



Real World
Group

In partnership with



Real World Group Leadership Guide Series

Surviving and thriving through Disruption:

Building organisational and individual
resilience in 'the new normal'

Executive Foreword

We are now living in a world of almost constant disruption, as the impact of the tsunami from the Covid pandemic, the consequences of the war in Ukraine, and the effects of climate change, affect our daily home and working lives, globally.

Never has the need to be resilient been so great.

Disruption can bring enormous damage, to individuals and to organisations, but it can also bring extraordinary opportunities to discard those aspects of life and work that have suppressed human potential, and that liberate the imagination and the capacity of people to realise greater fulfilment in their lives. But we need to move fast!

We are mindful of the fact that any form of change can bring dysfunctional stress, and, indeed, there has been a significant rise in work-related stress and burnout, to the extent that it has become a crisis in many organisations.

Leaders have the responsibility to strengthen their people's resilience to cope with the challenges of the changes that organisations need to make to survive disruption, but also to enable them to generate the ideas for how best to achieve these changes.

Fortunately, we can learn from those organisations that have capitalised from the shocks of disruption and transformed ideas into action, and to thrive.

This paper summarises this research and explains the psychology relating to how to strengthen individuals' wellbeing, engagement in change, and their resilience. It also addresses the important question as to how to build resilience in the culture of teams, to be able to face future challenges with confidence and maintain high levels of engagement and performance.

Our aim is to provide practical suggestions that leaders can adopt to enable them to support their teams, based on our own research into the nature of Engaging Leadership and from the wider literature.

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With the current pressures on us all in the public sector, I would be surprised if organisational and individual resilience does not sit in the top 5 or 10 concerns of most local authorities. We know that there are high levels of stress, poor mental health and depression, and that in some cases this is resulting in burnout.

It is important to have a focus on this as a starting point, but to look at positive wellbeing, and then to how we individually and collectively can thrive. This paper, which brings together various pieces of research, is very timely and fits perfectly within the PPMA's stated priority areas. I'm delighted to be able to collaborate and that the PPMA is associated with this important piece of work.

The paper contains a wealth of practical thoughts, considerations and challenges for organisations, leaders and managers. Whilst there is no silver bullet, it is clear that there are approaches that we should all be adopting, and things that we can do that will make a real positive difference.

Gordon McFarlane
President – PPMA



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Overview

Given the extraordinary disruption in individuals' working lives, the demands to increase productivity, the blurring of the boundaries between work and non-work, together with financial concerns since the cost of living has increased, it is no surprise that the Labour Force Survey has revealed a significant rise in self-reported work-related stress, and that 17 million working days were lost due to work-related stress, depression or anxiety in 2021/22¹.

Predictably, burnout has also increased, to the extent that it has become a crisis in many organisations^{2, 3}, most conspicuously, perhaps, in the NHS where more working days were lost because of stress-related absences (15.4m), compared with 9.5m days lost from staff having to isolate or being ill with Covid⁴.

Burnout is experienced when persistent demands of the job exceed the resources available to the individual. It can have a devastating personal impact on morale and individuals' mental health, which seriously affects their performance, and that of their team.

With the IMF forecasting that the UK economy will perform worse than other advanced economies, including Russia⁵, there is little doubt that organisations, irrespective of sector, will need to get even more for less in 2023.

This places enormous responsibility on leaders.

Specifically, we shall address the question: what can leaders do to increase productivity whilst preventing burnout, maintaining wellbeing, and increasing the engagement and resilience of employees, and, thus, the resilience of the organisation? Furthermore, how can leaders create the appropriate culture to sustain resilience, and increase agility and adaptability to respond to disruption, and to thrive?

This paper will summarise some important findings from research, including our own, and offer practical suggestions for action.

Disruption to organisations can no longer be regarded as episodic; it is continuous

This has implications for how we define the term 'resilience', since in the past its definition typically referred to 'bouncing back' from some specific adverse event and adapting effectively to change, but that is no longer sufficient in our 'BANI'⁶ world. Organisations, through their leaders, must now be proactive in strengthening, and maintaining, a culture of resilience, by encouraging colleagues to regularly question the status quo, creating chances for learning from experimentation and mistakes, transforming shocks into opportunities, and regarding these activities as intrinsic to daily life.

A recent review of the literature on employee resilience by the CIPD⁷, states that "Resilience helps employees adapt, cope, gain resources, and thus protect and recoup from resource loss stemming from stressors in the workplace" (p. 10).

The critical role of leadership

This places a **major responsibility on leaders at every level, but critically, those at the top**⁸, because of their powerful influence on the culture of the organisation, specifically, by how they are role models for leadership throughout the organisation.

Fortunately, valuable lessons can be learnt from recent research studies of organisations that have been particularly successful at adjusting to the extraordinary challenges of global volatility as a result of the Covid pandemic, and of delivering increased success.

Ultimately, organisational success depends on the attitudes and behaviour of the resourceful humans who populate the organisation, who will be influenced by the role-modelling of their leaders and the culture they create. So, this paper will take a closer look at the psychological factors that influence human resilience and the implications for leaders.

1 Health & Safety Executive (2022) Health and Safety at Work Summary statistics for Great Britain 2022.

2 Moss, J. (2021). The Burnout Epidemic: The Rise of Chronic Stress and How We Can Fix It, Boston, MA: Harvard Business Review Press.

3 McKinsey Health.(2022). 'Beyond burnout: what helps – and what doesn't'. Podcast, October 7th, /https://www.mckinsey.com/mhi/our-insights/beyond-burnout-what-helps-and-what-doesnt

4 Ungeod-Thomas, J., Das, S. & Bryant, M. (2023). 'Staff stress has cost NHS 5m more lost working days than Covid, figures show', Observer, Feb. 5th.

5 https://www.imf.org/en/Countries/GBR downloaded 27/03/2023

6 BANI is the acronym (meaning Brittle, Anxious, Non-linear, Inter-dependent) created by Jamais Cascio in his essay 'Facing the age of chaos', April 29 2020, https://medium.com/@cascio/facing-the-age-of-chaos-b00687b1f51d. Downloaded 04/04/2023.

7 Barends, E., Wietrak, E., Cioca, I. and Rousseau, D. (2021) Employee resilience: an evidence review. Summary report. London: Chartered Institute of Personnel and Development

8 Alimo-Metcalfe, B. (2012). 'Engaging boards: The relationship between governance and leadership, and improving the quality and safety of patient care'. Leadership and Engagement for Improvement in the NHS. London: Kings Fund

What can we learn from organisations that survived the Covid disruption?

Study 1: 'Raising the resilience of organizations'

McKinsey's research, based on a global sample of almost 240,000 employees responding to their *Organizational Health Index* data base⁹, analysed the relationship between companies' organisational health and their financial performance during the Covid-19 pandemic (April 2020-21).

They conclude from their findings that:

"When challenges emerge, leaders and teams in resilient organizations quickly assess the situation, reorient themselves, double down on what's working, and walk away from what's not...businesses exhibiting healthy, resilient behaviors – such as knowledge-sharing, performance reviews, and bottom-up innovation – were less likely than 'unhealthy' organizations to go bankrupt over the following two years".

More specifically, the 'healthy' organisations focused on strengthening the following capabilities:

- building an agile organisation by shifting to faster, data-informed decision-making and 'good enough' outcomes, which enables leaders and their teams to test, learn, and adapt in response to complex challenges;
- creating 'self-sufficient teams' that are given ownership of outcomes, empowered to
- enact strategic plans, encouraged to regularly review their effectiveness, and to adapt, and innovate;
- searching for, and promoting, leaders who are proactive and adaptable, and who coach their team members through change, enabling them to learn new behaviours and develop their capabilities;
- investing in developing talent for the present and the future, building resilient operations and creating a supportive, dynamic, responsive, flexible culture which, in turn, attracts new talent

McKinsey describes the 'recipe for success' as: **"a systems mindset emphasizing agility, psychological safety, adaptable leadership, and cohesive culture."**

Creating a **culture of psychological safety** is a critical foundation on which to enable human effort and talent to flourish, especially at times of significant change, since it means that individuals can bring their whole selves to work, and express their ideas, concerns, suggestions, seek support, for which one is accepted and respected without fear of criticism¹⁰.

