



**Leadership Employment  
and Direction (L.E.A.D.) Survey**

**Special Report for  
Human Resources (HR) Professionals**

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## Executive Summary

This special report has been created for Human Resources (HR) professionals and showcases key results and insights from the latest Leadership Employment and Direction (L.E.A.D.) Survey conducted year-round by Leadership Management Australasia.

The major findings provides a clear roadmap for the future of workplace and people management and some specific areas of focus and action for HR professionals, managers and leaders alike:

- **The importance of sharing the outlook for the organisation and the individual's future** with employees at all levels of the organisation. If certainty or reassurance cannot be provided on either basis, at the very least look to provide a solid commitment to communicate and inform employees about their future once it is known.
- **The growing importance of job satisfaction** as a means of attracting and retaining talented personnel. The research suggests that increasingly employees want to work where they can have fun and enjoy their work and to work with managers and leaders who are passionate and engaging. Whilst overall levels of satisfaction are improving, the level of dissatisfaction is not declining for employees and managers, raising questions around work-life balance and opportunities to develop and advance within – the onus is on leaders and managers to create the environment in which people want to stay in order to grow and progress rather than having to leave in order to do so.
- **The fundamental changes in what defines an employer of choice** and the profound impact such changes have already had, and will continue to have, as prospective employees look after self before considering other aspects of organisations for which they may choose to work. The self-interest embedded in the prospective employees' shopping list will create a myriad of challenges for leaders and managers seeking to attract and retain talent at all levels.

A number of clear signposts are also evident and present challenges for managing and leading people and organisations into the future:

- **Growth is not just desirable, it is essential.** If you're not growing (organisationally, professionally, personally) you're stagnating. Exploring and harnessing growth opportunities is critical for the future of sustainable organisations.
- **Change is part of life.** It's something most of us are now entirely comfortable with and used to, in our working lives and at home. Change is life, change gives momentum to our lives and change should not be feared or approached with trepidation – it should be embraced.
- **The changing nature of work creates many opportunities.** Change in work provides a chance to build flexibility into the workplace, to redefine what work means, to better meet the needs of employees and retain them for longer, and to up-skill people so they become more effective, productive and satisfied.
- **The changing workplace demands that you create the environment people want to work in.** The onus of getting the workplace environment right falls on the manager. Entertaining new models of work and new ways to do things is essential – variety is the new rule and not the exception. HR has a big role to play here in considering and implementing new models.

- **New circumstances attract a new type of employee.** Get to know the employee of the future – their needs, influences, motivations and pressures – and most importantly understand how work fits into their lives.
- **With changing employees comes the need for evolving leaders and managers.** A new type of employee needs a new type of leader and manager, one who understands the importance of people in the organisation, takes the time to communicate effectively and knows what needs to be done to establish strong connections with people. The signs are there that this type of leader and manager is emerging but perhaps not quickly enough to prevent talented people leaving for greener pastures.
- **Review and refine your approach to people development.** Acting on what needs to be done better or differently to help people grow through development contributes to growth outcomes. Conversely, not reviewing or refining approaches to people development detracts from growth.

This next two to three year period may be the most important and challenging in recent memory for leaders and managers. As the world moves beyond the GFCs and organisations return to a more normal footing, the expectation is that the ‘team effort’ to get through challenging times will need to be recognised and rewarded – financially and in terms of giving new opportunities to employees. HR professionals will need to contribute to the discussions and actions on this front and provide much needed guidance to leaders to make the right decisions for the future of the organisation.

Leaders and managers who fail to acknowledge and respond to their people will find, perhaps more than ever, those people walking out the door looking for fulfillment elsewhere.

The way ahead looks very bright for those who have a clear roadmap and who are able to turn on their headlights to see what’s coming and take the necessary actions to steer the right course to success.

A genuine and honest approach to outlining the organisation’s future and a sincere commitment to making that outline a reality will provide employees at all levels of organisations with a solid foundation on which they can make decisions about their own future and work passionately towards achieving it.

*“The workplace of the future confronts us right now – uncertain times, the rise of sustainability requiring new modes of operation for most organisations and the ongoing struggle to create work-life balance. Tomorrow’s leaders and managers will need to deal with a vastly different landscape if they wish their organisations to survive and thrive.”*

**Grant Sexton, Executive Chairman, LMA**

## About LMA's Leadership Employment and Direction (L.E.A.D.) Survey

LMA's L.E.A.D. survey is a **year-round survey** of people working at all levels within organisations in Australia and New Zealand. It focuses on the issues, needs and expectations of employees, frontline managers, supervisors and business leaders and senior managers.

The survey has been conducted since 2000, originally as an annual survey, and provides a sound basis for identifying different perspectives from several key organisational audiences. It is now being conducted in three waves annually and entirely online to maximise the opportunity for people to be involved. Adopting a consistent approach over the last decade, supplemented by strategic evolutions and changes, the survey delivers a **comprehensive data source** and **trend information** that few other surveys can match.

In addition to providing the **most up-to-date picture** of life in today's organisations via responses from the three key audiences (Non-Managerial Employees, Frontline Managers / Supervisors, Business Leaders / Senior Managers) it identifies commonalities, differences and major gaps as well as areas for stronger connection and collaboration.

Further, it provides the **ability to predict** where organisations may need to change, evolve or simply consolidate to provide the environment that employees want to be part of into the future.

The audience for the research is drawn from organisations of all **types** (public, private, quasi-government, franchises, not for profit), **sizes** (micro, small, medium, large), **locations** (metropolitan and regional) and **industries** (20+ sectors).

The diversity and mix of those involved is one of the features of the survey and their response provides the foundation for trend analysis, gap analysis and robust assessments of the current state of play in Australia and New Zealand.

In the latest L.E.A.D. Survey, the total number of participants involved was over 4,000 Business Leaders / Senior Managers, Middle Managers / Supervisors and Non-managerial Employees.

Sample sizes of this scale provide robust data and present a very accurate picture of the current state of play in organisations overall and within key sub-groupings. The margin of sampling error at a total sample level is less than 4%.

The profile of the audience in the latest survey is as follows:

### Organisation type

- Government/quasi (18%), Public Company (24%), Private Company (47%), Franchise (3%), Not for Profit (5%), Other (3%)

### Location

- Metropolitan Australia (65%), Regional Australia (25%), New Zealand (10%)

The profile of the respondents by level in the latest survey is as follows:

### **Gender**

- Leaders – Male – 71% / Female – 29%
- Managers – Male – 65% / Female – 35%
- Non-managerial Employees – Male – 66% / Female – 34%

### **Age**

- Leaders – U/35 years – 10%, 35-44 years – 26%, 45-54 years – 35%, 55+ years – 29%
- Managers – U/35 years – 21%, 35-44 years – 30%, 45-54 years – 34%, 55+ years – 15%
- Non-managerial Employees – U/35 years – 36%, 35-44 years – 31%, 45-54 years – 24%, 55+ years – 9%

The survey design and implementation is **overseen by an experienced, independent research practitioner** and the systems and process used to conduct the survey ensure **valid, reliable and representative samples**.

The audience is designed to replicate the structure and nature of organisations at an overall level to create an appropriate representation of the population of people working in organisations across Australia and New Zealand.

## **Definitions**

The three audiences covered in the survey are defined as follows:

### **Leaders: Business leaders/Senior management**

Leaders include people involved in strategic decision making or the future direction of the organisation.

### **Managers: Frontline management/supervisors**

Managers include people responsible for managing groups of staff but not the business leader or senior managers in an organisation.

