seven sets of criteria and, for each, what everyone should do and what managers and leaders should also do. Indicators are also given as to when development needs may be identified.

The specific leadership dimensions of the framework are as follows:

- Achieving
- Self management
- Analysis and investigation
- Outward focus
- Communication
- Managing others
- Working with others

5.2.5 Ministry of Defence

The MoD uses a number of competency frameworks related to leadership for annual appraisal, including a revised SCS Competency Framework and Officers Joint Appraisal Report (OJAR).

MoD Senior Civil Service Competency Framework

This is based on the SCS Competency Framework and redefines it as indicated below.

- **Leading and working together**: Working together, Providing the lead, Enabling others to give of their best
- **Being personally effective**: Striving to achieve results, Promoting change and continuous improvement, Communicating and influencing, Solving problems and taking decisions, Taking a wider perspective
- **Delivering results**: Focussing on customers and service delivery, Developing and delivering effective policies and programmes, Managing work and resources to achieve results, Exploiting information and knowledge

Officers Joint Appraisal Report

The OJAR, introduced in March 2001, covers 10 performance attributes explored during annual appraisals for officers across the forces. These are as follows:

- Leadership
- Professional effectiveness
- Effective intelligence
- Judgement
- Management
- Initiative
- Reliability
- Powers of communication
- Subordinate development
- Courage and values.

For more information please visit:
http://www.army.mod.uk/linked_files/ag/servingsoldier/career/usefulinfo/files/pdf/OJAR%20Intro%20Booklet.pdf

5.2.6 EO for Local Government – Compendium of Competencies

The Employers' Organisation for local government's (EO) role is to help councils achieve the high standards of people management needed to ensure the continuous improvement of services. Their website includes a compendium of leadership competencies developed by and/or used by local authorities across the UK. These have been classified into 20 different categories as indicated below.

1. **Change**: includes Challenge, Leadership for Change, Managing Change/Strategic Thinking.
2. **Communication**: includes Communicating, Communication and Customer Care, Listening and Organising
3. **Corporate Focus**: includes Collective Responsibility, Corporate Focus, Developing a Learning Organisation, Evaluating and Improving Organisational Performance, Organisational Awareness, Organisational Effectiveness
4. **Customer Focus**: includes Commitment to Quality Customer Service, Customer Focused Service Delivery, Sharpening Customer and Service Focus
5. **Decision Making**: includes Analysing and Solving Problems, Decision Making, Identifying and Solving Problems, Judgement.
6. **Equality and Diversity**: includes Achieving Equal Opportunities, Demonstrating Leadership in Implementing Equalities, Managing Equitably, Valuing Diversity
7. **Focus on Results**: includes Achievement Focused, Focusing on Results, Managing for Results
8. **Impact and Influence**: includes Acting Assertively, Impact and Influence, Interpersonal Skills, Networking and Influencing, Partnership Working, Persuasiveness
9. **Information Management**: includes Gathering and Using Information, Getting Unbiased Information, Giving Clear Information, Information and Communication Management, Searching for Information
10. **Integrity**: includes Behaving Ethically, Integrity
11. **Leading People**: includes Appraising People and Performance, Developing Others, Disciplining and Counselling, Enabling, Leadership, Managing People, Managing, Developing and Understanding Others, Personal and Staff Development, Training, Coaching and Delegating, Valuing People
12. **Partnerships**: includes Community Leadership, Co-operating with Others, Leading Integrated Working, Networking and Influencing, Working in Partnership
13. **Personal Management and Drive**: includes Determination, Managing Self, Motivation and Drive, Personal Effectiveness, Personal Management, Planning and Scheduling Work, Setting Goals and Standards, Time Management and Prioritising
14. **Political Awareness**: includes Democratic Support, Political and Organisational Awareness, Working Competently within the Political Environment
15. **Project and Process Management**: includes Managing Projects, Organisational and Project Management

16. **Resource Management**: includes Managing Resources
17. **Safety**
18. **Service Improvement**: includes Continuous Improvement to Service Delivery, Delivering Excellence, Leading the Challenge on Continuous Service Improvement, Managing the Executive Programme and Performance, Service Co-ordination and Management, Sharpening Customer and Service Focus
19. **Strategic Focus**: includes: Acting Strategically, Developing Strategy, Managing Change/Strategic Thinking, Strategic Behaviour, Vision
20. **Team Building**: includes Building Teams, Working in and Developing Teams

For more information please visit: http://www.lg-employers.gov.uk/skills/leadership_comp

5.2.7 NHS Leadership Qualities Framework

The NHS Leadership Qualities Framework, developed by the NHS Leadership Centre, identifies 15 key qualities (personal, cognitive and social) across three broad clusters: Personal qualities, Setting direction and Delivering the service.

- **Personal qualities**: Self belief, Self awareness, Self management, Drive for improvement, Personal integrity
- **Setting Direction**: Seizing the future, Intellectual flexibility, Broad scanning, Political astuteness, Drive for results
- **Delivering the service**: Leading change through people, Holding to account, Empowering others, Effective and strategic influencing, Collaborative working

As with the DfES model, there is an emphasis on the situational nature of leadership and an attempt to indicate the circumstances under which different leadership qualities will take precedence.

For full details on the framework please visit: http://www.nhsleadershipqualities.nhs.uk

5.2.8 National College for School Leadership – Hay McBer Model

In 1999 the NCSL commissioned Hay McBer to research leadership in schools. This research led to the development of a model of school leadership which formed the basis of further discussion. The NCSL now seems to be moving away from this approach towards an integrated leadership development framework (see Section 6).