⁹ McKinsey 'Raising the resilience of your organization', Oct. 12 2022.

¹⁰ Edmondson, A.C. (2018). *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth*. London: Wiley.

Real World Group has written a separate article summarising the research around the nature and importance of psychological safety, and the crucial role of leaders¹¹.

Study 2: Organisational Resilience: focusing on employee experiences of disruption

This study, conducted by WTWco¹², focused specifically on employee experiences of disruption, and how it impacted on their engagement, productivity, and mental health, which they argue are critical to an organisation's resilience.

Global data were gathered from 9 million responses of employees, and from these, WTWco identified 18 **'Disrupted Organisations'** (n=175,000 responses), which they describe as "undergoing significant negative disruption" which included "a downturn in performance, loss of reputation, change in market conditions, unplanned turnover of CEO."

In contrast, they also identified 12 organisations, which they labelled, **'EX Change Masters'** (n=333,000 responses), which significantly outperformed the former on a range of financial variables, including:

- Revenue growth
- Return on equity
- Return on assets, and
- Return on capital

The EX Change Masters were rated by their employees as particularly effective in:

- Responding to changes in the market
- Adopting the right pace of change

And their employees were more confident with the future and how their organisation will change for the better.

The important question is, how did they achieve such success?

The answer is that they were rated significantly higher than Disrupted Organisations by their employees on 8 key aspects of leadership and culture, which the researchers refer to as their **organisational 'DNA'**, each of which is briefly described below.

¹¹ Alban-Metcalf, J. & Alimo-Metcalf, B. (2022). 'Leadership & the Imperative of Psychological Safety'. Real World Group Whitepaper.

¹² WTWco.com (2022). *Employee experience in an age of disruption: Breakthrough research on how to future-proof your organization*

Wellbeing: leaders genuinely care for their employees

Voice: employees believe they can challenge tradition; their voices are heard and valued, and they are involved in decision-making

Trust: leaders trust and respect them

Growth: employees regard their company as good at attracting, identifying and securing talent, and supporting individuals in achieving their personal ambitions

Security: the combination of pay, recognition, wellbeing, and retirement benefits provides employees with a strong, and holistic, sense of security

Inspiration: leaders have a clear vision of the future, sense of direction, and strategy

Drive: the organisation is excellent at anticipating new products & services that their customers will value. They rapidly translate ideas into implementation, and value customer feedback

Organisation: employees are empowered to make decisions, and decision-making is fast. Staffing, technology, systems and processes work together very effectively

WTWco's key recommendations for organisations:

- adopt a systematic approach to strengthening resilience in facing change
- be flexible & agile in reacting
- implement an on-going listening strategy that enables the organisation to understand the nature and sources of stress
- then address these stressors
- be aware that different cohorts and segments of employees may be affected differently, and investigate what these different needs might be and deal with them appropriately
- support people in managing their careers

The recommendation to implement a systemic approach to building resilience is also recommended by the CIPD¹³, based on its review of the research evidence. It also found evidence that "the effect of intervention programmes tends to decrease over time...[and].. Interventions that had more, and longer sessions were more likely to have a sustained effect" (p. 11).

Leaders are responsible for the wellbeing of their colleagues. Fortunately, organisational psychologists have undertaken a great deal of research into the psychology of resilience, so we shall outline some key findings which are of immediate practical value in supporting individuals in the workplace.

¹³ Barends et al., *op.cit.*

Understanding what affects individual resilience, and its impact on work

Research into the nature of resilience reveals that it is a complex construct.

It has been found to be significantly related to mental health indicators, such as individuals' wellbeing, life satisfaction, positive affect/emotions, anxiety, burnout and depression¹⁴.

Importantly, in their rigorous review of the research evidence, Barends et al.,¹⁵, conclude that resilience is **strongly related to the following work outcomes**, but because most research was cross-sectional, they cannot state that the relationship is causal in nature.

- wellbeing
- psychological stress (reduced)
- being proactive at work
- creative behaviour
- commitment to change
- performance
- work engagement
- organisational commitment
- burnout, emotional exhaustion (negative relationship)
- job satisfaction

Resilience also **provides psychological protection**, by **reducing the impact of the following work-related stressors**, also referred to as '**risk**' factors:

- workplace bullying
- work pressure
- role ambiguity (uncertainty as to responsibilities, expectations, priorities, and the scope of a role)
- work conflict
- customer incivility
- job insecurity

These factors might provide useful insight to managers by suggesting practices that could strengthen employee resilience, but it is also worth noting that research reveals that **the largest effect on individual resilience results from strengthening the protective factors.** These are described below.

¹⁴ Lee et al., (2013). 'Resilience: a meta-analytic approach.' *Journal of Counselling & Development*, 91,3,269-279.

¹⁵ Barends et al., (2021) *Employee resilience: an evidence review. Summary report.* London: Chartered Institute of Personnel and Development.

The factors that have the greatest influence on strengthening resilience are:

- **Self-efficacy:** a confidence in one's ability to be successful at a task, and to achieve what one sets out to achieve;
- **Optimism & Positive emotions:** found to play a key role for resilient employees in enabling them to protect themselves from the negative effects of adverse events. Researchers state: *"employees who are optimistic are more likely to engage in practices that prevent or mitigate negative effects of adverse events. Conversely people who are less optimistic are more likely to engage in maladaptive coping strategies"*¹⁶.
- **Sense of coherence:** a belief by individuals that one's work makes sense, is intrinsically meaningful, and is manageable. Meaningfulness, has been found, unsurprisingly, to have a powerful relationship with *"what engages the human spirit at work"*¹⁷.
- **Social support:** this refers to the opportunities available in a job to get advice and support from one's manager and team members, and peers.
- **Leader-employee relationship:** leaders who build positive interpersonal relations with their employees have a positive effect on employees' psychological resilience, which helps to reduce work-related stress and provide psychological resources for coping. *"This is even more important during adverse situations when subordinates look towards their supervisor for reassurance, directions and support"*¹⁸

These practical clues for leaders, as to the nature of their interpersonal behaviours that can play a key role in building inner resources of their colleagues, are reflected in the 14 dimensions of 'Engaging Leadership' that emerged in our research into day-to-day, 'nearby' leadership, which is referred to in a later section, and in several additional publications¹⁹.

¹⁶ Barends, E., Wietrak, E., Cioca, I. and Rousseau, D. (2021), *op. cit.*

¹⁷ May, D.R., et al., (2004). 'The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work.' *Journal of Occupational and Organizational Psychology*, 77: 11-37. <https://doi.org/10.1348/096317904322915892>

¹⁸ Barends, E., Wietrak, E., Cioca, I. and Rousseau, D. (2021), *op. cit.*

¹⁹ Alimo-Metcalfe, B. & Alban-Metcalfe, J. (2008). *Engaging Leadership: Creating organisations that maximise the potential of their people*, London: CIPD 2008

Why are some people more resilient when facing unfavourable conditions?

One of the most famous psychologists to contribute to our knowledge of why people differ in their degree of resilience to adversity, and how individuals can develop stronger resilience, is US professor, Martin Seligman²⁰.

In the 1960s he and colleagues at the University of Pennsylvania conducted experiments with animals, including dogs, which were randomly allocated to one of 2 groups. Dogs in the 1st group, were each placed in a cage that was divided into 2 areas, separated by a low wall. They received a mild electric shock which they could escape by jumping over the wall. Dogs in the 2nd group also received a mild electric shock, but when they jumped over the dividing wall, they received another shock. In other words, they could not escape the shock.

The next day the experiment was repeated, but now both groups of dogs could avoid the electric shock by jumping over the low wall. Whilst all the dogs from the 1st group escaped the shock by jumping over the wall, most of the dogs in the 2nd group did not even attempt to jump over the wall, even though they could escape the shock.

Seligman explained their behaviour, as the dogs having developed '**learned helplessness**'.

He extended his research to involve humans, replacing the electric shock with an unpleasant loud noise. Individuals in one group could turn off the noise by pressing a lever, but for another group, it could not be stopped despite operating the lever.

Sometime later, all the human participants were again subjected to an unpleasant loud noise, and all were provided with the means to turn it off. But as was the case in the animal studies, while the participants who had been able to switch it off initially, learned quickly how to do so, but most of those who could not control the noise in the 1st condition did not even try to turn it off.

