





"I now talk about 'quiet managers';" says Henry Mintzberg, "people who are close to the ground and connected with what they do; they don't see their role as heroic but rather to encourage the heroism of other people."¹¹



Why energy matters for leaders

Energy matters. But it’s a challenge for leaders to mobilise their people when the goalposts are constantly shifting and they operate in the crossfire of conflicting business and public pressures.

In a recent MORI poll of British Captains of Industry² 75% of respondents named generating high level of profits for shareholders as one of their top three corporate objectives. Then came increasing customer satisfaction (69%), developing new products and services (40%) and maximising productivity (36%). These three profit-generating activities each depend on lifting and focusing the energy of their employees.

Yet leaders tell us that they struggle with this aspect of their role. Indeed, there are top teams that actively drain energy, with too much control, not enough headroom; too much head, not enough heart; too much frenetic activity, not enough calm and focused direction.

The pivotal role of leadership means that leaders, by their every word and action, can either boost and focus or dampen and distort the energy of those around them. Leading with energy means knowing how to inspire people to direct their energies towards organisational goals. This is something that leaders have to do themselves; it cannot be delegated.

Input versus impact

Surprisingly, leaders are often unaware of the tremendous impact they have. Nearly every day something that might seem a trivial action or throwaway line by a leader creates seismic ripples throughout the organisation. Equally, words or action at just the right moment can galvanise huge numbers of people. Mayor Rudolf Giuliani's simple statement just hours after the 11 September terrorist attacks – 'The pain we feel is more than most of us can bear' – set his reputation as the natural leader in that crisis and got the people of New York solidly behind him.

If we need reminding of the critical role played by leaders, we look to the research by Ed Schein of MIT which ranked the factors that most influence changes in organisational behaviour³. In order of impact they are:

- 1 Leader attention, measurement, rewards and control**
- 2 Leader reaction to critical incidents**
- 3 Leader role modelling, coaching**
- 4 Criteria for recruitment, promotion, retirement**
- 5 Formal and informal socialising**
- 6 Recurring systems and procedures**
- 7 Organisation design and structure**
- 8 Design of physical space**
- 9 Stories and myths about key people and events**
- 10 Formal statements, charters, creeds, ethics code.**

In our experience, leaders typically spend 80% of their time on issues relating to factors that have only 20% of the impact, and just 20% of their time on the things that will really make a difference. We often help leaders to see their actions through the eyes of employees. It doesn't take long to get to the 'aha' moment.



The soft stuff is the hard stuff

If a primary task of leaders is to mobilise people in pursuit of the company's goals, how can they grasp and tackle this challenge?

Leaders need easier ways to understand, measure and manage the untapped potential in their organisations. We call it discovering, focusing and releasing organisational energy.

In our work with leaders, we find that this offers accessible language, measurement that makes explicit links to results, and a sharper focus on where leaders can add value by creating and directing energy.

In our experience, leadership tasks critical to energising the organisation are:

Creating energy

- being visible and sending the right signals
- developing and supporting talent
- creating alliances with key people.

Providing purpose and direction

- lifting the sights
- setting the tone
- developing a cohesive, aligned top team
- deciding the priorities
- picking up early warning signals.

"When a crisis occurred, it was my job to lead people through it. That certainly didn't mean I didn't have feelings ... and it didn't even mean that I couldn't show what I was feeling. Leaders are human, and it actually helps the people you lead to realise that."

Rudolf Giuliani, Leadership, 2002

Creating energy

It is the leader's job to create an environment that breeds energy rather than inertia. But this does not mean that only the energetic, charismatic style of leader succeeds. In his latest book, *Good to Great*, Jim Collins buries the myth that effective leaders are egocentric. In fact, he says, they have 'a paradoxical blend of personal humility and professional will'⁴.

Case Study 01: Seeing is believing

A company whose reputation depends on an impeccable safety record was trying to improve the way safety was managed and communicated as a priority. Senior business leaders started to make regular safety tours, with the purpose of listening to people's concerns, rather than checking for compliance with the rules. Rapid follow-up action included a report back to the individual. The practice is seen by employees as powerful evidence of the company's commitment to safety issues. It inspires everyone to be personally vigilant about safety and report any concerns, confident that these will be acted upon.

“The cloak of leadership is heavy and needs to be shared. No one person can energise an organisation. As more people become leaders, the organisation will be able to grow, respond and move faster, thus creating more energy.”

William N. Plamondon, CEO of Budget Rent A Car Corporation in *The Leader of the Future* (1997)



So what do leaders do to build, boost and unblock energy in the people around them?

