



State Of Australian Leadership Report - 2021

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Introduction

The cultural characteristic most closely correlated with organisational high-performance and exceptional financial metrics, is ‘adaptability’. Not surprisingly, adaptability stands out as a key theme in this year’s State of Australian Leadership Report.

After 18-months of uncertainty, fear, turmoil and strife, which goes well beyond the Covid-19 pandemic, to a landscape of deadly bushfires, catastrophic climate changes, sticky geopolitical tensions, stagnant productivity and abrupt trading shocks, the need for leadership adaptability or agility has almost become a cliché. It seems Charles Darwin was right when he said: ‘Those that flourish are neither the strongest or the smartest but those which are most flexible, those that adapt most easily to their changing environment.’

To leverage this flexibility, our leaders and our organisations, must be ‘resilient’, what we describe as a set of adaptive behaviours which allow us to absorb, handle, bend and bounce back from challenging situations. This year, leaders also report far greater focus on ‘people’ and far more attention being given to ‘workforce wellbeing’. Unsurprisingly, ‘empathy’, or understanding what others are feeling and going through is another theme of this year’s report. This is critical, as forging connection with employees remains the biggest opportunity for leaders. As we report each year, there are huge productivity, performance and profitability gains to be made for those leaders who know how to build deep engagement with their people.

What has become clear is that leaders today require highly developed emotional intelligence to allow them to respond consciously and deliberately to challenges, rather than react blindly and ineffectively. While we have known for many years that ‘EI’ is the leadership quality which most determines or predicts leadership success, never has it been so important, as now. Leaders today face a level of uncertainty and unpredictability which makes decisions (and action) much more difficult – this predicament is only exacerbated by the ambiguity and volatility that Covid-19 has ushered into our lives.

As a result, leaders need to bring people together, to unite and align them in such a way that they are moving in the same direction, driven by the one singular purpose. In the face of extraordinary challenges, we believe ‘alignment’ is the most urgent issue facing organisations today.

As you proceed through this report you will note the attention given to rebuilding trust, building social capital and connecting to our communities and broader stakeholders. Rarely has there been a more important time for leaders to be good and to do good – this is what we want from our leaders – integrity, authenticity, genuineness and transparency.

We hope that this report contributes to your understanding of leadership and that you take-away a few ideas to lift your own leadership capacity.



Contributions to the 2021 Report

We have loved reading the views and opinions of so many leaders. Given that a central tenant of *People At Their Best* is to ‘operate to learn’ we feel that we have truly learnt from the respondents to this year’s State of Australian Leadership Survey.

In this spirit, we all have to be far more open to differing perspectives and ideas if we are to navigate the challenging times we find ourselves in. Having read hundreds of respondent comments, it is clear to us that we can all be better leaders and that we must do better; our future depends on it.

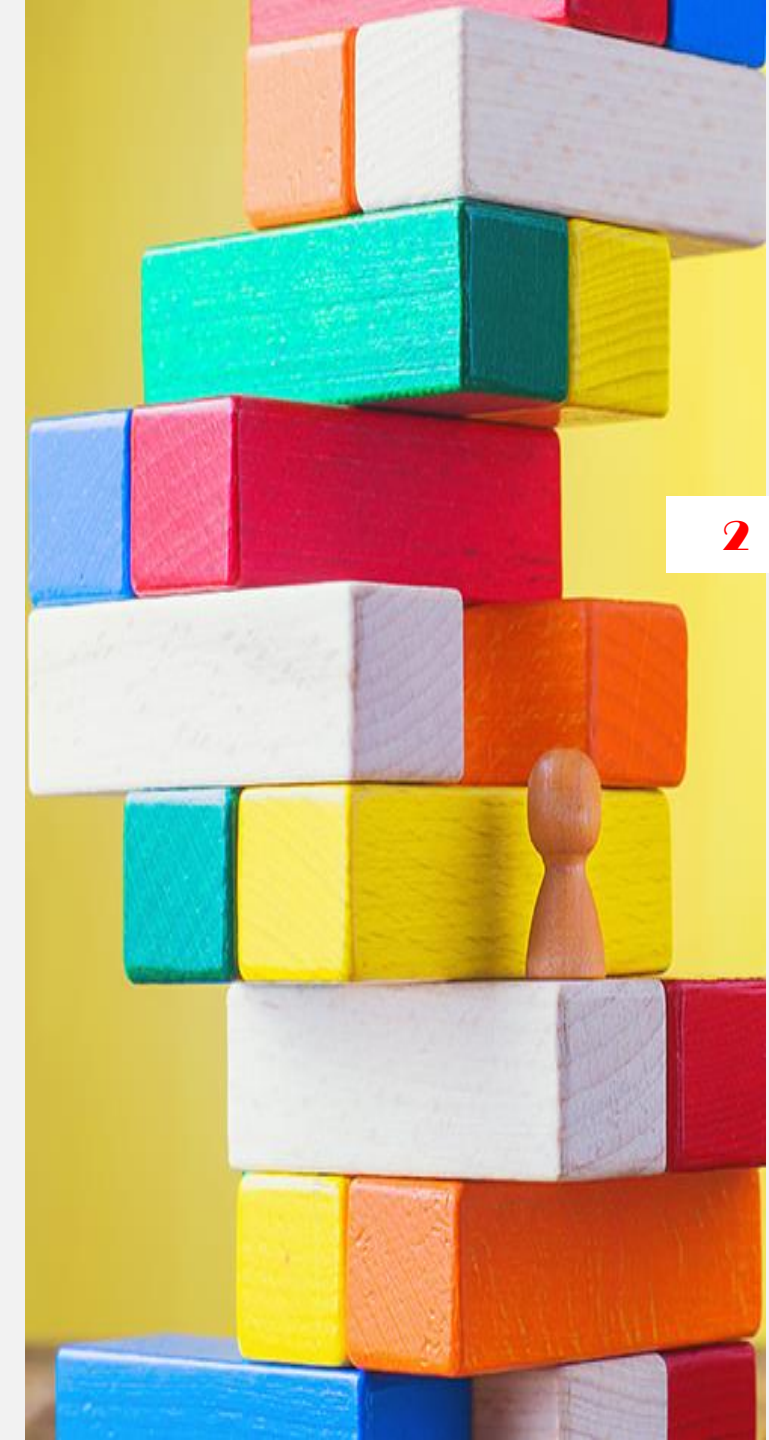
This year, the aim of our research into Australian leadership, was to understand six areas:

