Plexus Leadership

Positive leadership. Thriving workplaces

Positive leadership to navigate organizations through change and build a sustainable future

At the heart of effective transformation is strong, human-centred leadership and people practices guiding teams to success.

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> Positive leaders understand the importance of creating conditions where individuals and teams can do their best work and achieve their full potential. They see people not as resources or assets, but as key value-multipliers of the business.

James Brook, Founder of Plexus Leadership

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We need a new approach to leadership development

Rapid digital innovation, evolving markets, global competition and changing attitudes to workplace culture have disrupted traditional working practices. Organizations set to thrive are more aware than ever that the ability to adapt, and even exploit these changes, is key. At the heart of effective transformation is strong, human-centred leadership and people practices guiding teams to success.

The leadership training industry is valued globally at

$370bn

The recent Coronavirus pandemic – the ultimate 'Black Swan' event in its colossal and unexpected economic impact – has only further underlined how unpredictable the future can be. As countries went into lockdown, businesses and consumers leapt forward five years in digital adoption in a mere eight weeks[1]. Many organizations had to shift to remote operations immediately, truly testing leaders' abilities to support their teams, make big decisions quickly and drive the business forward in adverse market conditions.

The leadership training industry is valued globally at $370 billion[2] and strengthening and diversifying the current and future leadership bench is identified as one of the top three priorities for HR Directors in 2020[3]. Yet, McKinsey states organizations are failing to unlock the true value of development with 'one-size fits all' leadership programmes, which lack consideration of individual business context, underestimate workplace culture, do not engender action and fail to measure results[4]. Leadership development programmes also fail to prepare individuals adequately for the future; neglecting to cultivate the mindset, change capabilities, emotional agility, resilience and grit needed to deal with unprecedented levels of change.

During the 20th century, organizational models shifted from hierarchical dominant structures to consensual leadership with distributed roles of responsibilities. More recently, leadership has focused more on securing internal-buy for a shared purpose. Pendleton and Furnham[5] describe this evolution of leadership as moving from domination through negotiation to inspiration and co-creation.

Reflective of old approaches to leadership, when it comes to succession planning leaders are trained for specific positions, which concentrates on a fixed set of skills and behaviours. However, this fails to prepare individuals for fast-changing business landscapes where leadership roles constantly and significantly evolve. To develop a workplace primed to manage change, a new approach is needed to equip leaders to create thriving, positive environments that build social and emotional capital as well as transferable skills and knowledge, regardless of circumstances.

[1] McKinsey, May 2020, The COVID-19 recovery will be digital

[2] TrainingIndustry.com, April 2020, Size of the training industry

[3] Gartner, November 2019, Top 3 Priorities for HR Leaders in 2020

[4] Mckinsey, January 2014, Why leadership-development programs fail

[5] D. Pendleton and A. Furnham, 2012, Leadership. All you need to know

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Positive leadership

It is a mistake to view positive leadership simply as a call for optimism, visible smiles and positive energy. A leader's ability to shift mindset to focus on possibilities and opportunities arising from change is just the first step. Positive leaders inspire people with a meaningful **purpose beyond profit,** create connected organizations built around **positive relationships,** deliver exceptional results through **thriving teams** and accelerate adaptation to change and uncertainty with **collaborative learning cultures.**

Positive leaders make a positive difference in the way they lead. Not limited to the lives of employees and customers, they also build sustainable businesses that make the world a better place.