The 17 school leadership qualities in the Hay McBer Model are as follows:

1. Analytical Thinking
2. Challenge and Support
3. Confidence
4. Developing Potential
5. Drive for Improvement
6. Holding People Accountable
7. Impact and Influence
8. Information Seeking
9. Initiative
10. Integrity
11. Personal Convictions
12. Respect for Others
13. Strategic Thinking
14. Teamworking
15. Transformational Leadership
16. Understanding the Environment
17. Understanding Others

For more information please visit: http://www.ncsl.org.uk/index.cfm?pageID=haycompletechar

5.2.9 Senior Executive Service

This framework sets out leadership competencies for the Senior Executive Service (SES) in the US. It identifies 26 competencies across five categories:

- **Leading Change**: Continual Learning, Creativity and Innovation, Resilience, Service Motivation, Strategic Thinking, Vision.
- **Leading People**: Conflict Management, Leveraging Diversity, Integrity/Honesty, Team Building
- **Results Driven**: Accountability, Customer Service, Decisiveness, Entrepreneurship, Problem Solving, Technical Credibility
- **Business Acumen**: Financial Management, Human Resources Management, Technology Management
- **Building Coalitions/Communication**: Influencing/Negotiating, Interpersonal Skills, Oral Communication, Partnering, Political Savvy, Written Communication

For more information please visit: http://www.opm.gov/ses/competent.html

5.3   Generic Frameworks

5.3.1 CEML Framework of Management and Leadership Abilities

The Council for Excellence in Management and Leadership conducted an extensive piece of research using primary and secondary data sources to identify a key set of management and leadership abilities (Perren and Burgoyne, 2001). The resultant framework identified 83 distinct management and leadership abilities (condensed from an initial list of 1013) which were grouped into 8 meta-groups and three generic categories. The categories and meta-groups are as follows:

- **Thinking Abilities**: Think Strategically
- **People Abilities**: Manage self, Manage and lead people, Lead direction and culture, Manage relationships
- **Task Abilities**: Manage information, Manage resources, Manage activities and quality

Download the full report from: http://www.managementandleadershipcouncil.org/reports/r30.htm

5.3.2 METO Management Standards

These are the previous management standards developed by METO, the Management Education Training Organisation. The seven key roles are as follows:

- Manage Activities
- Manage Resources
- Manage People
- Manage Information
- Manage Energy
- Manage Quality
- Manage projects

Further details are included in the CEML report, downloadable from:
http://www.managementandleadershipcouncil.org/reports/r30.htm

5.3.3 Investors in People Leadership and Management Model

The IIP Leadership and Management Model sets out a framework for the assessment of leadership and management capabilities in relation to the new "leadership and management" dimension of the Investors in People Award.

There are four main principles (commitment, planning, action and evaluation) each with associated indicators.

For further information please visit:
http://www.investorsinpeople.co.uk/leadership/about/about_model.asp

5.3.4 EFQM Business Excellence Model

The European Foundation for Quality Management Award is an internationally recognised quality award based around business processes (of which one is leadership).

The leadership dimension covers the following four areas:

- 1a Leaders develop the mission, vision and values and are role models of a culture of Excellence;
- 1b Leaders are personally involved in ensuring the organisation's management system is developed, implemented and continuously improved;
- 1c Leaders are involved with customers, partners and representatives of society;
- 1d Leaders motivate, support and recognise the organisation's people.

For further information please visit: http://www.efqm.org/model_awards/model/excellence_model.htm

5.3.5 Institute of Chartered Management – Chartered Management Skills

Chartered Manager candidates need to demonstrate (and provide evidence of) learning, development and impact in the workplace against two of these six categories.

- Leading People
- Meeting Customer Needs
- Managing Change
- Managing Information and Knowledge
- Managing Activities and Resources
- Managing yourself

For further information please visit:
http://www.managers.org.uk/institute/content_1.asp?category=3&id=37&id=30&id=14

5.3.6 IMF Management Competencies

As a first step in fostering effective managerial practices, the International Monetary Fund has defined a set of effective managerial behaviours, encapsulated in management competencies.

Management competencies comprise a set of critical knowledge, skills, and behaviors that lead to effective management practices. These management competencies are tools you, as a manager, can use to perform your supervisory functions. Effective performance of each competency is described by a series of behavioural benchmarks.

Below are the 15 different management competencies, grouped in 6 broad categories.

- **Intellectual Leadership Factor:** Sound Judgment/Analytical Skills, Strategic Vision
- **Work Management Factor:** Planning and Organizing, Drive for Results, Adaptability
- **Communication Factor:** Oral Presentation Skills, Creating Open Communication, Written Communication Skills
- **Interpersonal Factor:** Building Relationships, Negotiating and Influencing, Country/Client Relations
- **People Management Factor:** Motivating Performance, Delegating, Fostering Teamwork, Appraising and Developing Staff

IMF Management competencies are used in a number of ways:

- They are the starting point for developing managerial performance expectations. Competencies can help senior managers articulate the skills needed to be an effective manager--as distinct from those needed to be an effective economist or technical contributor.

- Competencies are the basis for assessing potential managers in the Management Development Center.
- Competencies are the basis for identifying training and development areas.
- They form a common basis on which to assess managers within and across departments.

For more information read the report on "Leadership in International Organizations: Global Leadership Competencies" at: http://www.academy.umd.edu/publications/global_leadership/marlene_thorn.htm

5.3.7 Hamlin's Generic Model of Managerial and Leadership Effectiveness

This model is based upon a meta analysis of leadership and management behaviours in four UK public-sector organisations. It distinguishes between positive and negative indications of management and leadership.

- **Positive indicators**:
  - Effective organisation and planning/proactive management
  - Participative and supportive leadership/Proactive team leadership
  - Empowerment and delegation
  - Genuine concern for people/Looks after the interests and development needs of staff
  - Open and personal management approach/Inclusive decision making
  - Communicates and consults widely/Keeps people informed
- **Negative indicators**:
  - Shows lack of consideration or concern for staff/ineffective autocratic or dictatorial style of management
  - Uncaring, self serving management/undermining, depriving and intimidating behaviour
  - Tolerance of poor performance and low standards/ignoring and avoidance
  - Abdicating roles and responsibilities
  - Resistant to new ideas and change/negative approach

The results have been compared to the Zenger Miller Grass-Roots Leadership Model and used to argue for a universalistic model of leadership/management (Hamlin, 2002).

Download the working paper from:
http://asp2.wlv.ac.uk/wbs/documents/mrc/Working%20Papers%202002/WP006_02_Hamlin.pdf

5.3.8 The Zenger Miller Grass-Roots Leadership Model

This model was developed from empirical research in which collected 1,871 "critical incidents" from 450 US and Canadian organisations. The model below has been refined from the original Zenger Miller CLIMB strategies model.

