

STRENGTHENING YOUR ROOTS

GROWING AN ENGAGED WORKFORCE THROUGH GROWING LEADERS



“THE EFFECT OF GREAT MANAGERS AND LEADERS ON THEIR WORKGROUPS IS UNDENIABLE. TRULY GREAT MANAGERS DRIVE HIGH EMPLOYEE ENGAGEMENT, STRONG CULTURES AND TOP PERFORMERS NATURALLY ON THEIR OWN.”



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April 2012

The effect of great managers and leaders on their workgroups is undeniable. Truly great managers drive high employee engagement, strong cultures and top performers naturally on their own. In turn, this means client satisfaction, retention and better business performance.

Today's economic conditions are however pressuring leaders to re-evaluate their employment and investment plans. New Zealand's current outlook is characterised as one of "grumpy growth", spasmodic and patchy. Global uncertainty hinders momentum. Despite these challenging times, "employee engagement" continues to be a top priority for leaders in New Zealand. And not surprisingly, so is building leadership capability.

In our sixth publication, we reveal the answer to the question "what drives and engages New Zealanders at work?" and look at what's changed over the last ten years. Our findings are based on responses from over 32,000 employees from over 230 organisations that participated in the 2011 Best Workplaces in New Zealand Survey. A striking trend is the rising importance of effective leadership to sustaining a motivated, committed and proud workforce. In fact, employees with high confidence in their leaders tend to be nearly twice

as engaged than those that express a low level of confidence. Globally, the research suggests engagement increases five-fold when employees follow effective leaders.

Recognising the role of leadership in fostering employee engagement and creating great workplaces, and the increased impact of leadership on performance, especially in complex environments, this year we focus on what it takes to be a great leader. We talk to leaders in the public sector, private sector, across different industries and throughout New Zealand. We also share global findings from Kenexa's High Performance Institute. We invite you to learn about the philosophy and approach taken by some of New Zealand's biggest and best workplaces to developing and supporting leaders in their organisations and the impact these programs have on their people. At a time when Learning and Development budgets are being cut, these organisations continue to invest in their people, recognising that having a leadership pool ready and agile enough to tackle anything is not a nice to have, it is a necessity.

In this publication, you will read the stories of inspiring people and their organisations, powerful data and practical learning points

that demonstrate the impact great leadership has on employee engagement and organisational performance. Investing in leadership not only enhances the effectiveness and abilities of leaders, it can inspire and engage them. And when leaders are more engaged, those they lead are more engaged. It is clear the investment in growing and building future leaders yields a sizable return.

Many thanks to all of the leaders who have so generously shared their knowledge – we hope their ideas give you inspiration and courage for the year ahead. A big thank you also goes to the Kenexa | JRA team for their passion for learning and providing thought leadership to others eager to join us on this journey. Now part of Kenexa's global network, each year we inspire and support literally thousands of leaders to be better leaders and managers. Together, we are strengthening the roots of our organisations, improving companies and enriching lives.



Sanchia Yonge
Managing Director
Kenexa|JRA

EMPLOYEE ENGAGEMENT IN TODAY'S WORLD OF CHANGE

Productivity has been a topic of interest for people management professionals and business leaders alike for the past 20 years. While still important today, over the last 4 to 5 years the global economy has transitioned into a new era, an era where resources are limited and change is wide-spread.

Locally, New Zealand businesses faced a year of challenges, external and internal, planned and unexpected. Looking ahead, the ever rising inflation and consumer prices, as well as the ongoing anticipation of 'budget cuts' turns the focus towards a 'smarter' way of strategic planning and a 'leaner' method of operation. Whether you are the owner of

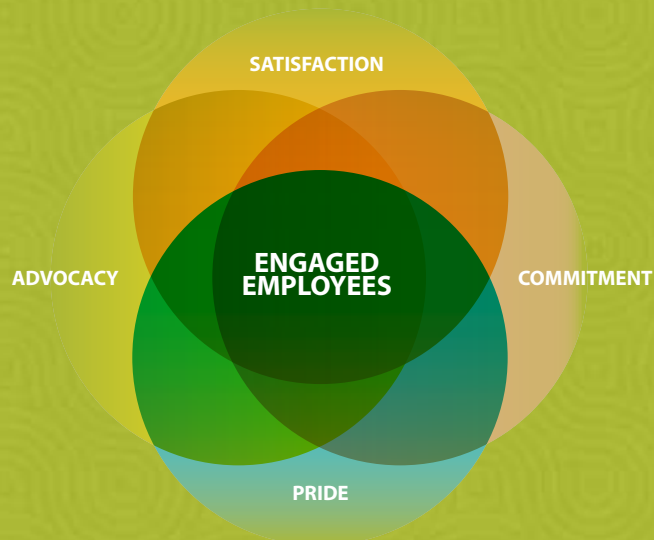
a family run business, the chief executive of a government agency, or the talent manager of a large corporate, one thing is common, to survive, or indeed to thrive in today's world of change, productivity alone is no longer sufficient. The business mindset is shifting from reacting to threats to seizing the opportunities, and the strategy is moving from

change management towards 'change-readiness'. Nimbleness and flexibility is no longer a 'nice to have', and the need is growing for a workforce that takes the organisation's destiny as its own, goes the extra mile, challenges the status quo and seeks out opportunities for betterment – in another word, an **engaged** workforce.

WHAT IS EMPLOYEE ENGAGEMENT?

It's 6 o'clock on a Friday evening. Bill, a senior IT systems manager returns to the office after a long day of client meetings. Tired and ready to go home for a hearty meal, he spots his new team member Donna sitting in her office quietly typing away looking stressed. After speaking to Donna, he learned that a client has logged an urgent system update which needed to be completed for a crucial weekend event. Appreciating the importance of this job, Donna decided to help the client despite the very last minute notice. Donna spent a whole afternoon doing system checks, but one test continued to fail. It's now getting late, and Donna still has a long regular to-do list for the day. If you were Bill, would you:

- (a) Go home and ask Donna to go home without finishing the job
- (b) Give Donna some ideas to try and then go home
- (c) Stay behind and help Donna trouble shoot



The construct 'employee engagement' has received a growing level of attention among researchers, human resources practitioners and business leaders over the past 20 years. Now thoroughly researched and widely assessed the definition of employee engagement taps into the concepts of **satisfaction, commitment, pride and advocacy.**

Lying at the core of employee engagement is the strong connection between an individual and the organisation in which they work, characterised by **an emotional attachment, a cognitive connectedness and behavioural alignment to the organisational goal.** One can expect fully engaged employees to demonstrate a high level of passion, enthusiasm and energy when approaching problems and challenges at work, making them highly desirable in

today's world of change. Engaged employees are aligned with the organisation's direction, take a personal interest in the success of the organisation, and hold a sense of loyalty towards the organisation. Most importantly, engaged employees behave in such a way that help their organisation to be successful through:

- Willingness to do their best at work and apply discretionary effort, leading to improved services, products and processes
- Staying longer with their organisation, preventing the loss of knowledge and reducing cost of replacement
- Speaking positively about their organisation, thereby strengthening the organisation's reputation and employment brand

...Continuing with our story, Bill demonstrated what we would expect from an engaged employee.

Learning about the challenge that Donna was facing, Bill decided to stay behind and give Donna a hand. He made a cup of tea, sat down with Donna and gave Donna guidance on some possible solutions to try. He then took some load off Donna's to-do list for the day, giving her some breathing space. For the next hour, Bill made himself available for support and questions while Donna tried out his suggested solutions.

An hour later, Bill and Donna were each sitting with their families enjoying a hearty Friday dinner. The next Monday, the team received a 'thank you' phone call from the client expressing their satisfaction with the level of service and their intention to use the service again in the future.

EMPLOYEE ENGAGEMENT: THE EXTENT TO WHICH EMPLOYEES ARE MOTIVATED TO CONTRIBUTE TO ORGANISATIONAL SUCCESS, AND ARE WILLING TO APPLY DISCRETIONARY EFFORT TO ACCOMPLISHING TASKS IMPORTANT TO THE ACHIEVEMENT OF ORGANISATIONAL GOALS.

EMPLOYEE ENGAGEMENT AND ORGANISATIONAL PERFORMANCE

The belief that employee engagement is strongly associated with business outcomes such as employee retention and key financial metrics has been supported by local as well as international research.

Every year, Kenexa|JRA provides hundreds of New Zealand organisations insight into how engaged their people are through their annual Best Workplaces Survey. Drawing on the nation's largest workplace survey database, analysis of the 2011 linked employee engagement and organisational performance data reveals sizeable performance gains through harnessing a highly engaged workforce, including:

Better Financial Return with Higher Annual Net Profit.

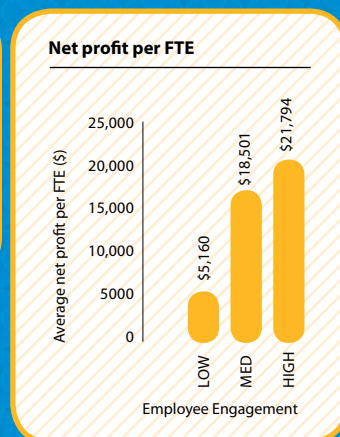
Let's compare organisations in the top 25%, middle 50% and bottom 25% of employee engagement levels. The average reported annual net profit per full-time equivalent is over \$16,000 higher for organisations in the top quartile of employee engagement, compared to those in the bottom quartile.

The more people are passionate, committed, and willing to expend discretionary effort, the greater the overall financial return to their organisation. We can extrapolate that, on average, the dollar value of this difference equates to:

- An additional \$832,000 per year for a small organisation
- An additional \$2,495,000 per year for a medium organisation
- An additional \$8,317,000 per year for a large organisation

Organisation Size	Employee Engagement		
	Low	Med	High
Small Org (50 staff)	\$258,000	\$925,000	\$1,090,000
Medium Org (150 staff)	\$774,000	\$2,775,000	\$3,269,000
Large Org (500 staff)	\$2,580,000	\$9,250,000	\$10,897,000
Average Annual Net Profit per FTE	\$5,160	\$18,501	\$21,794

Note:
 - The figures quoted in this section are calculated from the data provided by organisations that participated in the 2011 Best Workplaces survey, and the 2011 Human Resources Policies and Practices Survey.
 - The low, med and high levels of employee engagement reflect bottom quartile, middle 50% and top quartile scores on the employee engagement index (average score across the employee engagement questions).



More Productivity with Less Absenteeism.

Organisations in the top quartile of employee engagement experience only two-thirds of the absenteeism reported by organisations in the bottom quartile group.

These absentee days add up quickly. High absenteeism not only has consequences for deliverables, but results in additional pressure on remaining staff, and potentially, additional costs of temporarily replacing the absent employees. Perhaps most significantly, the organisation is paying sick leave for work which is not actually completed.