1. The challenges (and worries) that leaders are facing
2. The strengths and capabilities that leaders feel they currently have to meet their challenges
3. The capabilities that leaders feel they need to develop to be more successful
4. The qualities of great leaders which have helped them to navigate our volatile and uncertain times
5. How leadership has changed in response to our volatile and uncertain times
6. The qualities leaders need to develop and employ for Australia to move towards a flourishing and confident nation

As in previous years, we had responses from nine distinct leadership levels, as shown here:

- CEOs
- Chief Officers (C-suite)
- Managing Directors
- Directors
- Principals
- Executive Managers
- Senior Managers
- Managers
- Supervisors and Team Leaders

This year, fourteen different industry categories are represented in this report including: Administrative & Support Services; Agriculture, Forestry & Fishing; Construction; Education & Training; Financial & Insurance Services; Health Care & Social Assistance; Hospitality & Entertainment; Information, Media & Telecommunications; Manufacturing; Professional / Consulting Services; Rental, Hiring & Real Estate Services and; Peak Body Advocacy Services in the Non-Profit sector.



Leadership Challenges & Worries

Exploring the challenges of leaders today highlights a shifting landscape of responses, from revised objectives, direction and strategy to new operating models and revenue streams – quite simply, leaders have had to act and pivot to stay relevant and survive. What is also clear, is that challenges are not discrete and in-keeping with the complex, interconnected and evolving world we operate in, the 10-themes below bleed into each other, with effort in one area impacting the outcomes in others - such is the nature of complex ecosystems, action taken by leaders can have unforeseen consequences. In this sense, rarely has the need for agility been so great.

1. Building Trust in a Virtual, Dispersed & Remote Landscape - Connecting with the Market & Stakeholders: Leaders are struggling to determine the best way to interact with and stay connected to customers. For some leaders the inability to travel and meet customers face-to-face, has heightened their anxiety and made it more difficult for them to advocate worth, to demonstrate value and to build trust. At a time when organisations need to establish their social value, many leaders are discovering that their previous ways of working are insufficient.

2. War on Talent – Skill Building; Skill Retention; Skill Attraction: Learning and development in a ‘Work from Home’, geographically dispersed environment is challenging many organisations and this is having a tremendous impact on retaining high-calibre people. At a time when people need to develop new ways to deliver the business’s value promise to the market, the channels, methods and resources for doing so have all been thrown up in the air. As one leader described: Trying to provide the same opportunity for informal learning, for collaborating and for face-face, incidental conversations is so hard now when people can’t come together in a natural way. More so, the diminished labour supply, accelerating salaries, ‘poaching’ of talent and reduced margins are leaving some leaders struggling to deliver to their markets. For many businesses today, succession planning has become a chilling prospect, full of information gaps and baseless assumptions.

3. Diversity & Inclusion: While the need for diverse ideas, thinking, perspectives, views and voices has never been greater, the current climate has pushed many leaders to revert back to familiar ways of working, to what they ‘hope’ will work. Of course, trusting what worked yesterday is more often-than-not, insufficient, at a time when ‘cognitive diversity’ is the key to creative problem solving and innovation. In short, leaders worry they are not able to realise the D&I they want and need.

4. Team Wellbeing – How Best to Support Staff? There is no doubt that hybrid work arrangements have left leaders grappling with heightened workforce emotions and uncertainty about how to help staff cope with accelerated change, generalised fatigue and, as some leaders reported, increasing examples of burnout. With increasing mental health concerns, leaders are wondering how best to engage their teams, how to keep them informed, how best to connect with them and how to ensure they feel valued and secure (at a time when insecurity is rife). In such unstable workplaces, leaders are questioning how to drive team performance – see next.

5. Team Performance from a Dispersed, WFH Workforce: In this interrupted climate, leaders are worried that growth opportunities are being missed and that once strong cultures are under-pressure. Keeping people focused on customers and service delivery and aligning people around the organisation’s objectives has become the key role of leadership. With the challenges of recruiting and keeping good people, referred to above, leaders are working more closely with their people to determine how to service their customers and in many instances, diversify to stay alive – see 6, over-page.



Leadership Challenges & Worries (continued)

6. Business Continuity: Maintaining cash-flow, in an environment where sales are deferred and payments are delayed, is weighing heavily on many leaders. Further, maintaining core services when traditional operating models have been disrupted and resources have been slashed, is testing the most optimistic leader. Many leaders spoke of pivoting their service models during the first wave of the pandemic in 2020, only to discover (now) that adaptation is not a once-off event but rather a continuous (and tiring) process. What is clear, is that building an enduring business in an accelerated change environment requires new and emergent leadership skills.

7. The Growth of an Inward-Looking Perspective: Many leaders acknowledge that their field of vision has narrowed and many are looking closer to home. This is more than understandable, however, the challenge remains that sustaining and growing a business today require leaders to take a big-picture view, to look forward and find opportunities in a volatile market. For this reason, the consequences of leaders giving attention to more immediate concerns, needs further consideration. Some leaders, in fact, report a trend towards becoming more controlling and prescriptive while others report a trend of letting go of control and better empowering their teams. With such divergent responses, it is unclear what impact this inward-looking mindset might have on our collective fortunes – see next.

8. Indecisive & Reactive Leaders: Given the challenges described above, it is no surprise that leaders report increased difficulty making decisions and deciding on the best action to take. Where such difficulty exists, it is equally unsurprising to learn that workforces are struggling with a lack of clarity surrounding their work and direction. What we have seen is that those leaders prepared to take bold and positive action (even in the absence of complete information and evidence) have navigated the Covid-19 pandemic more successfully. This is because, in this complex and ambiguous world, where there isn't 'one-right-answer' and action can have unpredictable outcomes, being bold, backing yourself and maintaining momentum appear likely to yield better outcomes than the inertia induced by wait-and-see approaches or hoping that more time will bring greater certainty.

