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Australian Institute of Management – Western Australia
Leadership Effectiveness and Development Survey
May 2006

Introduction

An electronic survey conducted in May 2006 with Personal Members of the Australian Institute of Management in Western Australia (AIM) explored the topic of leadership effectiveness and development, identifying current perceptions about organisational leadership. The survey assessed what impact different practices are having, both positively and negatively, on organisational effectiveness.

This survey has been repeated over the last few years, with about 18 months space between each survey, thus allowing the identification of any shifting perceptions and attitude in the same broad audience.

AIM would like to thank the respondents who took the time to complete the survey and increase our knowledge of the issues in organisational leadership.

The outcomes of the survey indicate there are a wide range of ratings of leadership effectiveness in different organisations. On the one hand, some organisations appear to be innovative, using leading edge approaches and have a culture of supporting the ongoing development of leaders. On the other hand, some organisations appear to be locked in a traditional model of management development that has not kept pace with the changing nature of work or the evolving expectations of the workforce.

The Survey Sample

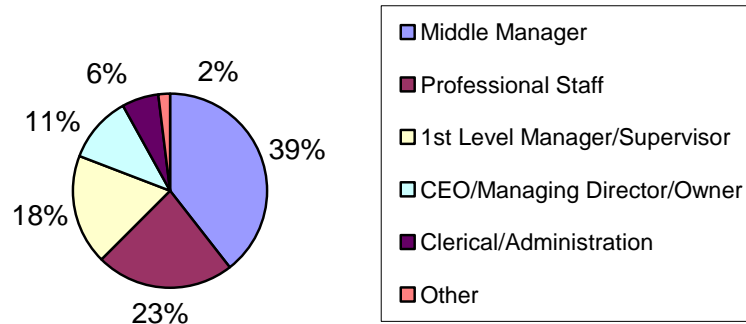
The sample consisted of Personal Members of AIM-WA who were sent an electronic questionnaire via email. Respondents could reply immediately and results were calculated automatically. 364 Members, representing a response rate of 5%, responded to the survey.

Question 1.

Which of the following job titles most accurately describes your current position?

Almost one in four respondents described themselves as being in Middle Management positions, followed by almost one-quarter who nominated themselves in the Professional Staff category. The sample was broadly in line with the findings of the previous research surveys, although the proportion of respondents at CEO/Managing Director/Owner level showed some decline (from 18% in 2003 to 11% now). The graph shows the full breakdown.

Current Position

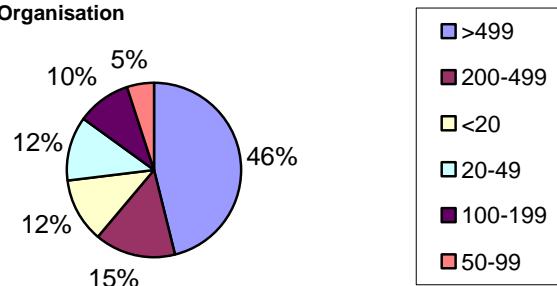


Question 2.

How many employees work in your current organisation?

Almost half (46%) of respondents worked in organisations with 500 or more employees, with the balance of the sample spread across a range of company sizes, as the graph below shows.

No of Employees in Organisation



Comment on the Sample

As was the case also in the previous research surveys, the sample is not representative of the WA business community at large which typically has the vast majority of the workforce employed in organisations of 20 or less employees. The survey is therefore more representative of perceptions of leadership in large organisations rather than small business organisations. Also, representation amongst respondents within the higher echelons of management exceed that in the general business community, although less marked than in previous years. The results that follow should be considered in the light of this skewed sample. Furthermore, whilst the survey was repeated over time with the same broad audience, that is not to say that the exact same individuals responded each time.

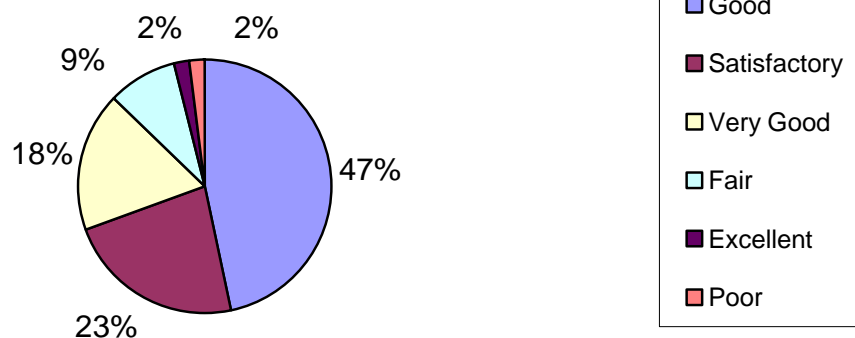
Leadership in Western Australia

Question 3.