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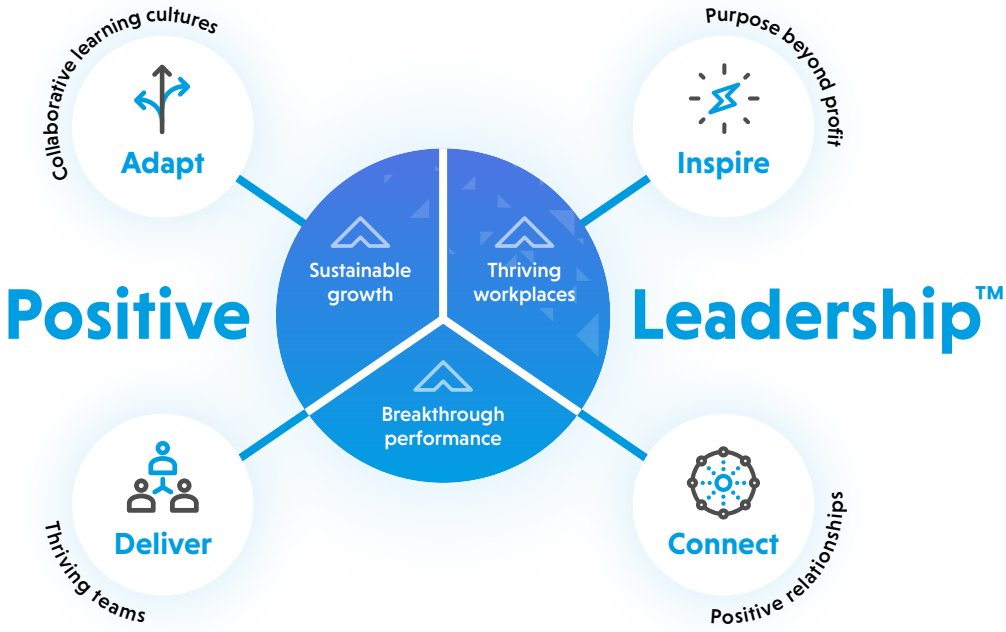
The evidence for positive leadership

Positive leadership builds on existing organizational psychology and behavioural science theories and frameworks including Positive Psychology, Strengths-based Leadership, Appreciative Inquiry and Growth Mindset to harness greater value.



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Positive leadership for business performance

Positive leadership promotes better employee outcomes, including engagement, reduced turnover, improved wellbeing, ability to adapt to rapid change, collaboration and improved performance. Staff engagement is highly indicative of overall business success.

The effect of disengagement is calculated at 34% of a disengaged employee's annual salary[6], but the business cost is more than financial. Businesses that cultivate positive attitudes to learning and empower their teams experience:

- **10-19% increased sales**
- **3-7% higher customer engagement**
- **6-16% lower staff turnover – in low-turnover organizations)**
- **26-72% lower staff turnover – in high-turnover organizations)**
- **22-59% fewer safety incidents[7]**

[6] Gallup, 2013,

[7] Gallup, September 2016, Global Study: ROI for Strengths-Based Development

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Positive leadership principles in action

Some of the world's most successful companies employ aspects of positive leadership and positive people practices, promoting **purpose beyond profit, positive relationships** and cultivating **collaborative learning cultures.**

Microsoft credits its business and cultural transformation to growth mindset, which inspires staff to be curious and seek ongoing development[9]. Growth mindset is central to the company's new leadership framework and articulated in Microsoft's mission statement: "to empower every person and every organization on the planet to achieve more". By rejecting the idea that talent is fixed, Microsoft provides opportunities for individuals to challenge themselves and experience different roles, identifying potential leaders in the process.

Netflix pursues creative and positive corporate practices, which includes giving employees the autonomy to take as much time off as they like but expecting them to act in the company's best interest. This empowers people, promotes positive attitudes and behaviours and motivates excellent performance[10].

Facebook practises a strengths-based approach to talent management. Shifting the corporate focus away from individuals' weaknesses, the business matches employees' strengths and skills with challenges that enable them to do their best work[11].

Ella's Kitchen unites its people under one shared organizational philosophy that combines business with fun. "Ella's-ness" embodies the founding start-up spirit and passion for doing things differently to create a highly motivational environment[12].

Prudential Retirement undertook positive leadership training before successfully navigated a complex and contentious merger and saw a 20% increase in annual growth[13].