9. The Political Landscape & Geopolitical Pressure: Many leaders regard the current political maneuverings, partisan point-scoring and divisive policy agendas (in response to Covid-19) as a handbrake on their ability to achieve their organisation goals and objectives. When one throws in trading disruptions, particularly with China, and procurement/global supply shortfalls, it is no wonder leaders lie awake at night, trying to determine the best course of action. For one leader, simply procuring raw materials (from North America) will determine whether the business survives or goes bust.

10. The need to build Resilience & Dealing with Uncertainty: Leaders are investing great effort to cultivate resilience in themselves, their teams and their entire workforce. Resilience is the process of adapting or responding well to difficult situations, the capacity to absorb, handle, bend and bounce back from stressful circumstances. Without resilience, leaders know that their businesses simply can't adapt to the new and ever-evolving landscape. Many leaders note that resilience is dependent on building empathy as a precursor to managing the ambiguity and uncertainty all around them. More so, other leaders report that those workplaces with a dearth of empathy can become 'toxic'.



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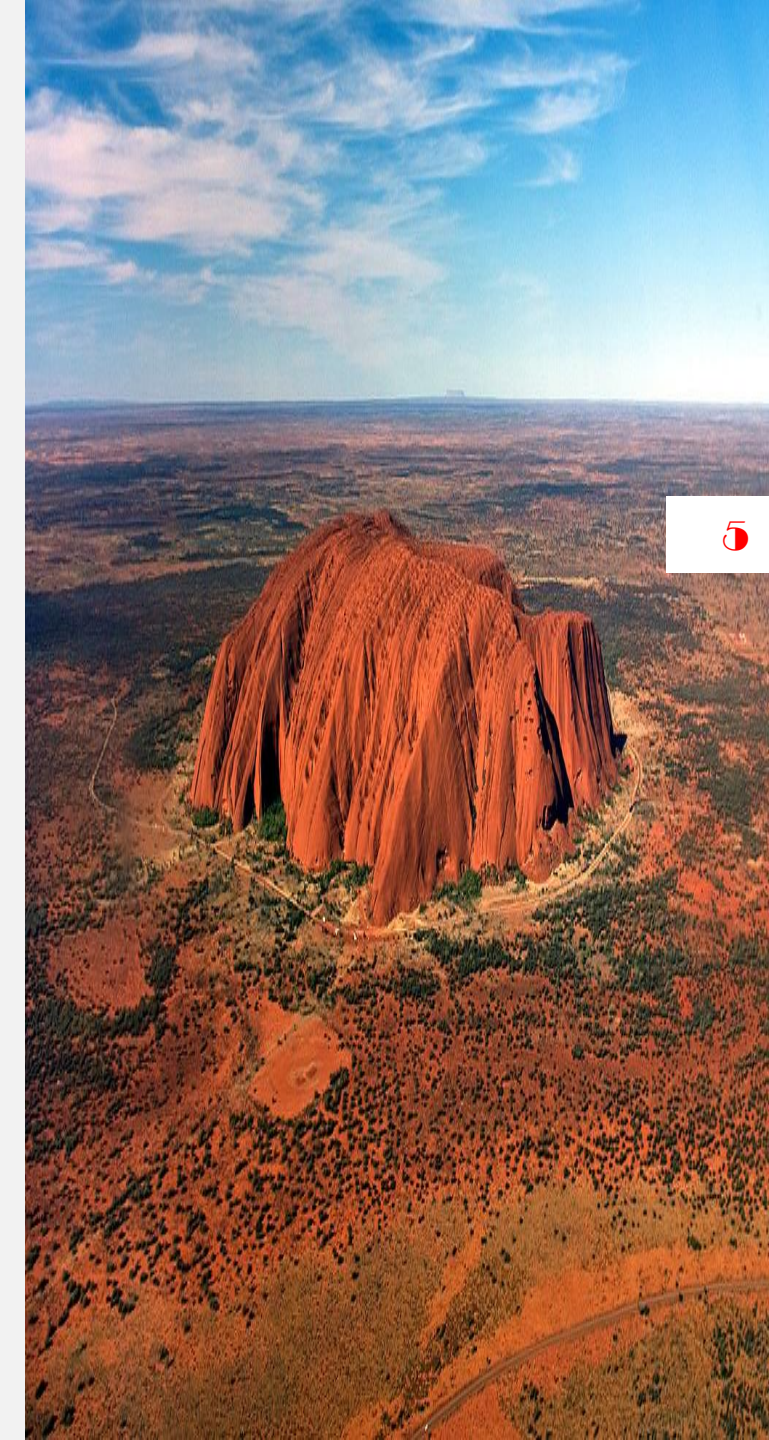
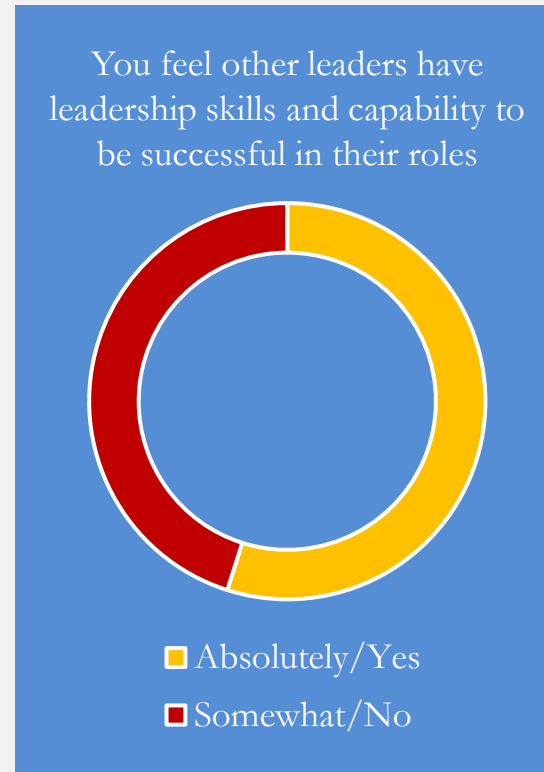
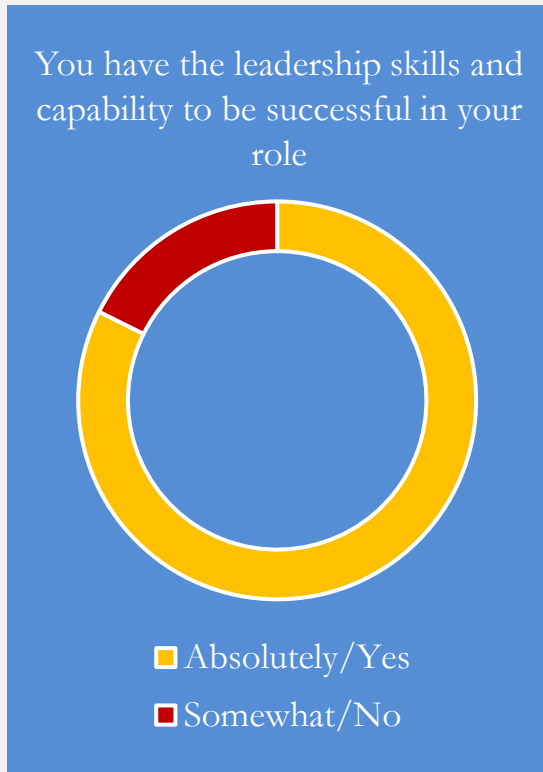


