Chris Atkinson in Conversation

THE TRANSFORMATIONAL LEADER

Realizing Leadership in Conversation

CHRIS ATKINSON
The Transformational Leader

with LAURIE WILHELM

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LW   Hello and welcome to *Realizing Leadership in Conversation*, I'm Laurie Wilhelm and our guest is **Chris Atkinson**. Chris is an international business speaker and author who combines a strong commercial focus with a deep psychological knowledge to inspire individuals and businesses. He travels extensively worldwide as a speaker specialising in engagement, organisational culture and inspiring leadership. Over the last fourteen years, Chris has worked with diverse business sectors in more than twenty countries with forty-three different nationalities.

Welcome, Chris, to *Realizing Leadership in Conversation*, I'm so pleased that you could join us today.

CA   Thanks, Laurie, looking forward to it.

LW I'd like to start off with the perspectives of management and leadership. There are many different perspectives, including some folks who don't believe there is, or should be, a difference. You have an excellent way of distinguishing between the two. Can you please describe the difference between management and leadership and where they intersect?

CA I think that sometimes people feel that by differentiating these things, we're trying to make one better than the other which is absolutely something we shouldn't do. The truth is that both are critical functions but they are different and that's the important bit.

> *The truth is that both management and leadership are critical functions but they are different and that's the important bit.*

When you look at the two things, they live on a continuum, with some things largely common to both. But if we look at some of the traditional views of leadership, you see things like vision, motivation, creativity, change, inspiring people and at the other end of the spectrum you've got the traditional management end, which is about how we measure things, how we plan things, how we monitor and evaluate things. These things are actually quite different because the leadership end is all tied to relationships, to trust and, to my mind, these are all functions of the influence that we have. At the management end, it's all tied to processes and systems and these are much more a function of control. So in simple terms, what I talk to people about is, lead the people and manage the systems. That seems to make sense to most people that I speak with.

LW It does - it differentiates between the two and then brings them together when they need to be.

CA Certainly. And sometimes, we need to acknowledge that some things will fit in the middle of that spectrum, not strongly in the leadership camp or the management camp but those things tend to be around communication, decision making, strategy - they have elements of both in order to be successful.

LW I've also heard you talk about transactional leadership and transformational leadership. What are these and the differences between them?

CA The transactional/transformational distinction is a logical extension of the differences between the leadership and the management ends of the spectrum. The simple way to access this area is to ask yourself, "Any time a boss asks me to do something, why am I agreeing to do it?" And, really, the answer falls into two camps. You could say, well, I've got to do it because it's my job, because I'm contracted to do it, because I'm afraid of punishment or because maybe there's a reward, it could even be that there's some politics at play in terms of wanting to keep my boss happy. But also, there's another set of answers that you get: Well, because I'd enjoy doing it, because I agree with it, it feels right to me because I see it as a positive challenge. Simply put, that's really what the transactional/ transformational distinction is about. It's whether someone feels they *have* to do something or whether they *want* to do something.

> *The transactional/transformational distinction is whether someone feels they have to do something or whether they want to do something.*

This is hugely important to businesses right now because the historical relationship between employee and employer has been totally transactional. Typically, the relationship between employee and employer is about, "I give you x amount of hours of my life in return for a certain amount of salary." The thing with a transaction is it has to be equal and fair. The problem becomes, as companies ask employees to do more, to give more hours, to put more effort in, most people aren't seeing more salary so the transaction starts to look a little unfair - "hey, I signed up to do this amount of hours for this amount of money." Organizations are starting to realize that they need deeper relationships with their employees in order to rise above the wave of turbulence in the industry and that's where the transformational end of the spectrum really has the advantage.

LW Can you just touch on the cost of these? Transactional - that's the paycheque, that's budgetary, but transformational doesn't necessarily have a financial impact, is that   right?

CA   It's like a dream come true for organizations. But we can't   be in a fantasy world here - people expect money for work, of course, and it's only right that we reward people financially for the efforts that they put in. What you have to know is at the transformational end of the spectrum, the reward that people get is emotional. It's the satisfaction in the work. So when people are agreeing to   do things because they want to do it, because they will enjoy it, they're not looking for compensation for their efforts; they're not trying to avoid punishment so in reality, you're correct, it's entirely free.   But I would emphasise that this doesn't mean, and some people say, "Oh great - we can get employees to work really hard and not pay them." Well, no. People are always going to want to be fairly and appropriately compensated for the work that they do and it's only right that organizations reward people for their efforts. But the key is beyond that. It's about finding a more meaningful and, as I say, a deeper relationship with employees.

