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ENTERPRISE

ENCOURAGING LEADERSHIP CULTURE

WHY IT'S ESSENTIAL
FOR SUCCESS IN ANY
AUSTRALIAN BUSINESS



EQUIPPING MANAGEMENT TO CREATE A LEADERSHIP CULTURE

Successful Australian organisations have instigated a shift in the business landscape over the last decade, with managers investing heavily in developing their teams, leading with a “talent-first” culture.

Most companies and organisations already recognise they have good talent, and the very best are taking steps to nurture and develop their own people into the new, dynamic roles being created by changing technology.

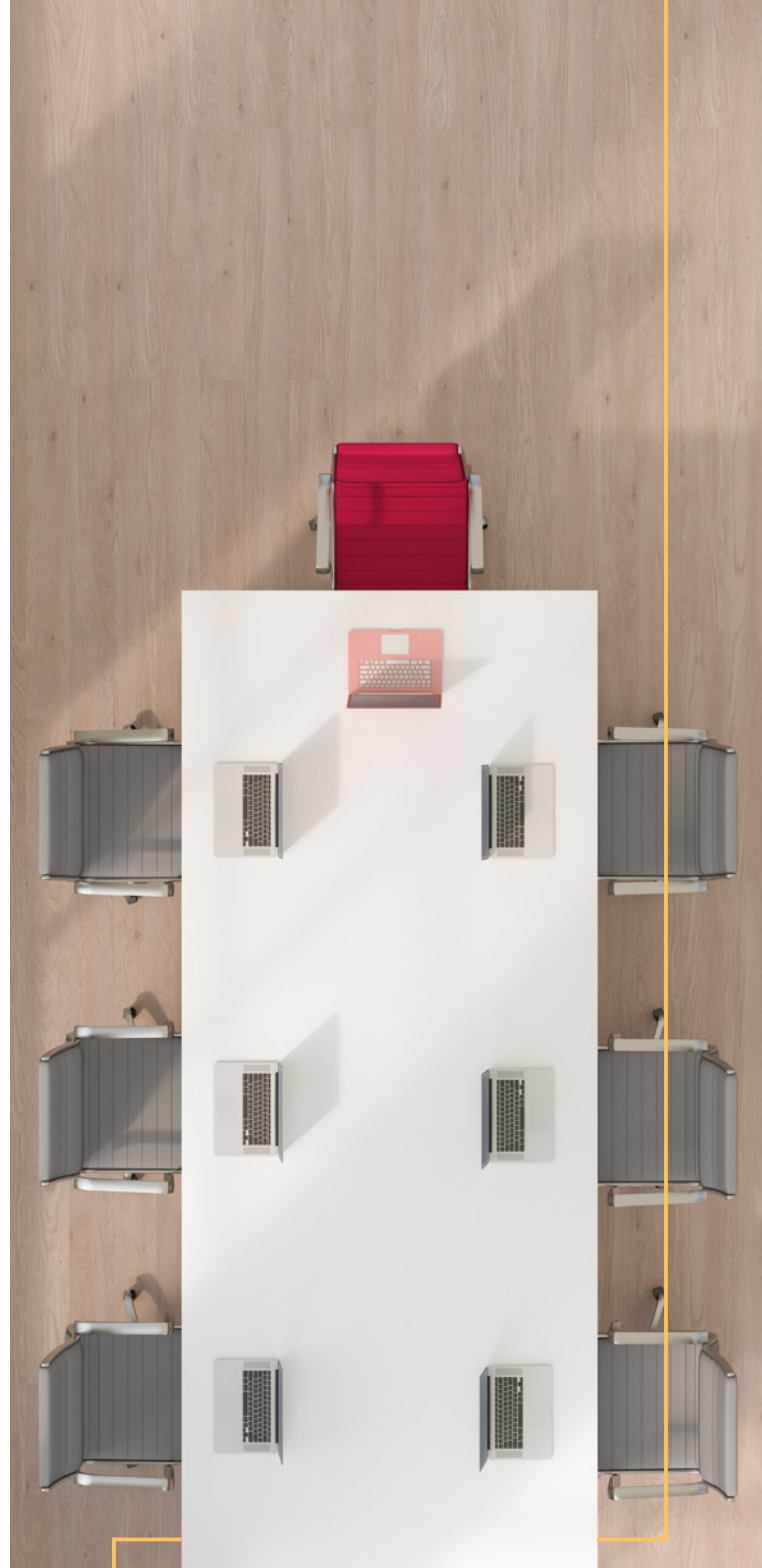
It’s no surprise then, that the success of many Australian businesses has become dependent on two key aspects - the strength of their human capital and how they choose to develop their people.

What’s even more interesting, it’s not the technical or hard skills that are viewed as the most important. It’s the leadership and soft skills that are being recognised by business as the number one driver of future success.