Aerial View

We asked 2 key questions to gain an aerial view of how leaders see themselves and others. While most leaders are confident in their own capability, they are not as confident about the skills and ability of other leaders.

When we asked leaders if they have the leadership skills and capability to be successful in their roles, 82.35% reported 'Absolutely' or 'Yes', while 17.65% reported 'Somewhat' or 'No'.

Conversely, when we asked leaders if they felt that other leaders they observe have the leadership skills and capability to be successful in their roles only 54.90% reported 'Absolutely' or 'Yes', while 45.10% reported 'Somewhat' or 'No'.



Leadership Skills – Strengths & Weaknesses

Today, more than ever, leadership success is driven by a suite of personal and interpersonal skills known as emotional intelligence (EI). In fact, when we asked leaders to list qualities they have observed in great leaders (as shown on pages 10 and 11), we see a list that is almost straight out of the EI playbook: empathy, openness with others, ability to manage one's own and others emotions, connection (or awareness) to how others are feeling and resilience or ability to maintain effectiveness in trying circumstances.

EI is more important today because we are living in an age of uncertainty. As humans we crave certainty and anything that challenges this is perceived by the human brain as a threat - this causes real and persistent anxiety. The Covid-19 pandemic is a perfect storm of uncertainty where the landscape is rapidly unfolding and doing so in totally unpredictable ways. Worse still, we have uncertainty about our health and financial security added to increasing work uncertainty, shifting expectations and no 'end' in sight – all this can leave us feeling increasingly stressed and alone.

In this landscape, leaders who are able to manage their own emotions and those of their teams have a distinct advantage. As we reported previously, forging alliances, building connections and aligning employees are skills which are closely correlated with organisational efficiency, productivity and profit. Such 'people skills' are critical because, as Dr Claire Mason from the CSIRO noted, those occupations showing the fastest growth use old-fashioned people skills because while technology is automating rule-based tasks it can't perform human functions like displaying empathy, making somebody feel valued or defining a really complex 'fuzzy' problem – we explore this further on page 14.

Further, in 2018, we likewise reported that the skill of aligning employees to the organisational purpose is the difference between those businesses that flourish and those that stumble. Done well, the purpose or mission acts as a beacon, orienting employees to direct their efforts to the organisation's priorities. There is no doubt that this is more important now than it was in a pre-covid-world. In fact, the chief characteristic of high-performance cultures is that employees have a deeper sense of purpose and a deeper commitment to a shared mission. Without this, difficulties arise which inhibit the ability for rapid renewal and adaptation. As McKinsey found, organisational non-alignment is a sure-fire path to general operating dysfunction. Cultivating such alignment is the role of leaders and failure to achieve it will leave organisations stranded and struggling for relevance, market penetration and operational performance.



The DNA of Leadership

Our research over the past eight years has highlighted six interconnected domains which leaders must focus on – these are the areas most closely correlated with high-performance.

Agility and Responsiveness - Effectively able to deal with volatile, uncertain, complex and ambiguous situations – throughout this report we have referred to this as **Adaptability**, a culture and mindset which can move quickly towards opportunities or away from threats.

Accountability - Being accountable and taking responsibility for personal and organisational success – engendering self and **Organisational Accountability** is a pre-requisite for success and no business can be successful if people do not deliver on the commitments they make.

Alignment - Inspiring individuals and teams to be united towards a common purpose – throughout this report we refer to **Alignment to a Purpose** and posit that successful leaders devote the majority of their time to nurturing alignment to a single unifying purpose that drives all employees' efforts.

Capacity Building - Effectively developing the skills and capability of your team – in previous reports we have referred to this as **Growing Capability** and have written that leaders must ensure that employees are growing their ability to deliver on an organisation's value promise to the market. Not only is this critical for employee engagement and discretionary effort, it ensures that an organisation is expanding its capacity and collective value.

Communication - speaking and writing with clarity, getting cut-through and articulating your message in a compelling way – we have previously written that leaders need **Clarity of Message**, particularly around purpose, objectives and priorities. Ensuring that employees have the information they need to perform their roles efficiently is obvious and yet continues to be a challenge for most leaders.

Emotional Intelligence - Behaving in the most appropriate and effective way, particularly in difficult situations – throughout this report we have written of the importance of **Resilience** and **Empathy**. Here, we also highlight the component of **Curiosity**, that when combined with empathy and the larger domain of EI, has a tremendous impact on a leader's ability to build **Strong Relationships** and meaningful **Customer Experiences**. In fact, we would go further and claim that those leaders who have high levels of EI and had already built strong relationships have navigated the challenges of Covid-19 far more successfully.