▪ Be visible

You can be visible no matter how little time you have to spare. For example, all these ideas have worked for leaders we have coached:

- make your visits to offices and sites informal. Avoid the red carpet treatment. Prepare well beforehand, then be relaxed and spontaneous on the day. Make sure you engage people in dialogue. Listening and learning has more value and impact than any presentation.
- eat in the staff cafeteria.
- use open plan/open door office layouts. Leaders have to clearly signal that they are approachable, or people will stay out of your way.
- use the website for regular personal messages. Do webcasts with your leadership team, to include a globally dispersed workforce in key updates.
- shadow people in frontline jobs and invite them to shadow you. Give each other feedback.
- use external media as a high impact platform to reach both stakeholders and employees.
- praise publicly. Be explicit – say what was good about it, make it a model for others.
- save ‘all-staff’ emails for when there is no alternative.
- let others see how you work together as a top team. Share a platform at events and conferences. People value seeing open, listening leadership at first hand.

▪ **Support your talent**

Planning your own succession is part of being an effective leader. Yet leaders bemoan the shortage of talent, even when they have done little to identify or develop it. It is your job to spot potential leaders, get to know them, coach and mentor them and provide them with opportunities for rapid learning.

It is one thing to ensure the organisation has a talent management strategy and effective leadership development in place. It is another to make personal time to mentor high potentials. Individual support, encouragement and recognition is key to energising and retaining your top talent.

▪ **Develop strong alliances**

It is vital to build effective relationships with individuals who can help take the organisation forward. CEOs need these relationships with their chairmen and their top teams; senior civil servants in government departments need them with their ministers. This is in addition to key strategic relationships with stakeholders outside the organisation.

Employees need to see these alliances build, grow and bear fruit, as visible evidence of a shared ambition for the organisation as a whole, rather than for the individuals involved.



Providing purpose and direction

Einstein's theory of relativity tells us that, in physics, the more mass, the more energy. That should be true of organisations too. In practice, though, the greater energy locked up in large organisations is more likely to be crushed by complex bureaucracy; the 'rules' frustrate, constrain and divert the energy. Policies and procedures introduced to improve efficiency become ends in themselves. People lose sight of what they are there to do.

This lack of focus on the real goals of the organisation translates itself to the top team, which becomes frustrated. Things aren't happening to plan, and they aren't happening fast enough. They start talking about 'breakthrough thinking' and 'innovation', but at the same time they push for short-term results and increased productivity. Leaders have to create a climate in which people can use their energies and talents at full stretch towards well-defined goals.

Case Study 02: Leadership in the spotlight

A UK government department had just spent eighteen months on a programme to deliver improvements in public services. Clearer strategic objectives, more efficient ways of working and a simple set of behaviours were introduced after thorough consultation. Then came a crisis. The department hit the headlines. Quick, decisive action was needed. Staff pulled together and worked flat out, but all eyes were also on the top team. Would they stick to the newly agreed principles under such intense pressure? They did. To drive home the message, the top man personally thanked all staff for their support, pointing out how the organisation's agreed principles had guided the Board to make the right decisions. From the employees' perspective it was evidence that their leaders could maintain focus on the priorities even in the harsh glare of the media spotlight.

“As opposed to being designers of strategy, [leaders] take on the role of establishing a sense of purpose. Strategy emerges from within the organisation, from the energy and alignment created by that sense of purpose.”

Professor Sumantra Ghoshal,
A New Manifesto for Management,
LBS Alumni Conference 2002

▪ Do you lift the sights of the organisation?

People seek meaning and purpose in their work beyond earning an income and using their skills. In our research into why talented people choose to stay with their organisations⁵, all said they stayed while they felt they made a difference. This might mean pleasing customers, helping to improve education or raising the performance of a company - the key was a strong connection between the work they did and being able to see the positive impact of it.

But sometimes strategies are so dense that they obscure the blue sky beyond. Leaders at every level need to make clear that vital connection and keep it alive. They need to paint a picture of the future and talk about it at every opportunity.

▪ Do you set the right tone?

The strongest influence in setting the tone is how leaders behave in a crisis. Under pressure, it can feel natural to seek refuge in what's familiar – and that, for leaders, is often facts, analysis and 'busyness'. Leaders may become invisible at critical times, tied up in meetings or paying more attention to the media than to their own people. So a crisis is also an opportunity to send a signal; to demonstrate, in the glare of the spotlight, what's important. It's a powerful 'moment of truth' for leaders.

▪ Are you aligned as a top team?

