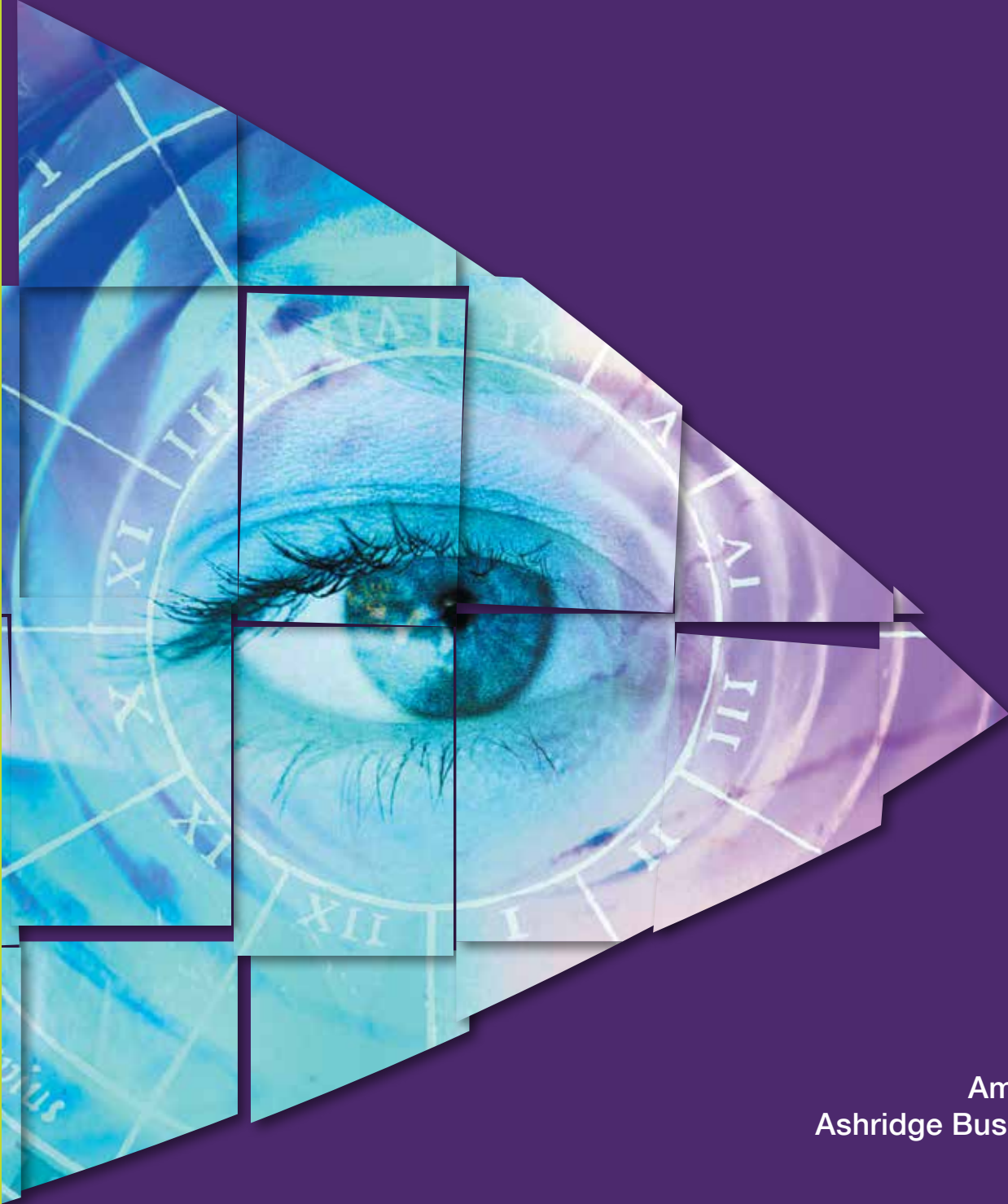


ENGAGEMENT THROUGH CEO EYES



Amy Armstrong
Ashridge Business School

May 2013



ENGAGE
FOR
SUCCESS



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Ashridge Business School

Berkhamsted
Hertfordshire
HP4 1NS
United Kingdom

www.ashridge.org.uk

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Engage for Success is a movement committed to the idea that there is a better way to work, a better way to enable personal growth, organisational growth and ultimately growth for Britain by releasing more of the capability and potential of people at work.

We want to grow awareness about the power and potential of employee engagement. We want to provoke people to think and to learn more about it. And above all we want individuals and organisations to take action, secure in the proof that it works.

We provide evidence, case studies and points of view about how employee engagement drives performance and productivity to achieve growth, to make the case for action. For example, readers may be interested in the movement's most recent report which demonstrates the correlation between employee engagement and high organisational productivity and performance. For copies of this report please go to www.engageforsuccess.org/voice/2012/11/employee-engagement-the-evidence

The movement also supports people in the workplace with practical tools and ideas they need to take action, and we hope to inspire people to get involved in our movement by facilitating access to like-minded communities, experts and leaders.