Leadership Strength Areas

When we asked leaders to nominate their key leadership strengths that allow them to deal with the challenges they are facing, the six most selected responses (and the percentages of leaders who nominated these strengths) were as follows:

1. **Building Strong Relationships** - Nurturing and investing in alliances that support and add value to the business (58.82%)

2. **Agility and Responsiveness** - Effectively able to deal with volatile, uncertain, complex and ambiguous situations (52.94%)

3. **Culture** - Effectively building a culture of engagement, empowerment and well-being to achieve common goals (50.98%)

4. **Emotional Intelligence** - Behaving in the most appropriate and effective way, particularly in difficult situations (50.98%)

5. **Accountability** - Being accountable and taking responsibility for personal and organisational success (49.02%)

6. **Resilience** - Ability to handle, absorb, bend and bounce back from challenges so as to maintain performance (47.06%)

❖ It is worth noting that all leadership capabilities from our list of 23 (see page 18) were selected by at least one leader, however, the capability **least** recognised as a strength is '**Conflict Management**'.



Leadership Development Areas

When we asked leaders to nominate the main leadership skills or capabilities they feel they need to develop to be more successful in their role, the six most selected responses (and the percentages of leaders who nominated these development areas), were as follows:

Priority 1

Negotiating and Having Tough Conversations - Being able to achieve organisational outcomes (32.65%)

Priority 2

Confidence as a Leader - Believing in your capabilities in a way that has a strong impact on others (30.61%)

Priority 3

Influencing and Persuading - Able to motivate others to achieve goals (30.61%)

Priority 4

Strategic Thinking - Understanding, planning and driving long-term direction that creates real value for the business (30.61%)

Priority 5

Driving and Managing Change - Building a workplace where change is understood and embraced so as to better serve all stakeholders (28.57%)

Priority 6

Alignment - Inspiring individuals and teams to be united towards a common purpose (22.45%)

- ❖ It is worth noting that all leadership capabilities, from our list of 23 (see page 18), were selected by at least one leader as an area they needed to develop. However, the area which was **least** selected was '**Accountability**', meaning that most leaders regard themselves as accountable and responsible for personal and organisational success.

"IF YOUR ACTIONS
INSPIRE OTHERS TO
DREAM MORE, LEARN
MORE, DO MORE AND
BECOME MORE, YOU
ARE A LEADER." ~
JOHN QUINCY ADAMS

Great Leader Qualities You Have Observed

This year we posed the following statement: ‘Thinking about the past 18-months and the challenges we have all faced (Covid-19, unpredictable and extreme climate events, stagnant productivity, geopolitical tensions and trading shocks), please list qualities that you have observed in great leaders that you feel has helped them navigate the volatile times we are in’. Of the hundreds of responses we received, we have aggregated them into the following 10-themes:

1. Humility: We admire leaders who are humble, when they can admit they ‘got it wrong’ and when they have the courage to say that they do not know the answer. Rather than a weakness, we see this as a sign of strength. Additionally, we regard those leaders who can be vulnerable as ones who have belief in themselves. There is no doubt that both humility and vulnerability are tied-up with our perceptions of honesty and transparency and that this appeals to our ‘common humanity’, as one respondent noted. Conversely, the trend, especially in the political domain, of appearing ‘infallible’, is regarded as a barrier to adaptability or adjusting to changing circumstances (and the cause of much cynicism and distrust in our public institutions). Instead, humility is seen as a pre-requisite for accountability.

2. Openness: Building on humility, vulnerability and transparency, we admire those leaders that openly communicate, those who are consistent in the way they engage with others and those willing to share what they know and the rationale for the action they are taking. In this sense, secrecy is seen as duplicitous and condescending, or untrustworthy. Trusting the audience to deal with difficult messages and being willing to deliver them, is seen as a fundamental requirement of good leadership.

3. Authenticity: Those leaders who are perceived to be authentic are regarded as having more integrity. These leaders are characterised as straight-talking, able to admit when they make a mistake and ones who take action which is consistent with their beliefs – it is what we call ‘values congruent leadership’. Without this, leaders are seen as shady and deceitful and lacking in genuineness.

4. Respect & Service to Others: Demonstrating respect for others is viewed as a requirement of good leadership. There are many reasons why this is probably true - respect for others allows for true collaboration and is a sign that the leader is flexible and open to different ideas. Perhaps more importantly, respect and service to others typically manifests in a leader who is able to listen and respond to the needs of others, it shows they value others and that they ‘care’ about them. At the end of the day, helping others to feel valued is a fundamental pillar of engagement and those leaders who can engender this are better able to ‘get us on-board’ and win our support.

5. Empathy: Building on the qualities above, the characteristic of ‘empathy’ was referenced possibly more than any other in this year’s survey. Perhaps indicating the lack of certainty that people are experiencing, it would appear that we seek leaders today that can understand how we are feeling and what matters to us. We appear to admire leaders that ‘care’ and those that are focused on the health and wellbeing of their people. While this may appear to be a soft-skill, there is no doubt that in times of change and complexity, those leaders that can create psychologically safe places are able to engender creativity and innovation far more effectively – what could be more important in today’s environment?



Great Leader Qualities You Have Observed (continued)

6. Positivity: It is clear that we value leaders who are positive, who can paint a picture of a better future. Part of this ability is seeing new and better ways to serve customers, staying connected to them and being stakeholder-centric. But more so, positivity goes hand-in-hand with taking a long-term view and constantly thinking about the future; about what the future ‘can’ be. In taking such an approach, leaders see opportunities amongst the turmoil and remain optimistic while others descend into defensiveness or ‘survival thinking’, as one respondent noted. Positivity also manifests as a willingness to make tough-calls, to make them early, to embrace ambiguity (rather than avoid difficult decisions) and to take bold action. This is more than simple decisiveness; it is a deep optimism or abundance mindset that flies in the face of the scarcity outlook that constrains so many of our public leaders.

7. Calm & Composed Under Pressure: I’m told that the Australian military have an unwritten rule that officers should not be seen ‘running’ (it is perceived as panic). In this example we note the importance we place on our leaders being in-control of themselves and remaining objective (and positive) about the way things will turn-out. More so, we admire leaders that help us to feel we can cope with whatever comes our way. But perhaps the key element of remaining calm and composed is that we abhor leaders who descend into ‘blaming others’, who become vicious and acrimonious when a cool head and collaborative-solution approach is called for. In this sense, what we are really looking for are leaders who can unite and inspire us rather than those that divide us and chastise others.