- **Create a compelling future**: Create and describe a vision, Manager changes required to realize a vision
- **Let the customer drive the organization**: Respond to identified customer needs
- **Involve every mind**: Support individual effort, Support team effort, Share information, Make decisions that solve problems, Manage work horizontally, Build personal credibility
- **Manage work horizontally**: Manage cross-functional processes, Display technical skills, Manage projects, Manage time and resources
- **Build personal credibility**: Take initiative beyond job requirements, Take responsibility for your own actions and the actions of your group, Handle emotions in yourself and others, Display professional ethics, Show compassion, Make credible presentations

More details included in the Hamlin paper, downloadable from:
http://asp2.wlv.ac.uk/wbs/documents/mrc/Working%20Papers%202002/WP006_02_Hamlin.pdf

6   A SELECTION OF LEADERSHIP DEVELOPMENT INITIATIVES

The models and competency frameworks detailed in the previous section are, in most cases, used as a basis for the development of leadership and management development provision within organisations as well as appraisal and performance review. It is beyond the scope of this report to offer a detailed review of the associated programmes and the range of leadership and management development initiatives available, however, we would like to introduce a number of approaches that we feel are particularly interesting in the manner in which they seek to develop the behaviours, skills and attitudes of leaders.

6.1   NHS Chief Executives Programmes

The NHS manage a wide range of programmes through their Leadership Centre, including a suite of programmes for Chief Executives. These comprise a number of initiatives based upon the NHS Leadership Qualities Framework, including:

National and International Learning Experiences:
- Development Assignments (Lancaster University Management School)
- Transformational Thinking (Manchester University)
- Study Tour to Canada (King's Fund)
- Duality Leadership Programme (University of Birmingham)
- Action Learning Sets (Nelson and Pedler)

Modular Programmes:
- Experienced Chief Executives Development Programme (King's Fund and Lancaster University Management School)
- Drive for Results (Manchester University)

Of interest here, is the range of learning opportunities being offered, from action learning sets, study tours and exchanges to modular programmes. The participants are free to choose their preferred modes of learning yet the thinking behind the programme implies that each will contribute towards developing qualities from the Leadership Qualities Framework.

For further information please visit: http://www.nhs-leaders.org

6.2   NCSL Leadership Development Framework

The National College for School Leadership is one of the leading organisations in relation to their awareness of the importance of distributed leadership. Recent years have seen an increasing move from the competency-based approach of the Hay McBer Model to the development of a Leadership Development Framework.

The outcomes of a Think Tank report lead to 10 propositions about school leadership.

School leadership must:
- be purposeful, inclusive and values driven
- embrace the distinctive and inclusive context of the school
- promote an active view of learning
- be instructionally focused
- be a function that is distributed throughout the school community
- build capacity by developing the school as a learning community
- be futures oriented and strategically driven
- be developed through experiential and innovative methodologies
- be served by a support and policy context that is coherent and implementation driven
- be supported by a National College that leads the discourse around leadership for learning

These propositions have been actualised through a series of programmes aimed at five different stages in a school leader's career:

- **emergent leadership**, when a teacher is beginning to take on management and leadership responsibilities and perhaps forms an aspiration to become a headteacher
- **established leadership**, comprising assistant and deputy heads who are experienced leaders but who do not intend to pursue headship
- **entry to headship**, including a teacher's preparation for and induction into the senior post in a school
- **advanced leadership**, the stage at which school leaders mature in their role, look to widen their experience, to refresh themselves and to update their skills
- **consultant leadership**, when an able and experienced leader is ready to put something back into the profession by taking on training, mentoring, inspection or other responsibilities

The focus on, and research into, leadership at different organisational levels and career stages is refreshing when contrasted to the majority of competency/quality frameworks which tend to be based on research with senior managers only (e.g. NHS Leadership Qualities Framework). The model therefore, reflects a contingency approach, but without being prescriptive, and seeks to develop a "leadership culture" rather than just a finite number of "leaders".

Web link: http://www.ncsl.org.uk/index.cfm?pageid=ldf

6.3   ACEVO - Leadership Journey

The "leadership journey" currently being delivered to members of the Association of Chief Executives of Voluntary Organisations (ACEVO) uses a somewhat emergent group learning process to develop and explore leadership capabilities, whereby a group of 12 or so Chief Executives from different voluntary-sector organisations embark on a one-year learning experience together. The programme, run by a consultancy organisation (Telos), is based around a series of two-day residential modules and associated action learning sets and individual and group challenges.

Whilst the basic structure of the programme is outlined in advance (e.g. module dates and generic themes), the emphasis is very much on getting the group to agree on future topics, activities and speakers and thus input and develop the programme as it proceeds. A further central element of the programme is the "make a difference challenge" which is an active development challenge for participants to complete within their organisation and share with other members of the group. The programme is, therefore, very experiential and depends to a large extent on peer-group interaction, support and development.

6.4   Lead2Lead

The Lead2Lead programme, managed by Lancaster University, uses the process of leadership exchange and reflection to help improve leadership awareness. It involves a process of careful paring of participants, often from different organisations, sectors, and even countries. Once matched, participants are given training in observation and reflection techniques, followed by a three-day exchange to each others work place (to shadow the other person), and a facilitated debriefing session.

The process of observing and being observed can generate significant insights and awareness that could not be delivered through more formalised training. It gives first-hand experience, stories, and personal insights that can be very important to leadership. Furthermore, the "time-out" and reflection elements give the leader space to think and consider their leadership practises.

Web link: http://www.lead2lead.net

6.5   International Masters in Practising Management (IMPM)

The International Masters Program in Practicing Management is designed to be the "Next Generation" Masters Program, combining management development with management education. It is a degree program that focuses directly on the development of managers in their own contexts - their jobs and their organizations. The IMPM is therefore deeper than conventional programs of management development and more applied than traditional degree programs. It was launched in March of 1996 to acclaim from participants and their companies alike, as well as from the international business press.

