

Leadership

Developing a leadership standard that others will want to follow

The importance of leadership

Businesses are really beginning to understand the relevance and importance of leadership according to Paul Stobart, CEO for Sage UK and Ireland. "If people are our most important asset, then they need leaders who will inspire them," says Paul. This focus on inspiring people reflects a change in thinking about leadership, as it moves away from being about command and control and towards leaders whose role is to engage those around them to achieve organisational goals.

"To really move forward in your business you must speak to people, get their ideas," says Adrienne McFarland, Sage's Director of Human resources, "you've got to get everyone working as one team. Leadership is very much more about nurturing people to get the best out of them in the current climate."

Driving productivity

There is no doubt that leadership is critical to business success. It has been shown that CEOs account for 14% of variance in organisational performance, and that organisations in which people rate their leaders highly achieve higher productivity. In addition those companies in the Times Top 100 that are rated as amongst the best to work for consistently outperform the FTSE all share index.

"We want to achieve great, sustained results, and we want committed and engaged people," explains Adrienne, "that's a tall order, but to get it you really need strong, committed leadership. You need your leaders to be on board, driving through your vision. They need to be role models, giving people focus and clearly showing the direction the business is going in and what is expected of each individual."

Defining leadership

Leadership is a process that involves influencing others so that they actively want to achieve organisational goals. "Good leaders inspire people to transform their performance to levels that they would otherwise not be able to achieve," according to Paul Stobart, "they understand when they need the support of their people, and when they need to direct, lead and energise people."

"You have to spend a lot of time observing," says Paul, "and listening rather than talking." One of Paul's favoured techniques is to spend a whole day doing nothing except asking questions. "It's really hard," he admits, "but it encourages people in your team to think harder about issues. They have to find the answers to difficult questions for themselves. I don't have all the answers, no leader does, and if my team doesn't believe that it can solve problems without me, then I'm not doing my job properly."

Understanding yourself and your team

The best leaders, according to Paul, are those that are authentic, and that recognise their strengths and weaknesses. "You need to be self aware," he explains, "and to be yourself. If you try to be something you're not people will see straight through it and identify you as a fake." Good leaders build on their authenticity, communicating their enthusiasm to those around them.

Paul also believes that it his role to really understand the strengths of his team. "You need to really get under the skin of your team," he says, "and recognise the power of the individual. I have to ensure that everyone is in the role best suited to their skills so that they can excel." Good leaders treat everyone as an individual, identifying their passions, giving them the opportunity to step outside their day job, and providing them with opportunities to develop their skills.

Unlocking creativity

This approach can unlock amazing creativity in people, according to Jayne Archbold, Managing Director for Sage Accountants Division. "In my team I encourage people of all levels to get involved in Sage's short, medium and long term planning process. It not only really engages people, it helps me to identify areas in which people excel, by taking them outside their comfort zone. One of my team leaders is currently working on new product development, which is completely outside his normal area, but he is coming up with amazing ideas, and really stretching himself, which is good for him and for Sage."