8. Flexibility: We admire leaders who are able to change their mind; not in the manner of flip-flopping, but those who are brave enough to alter their course of action when the current approach is not working or when changing circumstances (and data) demand it. Such leaders pivot when required and alter direction when needed. The ability to change one’s mind has a deep and enduring role in our history and it is worth recalling the words of George Bernard Shaw, who said, ‘Progress is impossible without change, and those who cannot change their minds cannot change anything’.

9. Resilience: We admire leaders who can deal with multiple and complex challenges and respond effectively. In this sense, we are pointing to leaders who have well-developed emotional intelligence and those that have persistence and grit. Borrowing from much of the commentary above, it is clear that we value leaders who can and do make tough decisions, even in trying and ambiguous situations and even when the way forward is unclear or the right answers are unknown.

10. Alignment: We admire leaders who are clear about their purpose and work to connect others to it. Bringing all stakeholders together and uniting people is a quality we need at this moment. In fact, we argue that alignment is the most urgent organisational issue we are facing today and that in the face of unprecedented challenges, no organisation can weather vested interests and employees pulling in different directions. Many respondents reported was the power of leaders who use their purpose (and values) to guide their decision making – in that moment, it is as if we feel great integrity in the leader and are drawn to them.



How Leadership Has Changed

When asked to think about the past 18-months of volatility and uncertainty, respondents noted that their leadership has changed in the ten ways listed below. What is overwhelmingly clear is that leaders report having far greater focus on people. Given that 65% of the variance in organisational success is dependent on people, it is certainly the right approach to take.

1. More Patient: Leaders told us that they have had to become more patient and accept that people manage and deal with uncertainty differently. As a result, leaders say they allow more time for their teams to recalibrate, return to balance and respond. Being more patient also means accepting that our efforts will not always proceed or work-out as we had hoped.

2. Better Listening: Leaders report being more available to their team and having adopted almost a ‘counselling’ role, as one respondent told us. Part of this development is the appreciation of needing to seek deeper insights to better understand the organisational climate. More than this, it is about leaders seeking greater feedback from their troops to allow them to respond in a more contextually appropriate way.

3. Greater Focus on Workforce Wellbeing: Leaders report checking-in with their people and doing so in a far more scheduled and deliberate way. And, not only how people are going in their work but also in their lives – as one leader reported, my focus is on the sum of the parts and being more aware of how people are coping. What is clear, is that leaders are prioritising 1-on-1 time with their people and making themselves far more available for their teams.

4. Focus on Building Trust: As reported above, leaders are engaging in more open dialogue and it appears this is about building trust with their teams, both in the leader and the leader’s confidence in their team. Leaders spoke of ensuring the team understand the shifting objectives of the business and at the same time giving people the opportunity to run with their ideas. Leaders report wanting to empower people and trust them to make decisions and at the same time ensuring they understand what is required to serve customers in this difficult time.

5. Intensified Communications: As would be obvious from the changes noted above, leaders have increased their communication efforts. Specifically, leaders report sharing more personal stories, listening more and tuning-in to understand their people. Further, their communication is characterised by being more ‘open’ and ‘brave’. Additionally, leaders note they are repeating key messages more frequently and having more conversations about shared challenges and opportunities. Such is the nature of this communication, that leaders say they are much more visible in their organisations, thus making themselves available for others.



How Leadership Has Changed (continued)

6. Reinventing Leadership, the Team and how We Serve Customers: There is little doubt that leaders have had to transform their leadership but we would argue this shift has been coming for many years, with the pandemic only accelerating the process. Empowering people, open collaboration, being more emotionally in-tune with others, striving to be flexible and adaptable, moving faster to serve customers or capture opportunities, cultivating resilience, focusing on outcomes and high impact initiatives, connecting with purpose and creating experiences which customers find meaningful are all part of the transformation required of us in this Concept Age – see diagram on the following page, where we illustrate the shifts required to ready ourselves and our organisations for the future.

7. Less Confident when Taking Action (it's a good thing!): While leaders report they are less sure of themselves, what is taking place is an increased willingness to be open to new and different ideas, to openly collaborate and better understand 'where others are coming from'. As one leader noted; I am facing situations where I can't rely on previous experience or good data. In this situation, leaders need to be more humble, brave and vulnerable to better leverage the thinking of their team (and others). It also means saying; 'I don't know' as a forerunner to change and adaptation, what we call, 'being comfortable in the grey'. In this sense, leaders report that they are striving to take the best action they can in the face of ambiguous situations and an unpredictable future.

8. More Connected to Team and Purpose: With increased uncertainty and complexity, leaders report there are few sure-ways of working anymore, few actions they can take with any sort of confidence. In such an environment, leaders need to be far more connected to their teams, more ready to pivot operations to serve their customers, more clear about objectives and strategies and more aligned (and sure) about the values and purpose of the organisation. Leaders report they must be constantly looking to the future and that they (and their teams) can not be fixed in their approach.

9. More Resilient: Leaders, their teams and their organisations have had to become more resilient over the past 18-months – they have had to develop the capacity to absorb more and bend more and to then bounce-back from the disruptions and shocks that would have once knocked them off-kilter. What this 18-months has taught us is that those leaders and organisations that can adapt more easily to the changes in their environment are more likely to flourish. Part-and-parcel of this resilience is knowing what to let-go of; not in a defeated way, but in a self-care and adaptive way.

10. More Empathetic: We know that the largest factor influencing a leader's success is their emotional intelligence and so it is pleasing to note so many leaders report an increase in their understanding and care for others. Further, leaders say, 'We understand each other better' and that there has been an increase in 'compassion' in the workplace. At the end of the day, seeing things from another's point of view and being 'more kind' can only be good things for our workplaces.

Is Your Leadership Ready for the Future?