The IMPM seeks to break the mold of the functional "silos" so common in management education - marketing, finance, organization behavior, and so on. Instead, the Program is structured around managerial "mindsets", one for each module. It opens in Lancaster with Managing in general and the *reflective* mindset in particular. Then it moves to McGill, where attention turns to Managing Organizations and the *analytic* mindset. Bangalore follows with Managing Context, the *worldly* mindset. In Japan, it takes up Managing Relationships, the *collaborative* mindset. The Program closes at INSEAD with Managing Change, the *action* mindset.

More detail is given about each of these mindsets by Mintzberg and Gosling (2003):

- The **reflective** mindset refers to "managing self" – developing the ability to reflect and make meaning – a form of emotional intelligence.
- The **analytic** mindset refers to "managing organisations" – developing the ability to analyse and synthesise not only the hard data, but also the soft – "to appreciate scores and crowds while never losing sight of the ball".
- The **worldly** mindset refers to "managing contexts" – to appreciate cultural and local differences and similarities and respond accordingly.
- The **collaborative** mindset refers to "managing relationships" – developing partnerships and networks; working with people – managing "relationships" not "people".
- The **action** mindset refers to "managing movement" [or "change and continuity", or "mobilization"] – managing change without losing track of continuity.

It is argued that the good manager/leader must master and integrate each of these mindsets and so offers a more cognitive and reflective approach to management development than more traditional behaviour and skills-based programmes.

Web link: http://www.impm.org

6.6   The Leadership Game

The Leadership Game is a dynamic action-learning event for senior to middle managers designed to maximise learning through experiential techniques supported by expert analysis, feedback and coaching. It is a two-day programme that creates a temporary learning zone to explore issues such as:

- Leadership and decision-making under pressure
- Leaders within hierarchies, virtual teams and self-managed teams
- Team effectiveness under different leadership styles/structures
- How teams work together across functional boundaries
- Understanding the big picture: strategic vision and organisational dynamics.

Day 1 – "The leadership Game" uses a mixture of plenary, work team and cross-team groups and a real-life work related challenge. The process is observed by expert consultants who give team and individual analysis and feedback as required. Day 2 – "Learning Assessment and Implementation" unleashes the learning from Day 1 to address the personal and organisational challenges that arise from the Leadership Game.

The programme is run in conjunction with the Tavistock Consultancy Service (part of the internationally renowned Tavistock Clinic) and represents a current manifestation of the "Human Relations" school started by Kurt Lewin and applied through the National Training Labs of the 1950s. This approach encourages a contextualisation of emotional intelligence and a coming to terms with authority (giving and receiving). It offers an alternative to the trait theories of leadership and provides a forum for exploring the emotional aspects of leadership in context and through activities.

Web link: http://www.theleadershipgame.com

7 PROVIDING GOVERNANCE

This section of the report will look at key issues relating to governance, particularly ensuring compliance with values, ethical and legal frameworks.

7.1 Corporate governance

7.1.1 Higgs Report on Non-Executive Directors

The most influential recent report on corporate governance in the UK is the Higgs report on non-executive directors (January, 2003). This report sets out the role of non-executive directors in relation to the board and chairman. The text below is edited from the full report, which can be downloaded from http://www.dti.gov.uk/cld/non_exec_review.

Role of the Board

It is argued that the role and the effectiveness of the non-executive director needs to be considered in the context of the board as a whole.

The role of the board
- The board is collectively responsible for promoting the success of the company by directing and supervising the company's affairs.
- The board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed.
- The board should set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives, and review management performance.
- The board should set the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

In the UK, the general legal duties owed to the company by executive and non-executive directors are the same. All directors are required to act in the best interests of the company. Each has a role in ensuring the probity of the business and contributing to sustainable wealth creation by the company as a whole.

Included in the Companies White Paper is a draft statutory statement of directors' duties to act, subject to the company's constitution, to promote the success of the company for the benefit of its shareholders as a whole. In determining how best to promote the success of the company, directors must where relevant take account of "material factors". As set out in the draft statutory statement, these include long as well as short term consequences of their actions, the need to foster business relationships, including with employees, suppliers and customers, impact on communities and the environment, business reputation and fairness between different shareholders.

Role of the Chairman

The role of the chairman
The chairman is responsible for:
- leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda;
- ensuring the provision of accurate, timely and clear information to directors;
- ensuring effective communication with shareholders;
- arranging the regular evaluation of the performance of the board, its committees and individual directors; and
- facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors.

The Chairman is described as having "the responsibility of leading the board in setting the values and standards of the company and of maintaining a relationship of trust with and between the executive and non-executive members."

It is argued that the key to his/her success is the establishment of an effective relationship with the Chief Executive: "a strong relationship between the chairman and chief executive lies at the heart of an effective board".

The chairman needs to foster relationships of trust with both the executive and non-executive directors on the board, whilst at the same time maintaining support for, and partnership with, the chief executive. A degree of detachment from the executive can also be valuable in ensuring objective debate on strategy and other matters.

The chairman is pivotal in creating the conditions for overall board and individual director effectiveness, both inside and outside the boardroom. Specifically, it is the responsibility of the chairman to:

- run the board and set its agenda. The agenda should take full account of the issues and the concerns of all board members. Agendas should be forward looking and concentrate on strategic matters rather than formulaic approvals of proposals which can be the subject of appropriate delegated powers to management;
- ensure that the members of the board receive accurate, timely and clear information, in particular about the company's performance, to enable the board to take sound decisions, monitor effectively and provide advice to promote the success of the company;
- ensure effective communication with shareholders and ensure that the members of the board develop an understanding of the views of major investors;
- manage the board to ensure that sufficient time is allowed for discussion of complex or contentious issues, where appropriate arranging for informal meetings beforehand to enable thorough preparation for the board discussion. It is particularly important that non-executive directors have sufficient time to consider critical issues and are not faced with unrealistic deadlines for decision-making;
- take the lead in providing a properly constructed induction programme for new directors that is comprehensive, formal and tailored, facilitated by the company secretary;
- take the lead in identifying and meeting the development needs of individual directors, with the company secretary having a key role in facilitating provision. It is the responsibility of the chairman to address the development needs of the board as a whole with a view to enhancing the overall effectiveness as a team;
- ensure that the performance of individuals and of the board as a whole and its committees is evaluated at least once a year; and
- encourage active engagement by all the members of the board.