A 500-strong organisation with a low level of employee engagement (bottom 25%) might experience approximately 2850 days of lost labour, compared to 1700 days for an organisation with a highly engaged workforce (top 25%) of a similar size. There would be 1150 days' difference between the two in labour lost due to unscheduled absenteeism, which is the difference of approximately

3 years' worth of sick leave paid to absent workers, notwithstanding the loss of productivity and cost of rescheduling workers.

More Cost Saving with Lower Employee Turnover.

On average, organisations in the top 25% of employee engagement have a turnover of 3 percentage points lower compared to the bottom 25% group.

The average cost for replacing an employee has been estimated at 30-50% of the annual salary of entry-level employees, 150% of middle-level employees, and up to 400% for specialised, high-level employees. If we estimate the cost of replacement at 80% of an annual salary of \$50,000 (a non-entry level employee), reducing staff turnover by 3 percentage points equates to:

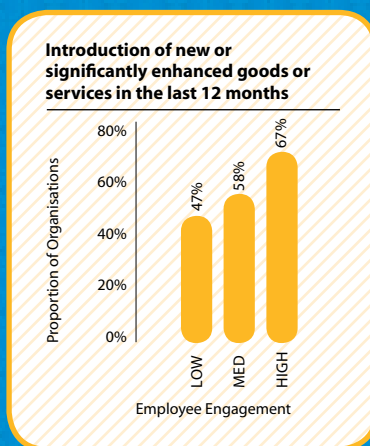
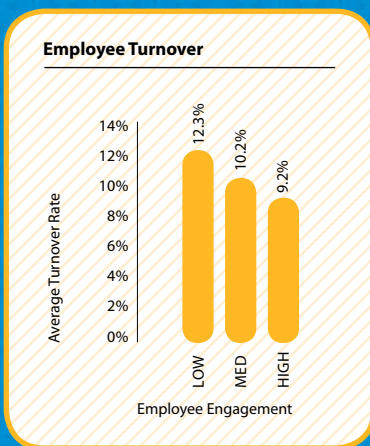
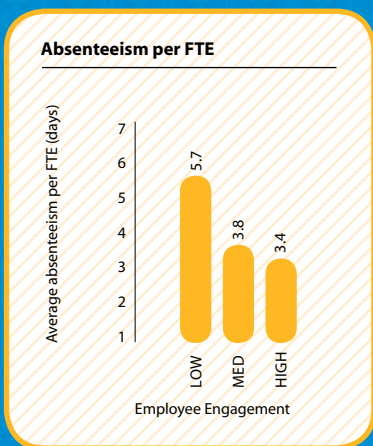
- A cost saving of \$60,000 per year for a small workplace (50 staff) that prevents '1.5' people from leaving
- A cost saving of \$180,000 per year for a medium sized workplace (150 staff) that prevents '4.5' people from leaving

- A cost saving of \$600,000 per year for a large workplace (500 staff) that prevents '15' people from leaving

Low turnover is a sizeable advantage as it means less time spent finding new employees with all the associated administration, as well as less time spent training and integrating them into the organisation. Furthermore, it means retention of valuable knowledge, speedier overall task completion, fewer mistakes or health and safety risks.

More Innovation with New or Enhanced Products or Services.

Organisations in the top quartile of employee engagement are also more likely to have reported introducing new or significantly enhanced goods or services in the last 12 months.



Organisation Size	Employee Engagement		
	Low	Med	High
Small Org (50 staff)	285	190	170
Medium Org (150 staff)	855	570	510
Large Org (500 staff)	2850	1900	1700
Average Annual Absenteeism per FTE (days)	5.7	3.8	3.4

Note: Values in the above graph present the proportion of organisations who have introduced new or significantly enhanced goods or services to a moderate or large extent, over the last 12 months.

ENGAGED

- Strong advocates of the organisation – your ‘promoters’.
- Highly passionate and enthusiastic with a strong sense of pride with the organisation.
- Readily volunteer for new projects.
- Always looking for a better way.
- Sense of satisfaction in producing quality work and delivering outstanding customer service.
- Actively seeking to further own personal development.
- Very supportive of colleagues.
- Enjoys the challenge and reward of demanding work.

AMBIVALENT

- “Merely satisfied”... The bulk of your people doing a decent job but not likely to go beyond that.
- Views the organisation as “its okay”.
- Goes with the consensus – not likely to be the source of new ideas or suggestions.
- Supports own team, but less interested in other teams.
- Rarely stretched by assignments and feeling underutilised.

DISENGAGED

- The organisation’s detractors.
- Speak poorly of the organisation and its leaders.
- Going through the motions.
- Spend a lot of time on personal things.
- Always finding the problem, not the solution.
- “Sorry, not my job”.
- Quit yet stay.

ENGAGEMENT PROFILE 2011

Engaged 35%



Ambivalent 54%



Disengaged 11%



Note:

The values present the proportion of individuals who are considered ‘engaged’, ‘ambivalent’ and ‘disengaged’.

EMPLOYEE ENGAGEMENT IN NEW ZEALAND

Many organisations nowadays carry out employee surveys on an annual basis to help managers track and improve on employee engagement levels. In a typical New Zealand organisation, we would expect to see about a third of employees demonstrating what Donna and Bill did in the previous story, in another word being in a highly ‘engaged’ status. It is this group of people who will give their hearts and minds at work, and it is this group of people who will help your organisation to be successful in today’s world of change.

If Bill was feeling ‘detached’ from the organisation, or what we called ‘disengaged’, he most likely would have chosen to go home and encourage Donna to do the same. About 10% of employees in a typical New Zealand organisation fall under

this category, and some of them might come from your high talent pool. Feeling ‘disconnected’ from the organisation, these individuals are at worst your organisation’s detractors and at best have essentially ‘quit’ in their hearts and minds.

Far more prevalent in an organisation however is the presence of employees who are likely to show some level of initiative, but are not sufficiently enthused by their workplace experiences to do so consistently. We sometimes refer to this group as being ‘fence sitters’ as their mixed experiences prevent them from consistently demonstrating the level of enthusiasm and discretionary effort that characterise the most engaged of employees. We would expect to see just over half of the workforce

With the well-established link between employee engagement and key business outcomes, it is entirely logical that employee engagement has become a permanent agenda item for many senior leaders. Kenexa|JRA’s annual research on Human Resources Policies and Practices revealed that in 2011, 83% of senior managers of the organisations who participated in the Best Workplaces Survey considered employee engagement a ‘high’ or ‘very high’ priority, up from 79% in 2010.

in a typical organisation to be in this ‘ambivalent’ category. Daunting as it may seem, an ‘ambivalent’ employee can be swayed in either direction, presenting a tremendous amount of potential for performance improvement.

Given that the ‘ambivalent’ group represents the biggest proportion of an organisation’s workforce, the greatest source of potential organisational improvement comes from shifting ‘ambivalent’ employees into the ‘engaged’ category. The challenge for organisational leaders is to provide the right ‘catalyst’ – that is, to create an ‘engaging’ workplace environment – to enable this.

DRIVING EMPLOYEE ENGAGEMENT: What can leaders do?

When answering the questions related to how satisfied one feels with the organisation, how committed they are, and how likely they are to recommend the organisation to their friends as a great place to work, people draw on their day-to-day experience with the workplace - the organisational practices, as well as the leadership and managerial behaviours they observe and encounter.

Research aimed at unlocking the potential of employee engagement has pointed towards a common lesson – not all organisational practices and leadership behaviours are equally important for employees. Some are far more engaging than others. Measuring employee engagement levels thus becomes a starting point. An effective survey programme should assess a wide range of workplace aspects that enable us to identify what drives employee engagement the most, and help answer the question of “what can leaders do to increase employee engagement?”

Each year we analyse the country's largest normative workplace survey database to answer precisely this question. Results from the 2011 Best Workplaces Survey, containing responses from some 32,000 employees across over 230 organisations revealed that employees are more engaged when there is a **strong sense of alignment** between the individuals and the organisation's **vision and purpose**, when they work in a social environment that promotes a **culture of fun, inclusiveness and celebration**, when they have the opportunities to **learn and grow on the job**, and when they feel **confident in the organisation's leaders**.

Key Drivers of Employee Engagement

	Percent Favourable
Alignment and Purpose	
There is a sense of “common purpose” in this organisation	71%
I believe in what this organisation is trying to accomplish	85%
My job gives me a sense of personal achievement	79%
Inclusiveness and Belonging	
I feel a sense of belonging to this organisation	75%
This organisation is a fun place to work	69%
I feel my contribution is valued in this organisation	69%
Learning and Growth	
The work I do makes full use of my knowledge and skills	70%
I am encouraged to try new ways of doing things	70%
The feedback and coaching I get helps me to improve my performance	67%
Confidence in Leadership	
I have confidence in the leadership of this organisation	73%

Note:

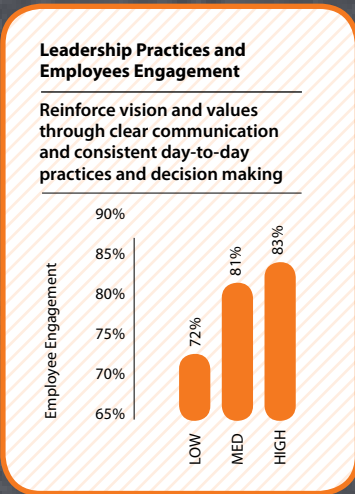
The ‘percent favourable’ value presents the proportion of respondents who provided a favourable rating (either agree or strongly agree) on the respective key driver question.

The key drivers of employee engagement provide organisations with direction in terms of where to focus their efforts and resources on the ‘catalysts’ that yield improvements. The effort to create an engaging workplace needs to start from the top. And sure enough, our research, linking reported organisational practices and employee survey data, shows quite clearly how organisational leaders can influence people’s perceptions on the key drivers through their choices in organisational policies and practices, along with their everyday behaviours.

Alignment and Purpose

Key Drivers of Employee Engagement	Leadership Practices	Strength of Relationship
I believe in what this organisation is trying to accomplish	Communicate and reinforce with employees the organisation’s vision and values	.49
There is a sense of “common purpose” in this organisation	Ensure that day-to-day managerial behaviours, actions and decisions are consistent with the core organisational values	.41

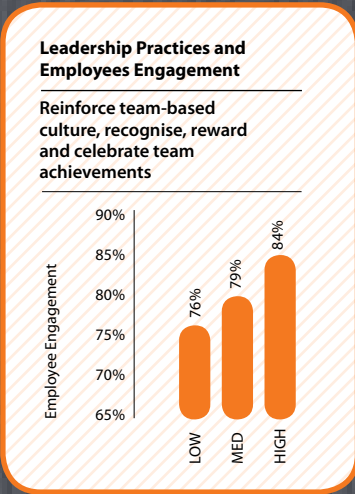
Note:
The strength of relationship between a leadership practice and a key driver of employee engagement is indicated using correlation coefficients. Correlation coefficients range from 0 to 1, with 0 depicting a lack of relationship and 1 depicting a perfect relationship. In organisational research, a correlation coefficient of .3 is considered a moderate relationship and .5 is considered a strong relationship



Note:
- The employee engagement values present percent favourable scores, that is the proportion of respondents who provided a favourable rating (either agree or strongly agree) across the employee engagement questions.
- Low, medium and high level of leadership practice reflects bottom quartile, middle 50% and top quartile scores on the respective practice.