Very importantly, Seligman observed that not all of the subjects (animal & human) who had been in the original condition where they could not escape the shock, or the unpleasant noise, became helpless subsequently.

He conducted more in-depth research to understand why it is that some individuals (and animals) are resilient to adverse situations? He explains the answer:

*"Over 15 years of study, my colleagues and I discovered **that the answer is optimism**. We developed questionnaires and analyzed the content of verbatim speech and writing to assess "explanatory style" as optimistic or pessimistic"*²¹

²⁰ Seligman, M. (2011) 'Building Resilience', *Harvard Business Review*, April.

²¹ Gillham, J. (2000). *The Science of Optimism and Hope: Research Essays In Honor Of Martin E. P. Seligman*. <https://works.swarthmore.edu/fac-psychology/542>

Q: Why did I fail?

Possible Answers:

- "I'm incompetent", or "the task was too difficult to do in the time allowed"
- "I'll never be able to do this properly", or "I didn't put in much effort", or
- "I'm useless at dealing with these sorts of tasks" or "I can usually handle this kind of situation"

These explanations, or 'attributions' can be seen as:

- internal or external to the individual
- stable or changeable
- local or global

The attributions most likely to cause learned helplessness after a failure, are:

- **Internal** (to do with me)
- **Stable** (the belief I can't change the situation over time)
- **Global** (apply to many situations)

So, applying this to a specific setback, the question is, "why don't some people become 'helpless' after an adverse event?"

The answer is: because they're **optimists**, that is, because they regard setbacks as:

- Temporary
- Local
- Changeable

It is, of course, important to have realistic optimism. That is, having a balanced but generally positive view of the future, but at the same time being aware of the reality of potential problems and challenges.

It is important to note that Seligman refers to the term '**learned helplessness**', suggesting that it is not regarded as an entirely innate fixed trait (although there may be some degree of heritability, estimated at around 25%²²), rather that it has been formed as a result of the quality of early childhood experiences in the family context and wider environment²³.

He believes that in order to help people to build resilience and handle setbacks and challenges more effectively, it is helpful to consider differences in ways in which individuals view adverse outcomes in relation to the 3 dimensions referred to above as 'the 3 Ps'.

These are:

Personalisation: the extent to which we attribute mistakes, failures, setbacks to causes internal to the person, rather than to consider the influence of factors external to us.

Permanence: regarding setbacks as being unchangeable, rather than thinking they are temporary, which provides the initiative to accept what has happened and search for ways to adapt for the future.

Pervasiveness: regarding failure in one area of life as generalisable to other wider aspects of life, rather than judging it as specific to the particular event.

Strengthening resilience by focusing on changing dysfunctional ways of judging negative events is referred to as 'The Resilience Habit'²⁴ (see diagram below).



The good news is that there are many resources available to help strengthen individuals' resilience²⁵, including exercises like the one described below, and evidence of significant growth in resilience in individuals^{26 27}.

22 Plomin et al., (1992). 'Optimism, pessimism and mental health: A twin/adoption analysis'. *Personality and Individual Differences* 13, 921-930.

23 Seligman, M. E. P., & Garber, J. (1980). *Human helplessness: Theory and applications*. London: Academic Press.

24 <https://positivepsychology.com/resilience-theory/>

25 <https://positivepsychology.com/resilience-theory/>

26 Fredrickson, B.L. (2001). 'The role of positive emotions in positive psychology: The broaden-and-build theory of positive emotions.' *American Psychologist*, 56, 3, 218.

27 Tugade, M.M. & Fredrickson, B. L. (2004). 'Resilient individuals use positive emotions to bounce back from negative emotional experiences'. *Journal of Personality and Social Psychology*, 86, 2, 320.

Exercise in Growing Resilient (Source: www.growingresilient.com)

Exercise

Change your Perspective

1. Pick a hard experience that is happening now.
2. Look at the example below as a template.
3. Write out how you could think about the situation as Personal, Permanent and Pervasive.
4. Now, change your point of view: write out how the experience could be Impersonal, Impermanent, and Specific.

Example

Let's say you lost your Job. Below are ways you could feel, and ways you could try to change your perspective.

Personal <ul style="list-style-type: none"> • I am not a good enough person • There's something wrong with me 	Permanent <ul style="list-style-type: none"> • I will never find a job 	Pervasive <ul style="list-style-type: none"> • I also failed as a parent
Impersonal <ul style="list-style-type: none"> • The company is struggling • My skill-set did not fit with current needs 	Impermanent <ul style="list-style-type: none"> • I will find a job soon 	Specific <ul style="list-style-type: none"> • This applies to work – it does not apply to my family life, hobbies, social life, or other interests.

Research evidence indicates that **'optimism', correlates strongly with resilience**, and similarly, is more complex than it might initially appear. For example:

- there are variations in individuals' levels of optimism, both moment-to-moment and over extended periods²⁸
- the strength of the trait may change over periods in individuals' lives²⁹
- the degree of optimism may differ in relation to different aspects of one's life

²⁸ Sweeny, K., Carroll, P. J., & Shepperd, J. A. (2006). 'Is optimism always best? Future outlooks and Preparedness'. *Current Directions in Psychological Science*, 15, 6, 302-306.

²⁹ Segerstrom, S. C. (2007). 'Optimism and resources: Effects on each other and on health over 10 years'. *Journal of Research in Personality*, 41, 4, 772-786.

For those interested in exploring practical ways of improving individuals' wellbeing – including their own – might find Seligman's theory of Wellbeing, which he describes as 'flourishing', a useful framework. He has developed a programme (PERMA) for building resilience and growth. It is based on 5 key building blocks of:

- **positive emotion** (generally feeling good)
- **engagement** (being completely absorbed in activities)
- **relationships** (being authentically connected to others)
- **meaning** (purposeful existence)
- **accomplishment** (a sense of accomplishment & success)

The PERMA Model of Well-Being

Positive Emotion

Positive emotions are an essential part of our well-being. Happy people look back on the past with glad-ness; look into the future with hope; and they enjoy and cherish the present.

Relationships

Everyone needs someone. We enhance our well-being and share it with others by building strong relationships with the people around us - family, friends, coworkers, neighbours.

Accomplishment

Everyone needs to win sometimes. To achieve wellbeing and happiness, we must be able to look back on our lives with a sense of accomplishment: 'I did it, and I did it well'.

Engagement

When we focus on doing the things we truly enjoy and care about, we can begin to engage completely with the present moment and enter the state of being known as 'flow'!

Meaning

We are at our best when we dedicate time to something greater than ourselves. This might be religious faith, community work, family, politics, a charity, a professional or creative goal.

From Martin Seligman's **Flourish**, 2011

The importance of Optimism

Optimism is not a 'vacuous concept – on the contrary - It influences how we see ourselves and the world around us, and, therefore, has a significant effect on people's behaviour: on their ability to cope with challenges and negative events, and on their wellbeing – mental and physical^{30 31}.

To explain its - potentially deadly - impact on the body, Harvard Medical School's blog³², devoted an article to the subject of 'Optimism and your health', in which it summarised some important findings in relation to optimism and **heart disease – the major cause of death globally**. They include the following:

- a study which tracked **309 middle-aged patients** who had undergone **coronary artery bypass surgery**, found that optimists recovered faster, and were only half as likely as pessimists to require re-hospitalisation
- a similar study of **298 angioplasty patients** (inserting a stent into arteries) observed that *"Pessimists were 3 times more likely than optimists to have heart attacks, or require repeat angioplasties or bypass operations"*
- a Finnish study which tracked **616 middle-aged men** with normal blood pressure, over a 4-year period, found that **highly pessimistic men were 3 times more likely to develop hypertension** than optimists, even after other risk factors were taken into account
- a Canadian study found that **optimistic head and neck cancer patients were more likely to survive one year after diagnosis** than pessimistic patients.

Emotions & infections

- A study exploring the **possible association between emotions and viral infections** of the respiratory tract, found that *"individuals with a positive personality style were less likely to develop viral symptoms than their less positive peers."*

Optimism may predict increased longevity

- A Dutch study followed **941 subjects aged 65 to 85** for ten years and found that the most optimistic participants were **almost half as likely to die** of all causes during the study than the least optimistic participants (controlling for other major risk factors such as age, blood pressure, weight, or smoking).