### **Employees**

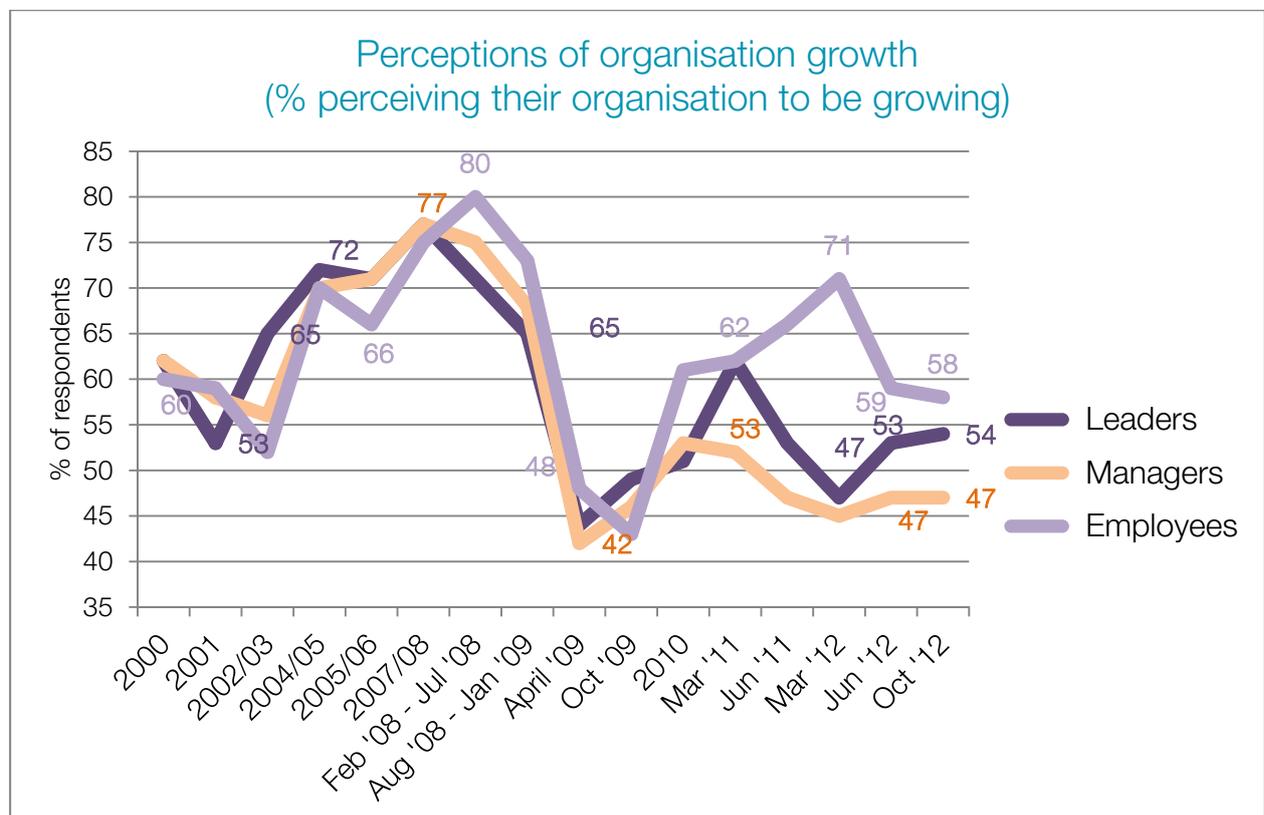
Employees include a range of people working for organisations. Although employees primarily hold front-line, operational, administrative, sales, customer service and other roles, some hold more senior roles.

# Key Findings

## Reality bites – the growth bubble has burst

Six months ago non-managerial employees blindly believed their organisations were on a strong growth trajectory post-GFC1. Fast forward and reality has bitten hard – a rise in redundancies, layoffs, retrenchments, the winding down of production, reduced overtime – all are the realities of an era of great uncertainty and anxiety, largely driven by off-shore events but no less frightening to large numbers of people at all levels across most industry sectors in Australia and New Zealand.

The views of leaders, managers and employees are now much more aligned (more realistic) and illustrate the importance of creating sustainable organisations and workforces for the future. It is the way in which organisations and their leaders and managers respond to such circumstances that holds the key to a sustainable future. Organisations that can capitalise on their surrounds rather capitulating will be the ones to survive and thrive.



Q. Would you say your organisation is...(Growing, Holding Steady, Shrinking, Just surviving)?

The narrowing of the gap over the past six months highlights that employees now understand a little more clearly, the reality of where their organisations are heading and appear prepared to once again knuckle down and work shoulder to shoulder with employers to weather tough times. Recent economic growth forecasts from the International Monetary Fund suggest the world is entering what will be a prolonged period of economic stagnation – a dire warning that leaders need to ‘get their house in order’ and prepare for more difficult times ahead.

LMA's Executive Chairman, Grant Sexton, has seen these signs before and offers these thoughts for leaders and managers facing an uncertain landscape in which to operate:

*“Tough times have, in the past, called for tough measures – layoffs, reductions, cost-cutting. But our recent experiences with global economic uncertainty have shown that the rules have changed. A new more prudent and collaborative approach to dealing with tricky conditions has come to the fore and has helped many organisations survive against the odds. The discipline of conducting critical and strategic reviews of staffing, budgets, leave arrangements, operating conditions, working hours and flexible workplace practices is now commonplace – an expectation in today’s organisation and the organisation of the future.”*

**Grant Sexton, Executive Chairman, LMA**

**What should HR professionals do in conjunction with their leaders and managers in such uncertain times?**

- ✓ Provide as much reassurance as possible about the organisation’s future and the individual’s future. If delivering reassurance is made difficult by extreme uncertainty, at least look to provide something to look forward to in terms of information and communication once the picture becomes clearer. Employees will value the honesty that comes with knowing as much as they can about their future – they are after all people first, employees second.
  
- ✓ Provide regular updates and information and offer alternatives that enable the workforce to decide their future. Consider new models of work, new approaches to common or familiar issues and invite the thoughts and inputs of all to build a future that helps everyone rather than risking their outlook.

## Job satisfaction and work-life balance

Updated measures of job satisfaction appear to indicate higher levels of satisfaction relative to 2010 when last explored in detail in the L.E.A.D. Survey. At an overall level:

- 78% of employees are satisfied with their current job (up from 37% in 2011)
- 60% of managers are satisfied with their current job (up from 37% in 2011)
- 53% of leader are satisfied with their current job (up from 28% in 2011)



Q. Below are some attitude statements about work. For each statement, please click one answer to indicate how strongly you agree or disagree with the statement.

These proportions **love their job or gain a great deal of personal satisfaction from their work**. The improvement suggests people are adjusting their work to suit their needs and improve the satisfaction they derive from their work. Interestingly, the overall level of strong dissatisfaction with work has remained steady for employees and managers – a sign that there is a residual or base level of unhappiness related to some employees and managers in some organisations. The focus here becomes identifying what is causing this malaise and taking action to address it.

A number of potential causes appear in the research findings, each deserving focus to identify a way back to increased job satisfaction.

The first is **achieving work-life balance**. As the greatest source of pressure on employees and managers (and number three for leaders), fitting work in with all the other aspects of life remains a constant battle for many. Currently just two-thirds of employees (64%), managers (62%) and leaders (66%) believe they have the right balance between work and other aspects of their lives.