Insights and forecasts show that upskilling and reskilling is the preference over rehiring, with management choosing to develop leadership skills to meet business goals.

An organisation’s biggest potential talent source is usually its own people. **But why do so many organisations find internal talent so hard to access?**

This report will help you understand how developing a leadership culture can assist you, your team and your organisation, so you can join thousands of future-focused Australian businesses in creating leadership qualities that drive success.

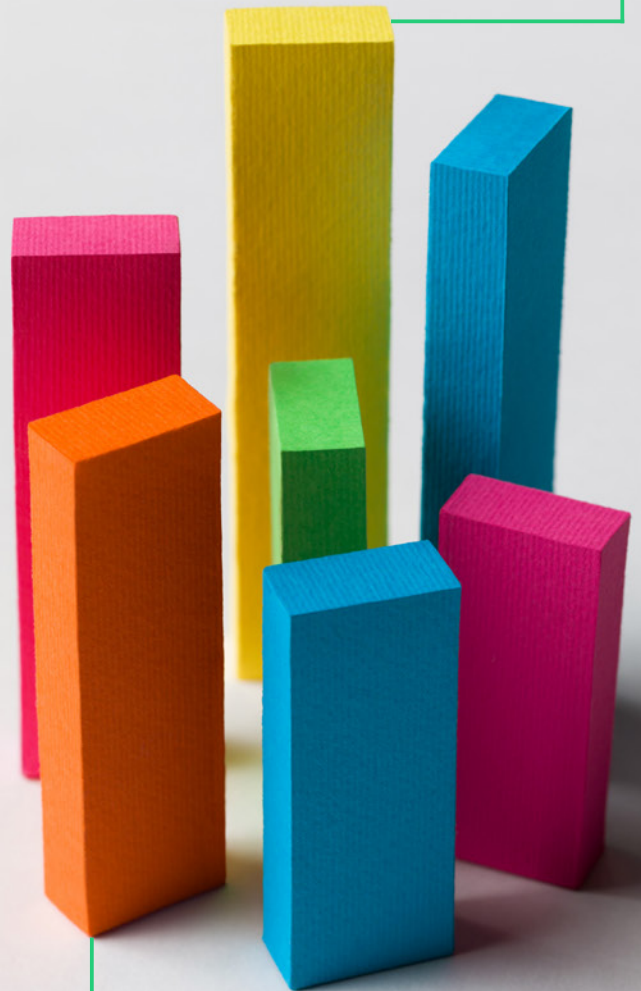


WHAT IS LEADERSHIP CULTURE?

Every organisation has its own culture, formed from a set of shared values, beliefs, goals and behaviours.

When we talk about leadership culture, we are specifically referring to the way the company chooses to manage its people and support operations.

Leadership culture is the shared understanding of rules and behaviours governing how employees interact with each other, and is mostly driven by the conscious and unconscious beliefs of their leaders. These beliefs then turn into action, which in turn form the central ideas of 'leadership culture' within an organisation.



HOW DOES YOUR LEADERSHIP STYLE COMPARE?

There are many ways to lead. Let's take a moment to reflect on your approach to leadership.

- Are you passionately encouraging of your team, to take on leadership opportunities?
- Do you encourage smart risk taking by encouraging people to think outside the box?
- Do you reward brave behaviour, not just results?
- Are you leading by example?

FUTURE LEADERSHIP NEEDS

Managers and leaders need to step up and create a culture which drives internal development, and the kind of leadership culture you develop will strongly impact your future business performance.

Budget restraints are no longer the greatest challenge, with talent developers choosing to invest almost twice as much as they were in 2017. This increase suggests a core shift in focus to developing skills internally.

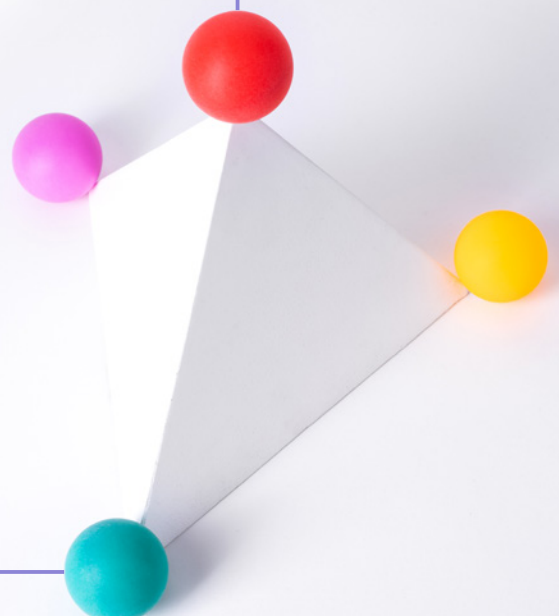
Successful Australian businesses are developing their own leadership culture by:

- Having a strategic future focus and making it a top priority to equip their team with the necessary leadership skills
- Cultivating curiosity and encouraging new ideas
- Accepting full responsibility for developing future leaders

Shifting technologies and providing strong leadership through restructuring are some of the biggest challenges facing current leaders. Adaptability to new technology, coupled with the need to inspire and teach teams, means that managers with these skills are ahead of their peers who have not made it a priority to develop their team.