The movement is widely supported across the UK, involving the public, private and third sectors in the belief they can learn a lot from each other. Organisations supporting the movement account for more than 2 million people.

www.engageforsuccess.org

1. FOREWORD

The nature of organisations and leadership is changing at an accelerating rate. We have for a long time talked about the role of 'leader' as though it were static, yet this is far from being true – generational shifts, social and demographic change and the impact of declining trust have all contributed to new and different demands being placed on those who lead. Tomorrow's CEOs may look very different, which is likely to have significant implications for how we identify and select leaders.



This research comes at a critical time, with the concept of leadership itself being in transition. While it seems clear that 'command and control', with its emphasis on organisational hierarchy, has declining relevance in many organisations, it is unclear what prevalent model will emerge in its place. We may be entering a period where the challenge is to manage the transition from a known past to an unknown future leadership construct with the concept of engagement at its heart. This research suggests that engagement is the most challenging part of the leadership job. Being an engaging leader is hard and requires special skills and attributes. The absence of a single 'right way' to lead opens the path to more individual ways of leading. It is also time to try genuinely different approaches to leadership development and to encourage a new generation of leadership experimenters who have the courage and the attributes to play their part in defining leadership for the future.

A handwritten signature in black ink, appearing to read "Stephen G. Dando". The signature is fluid and cursive, with a large initial 'S'.

Stephen Dando

Chair of the Barriers to Engagement Sub-group
and Operating Partner at Bain Capital

2. EXECUTIVE SUMMARY

This research, which was conducted between November 2011 and November 2012, explores engagement through the eyes of 16 UK CEOs.

The research reveals that CEOs see engagement as encompassing dialogue and strategic narrative within their organisations, which, they believe, create emotional connection and purpose among employees. The outcome of engagement is seen as an organisational climate where people choose to give the very best of themselves at work.

When asked what stops leaders from engaging with engagement, three barriers emerged:

1. Shortcomings in **leadership capability** that hinder engagement, such as poor self-awareness on the part of leaders.
2. **The leader** recognises that they may be a potential barrier to engagement. Here, traits such as leader pride may lead to disengaging leadership behaviours.
3. The **culture and system** in which UK business operates is seen as antithetical to engagement, such as organisational hierarchy, or the drive for short-term results.

3. INTRODUCTION

This research was commissioned in October 2011 following the Prime Ministerial launch of the Engage for Success Employee Engagement Taskforce. The objective of the Taskforce is to improve levels of engagement and well-being across UK business in order to deliver sustainable business growth. In the first phase of their work, the Taskforce

established six sub-groups which were tasked to examine some of the key areas that were highlighted in the original Engaging for Success Research Report (MacLeod & Clarke, 2009). Ashridge Business School was commissioned to undertake this research on behalf of the 'Barriers to Engagement' sub-group within the Engage for Success movement.

3.1 Background

Engagement:

"A workplace approach designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of well-being"

Engage for Success website

Engagement has become the 'mot du jour' in recent years and has gained significant traction as a topic of research. For example, EBSCOhost, an online reference system, reveals over 500 pieces of research on engagement in the past year alone. Despite a growing body of work on the topic, there is still no consensus of what engagement means (Lewis, Donaldson-Feilder & Thorani, 2011), particularly from the perspective of the leader. Little research has sought to understand how leaders define engagement, nor to examine what prevents them from engaging with engagement. Consequently, combining the search terms "leadership, employee engagement and barriers", yields fewer than three results in EBSCOhost. There is evidence, however, that focusing on leadership and its role in engagement can lead to an increase in employee satisfaction, organisational commitment, employee retention and discretionary effort (Wallace & Trinkka, 2009).

It is vital that there is effective and engaged leadership at the top (Towers Perrin, 2008) since leaders are the 'climate engineers' (Naumann & Bennett, 2000), setting the culture and tone for engagement across the entire organisation.

Research that has looked at engagement from the perspective of the leader (as opposed to the manager), identifies a failure to foster a culture of autonomy, empowerment and challenge as a barrier to engagement. This research also points to the physical and emotional distance between leaders and staff in organisations as hindering engagement (Axelrod, 2010).

Other research cites institutional barriers, such as rules and policies that restrict autonomy and damage the emotional connection between employees and the company (Rieger & Kamins, 2006). Further research identifies bureaucracy, hierarchical cultures and controlling management practices as barriers to engagement (Giancola, 2011; Word & Park, 2009). One study argues that leaders (not managers) are at the heart of engagement, and that it is leaders who should own, embody and take responsibility for engagement:

"Employees need to see a senior leadership that models and demonstrates the organisation's values. They have to be able

to trust in their leadership to make the right decisions, and to provide a clear direction and vision. They need to be able to communicate with them without fear of reprisal and they need to know that their leadership is concerned about their well-being”.

McLaughlan, 2011:50

In UK studies of engagement, lack of trust in senior management has been cited as a barrier to engagement (e.g. Gifford, Finney, Hennessey & Varney, 2010). Recent research has also revealed a cynicism in UK organisations (IPA, 2012), which suggests that some leaders may be operating in environments where employees are feeling disenfranchised with their work, making the task of leading engagement even harder.