The future belongs to a very different kind of person with a very different kind of mind - designers, story tellers, carers, empathisers, big picture thinkers and meaning makers - Dan Pink

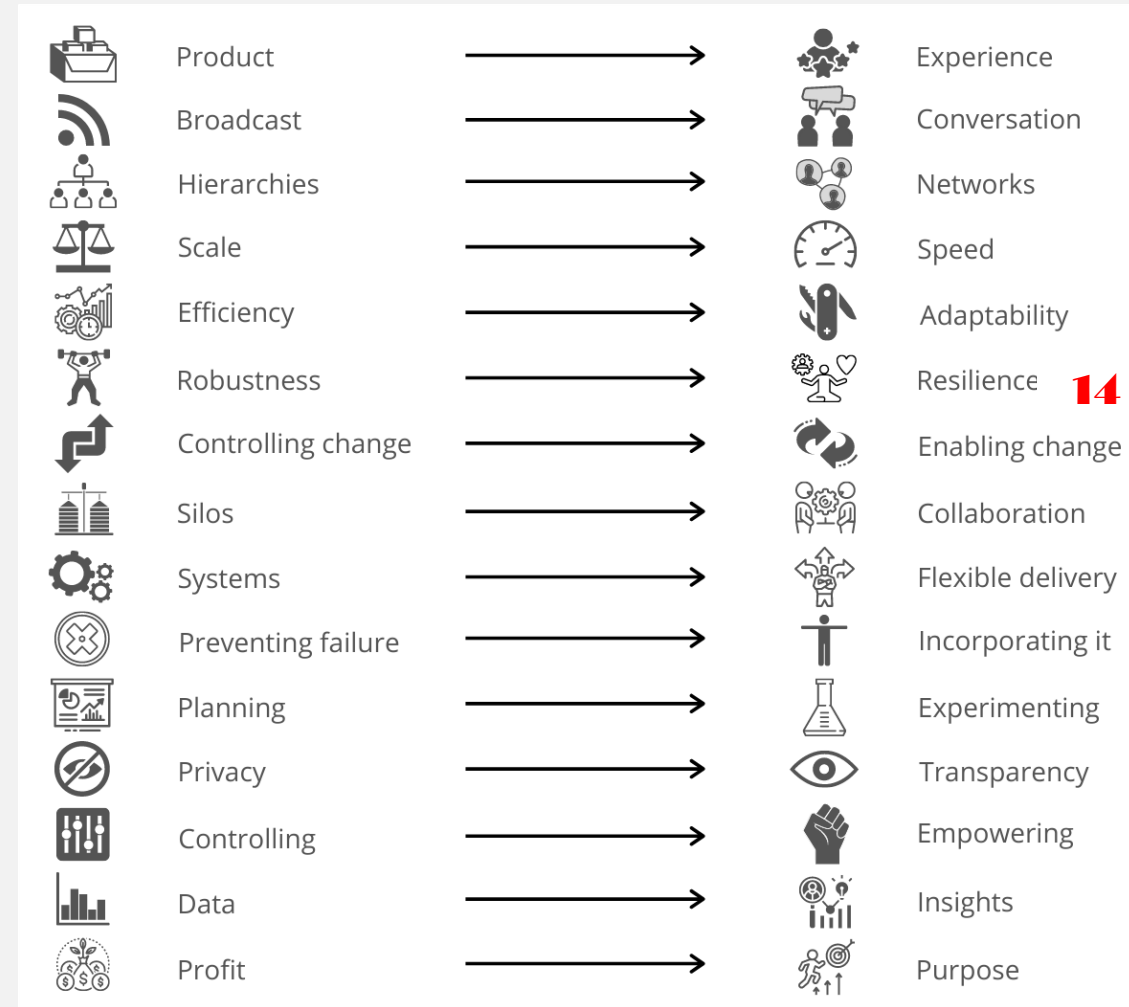
In a world where everything can be copied and replicated, where everything is being automated, there are only four areas which machines can not imitate or do – helping people make sense of complexity, helping people feel understood, helping people feel valued and helping people to see a pathway to a better future – it is in the creation of these experiences where the real value of leadership rests.

What leaders require is empathy and the more that services are automated the more important empathy becomes – the more it is required on the remaining human interactions. This is due to the fact that technology can't build trust, only humans can, because only human can demonstrate empathy – and people who feel understood are far more likely to trust you.

Likewise, leaders need to be adaptable and to adapt fast because it is no longer sustainable to be a fast follower of what others are doing. In fact, in this accelerated world, adaptability is a core skill. In this respect, learning is more important than knowing.

So much so, that organisations will compete on their speed of learning, how quickly they can understand what customers and other stakeholders value and use these insights as an input into the design of meaningful customer experiences – all organisations will compete on customer experience. This requires tremendous adaptability and while most leaders talk about organisational agility, the truth is that most are simply not flexible enough to move quickly towards opportunities or away from threats.

Our graphic, which we also published in previous reports, represents the shifts that leaders must strive to cultivate for themselves and their organisations.



Leadership Qualities Needed for a Flourishing and Confident Nation

This year we posed the questions: ‘To help Australia move out of its current challenges and towards a flourishing and confident nation, what qualities do organisational leaders need to develop and employ?’ The following 10-qualities represent respondents’ aggregated themes:

1. Inclusiveness: We want our leaders to be more inclusive; to listen and care and show respect for others. We see that this will help leaders draw ideas from others, leverage diverse thinking and collaborate more effectively, what we call, cultivating collective intelligence. This requires leaders to have great humility (or perhaps ego management) and trust in the people around them – see also Quality 4, below.

2. Bridge-Building: We want our leaders to bring people together, to unite them. In a challenging and competitive environment nothing is more important than alignment. Beyond this, we also want our leaders to have a sense of service to others; that it is about the team rather than the leader – we want leaders that can bring people together and bring them along on the journey.

3. External / Global Perspective: We appreciate when leaders are strategic, when they are able to identify opportunities that move the dial and when they understand the bigger picture - think globally and act locally seems to be what we want from our leaders. What’s more, we feel that leaders should accept that uncertainty is the new normal and embrace this paradigm, rather than deny it or seek to avoid it.

4. Willingness to Admit Mistakes: We value leaders who speak the truth and tell us when they get it wrong. For obvious reasons, we have become less tolerant of ‘bullshit’. We want our leaders to be honest and humble, letting us know when they don’t have the answers. Those that are, we regard as genuine and transparent. But more than this, we believe that leaders who can admit mistakes are far more likely to take accountability for their actions and behave with integrity. Get all of this right and we have leaders that are authentic, who act congruently with their values – it is these leaders we gear-up to follow.