We want diversity as well as breadth of knowledge, skills and experience within a leadership team. This provides perspective when tackling difficult issues. Yet it also represents fertile ground for dissent and political in-fighting. Leaders need to build on their collective strengths as a team and overcome inherent weaknesses. Leaders have to seek out ways of holding the mirror up to their behaviour, individually and as a team, and address what they see in an honest and supportive environment. Increasingly, evidence of shared accountability for performance is a prerequisite for a successful top team in the eyes of employees.

“Many times a day I realize how much of my own outer and inner life is built upon the labours of my fellow men, both living and dead, and how earnestly I must exert myself in order to give in return as much as I have received.”

Albert Einstein in *The World as I See it: Ideas and Opinions*, 1954



▪ Do you focus on the real priorities?

Organisations collect priorities like moss on a stone. Trying to address them all generates what has become known as ‘initiative overload’. Inside this smooth phrase is a thorny problem: people don’t know where to focus their energies. And they look to their leaders for guidance – often the very people who generated the tangle of priorities in the first place.

Analysis of what makes organisations successful shows that the world’s best keep a tight grip on a very few simple measures. It is getting back to basics, they discover, that will build momentum in the longer term.

▪ Do you pick up early warning signals?

This means having the systems in place to pick up the faint, early radar signals of what is happening on the horizon. Are you getting genuine, regular information and feedback – from your employees, customers, partners, competitors and from the marketplace – to know when you must adapt quickly to meet changing needs?

Many leaders are hungry for external data, but they forget to take frequent pulse-checks of their own organisations, perhaps because they’re frightened of what the data will tell them. How people feel about what’s going on has an impact on what we have identified as the core sources of energy: their degree of *connection* to organisational purpose, the *content* of their jobs, the support they get from the organisational *context* and the *climate* created by their leaders⁶. Tracking the energy of the organisation helps to predict future performance and will help you match the pace of change to the results you want.

Taking the lead

Enlightened leaders don't operate in isolation; they seek input, feedback and guidance to help them through the organisational maze. With so many claims on personal time and energy, it is important to choose carefully where to invest effort for maximum impact.

At Stanton Marris we deliver our 'Leading with Energy' approach with a structured suite of support for leaders, including:

- individual coaching, including honest feedback on personal impact and performance and how to enhance these
- top team development, including planning and designing critical interventions to help a top team 'gel', discover its common purpose and values and set itself development milestones to monitor its added value as a group
- the design of events and processes to energise and engage the organisation around a particular set of priorities or goals
- measurement tools to monitor leadership impact on organisational energy.

The focus is on achieving measurable improvement based on recognition by both employees and partners that as leaders you add value 'for the broader good', to quote the Platonic ideal of leadership.



In summary:

- managing and focusing the energy of the organisation is a vital aspect of leadership, and one that cannot be delegated
- this aspect of the leader’s role can be the toughest, since leaders’ natural inclinations may be towards rational activities within their direct control
- organisational energy provides a powerful language to help clarify the leadership role
- leaders should focus on activities that build an energising climate and provide a shared sense of purpose and direction - and then let go
- there are many simple, practical things that leaders can do to energise their organisations.

Stanton Marris’ support for individual leaders and top teams includes personal coaching, top team development, design and facilitation of events, energising organisational processes and tools to measure organisational energy.

Notes:

1. Interview in The Observer 26 January 2003, with Professor Henry Mintzberg, McGill University, Montreal
2. British Captains of Industry survey, MORI, 2002
3. Organizational Psychology, E. H. Schein, Prentice Hall, 1990
4. Good to Great, Jim Collins, Random House Business Books, 2001, ch.2
5. Magnetic Attraction: The Potential of Talent and the Corporate Brand, Stanton Marris, 2001
6. Stanton Marris' Energy Index™ survey measures both quantum and direction, as well as identifying what blocks and boosts organisational energy; the web-enabled Energy Tracker™ tool tracks the impact of events on the four sources of organisational energy over time.

Further reading:

The Human Equation, Jeffrey Pfeffer, Harvard Business School Press
Leadership, Rudolf W. Giuliani, Little Brown

The Leader of the Future, Frances Hesselbein, Marshall Goldsmith and Richard Beckhard (eds.), Drucker Foundation

The Leadership Pipeline: How to Build the Leadership-Powered Company, Ram Charan, Steve Drotter and Jim Noel, Jossey-Bass

Leading Quietly, Joseph L. Badaracco Jnr, Harvard Business School Press

Primal Leadership: Realizing the Power of Emotional Intelligence, Daniel Goleman, et al

Energising the organisation
– a series of think pieces from Stanton Marris

Issue 01: the sources of energy

Issue 02: managing energy

Issue 03: leading with energy

Issue 04: managing the energy in M&As

Subsequent issues will cover:

Organisational energy and productivity

Organisational energy and innovation

Organisational energy and public services

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