3.2 Research objectives

It is leaders who set the tone for engagement within their organisations, therefore to understand what prevents leaders from owning, embodying and truly taking responsibility for engagement, we need to get under the skin of the CEO. As a result, this research set out to answer four important questions:

- How do leaders define engagement?
- What is stopping them and other CEOs from engaging with this important topic?
- What do they feel are the intrinsic (i.e. within the leader themselves) and extrinsic (i.e. environmental) factors that get in the way?
- Why is engagement not happening more in the UK?

3.3 Challenges and limitations

This research sought to elicit personal thoughts and experiences through in-depth interviews with CEOs, therefore access was a challenge. (It took over a year to secure interviews with the CEOs involved). The research interviews generated insight and depth. However, the findings reflect the views of 16 UK CEOs, and are not generalisable across the entire CEO population. Furthermore, the interview sample became, to a degree, self-selecting, with those CEOs with an interest in the topic volunteering to take part. Consequently, the CEO attitudes conveyed in this research are not as broad-ranging as we had initially hoped. As such, there were more engagement champions than engagement sceptics. It was anticipated that CEOs may not feel comfortable talking openly on this topic, therefore, anonymity was guaranteed to all those involved. Finally, we also anticipated that there may be potential tensions created in the outcomes of this research, in that by looking at engagement through CEO eyes, the research may play-back some ‘uncomfortable truths’ to the very audience that we seek to engage. So, rather than attempting to present the final word on the topic, this research seeks to provoke debate and reflection about what constitutes engaging leaders and engaging leadership.

4. METHODOLOGY

This inquiry adopted a qualitative research strategy employing semi-structured in-depth interviews. The research design began with a literature review phase and structured conversations with engagement experts. Four initial hypotheses were developed as a result of this phase, (see Figure 1 overleaf) which were used to shape the interview questions in a pilot stage involving three CEOs. Following the pilot, both the hypotheses and the interview questions

were further refined for use in the main study. The main study comprised interviews with a further 13 CEOs. Interview topics included CEOs' understanding of engagement, as well as their beliefs about, and experiences of, leading engagement. Consent was given for the interviews to be recorded and transcribed. All of the interviews were anonymised so that neither the leader nor their organisation could be identified.

4.1 Sample

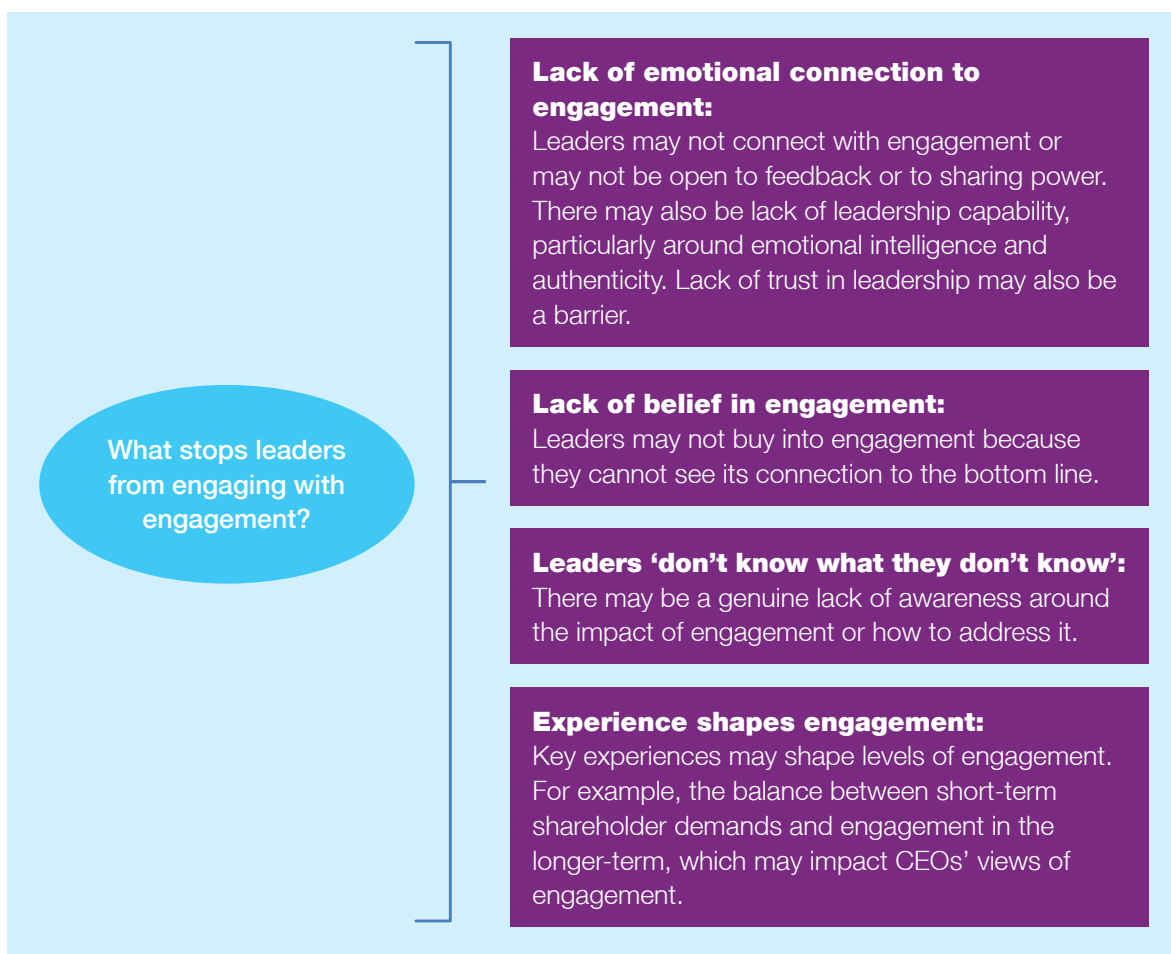
Sixteen in-depth interviews were conducted in total, of which ten were by telephone and six were face-to-face. Eleven of the leaders are from the private sector, two are from the public sector and three are from the third sector. Five of the leaders interviewed work in FTSE 100 companies and five work in SMEs. A range of industry sectors was represented including healthcare, training, local government, financial services, charities, professional services, energy and retail. All of the CEOs are working in UK-based organisations.