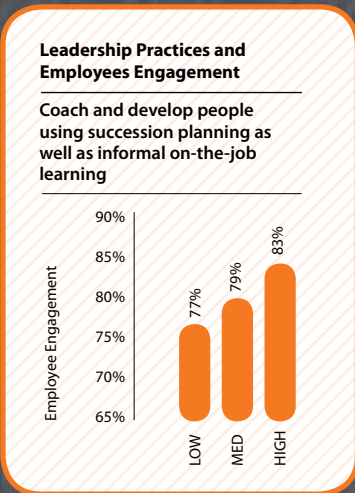
Inclusiveness and Belonging

Key Drivers of Employee Engagement	Leadership Practices	Strength of Relationship
This organisation is a fun place to work	Implement practices that reinforce a team-based culture	.37
I feel my contribution is valued in this organisation	Reward, recognise and celebrate team achievements	.33



Learning and Growth

Key Drivers of Employee Engagement	Leadership Practices	Strength of Relationship
I am encouraged to try new ways of doing things	Promote and encourage informal learning on-the-job to increase knowledge and skills	.31
The feedback and coaching I get helps me to improve my performance	Coach and develop talent as part of succession planning	.35



“THE ONLY SAFE SHIP IN A STORM IS LEADERSHIP”

— Faye Wattleton (1943 – Present)

The Rising Importance of Leadership

Over the past decade, Kenexa|JRA has been measuring and analysing the drivers of employee engagement, helping many organisations understand the ‘key points of leverage’ for engaging their people. With the changing social and economic context, what remains important for people to feel satisfied, proud, motivated and committed?

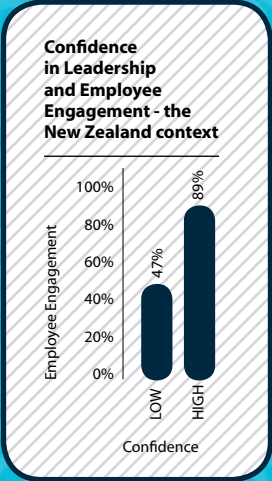
Our annual research looking into the Key Drivers of employees using our nation-wide Best Workplaces survey database reveals that employees’ confidence in the organisation’s leaders consistently appears as a key driving factor of their engagement levels. In fact, when we take a closer look at how much impact a key driver has, ‘confidence in leadership’

has climbed progressively up the rank over the past decade in terms of its importance in driving employee engagement (climbed from being the 10th most important key driver in 2000, to being the 4th most important in 2011). That’s perhaps not surprising given the significance leaders have in steering their organisations through very turbulent

times and providing reassurance to employees that they can in fact do so.

Our most recent analysis conducted on the 2011 Best Workplaces Survey data showed that employees reporting a high level of confidence in their leaders are far more engaged than those who expressed a low level of confidence in their leaders.

	2000	2005	2009	2011
				Confidence in leadership
			Confidence in leadership	
		Confidence in leadership		
Confidence in leadership				



Note: The employee engagement values present percent favourable scores, that is the proportion of respondents who provided a favourable rating (either agree or strongly agree) across the employee engagement questions. Employees who expressed ‘high confidence’ in leadership rated the question favourably (either agree or strongly agree) and those who expressed ‘low confidence’ in leadership rated the question neutrally or unfavourably.

CHARACTERISTICS OF AN EFFECTIVE LEADER

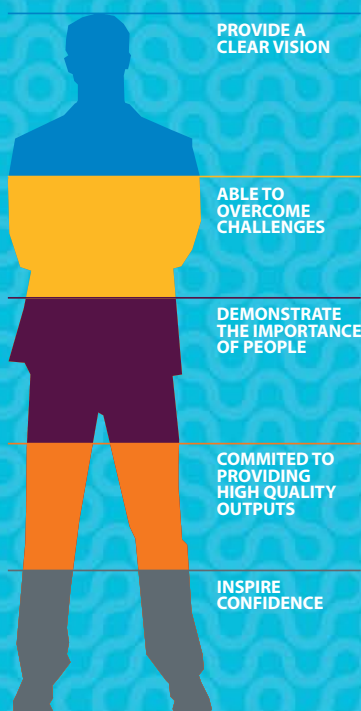
VISION: Provides employees with a clear picture of the direction the organisation is headed

ABILITY: Has the ability to deal with the challenges the organisation faces

PEOPLE: Demonstrates that employees are important to the success of the organisation

QUALITY: Is committed to providing high quality products and services to external customers

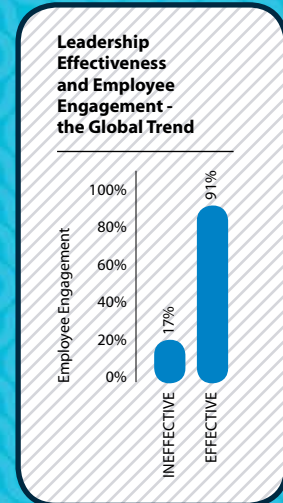
CONFIDENCE: Inspires confidence among followers



Thinking back on the economic down turn and the many challenges New Zealand businesses faced in the past two to three years, the results are not at all surprising. Employees look up to their leaders to create order in chaos, to harness hope when 'all hopes appear lost', to instill a vision, plot the course and steady the ship when rising out of the storm. With a financial crisis globally, the role of an effective leadership is universal. Research conducted by the Kenexa High Performance Institute, as part of the 2010 WorkTrends study, across some 29,000 employees over 21 countries told a universal tale of leadership and employee engagement. Globally, employee engagement is about five folds when employees report they follow effective leaders, compared to those who rate their leaders as neutral or ineffective.

With the strong relationship between effective leadership and engagement, the question remains as to what constitutes an effective leader. Based on research done by the Kenexa High Performance Institute, operational skills and sound technical abilities to weather through the storm can be considered one piece of the puzzle that completes the picture. An effective leader provides a clear organisational vision and direction, emphasises on high quality products and services, recognises and shows that employees are critical to the organisational success, and ultimately inspires confidence among followers.

When we look to the future, in today's world of uncertainty and instability, effective leadership is about harnessing the winds of change, being future-oriented, and running a tight ship, to motivate and inspire their followers as they adjust their course to manoeuvre through the storm.



Note:

The employee engagement values present percent favourable scores, that is the proportion of respondents who provided a favourable rating (either agree or strongly agree) across the employee engagement questions. Employees with effective leaders answer all of the Leadership Effectiveness questions favourably, while those reporting ineffective leadership answer these questions neutrally or unfavourably.

LEADING THROUGH CHANGE AND CHALLENGES

VISION:

ALIGNING THE ORGANISATION'S VISION AND VALUES, AND PROVIDING A CLEAR SENSE OF DIRECTION

ABILITY:

EFFECTIVELY DEALS WITH THE CHALLENGES THE ORGANISATION IS FACING WITH A BALANCE OF OPERATIONAL MANAGEMENT AND STRATEGIC LEADERSHIP

PEOPLE:

A PEOPLE CENTRIC APPROACH DEMONSTRATED THROUGH CARE, SUPPORT AND APPRECIATION

QUALITY:

FOCUSED ON QUALITY PRODUCTS/SERVICES, PERFORMANCE EXCELLENCE AND CONTINUED IMPROVEMENT

Case Study:

Leadership at New World Te Rapa

A business is only ever as good as its staff and managers



What do you do to keep customers when a newer, shinier version of your supermarket opens just 500m away? How do you keep staff morale high when reduced hours are needed, and uncertainty is in the air?

New World Te Rapa is something of a pioneer among supermarkets. Led by a management team of 18, its approximately 200 full- and part-time employees have participated in the Best Workplaces Survey regularly since opening in 2005. NW Te Rapa achieved Finalist status every year they participated, making them a superb example of sustained effort in the promotion of employee engagement.

Back in 2008, NW Te Rapa featured in the Kenexa|JRA publication for their dramatic reduction in absenteeism, and year-on-year rises in engagement levels. Since they were last featured, competition has increased dramatically in their operating area. Five smaller, similar businesses opened relatively nearby over a two year period. Then in 2011, with just seven months'

warning, a major competitor opened a brand-new supermarket 500m from NW Te Rapa's door. While NW Te Rapa maintained a strong customer base, there was considerable loss of market share, necessitating a marked decrease in variable costs. The supermarket's new challenge was to work with fewer staff to regain market share, while competing against a brand-new supermarket located very nearby.

Owner/Operator Chris Grace has made employees a priority since the supermarket first opened, with the vision that "this should be a place where I love to work... where everyone would love to work." The supermarket entered their newest challenge with many things working for them – not least of which was an engaged workforce. NW Te Rapa had invested in their people and their personal leadership during the 'good times', and this proved a tremendous help when things became difficult. One such initiative was Relationship Awareness Training, a course designed to improve employees' communication and understanding with their customers and colleagues. Unusually for

a supermarket, this training was made available to floor employees as well as supervisors and managers. Bob Laws, Training Manager, summed his perspective with, "You can't leave your staff to stagnate in good times and expect them to be behind you in bad times."

Communication was critical to meeting the challenge of increased competition, so that all staff understood the situation, why changes were needed, and what was expected of them. One of the first responses was to seek voluntary cutbacks in hours. However, the same amount of work still needed to be performed, so to help compensate, NW Te Rapa needed to become more flexible. In the past, employees would only work within a single department. Now, NW Te Rapa's checkout operators might work in the Deli, Bakery or Stores during quiet times. This represented a radical shift from the traditional method of operating and gave much-needed relief during busy periods, while working within the tighter budget. This new model required new expectations and behaviour from staff. Chris was careful to emphasise that this

permanent change in operating would require a permanent change in mindset. This perspective formed a key part of communication to staff.

Managers and supervisors were given key messages to convey to their staff. By picking 2-3 things that would help them move forward, managers avoided overwhelming employees with information, and increased the likelihood that these few key points would receive the desired attention. Bob Laws, Training Manager, also recognised that he could not simply assume that information was passed on correctly and completely from SMT to supervisor to staff. A simple solution was to walk among the frontline staff, and ask them what they had been told. If staff were unable to repeat the essence of the message their manager had conveyed, he would go back to the manager and ask them to adjust the way they communicate.

The senior managers within NW Te Rapa knew they needed to inspire confidence that senior management knew what was going on, and had the ability to deal with the challenge. Keeping employees up to date with news of their competitors helped. Assistant Training Manager Louise Cocks found that even small details, such as how competitors had effectively displayed products, were of interest to staff. Receiving word of their competitors helped employees feel confident that their managers knew what was going on and were equal to the task of reacting appropriately. It also subtly conveyed that managers felt employees were important enough to share this information with. Finally, by sharing small items of news, NW Te Rapa opened the conversation with staff on how to outdo their competitor's efforts.