Building trust

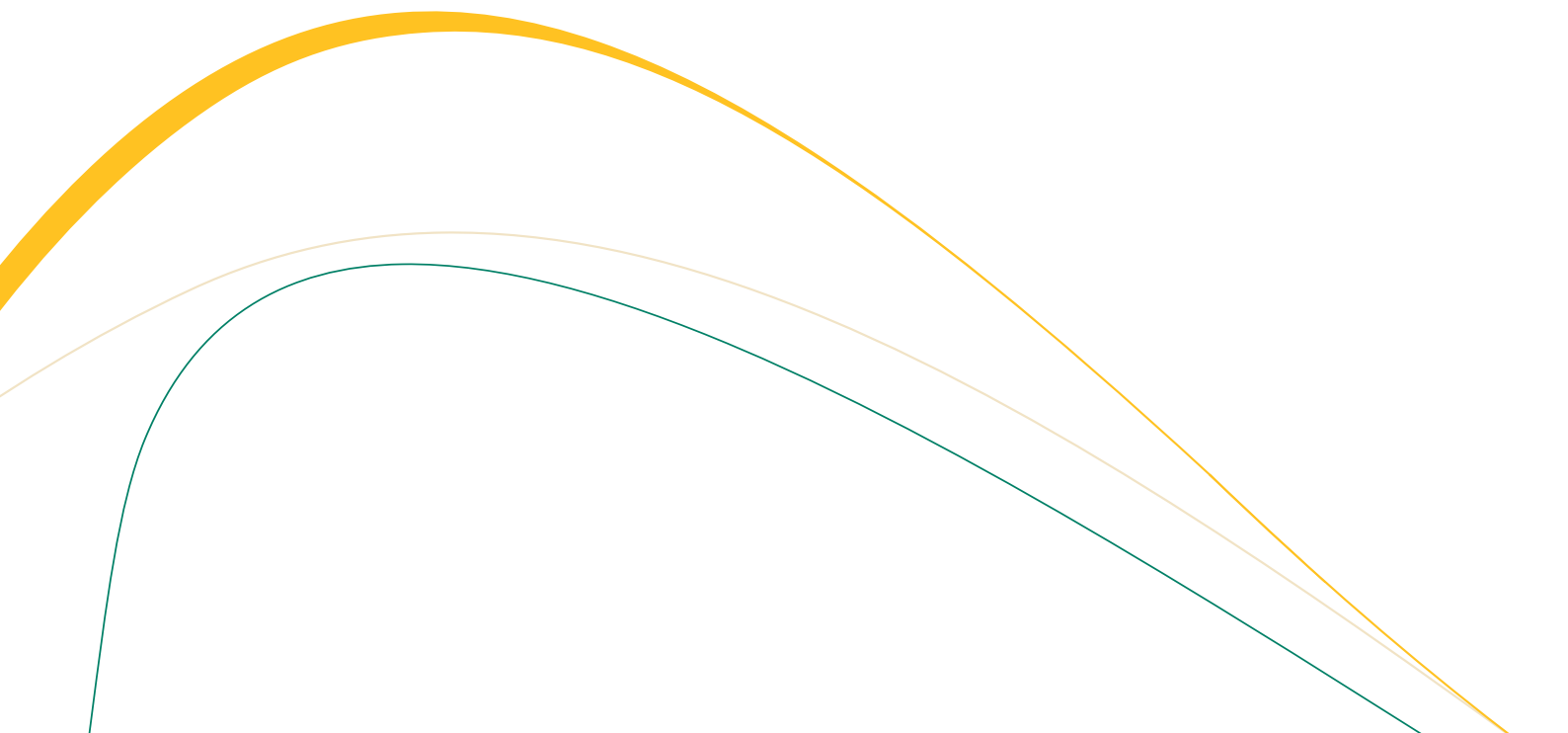
While the workforce is increasingly diverse, Adrienne believes there are some common threads in what people want from their leaders. "People are very focused on how leaders make them feel. There is a wide range of people in the workforce from baby boomers to generations X&Y. They all want very different things from the workplace, and they have different expectations but one thing they all share is they don't want to be told what to do." People are looking, according to Adrienne, for leaders who inspire, coach and develop them. "If you lead openly, honestly and transparently, admit your mistakes, involve your team in decision making, and stick by the commitments you make, then you will build trust and respect."

Looking for leaders

People used to subscribe to the concept of the 'born' leader, based on the idea that only people with certain personality traits could lead others. More recent research however has shown that only about 30% of one's leadership style is inherent, leaving 70% that can be learned. Increasingly leadership is seen to be about how people behave rather than simply what they are like, and there is also an increasing recognition that different situations require different leadership styles.

Sage has carried out some behavioural profiling which identified some key characteristics shared by successful leaders in their business. These include the ability to draw on different styles and adapt their behaviour depending on the situation, and the person, they are dealing with. They also don't have high degrees of patience. This doesn't mean they are impatient, but they have a sense of urgency and want to get things done quickly and efficiently. They tend not to be too submissive, but are able to assert themselves, and they also tend to be fairly level headed, displaying good analytical and problem solving skills.

"We look for people with drive, passion, commitment, and energy," explains Adrienne, "but they also need to balance both hard and soft skills. This means managing the process side of leadership, the tools, the techniques, and the data, but also the soft skills, engaging people, communicating with them, supporting innovation, those things that are actually more difficult, but which have a bigger impact on business success."



Developing leaders

Sage has used its own internal experience, coupled with external expertise, to create a comprehensive leadership development programme that everyone involved in managing people goes through at least some part of. The aim is to instil in everyone the values that comprise the Sage Leadership Standard (SLS).

“There are six elements to the SLS which everyone needs to buy into,” explains Jayne Archbold. “We want all our leaders to be passionate, accountable, collaborative and enterprising. They should bring Sage’s values to life, creating the conditions for others to succeed, but how they do this will differ across the business. We are not trying to create clones, people must play to their own strengths.”

The Sage Leadership Standard

The SLS is intended to shape how leaders operate across the whole business, looking at how they influence others, how they nurture talent, how they make decisions and create teams. “It is not about rigid structures and box ticking,” says Jayne, “the focus on the spirit of SLS, not the letter, but rather it comprises a number of ground rules that form the framework in which leaders operate.”

The first ground rule focuses on inspiration, challenge, and dialogue. Leaders are encouraged to drive discussion and debate, rather than slavish adherence to rules and processes. The second reflects on leadership in context, encouraging leaders to recognise that as contexts differ throughout Sage, so the SLS should be applied to reflect this. The final ground rule focuses on authenticity, encouraging leaders to play to their own strengths and be aware of never doing something that doesn’t fit with their own beliefs.

The SLS is deliberately stretching, because, according to Jayne, “If you want to be better than the rest then you must have outstanding leaders, but it’s not for everyone, and people need to decide if SLS is for them.”

A personal and professional journey

Becoming a leader at Sage is very much a personal as well as a professional journey, as Jayne knows very well. “I joined Sage in quite a junior position over 12 years ago, and I have grown into a leadership role,” she explains, “the leadership programme begins with a very practical perspective, training you how to deal with the administrative side of managing others, through a course called Aspire. You then progress to Enable, a week-long residential course that focuses very much on developing your own leadership style.”