4.2 Data analysis

Thematic analysis was applied to the data. Deductive and inductive approaches were used to surface themes that supported the original hypotheses, as well as allowing new themes to emerge. 'Numeration' (i.e. the frequency in which a theme appears across the interview transcripts) was the criterion that was used to pull together the final set of superordinate themes, since numeration is one way of indicating their relative importance (Smith, Flowers & Larkin, 2009). Consequently, the three superordinate themes that emerged are presented in order of prevalence.

What stops CEOs engaging with engagement?

Figure 1: Refined hypotheses following the pilot



5. HOW DO CEOs DEFINE ENGAGEMENT?

There are many definitions of engagement yet no *universally* accepted definition of what it means (Shuck, 2011), so when asked to describe engagement, it is not surprising that some CEOs found it challenging.

One CEO said:

“Interestingly, I’ve never tried to articulate it”.

For him, engagement is a tacit, almost unconscious process embedded in the way he leads every day, as opposed to being something that he has ever tried to explicitly define. Another CEO called his description of engagement *“a garbled rant”*, as he struggled to put it into words. One CEO cautioned:

“If you’re looking for a snappy definition, I’d probably struggle”.

A small number of the CEOs interviewed saw engagement as an activity, such as pulse surveys, staff surveys or town hall meetings. Others saw engagement as being about championing best practice, with one CEO describing *“person-centred employment”*, (the idea of jobs being designed around individual strengths and talents as opposed to fitting people into pre-defined jobs) as an example of this. She saw this as an illustration of engagement at its best, where an employee’s individual passions and talents are harnessed. Most CEOs, however, saw engagement as a long-term process, the outcome of which is a choice made by employees to give the very best of themselves at work.

When asked to define engagement, there were two key elements that pervaded all descriptions. First, CEOs talked about a dialogical or narrative component to engagement; and secondly, they described an emotional dimension to engagement. Within their descriptions of a dialogical or narrative component, CEOs talked about engagement being made up of ‘formal’

dialogue (i.e. processes of consulting with staff) where engagement is concerned with achieving a particular outcome; and ‘informal’ conversations, for example *“the coffee machine chats”*, that is to say, the on-going conversations and exchange of ideas that take place in organisations every day. Some CEOs described engagement as an on-going *“two-way”* dialogue between them and staff, the outcome of which is that people right across the organisation are able to play their part in contributing to the organisational ‘story’. Some CEOs talked about the importance of employees understanding the purpose and values of the organisation, and ‘owning’ these values. When defining engagement, several CEOs saw it as synonymous with the ‘strategic narrative’. As one CEO put it:

“People understand the story that was generated. They may not themselves have been a contributor to that story, but they understand there was one, and we talk about it”.

Many CEO also viewed engagement as creating an emotional connection to the organisation which, in part, is achieved through the strategic narrative. Here, CEOs talked about the outcome of engagement being that people’s *“hearts and minds”* are connected to a common purpose. One CEO called engagement *“an emotional act”*. Similarly, another CEO called it *“an emotionally committing act”*. Those CEOs who defined engagement in terms of an *“emotional relationship with the enterprise”* cautioned against ‘rational’ definitions of engagement, which, in their view are wrong and lead to *“tick-box compliance”* by leaders as opposed to a process of forging deep emotional connections. As one CEO said:

“To thrive, I need all of my colleagues with me... I need their heads, I need their hearts, I need their whole selves”.

Several CEOs acknowledged the risks brought about when engagement leads to a deep emotional connection to the organisation recognising that to engage in this way requires high levels of trust and extensive personal contracting between them and employees to re-assure people that if things do not work out, then the CEO can be relied on to continue to support them.

During discussions concerning definitions of engagement, some CEOs expressed a belief that the act of defining engagement is in itself constraining. Some CEOs did not want to be tied to one definition of engagement and instead called for engagement to embrace multiple meanings so that they could find ways of defining engagement that were contextually helpful for them. As one CEO qualified:

“The broadest definition of engagement is more useful because it gives you more room for doing things differently and coming up with new ideas”.

Furthermore, some CEOs believed that the words *“employee engagement”* are themselves disengaging, as they imply a power differential between leaders and employees. One CEO called them *“power words”* which he believed *“get in the way of great conversations and deep meaningful interactions”*. Here, CEOs called for a language of engagement that breaks down implied hierarchies and instead enables people to work together towards a shared future.