30 Rasmussen et al., (2009). 'Optimism and physical health: a meta-analytic review'. *Annals of Behavioral Medicine* 37, 239–256.

31 Forgeard, M.J.C. & Seligman, M.E.P. (2012). 'Seeing the glass half full: A review of the causes and consequences of optimism'. *Pratiques Psychologiques*, 18, 2, 107-120.

32 Harvard Health Publishing (2008). 'Optimism and your health'. *Heart health*. May 1st 2008.

Optimism and engagement and performance at work

Since optimism is about holding positive expectancies of future events and outcomes, it is unsurprising that there is strong research evidence that, if an individual believes that they can achieve a goal, they are likely to exert more effort, whereas, if they are pessimistic about success, they are more likely to stop when facing tough challenges or to disengage their effort.^{33 34 35}

This is no doubt related to the finding of a **significant relationship between optimism and the strength of work engagement**^{36 37}.

Clearly, the key question is: **does optimism affect performance?** The answer is "yes", and this is supported by several research studies. For example, optimism has been found to relate significantly and positively to performance in a range of settings, including sales³⁸, athletics³⁹, nursing⁴⁰, education⁴¹, banking⁴², and manufacturing⁴³.

Optimism also appears to **strengthen individuals' resilience to stressful life events**.

People who are confident about eventually succeeding in achieving a goal, will persevere even in the face of great adversity. One has only to look at the daily news from Ukraine to see evidence of this.

Given the above findings, it is important that organisations are aware that **optimism has also been found to be strongly associated with leader effectiveness**⁴⁴.

33 Carver, C. S., Scheier, M. F., & Segerstrom, S. C. (2010). 'Optimism'. *Clinical Psychology Review*, 30, 7, 879-889.

34 Gillham, J. (2000), *op. cit.*

35 Forgeard & Seligman, M. (2012).

36 Mache, S., et al., (2014). 'Exploring the impact of resilience, self-efficacy, optimism and organizational resources on work engagement'. *Work*, 47, 4, 491-500.

37 Lu, X., Xie, B., & Guo, Y. (2018). 'The trickle-down of work engagement from leader to follower: The roles of optimism and self-efficacy'. *Journal of Business Research*, 84, 186-195.

38 Dixon, A. & Schertzer, S. (2005). 'Bouncing back: how salesperson optimism and self-efficacy influence attributions and behaviors following failure'. *Journal of Personal Selling & Sales Management*, 25, 4, 361-9.

39 Ortin-Montero, F. J., et al., (2018). 'Relationship between optimism and athletic performance'. *Systematic Review. Anales de Psicología*, 34, 1, 153-161.

40 Luthans, K. W., Lebsack, S. A., & Lebsack, R. R. (2008). 'Positivity in healthcare: relation of optimism to performance'. *Journal of Health Organization and Management*, 22, 2, 178-188.

41 Hoy, W., et al., (2006). 'Academic optimism of schools: A force for student achievement'. *American Educational Research Journal* 43, 3, 425-446.

42 Jensen, S., et al., (2007). 'Optimism and employee performance in the banking industry', *Journal of Applied Management and Entrepreneurship*, 12, 3, p. 73.

43 Green, K., Medlin, B. and Whitten, D. (2004). 'Developing optimism to improve performance: an approach for the manufacturing sector', *Industrial Management & Data Systems*, 104, 106-14.

44 Chemers, M., et al., (2000). 'Dispositional affect and leadership effectiveness: a comparison of self-esteem, optimism, and efficacy', *Personality and Social Psychology Bulletin*, 26, 3, 267-78.

Our own research into the nature of **'engaging leadership'** and its impact on employees, as measured by our 360 instrument⁴⁵, has found that **optimism in the form of infectious enthusiasm**, is one of the **strongest predictors of wellbeing and other engagement indicators in employees**, irrespective of sector, industry, or country, including:

- job satisfaction
- reduced work-related stress
- motivation to achieve
- job commitment
- organisational commitment
- self-confidence
- sense of fulfilment

Obviously, **unrealistic optimism**, or having such a high degree of optimism that it leads to 'over-confidence', and/or ignoring potential factors that can result in negative outcomes, is unwise, or even potentially, dangerous⁴⁶.

The good news is that optimism can be strengthened in the workplace.

Psychologists have investigated factors in the workplace that may play an important role in how optimism affects performance.

One study, for example, of 426 employees from various sectors, found that:

"structured goal setting processes lead to higher levels of employee engagement, that higher levels of engagement lead to improved workplace optimism, and that improved optimism in turn leads to higher levels of individual performance" (p. 943).

It must surely, therefore, be a matter for leaders to take seriously, not least of which when considering their communications, day-to-day interactions, and relationships?

As to providing support to leaders, Seligman's model of the 3 Ps (described in an earlier section) provides a highly practical way in which optimism can be strengthened, by helping people to change their explanatory style. He has also published a wide range of books which cite, both research evidence, and case studies⁴⁷.

45 *The Transformational Leadership Questionnaire (TLQ)*. Real World Group. www.realworld-group.com

46 Shipman, A. S., & Mumford, M. D. (2011). 'When confidence is detrimental: Influence of overconfidence on leadership effectiveness'. *The Leadership Quarterly*, 22, 4, 649-665.

47 <https://ppc.sas.upenn.edu/people/martin-ep-seligman>

The body of research in the field of positive psychology – founded by Seligman – is replete with additional evidence of how optimism has been successfully developed and provides numerous practical exercises for leaders and individuals to enable them to apply what has been learned⁴⁸.

Benefits of optimism and positive emotions in organisations in increasing individuals' effectiveness in handling change and complex challenges

Given the importance of idea-generation, problem-solving, adaptability, and innovation to enable organisations to succeed in such disruptive times, it is important for leaders to note that researchers have found evidence of the power of positive emotions on such aspects of performance.

Some of the ways it has been demonstrated from research^{49 50 51}, to affect cognitive activity, motivation, resilience, and performance, include that it:

- widens the scope of interest, awareness, and thinking in a role/task
- broadens the range of behavioural responses to situations
- increases creativity, and strengthens wellbeing & self-efficacy (the belief that I can achieve the task/situations that will face me in my work)

In the longer term, it builds enduring responses, including:

- increased curiosity, interest, & exploration of solutions
- strengthening work engagement
- greater resilience, and persistence at challenging tasks and an increased range of coping strategies
- stronger social relations and connections
- leads to increasing learning opportunities, and
- higher Readiness for Change (RfC) – openness to change and willingness to engage in the process

With respect to the reference to 'Readiness for Change' (or 'Change Readiness'), RWG has written a separate paper explaining its critical importance for organisations facing an increased rate of change and disruption and summarising the research and offering practical recommendations⁵².

48 www.positivepsychology.org.uk

49 Carver, C.S. & Scheier, M.F. (2014) 'Dispositional Optimism', *Trends in Cognitive Sci.*, 18, 6, 293-299.

50 Youssef, C. M., & Luthans, F. (2007). 'Positive organizational behavior in the workplace: The impact of hope, optimism, and resilience'. *Journal of Management*, 33, 5, 774-800.

51 Mache, S., Vitzthum, K., Wanke, E., David, A., Klapp, B. F., & Danzer, G. (2014). 'Exploring the impact of resilience, self-efficacy, optimism and organizational resources on work engagement.' *Work*, 47, 4, 491-500.

52 Alban-Metcalf, J. & Alimo-Metcalf, B. (2022). 'The Psychology of leading change in the time of Covid19', RWP White paper.