Employees look to their managers for support and rely on their leaders to build new skills, so a strong leader becomes someone who promotes learning and development. Managers are the key drivers for internal development, with 75% of employees confirming they would take a course if assigned by a manager.

Your leadership style is your company's future. Training and developing your staff will be key for you and your company's success.

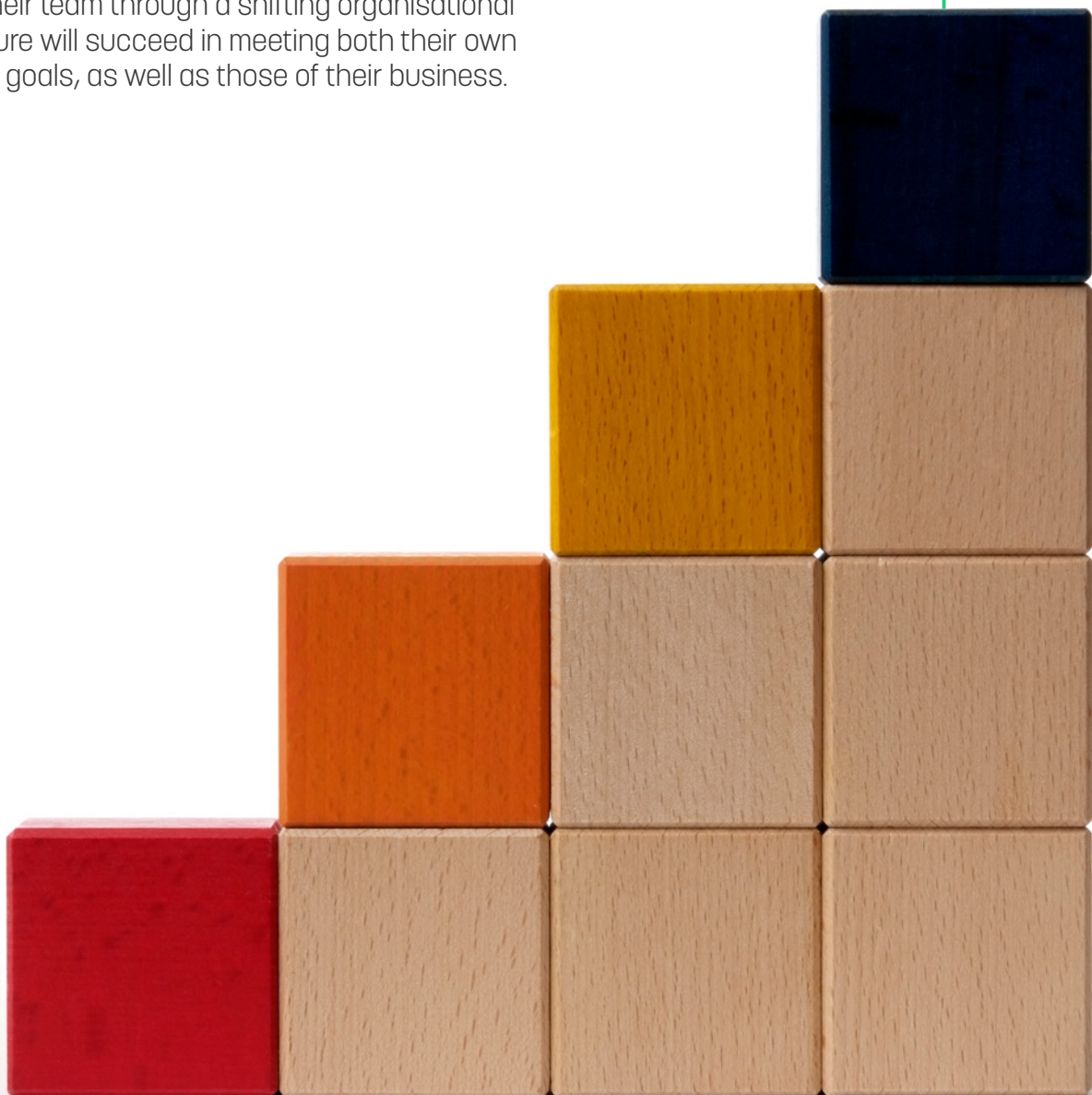


WHY LEADERSHIP CULTURE MATTERS

The current roles and functions of organisational leaders are being phased out and redesigned to include hybrid technology and automation.