> Positive businesses achieve high performance and profitability by bringing out the best in their people to help them grow, and by leveraging their unique strengths and talents... designing work to empower people and make work meaningful.
>
> **Spreitzer and Cameron[8]**

[8] Spreitzer & Cameron, 2012, Applying a POS Lens to Bring out the Best in Organizations, p. 87

[9] Shibu & Lebowitz, November 2019, Business Insider, Microsoft is rolling out a new management framework to its leaders

[10] Victor Joseph Goncalves, September 2018, A Leadership Analysis of Netflix CEO, Reed Hastings

[11] Mike Hoefflinger, 2017, *Becoming Facebook: The 10 Challenges that Defined the Company that's Disrupting the World*

[12] Ahmadi, A. and Vogel, B., 2017, Ella's Kitchen: strategic positive leadership with purpose and value-driven collective energy

[13] Todd A. and Cameron K., 2019, Smart Brief, Positivity is a serious business: How to improve performance through positive leadership

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Positive leadership and sustainability

Positive people and team practices are only part of organizational success. As businesses strive to act ethically and sustainably in response to changing employee and customer expectations and growing pressures on the environment; shared value for all stakeholders has taken primacy over shareholder value[14].

Greater awareness of an organization's ability to impact wider social change means corporate responsibility is revered by consumers, employees, suppliers and communities. 75% of people trust their employer more than the government, NGOs and business in general, seeing them as reliable sources of information and looking to them as agents of societal and environmental change[15].

Reporting on environmental social governance (ESG) activity presents a human organization that delivers against corporate purpose and elicits pride in teams. Morale is 55% better in companies with strong sustainability programmes[16] and positions organizations as attractive employers. It also builds reputation among customers as companies who are responsible, innovative and conduct business in ways that will mitigate harm to our planet.

There is also strong correlation between ESG performance and financial performance, leading investors to seek responsible investments. The cost of inaction could be harmful. The media has reported organizations who have failed to act responsibly and then pay a big price in terms of reputational damage, missed investment opportunities and loss of talent.

The way leaders are hired, developed and rewarded needs to take account of these growing forces of change in favour of sustainable business models. Positive leadership values operating ethically and "doing good" as much as profitability. By investing in positive, human-centred people practices and sustainable business strategies that bolster local communities, positive leaders contribute to a fairer, greener and better world for the many and not just the few.

[14] Porter, M. and Kramer, M., 2011, Harvard Business Review, Creating Shared Value

[15] Edelman, January 2019, Trust Barometer: Trust at Work

[16] Whelan T. and Fink C., October 2016, Harvard Business Review, The Comprehensive Business Case for Sustainability

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Effective leadership to drive positive performance

Moving to a positive-based management model requires a change in the agenda and mindset of company-wide practices.

From	To
Directive leadership from the top	Leadership capability at all levels to create an environment where people thrive
Rigid organizational structures and responsibilities	Agile, highly empowered teams
Narrow, individually-oriented problem-solving	Creative and collaborative problem-solving
Infrequent, gap-based performance and development dialogues	Ongoing, strengths-based performance and development dialogues
Focus on developing job-related skills and knowledge	Focus on developing positive attitudes, transferable skills & psychological capabilities like resilience, self-efficacy & grit
Innovation owned by R&D and based on internal expertise	System-wide innovation based on collective intelligence, customer input and technological advancement
Financial performance	Financial + ESG (Environmental, Social and Governance) performance

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> Progress is impossible without change; and those who cannot change their minds cannot change anything.
>
> **George Bernard Shaw**

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New ways of working need to implemented from the top down. Tasked with building positive performance environments at scale, the first step for leaders is to create a meaningful **purpose beyond profit,** that inspires and energizes teams to work closely together to achieve a shared vision.

Listening to employees and engaging with them in a way that amplifies positive emotions and behaviours gives people greater ownership of their work, learning and success.

Leading by example to inspire positivity across the organization will empower teams to collaborate to:

- Solve problems **more creatively**
- Build **resilience**
- Navigate change **with greater agility**
- Motivate greater effort to **out-perform against their goals**