While managers helped create opportunities for the sharing of ideas in this way, they also directly

asked staff to step up and help grow the business by pitching ideas and owning them. NW Te Rapa's open-door policy encouraged employees to talk directly with senior managers about any concerns or ideas on how to improve the supermarket.

Employees and managers were working harder and trying different ideas, so feedback and recognition became even more important. The formal performance management process was overhauled, and managers were empowered to take a more proactive stance on setting and achieving their own goals. Informal feedback and celebration of achievements were also emphasised. The Produce department, for example, maintained high standards despite operating with far fewer staff than normal. NW Te Rapa celebrated Produce as an example of what could be done, and other departments took heart from this.

The time and effort that managers invested in keeping their employees engaged during this challenging period proved worthwhile. Although NW Te Rapa's employee engagement levels dipped slightly compared to 2010, their strong results once again placed them among the very best of their size category in the annual Best Workplaces competition.

NW Te Rapa has been through challenging times in 2011, yet its leadership team has responded positively, working to keep its employees engaged while adjusting the supermarket's operating strategy. Chris summarises his perspective on leading through adversity as: "In good times and bad times, a business like ours is only ever as good as its staff and its managers... and when things are tough, you can only expect them to be behind you if you have put effort into building them up."



PROFILE:

Organisation name: New World Te Rapa
Industry Sector: Retail Trade
Staff number: 201
Geographic Spread: Hamilton
Typical Role(s): Checkout operators, shelf-stockers and merchandisers
Website: www.newworld.co.nz

Key Learning Points:

- People - Demonstrate that employees are important to the success of the company
- Determination - Decide to actively maintain employee engagement
- Vision - Communicate to staff a clear picture of where the company is headed, and what is expected of them
- Ability - Inspire confidence in employees that senior management know what's going on, and have the ability to deal with challenges faced
- Recognition - Find opportunities to reward employees

Response Rate:

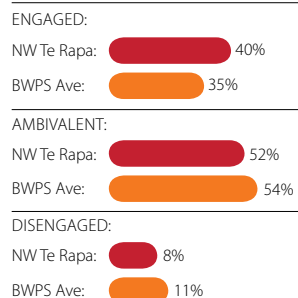


ORGANISATION METRICS:

Performance Index:



Engagement Profile 2011:



External competition brings a sense of 'Common Purpose':

Question
There is a sense of "common purpose" in this organisation

NW Te Rapa 2011	82%
BWPS Ave 2011	72%
Difference	+10%

Question
I feel I am working for a successful organisation

NW Te Rapa 2011	92%
BWPS Ave 2011	82%
Difference	+10%

Question
I have confidence in the leadership of this organisation

NW Te Rapa 2011	82%
BWPS Ave 2011	73%
Difference	+9%

Case Study:

Arrow International *Building a bright future in Christchurch*

When a crisis strikes, the impact on organisations can vary greatly. Effectively managing a crisis sometimes requires tactfully turning it into an unexpected opportunity. Having an engaged workforce with a strong leadership culture can help organisations take advantage of these opportunities. This has certainly been the case for construction firm Arrow International in the wake of Christchurch's earthquakes.

The 12 months prior to Arrow's participation in the 2011 Best Workplaces Survey were certainly tumultuous, with several major earthquakes in Christchurch, the loss of their Christchurch office in the February quake, and significant growth due to involvement in the rebuild effort. Despite this, Arrow International was a finalist in both the Best and Most Improved Medium-Large workplace categories for 2011.

CEO Hugh Morrison credits this success to the unique culture that exists at Arrow, embodied in three simple words: Passion, Integrity and Challenge. These words form the core of what guides behaviour and drives performance in the organisation. Individuals are encouraged to display passion, always act to the highest ethical standards, and challenge themselves and others to think innovatively and take initiative wherever possible.

When the first major earthquake struck Christchurch in September 2010, staff reacted in a very calm and collected manner. Within a week, Arrow's existing relationship with AMI had led to a formal partnership agreement to assist rebuild projects for AMI clients. This required structural change for the business: both the existing Christchurch business and the new AMI partnership team became direct reports to Hugh. A new 'pod' structure was also introduced, with smaller 'pods' of employees reporting to team leaders rather than a larger group reporting to an operations manager.

During this time, Arrow's team in Christchurch grew by over 130 in a short space of time and as a result, a selection of new team and divisional leader roles became available. Being prepared to adjust the organisation's structure quickly, and putting the right people in the right positions were critical actions at this early stage. Arrow's culture of Passion, Integrity and Challenge encouraged leadership development at all levels of the organisation. Central to this is a common language around building 'leaderful teams'. Through developing a visible leader pipeline and culture that supports taking initiative and having passion, Arrow could turn this crisis into a career opportunity for their staff.

Before I don't think we really went out and said 'Hey you're a leader and this is what we expect of you'. Instead we said 'hey here's a great opportunity,

give it a go" says Hugh. "Our people responded outstandingly. Given our culture, when [team leaders] step up to leadership roles, they know they have to carry on as role models who exemplify our organisational values. I think that's the most powerful directional thing we have for our leaders."

"Christchurch really exemplifies a leaderful team. We were impressed by the depth of our people there and also pleasantly surprised when individuals we might not have expected to step up did, and really took their opportunity. It's given us a new appreciation of the potential of our people right across the company."

While the culture at Arrow was effective in building and guiding new leaders, solid structures also helped these new leaders integrate their teams into this culture quickly. In the first instance, a comprehensive and consistent induction process set clear expectations of new staff, after which all staff fell into a regular two-monthly personal development feedback cycle. "Many of our new people told us they'd never experienced these sorts of structures before, and that they appreciated it, so we knew our people were 'getting it' and enjoying the company" says Hugh. This structure also created a forum for leaders to give and receive feedback with their employees, making it easier to initiate important conversations.

When the deadly February 2011 quake struck, things became much more personal, not only for individuals but for all Christchurch teams when Arrow's own building was destroyed. Hugh recalls, "The response to the February quake was good, but it was definitely harder the second time around." Although temporary accommodation was found quickly and business could resume soon after, the impact on individuals varied greatly. It was Arrow's culture of Passion and Integrity that again played a key role. Teams and individuals effectively counselled each other through the trauma, while operational leaders took initiative to do what was required to lead their teams, and to do so with kindness, compassion and trust.

Despite the challenges, Arrow International is now thriving in Christchurch. As CEO, a significant part of Hugh's forward focus is on leading people leadership within the business. Reflecting on these turbulent times, he firmly believes that the business was set up to deal with change and take opportunities by its very genuine, deep culture, which is properly embedded right across the organisation. "When guys went under pressure, you didn't have the time to dress things up – people reacted how they reacted, and actually reacted consistently with the culture. I think that was a real positive for us, to see just how deep our culture actually is."





PROFILE:

Organisation name: Arrow International
Industry Sector: Construction
Staff number: 263
Geographic Spread: Nationwide – Auckland to Invercargill
Typical Role(s): Project Manager
Website: www.arrowinternational.co.nz

Key Learning Points:

- Define the culture of your organisation explicitly
- Regularly use this definition to check that leadership decisions and behaviours fit with your culture
- Look to actively fit individuals to leadership opportunities, and be prepared to do so quickly
- Ensure systems and processes fit and promote your culture, especially recruitment, induction and performance management
- Trust your leaders, while ensuring support is there if they need it

Response Rate:

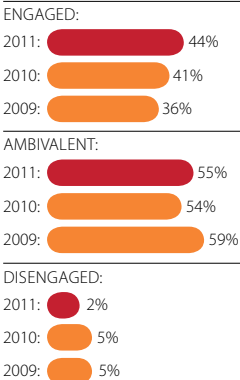


ORGANISATION METRICS:

Performance Index:



Engagement Profile:



Bringing People Together Through a Strong Organisational Culture

Question Communication in this organisation is open and honest	
Arrow International 2011	78%
BWPS Ave 2011	65%
Difference	+13%
Question There is a sense of "common purpose" in this organisation	
Arrow International 2011	81%
BWPS Ave 2011	72%
Difference	+9%
Question I have confidence in the leadership of this organisation	
Arrow International 2011	83%
BWPS Ave 2011	73%
Difference	+10%

Case Study:

Safer communities together *The challenges of NZ Police leaders*

Hear the word 'policing' and often you'll think of terms like 'law enforcement', 'crime fighting' and 'maintaining public safety'. One could say that 2011 has been a particularly challenging time for a workforce like New Zealand Police – Canterbury Earthquakes, Pike River Disaster and the 2011 Rugby World Cup. But according to Commissioner Peter Marshall, 'business as usual' is anything but usual for an organisation like NZ Police, in which professionalism, operational skills and dedication are demanded at all times to respond to a wide range of events. In turbulent times, policing is about swift and effective operations, and in normal times, it's far beyond catching criminals. It should be more sustainable, and it's about working

alongside the community, getting to the root cause of the problem, and preventing crime from happening in the first place. Such philosophy forms the core of the Prevention First strategy, introduced at the end of 2011.

With a vision of 'Safer Communities Together', and the new strategic focus of Prevention First, the meaning of policing is shifting, with a growing need for partnership – to work with the community (beyond just 'enforcing laws') to prevent crime (as opposed to 'fight crime'), and to enhance (as opposed to 'maintain' or 'keep') public safety. From this comes the need to build a workforce that is both engaged and enabled to do what's best for New Zealanders.

With a new direction and a changing style of policing, leaders at all levels within NZ Police are charged and challenged with a common mission: 'mission engagement'. Being an effective leader within NZ Police thus involves striking the right balance between command, manage and lead, according to Alan Cassidy, Human Resources Manager (Organisational and Employee Development). "Operational knowledge and skills are important, as our leaders need to be able to deal with ambiguity and make decisions. But we also seek the right values and people skills such as emotional and social intelligence. We look for and grow leaders who demonstrate the values of integrity and courage, the ability to engage others





PROFILE:

Organisation name: New Zealand Police
Industry Sector: Government Administration & Defence
Staff number: 11,984 (FTE 30 June 2011)
Geographic Spread: National
Typical Role(s): Police Officers; Support Staff
Website: www.police.govt.nz

Key Learning Points:

- Effective leadership entails a balance between commanding, managing and leading
- Building engagement is to create alignment, allow empowerment and support people in their actions
- Leadership is not about someone else
- Give people the right skills, identify the challenge and give them the freedom to take charge
- Celebrating success in public is the key to reinforcing desired behaviours
- Building trust and rapport is the first step towards open and honest communication
- To build trust, start with listening and delivering on promises
- Growing leaders is about identifying and supplying the experience they will need to be effective in the future

Response Rate:



“We look for and grow leaders who demonstrate the values of integrity and courage, the ability to engage others and the skills to build a culture aligned to the strategic direction”

and the skills to build a culture aligned to the strategic direction”, says Alan. Challenging, but not a ‘mission impossible’, and those who have made headway share a common approach: **to build a culture where staff feel aligned to the vision, empowered to act and are supported in their actions.**

The challenge of alignment is about helping staff to find the answer of ‘who we are and what we are trying to achieve’, according to Dave Cliff, the then District Commander of Canterbury (currently Assistant Commissioner - South). For Dave, this means a crucial slot in Business Plan presentations to bring everyone on board with the future vision, and reinforce that each member of the team has a role to play in achieving the big picture. To facilitate a sense of connection with the community, the Canterbury Police District introduced a Visibility Strategy where staff are encouraged to spend 15 minutes each day on the beat talking to the public to help them understand how they can do things differently to better meet the needs of the community.