Rather than disappearing completely, jobs and functions are evolving to the changing landscape of technology, and managers are upskilling themselves and their teams to meet the demands of these new organisational structures.

A leader who is equipped to handle change and lead their team through a shifting organisational structure will succeed in meeting both their own career goals, as well as those of their business.



WHAT THE CHANGE IN LEADERSHIP CULTURE MEANS FOR BUSINESS

Leaders who possess the ability to discuss failure with their team will elevate their confidence to try new things, helping them to adapt to coming changes and promoting a desire to pursue future opportunities.

In workplaces that support a culture of leadership, employees generally have a greater feeling of self-worth, are much more empowered to achieve the company mission and have a better understanding of how their efforts contribute to furthering those goals.

Furthermore, managing employee attitudes is key to developing future leaders and building broader confidence within the company.

Developing a leadership culture will create a more optimistic working environment - one which supports and gives confidence to current and future leaders. Technology and the rapid increase of the **Imposter Syndrome** can leave some leaders feeling overwhelmed and lacking confidence. So the need to address these challenges is becoming paramount for Australian businesses. Fostering a positive attitude towards upskilling will result in significant benefits to performance and productivity.



BENEFITS OF DEVELOPING LEADERSHIP CULTURE

Creating a leadership culture means you're developing a culture of success.

Most often, a business will have cultural leadership aspirations on paper, but fail to action them in everyday operations. This is most likely because the values have not been ingrained in the team and embraced as a culture. When you create culture, you encourage action and a style of thinking.

When you develop a holistic leadership culture, you:

- Create a consciously-defined leadership model, which affirms your intent to grow as a business
- Increase accountability, which allows transparency and improved workflow
- Show your team that they are valued, which improves performance and retention rates
- Ignite a positive, uplifting team spirit, which helps efficiency
- Drive significant performance improvement in individuals and teams
- Develop common language and goals to improve communication
- Share the burden of leadership, which helps take pressure off senior leaders



SKILLS OF FUTURE LEADERS

Given the pace of change today, adapting systems, processes and culture that can support change-enabling leadership development is critically important.

With the advance of technology and shifting workplace arrangements, managers and organisational leaders need to be adaptive and agile to achieve their business goals.

Given the current context of Human Capital in a rapidly changing, tech-driven business environment, it's been widely accepted that purely upskilling leaders is not enough. Rather, there needs to be a combination of developing new skills and putting them into a new context. That new context is the changing set of social and organisational expectations for how leaders should act and what outcomes they should aim for. This includes upskilling the whole team and pushing for a leadership culture from within.

Reasons for the unique requirements in 21st Century leaders



Source: Deloitte Global Human Capital Trends Survey, 2019

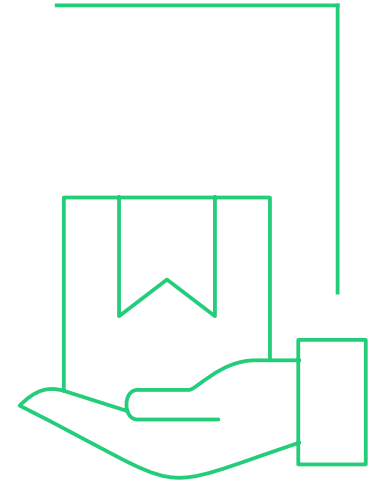
Following are the top 5 skills necessary for new leaders to excel in managerial positions and encourage team learning:

1

TECHNOLOGY MANAGEMENT

The introduction of new technology stands out as the catalyst for a change in leadership style. New business tools, management software and technical, data-driven decisions demand leaders learn how to adopt these changes into their environment and lead with new, tech-driven approaches. This means leaders are now required to be tech savvy regardless of their current position, and actively increase their own and their team's knowledge with these technological advances.

Scoping out digital, data and AI opportunities while dealing with an influx of new tech is the new status quo for successful business leaders. Learning how to increase your own tech-savviness while helping your team, means you're taking control of this new, changing environment.

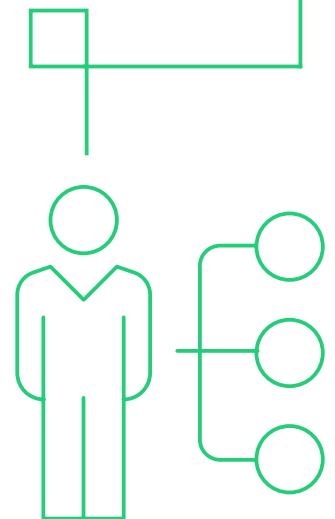


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IDENTIFY AND INVEST IN YOUR TOP TALENT

With businesses experiencing a shift into more service-based offers and operation, leaders and managers need to move beyond traditional areas of operations and into a more open and collaborative environment.