6. CEO BARRIERS TO ENGAGEMENT

Three barriers to engagement emerged from the research: 'leadership capability' (i.e. shortcomings in leadership skills); 'the leader themselves' (i.e. the leader acknowledging that they may be a potential barrier to engagement); and 'culture, system and hierarchies' (i.e. the business and economic system as hindering engagement). Each of these themes contains four to six sub-themes (see Figure 2 overleaf). Two of our original hypotheses were supported ('lack of emotional connection to engagement' and 'experience shapes engagement'). However, a much broader categorisation of these hypotheses was required. 'lack of emotional connection to engagement' was subsumed into the theme of 'leadership capability', and 'experience shapes engagement' was incorporated into the theme of 'culture, system and hierarchies'. There was little evidence to support two of the original hypotheses – 'lack of belief in engagement' and 'leaders don't know what they don't know'. However, this may be because the CEOs who volunteered for this study already understand and believe in engagement.

The first theme, 'leadership capability', relates to shortcomings in leadership skills or the practising of behaviours that are counter to engagement. CEOs admit that to be an engaging leader is extremely difficult. They believe it takes a particular set of leadership competencies, such as the ability to forge deep trusting relationships at work, leading with emotion and authenticity and operating with a genuine openness and honesty. Some of the leaders interviewed were wary of engaging in this way, believing that by doing so, it would open up Pandora's Box, leading to dissenting voices within the organisation where they themselves would be criticised. Some CEOs characterised leading engagement as walking a fine line. They described feeling "*two-faced*"

when the trust and closeness that had been long-fought was instantaneously broken when they delivered bad news, such as restructuring, pay-freezes or redundancies. Within the theme of leadership capability, CEOs also talked about poor self-awareness on the part of leaders as hindering engagement. They argued that CEOs need to be deeply self-aware, but admitted difficulties reaching 'true' self-awareness if conversations and feedback in their organisations do not stem from a place of honesty and deep mutual trust.

Leaders also recognised themselves as a potential barrier to engagement; that is to say that some attributes within a CEO personality lead to disengaging leadership behaviours, such as acting in self-interest or an inability to show personal vulnerability. In this regard, some CEOs argued that unconfident leaders command and control and self-confident leaders learn to let go.

Many of the CEOs interviewed talked about the culture and system within which UK business operates as being antithetical to engagement. For example, continuing to promote for, and reward, out-dated styles of leadership, such as rationality and autocracy. Some CEOs believe that the capitalist system itself is antithetical to engagement because of its focus on output and the drive for short-term results. Within organisations, CEOs believe that hierarchy is a barrier to engagement, which, given their title, they are inescapably a part of. CEOs believe that hierarchy creates physical and psychological barriers between staff and management, which prevent honest conversations from taking place.

It is worth noting that, as so often happens in qualitative research, many of these themes are interrelated. They are not as neatly categorised as they may appear.

What stops CEOs engaging with engagement?

Figure 2: CEO barriers to engagement



6.1 Leadership capability

6.1.1 Fear of feedback

CEOs talked specifically about the relationship between engagement and feedback and surfaced anxieties about giving and receiving negative feedback. CEOs appreciate that it is part of their job to deliver bad news. However, some talked about avoiding difficult conversations in order to protect staff, but admitted that all this did was to protect themselves. As one CEO qualified:

“Sometimes you avoid those conflicts because of the negative impact they have on you personally”.

Within the same vein, another CEO said:

“There’s a whole set of worries that goes on with people... most of us like to be popular and actually you can’t”.

Other CEOs said they were driven by a desire to be liked, but recognised that being universally popular is impossible for them.

As one CEO said:

“God I wish I knew how everybody viewed me, but I don’t really want to ask them in case it’s not good”.

Some CEOs, particularly those from large corporates, expressed a fear that by exercising engaging styles of leadership within their area of the business, this would be viewed as “weak” or “holiday camp” leadership within other parts of the organisation. This suggests that in some organisations engaging leadership is yet to be fully appreciated, and those who lead engagement in this way may be perceived to be mavericks as opposed to mainstream. Other CEOs surfaced a perception that by engaging with people it creates more problems than it solves, by raising expectations that cannot be met, particularly in the current economic climate.

6.1.2 Double-edged nature of leadership

The issue of feedback discussed in the previous section closely relates to second of the sub-themes within leadership capability, the double-edged nature of engaging leadership. This theme emerged as a result of CEOs talking about the challenges of leading engagement. Many felt engagement was one of the most difficult parts of the leadership task and that engaging leadership requires them to walk a fine line. Some spoke of internal conflicts, such as feeling that engagement draws them close to people, but despite this closeness, they must still be able to take tough decisions when necessary. One CEO described it as “two-faced” when the hard-won trust that was brought about through engagement, he believed, was instantaneously broken when he had to deliver bad news to the organisation. Another CEO noted:

“I spend a lot of time with my staff... but it’s very difficult then for me to make easy decisions about not giving them any kind of pay rise for five years running. So I do think that by not engaging with staff it makes it easier for you to be less humane as a leader”.