At the team level, the alignment between individual, team and organisational goals are solidified through the setting of clear Key Performance Indicators (KPIs). Rebecca Pepere, a Section Supervisor in Gisborne, shared her approach of re-iterating with staff “why we are at work”. Under Rebecca’s lead, the team keeps a tally of day-to-day policing records. Every month, targets are set for the whole team, which are linked back to what the team as a whole is trying to accomplish for the community. Throughout the month, the tally sheet is openly shared and staff can easily track whether the targets have been met. This increases the visibility of what we do,

and encourages the team to work together”, says Rebecca.

Creating this line of sight between the daily policing work and the organisation’s vision is the first step towards having a sense of ownership and empowerment. For NZ Police, the strategy of crime prevention means giving the decision-making power back to the staff by encouraging them to make appropriate judgements and do what they believe is ethically right. To enable this, leaders are faced with the challenge of encouraging ‘self empowerment’ within the organisation. “Leadership is not about someone else. All members of police are leaders, and everyone needs to stand up and understand the importance of taking a leadership role every day and every time they interact with the community”, says Dave Cliff.

The key ingredients are trust and positivity. Dave describes his leadership style as ‘giving people the right skills, identifying challenges at a high level, and allowing people the freedom to get on with the work’. An approach like this pays dividends in a crisis like the Canterbury Earthquake, during which staff all over the city took the lead in on-the-ground rescue operations, ensuring that badly affected people were being fed and kept safe in the Eastern suburbs, and setting up a Disaster Victim Identification process.

Trust gives people a sense of security to act, but negativity is another hurdle that prevents people from feeling empowered to make a difference. For Dave, confronting negativity is about giving people a sense of control. To shift people’s mindsets and attitudes requires changing the way people talk. It’s not “them”, but “we” - “No one does that to us, it’s about us being the masters of our own destiny.

ORGANISATION METRICS:

Canterbury District

Engagement Index:



Areas of Biggest Improvement 2010-2011:

Question NZ Police cares about the well-being of its staff	+16%
Question NZ Police is interested in the views and opinions of its staff	+11%
Question NZ Police has a clear vision of where it's going and how it's going to get there	+10%
Question Communication in my District/Service Centre is open and honest	+10%

Improvement in Leadership Effectiveness 2010-2011:

Question My supervisor communicates the goals and objectives of our work group effectively	+4%
Question My supervisor encourages, and is willing to act on suggestions and ideas from my work group	+4%
Question My supervisor behaves in a way that is consistent with the values of NZ Police	+4%
Question My supervisor treats staff with respect	+3%
Question My supervisor supports and encourages me in my job	+4%
Question I have confidence in my supervisor	+4%

West Coast Area

Engagement Index:



Areas of Biggest Improvement 2010-2011:

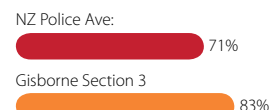
Question NZ Police cares about the well-being of its staff	+22%
Question NZ Police is interested in the views and opinions of its staff	+22%
Question I have the tools and resources I need to do my job	+20%
Question We celebrate success in NZ Police	+18%

Improvement in Leadership Effectiveness 2010-2011:

Question My supervisor communicates the goals and objectives of our work group effectively	+9%
Question My supervisor encourages, and is willing to act on suggestions and ideas from my work group	+7%
Question My supervisor behaves in a way that is consistent with the values of NZ Police	+12%
Question My supervisor treats staff with respect	+9%
Question My supervisor supports and encourages me in my job	+8%
Question I have confidence in my supervisor	+8%

Gisborne Section 3

Engagement Index:



Areas of Strength:

Question I have the tools and resources I need to do my job	+27%
Question I get recognition when I do a good job	+25%
Question People are held accountable for their performance in my work group	+24%
Question Communication in my District/Service Centre is open and honest	+23%

Leadership Effectiveness:

Question My supervisor communicates the goals and objectives of our work group effectively	+22%
Question My supervisor encourages, and is willing to act on suggestions and ideas from my work group	+19%
Question My supervisor behaves in a way that is consistent with the values of NZ Police	+14%
Question My supervisor treats staff with respect	+13%
Question My supervisor supports and encourages me in my job	+15%
Question I have confidence in my supervisor	+16%

We are the bosses, we are the department and we set the culture” is the language promoted across the district. John Canning, Area Commander of West Coast also shares his approach to battling negative attitudes. “Negative attitudes can be contagious, but so can positive ones. Negative ideas and thoughts can be challenged and replaced by facts. If they say they can’t do it, you help them realise that they can, using facts”, says John.

If alignment gives people a sign-post and empowerment acts as an engine, then support is the fuel that keeps people going on the journey. Although helping the community is itself satisfying, support and acknowledgement, especially from the top, make people feel valued. Commissioner Peter Marshall’s regular blogs on the NZ Police website (sharing and celebrating the success stories) help to model behaviour for leaders at all levels within the organisation. According to District Commander Dave Cliff, appreciation is the key to staff morale and everyone holds this key. Therefore, reinforcing a culture of appreciation is not just the leaders’ job, but everyone’s.

To strike while the iron is hot, Section Supervisor Rebecca Pepere recognises good work on a daily basis during team briefings. For Rebecca,

acknowledging staff amongst their peers is important, as it enables her as the supervisor to reaffirm the positive and desired behaviours of staff, and encourages others to learn. As an area commander, John Canning of West Coast holds annual Pay Parades, where staff are publicly recognised for their innovation, achievements and success in front of their peers in the form of long service medals and District Commander commendations.

Supporting staff goes beyond recognising the good moments. Care and respect demonstrated on a daily basis make people feel that they belong to the organisation. The leaders within NZ Police who have been successful in keeping or improving staff engagement levels share one common piece of advice – open and honest communication, both giving and receiving. Filtering information down the chain is often a challenge for middle managers. For team leader Rebecca Pepere, keeping staff informed and explaining the rationale behind decisions is a way of showing integrity and respect - “being honest is the biggest thing. People will see through you if you are not honest and genuine”.

Area Commander John Canning maintains an open door policy, enabling staff to seek information

directly. In order to actively listen to staff concerns, John established quarterly meetings where he travels to the three main stations in the area and openly invites staff to talk through any issues. “Building trust and rapport is crucial for these sessions to be successful. Initially, it was difficult to make headway. I then learned that it was important to feed back what I did as a result of these discussions so that staff would come to realise that the sessions are for them, to improve their lot”, John explains further. The outcome is an increased sense of care and support. Over time staff feel more comfortable approaching John directly during normal business hours and are less reliant on the scheduled sessions. What’s more, positivity and staff empowerment also grew as a spin-off effect. “It became apparent after a while that attitudes were changing, the type of question asked became more of how they could do something rather than why the department had not done something. It was subtle at first, but as people got more positive towards their work, it just took off”, says John.

The stories may be different for different leaders, and success may look different for leaders at different levels, but everyone is tasked with the same vision of ‘Safer Communities Together’. The

sharing of operational knowledge and people management experience necessary to engage and deliver thus becomes the key strategy for supporting and developing leaders for NZ Police. "We grow our leaders by identifying the knowledge, experience and skills required for their aspired role, and 'engineer' the necessary activities and projects into their profile to help them get there", explains Alan Cassidy, Human Resources Manager (Organisational and Employee Development). Every year, around 30 to 40 high potential individuals are put through a leadership development programme. The programme focuses on 'experiential' learning which includes a combination of secondments, action learning groups, leader shadowing, structured peer mentoring (e.g. partnering up with experienced area commanders) and coaching. This approach ensures long-term and sustainable learning, and allows the future leaders to accumulate experience and build their credibility over time.

For NZ Police, the vision of 'Safer Communities Together' also underpins the need for collaboration

with other public sector agencies, and this drives the need for cross-agency sharing and learning. A cohort of 16 leaders are placed into a Transition Programme run in conjunction with the Inland Revenue Department, Ministry of Social Development, Ministry of Justice, and Department of Corrections. This programme, encompassing action learning, shadowing, and facilitated discussions, provides opportunities for leaders to share issues, explore solutions and build a wider support network.

With all this investment in leaders, what are the returns? "We see performance improvements in the leaders' current roles, including 360° feedback survey scores, their competency profile, and the key dimensions in our Workplace Survey", says Alan. "For the whole organisation, the link is clear: effective leadership builds a strong culture and an engaged workforce, which means success in our strategies and ultimately ties back to our goal of building 'safer communities together'."



CHARACTERISTICS OF AN EFFECTIVE LEADER

VISION - Aligning the organisation's vision and values, and providing a clear sense of direction

The challenge of alignment is about helping staff to find the answer of 'who we are and what we are trying to achieve', according to Dave Cliff, the then District Commander of Canterbury (currently Assistant Commissioner - South). For Dave, this means a crucial slot in Business Plan presentations to bring everyone on board with the future vision, and reinforce that each member of the team has a role to play in achieving the big picture. - *NZ Police*

The new model required new expectations and behaviour from staff. Chris was careful to emphasise that this permanent change in operating would require a permanent change in mindset... Managers and supervisors were given key messages to convey to their staff. By picking 2-3 things that would help them move forward, managers avoided overwhelming employees with information, and increased the likelihood that these few key points would receive the desired attention. - *New World Te Rapa*

"Given our culture, when [team leaders] step up to leadership roles, they know they have to carry on as role models who exemplify our organisational values." - *Hugh Morrison, CEO, Arrow International*

ABILITY - Effectively deals with the challenges the organisation is facing with a balance of operational management and strategic leadership

During this time, Arrow's team in Christchurch grew by over 130 in a short space of time and as a result, a selection of new team and divisional leader roles became available. Being prepared to adjust the organisation's structure quickly, and putting the right people in the right positions were critical actions at this early stage. - *Arrow International*

NW Te Rapa needed to become more flexible. In the past, employees would only work within a single department. Now, NW Te Rapa's checkout operators might work in the Deli, Bakery or Stores during quiet times. This represented a radical shift from the traditional method of operating and gave much-needed relief during busy periods, while working within the tighter budget. - *New World Te Rapa*

In turbulent times, policing is about swift and effective operations, and in normal times, it's far beyond catching criminals. It should be more sustainable, and it's about working alongside the community, getting to the root cause of the problem, and preventing crime from happening in the first place. - *NZ Police*

PEOPLE - A people centric approach demonstrated through care, support and appreciation

"In good times and bad times, a business like ours is only ever as good as its staff and its managers... and when things are tough, you can only expect them to be behind you if you have put effort into building them up." - *Chris Grace, Owner/Operation, New World Te Rapa*