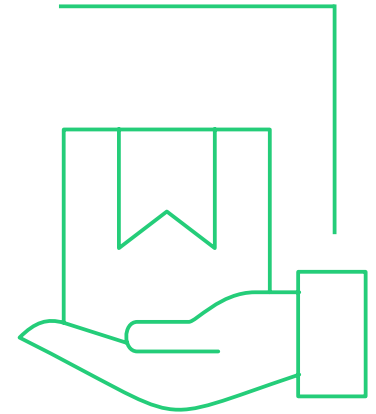
With an integrated and collaborative style, working closely with other leaders is required to achieve desired business outcomes. Yet, working this way can become more complex, with new challenges in managing expectations and communication. The best way to help your team understand each other and work towards the same business goal is to inspire collaboration and develop a strong leadership culture that supports teamwork.



3

BEING TRANSPARENT

The pressure for transparency has followed from the rise of social enterprise. Trust for an organisation is established when true intent is visible. Transparency has become an important indicator, showing what a business stands for and how it operates. Managers and leaders will need to be comfortable discussing matters with a more transparent and open approach, in line with consumer expectations. Conversely, a lack of transparency will result in a competitive disadvantage, making transparency an essential new skill that needs to be learned by future leaders.

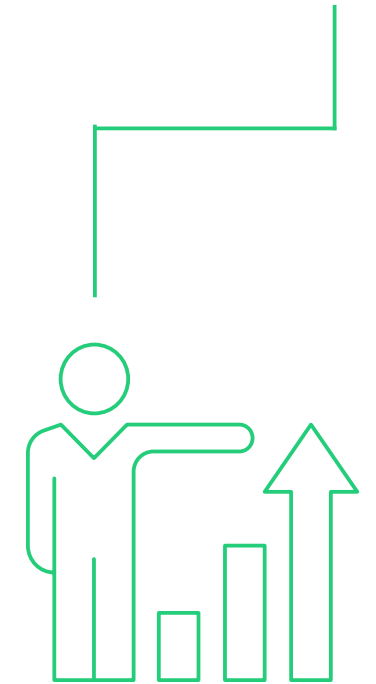


4

FOCUS ON PERFORMANCE-BASED ASSESSMENT

The way in which performance is measured can have a huge influence in shaping employee behaviour. Long standing performance measures such as driving strategy, delivering financial results and operations management are being replaced with a new wave of "soft skills" metrics. Moving away from traditional performance measures will allow employees to feel a greater sense of contribution to an organisation. This will create a stronger, more engaged attitude, developing team spirit, which in turn lifts business function and encourages collaboration.

New performance measures, such as the introduction of employee engagement feedback, leadership capability assessments and supporting developed competencies to lead through change, will energise the workforce and inspire innovation.

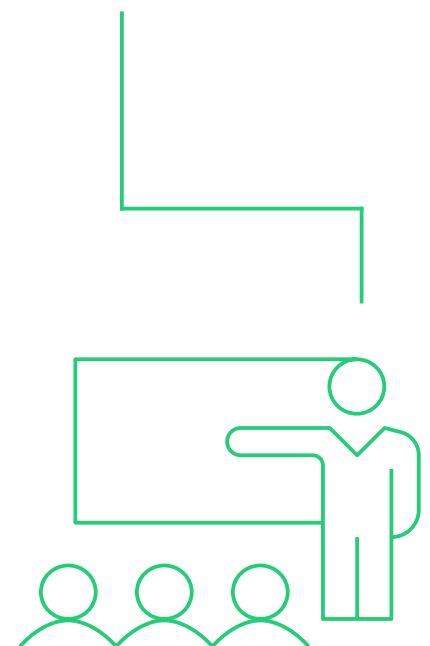


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TEACHING AND LEADING

Having leaders with both traditional and contemporary leadership skills will always be essential for a business to meet its goals, especially in the current era of digital transformation. However, there are new skill sets that are required of future leaders; that of teaching current staff how to develop their own leadership styles and contribute to the future leadership culture of the business.

Developing a culture where leadership is taught from within cultivates strong soft skills, which ultimately help to improve productivity and business growth.



CREATING LEADERSHIP CULTURE

Crafting leadership culture is a long game, which requires dedication and commitment from change makers within an organisation.

At the helm of the movement should be leaders who are ready to make an impact and can astutely recognise which future skills the company will need – and who is best to foster them.