Overall, how would you rate the level of leadership in the general WA business community?

Approximately one in ten (11%) of the sample viewed the overall level of leadership in the general WA business community as fair or poor – a statistic broadly in line with (and certainly no worse than) previous years' findings (12% and 14% respectively).

Level of Leadership in WA Business



Outstanding Leaders from the Private Sector

Question 4.

List the names of 3 people you would consider to be outstanding current leaders in the WA private sector.

Comment

Just as was the case in the 2003 findings, Michael Chaney was the most listed business leader from the private sector, achieving significantly more references than any other person. Second and third on the list were Janet Holmes-a-Court and Tony Howarth. Others to receive multiple nominations included Len Buckeridge, John Roberts, Bill Wylie, Dr Fiona Woods, Bob Browning, John Rothwell, Kerry Stokes, John Hughes, John Langoulant, Harold Clough, Penny Flett, Rick Hart and Chip Goodyear.

Outstanding Leaders from the Public Sector

Question 5.

List the names of 3 people you would consider to be outstanding current leaders in the WA public sector.

Comment

There was no single dominant person in the public sector listing although several people did receive multiple nominations. These included Dr Fiona Stanley, Dr Jim Gill, Premier Geoff Gallop, Des Pearson, Dr Karl O'Callaghan, Terry Sanderson, John Sanderson, Dr Neale Fong, Bob Kucera, Jim McGinty, Menno Henneveld, Michelle Dolin and Mike Daube.

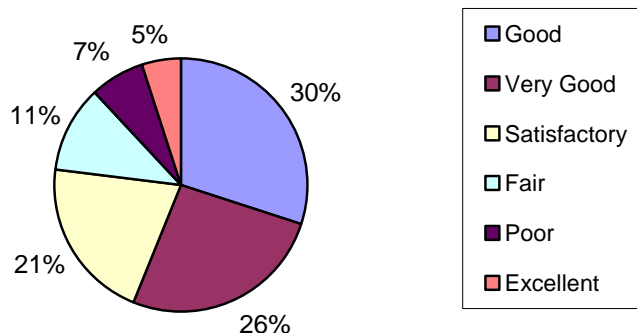
Leadership of the Organisation

Question 6.

The next set of questions relate to leadership within your organisation. Overall, how would you rate the leadership in your organisation?

Consistent with findings from previous years, approximately three times as many respondents (61% versus 18%) viewed leadership in their own organisation in a positive light (as excellent, very good or good) than in a negative fashion (as fair or poor). Perhaps not surprisingly, respondents appeared marginally more positive in their ratings of leadership in the general WA business community than their own organisation (66% positive versus only 11% negative).

Leadership within own Organisation

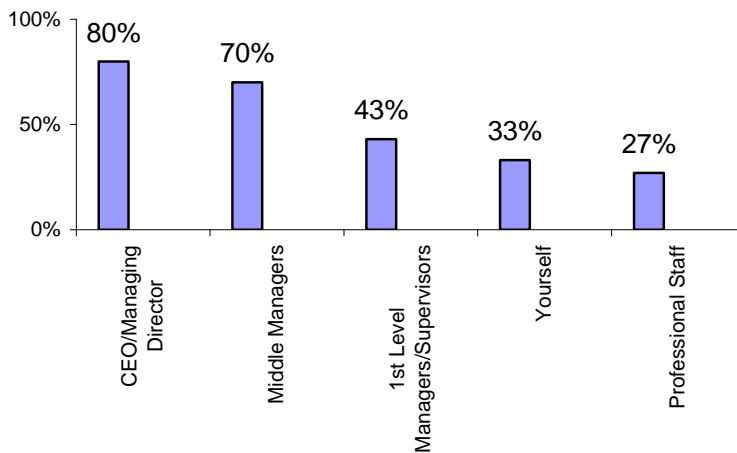


Question 7.

When you think of the leadership of your organisation, which of the following people do you consider? (tick one or more choices)

Out of a possible 100%, one-third of respondents included themselves in their list of leaders within their organisation. The most commonplace perception of leaders, not surprisingly, was the CEO or MD, but interestingly the findings show that this category was omitted as an answer by one-fifth of the sample.