LW Let's talk about transformational leadership and employee engagement. We hear a lot about employee engagement so for clarity as we start this part of the *Conversation*, can you please describe what is employee   engagement?

CA   The most widely accepted definition of employee engagement is the one that was put together by a group of psychologists at Utrecht University. They defined employee engagement as a measure of three things: energy, dedication and the absorption that a person feels in their role. Just from those three things alone, you can see immediately that it's linked very strongly to the 'I want to' of transformational leadership rather than the 'I have to' of transactional leadership.

If organizations want employee engagement, they have to start to think about not throwing transactional benefits at employees and expecting them to be engaged. We have a tendency to say, "What do we need to do to get our staff really engaged? Well, let's give them more benefits, let's throw out these things to them." People will gladly take them, but you won't get an increase in engagement.

Energy, dedication and absorption in the work you're doing is about the emotional experience of the work not about the rewards that you're getting at the end of that work or at least the reward is the feeling as opposed to the tangible   reward.

LW Can you please describe what 'absorption' is?

CA Yes - absorption is sort of the unusual one. It's that sense of getting lost, enjoyably lost, in the task that you're doing. One thing that we know, is when people are really motivated in a task, time just seems to fade away and it passes very quickly and they get totally absorbed in the work that they're doing and that's a very high level of engagement.

Sometimes it's easiest to see the opposite as well, of course. You could say that when you're really de-motivated or not absorbed   in a task, it's like time just drags. You'll feel that you're glancing   around,

checking email, you're not 100% focused on the task at hand. Absorption is that getting lost in the moment and that's one of the key factors that shows that someone is really engaged in the task, they lose track of time and their focus becomes absolute in what they're doing.

LW It seems like there's a correlation between transformational leadership and employee engagement because both of them are focused on the energy, dedication and absorption in the   work.

CA   These things are so perfectly correlated and   transformational leadership is the style of leadership that will cause these   things to happen and will drive these things in the workplace. But I would emphasize - here we are talking about it as if this is some breakthrough psychology of the workplace, but the crazy part of this conversation is that it has been around for probably thousands of years! Researchers like Frederick Herzberg - they had all of this laid out in the 1950s. In Frederick Herzberg's theory of motivation, he talked about hygiene factors and   motivators. Many people know this theory but it's sort of got put into psychology textbooks and people have somehow forgotten that all of this information was laid out to us. It was even reprinted in *The Harvard Business Review* thirty years later in the 1980s under the title, *One More Time*.

The thing is, for some reason, we assume other people   are motivated by transactional benefits even though we   know ourselves that we aren't particularly. You would recognize that what you enjoy in work, what gives you satisfaction in work, it's not really about the paycheque and benefits, those are very important but they don't cause you to feel energetic and dedicated and absorbed. Yet somehow, we assume that other people are motivated by those things rather than by the things that we ourselves are motivated by.

LW What does transformational leadership look like? What does a leader do? What would be an example and the hopeful result of that?

CA   Can I give you an analogy of this and then I'll take it into the business world secondary, if I might? It's sometimes easier to understand things in simple terms, really. Imagine you have a child and you're at the dinner table and you want them to eat their vegetables. So you think, what deal do I strike with the child in order for them to eat their vegetables? It doesn't take long for parents to work out - if we offer some sort of sweet or dessert at the end of it or maybe some playing outside time we can pretty much get our children to eat vegetables. The question is - Is that a transactional thing or a transformational thing? Of course, it's entirely transactional: You eat vegetables, I give you dessert. The problem here is, what happens when you take away dessert or play time? What happens to the vegetable eating? It drops away. Children are master negotiators.

So what would a transformational approach look like? Well, you sit down with your child and you explain to them that they want to grow up to be big and strong and be an athlete or a sports person or whatever it might be and, with luck, the child takes that on board and they decide they want to eat vegetables because they want to grow up to be like their heroes. This is much more sustainable because this isn't conditional. It's not conditional on your giving them anything because they, themselves, want it.