Ways in which leaders can strengthen a climate of *realistic* optimism and resilience, based on our research and from the wider literature

Here are a few suggestions:

- **show genuine appreciation for individuals' contributions**, including persisting with tough tasks/challenges, supporting other colleagues, coming up with new ideas & suggestions, etc.,
- **look out for 'people doing something good'**⁵³ - we tend to see what we expect to see (which may be a focus on the problems or challenges of work), and as a result filter out some important opportunities around us every day, to let people know we value what they bring to the team/task/challenge;
- **celebrate success** - if only verbally - at team meetings, and encourage each individual to briefly state, at the beginning or end of a meeting, even one small step towards achieving a particularly difficult task, rather than focussing purely on the tough aspects of work, or the things that have not gone well;
- **create a culture of team efficacy, or potency** - that is, a belief within the team that we can deal with the challenges we will face - by reminding the team of its achievements and strengths, and encouraging team members to identify what they appreciate and value as being a member of the team;
- **strengthen social support amongst team members** and create opportunities for individual to raise issues that are of concern to them, and then make time for the team to suggest how they can support their colleague; have daily/weekly/fortnightly 'team huddles' which are sharp, focused team meetings, and not necessarily intended to solve any problems, but to share ideas, or what each member is working, on, or concerns people might have, etc.,. There are many examples online of how they may be used. One example is that: each team member briefly states: 1. how they are feeling/ coping; 2. a small victory, even if only a small achievement towards attaining a goal; 3. their priority for the next week/fortnight, etc.. It can strengthen team identity, trust, transparency, motivation, etc.,
- **strengthen a sense of 'psychological safety'**⁵⁴ within the team, where people trust each other, feel respected for who they are, and can voice their ideas, propose/challenge ideas, share their concerns, seek support, without fear of being shamed, and transform mistakes into learning opportunities. Offer the team an example of something that you have done that hasn't gone as well as you had hoped/expected, invite suggestions as to what you might do differently in the future, and try to extract some learning from it;

- **encourage working together on an issue/problem/challenge** as part of a team meeting, or as a 'hackathon'⁵⁵ - first in couples/trios, then sharing with the whole group - encourage challenging of traditional/current organisational practice/ways of delivering services, etc.;
- **involve employees in decision making** - increases ownership, produces ideas and implications that you/the organisation might not be aware of;

Burnout – a subject of critical and growing importance

In this age of unprecedented disruption, it is hardly surprising that organisations are recognising the need to address the growing evidence of employee burnout, a state of feeling overwhelmed⁵⁶.

According to survey undertaken for Mental Health UK in 2021:

- 20% of workers feel unable to manage increased pressure and stress experienced at work;
- 45% said they feel more prone to extreme levels of stress compared with a year ago

Burnout occurs when stress levels are high because job demands cannot be met by the resources available to individuals. These may include psychological, social, physical, and organisational aspects of the work role.

Specifically, a study investigating the main causes of burnout at work identified:⁵⁷

1. **Unfair treatment at work** (bias, favouritism, co-worker mistreatment, unfair pay)
2. **Unmanageable workload** (feeling overwhelmed)
3. **Lack of role clarity** (responsibilities, priorities, objectives)
4. **Lack of communication & support from manager**
5. **Unreasonable time pressure** (although some professions will always be under such pressure (emergency care professionals, fire fighters, police, etc.,). But sometimes the deadline is imposed by someone with little or no knowledge of the time required for the task)

53 Blanchard, K. Author of the classic management/leadership book *'The One Minute Manager'*. <https://howwelead.org/2014/12/24/catch-people-doing-something-right/>

54 Alban-Metcalf, J. & Alimo-Metcalf, B. (2022). 'Leadership & the Imperative of Psychological Safety', Real World Group White paper.

55 Hackathon is an "intensely focused working event, where stakeholders address a particular challenge or Project"

56 Mental Health UK website: <https://mentalhealth-uk.org/burnout> Downloaded 18th April 2023

57 Wigert, B. & Agrawal, S. (2018). 'Employee burnout, Part 1: the 5 main causes.' Gallup Workplace, July 12.

The psychologist who undertook considerable research into the nature of occupational burnout, is Christina Maslach⁵⁸. She developed an instrument called 'The Maslach Burnout Inventory' (MBI) which assesses the ways in which individuals cope with unmanageable work stress, and are rated on these principal symptoms:

- **Emotional exhaustion:** a feeling of extreme tiredness and being completely depleted of emotional energy;
- **Depersonalization:** emotional and intellectual distancing from work and responding with indifference to others, including work colleagues, patients/clients, etc.;
- **Personal accomplishment (reversed):** a decline of interest in one's work and a lack of a sense of personal achievement;

Maslach believes that burnout is the antithesis to engagement, and describes it succinctly in the following quote:

"burnout can be seen as an erosion of engagement, with energy turning into exhaustion, involvement turning into cynicism, and efficacy turning into ineffectiveness. Thus, engagement is characterized by energy, involvement and efficacy, the direct opposites of the three burnout dimensions" (p.2)⁶⁰.

Efficacy is a confidence in one's ability to successfully undertake one's role, and an ability to achieve desired outcomes.

A model to understand the relationship between job demands and human stress (strain)

Stress is not inherently bad. In fact, it can be a motivator at work, but too much stress can drain our resources and affect every aspect of human behaviour, including our mood, confidence, relationships, our concentration, capacity to think clearly and handle complex tasks, and the extent to which we gain satisfaction and a sense of purpose and satisfaction in what we do.

This will ultimately affect, significantly, an individual's level of engagement in their role, and subsequently, their performance, and that of their team.

Not only can stress affect our mental health, but it can also be life-threatening. Organisations and managers need to be aware that there is a strong relationship between

levels of stress and cardiovascular disease, which can lead to heart attacks, angina and strokes⁶¹.

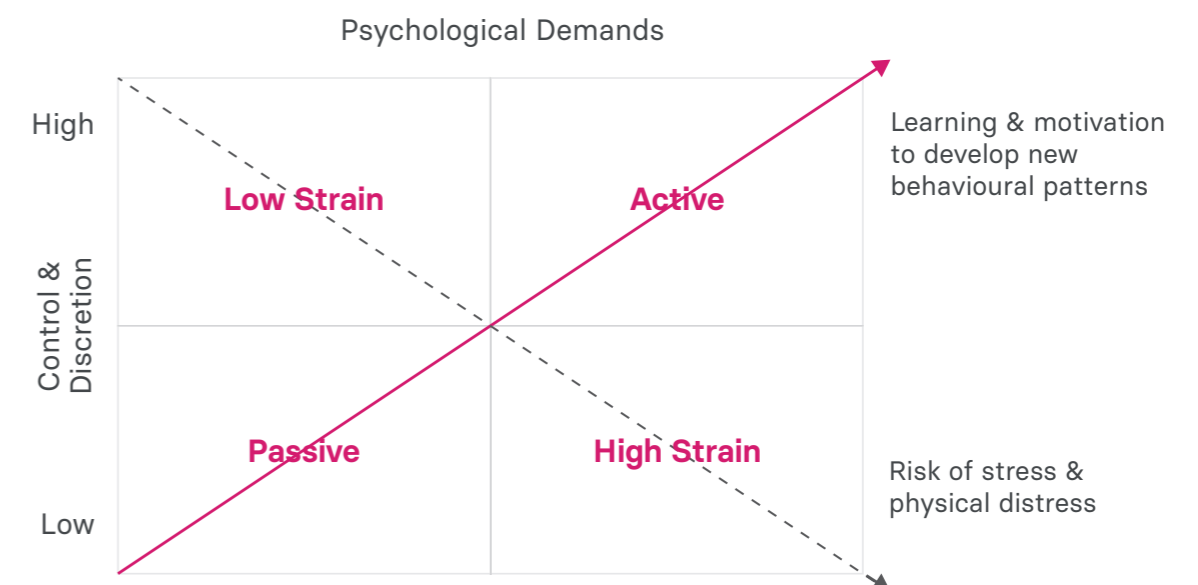
One of the most useful ways of understanding the relationship between the positive benefits of stress, and when it becomes dysfunctional, and then exploring how one can best support one's colleagues who are experiencing high levels of negative stress in a role, is to consider the balance between job demands and the resources available to the individual.

A classic model to explain occupational stress was developed by Dutch psychologist Robert Karasek⁶² and is referred to as the Job Demands-resources (JD-R) model.

According to Karasek, stress - which he refers to as a 'strain' - occurs when the demands of a job (such as the amount of work that needs to be done, the speed at which it needs to be completed, the complexity of task, etc.) is combined with the lack of control in how it can be undertaken (including the extent to which the individual has the authority to plan the order of their work, decide on how they do it, and the content, and when they can take a break).

The combination of the demands of the job, with the amount of autonomy and discretion the person has to perform their job, can help explain whether the experience has a negative effect on their mental health and wellbeing, or alternatively, it has a positive effect, such as providing an opportunity to engage in new and stimulating tasks and possibly learn new skills, thus helping to increase their job satisfaction (Karasek's model is shown).