Positive Leadership Pathway™

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Developing positive leaders

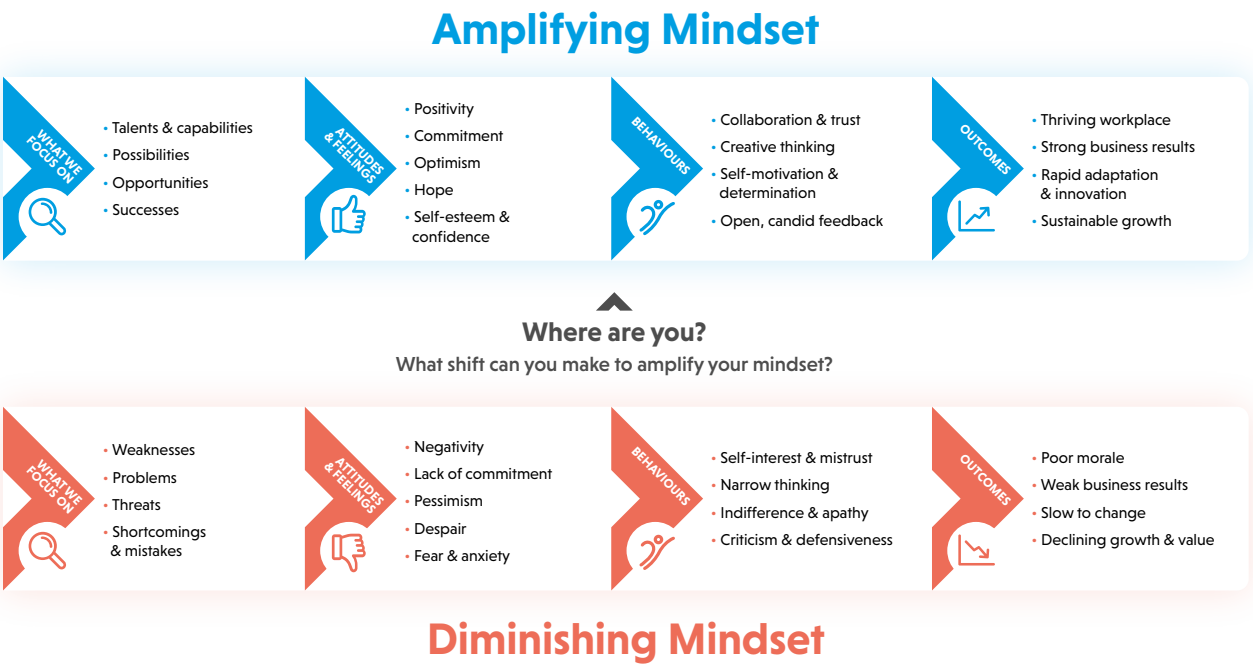
> Leaders grow, they are not made.
>
> **Peter Drucker**

Just as no two businesses work exactly alike, no two great leaders share the same characteristics. Studies show that leadership is contextual and not defined by a fixed set of traits or common set of competencies. Leaders become great because they have a clear understanding of their purpose, values and strengths and know how to use them effectively. They also create the conditions where others can fully use their strengths, skills and individual differences to complete their best work and contribute to the organization's success.

To create thriving workplaces and deliver sustainable growth, rather than learning a narrow range of defined attributes or competencies, leaders must continuously develop their mindset and capabilities.

Leaders mindsets aren't fixed. Their mindset will affect the way they approach their role, including how effective they become at learning, problem-solving and dealing with change. It will also have a major affect on their own, as well as their team's, performance, confidence and wellbeing.

The key for leaders is to become more conscious of their mindset and how this is influencing themselves, their team and the organization. This will enable them to change course if necessary to ensure their mindset contributes to better decisions, habits and outcomes, multiplying value for the team and organization. For example, at this enormously challenging time, leaders can choose to recover stronger from the impact of COVID-19 by building greater resilience, agility and risk preparedness into their business. Leaders who choose an amplifying, growth mindset are more likely to recover quicker from the crisis than those who choose a diminishing one.



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Discover

Through accurate and objective assessments such as strengths profiles and appreciative 360° feedback tools, leaders gain a better understanding of their unique set of strengths and the work that drives them and their performance risks. This provides a solid foundation to shape their own purpose, compile leadership priorities and develop a plan to achieve maximum impact.

Develop

Blended learning programmes and action learning labs bespoke to individual requirements and organizational goals will develop the mindset, skills and behaviours for success. Specialist trainers and coaches can assign “stretch” projects to help leaders realize personal and team potential. Using positive reinforcement and learning methodologies such as coaching and peer coaching, learning nudges, providing future-oriented ideas or feedforwards, and celebrating successes can stimulate effective learning.