IDENTIFYING FUTURE SKILLS TO ACHIEVE BUSINESS GOALS

An important aspect of 'change' within an organisation is being able to identify areas that improve capabilities. Cost-cutting and limited training can mean an organisation may start to experience competency gaps that work against meeting its business goals. Leaders need to be able to correctly identify these gaps and equip their teams with the desired skills to stay ahead of the game.

A recent insight by global consultancy firm McKinsey & Company noted that, to close this critical gap, leadership training is required, but warned against hasty decisions and unfettered training programs. Many training programs don't yield the desired results. One reason is that they are usually launched without sufficient knowledge of where the gaps in employee skills exist.

"True leadership stems from individuality that is honestly and sometimes imperfectly expressed... Leaders should strive for authenticity over perfection."

Sheryl Sandberg, COO, Facebook



ENCOURAGING STAFF TO DEVELOP LEADERSHIP SKILLS

An organisation's growth will depend on its people, their skills and willingness to step into leadership roles, where a manager can feel supported and valued.

A great way to understand what skills your organisation may need is to survey staff and ask them to evaluate their current skill levels, as well as assessing those needed for future success. It's important to listen to employees too, as self-assessment of their own learning needs often results in more relevant and useful training program.

With just over **57% of the 600 senior leaders** surveyed in the **2018 LinkedIn Workplace Learning Report** insisting that soft skills are more important than hard skills, it's easy to see why identifying the gaps and encouraging staff to learn will be a key driver of success in the future.



WHAT CORE BENEFITS WILL LEADERSHIP SKILLS TRAINING BRING TO THE BUSINESS?

Leadership development programs are crucial to the lasting success of every organisation. It's essential to invest in your people to develop expertise and prepare the next generation of leaders.

To build an Australian business which is tech savvy, agile and ready for the 21st Century, an organisation needs to develop an environment which inspires great leadership.

When a business takes their leadership to the next level, it can experience:

Improvement in bottom line financial performance

Good leadership development builds capacity that can lead to cost reductions, creation of new lines of revenue and improvements in customer satisfaction. This positively impacts performance and the bottom line. A leadership and training program for a not-for-profit large scale company in the U.S generated returns more than four times its cost. Investment in training programs is a proven method to improve financial performance.

Effective strategy execution

Shaping the culture and strategic direction of the business will closely connect employees with the business mission and encourage execution of their functions at higher levels.

"A well-trained workforce and developed leaders are your real competitive advantage."

Kevin Leonard, Emerald Bay Performance

Attract and retain top talent

Staff turnover is expensive in terms of time management, and can leave you open to unwanted gaps in skills. Increased employee engagement, driven by a change in leadership culture, will boost 'community' and curtail staffing issues.

With millennials making up 75% of the workforce by 2025, it will become essential to understand the values of this generation and offer an environment which supports their beliefs to improve retention.

Increase success in navigating change

An ability to respond to change is an invaluable tool in times of flux. Leadership culture will assist in being able to maintain a strong status quo in a modern business environment where change is the norm. A good leader is the one who's always ahead and develops employees to quickly respond to unpredictable events.

An organisation ready to invest in developing skills for its employees can hit its business goals and save money by targeting solutions based on the needs of the group. The core benefits of upskilling and developing leadership culture are strong, but not without their challenges. Leaders need to understand how to navigate the challenges ahead and be ready to learn from past experiences.