Another is the **potential for development and growth into the future**. Through the history of the L.E.A.D. Survey, around four in five people in organisations have consistently indicated that they would like to develop and advance their career with their current organisation. Yet consistently only around two-thirds believe this is possible – suggesting their organisation does not value or support their on-going development in the interests of retaining them.

There are many other possible sources of job dissatisfaction that leaders and managers should be looking to understand and address. Much of the dissatisfaction felt in the workplace relates to a lack of connection and an underinvestment of time and energy in understanding, engaging and empowering team members. This is often exacerbated by a lack of appreciation about the key motivations of individuals and leaders and managers overlooking the needs of their team members.

### **So what should HR professionals do in conjunction with their leaders and managers?**

- ✓ Take the time to appreciate and understand each individual in the team – the more you can know about them, the more you can work to create the environment that attracts and retains the right people for the organisation – and the more likely they are to perform.
- ✓ Look for avenues to offer and create work-life balance through flexible workplace practices and policies. Demonstrate a willingness to adjust the work environment to suit individual needs and explore ways to celebrate the achievements of the team as they perform under these conditions.
- ✓ Identify the pathways and stepping stones that will enable individuals to develop, grow and progress with the organisation rather than needing to leave and join another organisation in order to develop. Tuning in to their aspirations and exploring ways to keep them progressing will significantly reduce the cost of turnover and the disruption it causes.

*“A 30-40 minute discussion with each team member about their aspirations and goals, about the nature of the work they do, they enjoy and they want to continue doing and about their pathway to the future may be the difference between them staying on or moving on. Holding them and developing them will save tens of thousands of dollars all of which shows up on the bottom line.”*

**Grant Sexton, Executive Chairman, LMA**

## Employer of Choice – where do you rank?

A fresh look at what makes an employer of choice reveals a major shift from altruistic and principled considerations of prospective employers to one of high personal interest and self-gratification. With uncertainty in the wider economy and the global village, individuals are now shopping for their workplace on very personal grounds and have a strong focus on ensuring they look after themselves when it comes to work.

The top five employer of choice factors have changed markedly over the last couple of years to the point where prospective employers will need to carefully consider the individual needs and desires and work very hard to attract the interest of prospective employees. In an environment of low unemployment, the employee has increased power and will flex that muscle to make the most of the situation.

Employer of Choice Factors (Ranking)	Employees 2012	Managers 2012	Leaders 2012
Recognises and rewards staff well	1	2	2
Pays above average salaries and bonuses for excellent performance	2	=3	11
Invests in the learning and development of its people	3	1	1
Is a place where you can have fun and enjoy working	4	=7	8
Management is passionate and engaging to work with	5	=3	3

Q. *'Employer of choice' is a term often used to describe organisations that are the preferred or most desired to work for in an industry or sector. Looking to the future, which five of the following would you say are most important to you in an 'employer of choice'?*

The most significant change in the past two years is the demise of “operates fairly and ethically at all times”, dropping outside the top five for all groups surveyed. Further, the large gaps between what employees believe are the key factors in identifying an employer of choice and what managers and leaders believe to be the keys, highlights a significant challenge for employers in the near future.

The predominance of personal or self-interest factors foreshadows a period ahead where individuals will be shopping for an organisation that can fulfil their needs with much less regard for organisational or reputational factors. Gone are the days when individuals are seeking an employer on philosophical, environmental or even philanthropic grounds.

Instead we are entering an era when employees hold the balance of power and can afford to be more demanding and expectant than ever before. Employers seeking to attract and retain talent will need to put their thinking caps on in order to appeal to the talent they seek.

<b>Employer of Choice Factors (Employee view)</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Recognises and rewards staff well	1	1
Pays above average salaries and bonuses for excellent performance	7	2
Invests in the learning and development of its people	=4	3
Is a place where you can have fun and enjoy working	6	4
Management is passionate and engaging to work with	9	5
Operates ethically and fairly at all times	2	7

<b>Employer of Choice Factors (Manager view)</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Invests in the learning and development of its people	2	1
Recognises and rewards staff well	1	2
Management is passionate and engaging to work with	6	=3
Pays above average salaries and bonuses for excellent performance	8	=3
Actively seeks input and feedback from staff	=10	5
Operates ethically and fairly at all times	3	9

<b>Employer of Choice Factors (Leader view)</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Invests in the learning and development of its people	=2	1
Recognises and rewards staff well	=2	2
Management is passionate and engaging to work with	4	3
Has an excellent reputation in its industry	5	4
Has high quality working relationships across levels	10	5
Operates ethically and fairly at all times	1	=6

### **What does this mean for HR professionals and their leaders and managers?**

- ✓ Take the time to understand what the new shopping list looks like when it comes to employees hunting for an employer of choice. Identify what is possible for the organisation to provide and what it is prepared to do to attract and retain top talent.
- ✓ Pinpoint the extent to which the organisation can trade on its offer and performance in the most important employer of choice areas. Identify strengths and make these a focus in the presentation of the organisation to prospective employees.
- ✓ Don't be afraid to showcase other employer of choice factors than just individual or personally-focused factors – in a tight contest for talent where all else may be equal, the more altruistic elements may just make the difference between getting and losing the talent.

## Sources of pressure on employees (Top 5)

Understanding the pressures facing employees can help the organisation address and reduce pressure. Encouragingly, managers and leaders are now attuned to the nature of pressures that staff operate under despite the order varying across groups. A number of pressures can be better managed and employees better supported by HR departments in conjunction with management.

<b>Pressures on employees now (2012)</b>	<b>Employees 2012</b>	<b>Managers 2012</b>	<b>Leaders 2012</b>
Balance between work and personal life	1	5	3
Changes to or added responsibilities	2	2	4
Higher performance expectations	3	1	1
Higher customer expectations	4	4	2
Changing organisational structures	5	3	5

Q. *What would you say are the top five biggest sources of pressure for you/your staff at the present time?*

<b>Pressures on employees now (Employee view)</b>	<b>2000 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Balance between work and personal life	=4	3	1	1
Changes to or added responsibilities	1	1	3	2
Higher performance expectations	2	2	2	3
Higher customer expectations	=4	5	5	4
Changing organisational structures	6	4	6	5

<b>Pressures on employees now (Manager view)</b>	<b>2000 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Higher performance expectations	1	1	1	1
Changes to or added responsibilities	2	2	2	2
Changing organisational structures	8	4	4	3
Higher customer expectations	3	3	3	4
Balance between work and personal life	4	6	5	5

<b>Pressures on employees now (Leader view)</b>	<b>2003 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Higher performance expectations	1	1	1	1
Higher customer/client expectations	2	=3	2	2
Balance between work and personal life	5	5	4	3
Changes to or added responsibilities	3	2	3	4
Changing organisational structures	=6	=3	=6	5

## Sources of pressure on leaders and managers (Top 5)

Comparing pressures felt by leaders and manager, we see some of the same demands. Perceptions of the sources of pressure on leaders and managers do however vary by audience. Employees have a different view of the pressures leaders and managers face than leaders and managers do.