"Christchurch really exemplifies a 'leaderful' team. We were impressed by the depth of our people there and also pleasantly surprised when individuals we might not have expected to step up did, and really took their opportunity. It's given us a new appreciation of the potential of our people right across the company." - *Hugh Morrison, CEO, Arrow International*

Although helping the community is itself satisfying, support and acknowledgement, especially from the top, make people feel valued. Commissioner Peter Marshall's regular blogs on the NZ Police website (sharing and celebrating their success stories) help to model behaviour for leaders at all levels within the organisation. - *NZ Police*

QUALITY - Focused on quality products/services, performance excellence and continued improvement

Individuals are encouraged to display passion, always act to the highest ethical standards, and challenge themselves and others to think innovatively and take initiative wherever possible. - *Arrow International*

Under Rebecca's lead, the team keeps a tally of day-to-day policing records. Every month, targets are set for the whole team, which are linked back to what the team as a whole is trying to accomplish for the community. Throughout the month, the tally sheet is openly shared and staff can easily track whether the targets have been met. - *NZ Police*

The formal performance management process was overhauled, and managers were empowered to take a more proactive stance on setting and achieving their own goals...The Produce department, for example, maintained high standards despite operating with far fewer staff than normal. NW Te Rapa celebrated Produce as an example of what could be done, and other departments took heart from this. - *New World Te Rapa*

BUILDING LEADERS IN THE CHANGING WORLD

ALIGNMENT

ALIGN LEADERSHIP DEVELOPMENT FRAMEWORK AND ACTIVITIES WITH THE ORGANISATION'S MISSION, VALUES AND STRATEGY

RELEVANCE

BUILD LEADERSHIP PROGRAMMES THAT ARE CONSISTENT AND RELEVANT FOR ALL BUSINESS LEVELS

COACHING

FOCUS ON 'EXPERIENTIAL' LEARNING THROUGH SELF AWARENESS, PRACTICE, MENTORING AND TIMELY FEEDBACK

SUSTAINABILITY

DEVELOPING AND GROWING FUTURE LEADERS TO FUTURE-PROOF THE ORGANISATION AND ENSURE IT REMAINS RESPONSIVE TO CHANGE.

Case Study:

From Speed Boat to Ocean-Liner *Leadership's maiden voyage*

A local NZ success story, Masterpet Corporation has evolved from a small family-owned business to a much larger, trans-Tasman business through local expansion and acquisition in Australia. The team at Masterpet use the nautical analogy of a speed boat and ocean liner to make sense of the changes in the business over the past decade.

The historically family-operated business is likened to a "speed boat" - easily manoeuvrable and quick in shallow waters with a captain in charge, but it does not possess the scale and robustness to travel far. The new corporate, CEO-led business is like an "ocean liner"; it can navigate the deep and sometimes rough seas with more crew on deck, however it can be cumbersome to turn and adjust.

Like many organisations that have experienced similar growth, Masterpet faces the all too common 'balancing act'. Beyond business strategies and processes, there is a people-management

balancing act that carries as much weight, if not more on the organisations' future success. How does an organisation maintain the speed-boat agility, rich cultural history and family-driven values that made the business a success in the first place, whilst driving the necessary corporate changes, including people practices, to deliver efficiently and maximise business expansion opportunities?

Sean Duggan, Sydney-based CEO, sees this balancing act as a leadership challenge and priority. He notes, "Though employees may still have an expectation of me to be the one leading figure in the business, I cannot lead the business alone." As the organisation transitioned, it became clear that managing the change process was and still very much remains a leadership issue and needs to be managed at all levels of the organisation.

At Masterpet the focus was not only on delegating the responsibility and accountability for managing

the change, but equipping managers, who are often promoted based on technical expertise, with the skills required to become effective **people leaders**. Fiona Couchman, Learning & Development Manager, has been instrumental in utilising the feedback from the Kenexa|JRA surveys of the past five years as input for the development of Masterpet's leadership programme.

"We looked at the areas of concern expressed by our people specifically around leadership and realised it wasn't a one-size fits all approach to developing the leadership programme", says Fiona. Learning modules and outcomes were customised and tiered at three levels (Supervisor/Team Leader, Manager, Executive), using a mixture of in-house expertise and external providers.

Fiona supports the notion that, "Leadership development is also not a one-hit wonder. It needs to be progressive, practiced and sustainable".





Therefore training programmes run over multiple years, with the first group already well into their programmes. At present, everyone in the organisation who is responsible for leading people is on some form of two year leadership programme. Classes are spread out to ensure enough time in between for the information to "sink in" and for the new tools/behaviours to be practised.

The programmes tackle topics relevant to issues that managers currently face in their roles. For the executive team, the programme is more closely focussed on identifying, retaining & engaging the best employees and growing personally as leaders. In terms of change management, the programme is focussed on aspects such as communicating a clear strategy and re-assuring people to have confidence in the organisations' future. For Team Leaders/Supervisors, attending the tailored programme at Weltec, key focus areas include keeping their staff motivated through times of change, while also developing the courage to have those difficult conversations at work, actively listening, communicating clearly and valuing input from others (and earning a recognised qualification to boot!).

Australasian Procurement Manager, Jenni, says the programme is equipping her to be able to lead her geographically dispersed team and yet remain connected and involved as if the distance didn't exist. She talks of learning not to react too quickly to try and solve her team's problems, but rather allowing them to first "have a vent" and then encouraging them to seek their own solutions. Helen, Pick-Pack Team Leader, on the other hand describes how her programme has helped in the transition from being a long-standing team

member to a supervisor and how to manage the new relationships at work. In addition to attaining critical skills, the programme participants also identify the benefit of the programme as providing "a support network of peers with whom you can share your concerns, difficulties and bounce ideas off".

And it hasn't stopped there. Masterpet, having experienced the positive effect of developed leaders, innovatively decided to roll out an optional leadership programme for their key clients like vet practitioners and pet store operators. Over the last 6 years they have trained over 360 of their own customers through a 12 month Masterpet Leadership program, feeling that cascading strengths and developing those within their business network is mutually beneficial and builds business relationships that go beyond supply and demand.

The success of the programmes has been reflected in Masterpet's consistently high 'confidence in leadership' scores in the Kenexa|JRA survey for the past two years. This has also had a positive impact on their engagement scores, with the latest survey showing more than 50% of staff feeling fully engaged.

Fiona recalls the theme of her first company conference six years ago: "Family Values, Corporate Focus". Six years later that theme is actively being delivered on, thanks to the leadership development throughout the organisation. The business has gone from strength to strength. With the depth of leadership development building across their business, they are well set to continue to deliver on expectations – of their new owners, their customers, and their people.

PROFILE:

Organisation name: Masterpet Corporation
Industry Sector: Wholesale Trade
Staff number: 206
Geographic Spread: New Zealand, Australia
Typical Role(s): Warehouse staff, Sales and Customer Service Representatives
Website: www.masterpet.co.nz

Key Learning Points:

- Identify the need for developing leadership as opposed to management
- Tailoring leadership programmes at appropriate business levels
- Importance of giving delegated authority, responsibility and training to perform effectively
- Programme provides a support network and encourages the cross-sharing of ideas
- Cascading leadership strengths to clients is mutually beneficial

Response Rate:

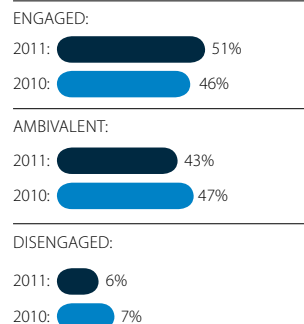


ORGANISATION METRICS:

Performance Index:



Engagement Profile:



Impact of Leadership Programme:

Question	2011	2010	Difference
I have confidence in the leadership of this organisation	78%	73%	+5%
This organisation has a clear vision of where it's going and how it's going to get there	83%	77%	+6%
I believe in what this organisation is trying to accomplish	85%	80%	+5%

Case Study:

Cometh the hour

Shackleton inspires the Laminex Group through 'business winter'



As New Zealand's largest supplier of surface solutions for kitchens and bathrooms, The Laminex Group rode the wave of growth in the building industry through the early to mid-2000s. When new General Manager Robert Gibbes came on board in early 2008 though, a picture was emerging that gave company leadership cause for concern. New housing consents had started to drop, murmurs of global financial instability stemming from the real estate industry were starting to be heard, and international commodity costs were rapidly increasing. Internal to the company, a real worry for Gibbes was the sort of customer feedback they were receiving related to the quality and on-time delivery of their products – in his words, “they were telling us that we'd lost our way.”

From a people perspective, The Laminex Group at this time was an organisation wary of change. With a new Enterprise Resource Planning system introducing some challenges, along with company acquisitions and reductions in staffing levels related to demand, Gibbes was aware, as a new GM, that the significant further changes required to achieve profit would have to be carefully managed. Communicating to staff the market realities that they were facing was an important first step, but it was the decision to focus on two fundamental

aspects of the organisation that Gibbes credits with the turnaround in results that they have seen since 2009: values and leadership.

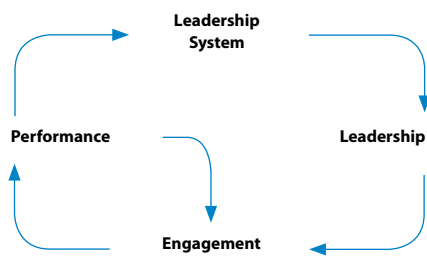
For Gibbes and National HR Manager Andy Telfer, there was little point in embarking on a programme of organisational change without first clarifying what it was that they were all there to do, and the manner in which they agreed to do it in. Gibbes describes their values as the “strong foundation that provide people certainty, and as there wasn't going to be any certainty in our environment, we needed to look inside ourselves for that. If we could have that internal certainty, that would provide us a base that we could build on.”

Secondly, Gibbes and Telfer felt that it was clear that an “education reset” was necessary, to really discuss, clarify and agree on what the role of a leader is. In the first instance, “it's about taking responsibility, knowing where we are, and having the drive to create a better future.” The need for a leadership development programme was clear, but before embarking on this journey they ensured that they had their key diagnostics recorded in order to measure progress. These included DIFOTIS (delivery in full, on time, in specification), manufacturing

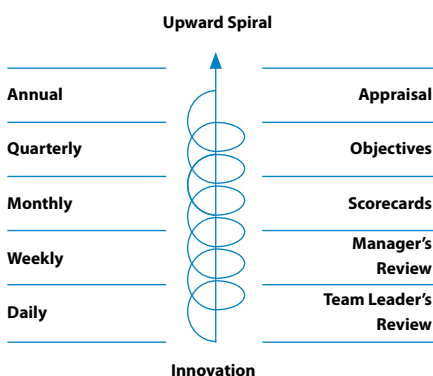
lead time, productivity and employee engagement levels. “In times of a massive market downturn, when your sales are going down regardless of what you do, you need to balance focus on numbers and the things that you have control over internally,” says Gibbes. “When we found through the KenexaJRA engagement survey that we had around 25% of our staff disengaged, it helped us to understand that we had a big challenge people-wise to overcome here too.”

