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Leadership in the workplace

Understand the fundamentals of leadership and how to approach leadership development in the workplace

Introduction

The term 'leadership' is used in various ways, although it can be seen broadly as the ability to influence people to achieve a common goal. Leaders use many different approaches and can operate at any level, so identifying and developing leaders can be challenging. But when leadership is skilfully demonstrated, it can bring positive outcomes for individuals, teams, organisations and wider communities. So it's important to develop leaders to fit current and future needs of an organisation, as well as invest in environments that enable leaders to be effective.

This factsheet investigates the concept of leadership and how it differs from management, the factors that can influence leadership development, and briefly examines how a principles-based approach to practice can support the development of leadership skills in people professionals.

What is leadership?

Leadership can be defined as the process of influencing people to achieve a common goal. However, while leadership is much discussed and academic studies have multiplied since the 1970s, there's no single definition or concept of leadership that satisfies all.

What is clear is that leadership has three integral elements:

- **Self:** skilful expression of personal qualities.
- **Other people:** influencing, motivating, and inspiring staff, line managers, and peers as well as senior management and other stakeholders.

- **The job to be done:** specifying, defining, clarifying, reviewing, and revising when needed, the task to be achieved.

The notion of 'purpose' is closely linked to these elements. Simply stated, purpose is 'what we are doing this job for'. When purpose is shared, people see a reason for their efforts, they become collaborators, offering their own insights and their work becomes more meaningful. In Antoine de Saint-Exupéry's words: 'If you want to build a ship, don't drum up the men to gather wood, divide the work and give orders. Instead, teach them to yearn for the vast and endless sea.'

Purpose, together with sustainability and responsible business, was one of the key trends that emerged in our August 2020 'hackathon' to answer the question: what will the people profession look like in 2030? The outcomes were published in our report [People profession 2030 future trends](#), and included the growing priority of more responsible business practices and the importance of purpose-led business. Setting values, purpose and mission will be more important for leaders in the context of social change and increased expectations from investors and employees to adopt more sustainable business practices.

Who are the leaders?

The first studies of leadership focused on the traits or behaviours of individuals in senior positions in organisations. As a result, leadership is often seen as an individual competence or a role. But leadership isn't just about the qualities of a few and isn't always associated with a formally-defined and hierarchical role. Whilst leadership is often exercised by those in charge, being in charge is not necessarily a requirement. Perhaps leadership could be best viewed as a choice and not solely as a position. That said, the leadership skills of senior managers are still fundamentally important.

As organisations need to become more agile, there's increasing recognition that all employees need to demonstrate leadership qualities, although the aims and focus of that leadership may change with a person's level and differ from one organisation to another.

What is an effective leadership style?

Experience suggests that successful leaders don't invariably behave in the same way. They may act very differently, even in similar situations, and have quite different personalities. The trap that many fall into is to always use a favourite approach which could be wrong for a particular situation. Different leadership qualities may be needed in different circumstances. For example, CEOs who excel in turning round ailing companies may perform less well when things are more stable.

Is leadership a process?

As more is learned about the nature of leadership, it's clear that individual traits or behaviours alone cannot fully explain leadership effectiveness. More research into the role of followers and the relationship between leaders and followers now exists, although the precise mechanisms of the mutual influence aren't yet fully understood. With that in mind, leadership has been described as a process, or as a capability of the organisation (rather than individual), emphasising the interplay of leaders, followers, and the organisational context that have an impact on leadership effectiveness.

How does leadership differ from management?

The idea of management that evolved in the nineteenth century, and was later developed into theories by FW Taylor, was largely based on the military principles of command and control. Managing was, and to some extent still is, about the planning, organisation, co-ordination and implementation of strategies, tactics and policies imposed from the top in an apparently rational manner. Administering a strategy is central to this view of management. Later studies which looked at the behaviours of those in managerial roles, distinguished between 'managing tasks' and 'managing people', and acknowledged that influencing people to achieve objectives (leadership) was part of a manager's role.

Due to the initial focus of leadership research at the senior manager level, 'leadership' and 'management' are linked and sometimes used interchangeably. Central to many interpretations, leadership is seen to involve developing an initial vision and inspiring others with how that vision may be achieved, while management involves translating the vision into reality by guiding the actions and behaviours of a group of people on a daily basis. A [review of the value of various leadership styles](#) suggests that both aspects have a part to play in achieving an organisation's objectives.

New theories of 'ethical leadership', which focus on having certain core values alongside a sense of purpose, are another trend driven partly by the 'soul searching' that developed in the wake of the 2008 global financial crisis. The COVID-19 pandemic is making new demands and has highlighted uncertainty in the world of work – find out more in our webinar [Leading through crisis](#). Leaders play a [pivotal role](#) in managing this continuous change, communicating it, addressing any issues arising and modelling new behaviours. It's also fundamental that leaders hold to a set of principles that allow them to make 'right' and 'worthwhile' decisions regardless of circumstances. Ongoing shifts in corporate governance are driving leaders to articulate these principles and [make decisions in an ethical way](#).