Karasek's model of Job Demands and Control (JD-R)⁶³



58 Maslach, C. (1998). 'A multidimensional theory of burnout'. *Theories of organizational stress*, 68, 85, 16.

59 Maslach, C., & Leiter, M. P. (2017). 'New insights into burnout and health care: Strategies for improving civility and alleviating burnout'. *Medical teacher*, 39, 2, 160-163.

60 Toon W. et al., (2017). 'Burnout and engagement: Identical twins or just close relatives,' *Burnout Research*, 5, 3-11,

61 Tawakol, A. et al., (2017). 'Relation between resting amygdalar activity and cardiovascular events: a longitudinal and cohort study'. *The Lancet*, 389, 10071, 834-845.

62 Karasek Jr, R.A., 1979. Job demands, job decision latitude, and mental strain: Implications for job redesign. *Administrative science quarterly*, 285-308.

63 Karasek, R. and Theorell, T. (1990) *Healthy Work: Stress, Productivity and the Reconstruction of Working Life*. New York: Basic Books Inc..

This simple model is helpful in highlighting the importance of considering how much autonomy individuals have in how they perform their job, and the possible negative impact on their mental health and wellbeing when this is not the case, since there is research evidence to support it⁶⁴.

Although they clearly play a role in balancing demands and resources available to an individual, the model does not explicitly refer to individual differences in internal resources that were described above, including an individual's self-confidence, or **self-efficacy**, and their degree of **optimism**.

Other internal resources would include, an individual's general mental and physical health, and how much experience the individual has in a certain aspect of a task/role, and the skills and competencies they have acquired.

Important external resources can include support from their manager and their team, in the form of information, clarity of objectives, coaching, an explanation of how to access training, development, and the provision of technological, financial, social support, or other form of support they are provided with.

The role of managers in reducing stress and burnout, and increasing employee resilience

A major responsibility of the role of managers as leaders, is to ensure the wellbeing, and therefore, the resilience of their people.

Investigating how managers can prevent burnout, the Gallup organisation concluded from data gathered pre-Covid⁶⁵ - which is probably even more relevant now - that managers provide a psychological buffer by being supportive to their teams. They found that individuals who regarded their **boss as supportive**, were **70% less likely to experience burnout**.

In contrast, individuals who see their manager as unsupportive and condescending, are more likely to feel alone, vulnerable, and defensive

They propose **5 actions managers can take, to reducing burnout**, which are consistent with actions for increasing colleagues' resilience, viz.:

1. **Listen to colleagues'** concerns
2. **Encourage teamwork** (more details on effective teamworking are described in a later section)
3. **Make everyone's opinions count**
4. **Make work purposeful** (ensure colleagues understand how important their work is to achieve the organisation's mission)
5. **Focus on Strengths-based feedback** (employees who can use their strengths are less likely to experience burnout frequently, and are more likely to be engaged)

In relation to the workplace, their recommendations are:

6. **Allow for autonomy:** provide clear expectations, and let individuals decide how to do their work
7. **Create Collaborating spaces** that are suitably equipped
8. **Develop a Holistic Strategy** for combatting burnout: make wellbeing part of your culture; equip managers to prevent burnout by ensuring they are aware of what causes burnout, and that they play a key role in preventing the condition and maintaining their colleagues' wellbeing.

⁶⁴ Van Yperen, N.V. & Snijders, T. (2000). 'A multilevel analysis of the demands--control model: is stress at work determined by factors at the group level or the individual level?' *Journal of Occupational Health Psychology*, 5, 1, 182-190.

⁶⁵ Gallup (2020). *Employee Burnout: Causes & Cures*. Gallup: Washington, DC.

These recommendations reinforce several findings from research highlighted previously. The final recommendation made by Gallup of adopting a holistic approach, is found in other studies, including a review of relevant research undertaken by CIPD⁶⁶.

Having summarised some of the findings from research on the dangers of burnout, and the factors that directly impact the condition, the fact is, organisations have to operate in an environment where little is certain, other than the fact that change and disruption is now, virtually, a constant.

What are the day-to-day leadership behaviours that enable organisations 'get more with less' in a world of uncertainty & almost constant disruption, and maintain their colleagues' wellbeing?

Crucial to organisational success is the strength of engagement of its people in their day-to-day work role. Research findings from dozens of studies, reveal that key to individual engagement, is the leadership approach of their line manager.⁶⁷ It has been noted that engagement is the antithesis to burnout.

We had concerns with previous leadership research, most of which emanated from the work of US researchers, for 4 main reasons:

1. the samples were based on **predominantly, if not exclusively, male populations**;
2. data were often **gathered from the 'leaders' themselves** describing what 'made' them a leader, rather than from the people they 'lead' and whom they are presumed to influence;
3. typically, the leaders were top or senior-level managers, that is, it **focused on 'distant' leadership**, yet the model developed was assumed to apply at all levels to the day-to-day activities of **'nearby' leadership** of bosses relating to their staff. This, even though research has shown that notions of distant leadership, such as having a clear 'vision', and being 'charismatic' – which became known as **'heroic leadership'** – are very different characteristics from those sought by employees in their boss, such as 'listens to me', 'values my contributions', supports my development, etc.,⁶⁸
4. the **sample sizes were small**, or comprised a few case studies of individual leaders

This led to us embarking on a major 3-year UK investigation, which sought to understand the nature of:

- **day-to-day leadership that increases engagement, morale, wellbeing and effectiveness of employees**
- **from the perspective of employees**
- based on a **diverse, representative population**, by age, sex, ethnic background, sector (public and private), occupational group, organisational level (middle to top);
- based on a **large sample**
- included individuals in **public and private sector organisations**

The research methodology, which is explained in peer-reviewed papers^{69,70} was based on **one of the largest samples (n=6,000+)** ever studied in such an exploratory investigation of 'nearby' leadership.

The model that emerged, which we refer to as 'Engaging Transformational Leadership' or simply, 'Engaging Leadership', is very **different from the content and tenor of the US 'heroic' models of leadership**, and more closely **resembles the principles of 'servant leadership'**⁷¹.

Being a servant leader means **believing that the wellbeing and growth of one's people is the central responsibility as a leader**, which, thus, creates an environment in which **people can thrive and be most effective**⁷².

Engaging Leadership, is based on 14 scales/dimensions representing aspects of day-to-day leadership behaviour.

66 Barends, E., Wietrak, E., Cioca, I. and Rousseau, D. (2021) *Employee resilience: an evidence review. Summary report*. London: Chartered Institute of Personnel and Development.

67 Alimo-Metcalfe, B. & Alban-Metcalfe, J. (2008). *Engaging Leadership: Creating Organisations that Maximise the Potential of Their People*, London: CIPD.

68 Shamir, B. (1995). 'Social distance and charisma: Theoretical notes and an exploratory study'. *Leadership Quarterly*, 6, 19-47.

69 Alimo-Metcalfe, B. and R.J. Alban-Metcalfe (2001). 'The development of a new transformational leadership Questionnaire'. *The Journal of Occupational & Organizational Psychology*, 74, 1-27.

70 Alban-Metcalfe, J. & Alimo-Metcalfe, B. (2007). 'The development of the private sector version of the (Engaging) Transformational Leadership Questionnaire'. *Leadership & Organisational Development Journal*, 28, 2, 104-121.

71 Greenleaf, R. K. (1970). *Servant Leadership: a journey into the nature of legitimate power and greatness*. Paulist Press.

72 Center for Servant Leadership: <https://www.greenleaf.org>

The Model of Engaging Leadership



There are four clusters of dimensions:

- **‘Personal qualities & values:** these relate to integrity and consistency; more concerned with the good of others than one’s personal ambition; open to criticism and feedback;
- **Leading & Developing individuals:** reflects a genuine concern for others and their development; empathising, valuing, empowering & trusting staff; encouraging them to question the status quo;
- **Leading & developing the team/organisation:** focussing the effort of the team; being enthusiastic & optimistic; creating a culture of development and learning from mistakes
- **Leading the way forward:** building a shared vision; bringing different groups and stakeholders together to achieve the vision; handling complexity; managing change sensitively

Values are at the core of the model. The emphasis is not on heroism, or egotism, but on serving and enabling others to find and express their leadership.