Deploy

Engaging in follow-up peer coaching and implementing positive practices learned within teams and stakeholder groups, enables leaders to create a thriving learning culture and a supportive network. Thus, facilitating performance, innovation and sustainable growth.

Deliver

Embedded positive leadership and work practices will drive peak performance, paving the way for sustainable business growth and positively impacting employees, customers and wider society. Positive leaders also play an important part in talent management strategies, providing powerful internal role models and attracting, retaining and developing top talent so the business continues to thrive and grow.

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Creating a positive workplace

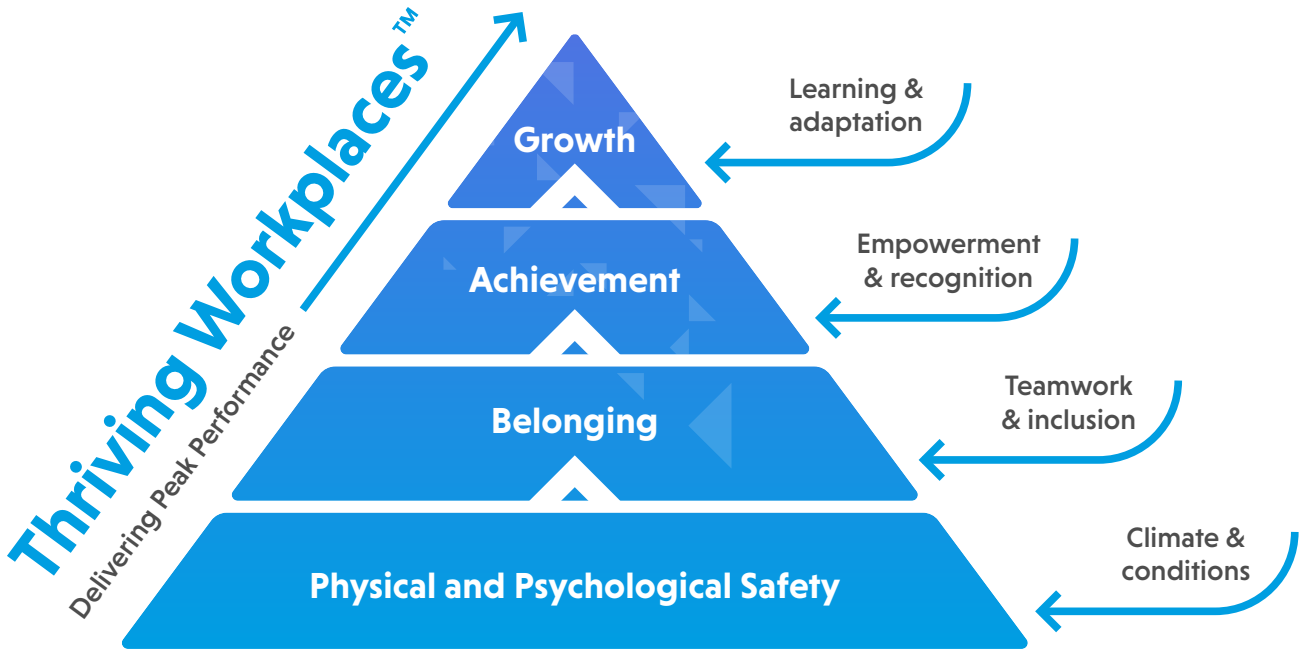
Workplaces no longer necessarily refer to a physical office space as teams are increasingly working virtually to collaborate across global offices. The Coronavirus pandemic showed many organizations that working from home was not only possible but, in some cases, preferable – 8 million Brits worked from home in April 2020, with only one fifth reporting they find it difficult[17].

While not all will permanently adopt remote working, businesses and workforces alike will demand greater flexibility over where productivity takes place. Workplace culture will define businesses and connect teams more than ever and positive cultures provide the conditions for employees to thrive and perform at their peak.