Who do you consider are Leaders in your Organisation?

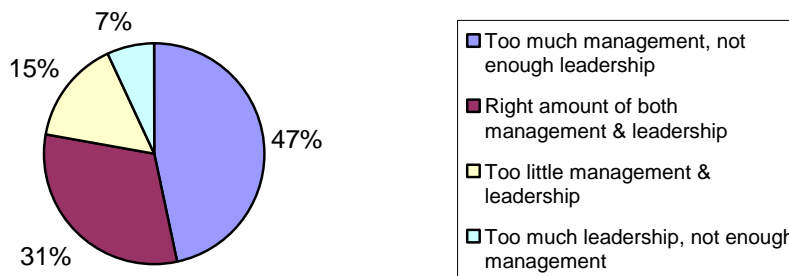


Question 8.

Which of the descriptions below best describes your organisation?

On a positive note, the proportion of respondents that indicated they consider their organisation displays the right amount of both leadership and management appears to be increasing over time, with this percentage growing from 22% in 2003 to 26% in 2004 and 31% most recently. Despite this optimistic trend, however, there are still a large proportion of the sample (47%) who experienced too much management and not enough leadership (similar to previous findings). Additionally, a surprising 15% said they had too little of both management and leadership, although this appears to be less marked than in previous years (18% in 2004 and 22% in 2003).

Organisational Leadership

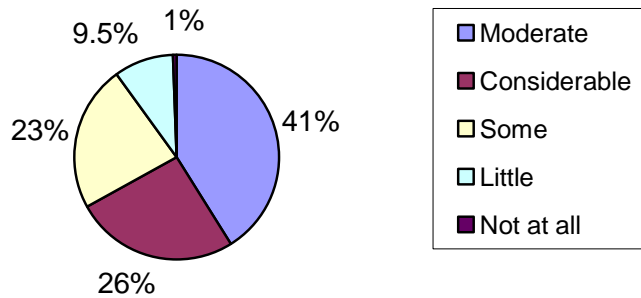


Question 9.

To what extent is the senior leadership team in your organisation aligned and working together effectively toward a common set of goals?

Similarly to the previous year's findings, two-thirds (67%) felt that their organisation's leaders were working towards agreed goals, to a considerable or moderate extent. Conversely, however, one in ten did not believe this was the case in their place of work.

Aligned Leadership



Comment

The set of results above convey a significant opportunity for a significant proportion of organisations to increase their senior management's sense of alignment, (or communicate to others that this alignment exists). There also appears a widespread ailment amongst some organisations of being "over managed and under led", or with some not to enjoy enough of either management or leadership.

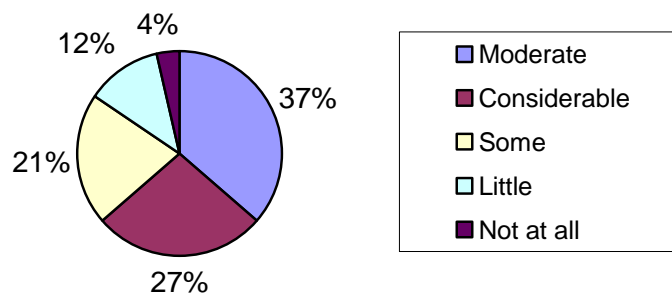
Ongoing Development of Leaders

Question 10.

To what extent does your organisation support the ongoing development of leaders through professional development and training?

Professional development and training is used (to a moderate or considerable level) as part of the ongoing development of leaders in the organisations of 64% of respondents, (a marginal increase on previous findings). Whilst this majority statistic is encouraging, what happens in the organisations of a small proportion of respondents (16%) in terms of negligible or no support in this area is of concern, although this is a smaller percentage than that recorded in previous findings (by 4-6%).

Support of Ongoing Development

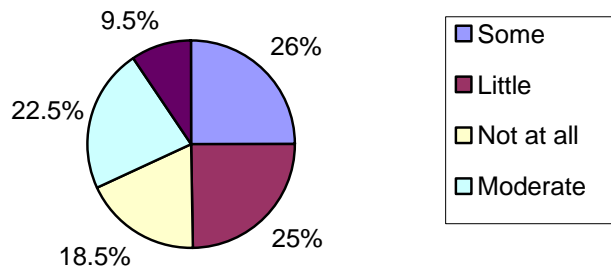


Question 11.

To what extent does your organisation support the ongoing development of leaders through a process of job rotation that exposes leaders to a variety of work settings?