Conversations about the duality of engaging leadership also included some CEOs talking about the pressure to project confidence to the rest of the organisation, whilst at the same time being able to admit they do not have all the answers. Others talked about having to be resilient yet emotionally attuned; decisive yet giving “voice”; and having to project certainty despite an uncertain climate. These tensions make engaging leadership a difficult task.

6.1.3 Finding new ways of leading

Some CEOs talked about there being no “one way” to lead engagement. Instead, they argued, engagement is about leaders discovering their own unique leadership style that is congruent with their own purpose and values, and works within their own organisational contexts. For one CEO engagement was about leading with truth and honesty. For another, it was about fostering deep relationships at work. She talked about getting to know each of her individual staff members intimately, so that she can learn what engages them at an individual level, believing that each person is different. For another CEO, leading engagement was about generating a dialogue within his own organisation which raised difficult questions about its future. He explained:

“It’s the provocative questions, inquiry into what it is that we want to see happen, which we don’t know how to do, which actually creates interest, excitement, creativity, all the things I want to work in and most people do, around making things better”.

Some of the CEOs interviewed described current leadership models, which value attributes such as control and toughness, as deficient. Instead, some called for different ways of leading, where people, not financial results, become the heart of organisational performance. As one CEO explained:

“Just think how far we’ve got to go before... the leadership model I’ve espoused... became the new P&L? Just think about the paradigm shift you’d need in society and organisations to make that happen? It wouldn’t be acceptable to have disgruntled, disenfranchised employees. It’s not acceptable because society wouldn’t accept it”.

6.1.4. Challenges of self-awareness and self-enquiry

In describing what engages them personally, many of the CEOs talked about leading with purpose. One CEO said:

“I do my best work when I feel passionately committed to what I’m doing as a human being”.

However, to lead with passion and purpose, CEOs acknowledged that this requires deep levels of self-awareness and on-going processes of self-enquiry. Despite the need for self-awareness, some CEOs admitted that it was difficult for them to reach ‘true’ self-insight when conversations and feedback in their organisations do not stem from a place of honesty and deep mutual trust. Some CEOs talked about the courage that was required to ask for that kind of feedback.

As one CEO put it:

“I want you to be able to see where you think I’m making a really positive difference... and where I am not... and that... for a senior leader in a big role, with a big title, that’s quite a thing to put yourself in”.

Feedback is pivotal in unlocking leader self-awareness, but some talked about how it made CEOs feel “deeply uncomfortable” to ask for feedback in this way. Others believed that even if they asked for feedback about themselves, they would not be told the truth because hierarchy would prevent it. Many CEOs saw corporate conversations as hierarchically driven. One CEO hypothesised that leaders are never given ‘true’ feedback about themselves, since, in his words:

“There’s a dependence of the senior team on the chief executive for their rations so by definition they’re constrained”.

Despite asking for feedback, another CEO did not believe what he was being told for reasons of hierarchy. As he explained:

“You just can’t accept at face value what people tell you, because it could be guarded, it could be political, it could be politic”.

Others believed they were self-aware, but admitted that they still find ways of excusing their poor leadership behaviours. As one said:

“Turning the mirror on yourself is very difficult in a systematic way. As human beings I think we are masters at getting ourselves off the hook”.

Some CEOs described engagement emerging from “*deep trusting relationships*”; however to forge these kinds of relationships, it takes a certain kind of leader.

6.2 The leader themselves

6.2.1 Personality and values

Some leaders admitted that, in their own organisations, they may be the barrier to engagement. As one CEO put it: *“This is me being in the way of people being at their best”*. Here, leaders talked about something deeper than leadership capability – the leader’s inherent personality and values which drive their subsequent behaviours. When leaders talked about themselves as a barrier to engagement, they returned again to ideas of purpose, values and authenticity, with one leader describing engaging leadership as not *“being a mouthpiece for a board of directors”* but being something *“far more authentic around what the leader actually believes in”*. They talked about openness, honesty and personal self-disclosure on the part of the leader, attributes which some believed are lacking in many senior leaders.

As one CEO put it:

“Most people aren’t willing to put themselves at risk because there’s a level of fragility in the deep-seated confidence in most senior leaders”.

Another said:

“I think some of it is fear... of engaging with their own people in a more intimate way... Some of them just find that deeply uncomfortable because it requires a degree of openness and personal risk, to be frank, which they find uncomfortable”.

6.2.2 Lack of self-confidence

When leaders talked about themselves as a barrier to engagement, self-confidence emerged as another topic of discussion. Here, some CEOs talked about being inherently shy, or being *“more comfortable with managing the numbers”* than forging deep personal relationships. However, they acknowledged that they had to overcome these things to lead engagement. Some CEOs cited an inherent lack of self-confidence as a source of disengaging leadership behaviours. For example, one CEO believed that it takes a deeply confident leader to empower and engage. He said:

“Are you confident enough as a leader to be able to trust and empower your people, or are you insecure, tend to command and control and want to be seen to be driving hard the resources of the organisation?”

Another CEO connected her lack of self-confidence with the same desire to control that was highlighted above:

“I was worried about being ambushed... that honest attempts at engagement took me to places that I hadn’t thought about... you do put yourself at risk... but the truth of that is you also need to let go of some control... I think letting go of control is something leaders sometimes have difficulty with”.