A pervasive theme is **‘strengthening connections’** with others – one’s team members and other groups - internal and external – by building a shared vision, and working together to solve challenges, underpinned by strong values of respect, honesty, trust, empowerment, learning, mutual support, and collaboration.

It is not about being an extraordinary person, but rather a somewhat ordinary, humble, or at least a very open, honest, respectful, approachable, and supportive individual.

Importantly, **the model has been validated for its significant impact on the motivation, wellbeing, and attitudes to work of employees** in different sectors, which are reported in over a dozen peer-reviewed papers^{73 74 75} external academic theses^{76 77 78} and case studies⁷⁹, and described in greater detail in several professional articles, which can be downloaded from our website.⁸⁰

Modern definitions of leadership

Models and notions of leadership have changed many times over time⁸¹ in response to changes in society and the wider world, including social, political, economic, factors, and as a result of developments in technology.

Contemporary thinking has shifted significantly.

Whereas traditionally, leadership is viewed primarily as the input from the leader to the team’s processes & performance, the more contemporary view is that leadership emerges as an outcome of team processes (it is a ‘distributed’, ‘shared’, ‘collective’ activity).

73 Alimo-Metcalfe, B. and R.J. Alban-Metcalfe (2001). ‘The development of a new transformational leadership Questionnaire’. *The Journal of Occupational & Organizational Psychology*, 74, 1-27

74 Alban-Metcalfe, J. & Alimo-Metcalfe, B. (2007). ‘The development of the private sector version of the (Engaging) Transformational Leadership Questionnaire’. *Leadership & Organisational Development Journal*, 28, 2, 104-121.

75 Alimo-Metcalfe, B. et al., (2008). ‘The impact of engaging leadership on performance, attitudes to work and wellbeing at work: A longitudinal study’. *Journal of Health Organization and Management*, 22, 6, 586-598. <https://doi.org/10.1108/14777260810916560>

76 Miller, Mary (2005) ‘The relationship between transformational leadership and love as ‘choice to will the highest good’ using the transformational leadership questionnaire (TLQ)’. Unpublished PhD thesis, University of Wales.

77 Smith, David. Unpublished PhD thesis University of Southern Queensland, ‘Engaging Leadership, Employee Autonomous Motivation and Employees’ Well-Being at Work: Testing Engaging Leadership and Self-Determination Theories in the Australian Workplace.’

78 Kelly, A., Johnson, P., & Gill, R. (2006). ‘Time for change: A UK model of transformational leadership’. Paper presented at the *British Academy of Management Conference*, September 13th, Belfast.

79 Dobby, J. Anscombe and R. Tuffin (2004). *Police Leadership: Expectations and Impact*. London: Home Office Online Report 20/04

80 www.realworld-group.com

81 Alimo-Metcalfe, B. (2013). A critical review of leadership theory. In L. Skipton, R. Lewis, A.M. Freedman & J. Passmore. (eds.) *The Wiley-Blackwell Handbook of the Psychology of Leadership, Change, and Organizational Development*, London: John Wiley & Sons, Ltd.

Leadership is now viewed as:

“a shared process of enhancing the collective and individual capacity of people to accomplish their work roles effectively... the leadership actions of any individual leader are much less important than the collective leadership provided by members of the organization”⁸²

Many writers in the field of leadership emphasise that a **most important role of anyone in a leadership position, is to create the appropriate culture.**

But it is also true that the culture of the organisation influences the approach to leadership adopted at various levels and in different parts of the organisation. In fact, one influences the other:

“Leadership and culture are 2 sides of the same coin”⁸³.

We believe that the model of Engaging Leadership (EL) is entirely consistent with Yukl’s statement above, on the importance of creating a culture of shared/collective leadership, and, indeed, offers those in leadership roles a practical framework for guiding their day-to-day actions.

The efficacy of a team culture built on applying the (EL) leadership behaviours in a real life context of multi-professional teams handling complex change, became the focus of another 3-year investigation undertaken by Real World Group working in partnership with research colleagues from Kings College. The methodology and outcomes are described in a later section.

How can leadership strengthen the resilience of teams in the context of complex change, and enable high performance?

All the studies described earlier in this paper, make recommendations that have implications for an organisational culture that strongly encourages psychological safety, social support, learning, resilience and adaptation. But what is it that leaders need to do to create such a culture? This was the subject of two longitudinal studies we undertook. They are briefly described here.

82 Yukl, G. (1999). ‘An evaluation of conceptual weakness in transformational and charismatic leadership Theories’. *The Leadership Quarterly*, 10, 285–307

83 Schein, E.H. (2017). *Organisational Culture & Leadership (5th edn.)*. London, Wiley

Study 1: An investigation of the impact of the leadership culture of multi-professional teams in handling complex change

The first study was based on data from a sample of n=731 members of 46 multi-professional teams undertaking complex change and aimed at identifying what specific aspects of culture significantly predicted team engagement, morale, wellbeing, and, importantly, productivity⁸⁴.

The questionnaire developed to gather the data, included two sorts of questions:

- some were based on adapting **engaging leadership behaviours** as they applied to team working (e.g. The culture was one of: involving all staff in determining how to achieve the vision; empowering others by trusting them to take decisions), plus
- some were based on items relating to **important team competencies** as identified in the research literature (e.g relating to decision-making, planning strategy, budget management, prioritising critical goals & milestones, having effective systems & procedures, etc.,).

Details of the study can be found in a report of the research and its findings⁸⁵, and also in a published paper that can be downloaded from the RWG website⁸⁶: www.realworld-group.com

An important finding from our study, emerged when we compared the effect of the engaging behaviours, with the effect of the team competencies, in predicting the productivity of the teams. Whilst we discovered that **the competencies did correlate with productivity, they did not predict it.**

What did significantly predict productivity, were the engaging leadership behaviours.

In other words, while the competencies of the team are indeed important for team effectiveness, they do not ensure the teams make effective use of their competencies so as to deliver high quality performance. That is explained by **HOW** the competencies were enacted.

84 Alimo-Metcalfe, B., Alban-Metcalfe, J., Samele, C. Bradley, M. & Mariathan, J. (2007) ‘The impact of leadership factors in implementing change in complex health and social care environments: NHS Plan clinical priority for mental health crisis resolution teams (CRTs)’. Department of Health NHS SDO, Project 22/2002.

85 Alimo-Metcalfe, B., Alban-Metcalfe, J., Samele, C. Bradley, M. & Mariathan, J. (2007), *op. cit.*

86 Alimo-Metcalfe, B., Alban-Metcalfe, J., Bradley, M., Mariathan, J. & Samele, C. (2008). ‘The impact of engaging leadership on performance, attitudes to work and well-being at work: a longitudinal study’. *The Journal of Health Organization & Management*, 22, 6, 586-598.

What characterised the culture of the high-performing teams?

Obvious reasons why this might be the case, is that factors such as an individual's motivation, self-confidence, sense of being valued, commitment to the role, the team and the organisation, degree of engagement in their work, are affected by the leadership culture, and as a result have a significant effect on their **discretionary effort**. Which, in essence, is the key factor in employee engagement.

There is substantial research to support our finding that competencies do not predict performance^{87 88}.

In summary, the high-performing teams with strong morale, engagement, and wellbeing, were characterised by having a leadership culture which focused on:

- **building a shared vision** among team members & other stakeholders
- members having **clarity of roles, responsibilities, & goals**
- high levels of **ownership & autonomy** within the team
- a strong sense of **psychological safety** (trust, respect, feeling free to ask questions, make suggestions, admit mistakes, seek help, without fear of being shamed)
- strong **social support** amongst team members
- encouraging **sharing and learning** from mistakes
- **questioning** traditional ways of working
- a strong sense of **team potency & efficacy** (confidence & the belief the team can handle future challenges)
- the team lead **prioritising regular communication** with the team, and among team members
- members **feeling genuinely valued**, and
- using opportunities to **celebrate success**

Study 2: An investigation of the culture of teams that focused on quality, improvement, and innovation

To be able to thrive through disruption, it is crucial to create a culture within teams, that is open to change, often referred to as 'readiness for change' or 'change readiness', and that can adapt, improve, and innovate.