The effective chairman:

- upholds the highest standards of integrity and probity;
- sets the agenda, style and tone of board discussions to promote effective decision-making and constructive debate;
- promotes effective relationships and open communication, both inside and outside the boardroom, between non-executive directors and the executive team;
- builds an effective and complementary board, initiating change and planning succession in board appointments, subject to board and shareholders' approval;
- promotes the highest standards of corporate governance and seeks compliance with the provisions of the Code wherever possible;
- ensures a clear structure for and the effective running of board committees;
- ensures effective implementation of board decisions;
- establishes a close relationship of trust with the chief executive, providing support and advice while respecting executive responsibility; and
- provides coherent leadership of the company, including representing the company and understanding the views of shareholders.

Role of the Non-Executive Director

Role of the Non-Executive Director
- **Strategy:** Non-executive directors should constructively challenge and contribute to the development of strategy.
- **Performance:** Non-executive directors should scrutinise the performance of management in

> meeting agreed goals and objectives and monitor the reporting of performance.
> - **Risk:** Non-executive directors should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible.
> - **People:** Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

The role of the non-executive director is frequently described as having two principal components: monitoring executive activity and contributing to the development of strategy.

The research concludes that it is important to establish a spirit of partnership and mutual respect on the unitary board. This requires the non-executive director to build recognition by executives of their contribution in order to promote openness and trust. Only then can non-executive directors contribute effectively. The key to non-executive director effectiveness lies as much in behaviours and relationships as in structures and processes.

Executive and non-executive directors have the same general legal duties to the company. However, as the non-executive directors do not report to the chief executive and are not involved in the day-to-day running of the business, they can bring fresh perspective and contribute more objectively in supporting, as well as constructively challenging and monitoring, the management team.

Non-executive directors must constantly seek to establish and maintain their own confidence in the conduct of the company, in the performance of the management team, the development of strategy, the adequacy of financial controls and risk management, the appropriateness of remuneration and the appointment and replacement of key personnel and plans for management development and succession. The role of the non-executive director is therefore both to support executives in their leadership of the business and to monitor and supervise their conduct.

The non-executive director role is complex and demanding and requires skills, experience, integrity, and particular behaviours and personal attributes.

Non-executive directors need to be sound in judgement and to have an inquiring mind. They should question intelligently, debate constructively, challenge rigorously and decide dispassionately. And they should listen sensitively to the views of others, inside and outside the board.

In order to fulfil their role, non-executive directors must acquire the expertise and knowledge necessary properly to discharge their responsibilities. They must be well-informed about the business, the environment in which it operates and the issues it faces. This requires a knowledge of the markets in which the company operates as well as a full understanding of the company itself. Understanding the company is essential to gain credibility and reduce the inevitable disparity in knowledge between executive and non-executive directors. Developing such knowledge cannot be done within the confines of the boardroom alone.

A number of consultation responses identified the personal attributes required of the effective non-executive director. They are founded on:
- integrity and high ethical standards;
- sound judgement;
- the ability and willingness to challenge and probe; and
- strong interpersonal skills.

As members of the unitary board, all directors are required to:
- provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives, and review management performance; and
- set the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

In addition to these requirements for all directors, the role of the non executive director has the following key elements: strategy, performance, risk and people.

Non-executive directors should constantly seek to establish and maintain confidence in the conduct of the company. They should be independent in judgement and have an enquiring mind. To be effective, non-executive directors need to build a recognition by executives of their contribution in order to promote openness and trust.

To be effective, non-executive directors need to be well-informed about the company and the external environment in which it operates, with a strong command of issues relevant to the business. A non-executive director should insist on a comprehensive, formal and tailored induction. An effective induction need not be restricted to the boardroom, so consideration should be given to visiting sites and meeting senior and middle management. Once in post, an effective non-executive director should seek continually to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

The effective non-executive director:
- upholds the highest ethical standards of integrity and probity;
- supports executives in their leadership of the business while monitoring their conduct;
- questions intelligently, debates constructively, challenges rigorously and decides dispassionately;
- listens sensitively to the views of others, inside and outside the board;
- gains the trust and respect of other board members; and
- promotes the highest standards of corporate governance and seeks compliance with the provisions of the Code wherever possible.

7.1.2 Company law

Further guidance on the roles and responsibilities of directors is given in company law documentation such as the Companies Bill (http://www.dti.gov.uk/companiesbill/) and Company Law Review (http://www.dti.gov.uk/cld/final_report/index.htm). This guidance relates primarily to the legal responsibilities of directors in relation to filing reports.

In a review of the responsibilities of directors, Companies House (Directors and Secretaries Guide, 2002 - http://www.companies-house.gov.uk) states that "every company director has a personal responsibility to ensure that statutory documents are delivered to the Registrar as and when required by the Act. In particular:
- accounts (only for limited companies);
- annual returns;
- notice of change of directors or secretaries or in their particulars ; and
- notice of change of registered office.

The legal responsibilities of directors are primarily related to:
- Monitoring
- Review
- Risk management
- Auditing
- Etc.

It is important to note that these are legal obligations and so represent minimum standards rather than best practice.

7.2 Ethical behaviour in corporate governance

The increasing size of corporations and/or their pervasiveness in the social fabric is raising the problem of Corporate Social Responsibility (CSR). On one hand, the biggest corporations in the world are becoming more powerful than national governments. Thus General Motors sales for instance, exceed sales for the whole Malaysia and those of Royal Dutch Shell are greater than Thailand's. On the other hand, such companies are not really accountable to anyone except, perhaps, their shareholders.

Whatever the size of the company, however, we should all think about the sort of business we are in and find out how it can benefit the community – thus taking a longer-term view. Evidence shows that, for example after the case of ENRON, socially responsible companies are longer lasting and more sustainable. Because they are transparent, people have more confidence in them. Also, again because they are transparent, they can take criticism, like in a democracy, and they can change accordingly.