Some of the leaders interviewed equated engagement with attitudes to personal risk and believed that one reason why leaders become a barrier to engagement is because they are unwilling to expose their fallibilities. The leaders who talked about personal risk in this way defined it as an ability to show vulnerability.

6.2.3 Not showing vulnerability

Some of the leaders interviewed talked about finding it difficult to show vulnerability. As one said:

“Admitting... you’re not perfect, you’ve got fears, you’ve got hopes. They’re not easy conversations to have, particularly with people you don’t know that well”.

Some CEOs talked about finding it difficult to enter into conversations where they are truly open about their feelings, but acknowledged that by having the courage to do this, it assists engagement. One CEO said:

“Unless the leader is prepared to give something of themselves in terms of openness around how they feel, then I don’t think you’ll get the emotional relationship back the other way. And that requires a degree of honesty, which in turn requires a degree of risk, I think. There are some leaders, even here in our organisation, who just feel very difficult, very uncomfortable, about opening up in that kind of honest conversation”.

By admitting they don’t know, or that they don’t have all the answers, some of the CEOs interviewed believed that this would engage people across the organisation by encouraging them to work together to find a way forward. Some argued that to do this, a shift in mind-set is required, particularly in term of the way leaders view themselves and their role.

As one CEO said:

“Instead of seeing yourself as the all-powerful, all-knowing leader who is then going to tell all the 100,000 people in this organisation what to do

every day, you’ve got to be willing to say “look, as the leader I can set the broad direction for the organisation... I can provide the environment for success, but I will never know as well as somebody four levels down what the precise issues are facing our customers”.

Here, some leaders also talked about the expectation they believe is placed upon them to possess the answers, which has become an embedded ‘norm’. As one CEO put it:

“There’s a sort of conspiracy between the led and the leaders...this upward reference point for answers”.

Some CEOs questioned whether this is a fine line they are walking? By showing vulnerability and admitting that they do not have all the answers, some questioned if this would transmit uncertainty across the organisation, within a system where certainty has become an embedded ‘norm’. As one CEO said:

“I think certainty is a real barrier for us, we want our leaders to be certain and the last thing on Earth you can be in the current climate is certain”.

These ideas connect to the broader theme of culture, system and organisational hierarchies which is discussed in section 6.3.

6.2.4 Leader “hubris”

Some CEOs talked about leaders blocking engagement because of an inherent focus on self, which one leader defined as *“the sin of hubris”*. Hubris relates to leader arrogance. One dictionary definition describes it in relation to Greek tragedy as:

“An excess of ambition and pride that ultimately causes the transgressor’s ruin”.

Several CEOs talked about other CEOs being driven by self-interest. As one said:

“People are not focused beyond themselves, particularly senior leaders”.

Other CEOs defined hubris as a “defensiveness”, a “lack of sophistication”, or a “lack of caring”. Those CEOs who raised the issue of leader hubris as a barrier to engagement questioned the extent to which the system itself perpetuates leader self-interest, through, for example, excessive executive pay, bonuses or a fixation on measurable outcomes. As one CEO said:

“It’s a results-driven world we live in. Sometimes CEOs get pushed into situations where they have to be pragmatic and think about themselves”.

Another CEO talked about seeking humility in order to facilitate engagement, but not being able to get there because of the expectations in his organisation surrounding roles and hierarchies. As he explained:

“I just want to be a normal employee who has got a specific role and we need to roll our sleeves up together to make things happen. That’s kind of what’s in my head, but getting there is actually quite difficult”.

Some of these ideas connect to the broader theme of culture, system and organisational hierarchies which is the next topic of discussion.

6.3 Culture, system and organisational hierarchies

Many of the CEOs interviewed talked about the culture and system within which UK business operates as being antithetical to engagement. Within this theme, several topics emerged. These are: out-dated leadership models; short-termism and the focus on results; the economic climate; and organisational hierarchies. Each of these topics will now be discussed in turn.

6.3.1 Out-dated leadership models

Many of the leaders interviewed talked about out-dated notions of what makes a ‘good’ leader and ‘good’ leadership as a barrier to engagement. Here, CEOs talked about historic trends of promoting people into CEO positions who possess skills such as order, control, toughness and achievement. One CEO called it “output-oriented stuff” as opposed to the “emotionally intelligent, human interaction skills of conversation and story-telling”, which in his view engagement requires. Another CEO explained:

“There’s a view in the UK that’s been prevalent for a long time that autocratic leadership is strong leadership and that kind of nurturing, supportive, developmental leadership is weak leadership”.

Many leaders talked about how command and control models of leadership are flawed, as is the all-knowing, all-powerful ‘hero’ leader. Some CEOs talked about how the future of leadership needs to have engagement at its core, particularly given the differing expectations of a multi-generational workforce.

One CEO explained:

“I think big corporations have got a massive challenge if they think they’re going to retain talented people through command and control and not including them into decision-making and creative processes early on”.

However, other CEOs suggested that we have some way to go to change the dominant models of leadership. Some talked about how prevailing ideas of ‘good’ leadership are so entrenched, that experimental ways of leading are viewed with scepticism. As one CEO explains:

“If I said to my board director: ‘I’m searching for the critical questions we need answers to,’ he’d look at me like, ‘What the hell have I employed you for? I’ve employed you because you’re the expert, we promote expertise’”.