Business units with engagement scores in the top 25% recorded

10% Stronger

customer metrics.



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Physical and psychological safety

The bedrock of positive working environments, personal safety goes beyond meeting physical health and safety measures. Strategies for mental health and wellbeing are also essential, ensuring employees come to work feeling supported.

[17] Office for National Statistics, April 2020, Coronavirus and the Social Impacts on Great Britain

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Creating an empathetic, high-trust and open culture supports individuals to feel safe to share ideas and report concerns without fear of judgement. Accelerated with established lines of communication between employees and with independent HR professionals and counsellors, the C-suite must by example on lead zero-tolerance policies on autocratic, bullying or coercive management.

Transparent communication is significant when embedding candour and openness. Promoting a two-way dialogue between leadership roles and teams ensures employees understand health and wellbeing strategies, empowers them to call out injustices and encourages them to share opinions.

Belonging

Diversity has long been recognized to enrich companies, introduce greater ideas and drive business success. Yet, as highlighted by the Black Lives Matters movement and disparity in gender pay gap, corporate leadership still fails to represent diverse talent and professionals from different backgrounds do not feel they belong. The tick-box approach to unconscious bias training does not go far enough to introduce equal opportunities. Building an inclusive and fair ethos starts with action to tackle structural and attitudinal barriers.

Strengthening team connections will help people to appreciate individual strengths, understand diverse points of view and celebrate differences. Giving every team member the opportunity to have their voice heard in meetings and running collaborative activities will develop relationships. Uniting teams under a shared vision and helping them to see the role they play in its realization will further secure employee buy-in, engaging everyone in the company's goals and motivating them to peak performance.

Achievement

Most people want to succeed. Empowering teams to complete their best work will satisfy this desire and support them to fulfil personal and career goals. Aligning individual aspirations with organizational strategy strengthens employee engagement. Setting ambitious targets demonstrates positive belief and further propels people to achieve.

Effective feedback is crucial but without training, leaders rarely master how to provide regular constructive feedback to help employees understand what "great" looks like, what is expected of them and how their advancement is being tracked. Leaders who encourage effort, praise good work as it happens and help their teams to celebrate "marginal gains" will keep progress on track – ultimately, consistent small shifts in performance add up to great leaps over time.

Growth

Most employees have an innate thirst for knowledge and self-improvement. When properly supported, this willingness to learn stimulates individual and business growth. Positive business models provide coaching and development opportunities to cultivate a culture of curiosity, learning and growth. Developing cross-team peer coaching empowers individuals to build connections beyond their immediate sphere, experiment with improved ways of working and collaborate with others to find novel solutions.

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Positive leadership to navigate disruption

The very nature of disruption means its arrival and market impact cannot be fully appreciated in advance. While the exact skills and knowledge required may be unknown, organizations can prepare to successfully navigate and even exploit disruption.

Leaders who adopt an outside-in perspective and seek out external trends to better their internal processes are better equipped to understand the opportunities and risks innovations pose. Equally these leaders will use crises as opportunities to learn and build business resilience, collecting data and feedback from events to seize current opportunities and prepare for future transformation. Early adopters and agile organizations with an entrepreneurial mentality respond faster to market changes than established, process-led organizations because their business model allows for creativity, experimentation and constant improvement. Regardless of their business' size, positive leaders understand the value of this lean start-up mindset and build collaborative cultures that accelerate transformative ideas.

Building flexibility

Many businesses adhere to traditional, inflexible working methods reliant on multiple layers of management and fixed rules. When it comes to navigating change, adaptability and flexibility is key. Resistance to flexible practices, including home working, generally stems from a lack of trust and is often accompanied by stifling behaviours such as micro-management. Lack of trust and inflexibility from leaders breeds disengagement from employees who become unwilling to "go the extra mile".

Positive leaders build thriving performance cultures where flexibility, curiosity, and personal ownership are encouraged. Their teams embrace a learning and growth mindset, not overwhelmed by the future, they seek opportunities to anticipate and shape it. Opposing voices are listened to and upward challenge is encouraged, rather than discouraged or extinguished.