<b>Pressures on leaders and managers now (2012)</b>	<b>Leaders 2012</b>	<b>Managers 2012</b>	<b>Employees 2012</b>
Balance between personal and work life	1	4	=7
Continuously being in demand	=2	1	6
Ensuring effective communication within the organisation	=2	5	=2
Expectations of customers/clients	4	6	=2
Quality of staff in organisation	5	=2	=2
Increase in personal workload	=9	=2	=7
Increasing demands in retaining good people	=8	8	=2

Q. *What would you say are the top five biggest sources of pressure for you personally / your leaders and senior managers at the present time?*

<b>Pressures on leaders and managers now (Leader view)</b>	<b>2000 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Balance between personal and work life	7	4	3	1
Continuously being in demand	=5	1	1	=2
Ensuring effective communication within the organisation	10	9	9	=2
Expectations of customers/clients	2	3	6	4
Quality of staff in organisation	3	5	=4	5

<b>Pressures on leaders and managers now (Manager view)</b>	<b>2000 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Continuously being in demand	=2	1	2	1
Increase in personal workload	=2	2	1	=2
Quality of staff in organisation	7	=4	4	=2
Balance between personal and work life	1	=4	3	4
Ensuring effective communication within the organisation	6	=6	6	5

Curiously, balancing work and personal life, ranked in the top five by leaders and managers as biggest and fourth biggest source of pressure respectively was ranked equal eighth perceived pressure on leaders and managers by employees.

Employees clearly believe their leaders and managers don't experience the same pressure balancing work with other aspects of their lives as employees do. Perhaps in their eyes, leaders and managers have greater access to measures to seek and obtain balance.

<b>Pressures on leaders and managers now (Employee view)</b>	<b>2000 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Increasing competition in the marketplace	1	5	1
Quality of staff in the organisation	7	1	=2
Expectations of customers/clients	2	2	=2
Ensuring effective communication within the organisation	=8	=3	=2
Increasing demands in retaining good people	-	=7	=2

Leaders and managers can work to achieve better work-life balance by identifying training and development, and career development opportunities for staff, establishing mentoring and coaching activities and, in time, creating delegation and succession potential across the organisation.

## Positive influences on workplace performance (Top 5)

Knowing what positively influences people's performance at work provides the basis for creating the right environment – an environment that people want to be part of. By identifying the positive influences on performance and working to fulfil employee expectations, organisations can meet the needs of their people and improve performance. More than that, they can build engagement, improve staff satisfaction and create better outcomes and success through people.

<b>Influences on workplace performance now (2012)</b>	<b>Employees 2012</b>	<b>Managers 2012</b>	<b>Leaders 2012</b>
Reasonable salary/pay	1	1	1
Being entrusted with responsibility/independence	2	4	3
Interesting/challenging work	3	=7	=5
Good relationship with other staff	4	10	10
Job security	5	3	9

Q. Looking at the list (of 21 factors), please nominate which five factors you feel have the most positive influence on your/your staff's performance at work today.

<b>Influences on workplace performance now (Employee view)</b>	<b>2000 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Reasonable salary/pay	6	4	1	1
Being entrusted with responsibility/independence	1	2	4	2
Interesting/challenging work	2	6	3	3
Good relationship with other staff	=4	3	=5	4
Job security	14	=11	2	5

Understanding what influences workplace performance is critical to provide the environment that encourages performance and leads individuals to want to stay and develop rather than leave to work elsewhere.

The importance of reasonable salary/pay is recognised by all as a key influence on performance. While leaders and managers understand the potential positive influence of providing job security, we see in other measures that they aren't necessarily offering the required reassurance. This could prove very costly due to higher staff turnover rates in the coming two to three years.

Leaders and managers have come to understand much of what influences the performance of their employees, demonstrated by some ratings that closely align with those of employees. However they don't seem to grasp the significance of interesting and challenging work or the importance of relationships with other staff in particular as positive influences on performance.

<b>Influences on workplace performance now (Manager view)</b>	<b>2000 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Reasonable salary/pay	=6	5	1	1
Receiving good feedback and communication	2	2	3	2
Job security	11	14	2	3
Being entrusted with responsibility/independence	1	1	=5	4
Flexible working arrangements/hours/family friendly	=14	12	4	=5
Having clear objectives/goals set	=4	13	7	=5

<b>Influences on workplace performance now (Leader view)</b>	<b>2000 Rank</b>	<b>2005/06 Rank</b>	<b>2010 Rank</b>	<b>2012 Rank</b>
Reasonable salary/pay	4	=4	1	=1
Receiving good feedback and communication	1	3	2	=1
Being entrusted with responsibility/independence	3	2	=4	3
Having clear objectives/goals set	6	14	=4	4
Flexible work arrangements/hours/family friendly	=13	=8	7	=5
Interesting/challenging work	5	=6	6	=5

Reassurance about both the future of the organisation and of the individual's future in the organisation are critical in securing and retaining the talent needed to make the most of the organisation's future.

Leaders need to understand the motivations of their employees and work to create environments that engage and empower them to achieve the organisation's goals and objectives. Ensuring individual motivations and goals can align with organisational goals is critical. Identifying what's in it for the individual within the wider organisational direction is imperative for retention and engagement.

HR professionals have a big role to play here in establishing what individuals are seeking from their work and workplace and collaborating with leaders and managers to enable the environment for performance to be created.

But at the same time, leaders must recognise where work fits into the lives of others and explore ways in which the desired balance between work and other aspects of life can be more effectively struck. These influences provide the foundations for connecting with employees and creating a sound basis for workplaces that continue to attract and retain good people.

However when it comes to reassuring the individual about their future with the organisation, little or no progress has been made in recent times. More than one-third of employees have had little or no reassurance about their own future in their organisation.



Why is reassurance about the future (organisationally and individually) important to employees? Why do managers and leaders need to communicate with their teams about the future?

Quite simply, it's about locking people in, engaging them and giving them a vision for them to buy into. The current trend towards employees looking elsewhere for career development and growth is one of the outcomes of insufficient or ineffective communication.

Communication is never completed or over. There is always an opportunity to communicate better, more fully and more effectively so that the recipients of the communication are crystal clear on what is expected of them and what they can expect and look forward to.

## Leadership competencies (Top 5)

Understanding what people seek from their leaders and managers helps the organisation, including HR departments to work towards fulfilling expectations. Of note, most of the top five leadership competencies are the same for each of the three audiences – leaders, managers and employees – a sign that we generally understand what being a good leader requires.

Leadership competencies	Leaders 2012	Managers 2012	Employees 2012
Strategic thinking	1	7	7
Developing and coaching others	2	2	=3
Communication skills	3	1	1
Building relationships (external and internal)	4	5	5
Problem solving and decision-making	=5	3	2
Planning and organising	=5	4	=3

Q. *Looking at the list of leadership competencies, please nominate which you believe are the five most critical competencies that you personally (your leaders) need to do your (their) job well today.*

Leaders rank strategic thinking as more critical for them to do their job well than do managers and employees. Managers and employees place a greater emphasis on their leaders being good communicators. All of these rankings remind us of what people need from their leaders.

## Characteristics of a good manager (Top 5)

The top five characteristics of a good manager have changed only a little since the survey began but the ranking of these characteristics in terms of importance has certainly moved. The prominence of honest feedback and the vital role of managers clearly communicating where we are going are evident. In difficult times, a candid and honest view of what the road ahead looks like is essential in engaging employees and maintaining their focus.

Top five characteristics of a good manager (Employee view)	2001 Rank	2005/06 Rank	2010 Rank	2011 Rank	2012 Rank
Clearly communicates where we are going	2	1	1	=2	1
Gives honest feedback on how I am going	6	3	2	5	2
Listens to/respects my input into decisions	1	4	4	4	3
Fair/even-handed/reasonable	5	2	3	6	4
Trusts me with challenging work	7	7	8	10	5

Q. *A person's working relationship with their immediate manager or managers with whom they have frequent contact, can have a significant impact on their performance and satisfaction in their role. What would you say are the top five most important characteristics for a good manager to have, in order to positively influence your (your staff's) performance in your role at work?*

Given that everyone seems to understand the characteristics of that good manager displays to positively influence performance, and what the expectations are for managers and leaders of the future, the emphasis then switches to how to fulfil those expectations and to consistently deliver on them over time. Communication is the core factor here.

