WHAT'S CHANGING THROUGH
THE PANDEMIC?

New Zealand Business Leaders'
Effectiveness 2019–2021:
# **Blindspots paper**

About blindspots

Blindspots are the gaps between how leaders rate themselves and how they are rated by their employees on a particular topic. They highlight the areas between leaders' perception and employees' reality.

Leadership blindspots can be fiercely destructive. They can harm your organisation's productivity, erode the team culture and ultimately cost you your greatest asset – your people.

For the past three years, we have been gathering data on leadership effectiveness across the private, state and local government sectors. Concerningly, the number of leadership blindspots, as measured by specific questions, in the private sector has grown by almost 50 per cent over that period, and the data shows leaders are failing to move the dial in some critical areas.

This Leadership Insights Paper takes a deeper dive into these blindspots and highlights the areas where change must be made. Its aim is to provoke leaders into solving these by better involving their people in the solutions and closing down these blindspots. One of the most powerful objectives a leader can have to help their effectiveness is to find out what their people are really thinking.
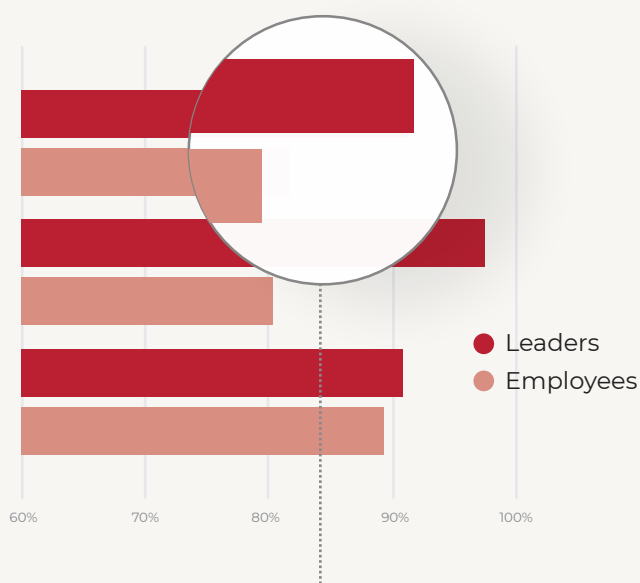
● Leaders
● Employees

Any difference over 10% becomes a significant blindspot and has the potential to have a material impact on the effectiveness of an organisation.

AskYourTeam data shows a systemic lack of self-awareness in leaders and their leadership teams.

The 10 biggest blindspots in 2021

20%
1. Our remuneration structure is appropriate relative to the market

17%
2. I am motivated by the way our Senior Leadership Team communicates

16%
3. I am confident that our Senior Leadership Team is leading us in the right direction

16%
4. There is a strong focus on how we can work together better as a team

16%
5. I feel safe to tell the truth even when it is unpopular

14%
6. There is a clearly articulated vision and strategy for the organisation

14%
7. There is a culture of trying to empower and enable staff to maximise their performance

14%
8. There is effective communication to inform what is required of me

14%
9. The contribution of individuals is recognised

14%
10. The organisation provides opportunities for me to develop my skills and competencies and actively encourages career development

The themes

I'M DOING GREAT

The AskYourTeam system looks holistically at all the most-proven drivers of leadership success.

Interestingly, the biggest blindspots are found in questions primarily about the leaders and senior leadership teams or the core areas required for effective leadership.

This shows a systemic lack of self-awareness in leaders and their leadership teams.

WHY SELF-AWARENESS MATTERS

Simply being technically competent is no longer good enough. Leaders have to be emotionally competent too. Leaders need to see themselves as their employees do and be more skilled at showing empathy and understanding others' perspectives. Good leaders have to equally focus on business performance and looking after their people if they want to build better levels of trust and better relationships with their employees. Research also suggests that, when we see ourselves clearly, we are more confident and creative. We build stronger relationships and make sounder decisions. We are stronger when we listen. To better understand others, we must better understand ourselves. It's a win-win.

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LET PEOPLE KNOW THEIR WORTH

Everybody wants to be remunerated fairly. Many employees equate their rate of pay with how much they – and their work – are valued in the organisation. An employee who is remunerated fairly is likely to be more motivated, loyal and focused on increasing their productivity and the organisation's profitability than one who isn't. It is not surprising then that a recurring blindspot is "our remuneration structure is appropriate and relative to the market". Related to this, it is often the question that is scored lowest by people in the organisation. Everyone would like to be paid more and feel they're worth it. Those who have been with the organisation some time may feel their remuneration has not been properly reviewed for some time, particularly when there is a hot job market and skill scarcity in some areas. Make sure your organisation has a remuneration policy and it is communicated clearly. Most importantly, have open, honest and regular conversations around their performance and the value they add to your organisation. This can help at two levels. If people haven't been given constructive feedback on areas they can improve on, they'll naturally have a higher opinion of the level of their performance and won't know how best to improve to warrant an increase in remuneration. This feedback also helps with people's desire to have a clear career pathway. With the 'Great Resignation' knocking on employers doors, the time to act is now.

SENIOR LEADERSHIP TEAMS NEED TO BUILD TRUST

Senior leadership teams across all sectors seem to be struggling with getting the trust of their people. Not surprisingly, executives score themselves a lot higher than employees in terms of their own performance. The difference in how employees feel they are performing cannot be ignored. Senior leadership teams can have it tough. From the outside, employees can see a number of closed-door meetings and very little communication out to the wider organisation, which in itself is a ripe breeding ground for mistrust. In order to close the gap, senior leaders need to be as open and transparent in their decision making as possible and where they can, share the decisions they are making at the top table with their teams. Whether that's a weekly recap at a meeting or regular updates in an organisational newsletter of what you can share, lifting the 'shroud of secrecy' will benefit the effectiveness of your organisation as a whole. Just make sure it is authentic and be prepared to listen to feedback along the way.