On a positive note, virtually one-third (32%) of respondents' organisations appear to support job rotation as a development tool – a figure that has increased from 27% in 2004. This still leaves, however, a greater proportion (43.5%) being very tame in their commitment to job rotation, supporting it only a little or not at all, and whilst this is a disappointing finding per se, this was at least a smaller percentage than the 47% and 52% figures recorded in the previous surveys.

Support of Job Rotation

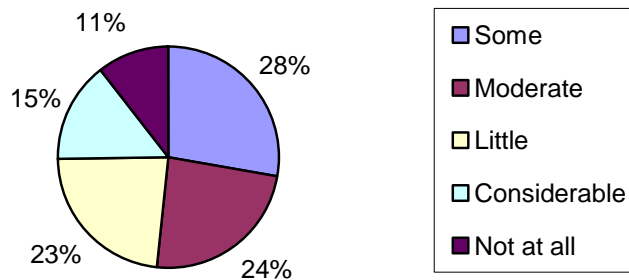


Question 12.

To what extent does your organisation support the ongoing development of leaders by providing coaching from internal and external sources?

A polarised result reflects different degrees of use of coaching for the development of leaders, with one-third of the sample's organisations making scant use of coaching as a development tool, but another 39% using it a considerable or moderate amount.

Support of Coaching for Development of Leaders

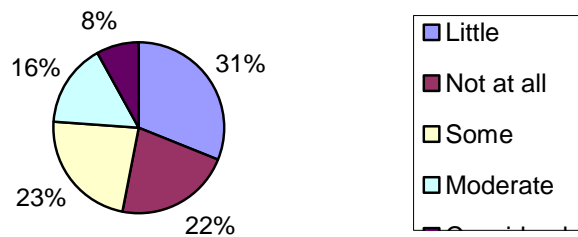


Question 13.

To what extent does your organisation support the ongoing development of leaders by appointing a mentor; ie someone older, more experienced to provide personal and career guidance and support to the leader?

Whilst the use of mentoring is fairly commonplace within the organisations of one-quarter (24%) of respondents, this by contrast is far from the norm in almost twice as many organisations, with the use of mentoring as a development tool being only little or non-existent amongst 53% of the sample. Both findings are in line with previous years.

Mentoring



Quality of Leaders

Question 14.

Please rank the following issues in terms of their significance in influencing the quality of leaders in your organisation – from (1) most important to (6) least important.

The factors of most significance in terms of influencing the quality of leaders in an organisation have been consistently across years listed in the following order, from most important to the least important.

Equally most important:

- Organisational culture that supports leadership
- Ongoing support from top management

Equally second most important:

- Recruitment and selection process
- Training and development provided after appointment

Next:

- Amount of and access to resources to do the job

Last:

- Job rotation/challenging jobs

Strategies Employed for Positive Impact

Question 15.

What strategies does your organisation use that have a significant positive impact on the development of good quality leaders?

Many strategies are used in organisations that have a positive impact on the development of good quality leaders. There were no stand-out items although the use of training and development was a most frequently listed. The list below indicates some of the key items identified by respondents:

- Ongoing professional and leadership development and training
- Open, supportive management style
- Clear and regular communication
- Involvement in strategic planning
- Well articulated values and strategies
- Ownership of specific projects
- Responsibility and being left to perform
- A supportive culture
- Regular communication and meetings
- Succession planning
- 360 degree reviews
- Sound recruitment and selection practices

Barriers That Hinder Development

Question 16.

What barriers exist in your organisation that hinder the development of good quality leaders?

An equally long list of barriers exist in organisations that hinder the development of good quality leaders. Many of the items below were listed several times in different forms, and perhaps of greatest significance was the sheer lack of organisational activity and energy in the area of leadership development reported by some respondents.

- Too busy to do any real development
- Lack of resources (human and financial)
- Culture that has lost interest
- Preconceived ideas about who will make it
- No strategy or plan for development
- Poor role models
- Personal agendas and personality issues, including egos
- Absence of training and development opportunities
- Lack of autonomy
- Internal politics
- Lack of communication
- Too small

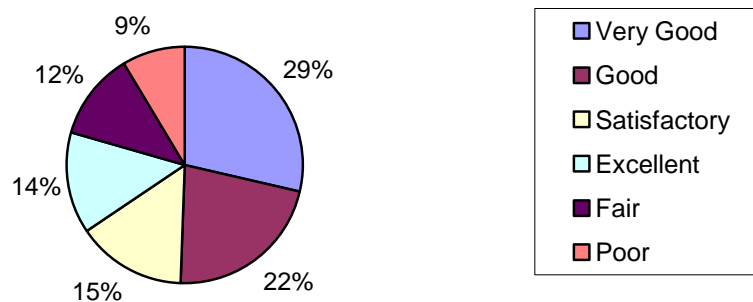
Leadership by Immediate Supervisor/Manager

Question 17.