But here's the problem: It's dinner time in your home, the kids are playing, it's chaotic, you're under time pressure, you're trying to get everyone fed - what are you going to do? Are you going to sit down and explain to the child about their dreams and ambitions and how it's linked to the portion of vegetables on the plate in front of them or are you just going to take out an ice cream and say eat this and get that?

It's kind of the same in business. We're under pressure so we resort to the quickest, easiest method but in doing so, we're also tying ourselves to have to constantly reinforce and monitor everything because we're constantly putting in these transactional incentives. It's not self sustaining. We have to be constantly checking and monitoring and reminding people and offering people things. In essence, we're causing our own problems by not taking the time at the outset to get it right.

And your question, if I can come the long way round to it, is how do we change things? What do we do? It's two parts, really. The first is, you have to take the time to understand the person, not the function. You have to know the person you're working with, not the role they're fulfilling, not the function they're performing, but the *person* that they are. And the second thing, which is probably the harder, you have to start letting go of quite a lot of stuff and trust that people are going to do the very best they can. Otherwise, we spend our lives monitoring and reporting everything and that's totally counterproductive.

I can give you some examples, if that would help to put it in even more tangible terms. I had one manager that I worked with, and he was noticing that under pressure from his boss and under pressure over money, he was becoming quite transactional and he was aware that this was not how he wanted to be seen as a leader. But he struggled so much in letting go, that during a time of crisis, what he decided to do was he physically left the site. He actually had to leave the business and go away and let the team get on with it. And when the team was saying, "Where are you off to, boss?" He said he wanted to show them that he trusted them but he found it so hard to not get involved, to not correct and control and that it would be easier if he just left.

What was fascinating about this was the result was in his absence. The team took the opportunity to restructure how they worked - this was during a manufacturing trial process - and they worked in a very different way to how they traditionally worked. The result was

a £40,000 a month saving in this particular manufacturing line and within a few months, this particular business unit was the best in class in the company.

It was the most amazing story when this guy was coming on a training course that I was running and he came back into the room and he said, "The team was much better without me!" And, of course, you can understand someone thinking that but it's not true. The team does need you but they need you for the things that you really add value to and this kind of transactional mindset and this kind of pressure he was under was not adding value for the   team. When he left, they did much better.

Large organizations are realizing this. You can look at a company like Gore, the famous company of GORE-TEX®, they've got 10,000 employees and out of those 10,000 employees there's not a single line manager, there's no boss anywhere in the entire organization. It's an entirely flat structure. Every single employee is equal to every other and they have a very effective peer review system. This is a $1 billion company so this is not a small niche, creative business doing something radical. This is a large, multinational manufacturing operation that's essentially saying, we don't have to have these traditional relationships with our employees.

Netflix has done something similar that they have absolutely no vacation policy, which sort of seems crazy I suppose. The commentary they gave to it was they realized that they were spending a lot of time monitoring how much vacation people took, how much they were owed, trying work out the carry-over from year to year, and people in HR monitoring it, team leaders monitoring it and they thought, "Well, what would happen if we just didn't monitor it? What would happen if we just let people use their own judgement and work it out?" You know, so far there really doesn't seem to be any negative impact from that. So there are real examples with large organizations that are challenging our traditional mindset of what we assume has to be the way. I find these examples very uplifting.

LW They're quite remarkable stories. When you're speaking, talking about a flat organizational structure, so that would mean that anyone could practice transformational leadership, it doesn't have to be the person who is in charge. If everyone is practicing this   on a day-to-day basis in a company, wouldn't that impact employee engagement throughout the organization? Is that possible or wishful thinking?

CA   It's more than possible, it's becoming essential. If you see organizations and companies like an engine, the traditional fuel that powers that engine was incentive and reward or punishment and fear. What we're seeing today in the current workforce is that we're running on a different kind of fuel. The workforce we have today is being fueled by wanting to do meaningful work, wanting to feel trusted, wanting to feel respected. The challenge is the engine of the organization needs to change accordingly so that it's able to use that

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particular fuel. Increasingly, if you try managing people, even as we've historically understood how people need to be managed, you're going to see negative consequences. In many ways, people with less authority have a slight advantage here because they can't resort to the fear or reward system. In fact, they have to think transformationally to have influence over   people.

LW   Excellent point. Influence without authority.

CA   That's exactly what it's about. If you take traditional management, that kind of monitoring, measuring, planning, evaluating, it's a function of power - therefore it's a function of authority. So your ability to be a manager of a person or a process comes from the organization giving you a certain mandate, a certain authority.