Remember, feedback is not a guaranteed wish list but you do need to explain why if it is not acted on.

PEOPLE NEED TO BE MEANINGFULLY INVOLVED TO FEEL VALUED

People feel valued when they understand the common goal and are involved in how the organisation is going to get there. People want to see alignment between their personal purpose and the purpose of the orgnaisation. It is important that employees can see the 'golden thread' between their role and how it will help the organisation achieve its vision and that the vision and strategy is clearly articulated so your people have 'their why'. People want to connect their personal purpose with that of the organisation. Providing psychological safety in the workplace is a must. Be open to feedback from your teams and be prepared to act on it if appropriate. It is also important to celebrate success. Make even the small wins count.

IMPROVING COMMUNICATION IS A WIN-WIN

Communication is a fundamental cornerstone of organisational success. However, we are seeing consistent trends across all sectors where employees feel as though there is a lack of communication across the organisation. Employees want to hear what is going on and how they are contributing to the business. Good communication is also an important factor in breaking down organisational silos. Clear communication can be a time saver in terms of people not needing to seek out what they need to do their jobs, and they feel valued when they are well informed and kept 'within the fold'. A clear concise internal communication strategy is worth investing time in.

Without the views of your people, how do you know what they are thinking and what their ideas are?

Other valuable insights →

Leaders were asked to score themselves and their organisation during our New Zealand Business Leaders' Effectiveness Survey: Navigating Disruption 2019–2021. Interestingly seven out of the 10 lowest-scoring questions were nothing to do with what would normally be considered core leadership skills, particularly the soft skills required to be an effective leader, for example, "issues are not to do with me".

This bias towards one's own performance has been covered earlier but what leaders know their organisations aren't doing well is intriguing. The lowest scores highlighted a number of areas that can seriously inhibit the development of high-performing teams if they continue to go unaddressed.

Lack of accountability

Poor project management

Difficulty of quick access to quality information

A lack of accountability, poor project management and the difficulty of quickly being able to access quality information are common repetitive themes, which begs the question what are leaders doing to address them, and, assuming they have been trying, why are they not making any progress?

If they continue to go unaddressed, there can be a hugely negative impact on the organisation. Leaders must put the wheels in motion to make a positive improvement if they want to see their organisation become more effective. Not doing so,will result in their people becoming more frustrated, a wasted effort in resources and potentially reputational risk from poorly managed projects. They should also involve their people in the solutions and continually check for better outcomes.

Without the views of your people, how do you know?

In an increasingly complex world, we need to be changing hierarchical leadership styles and expectations that leaders must to *have* all the answers, to being able to *get* the answers. That comes from more meaningfully involving your people.

Dealing with poor performance →

In the war for talent, one of the most demotivating aspects for your top-performing people is to see non-performance not being addressed. However, not only is this consistently in leaders' bottom 10 scores, it has not improved over the last three years, and as bad as they know the situation is, little is being done and the dial is failing to be moved. When people perform poorly or are not held accountable for meeting deadlines, it affects everyone, which can really undermine productivity. Leaders cannot afford to confuse being caring, flexible and supportive with absolving them from the responsibility of honest conversations and ongoing regular feedback on areas for improvement. This is at the heart of leadership responsibility, and leaders need to be trained and supported to be able to have those conversations. Interestingly, employees want more-personal feedback. We are seeing a trend across all sectors that, while they appreciate being looked after as people, employees are also crying out for feedback and more performance development opportunities.

Getting the right information to make the best decisions →

Both leaders and their employees scored their ability to obtain customised reports from our information systems as one of the lowest. This indicates both parties are equally frustrated with technology and getting the right information where and when they need it.

In an increasing volatile, uncertain, complex and ambiguous world, now more than ever organisations need to empower their people and their leaders with the right information to make the best decisions. People want to be more involved, and they need to be set up for success. Getting the right information from your people, customers, partners and suppliers and internal insights are critical for agile, effective responses. Leaders should be open about sharing their frustrations with their teams and vice versa to identify ways of addressing the problem in both the short and longer term. With the right technology being used in the right way, organisational effectiveness can soar.

Project management needs work →

Good project management is essential. However, our latest data shows that managing projects from concept to review continues to be a critical weakness across all sectors of New Zealand's business leadership and risks undermining long-term success.

Employees score the use of effective project management for implementing projects as one of the lowest – and so do leaders! Poor project management doesn't just affect your reputation as an organisation when things cost more or are not completed on time. It will also affect the morale of your team, which can ultimately permeate throughout your organisation.

Early planning and organisation of projects is key to motivating the teams that will be affected and to creating a culture that supports the project's success. As a leader, you can not afford to fall at the first hurdle. You need to ensure there is structure and discipline and provide a ripe environment for change.

If organisations are going to have the capability to respond with agility and take advantage of opportunities as they emerge, you must support your people to upskill in collaboration and project management to reduce the risk involved. Post-project reviews are a crucial part of the process and the results should be shared with your teams. People get incredibly frustrated when organisations keep repeating the same fundamental mistakes. Owning success as well as failure will go a long way in building a positive organisational culture.

Structure and discipline provide a ripe environment for change.

Want to know more?

AskYourTeam is an innovative New Zealand company. Our mission is to create the most-productive and enjoyable workplaces in the world by enabling business leaders to unleash the power of their greatest assets – their people.

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