5. Willingness to ‘Give-it-a-go’: Being prepared to experiment with new ideas, approaches and ways of working is critical for innovation and progress. More than this, we want leaders who are prepared to take unpopular action and to have the courage to act on important issues. What we don’t want is inertia, hiding behind a wait-and-see, let’s see what others do mindset or leaders who think that ‘what we have always done’ is sufficient to meet today’s challenges – in an accelerated world, it is not enough to be a fast follower. In short, we want our leaders to be brave and bold.

leadership

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Leadership Qualities Needed for a Flourishing and Confident Nation (continued)

6. Be Open-Minded: We believe leaders need to be far more open-minded than they currently are; open to new approaches and ideas. We believe leaders should be willing to pivot and to keep pivoting; that it is no longer appropriate to keep working like we always have. Of course, being open-minded means much more than this and includes all the qualities listed above (and for that matter, below) and we quote, once more, George Bernard Shaw: Progress is impossible without change, and those who cannot change their minds cannot change anything.

7. Better Stakeholder Engagement: We want leaders who are empathetic, that help us to feel understood and understand what is important to us; who are able to create safe places, where we are able to be ourselves and contribute new ideas and thoughts. (We note that psychological safety is an antecedent for creativity and that organisations without it are hardly ever innovative). We want leaders who can build social capital and public trust and who care about community impact. Engagement also requires exquisite ‘story-telling’, the ability to paint a picture of a better future that appeals to the kind of people we want to be.

8. Communicate with Clarity: What we really want are leaders who can mitigate uncertainty, who can communicate a pathway to a better future. The human brain perceives uncertainty as a threat and in this state, we are unable to be productive or innovate or solve complex problems because all our attention and cognitive resources are rivetted on the perceived threat. Those leaders who can alleviate threats, with open, honest, clear and positive communication stand to experience far greater engagement with their stakeholders.

9. Outward Mindset: What we mean by this, is that we admire leaders who are looking outside of themselves and focusing on others. Partly, this is about service to others and partly, it is the quality of empathy, of being able to understand another’s situation. An outward mindset also encompasses customer-centricity, being connected to others, being curious about them and having the courage to be open to new ideas, ones that are different from your own.

10. Resilience and Emotional Intelligence: It hardly seems necessary to say it, but we want our leaders to develop their EI and be more people focused, be more ‘humanistic’. We want leaders to focus on the wellness of their people and to care about all their stakeholders. Without doubt, we feel that leaders who are more connected to their own and others’ emotions are better able to handle difficult challenges and adapt accordingly.

Become a Great Leader

Organisations tend to over-invest in describing strategy and goals and under-invest in defining purpose and the behaviours required by the workforce to deliver on that purpose – what we call ‘performance signatures’.

And yet these two domains (Purpose and Behaviours) are the foundation of high-performance when used in an adaptive way by emotionally intelligent leaders.

For this reason, the key focus of any leader ought to be securing alignment around the organisation’s purpose and the behaviours which deliver on that purpose.

Aggregating the responses from this year’s State of Australian Leadership Survey and thousands of interviews we have conducted with leaders and their team members, we offer 15-steps (shown in the graphic opposite), for becoming a great leader.



Define your team's purpose & align your team to it



Articulate performance signatures (behaviours that drive success) & hold people accountable to these



Always discuss what great looks like



Show fierce empathy - demonstrate you care



Ensure every team member has a development plan



Leverage the diversity of your team



Give people constant feedback on their performance



Collaborate proactively & broadly with different people



Practice emotionally intelligent behaviours every day



Learn to delegate well so you can empower people



Never stop learning - stay curious & keep developing



Stay future focused & externally connected - be customer centric



Learn to communicate with impact - use a communication model



Stay positive - be agile & see challenges as opportunities



Above all, make people feel valued - ensure they know their efforts are vital to the team's success - in doing this you will engage people & create experiences which are cherished

Definitions

- **Accountability** - Being accountable and taking responsibility for personal and organisational success
- **Agility and Responsiveness** - Effectively able to deal with volatile, uncertain, complex and ambiguous situations
- **Alignment** - Inspiring individuals and teams to be united towards a common purpose
- **Building Strong Relationships** - Nurturing and investing in alliances that support and add value to the business
- **Capacity Building** - Effectively developing the skills and capability of your team
- **Commercial Thinking** - Identifying and converting business opportunities
- **Communication** - speaking and writing with clarity, getting cut-through and articulating your message in a compelling way
- **Confidence as a Leader** - Believing in your capabilities in a way that has a strong impact on others
- **Conflict Management** - Ensuring a productive working environment
- **Culture** - Effectively building a culture of engagement, empowerment and well-being to achieve common goals
- **Customer Focus** - Ensuring the best customer experience
- **Driving and Managing Change** - Building a workplace where change is understood and embraced so as to better serve all stakeholders
- **Emotional Intelligence** - Behaving in the most appropriate and effective way, particularly in difficult situations
- **Influencing and Persuading** - Able to motivate others to achieve goals
- **Judgement and Decision Making** - Effectively analysing situations and making quality decisions that improve the business
- **Learning and Curiosity** - Continuously looking for ways to be more effective and to grow personal value
- **Negotiating and Having Tough Conversations** - Being able to achieve organisational outcomes
- **Performance Management** - Driving the performance of the team
- **Presenting Powerfully** - Presenting with clarity and impact while positively engaging the audience
- **Resilience** - Ability to handle, absorb, bend and bounce back from challenges so as to maintain performance
- **Self-Management** - Planning, time management and goal setting / Being as productive as possible
- **Strategic Thinking** - Understanding, planning and driving long-term direction that creates real value for the business
- **Workflow Management** - Delegating and assigning work to others so as to leverage resources and maximise efficiency

Thank You

We would like to thank those of you who participated in our survey, for your time and considered contribution.

It is our genuine hope that this report contributes to our mission of building purpose driven organisations and helping all organisations to grow their internal capability to match their external ambition – helping all leaders to be their best is what drives us.

We encourage you to contact us if you would like to discuss your own leadership or the performance of your organisation.

Sincerely,



Dom Meli

Principal

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