Leadership is all about the relationship and the influence that you have and that's coming from trust, that's coming from respect, it comes from the attitude that shows up when you come to work, therefore, what's often misunderstood is leadership has nothing to do with your status in your organization. If people listen to you, if they're choosing to follow you - your words, your ideas - you're a leader regardless of your position and that's fundamentally misunderstood because we associate the word leader with those people with power. And that's a problem with the English language.

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LW So anyone can be a leader - we're talking front line staff, we're talking coordinators, we're talking administrative professionals - those categories are irrelevant to whether or not someone is going to be a leader.

CA   Exactly true. I think to make people more comfortable with   it because, and this is true the world over, we're not perhaps ready to accept that. So a way of making it more comfortable is that anyone can show leadership and, in fact, everyone in the organization has a responsibility to show leadership, to build relationships, to have influence, and to recognize that they are exhibiting   leadership. It may just be they don't yet, or people are not yet ready to see themselves as a leader, but that's not the same thing, perhaps. Everyone can show leadership and that's important right   now.

LW So what can someone do, right now, to build their leadership abilities?

CA   There are some very simple things that you can do but as I tell you these things, please don't mistake the simplicity for easiness. You will *absolutely* have to make a conscious effort to do this and it will take a bit of time to perfect.

Step number one is you've got to start focusing on people's strengths and their talents. We are stuck in a paradigm of needing to improve people's weaknesses and few people in the world enjoy looking at what they're not good at and trying to get better at it. In many ways, it puts us into a negative relationship with our employee when they're trying to get better at something and struggling with it and we're disappointed that they're not learning fast enough. So encourage people into areas and tasks where they show talent, where they have a natural strength and where they're showing a passion. This is being supported - Gallup has a big movement in the strength-based leadership area and the research and the evidence is overwhelming now that the strength-based approach to people is massively positive in terms of employee engagement. People feel better because they feel more successful. Start focusing on people's strengths and perhaps, don't push them so hard on things that they're less good at or that they're challenged by.

The second thing is fundamental. Every single organizational survey the world over tends to show that recognition is something that staff are not getting enough of. They don't feel recognized by their bosses. The challenge here is that saying 'thank you' is not giving praise and recognition. Most managers and leaders think that, "Of course I give recognition - I always say thank you." Well, that's basic courtesy. It's important that you do that, but it's not what people are asking for.

When people say they want praise and recognition, they want their boss to recognize their character, their traits, the skills that they have. This is even for your colleagues as well. Do we tell people   that

we can see the talents that they have and the strengths that they bring? Why would we be embarrassed about telling someone that? It's the most wonderful thing to hear. It's the most wonderful thing do - it makes you and them feel great.

The final thing that comes to my mind is when people come to you for answers - it's actually really nice to reply with a simple phrase which is, "Well, what do you think?" This is one of the ways that we can become more of a coach for people rather than perhaps an authoritarian who gives answers and tells people what to   do.

If you ask, "Well, what do you think?" it's showing people   that you value their opinion, it forces the other person to start to think through a logical process, probably the thing that you've had to develop over many years that's enabled you to be the person that they come and ask. More than that, actually, it helps you better understand their perspective when you hear their answers. In my mind, it can go one of two ways: they can come to you and   say,

"Here's what I think," and you completely agree in which case it's, "OK - go and do it." Or it could be that you'd think, "That's not at all what I would do," in which case you've just discovered that you and your colleague or direct report are thinking quite differently. That's an important thing to be aware of and you might want to spend a bit of time now really trying to understand why they think that way and how their thought process is. This is a very important leadership behaviour, in fact.

> *Saying thank you isn't the same as giving recognition. Tell people the qualities, the strengths that you see in them and you can immediately start to become more transformational.*

So, to my mind, these three things are very simple, they're certainly not easy. You do have to make a conscious effort but perhaps as a fallback option, if you struggle with these things, maybe the lesson I learned from my participant is maybe you need to tell your team to just get on with it and then just get out of their way. See how they get on - you might just find you're surprised by it.

LW Those are great ideas and suggestions, thank you. Chris, this has been an excellent *Conversation*. I really appreciate your sharing your expertise and your knowledge. I think we've all learned a lot from you. Thank you so very much.

CA It's been my pleasure.

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