Whilst the majority of shareholders are, in the short term, primarily interested with return of capital, the trend, however, indicates that there are an increasing number who are concerned about the ethical impact of their investments. It has been estimated that these stakeholders are increasingly investing in Ethical Investment Funds, which are now rapidly growing. According to the latest figures, 150 billion - 1 trillion US Dollars of investments are going into Ethical Funds in the United States alone.

Companies that are the most socially responsible are also transparent as well; so that anyone can find out what is going on. Moreover it is easier to anticipate any problem that could occur within such a company. In other words, it would seem that the more transparent and responsible companies are, the more appealing they become for investment from private banks.

7.2.1 Summary of First World Report on Corporate Social Responsibility

We will now consider the First World Report on Corporate Social Responsibility (CSR): Internet consultation of Stakeholders (source: http://www.csmworld.org/public/stackholder.htm).

This report covers recent evidence on what has been happening, worldwide in the area of CSR. It covers results from replies to CRITICS (Corporate Responsibility Index Through Internet Consultation of Stakeholders), which is a questionnaire that allows people, inside or outside, corporations or institutions to rapidly self-assess, the corporate social responsibility of these corporations or institutions. It has been online in English and German for about one year and attracts about ten thousand hits per month. Responses from around a dozen countries were obtained. It is a subset of questions that was developed to assist companies in their quest to become more socially responsible through using an online format. The First World Report covers the methodology used, the experience of using CRITICS, the main empirical results and lessons learned.

Here is a sample of the main conclusions.

Overall
- Evidence suggests that CSR is not improving over time which is surprising given the supposedly increased interest in CSR issues over the past few years
- CSR is still viewed as essentially philanthropy
- Only 27% of companies produced a social report
- Companies that had a code of ethics did better on CSR than those without yet few produced a social report that suggests that many companies and institutions could better publicise the positive things they are doing through a social report.
- Only 35% of companies had a suppliers code of conduct
- Only 41% of companies applied an environmental code
- Yet 81% of companies said that they had a statement of the company's mission & values (i.e. business principles or vision of corporate responsibility)
- This reduced to 65% when companies were asked if they had a code of ethics or code of business conduct
- This further reduced to 57% when companies were asked whether the code had been distributed to employees and then only 40% of companies had trained their staff on their code.
- 71% of companies supported their community in some way
- 72% felt that their products were socially responsible

Corruption
It cannot be assumed that all companies in highly corrupt countries are low on social responsibility.

Company Size
- Companies with ten to fifty employees have a worse record on CSR than all other size categories.
- Training on codes of ethics is more pervasive the larger the company

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- There is general scope for increased training on ethics, particularly for medium sized enterprises or institutions.

Code of ethics
Those companies or institutions with specific ethics training programme had a much higher CSR score than those without

By Economic Sector of Activity
- The highest CSR score, i.e. highest corporate responsibility, was found among the telecommunications companies.
- The lowest CSR scores were from the service sectors.
- Companies in telecommunications, retail trade and insurance tended to have codes of ethics.
- Educational establishments and public institutions did very poorly - this is almost hypocritical given the high store some of these establishments set by good ethical behaviour.
- The absence of training is noticeable across the board with the exceptions of telecomm; retail and insurance where between two thirds and three quarters of the firms have training schemes in place.
- Few companies or institutions have a manager responsible for CSR or ethical issues - service sectors and education fare very badly
- Sixty percent of companies in the energy sector do not have a CSR manager despite the high profile of sustainability issues in the energy sector.

Socially Responsible Products
This is a major concern and over 90% of companies or institutions replied that they were active in ensuring some measure of social responsibility in the use of their products

Human Rights
- 55% of companies and institutions in the sample had an human rights policy
- Only about a third of small and medium sized companies had a human rights policy while two-thirds of large companies and institutions had an human rights policy.
- Telecommunication companies in our sample came top with 100% saying they had a human rights policy followed by 75% of companies and institutions in the finance, education and public sectors.
- Service sectors performed poorly with only 43% having a human rights policy followed by the energy and manufacturing sectors with just about half having some form of human rights policy.

Wages
Those companies or institutions that paid much better wages than average did much better on CSR than those paying below average

Summary of results from First World Report on Corporate Social Responsibility
(source: http://www.csmworld.org/public/stackholder.htm).

7.2.2 Developing an Ethical framework

It is possible to draw out from the above Report some useful indications about which ethical guidelines Corporations would be ensuring.
- First, it appears that a sufficient level of transparency plays a pivotal role. A transparent corporation, as we have seen, is frequently longer-lasting, more democratic internally, better fits social needs and it is more respectful of legal responsibilities.
- Secondly, creation of a code of conduct or a code of ethics becomes a vehicle for respecting those "non-business" demands. This code of conduct needs to be distributed to employees (including top management) together with training and courses about its contents and application.
- And thirdly, an expert ethical manager, responsible for all corporation ethical questions, should be appointed.

The above guidelines represent a minimum ethical standard to which all corporations should conform.

Institute of Chartered Accountants in England and Wales Ethical Framework

Further guidance may come from professional frameworks, such as that developed by the Institute of Chartered Accountants in England and Wales. The ICAEW sets out a series of fundamental ethical principles for members. These will be applied when auditing companies and so reflect some of the responsibilities of senior directors.

Fundamental Principle 1 – "Integrity"
A *member* should behave with integrity in all professional and business relationships. Integrity implies not merely honesty but fair dealing and truthfulness. A *member*'s advice and work must be uncorrupted by self-interest and not be influenced by the interests of other parties.

Fundamental Principle 2 – "Objectivity"
A *member* should strive for objectivity in all professional and business judgements. Objectivity is the state of mind which has regard to all considerations relevant to the task in hand but no other.

Fundamental Principle 3 – "Competence"
A *member* should undertake professional work only where he has the necessary competence required to carry out that work, supplemented where necessary by appropriate assistance or consultation.

Fundamental Principle 4 – "Performance"
A *member* should carry out his professional work with due skill, care, diligence and expedition and with proper regard for the technical and professional standards expected of him as a *member*.

Fundamental Principle 5 – "Courtesy"
A *member* should conduct himself with courtesy and consideration towards all with whom he comes into contact during the course of performing his work.