Most leadership studies focus on how leaders are seen by followers, measuring employees' perceptions of their leaders' behaviours, and linking those to followers' accounts of job satisfaction, performance and other outcomes. Our [Purposeful leadership](#) research considered the moral values of leaders themselves, defining 'purposeful' leadership through a leader's moral self, their commitment to various stakeholder groups, and the vision they set for their team.

Key findings of the research:

- Only just over 20% of managers in the UK rated themselves highly as purposeful leaders, while 40% of employees in the UK said their leader behaves ethically.
- Across the case study organisations, a third of employees said they operate in an 'ethical void' where they rate both their leader's ethical behaviour and the alignment of their own values with those of the organisation as low. By comparison, just over a quarter reported 'ethical alignment' and score highly on both.
- Purposeful leadership is linked to employees' job satisfaction, whether they find meaning in their work, their willingness to 'go the extra mile', their intention to quit, and lower levels of cynicism towards the organisation. In many cases, these links were more significant than employees' perceptions of their leaders behaving ethically, suggesting that leaders' moral character makes a difference to employee outcomes.

Leadership development

[Dan Pink](#) has said 'at some level, leadership is about creating other leaders.' However, because there's no single template for leadership behaviour, questions remain as to whether leaders can be developed and what the qualities/competencies of leadership are. More importantly, how can organisations encourage such qualities among their employees?

Following the distinction between individual leaders and their particular styles of leading, and leadership as a process existing in the organisational context, two aspects of development activity are needed:

- Identifying and developing capabilities of individuals to lead others effectively (leader development).
- Creating organisational structures and cultures that encourage and enable leadership.

Developing individual leaders

Organisations can carry out a range of activities to maximise an individual's capability to lead. Our [management development](#) factsheet looks at identifying development needs and the techniques involved in developing leaders and managers.

Organisations use a range of methods to define and measure the leadership capability needed by the organisation in the short- and long-term, although reports on leadership capability consistently highlight skills gaps, and in particular the leadership skills required in the future. Selecting individuals with leadership capabilities or the potential to develop them comes under the remit of [succession planning](#).

Many organisations provide activities to develop leadership capabilities of individuals through training, development and experience. Despite the clear business case for line managers also to be leaders, many organisations promote people in managerial roles based on their technical competence, rather than leadership skills. These individuals are likely to need more formal and/or informal support to be effective leaders. Organisational approaches to leadership development differ in the behaviours believed to support the overall strategy, as well as the learning methods used. Our report [Developing managers to support employee engagement, health and wellbeing](#) collected evidence on designing successful manager development programmes.

Many leadership theories emphasise leaders' values. Corresponding leadership development approaches focus on identifying and developing individuals that display honesty, integrity and strongly-held moral principles, and translate them into behaviours of leading others. Our research report [Cultivating trustworthy leaders](#) showed how some organisations have used value-based approaches to recruitment and development to encourage employees' trust in their leaders.

Relevant experience is an important part of individual leader development. 'Leadership transitions', or the stages when leaders' responsibilities, time allocation and priorities change as a result of promotion, introduce particular challenges. This is where leadership development overlaps with other factors.

Organisational design and development to enable leadership

Leadership is often viewed as a collective phenomenon or a process. For example, a shared or distributed leadership model suggests that leadership can be shared by team members, with the role of leader taken up when required, involving lateral influence and directed by the team dynamics. However, this needs the organisation structure and culture to support the definition of leadership not as an individual characteristic, but as a process that happens between people.

Our research reported in [Leadership – easier said than done](#) showed that even where individuals have leadership skills, their ability to lead in practice is affected by organisational factors, including hierarchical structures, performance management systems and other people management policies and practices. Aligning organisation design and culture can bridge the gap between leadership capability and ability – see our report [Tackling the barriers to leadership overview and case studies](#) or listen to our podcast on [barriers to leadership](#).

There's more in our factsheets on [organisation design](#) and [organisation development](#).

People professionals as leaders

Our [Profession Map](#) is based on the shared purpose of the people profession as championing better work and working lives to drive positive change. By having this clarity of purpose and working to the high standards set out in the Map, the profession collectively gains a higher degree of trust and credibility which allows it to have the greatest impact on practices in people and organisational development.

In the past, people professionals have relied on so-called 'best practice' to develop people management practices for their organisations. But the rapidly changing world of work means this concept is increasingly irrelevant in many contexts. Instead, professionals will be making situational judgments, underpinned by relevant evidence, and guided by fundamental principles to achieve impactful outcomes. This approach allows people professionals to meet the specific needs of their organisation and workforce without compromising core principles. Other professions are adopting similar principles-based approaches to practice. Our [Profession for the Future](#) work encourages people professionals to act as 'provocateurs', encouraging innovative ways of doing business or new areas of strategic focus.

Useful contacts and further reading

Contacts

[Acas - Leadership](#)

Books and reports

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