As the architect of The Laminex Group's leadership programme, Andy Telfer described its philosophy and components. “The first thing we sought was a metaphor, and as we were heading into a ‘business winter,’ we needed a leader who could demonstrate effective leadership in adversity. We chose Ernest Shackleton, because in his 1914-1917 Trans-Antarctic Expedition he displayed exactly the kind of purpose-driven but compassionate leadership we felt would be relevant to us.” To bring 72 leaders from across the business on board in the beginning, the movie Shackleton was reduced to a series of clips to facilitate discussion about the sort of leadership that they were seeing. It was an effective introduction to both the metaphor and the values and standards that were being set.

A leadership system was then introduced to keep leadership development and performance on track. "It's relatively well-understood", says Telfer, "that quality leaders are able to motivate and engage their staff, and engaged staff are much more likely to be high performers (and vice-versa). A feedback loop further reinforces leadership behaviours – from a positive perspective, high performing teams tend to encourage higher quality leadership behaviours". What organisations struggle with though, is that often 'what constitutes leadership' is unclear, and also time delays prevent the feedback loops from being positively reinforcing. The inclusion of a leadership system that actively manages the feedback loops, encouraging reflection time and improvement next time, is what Telfer and Gibbes feel is the critical success factor in their leadership development and performance management processes.



Regular performance conversations, reflection time and iterative changes in behaviour are the hallmarks of The Laminex Group's leadership system. On a quarterly basis, all staff have their objectives to achieve, and the conversation with managers at that point is in the nature of a review. Monthly scorecards rank people in similar roles against each other and are shared across those roles. It is critical that strong values underpin the leadership and performance feedback system, says Gibbes, as "it could all go horribly wrong without them. Yes scorecards are used for accountability, but it's also about improvement and our journey. The monthly 'results' data is balanced with the information recorded across the rest of the process and check ins, as we have the most control over the actions we take." Telfer adds, "overall, the process is about coaching and uplifting people – how can we do better?" Therefore weekly and daily reviews with managers and team leaders keep people on track



and are very focused on reviewing the previous day or week to improve results. By the end of the year, the annual appraisal becomes a relatively straight-forward affair. All elements of the process are documented to ensure accountability, focusing on three A's – achievements, actions, and approach.

To support leaders across the business and to develop a common language to discuss performance, a two-day training session was also run. "To call it training is a bit of a disservice though," says Gibbes, "it was more drawing a line in the sand and setting a standard. This is how we lead." The session explored such topics as recognition and discipline, and also time management through Covey's four quadrants (balancing importance of tasks vs urgency). Facilitating planning sessions was also a focus, drawing ideas from people and involving them in the process.

It didn't take long for the leadership system and the focus on performance to start paying dividends. In 2008, the DIFOTIS rate hovered under 65%, which Gibbes knew was having a serious impact on the bottom line. By 2010, 98-99.5% of deliveries were on time and complete to specification, which in turn has had a huge impact on customer relations. To achieve these rates, manufacturing lead time has been brought under control, with the average order now being consistently shipped under 24 hours after being received, down from a variable average of over 4 days.

Among key diagnostics to provide staff with the ability to give regular feedback on the changes happening in their workplace, The Laminex Group committed to 6-monthly employee surveys, including participating in the Best Workplaces Survey. The leadership system and the company's renewed commitment to their values proved to have a dramatic impact across all aspects of the workplace environment, to the extent that The Laminex Group was able to achieve the unprecedented result of being the 'MOST IMPROVED MEDIUM-LARGE organisation' in the Best Workplaces Survey for two years in a row, propelling them from the bottom quartile of participating organisations in 2009 to the top quartile in 2011. From 2009-2010 the proportion of engaged staff doubled to 35%, and the proportion of disengaged staff halved to 12%, and by 2011 engaged staff made up over half of the organisation, with disengagement being almost eliminated.

Robert Gibbes sums up the reason why their leadership programme works succinctly – it was due to an unwavering commitment to setting a new standard of leadership and performance across the whole company; a standard that was strongly tied to a set of guiding principles and values. The metaphor of Shackleton leading through adversity gave people some inspiring examples, but it has been the consistency in processes that has made the real difference in how their people lead and perform.

PROFILE:

Organisation name: The Laminex Group
Industry Sector: Manufacturing
Staff number: 312
Geographic Spread: 15+ Sales offices and factories from Whangarei to Invercargill
Typical Role(s): Factory operators, distribution, customer services and sales
Website: www.thelaminexgroup.co.nz

Key Learning Points:

- Define what leadership is for your leaders
- Use an appropriate metaphor to provide a shared frame of reference
- A leadership system helps to ensure feedback loops between leaders and direct reports occur through regular performance conversations
- Keep performance conversations focused (e.g. Achievements, Actions and Approach)
- Show and celebrate the links between Performance Improvement, Leadership and Employee Engagement

Response Rate:

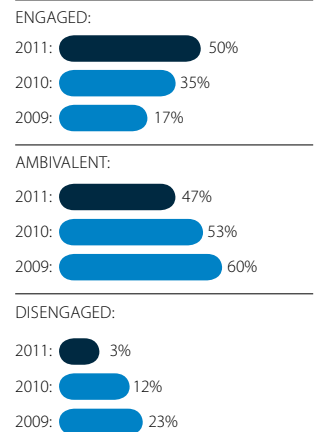


ORGANISATION METRICS:

Performance Index:



Engagement Profile:



Reaping the Long Term Benefits of Strengthening the Leadership System:

Question	2011	2010	2009
This organisation has a clear vision of where it's going and how it's going to get there	82%	78%	65%
I have confidence in the leadership of this organisation	83%	75%	61%

Case Study:

Creating extraordinary leaders from within *Equipping people the Vero way*

As Vero Insurance's Executive General Manager People and Development Alison Shackell aptly puts it, when it comes to leadership, "developing existing talent can mean people go on to achieve extraordinary feats, and become the best kind of leaders."

At Vero, they have built their own leadership development programme, using a mixture of research and best practice. Since it was developed in-house, they were able to tailor its content, so that it is fully aligned with Vero's vision, values and strategy.

Central to their leadership development philosophy and training is the notion of authentic leadership; at Vero this means being guided by the company's mission:

'To be a World Class Kiwi General Insurance company that loves to help and protect the people and businesses of New Zealand'

and the four key values of Integrity, Customer Focus, Excellence and Expertise.

"It is important to have authentic leaders, because when workload levels are high, leaders will be challenged and need to exemplify the Vero way," explains Shackell.

"The Vero Way reflects who we are and what we stand for, and unites Vero in a common sense of purpose – it's all about the way we do the things we do."

Given the pervasiveness of change in today's world, it is not surprising that part of Vero's leadership development programme focuses on effective change management. In line with Vero's commitment to being World Class, when faced with change, Vero's leaders bring people together, and organise both work and people to deliver the best outcomes for both customers and staff.

Leaders at Vero have had to deal with change on a larger scale following the Canterbury earthquakes. In line with the core principle of their leadership development programme, Vero's leaders were expected to display authentic leadership.

"We focus on leaders displaying integrity and customer focus, and we need them to do so in a sustainable way – the earthquake has meant increased intensity for our business and people and so looking after each other is more important than ever."

Leadership development is one of the factors contributing to Vero's success. Shackell firmly believes that the story started with staff feedback received in 2006. Staff comments indicated that there was a need to identify competencies critical to success at Vero and create a developmental framework based on these. A key requirement for the framework was

that it be aligned with Vero's mission and values. Additionally, the People and Development Team was keen to establish a common language that everyone could use in their developmental discussions.

To create this framework, the People and Development team organised focus groups with approximately 400 staff members to ascertain the key behavioural competencies for each of Vero's values. They also worked to establish the technical requirements for each role. The end product was a framework that clearly states the role expectations for each of the four functional areas within Vero, and at each level of the organisation. Alison believes that through staff consultation, they have managed to develop a competency framework that "is very much Vero DNA and resonates with the people in our organisation".

Armed with this new framework, Vero started using it every chance they got – for recruitment, development and rewards – with the aim of increasing internal consistency around development activities. To ensure that staff are equipped with the skills and knowledge required to meet the strategic aims for the year, the framework is reviewed regularly.

A particular strength of this framework is that out of the ten behavioural competencies identified, six are common to all four functional areas within Vero. This has allowed Vero to adopt a bench strength style approach to development, with staff trained on the same core competencies. The advantage of this is increased lateral mobility for staff within Vero, which proved to be invaluable when Vero had to respond quickly to increased workload demands in the wake of the Canterbury earthquakes.

When looking back on the last few years, Alison is convinced that the time spent establishing their framework has been worthwhile. "Although it has taken a long time to build up, this framework has provided clarity and alignment. With the framework in place, we have been able to establish a consistent message around development and leadership practices. As such, our people have a clear understanding of what we are doing, why we're doing it and why it is important."

This view is supported by Vero's scores on questions about development opportunities within the organisation, which are substantially higher than the 2011 Best Workplaces Average.

Linking this to preparedness for change, Alison feels that "with everyone trained on the same core competencies, we are able to remain agile and respond quickly to changes and ensure that our people are equipped to do what they are really passionate about – protecting people, property and dreams."





PROFILE:

Organisation name: Vero
Industry Sector: Finance, Insurance & Related Services
Staff number: 882
Geographic Spread: National
Website: www.vero.co.nz

Key Learning Points:

- When it comes to leadership – keep it authentic
- Identify the core competencies that are critical to achieving success at your organisation
- Align your development framework and activities with the organisation's mission, values and strategy
- Build development programmes around core competencies
- Have a consistent message around development and leadership practices
- Conduct regular reviews of your organisation's developmental framework and programmes

Response Rate:



ORGANISATION METRICS:

Performance Index:



Engagement Profile:

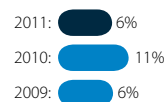
ENGAGED:



AMBIVALENT:



DISENGAGED:



Outcome of a Clear Development Framework

Question

There are learning and development opportunities for me in this organisation

Vero 2011	79%
BWPS Ave 2011	71%
Difference	+8%

Case Study:

Southern Cross Health Society *Building tomorrow's leaders today*



"I've had the privilege of participating in the leadership programme at Southern Cross. We don't just pay lip service to a 'training course' – we engage in true professional development. What we learn, we apply. In fact, the most learning has come from living leadership day to day after the initial classroom learning."

Kirstine Nelson, Member Communications Manager

In today's ever changing business environment, having a leadership pool ready and agile enough to tackle anything that may come along is no longer a nice-to-have, it is a necessity.

Southern Cross Health Society, a Best Workplaces finalist in the large workplace category for the past three years, measures their success by their ability to attract and retain great people and create career opportunities for them. "We regularly receive feedback that Southern Cross is known as an employer that is committed to developing its people," says Faye Sanderson, Organisational Development Manager. In 2008, Southern Cross Health Society recognised the need to focus on consistency in leadership. Survey results suggested that people were hungry to learn, so in response it was decided to actively support their development, create consistency in leadership style, and future proof both the leadership and culture at Southern Cross.