Institute of Chartered Accountants in England and Wales - ethical principles for members
(Source: http://www.icaew.co.uk)

These principles have been used to develop a "Framework" into which *members* can fit many ethical dilemmas; the Framework is a conceptual approach to resolving them. Where appropriate, the Statements have been drawn up on the Framework basis: *members* are guided as to which threats they might encounter and which safeguards they might put in place to combat them. This analysis by way of threats and safeguards assists *members* in deciding the proper course of action.

8   TOWARDS AN ALTERNATIVE FRAMEWORK OF LEADERSHIP

In this part of the report we will review the findings from the previous sections and explore their implications for the development and use of leadership standards and competency frameworks.

8.1   Review of competencies

From the review of leadership theory, current models and competency frameworks in use throughout the public and private sectors it would appear that a somewhat limited version of "transformational" leadership is being promoted. Most frameworks go beyond simple definitions of behaviours, to also consider some of the cognitive, affective and inter-personal qualities of leaders, however, although the role of followers may be recognised it is usually in a rather simplistic, unidirectional manner. Leadership, therefore, is conceived as a set of values, qualities and behaviours exhibited by the leader that encourage the participation, development, and commitment of followers. It is remarkable how few of the frameworks (AstraZeneca, Federal Express, DfES, Northern Ireland Senior Civil Service, Employers' Organisation for Local Government, Senior Executive Service, CEML and Hamlins' Generic Model) refer to the leader's ability to "listen" and none refer to the word to "follow" (following, followers, etc.).

The "leader" (as post holder) is thus promoted as the sole source of "leadership". He/she is seen to act as an energiser, catalyst and visionary equipped with a set of tools (communication, problem-solving, people management, decision making, etc.) that can be applied across a diverse range of situations and contexts. Whilst contingency and situational leadership factors may be considered, they are not generally viewed as barriers to an individuals' ability to lead under different circumstances (they simply need to apply a different combination of skills). Fewer than half of the frameworks cited refers directly to the leaders' ability to respond and adapt their style to different circumstances.

In addition to the "soft" skills, the leader is also expected to display excellent information processing, project management, customer service and delivery skills, along with proven business and political acumen. They build partnerships, walk the talk, show incredible drive and enthusiasm, and get things done. Furthermore, the leader demonstrates innovation, creativity and thinks "outside the box". They are entrepreneurs who identify opportunities - they like to be challenged and they're prepared to take risks.

Of interest, too, is the emphasis on the importance of values such as honesty, integrity, empathy, trust, ethics and valuing diversity. The leader is expected to show a true concern for people that is drawn from a deep level of self-awareness and personal reflection.

This almost evangelistic notion of the leader as a multi-talented individual with diverse skills, personal qualities and a large social conscience, however, posses a number of difficulties. Firstly it represents almost a return to the trait theory of leadership, just with a wider range of attributes. Secondly when you attempt to combine attributes from across a range of frameworks the result is an unwieldy, almost over-powering list of qualities such as that identified in the CEML research. And thirdly there is little evidence in practice that the "transformational" leader is any more effective than his/her alternatives (Gronn, 1995).

Personal qualities of the leader are undoubtedly important but are unlikely to be sufficient in themselves for the emergence and exercise of leadership. Furthermore, the manner in which these qualities translate into behaviour and group interaction is likely to be culturally specific and thus depend on a whole host of factors, such as the nature of the leader, followers, task, organisational structure, national and corporate cultures, etc.

8.2   Experience of using competency frameworks

The very fact that organisations will go to great effort and expense to develop their own leadership framework is perhaps evidence in itself that there is no "one size fits all" even though there does seem to be a remarkably great degree of similarity between them. Perhaps, in this case, it is not so much the framework in itself that is important, but the process by which it is developed.

The identification of what is required (or desired) of leaders and the manner in which this integrates with other activities (such as the definition of corporate values) is an important voyage of discovery for the organisation and one for which it is vital that key players take ownership. To achieve this takes time, reflection and discussion - simply printing off or copying a pre-defined set of standards wouldn't achieve the same results.

In the organisations with whom we've spoken (Lufthansa, AstraZeneca, DfES, NHS, etc.) the leadership competency framework is an integral element of the leadership development process – whereby it is used to define the content and mechanism of delivery and to help individuals measure and explore their own level of development. It frequently forms the basis of the 360-degree feedback process, by which they can monitor their progress and identify personal learning and development needs, and also underlies assessment and appraisals.

AstraZeneca expressed the importance of keeping the framework to a manageable number of dimensions (7 maximum) so that it remains easier to operationalise. Experience of larger frameworks (such as the previous National Occupational Standards in Management) confirms that longer lists may result in a box-ticking mentality which does little, if anything, to enhance leadership and management capability.

A further challenge also remains: what is the realistic life-span of a framework? Once formalised and implemented it is becomes easy to stop challenging and developing the framework - the search for leadership competencies within an organisation could thus become self-fulfilling and stagnate. Like any continuous improvement process, the development and identification of leadership talent needs to remain dynamic and current. It needs to move with the times and encourage creativity and diversification.

8.3 Evidence-based leadership development

Whilst it has been argued that the leadership and management frameworks presented in Section 5 may suffer from an over-emphasis on the individual leader, they may also suffer from a lack of research basis. For many of the frameworks little, if no information, was available on how they were developed and it seems likely that no detailed research was conducted. Alan Hooper reported that following his research with companies to develop the "transcendent leadership" competencies he found the majority of corporate leadership frameworks to be loosely based on notions of the company culture, guidance of the CEO and "what seems to be acceptable around here".

Even for those frameworks where research has been performed, there are some concerning methodological omissions. For example, the NHS Leadership Framework was developed following interviews with 150 Chief Executives yet is being used to direct leadership development at all levels within the organisation (Wood and Gosling, 2003).