Our 2nd longitudinal investigation of team performance and engagement took an in-depth look at what predicted the teams' openness and commitment to organisational change, and **that focus on quality, improvement, and innovation.**

It identified the following significant predictors which are briefly described here:

- **'Collective experience'** - using team members' expertise and experience to learn from each other, and to make sound decisions
- **'Adaptability'** – effectively work as a team to adapt to changes imposed from outside the team
- **'Supporting a developmental culture'** - Share problems, mistakes, and feedback openly, in the knowledge that we will be supported by the team (relates strongly to psychological safety)
- **Inter-team working** - Seek to develop a shared understanding of the role of our own and other teams and organisations/agencies in providing for our clients/customers

These aspects of teamworking strengthened collaboration, cooperation and social support, all of which helps the team develop a **strong sense of 'team potency'** – that is, the belief that we can cope effectively with the challenges we will face.

An additional critical finding from the research, was that the culture which enabled the above team behaviours was significantly influenced by the engaging leadership approach of the team leader.

The importance of Diversity for thriving through disruption

As explained above, to be able to thrive during disruption depends on an organisation's ability to be adaptable, agile, and to use the experience as an opportunity to improve and/or innovate.

Research has **found that the greater the diversity of the individuals** from whom to elicit these ideas, **the greater the possibility of generating innovation**, with the caveat that when working in teams - which is the context for most people - there also needs to be a strong sense of identifying with the team's/organisation's values and objectives, and a real sense of 'belonging' within the team. The latter relates to the critical concept of **'inclusion'**, which is essential to be able to benefit both members and the organisation.

Findings from several studies provide evidence for a strong business case, including the following:

- Global management consultancy company, McKinsey, recently asserted that: *"...increased diversity and greater inclusion, both within teams and at the leadership*

87 Bolden, R., & Gosling, J. (2006). Leadership competencies: time to change the tune? *Leadership*, 2, 2, 147-163.

88 Hollenbeck, G. P., McCall, M. W., and Silzer, R. F. (2006) 'Leadership competency models', *Leadership Quarterly*, 17, 398-413.

level, produce more and better innovation results. A recent McKinsey study found that more ethnically and racially diverse companies outperform their less-diverse peers by 36 percent when it comes to financial targets.”⁸⁹

- Researchers at The Wall Street Journal, revealed from their analysis of the 500 largest public companies in the US, that “Diverse and inclusive cultures are providing companies with a competitive edge over their peers.”⁹⁰
- A Danish study based on data from 1,648 companies, investigated the relation between employee diversity, in terms of gender, age, ethnicity and education, and the likelihood to innovate, found a positive relationship between gender diversity, and with education level. Their econometric analysis revealed: “a positive relation between diversity in education and gender on the likelihood of introducing an innovation...[and they also found]...a positive relationship between **an open culture** towards diversity and innovative performance.”⁹¹

Typically, though not exclusively, studies relating to diversity have referred to it in terms of categories such as: gender (though possibly being replaced by ‘biological sex’), age, ethnicity, sexual orientation and more recently, neuro-diversity, which are now referred to as sources of **‘inherent’** diversity.

These are distinguished from diversity due to characteristics that are **‘acquired’** in life. These may include a range of variations in experience, such as: areas of expertise, knowledge, including that gained from working in different industries, sectors, or different countries, and socioeconomic status/background.

A word of warning -

Despite the evidence-based case for diversity, there are concerns that one reaction to the Covid and other recent crises facing organisations, may be to reduce attention and investment in building a diverse culture. If this is the case, there is a danger of short-termism, which could lead to unintended consequences, such as reducing an organisation’s ability to attract and retain the talent it needs for recovery and growth, and its reputation might be at risk because of decreased customer satisfaction. This could result in its reduced resilience.

As a recent article states:

“Some of the qualities that characterize diverse and inclusive companies—notably innovation and resilience—will be much in need as companies recover from the crisis. Indeed, it could help companies to unlock the power of I&D [inclusion & diversity] as an enabler of business performance and organizational health and contribute to the wider effort to revive economies and safeguard social cohesion.”⁹²

Some organisations, however, have used the opportunities presented from adapting to Covid, by increasing hybrid and virtual working, to broaden their access to diverse talent, or, as has been stated:

“Innovators are tapping virtual work to attract more specialized and diverse talent and are building more inclusive workforces.”⁹³

For many managers who hold fast to a more ‘traditional’ transactional style of management - which represents a more managerial control model, rather than adopting one that empowers staff and trusts them to take responsibility for how they undertake their work, this presents a real challenge to the way they lead their teams, which, if not addressed, could have a serious impact on the ability to attract and retain talent, and might even threaten the survival of their organisation.⁹⁴

This may possibly be evidenced in what has been referred to as the ‘Great Resignation’, or the ‘Great Attrition’⁹⁵, due to record levels of people quitting their jobs⁹⁶ to switch organisations or industries, take sabbaticals, search for a better work-life balance, retire early, or start their own businesses.

89 “How virtual work is accelerating innovation”. 6 June 2022, McKinsey Insights, <https://www.mckinsey.de/capabilities/operations/our-insights/how-virtual-work-is-accelerating-innovation>

90 Holger, Dieter. “The Business Case for more Diversity”. *The Wall Street Journal: Journal Reports: Leadership*, 26 Oct. 2019, https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200?reflink=desktopwebshare_permalink

91 Østergaard, Bram Timmermans, Kari Kristinsson, ‘Does a different view create something new? The effect of employee diversity on innovation’, *Research Policy*, 40, 3, April 2011, Pages 500-509, ISSN 0048-7333, <http://dx.doi.org/10.1016/j.respol.2010.11.004>.

92 Dolan et al., (2020). ‘Diversity still matters’, *McKinsey Quarterly*, May. p1.

93 Berruti et al., (2022). “How virtual work is accelerating innovation”. June 6, *McKinsey Insights*. <https://www.mckinsey.com/-/media/mckinsey/business%20functions/operations/our%20insights/how%20virtual%20work%20is%20accelerating%20innovation/how-virtual-work-is-accelerating-innovation.pdf>

94 Parker et al., (2020). ‘Remote managers are having trust issues’, *Harvard Business Review*, June 30.

95 Smet et al., (2022). ‘The Great Attrition is making hiring harder – are you searching the right talent pools?’, July 13, *McKinsey Quarterly*,

96 Clark, D. Nov 16 2022, Statistica: Economics & Politics – Economy.

Based on a 2022 survey of 6,000+ employees, the Chartered Institute of Personnel & Development (CIPD) found that **one in five workers (20%) say it's likely they will quit their current role in the next 12 months, compared with 16% in 2021, and that "competition for talent remains fierce"** ⁹⁷.

In their recommendations, they warn organisations that *"it cannot be overstated just how influential a bad boss can be in causing people to leave"* and add *"in the past an attractive salary could keep people in a job despite a bad boss, that is much less true now than it was before the pandemic."*

Conclusion

Organisational disruption caused by Covid and other recent crises, has also had a significant effect on disrupting employees' attitudes to work and the choices they are making regarding the role of work in their lives. Organisational success rests in the hands of their people, and their resilience to the tsunami of change facing them at home and at work, and their ability and willingness to actively contribute to enabling the organisation to adapt, and even to thrive.

This will only happen if the organisational leaders create a culture of psychological safety and social support, that enables their employees to flourish by *willingly* making full use of their personal resources, including their knowledge, skills, competencies, ideas, experiences, and their motivation, commitment and discretionary effort, and to share these in collaboration, with their colleagues and other relevant stakeholders.

We believe that research has shown that the model of Engaging Leadership, which encompasses simple, every-day interpersonal behaviours that reflect values of respect, integrity, compassion, and optimism, provides practical guidance as to how organisations can strengthen their staff's resilience, support their wellbeing, and ensure a stimulating environment for generating the ideas and innovations for organisational success in an era of disruption.

Our research on high-performing teams provides evidence that by embedding these and associated behaviours in the culture of teams, organisations can best meet the future challenges that they will inevitably experience, and ensure that its people can achieve a sense of fulfilment, and, as a result, people and organisations will thrive.

Crucially important, is to remember that the culture is created by the role modelling of leaders, especially the most senior.

⁹⁷ CIPD (2022). CIPD Good Work Index: *UK working lives survey*. London, CIPD.

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