

# Leadership matters

Ensuring leadership effectiveness across your organization



**The challenge:** ensuring that all your people are motivated, engaged and performing at their best.

**The answer:** auditing leadership effectiveness across your organization, so you can build your managers' strength and improve their impact where it's needed most.

HayGroup®

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# Are your managers propelling your organization forward?

This economy has undoubtedly challenged your organization in dozens of different ways. Yet you don't have the luxury of taking a break to recover.

You can't afford to stop executing on the fundamentals that keep revenues flowing. Nor can you stop innovating and adapting – your marketplace and your competition simply won't wait.

Given these imperatives, the single most important organizational issue you can address may well be the effectiveness of your managers, up and down the ranks.

The reason? Leadership is one of the few tools available to successfully drive your strategy and your organization through the turmoil and into the upturn.

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The financial incentives that typically motivate achievement, such as bonuses or salary increases, are limited by the squeeze on revenues. On top of that, many employees are preoccupied or anxious about their future, making them less engaged and less effective – all while a shrinking workforce leaves fewer people to deliver essential business functions, and fewer still to anticipate and plan for renewed growth.

In this environment, the ability of your managers to create a positive climate in the workplace – one that provides focus, maintains motivation and inspires discretionary effort – has an enormous impact on your organization's ability to execute business strategies.

# Introducing a powerful tool to assess leadership and improve business results

To help your executive team understand how your managers are moving your organization towards its goals – or holding it back – Hay Group introduces the leadership effectiveness audit.

This uniquely targeted tool reveals the strength and impact of leaders throughout your organization, identifying the leadership styles your managers employ and the quality of the workplace climates they create.

Hay Group focuses on these factors – climate and leadership styles – because of their significant, documented impact on business results.

- Employees in a positive climate **outperform, by ten to thirty per cent**, their peers in a negative climate.
- Leaders and leadership styles are responsible for up to seventy per cent of the variance in workplace climate.

Unfortunately, it is often impossible for senior leaders to assess the leadership styles of their managers objectively, and even more challenging for them to comprehend the organizational climate as their employees experience it.

The leadership effectiveness audit fills this gap, allowing senior leaders to take informed, cost-effective, decisive action to develop their managers.

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“a uniquely targeted tool that reveals the effects of leadership throughout your organization”

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# Invaluable insights to power improvements

With the leadership effectiveness audit, your top executives gain an invaluable, balanced, in-depth and comprehensive perspective into managerial effectiveness and organizational climate.

Your organization's climate is measured through six separate dimensions, for instance flexibility (the degree to which innovation is encouraged and bureaucratic roadblocks are minimized) and standards (how strongly excellence and continual improvement are emphasized).

For example: the leadership effectiveness audit may reveal that while your managers have created a generally engaging climate that encourages innovation, they are not communicating operational and strategic goals with clarity. As a result, your people aren't pulling together in the same direction, as effectively as they could be – and your business results will reflect that.

These kinds of insights, and the extent to which they are apparent across your organization, are plainly stated.

They will help your leadership team decide what steps to take to ensure your managers can lead more effectively – creating a positive and motivating climate that will help your organization gain productivity and momentum.

## How important is climate to the bottom line?

Consider the case of a multinational petrochemical company. Hay Group assessed the climates created by 350 managers in three different business units, and found the more positive the climate the greater the net operating income.

Moreover, when the poorest performing unit undertook a successful climate change initiative it moved its climate from worst to first: in the next reporting period it was number one for financial performance too!



# Focused on performance, validated by research, underpinned by data

The leadership effectiveness audit is an outgrowth of more than 40 years of research, including the groundbreaking study into workplace climates.

Conducted at the Harvard Business School, this study first drew attention to the importance of climate when participating business school students simply walked out of an experimental 'company' with a deliberately negative climate.

In the decades since, Hay Group has amassed unequalled experience in applying and refining the results of this important research. We have conducted leadership assessments of more than half a million managers, and climate assessments of thousands of corporations and not-for-profit organizations. This unequalled global database of empirical data stands behind the leadership effectiveness audit.

You can have complete confidence in the results your organization obtains – and in the decisions you make as a result.

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Africa	Glasgow	Dallas
Cape Town	Helsinki	Edmonton
Johannesburg	Istanbul	Halifax
Pretoria	Kiev	Kansas City
	Lille	Los Angeles
Asia	Lisbon	Mexico City
Bangkok	London	Montreal
Beijing	Madrid	New York Metro
Ho Chi Minh City	Manchester	Ottawa
Hong Kong	Milan	Philadelphia
Jakarta	Moscow	Regina
Kuala Lumpur	Oslo	San Francisco
Mumbai	Paris	San José (CR)
New Delhi	Prague	Toronto
Seoul	Rome	Vancouver
Shanghai	Stockholm	Washington DC Metro
Shenzhen	Strasbourg	
Singapore	Vienna	Pacific
Tokyo	Vilnius	Auckland
	Warsaw	Brisbane
Europe	Zeist	Canberra
Athens	Zurich	Melbourne
Barcelona		Perth
Berlin	Middle East	Sydney
Bilbao	Dubai	Wellington
Birmingham	Tel Aviv	
Bratislava		South America
Bristol	North America	Bogotá
Brussels	Atlanta	Buenos Aires
Bucharest	Boston	Caracas
Budapest	Calgary	Lima
Dublin	Charlotte	Santiago
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Hay Group is a global management consulting firm that works with leaders to transform strategy into reality. We develop talent, organize people to be more effective and motivate them to perform at their best. Our focus is on making change happen and helping people and organizations realize their potential.

We have over 2,600 employees working in 86 offices in 48 countries. Our clients are from the private, public and not-for-profit sectors, across every major industry. For more information please contact your local office through [www.haygroup.com](http://www.haygroup.com)