LEADING YOUR TEAM THROUGH THE CHALLENGES AHEAD

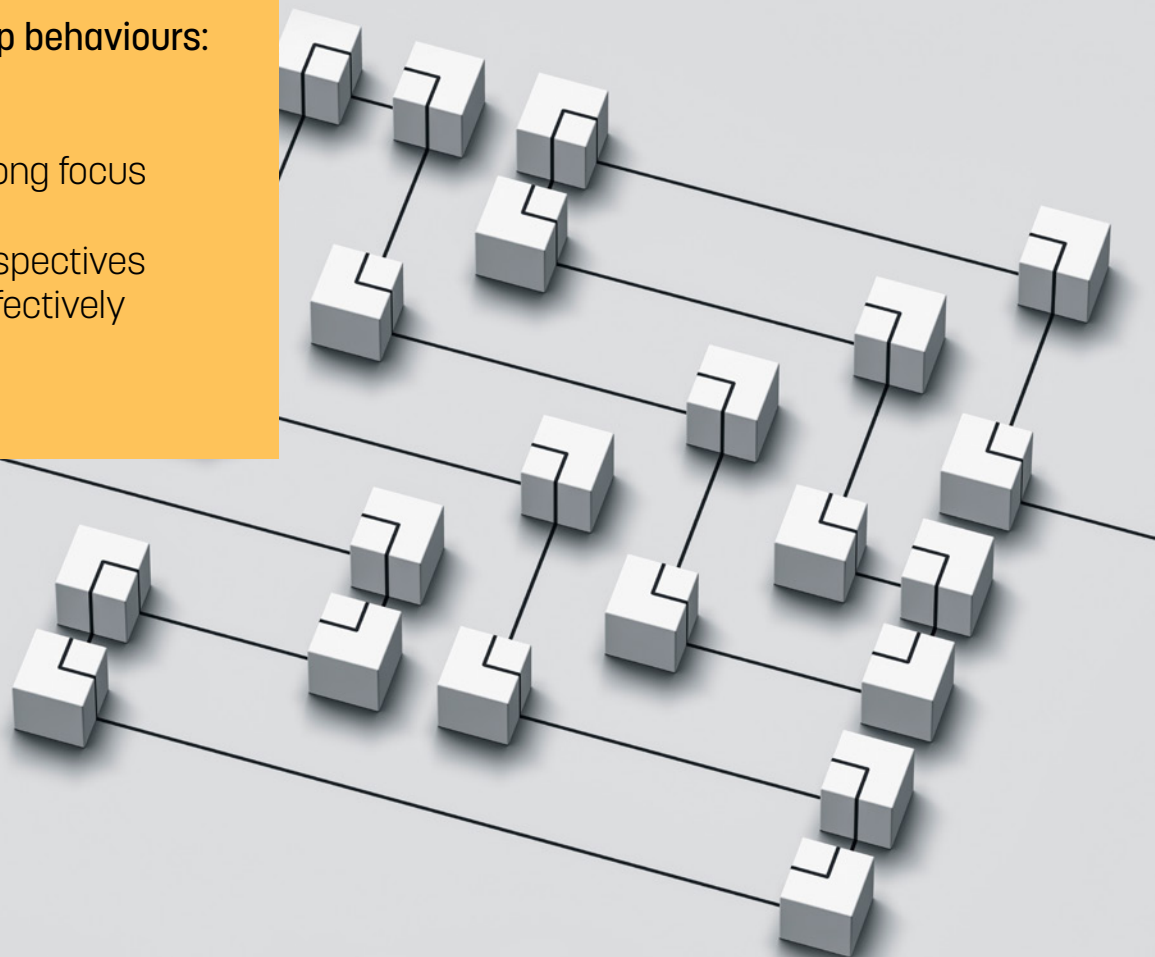
A tech-driven future requires collaboration and development of soft skills.

Advances in technology has affected employee interactions and require new modes of communication and behaviour. **A McKinsey survey of 189,000 people** across a multitude of organisations discovered a strong correlation between the successful organisations: their leaders had developed 4 vital skills and were striving to improve their teams from within.

When considering how to develop leadership with existing staff, executives should start with this behavioural framework in mind.

Successful leadership behaviours:

1. Be supportive
2. Operate with a strong focus on results
3. Seek different perspectives
4. Solve problems effectively



WHY INVESTMENT IN TRAINING WILL POSITIVELY IMPACT THE PURSUIT OF BUSINESS GOALS

Over 90 percent of CEOs are already planning to increase investment in leadership development because they see it as the single most important human-capital issue their organisations face.

Recognising and developing leadership will help organisations accomplish key business goals and functions. Upskilling existing leaders is a powerful decision, as they will then lead a new generation of leaders to ensure the success of the organisation.