<b>Top five characteristics of a good manager (Manager view)</b>	<b>2001 Rank</b>	<b>2005/06 Rank</b>	<b>2009 Rank</b>	<b>2011 Rank</b>	<b>2012 Rank</b>
Clearly communicates where we are going	1	1	1	3	1
Gives honest feedback on how I am going	=3	2	2	5	2
Fair/even-handed/reasonable	=3	=3	5	7	3
Listens to/respects my input into decisions	2	=3	3	4	4
Coaches and develops me	6	8	8	6	5

<b>Top five characteristics of a good manager (Leader view)</b>	<b>2001 Rank</b>	<b>2005/06 Rank</b>	<b>2009 Rank</b>	<b>2011 Rank</b>	<b>2012 Rank</b>
Clearly communicates where we are going	1	1	1	=3	1
Gives honest feedback on how I am going	4	=2	2	1	2
Listens to/respects my input into decisions	3	4	=3	2	3
Fair/even-handed/reasonable	2	=2	5	=5	4
Coaches and develops me	13	=10	9	8	5

## People development – the key to the future

In the modern workplace, it is not enough to simply employ and pay people to do the work to keep the organisation functioning. For many, and particularly for younger generations of employees, work has to have meaning and purpose. Work also has to fit in with other aspects of life. Employee needs and expectations have evolved and provide a more challenging management landscape than before.

People development is at the epicentre of management – it's all about identifying potential in people, working with them to develop their potential and then harnessing its power. The L.E.A.D. Survey has consistently shown the benefits and virtues of effective HR management in a number of key areas.

## Human resources

The role played by Human Resources (HR) departments or personnel is critical in the identification, attraction, retention and development of people. Few other departments have the same potential to make or break an organisation like HR. Armed with a clear understanding of the organisation's objectives and goals, HR departments offer the opportunity to create environments that engage people and enable them to grow, develop and fulfil their potential.

Yet L.E.A.D. has shown that HR departments have not always been recognised in this way. Leaders having once taken HR very seriously (92% in 2004 regarding them seriously to a great or moderate extent) have backed off a little in recent times. Managers, likewise have tapered off in their belief that HR departments are seriously regarded by the leaders and managers in their organisations.



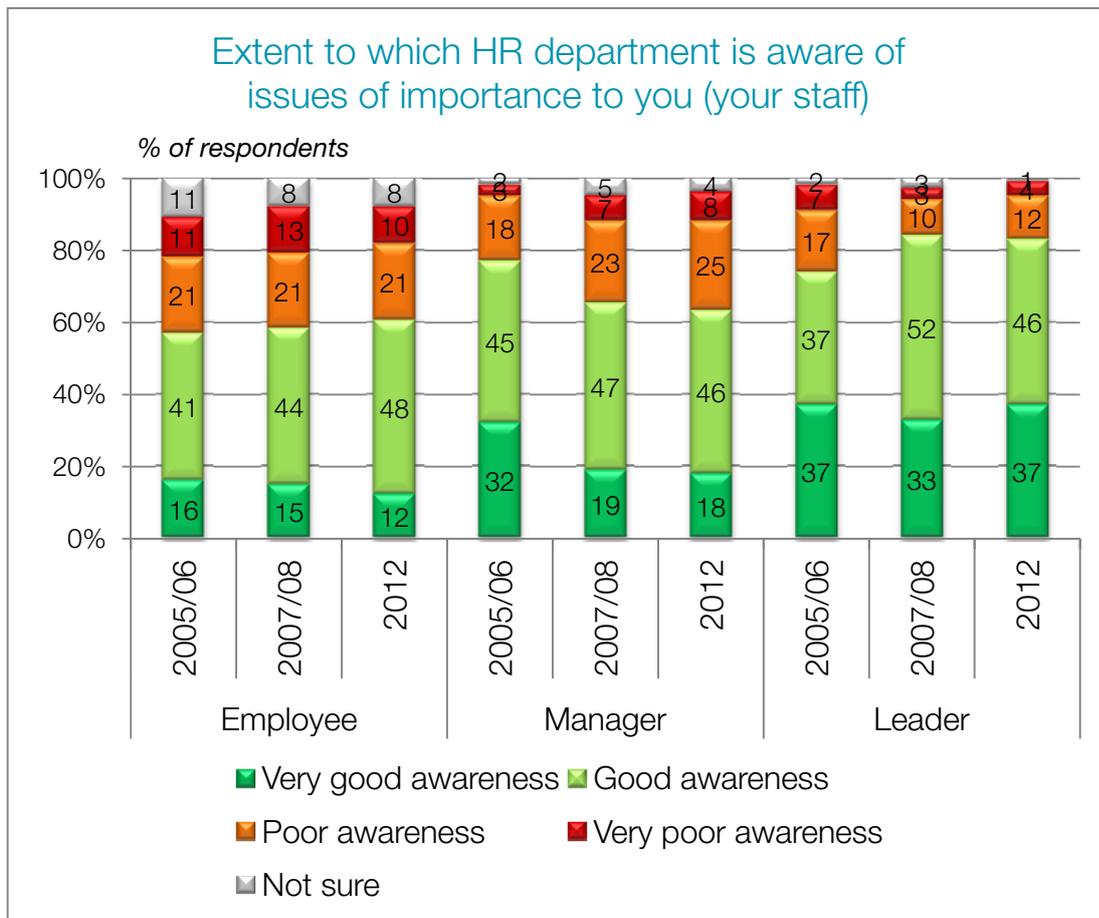
Q. *Do you believe this department is regarded seriously by the leaders and decision makers in your organisation?*

Maintaining and growing the HR department's relevance in identifying, addressing and following through on employee issues is critical for the future. HR departments and practitioners play a vital role in helping the organisation to locate, attract and retain a quality workforce that trusts the organisation, engages with the organisation and is empowered to work with and for the organisation.

### HR aware of issues of importance

Central to that role is the HR department's awareness of issues of importance to employees.