Alongside the Best Workplaces survey, Southern Cross has a 360 degree feedback programme, run through Kenexa|JRA, to help leaders understand in a structured and specific way what they personally need to do to become better leaders.

Run on an annual basis, the 360 degree tool provides a foundation for leaders to understand their development needs. It helps them to better recognise not only how different people in their teams see them, but the dynamics of their teams and what role they can play to help grow their direct reports as well as themselves.

To support the growth of leaders, Southern Cross consolidated their leadership development priorities and produced an internal framework and training programme which catered for people leaders at all levels. This framework formed a roadmap for how individuals could build their skills.

For example, each leader has regular access to the Society Leadership Team for one on one coaching to continue to identify areas for growth.

Another feature of the programme is the visible support of the senior leadership team and CEO. Modelling the expected behaviours, living the organisation's values, and mentoring new and future leaders is critical to the success of the programme. This active role-modelling, which is part of their everyday job, means people leaders – as well as all employees - can look to their own leaders and know what is expected of them.

With the development needs of current leaders sorted, the roadmap has now been extended to upcoming leaders as part of a Future Successors Programme. This programme is seen as a critical part of future-proofing Southern Cross, by ensuring that as positions and project opportunities become available, potential successors have been identified, developed and are ready to step up. The Future Successors programme includes: formal learning, cross-department project groups working on live case studies, attending seminars and business forums and co-presenting at business updates with the CEO.

Another key feature of the leadership and culture at Southern Cross has been the alignment of all

parts of leadership learning, communications and expectations with the organisation's values. The five values were developed by all employees as ways of being and working, and each link to specific business goals. All learning programmes are designed with the values in mind, and all new employees attend a values workshop to understand what they mean and how they play out in daily business operations at Southern Cross.

The leadership team is expected to exhibit the organisation's values, and each employee's performance review also includes an evaluation of how they reflect the values as part of their day-to-day job. Michelle McBride, Head of People and Development explains, "Our values play a crucial part in identifying who we are as an organisation, keep us focused on engaging with the hearts and minds of our people, and ultimately help us provide the best possible service for our members."



PROFILE:

Organisation name: Southern Cross Medical Care Society (trading as Southern Cross Health Society)
Industry Sector: Finance, Insurance & Related Services
Staff number: 529
Geographic Spread: Auckland, Hamilton, Wellington, Christchurch
Typical Role(s): Sales consultants and managers (phone and field based), Contract managers, Membership specialists and managers, Contact Centre consultants, Marketing and Product managers, and Risk analysts
Website: www.southerncross.co.nz

Key Learning Points:

- Aligning leadership development and expectations to organisational values and culture
- Support of Senior Leaders to leadership development is critical to buy in from employees, and ensuring that what they are learning is already being modeled from the top down
- Developing and growing future leaders is just as important as supporting current leaders to future-proof the organisation and ensure it remains responsive to change. Getting 360 degree feedback can help leaders receive structured and specific feedback to help them understand and create a plan for their own development needs

Response Rate:



ORGANISATION METRICS:

Performance Index:



Benefits of Building Tomorrow's Leaders

Question	
This organisation ensures that I am adequately trained for the work I do	
SCHS 2011	83%
BWPS Ave 2011	73%
Difference	+10%
Question	
I have confidence in the leadership of this organisation	
SCHS 2011	82%
BWPS Ave 2011	73%
Difference	+9%
Question	
The person I report to behaves in a way that is consistent with the values of this organisation	
SCHS 2011	85%
BWPS Ave 2011	80%
Difference	+5%

KEYS TO BUILDING LEADERS

Success Factor 1:

ALIGNMENT - Align leadership development framework and activities with the organisation's mission, values and strategy

At Vero, they have built their own leadership development programme, using a mixture of research and best practice. Since it was developed in-house, they were able to tailor its content, so that it is fully aligned with Vero's vision, values and strategy... Alison believes that through staff consultation, they have managed to develop a competency framework that is very much Vero DNA and resonates with the people in the organisation. - *Vero*

Robert Gibbes sums up the reason why their leadership programme works succinctly – it was due to an unswerving commitment to setting a new standard of leadership and performance across the whole company; a standard that was strongly tied to a set of guiding principles and values. - *The Laminex Group*

A key feature of the leadership and culture at Southern Cross has been the alignment of all parts of leadership learning, communications and expectations with the organisation's values. The five values were developed by all employees as ways of being and working, and each link to specific business goals. All learning programmes are designed with the values in mind, and all new employees attend a values workshop to understand what they mean and how they play out in daily business operations at Southern Cross... The leadership team is expected to exhibit the organisation's values, and each employee's performance review also includes an evaluation of how they reflect the values as part of their day-to-day job. - *Southern Cross Health Society*

Masterpet, having experienced the positive effect of developed leaders, innovatively decided to roll out an optional leadership programme for their key clients, like vet practitioners and pet store operators. Over the last 6 years they have trained over 360 of their own customers through a 12 month Masterpet Leadership program, feeling that cascading strengths and developing those within their business network is mutually beneficial and builds business relationships that go beyond supply and demand. - *Masterpet*

Success Factor 2:

RELEVANCE - Build leadership programmes that are consistent and relevant for all business levels

To support the growth of leaders, Southern Cross consolidated their leadership development priorities and produced an internal framework and training programme which catered for people leaders at all levels. This framework formed a roadmap for how individuals could build their skills. - *Southern Cross Health Society*

The end product was a framework that clearly states the role expectations for each of the four functional areas within Vero, and at each level of the organisation. A particular strength of this framework is that out of the ten behavioural competencies identified, six are common to all four functional areas within Vero. This has allowed Vero to adopt a bench strength style approach to development, with staff trained on the same core competencies. - *Vero*

The metaphor of Shackleton leading through adversity gave people some inspiring examples, but it has been the consistency in processes that has made the real difference in how their people lead and perform. - *The Laminex Group*

"We looked at the areas of concern expressed by our people, specifically around leadership, and realised it wasn't a one-size fits all approach to developing the leadership programme", says Fiona. Learning modules and outcomes were customised and tiered at three levels (Supervisor/Team Leader, Manager, Executive), using a mixture of in-house expertise and external providers. - *Masterpet*

Success Factor 3:

COACHING - Focus on 'experiential' learning through self awareness, practice, mentoring and timely feedback

Alongside the Best Workplaces survey, Southern Cross has a 360 degree feedback programme, run through Kenexa|JRA, to help leaders understand in a structured and specific way what they personally need to do to become better leaders. - *Southern Cross Health Society*

Fiona supports the notion that, "Leadership development is also not a one-hit wonder. It needs to be progressive, practiced and sustainable". Classes are spread out to ensure enough time in between for the information to "sink in" and for the new tools/ behaviours to be practised. - *Masterpet*

Another feature of the programme is the visible support of the senior leadership team and CEO. Modelling the expected behaviours, living the organisation's values, and mentoring new and future leaders is critical to the success of the programme. This active role-modelling, which is part of their everyday job, means people leaders – as well as all employees – can look to their own leaders and know what is expected of them. - *Southern Cross Health Society*

The inclusion of a leadership system that actively manages the feedback loops, encouraging reflection time and improvement next time, is what Telfer and Gibbes feel is the critical success factor in their leadership development and performance management processes. - *The Laminex Group*

Every year, around 30 to 40 high potential individuals are put through a leadership development programme. The programme focuses on 'experiential' learning which includes a combination of secondments, action learning groups, leader shadowing, structured peer mentoring (e.g. partnering up with experienced area commanders) and coaching. This approach ensures long-term and sustainable learning, and allows the future leaders to accumulate experience and build their credibility over time. - *NZ Police*

Success Factor 4:

SUSTAINABILITY - Developing and growing future leaders to future-proof the organisation and ensure it remains responsive to change.

"We grow our leaders by identifying the knowledge, experience and skills required for their aspired role, and 'engineer' the necessary activities and projects into their profile to help them get there." - Alan Cassidy, Human Resources Manager (Organisational and Employee Development), NZ Police

Programmes are run over multiple years, with the first group already well into their course. At present, everyone in the organisation who is responsible for leading people is on some form of two-year leadership program. - *Masterpet*

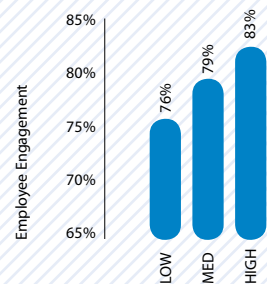
With the development needs of current leaders sorted, the roadmap has now been extended to upcoming leaders as part of a Future Successors Programme. This programme is seen as a critical part of future-proofing Southern Cross, by ensuring that as positions and project opportunities become available, potential successors have been identified, developed and are ready to step up. - *Southern Cross Health Society*

Given the pervasiveness of change in today's world, it is not surprising that part of Vero's leadership development programme focuses on effective change management. In line with Vero's commitment to being World Class, when faced with change, Vero's leaders bring people together, and organise both work and people to deliver the best outcomes for both customers and staff. - *Vero*

Vince Lombardi, legendary American Football coach once said, "Leaders are made, they are not born. They are made by hard effort, which is the price which all of us must pay to achieve any goal that is worthwhile."

The investment in growing and building your future leaders yields a sizeable return. Kenexa|JRA's research shows that organisations who place a high emphasis on growing, coaching and developing their leaders also enjoy higher employee engagement levels. Just like any form of coaching, improving leadership effectiveness starts with an understanding of their current strengths and opportunities for growth. Many organisations who have embarked on the journey of developing future leaders use 360 Degree Feedback tools to facilitate leaders' self awareness, introduce consistency in assessing leadership behaviours and enable meaningful, data driven feedback conversations. The return lies in strengthening your roots and growing a more engaged workforce prepared for many challenges to come.

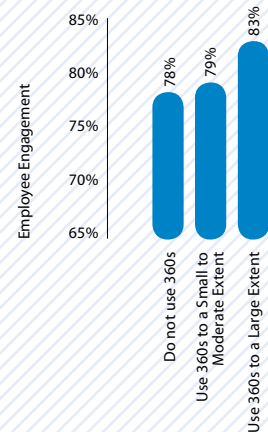
Emphasis on Growing, Coaching and Developing Future Leaders



Note:

- The employee engagement values present percent favourable scores, that is the proportion of respondents who provided a favourable rating (either agree or strongly agree) across the employee engagement questions.
- Low, med and high level of emphasis reflects bottom quartile, middle 50% and top quartile scores on the respective question.

Developing Leaders using 360° Tools



SPECIAL THANKS_{TO}



PICTURES AND STORIES KINDLY PROVIDED BY:

- 1 Arrow International
- 2 The Laminex Group
- 3 New World Te Rapa
- 4 New Zealand Police
- 5 Southern Cross Health Society
- 6 Vero
- 7 Masterpet
- 8 Arrow International
- 9 The Laminex Group
- 10 New World Te Rapa
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- 27 The Laminex Group
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