One CEO talked about how the dominance of prevailing attitudes towards results-oriented leadership renders invisible the processes of engagement. He said:

“There’s an invisibility about what leaders are genuinely doing because actually the organisation outcomes are framed in very rational metrics around shareholder return, growth and financials because that’s what drives corporations in the end”.

Another CEO said:

“The culture you operate in is actually relatively short-term, rational, numerically-driven and there’s an invisibility about the conditions required to achieve that”.

These views of leadership connect to the next topic, which is about the system’s drive for results.

6.3.2 Short-termism and focus on results

One CEO outlined his view of the UK system:

“We’re very task-oriented as a culture... we value hard work and output above almost all else”.

Many CEOs talked about working in a system that values results, and where the push on them is about *“getting things done in a very systematic, ordered way”*. Some CEOs viewed their role as being *“to drive the results of the business”*. As one CEO pointed out:

“It’s much easier for a CEO to be seen as a good CEO if it’s measurable, like how much did they increase the turnover?”

Again, CEOs highlighted how this focus on results renders invisible the processes of engagement. In this situation, engaging processes such as ‘inquiry’ and ‘conversation’ are hidden.

As another CEO explains:

“How do you count creativity, and if you like, the spirit of the organisation which gives rise to those technical outcomes? It comes down to, how do you measure the cause because we see very clearly, in financials, effect. So we applaud the effect, but don’t necessarily understand the interventions that drive the cause”.

Many of the CEOs interviewed believe that the system itself drives dysfunctional and disengaging leadership behaviours.

As one CEO explained:

“The average tenure of a CEO is what, three-five years something like that... people just built their whole career on short-term results, short-term results, short-term results and you could get away with it”.

Within the same vein, another CEO said:

“I don’t blame anybody for it... it’s part of the challenge of operating in a capitalist market, I’ll be honest”.

6.3.3 Economic climate

Some leaders believed that the current economic crisis is being used as an excuse for poor leadership behaviours.

As one CEO explained:

“It is very easy when companies or countries are in crisis to have command and control and a belief that it needs a hero leader who is telling people what to do to actually get the thing moving forward”.

Other leaders believe that they are unable to lead in an engaging way because their focus has become solely about viability and survival. One CEO described the current situation as *“an employer’s market”* which, in some situations, has led to disengaging leadership behaviours where employees are treated as *“profit fodder”*.

Several CEOs believed that the current economic climate makes it easier to ignore engagement:

“When you get under a lot of pressure and... it’s very difficult right now in the external environment it would be easy to say... we’ll just stay in our bunker for a couple of years and wait for things to pass”.

6.3.4 Organisational hierarchies

Many CEOs identified hierarchy as a “barrier to genuine engagement”, within which leaders feel inextricably linked. As one CEO noted:

“It’s not the person, it’s the title that’s the problem, and the role. It’s the hierarchy itself that’s the issue”.

Hierarchy, according to them, creates a division which prevents honest conversations from taking place. Several CEOs talked about conversations in their organisations inevitably reverting back to hierarchy. For example, one leader said:

“I know hierarchy is present because I’ve just come out of a strategy review and they had, I think, 300 PowerPoint slides and I didn’t ask them to do that, but I think there was a feeling that they needed to do a show and tell”.

CEOs talked about pre-conditioning that exists in organisations that leads employees to “roll out the red carpet” when the leader visits.

Some CEOs talked about working hard to try and break down these hierarchies, by making symbolic gestures, such as dressing casually, maintaining personal blogs, not hiring PAs and remaining ‘officeless’, but admitted that “getting there is actually quite difficult”. Other CEOs recognised that they may perpetuate hierarchy by using it for protection. As one leader said:

“It’s the one thing you try to hold onto, that you do have the authority that goes with the role and what you don’t want to do is to lose that respect for your authority”.

Some CEOs believed that hierarchy reinforces deferential behaviours towards them, prevents honest conversations from taking place and can lead to disengaging leadership behaviours. However, they recognised how difficult it is to break hierarchy down.

7. WHAT NEXT?

By looking at engagement through CEO eyes, this research seeks to stimulate thought and debate about the characteristics of engaging leaders and engaging leadership. It is hoped that by reading this research, some leaders may be encouraged to experiment with new ways of leading to discover a personal style that is emotionally-attuned, contextually-relevant and is borne from self-insight. This research may also spur executive search professionals and the organisational development community to re-evaluate the kinds of leader attributes that we recruit for, develop, value and promote.

It is hoped that the leadership development community will explore new approaches to leadership development with engagement at its heart. Perhaps even policy makers and politicians may think differently about the 'system' as a result, where the hidden processes of engagement are spotlighted, not just the tangible outcomes of it. Ultimately, we believe that through engagement, there is a better way to work that releases the full capabilities and potential of people at work, whilst at the same time enabling organisational growth and ultimately economic growth for the UK.

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Research Department
Ashridge Business School
Berkhamsted
Hertfordshire
HP4 1NS
United Kingdom

Tel: +44 (0)1442 841178
Email: research@ashridge.org.uk
www.ashridge.org.uk/research

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