Such a lack of empirical grounding is concerning for a number of reasons. Firstly, there is a danger that the qualities identified have little bearing on the effectiveness of leadership in the organisation. Secondly, there is a danger of forming a clique, whereby people are selected into leadership positions because of their similarity to existing leaders, thus neglecting those individuals who don't fit this mould and forming leadership "blind spots". And thirdly, a lack of concern over research at this stage is frequently translated into a lack of concern for the evaluation of leadership development activities.
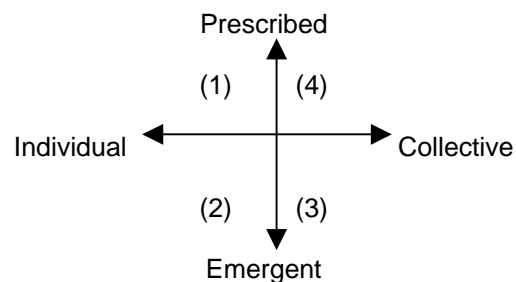
Research is increasingly stressing the necessity of building evaluation structures into leadership and management development (Perren and Burgoyne, 2001; Rodgers et al, 2003; etc.). Huge spending is made on this type of activity yet to most organisations this remains a leap of faith. It may be a difficult task to evaluate beyond immediate post-course reactions ("happy sheets") but the ability to identify whether such activities are leading to behavioural, attitudinal and organisational changes is a major source of competitive advantage. It not only enables the improvement of existing provision and identification of future provision but also an appreciation of the wider-scale impact of the intervention. Multi-stakeholder evaluation, for example, explores the aspirations and experiences of diverse stakeholder group and may well reveal that activities beneficial for one (e.g. participants) may have a negative effect on others (e.g. non-participants).

James and Burgoyne argue that "evaluation, like breathing, is not optional" whether done formally or informally it will always influence subsequent decisions about investments and budgets (James and

Burgoyne, 2001). It would be best, therefore, that this is based on some proof rather than vague aspirations – few businesses would survive if they based business decisions on such weak logic.

8.4   Emergent and collective leadership development

The findings of our review are very similar to those of another recent review of leadership and leadership development literature for the Learning and Skills Research Centre (Rodgers et al., 2003). The authors developed a useful model for the consideration of both leadership and leadership development along two dimensions.

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                        ↑
              (1)       |      (4)
Individual  ←───────────┼───────────→  Collective
              (2)       |      (3)
                        ↓
                    Emergent
```

(Source: Rodgers et al., 2003)

The model proposes that leadership development initiatives differ in the degree to which they focus on individual or collective processes and prescriptive or emergent models and approaches. It is proposed that the vast majority (80%) of leadership initiatives lie within cell (1) of the grid, with about 15% in cell (2) and the remaining 5% on the collective side.

The authors also argue that there is an almost exclusive emphasis on the leadership inputs (competencies etc.) and outputs (standards etc.) with little attention being paid to the processes in between and they challenge us to consider a more "relational" notion of leadership.

Such an emergent and collective view of leadership is reflected in some of the programmes discussed in Section 6. In the Lead2Lead and Leadership Game approaches, for example, far greater attention is paid to the processes than the specific inputs or outputs. To this extent, the process is conceived as one which is likely to generate leadership insights, understanding and awareness but the exact inputs will be different in every case and the outputs will emerge from the process rather than being predefined.

Indeed, there is also an extent to which emergent and collective methodologies are used within programmes closely associated with a competencies/qualities framework. For example, the study tours and exchanges on the NHS Chief Executives programme assume that relevant knowledge and understanding will somehow arise from these experiences. Furthermore, in a review of the Experienced Chief Executives Development Programme (Blackler and Kennedy, 2003), the programme designers report how they used Activity Theory (Engestrom, 1987) as a basis for programme conception. The programme was "designed to help participants step back from day-to-day pressures, reflect on the activities in which they were engaged and their inherent dilemmas, and explore new options".

The National College for School Leadership is likewise looking for means to develop a more collective form of leadership within schools. It is moving away from the relatively individualistic approach of the Hay McBer framework to a more fluid Leadership Development Framework that specifies a strategy for developing school leaders at all levels.

8.5   An alternative to leadership and management frameworks?

In our research and discussion related to the current review, we have begun to hear voices of dissent. The Scottish Leadership Foundation, for example, is currently working with public-sector organisations in Scotland to move them away from competency and standards frameworks. The National College for School Leadership seems to be reconsidering its position; and the Institute for Leadership and

Management is launching a process to develop its own leadership standards in reaction to the current project under way by the Management Standards Centre.

It seems much has already been done to define what "qualities", "competencies", "standards" should be sought from our leaders but, as the current debate would imply, this has done little to improve the quality of our leaders and leadership other than, perhaps, for specific organisations (i.e. those who have gone through the process of developing their own framework). Take, for example, the work of CEML on identifying management and leadership abilities. They produced a list of 83 attributes (condensed from 1013) based on a meta analysis of previous research, however, this has not been adopted as the norm as the current exercise contests. What is to ensure that the new National Occupational Standards in Management and Leadership will be any more successful?

Perhaps, therefore, it is time to conceive of alternative ways to view management and leadership standards:

- Should we be recommending ethically and socially acceptable forms of behaviour? – almost a "Leadership Charter" that leaders can sign up to?
- Should we be promoting "mindsets" that leaders need to master rather than the behaviours they exhibit?
- Should we be questioning leadership styles, approaches, behaviours and methods to reveal their weaknesses rather than searching for some Holy Grail of leadership?
- Should we focus instead on leadership development to explore what does and doesn't help improve organisational performance rather than providing a post-hoc description of leadership qualities?

In many ways a leadership competencies or standards framework is like a psychometric profile – useful for illuminating current practice in comparison to a norm but dangerous and potentially damaging if misused. To work as a psychometric assessor (e.g. for the MBTI) you must be qualified in the tools' application and interpretation – perhaps the same should be true of leadership and management frameworks to prevent their abuse.

9 NEXT STEPS

The outcomes of this review are being used to inform the development of the new National Occupational Standards in Management and Leadership – a set of standards which will define the criteria for future NVQ awards in management and offer an indication of best practice in management and leadership

The next stage in this process will be a series of fieldwork interviews to explore reactions to the framework under development. Should you be interested in being involved in this stage of the research and/or have your own leadership competency framework that you would like to submit please contact Richard Bolden at the Centre for Leadership Studies or email Richard.Bolden@exeter.ac.uk.

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