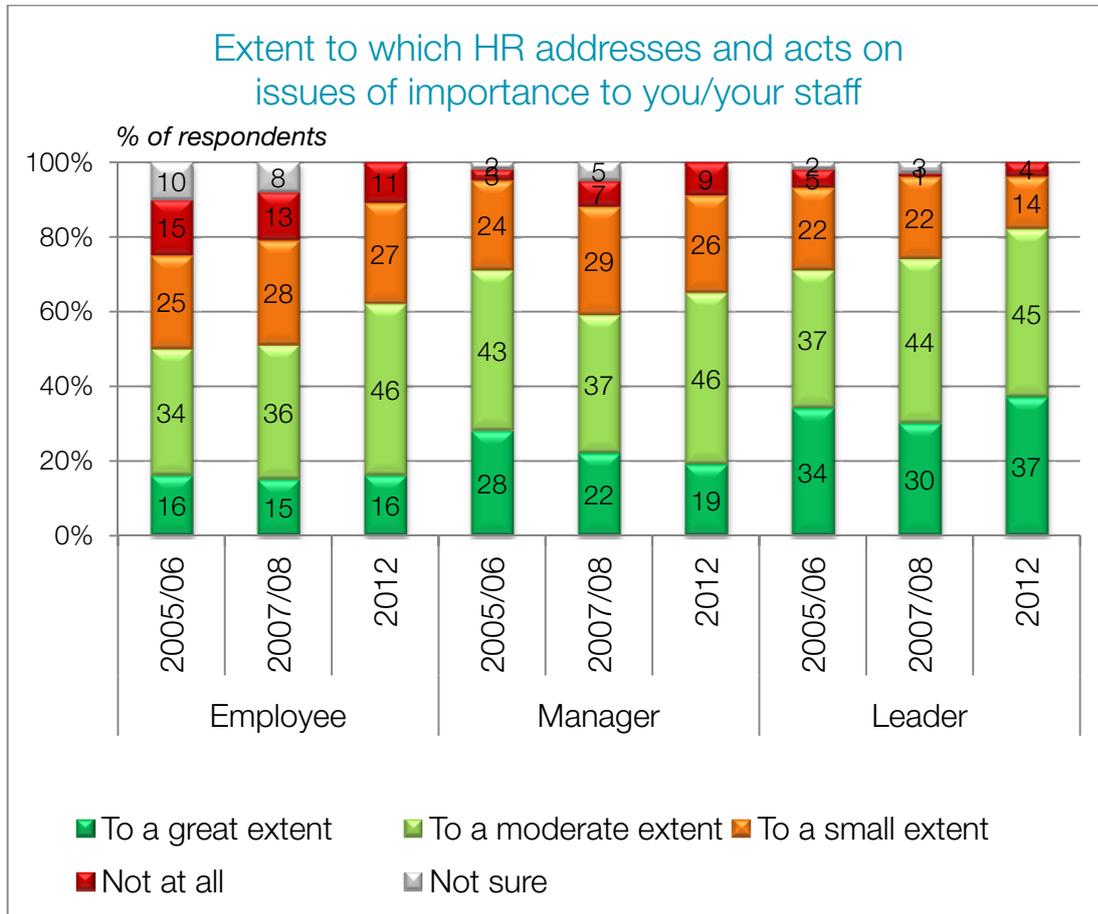
Around two-thirds of employees have consistently felt that the HR department was well aware of the issues of importance to employees, while managers and leaders have tended to believe HR has much greater awareness of employee issues.



Q. How would you rate this department's/section's/manager's awareness of issues of importance to you (your employees)?

## HR addresses issues of importance

The extent to which the HR department is actually addressing employee issues is a little lower in the eyes of employees with around half believing the department does this to a great or moderate extent. Again, managers and leaders have a more glowing perspective on how well the HR department addresses employees' needs.



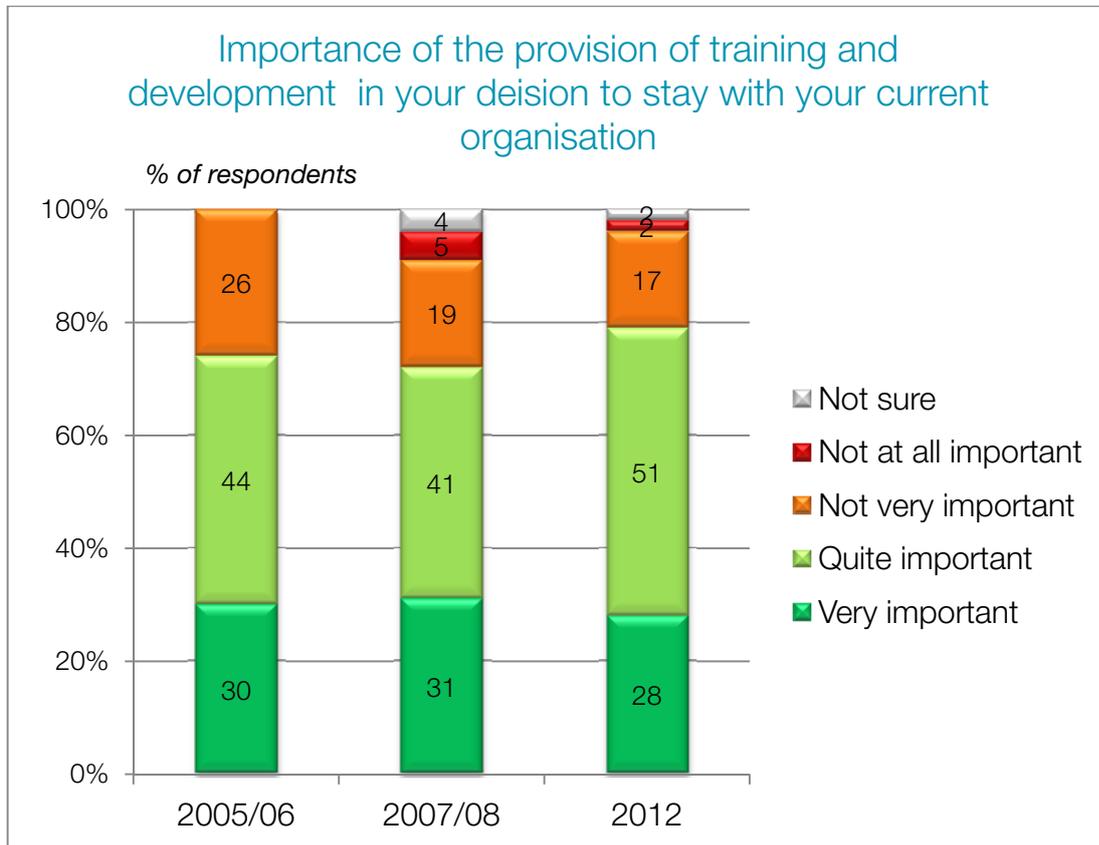
Q. *To what extent do you believe this department/section/manager is addressing and acting upon issues of importance to you (your employees)?*

On both measures, there is obvious room for improvement. The extent to which the HR department is attuned to the issues of employees and is working to address those needs will determine the degree to which employees want to stay with their current organisation.

Given the desire of the vast majority of employees to develop with their current organisation, identifying and creating opportunities to do so is a key role for HR departments now and into the future.

## Training and development

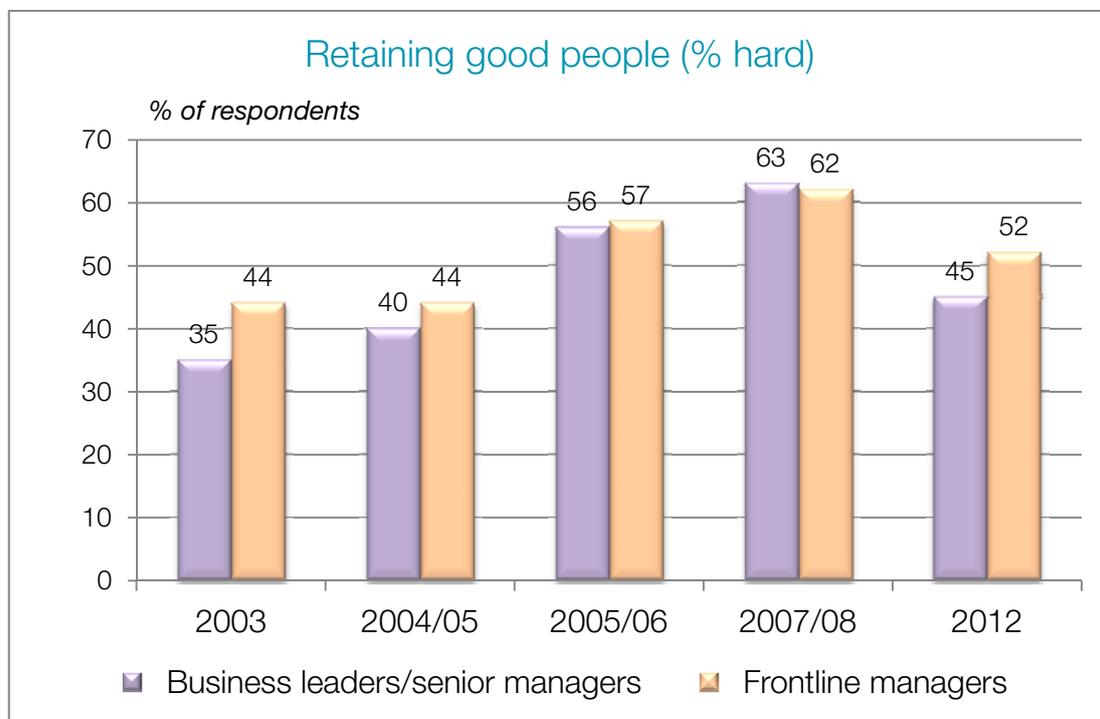
The importance of training and development in the decision of employees to stay with an organisation is clear. An astonishing three-quarters of employees rate the provision of training and development as very or quite important in their decision to stay where they are. Employees have indicated that they would like to be developed and many would leave their current organisation if development opportunities were not forthcoming.