Enable has been running for 4 years, and every manager in Sage goes through the course. It therefore has a good mix of people from right across the business, and is designed to accommodate different learning styles. It focuses on two main elements of managing and leading people. “About 35% of the course is about providing the tools to help managers do their job so that we get a consistent approach across the business,” explains Jayne, “but the bulk of the course is focused on the manager as an individual, and how they can build on their authentic self to make the SLS come to life.”

From manager to leader

Having created a basis on which to build, Sage’s leadership programme begins to focus much more on personal development. “The Personal Leadership Programme (PLP), is much more about understanding who you are,” says Jayne, “it was developed for us by Penny Ferguson, an expert in leadership development.” Comprising a three day programme followed by coaching, the PLP is about getting people to open up to themselves and to their colleagues. It looks at behaviours, identifying areas that would benefit from development, and it also includes a 360 degree appraisal process.

In addition, twice a year Sage runs a Group Leadership Personal Programme that brings together senior leaders from around the world. Its aim is to create a collaborative environment and ensure that the Sage Leadership Standard is guiding leaders right across Sage. "Everyone around the world buys into the SLS," says Jayne, "but how they express it might be different, depending on their culture. That's one of its main strengths, that it allows for individuality and everyone can put their own personal interpretation on it without losing its essence."

The SLS is not, however, for everyone as Adrienne McFarland explains. "We can put in place the tools, techniques and programmes to help people, but if an individual is not leading by our standards, if they are not a great ambassador for Sage, and are failing to inspire their team, then they really aren't the right fit for Sage. At the end of the day we've got a business to run and we need everyone to be engaged, and to be happy to be working for Sage. If some leaders aren't living by our leadership standards then, regrettably, we would have to part company." Adrienne concludes.

Measuring successful leadership

Increasingly leaders are being measured not simply on the results they achieve, but on the impact they have on the people that work for them. Employee engagement and customer satisfaction levels, coupled with financial results, give a better picture of the true success of a leader.

"We use a variety of measures to analyse the success of our leaders," explains Jayne Archbold, "combining engagement scores from employees with a 360 degree feedback, specifically aligned to the SLS, our leaders are benchmarked internally and externally. We use a seven point scale in which the industry standard is around 5. The managers in my team are achieving over 6 in all but one area, which we are addressing. What we have found is that there is a direct correlation between high leadership scores, high engagement scores and high levels of customer satisfaction, which leads to business returns."

This approach has been successful in winning over some who were initially sceptical. "The results speak for themselves," says Jayne, "There is a clear and positive relationship between how people rate their leaders against the SLS and financial results. The approach has been shown to be successful for the business, which is particularly important when times are tough, as they are at the moment."

Rewarding successful leaders

When it comes to rewarding leaders success Sage has found that the non financial is, if anything, more important than the financial, as Adrienne explains. "People are very motivated by recognition and the belief that they can further their career aspirations. We give our leaders one-to-one time, and engage them in projects that are exciting and stretching. Also by providing 360 degree feedback they can see where they are developing well and what needs work."

In Adrienne's experience the satisfaction from receiving a bonus only lasts a short time, so Sage need to offer more than financial incentives to motivate its leaders. "It really goes back to how you make people feel, is their job interesting and exciting, and are they able to influence people. It's all about bringing the vision to life, creating the conditions for people to succeed, leading honestly, with integrity, being accountable, being collaborative, and learning from others. And also taking risks and being innovative," she explains.

Embedding a leadership style

For leadership programmes to be successful they rely on a number of factors. Firstly they need an influential champion. They also require long term commitment, need to be tied to business outcomes in a meaningful way, and be applied consistently across the business.

"We're now looking very much at our performance reviews, career development sessions and all our management and leadership programmes and how they are embedded, in the business," explains Adrienne. "People have to have the opportunity to discuss what these things mean to them, what they are doing well and what they need to work on over the long term, if we are to see real results in the business."

Paul Stobart believes that the leaders within a business define its culture, so it's necessary to have standards that everyone follows. "People need to know what their leaders stand for," he says, "so that they can question and challenge behaviours that are not either needed or wanted in the business. We want our leaders to be role models for others to follow so that we create a virtuous circle, so that next generation of leaders will follow their lead."

"We've come a long way, but we've got a substantial way to go," says Adrienne, "We've invested very heavily in leadership in the last couple of years, which sends a very clear message to our people that we are committed to leadership development and that we want to improve leadership in Sage. There is however, always more to be done, and it's often the very simple things. Recently, for example, we ran an event for our top 70 leaders and while it was very successful, the feedback was that we could have done more, shared more and got their buy in more in a number of areas, so next time that's what we'll do. After all," Adrienne concludes "we're still learning."

Learning to be a good leader is an ongoing process, according to Paul Stobart. "I have become a more effective leader but learning how to become a leader is never complete, I have masses more to learn myself. The job of a leader is never ending," he concludes, "but it's an exciting role to have and it's fundamental to business success."

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