Now consider your immediate manager/supervisor, overall, how would you rate their leadership?

One in four (21%) respondents were clearly not too impressed with their immediate boss's leadership skills, rating them as only fair or poor, (marginally better than the 24% found in the last survey). However, there were twice as many respondents (43%) at the other end of the spectrum, having rated their immediate manager's leadership as excellent or very good.

Immediate Superior's Leadership

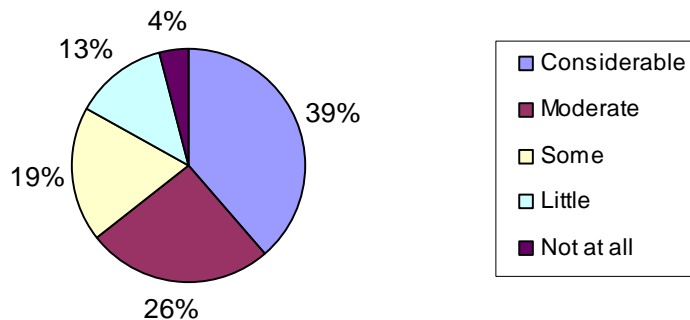


Question 18.

To what extent does your manager/supervisor consult you when making decisions related to your job?

As the graph below shows, 17% of the respondents felt that their manager did not consult them at all, or only a little, when making decisions relating to their job. More optimistically this left the vast majority of the sample experiencing consultation about such matters, with the largest proportion of them finding this consultation to be "considerable. These findings were in line with the previous two surveys also.

Consultation from Boss

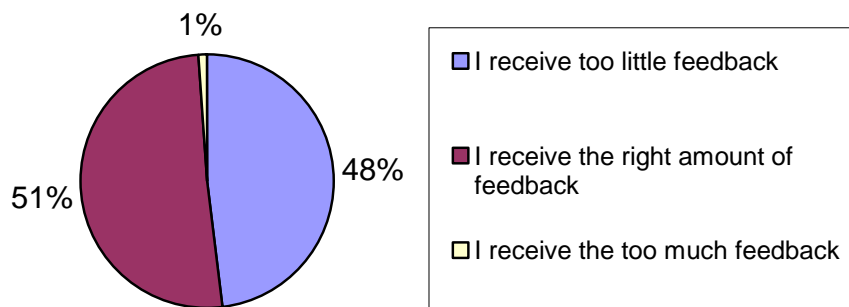


Question 19.

To what extent do you receive the right amount of feedback on your performance in relation to your needs?

As was the case in the previous surveys, there was a split in the sample in how they felt about the amount of performance feedback they were receiving from their bosses. Just under half (48%) considered the amount of feedback to be too little, whilst just over half (51%) regarded it as just right. 2006 findings were in fact the first year when this latter finding had exceeded the 50% point, with both previous years recording 47% of respondents happy with their level of feedback.

Feedback Received from Boss on Performance

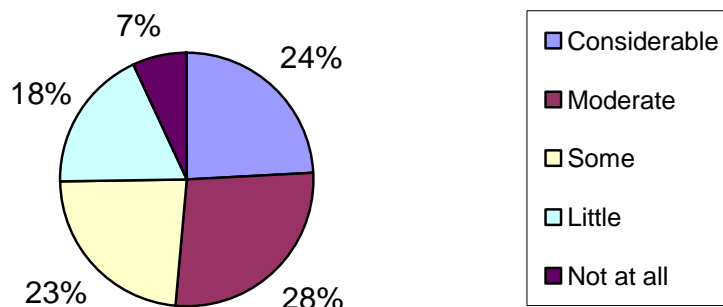


Question 20.

To what extent does your manager/supervisor clearly describe the organisation's vision and goals and explain your role in helping the organisation achieve them?

The extent to which bosses are setting the scene, so to speak, for their staff in terms of explaining organisational goals and staff roles to this end is found to still be lacking in one-quarter of respondents' cases (little or no explanation being received). Whilst this has been, by and large, a consistent result over the course of the surveys, the proportion of respondents regarding the explanations they receive as considerable or moderate have actually reduced over time – from 56% in the first survey of 2003, to 54% a year later, to only 51% most recently.