Q. How important is/would be the provision of training and development in your decision to stay with your current organisation?

## Finding and retaining good people

The talent shortages in many sectors experienced in the early and middle years of the past decade have consistently seen around 90% of leaders and managers reporting that they have difficulties finding good people. This continues in 2012 with a similar proportion describing this activity as hard. Of note, the proportion of leaders and managers finding it hard to retain good people has dropped from around two-thirds to less around half, a level not seen since the mid 2000's.

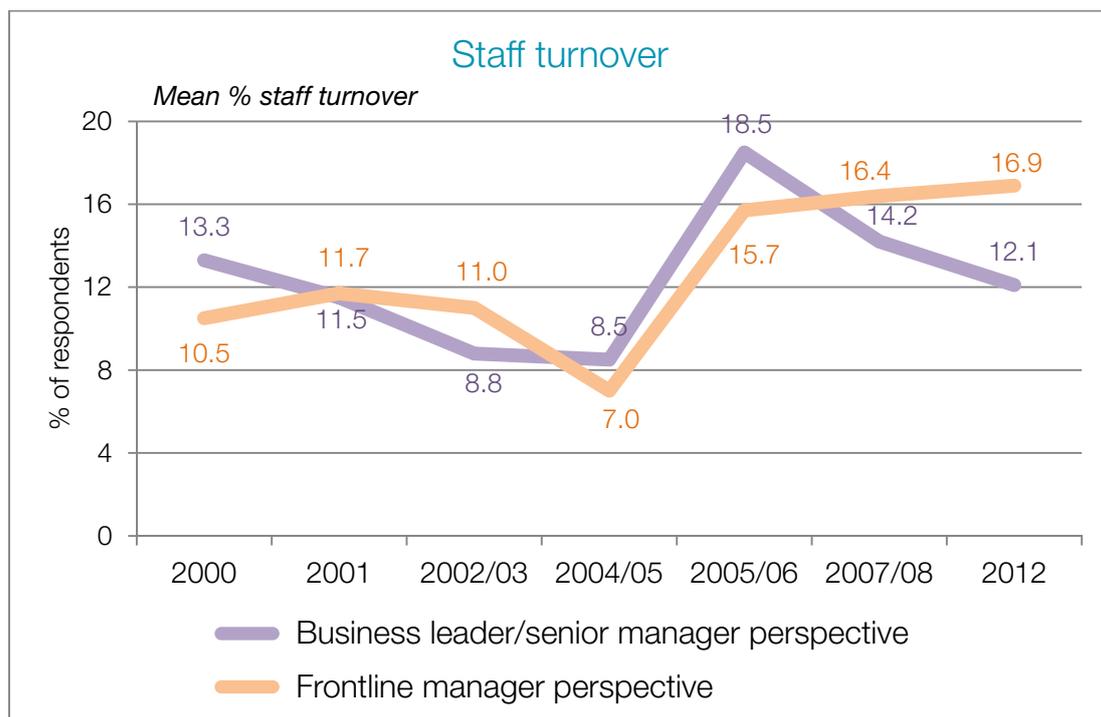


Q. Listed are a number of issues regarding staff. For each one, please indicate how easy or hard you are finding this issue.

To understand the role of salary in retaining staff, business leaders and senior managers were asked to indicate the maximum salary increase in percentage terms that they'd be prepared to pay to retain the right person. Leaders indicated they'd be prepared to pay an average of 12% more (down from 15% in 2010) and senior managers 10% more (down from 13% in 2010) to retain the right person. In a climate of economic uncertainty, this level of salary increment may not be sufficient to retain the right people AND at the same time it may not be possible for organisations to offer such increments.

## Staff turnover

Yet in 2012, the level of staff turnover is estimated at around 12-17% per annum. Frontline managers feel the level of staff turnover is higher than do their leaders and senior managers.



Q. What would you say is the approximate percentage of staff turnover in a typical year for your organisation?

Even so, around two-thirds of leaders and just over half managers are comfortable with the current levels of staff turnover in their organisations. It would seem losing one in 6-8 people each year is an acceptable loss of personnel for organisations.

Comfort with level of turnover (2012)	Leaders %	Managers %
Very comfortable	21	14
Quite comfortable	45	40
Not very comfortable	26	33
Not at all comfortable	7	7
Don't know / can't say	1	6

Q. How comfortable are you with that level of staff turnover?

## Reasons to stay with current organisation (Top 5)

Looking at the top reasons employees stay with their current organisation, there are some strong clues about what will motivate people to stay. The extent to which managers and leaders are prepared to offer these elements to secure people reveals some very compelling insights.

Salary increases and opportunities for career development are equally important in the eyes of employees. Interestingly though, managers and leaders are far less willing (and perhaps less able) to offer salary increases, preferring to offer opportunities for career development, training and development and flexibility as surrogates for more money. People are also looking to enhance their skills and learn more through training and development.

Top reasons to stay where you are (% in top 5)	Employees	Managers (offer to staff)	Leaders (offer to staff)
	2012 %	2012 %	2012 %
1. Salary increases	57	47	39
2. Opportunities for career development	57	58	53
3. Opportunities for training and development	42	58	60
4. Flexible work hours	41	53	50
5. Special arrangements to suit your lifestyle	20	15	24

Q. *What three key things are most likely to encourage you to stay with your current employer? (What three key things might you offer to staff to encourage them to stay with your organisation?)*

## Reasons to leave current organisation (Top 5)

Looking at the top reasons employees leave organisations, the same issues or challenges are evident and the same offers are on the table from managers and leaders to attract people. Perhaps this is why finding good people is so hard, our managers and leaders aren't offering what's important to prospective employees.

Top reasons to consider going elsewhere (% in top 5)	Employees	Managers (offer to staff)	Leaders (offer to staff)
	2012 %	2012 %	2012 %
1. Salary increases	72	31	20
2. Opportunities for career development	57	60	58
3. Flexible work hours	39	49	53
4. Opportunities for training and development	35	68	67
5. Special arrangements to suit your lifestyle	23	16	27

Q. *What would be the top three key things that would attract you to a new employer? (What are the top 3 key things that you might offer to attract a new employee to your organisation?)*

So what does this mean for managers and leaders and by definition their HR people? It means that they need to stay close to their key people and regularly discuss the goals and needs of individuals. It means ensuring employees are provided with sufficient opportunity and appropriate reward and recognition and are able to tune their working lives to fit with the rest of their lives. In essence, leaders and managers need to be developing greater alignment with the characteristics that are representative of an employer of choice.