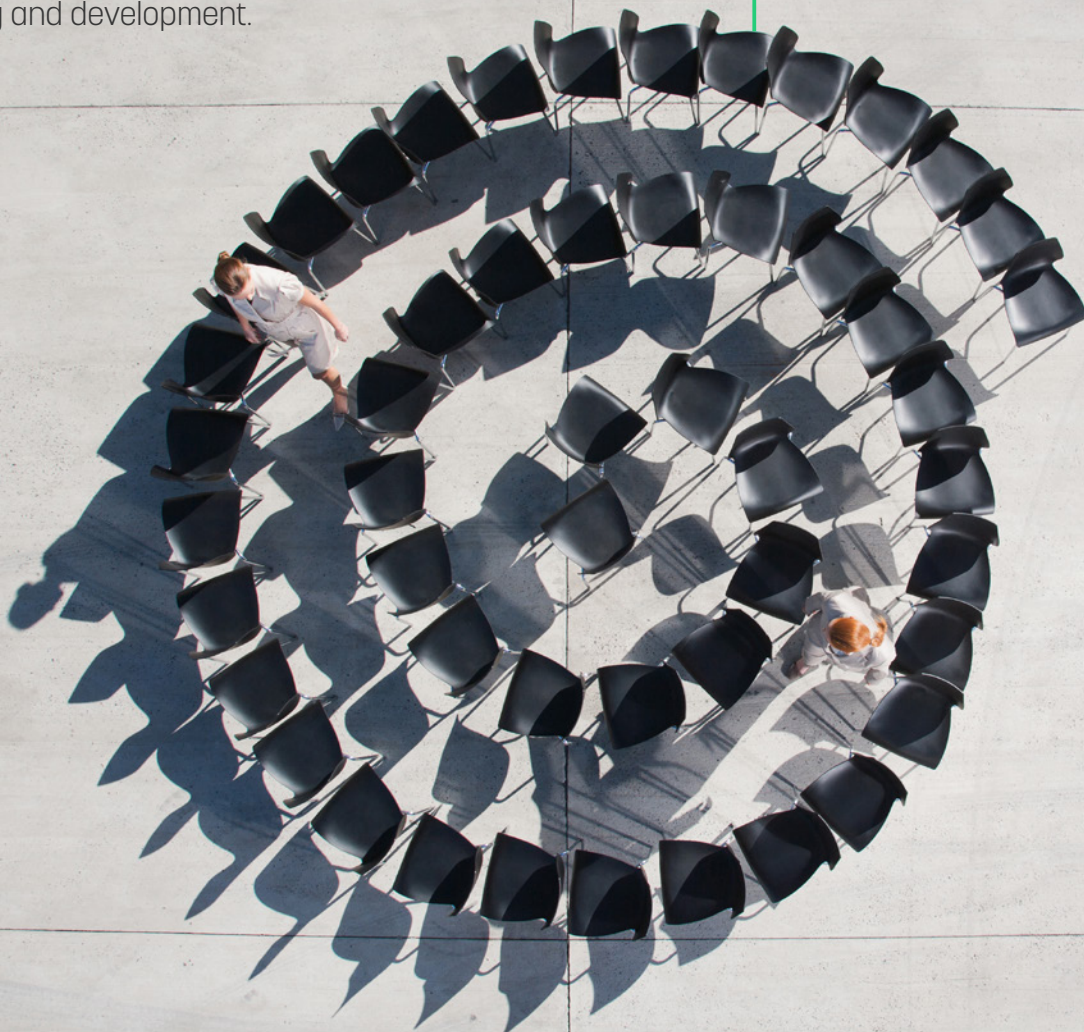
Investing in a training program has been a top priority for some of the world's biggest and most powerful organisations. A report from Deloitte says companies are seeing an urgent need to build skills and capabilities, and they are now focused on transforming their organisation's learning strategies.



IS YOUR ORGANISATION READY TO DEVELOP LEADERSHIP?

Is your organisation experiencing rapid change, with new skills replacing outdated ones that no longer serve the new, tech-driven environment?

Leadership roles and functions are being redefined in the 21st Century and organisations need to keep up with what's required in this new landscape. A successful business will have the required leadership culture, structure, managerial processes and capability to develop and support a new wave of leaders. The changing landscape of leadership means that adaptability is essential, but an understanding of organisational needs is even more important. Leaders are now looking within their own organisations to manage leadership culture, with a focus on internal learning and development.



REFRESHING LEADERSHIP FROM WITHIN

A business may fall behind its competitors and not be able to keep up with the rapid pace of change when it lacks adequate commitment to upskilling leaders from within.


Businesses should look for staff and opportunities to develop their leadership culture. This will require motivating a diverse workforce and appealing to new expectations found in today's talent.

Because you already have the right people, the first step in training and developing a culture of leadership and the complimentary soft skills is easy. And with access to so many great resources, every business striving for success should be seriously committing to a program of staff training. **Innovative and engaging learning solutions today are on-demand, fast to absorb, and available on mobile devices.**

Given the unprecedented challenges facing today's organisations, managers and their teams need to develop a deep and enduring leadership culture. This can only be achieved by investing in your people and encouraging a new leadership mindset. It requires a different approach to the top-down culture of the past, leveraging technology and automation without being consumed by it, and adapting to an evolved way of working that still places the customer or citizen at its heart. To do this effectively, everyone has the shared responsibility of building a "leadership culture"; one that fosters and drives collaboration, communication, mentoring and uncompromising excellence.

Leadership culture will continue to take priority in any organisation where managers and leaders encourage and nurture a focus on the future. The ability to set direction and adapt to fast-changing markets, while teaching your staff to do the same, is a guaranteed victory for any Australian business.





When looking to develop leadership culture in your team and your organisation, it's crucial to partner with a training provider who has the relevant expertise and exceptional delivery options.

Ensure that your team receive exactly what they need by committing to a fully customised training solution which addresses your core business goals. TAFE Enterprise offers on-site, off-site and online training options in leadership and management, business, technology, workplace health and safety and more, helping to make your business future ready.

To transform your business into a leading, talent-first organisation with a leadership culture firmly on the agenda, visit tafensw.edu.au/enterprise or call **1300 045 737**.



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