Explanation of Organisation's Goals & your Role in this

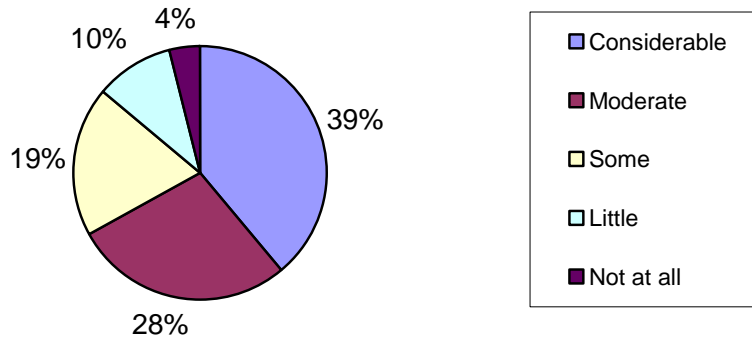


Question 21.

To what extent does your immediate manager/supervisor set a good example by setting high standards for himself/herself?

Immediate managers of the majority of respondents (69%) appear to set a good example to a considerable or moderate extent by adopting high standards for themselves. Only 4% of the sample (7% last survey) considered their supervisor to set no example at all.

Good Example & High Standards of Superior

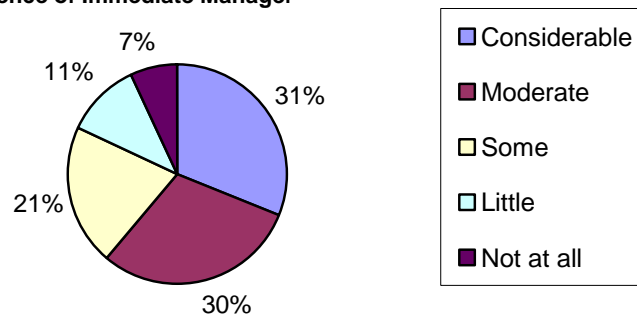


Question 22.

To what extent is your immediate manager/supervisor emotionally intelligent (ie. they are aware of and able to manage their own emotions, and are aware of and able to manage the emotions of others)?

61% of the sample regarded their immediate boss as emotionally intelligent – broadly in line with previous years' surveys. That said, the findings showed there is strong opportunity for improvement amongst a segment of the sample, with 18% of respondents regarding their manager as displaying little or no emotional intelligence.

Emotional Intelligence of Immediate Manager



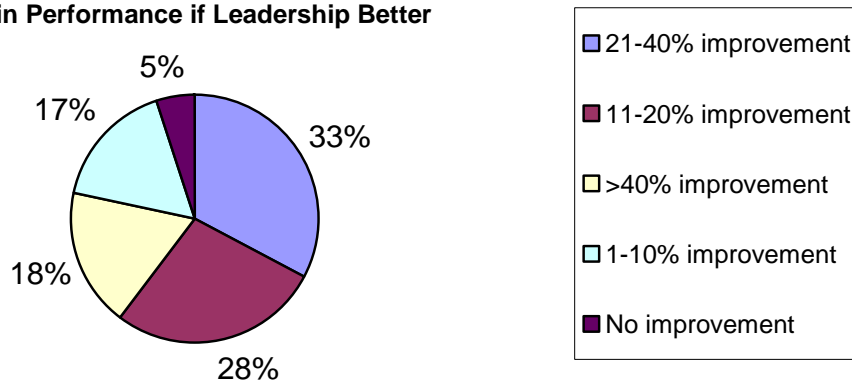
Performance Improvement through Better Leadership

Question 23.

By what percentage do you believe your own performance could improve if the leadership in your organisation was better?

The vast majority of respondents (79%) thought that their performance could improve if leadership in their organisation was better, (a finding essentially consistent across all surveys - 82% in 2004 and 77% the year before). Moreover, one in five of these respondents (or 18% of all respondents) considered that the level of their improvement could be in excess of 40% its current level.

Improvement in Performance if Leadership Better



Comment

It is highly significant that so many respondents considered that their performance would improve if the leadership in their organisation improved. This has been a consistent finding across all surveys, and is indicative of a huge opportunity for organisations to capture this latent performance. It would appear that the introduction of a few, relatively inexpensive leadership development measures could have the potential to significantly change the performance profile in the organisation.

For further information on this survey and other AIM research,
call the Institute on ph 61 8 9383 8088

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