## Preference for career advancement and development

Since the L.E.A.D. Survey began, the preference for career advancement and development has clearly been for employees to stay with their current employers, rather than move elsewhere to develop. Clearly organisations having invested heavily to obtain and retain quality people need to continue to work to create opportunities for employees – opportunities that make them want to stay rather than leave in order to progress.

There remains a significant gap – a 25% gap between the **85% who would like to develop with their current organisation and the 60% who believe this is possible**. Closing this gap, through creation of opportunities is essential to retain quality staff and avoid costly turnover.

The changing role of work in our lives, particularly in the lives of younger workers, has seen the emergence of a more dynamic workforce that will happily ‘commit’ to work in a role for what might traditionally be seen as a very short time before making a ‘go/no-go decision’ and moving on. While levels of job seeking activity are down from two years ago, with around half the workforce considering options, the onus is on the leaders and managers to secure the workforce needed to sustain the organisation into its future.

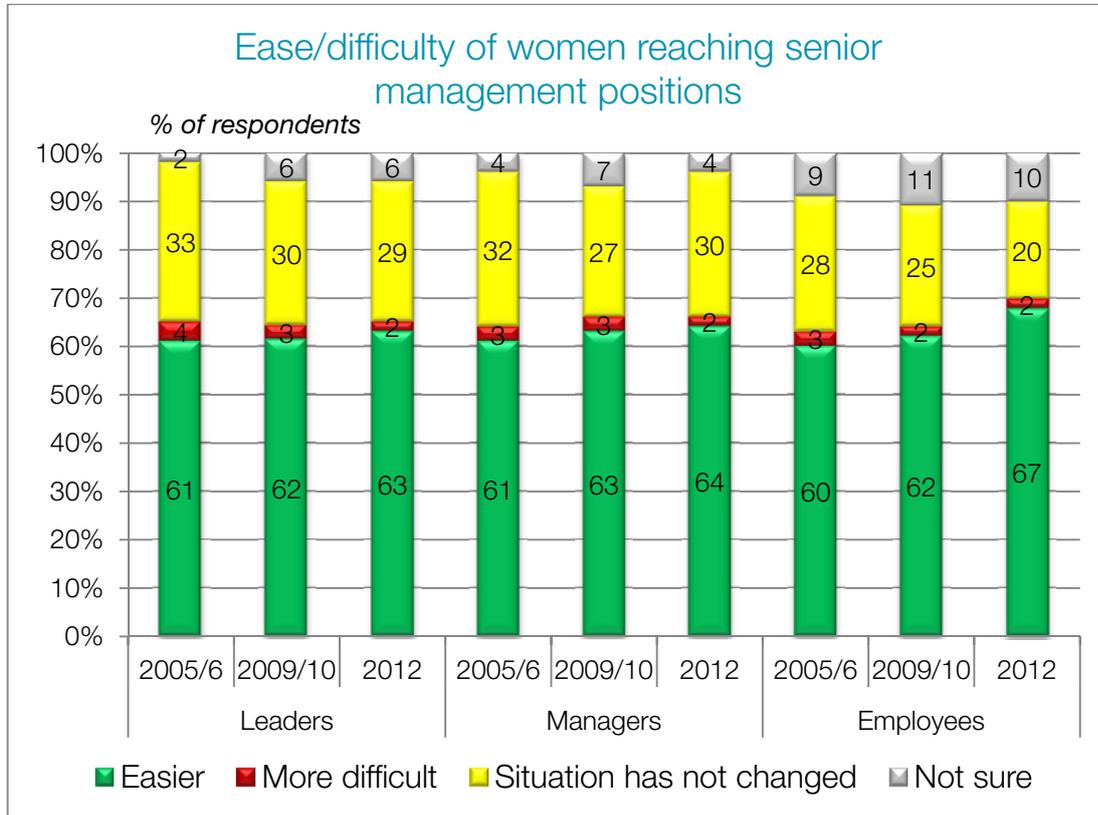
But the familiar phrase *‘People join organisations, but they leave managers’* should echo in the minds of all leaders and managers. One of the reasons employees in particular are confident about swapping jobs or at least looking around, is their ability to cope with change.

The central message from all of these ‘people indicators’ is that our managers and leaders need to be constantly reviewing the workplace and adapting it to better meet the needs of employees. And the HR department and personnel can and should be the drivers of such review and adjustment processes.

So what is the payoff for doing so – contented workers who want to stay and grow and develop with the organisation. And what is the penalty for not acting – higher staff turnover and a destabilised, disengaged, dissatisfied workforce.

## Gender equality

With the search for quality staff growing, gender equality represents a key but largely untapped area for the future. Little has changed in terms of the perceived ease or difficulty of women reaching senior management positions, even with many women taking the reins of major corporate and government organisations.



Q. *During the 80s and 90s there was a great deal of discussion and debate about the difficulties experienced by women in reaching senior management levels in organisations. Nowadays, do you think it has become easier or more difficult for women to reach such positions or has the situation not changed at all?*

Other L.E.A.D. Survey measures of the state of equality in workplaces show a similar pattern in relation to:

- Workplace opportunities generally
- Training and development opportunities
- Pay
- Opportunity in organisations generally

All of these measures reveal a less than desirable situation and one which perpetuates outdated thinking when it comes to the nature of the modern workplace.

However there is clear evidence of improvement, particularly in the eyes of employees and to some extent managers that the situation is advancing in terms of equal opportunity in the workplace – it's just that more needs to be done.

To summarise, most think it is easier for women today to reach senior management levels in organisations and most believe men and women have equal opportunities when it comes to training and development. But the reality is that when the discussion turns to pay and wider opportunity only around:

- Four in ten believe men and women have equality of opportunity
- Four in ten believe men and women have equality of pay
- Half believe opportunities in the workplace are equally available

So while it seems some progress is being made, there are lots of organisations in which women are not considered equal. When the organisation understands and embraces the roles both sexes can and should play, progress towards equality is faster and the question of creating an equal opportunity environment ceases to be an issue – equality becomes the expectation rather than the exception.

Identifying and addressing the workplace environment issues that can either hold back or propel performance is an essential requirement of the modern manager and leader. HR professionals are pivotal in unearthing and awakening the attention of their leaders and managers to ensure these issues receive the oxygen and focus they deserve.

Communicating the organisation's policies and practices to fulfil and satisfy changing expectations of employees at all levels is critical to retaining good people. It provides the environment in which people prefer to stay and develop and advance rather than leave.

## About Leadership Management Australasia

Leadership Management Australasia (LMA) has been at the forefront of training and development throughout Australia since 1972 and more recently in New Zealand.

Through living its mission – *‘Creating exceptional results through people’* – and its commitment to leading the way in program development and information for leaders and managers it lives on the leading edge.

The L.E.A.D. Survey series (which commenced in 2000) is an initiative undertaken by LMA in response to client requests for information to better understand current and future issues in Australian and New Zealand workplaces.

The creation and ongoing commissioning of the L.E.A.D. Survey series signals how strongly LMA takes its responsibilities in providing thought leadership and best practice delivery in the development of people.

With a network of offices across Australia and New Zealand, LMA is a registered training provider of accredited leadership, management, communication and workplace performance courses throughout Australasia.

If you enjoyed reading this special HR Professionals’ edition of the L.E.A.D. Survey report and would like to know more about the development programs and activities available through LMA’s network in Australia or New Zealand, please contact us via the details that follow.

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