Positive leaders work to move the focus from simply building financial and human capital to valuing and cultivating relationships, emotional and psychological capital. Leaders who nurture emotional and psychological capabilities such as self-awareness, resilience, grit and empathy in individuals and teams, enable organizations to adapt more effectively to change and become fit for the future.

Collaborative learning culture

Positive leaders understand that effective adaptation in volatile times requires a strong growth-oriented mindset and continuous learning. They therefore expect people to be curious, open-minded, and bold in searching for better ways of working and serving customers. They create safe conditions for learning, original perspectives and ideas to flourish, providing cover and support from damaging consequences associated with bold challenges and inevitable mistakes. Positive leaders encourage practices such as risk taking, experimentation and co-creation of solutions with external partners. They remain open to trying new ways of working including agile practices, leading virtual teams, homeworking, and job crafting – where jobs are customized to the strengths and skills of people performing them. They also challenge people who become too complacent or confident to ensure they remain open to change and discover the untapped potential beyond their comfort zone.

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Creative problem-solving

In a complex disruptive environment where organizations face new and multi-faceted challenges, leaders must approach problem-solving creatively rather than in a traditional, linear manner. Encouraging cognitive diversity and problem-solving methods such as reframing, inquiry, collaboration and brainwriting improves the quality and speed of innovation. Positive leaders understand the importance of harnessing collective ideas and intelligence from internal and external sources. Rather than shouldering responsibility alone, they collaborate to find the best solutions.

Forward planning

Scenario planning and risk management must place higher on the corporate agenda. Giving leaders and their teams the space to examine future opportunities, what could happen and where the business needs to invest identifies new possibilities early, mitigates future risk and enables greater flexibility.

In times of significant change, without clarity and certainty, teams can run off course. Reassurance from leaders alleviates this to a degree, however with a clear organizational purpose, culture of open communication and a learning mindset, teams are more likely to remain united and confident when navigating disruption. Viewing change in a more open-minded, positive way enables teams to understand how to deal with it and deliver effective outcomes.

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Conclusion

Change is inevitable, yet current leadership training and development models are not creating positive leaders ready to embrace and exploit it. Where organizations are unable to adapt in times of uncertainty and rapid transformation, business growth is stunted, and long-term survival is at risk. Disruption can be a great leveller for businesses, creating opportunity for organizations to innovate and emerge stronger. However, this is only possible with capable leaders at the helm who can motivate teams and build thriving workplaces capable of responding to unprecedented change.

Developing positive leadership has proven to be effective for motivating teams and supporting strong business growth in some of the world's most successful global brands. Driven by their own purpose, positive leaders channel their positive belief into building working environments that support others to thrive and achieve their full potential.

Boosting positive qualities such as self-awareness, self-confidence, emotional agility and positive emotions including hope and enthusiasm, leaders enable teams to build strong support systems and stay psychologically healthy amidst the pressure of rapid transformation. This environment makes individuals feel good about themselves and their work, focusing them to do their best and collectively top performing, positive employees become an organization's most powerful asset.

Together with delivering near term plans, positive leaders look to build sustainable businesses that leave a lasting positive legacy and impact on employees, customers and the planet. By empowering people to bring their best selves to work and coaching them to achieve their full potential, positive leaders create the next generation of leaders set to achieve greatness, sustaining future business growth and success. They demonstrate remarkable stewardship and social-emotional intelligence, leaving the world a better place than they found it.

Connect with Plexus Leadership

To succeed in an increasingly turbulent world, it is vital your leaders have the mindset, capability and agility to deliver breakthrough performance and get future fit.

We are specialists in developing positive leadership and thriving workplaces. Our focus on creating long-term value and our unmatched capabilities in developing positive leadership enables our clients to achieve innovation and sustainable growth beyond financial results. Working with many of the world's most successful organizations, our professional track record is testament to the success of our approach.

We deliver value to clients through five main consulting practice areas: Leadership Assessment & Selection, Leadership Development, Executive & Leadership Coaching, Leadership Team Effectiveness and Organizational Change & Culture.

Get in touch to discover how Plexus Leadership can help your business achieve positive leadership, thriving workplaces and sustainable growth.

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