

Leading your Organisation



A guide to help you define a clear direction for your business and develop goals and strategies

Leading an organisation can be said to start with a focus on the 'bigger picture' so that there is a clear understanding of where the business is headed, whether the right culture, competences and resources are in place to support that journey and if the product and service offering is right to achieve the defined goals. In essence, it's about ensuring that the business is focused on the longer term and not just the here and now, important as that may be.

Leading your Organisation

This Guide will focus on three interlinked concerns: how to make Vision and Mission statements work for your organisation, how to review your culture and how to develop a Leadership Competence framework.

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1. Introduction

Leadership, in any organisation, impacts at a number of levels and previous guides in this series focused on your personal leadership effectiveness, covering important topics such as traits, skills, and leadership styles. The ability to lead employees every day is critical and the better you and your management team are as leaders, the better the performance you will see as a result.

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A second important dimension to leadership is how you 'lead' the

organisation and, regardless of the size of your business, this essentially means that you have defined a clear direction for the enterprise which you then plan towards in terms of developing strategic goals and strategies. This overall, or 'macro' dimension of leadership is often overlooked but just as your people need direction, so too does your business as a whole because after all if you are not clear what you are aiming for as an organisation, how can you ever hope to get there?

Leading an organisation can be said to start with a focus on the 'bigger picture' so that there is a clear understanding of where the business is headed, whether the right culture, competences and resources are in place to support that journey and if the product and service offering is right to achieve the defined goals.

In essence, it's about ensuring that the business is focused on the longer term and not just the here and now, important as that may be. Organisational leadership can be said to encompass a number of important activities, as follows.

Defining Vision and Mission

A crucial starting point for organisational leadership is to define the 'Vision and Mission' for the business.

Although many businesses today do develop these statements, they often do little with them, so the true value

of Vision and Mission are not seen in many organisations.

Effective organisational leadership means ensuring that not only are Vision and Mission developed but that they are 'lived' every day within the business.

Building Culture and Identifying Leadership Competences

An important task of organisational leadership is to create an effective culture within the business to support the achievement of the Vision and Mission. Although culture is highly intangible, senior leaders must strive continuously to create the right conditions which harness the support of employees so that they believe in,

and want to contribute to, the achievement of business goals. As part of this, senior leaders must also define and then role model the leadership competences and behaviours which are deemed to be acceptable in the business; it is these behaviours which will ultimately help build the right culture.

A range of guides on leadership can be found in the [Business Tools](#) web page

Strategic Planning

Based on its Vision and Mission, any business needs to bring those statements alive through the strategic planning process which involves a

range of activities from environmental analysis right down to the development of an annual plan to bring the defined strategies into play.

More details on the strategic planning process can be found in the [understanding strategic management guide](#)

Stakeholder Engagement

Another important function of organisational leadership is to firstly define, and then to engage with, the key stakeholders in the business. This will usually include groups such as lenders/investors, customers, employees, suppliers, local community,

government agencies and so on.

A critical concern here is the issue of employee engagement and without employees who are truly committed to the business, it is not possible to realise all the goals and aspirations.

The issue of stakeholder engagement is addressed in full in the [managing stakeholder engagement guide](#)

Managing Change

Business today is all about change and senior leaders in any organisation must be proactive in how they anticipate and respond to change. Indeed, one of the most challenging undertakings for any business

leader is the change management process and without clear direction from the top, and a structured approach, then a significant change can actually overwhelm an organisation.

A separate guide on [managing change](#) is available on the Business Tools web page

A separate guide on [innovation](#) is available on the Business Tools web page

A separate guide on [knowledge management](#) is available on the Business Tools web page

Innovation

There is much talk about innovation in business circles today, and much of it is just that: talk. Devising and implementing an effective innovation process in

our industry means addressing a range of issues from ideas generation and evaluation to benchmarking and continuous improvement.

Knowledge Management

One of the great challenges for any business today is how it learns and

grows and to facilitate that process, knowledge is essential.

It is not suggested that this is an exhaustive list of organisational leadership activities but they are certainly priority considerations.



2. Making Vision and Mission Statements work for your organisation

Most tourism professionals naturally have great hopes and aspirations for their business and being the best is usually high on that list. But it's easy to lose sight of that goal when faced with the day to day challenges of life in our industry.

In a customer-driven environment, the immediate can overshadow the important; *doing* rather than *thinking* can take precedence. This goes some way to explaining why some businesses lose direction and end up making decisions solely from a short term perspective.

A first step in creating meaningful

direction for your business is to develop Vision and Mission statements.

You will likely have heard of these before, you may even have them in place already, but chances are you will not be making best use of them, for few companies do so. In addition, you may well have come across other tools such as 'Values' statements, and indeed you may well be confused, or disillusioned with this whole area.

The purpose of this section of the guide is to help you to better understand, and more importantly, to make better use of these statements.

2.1 What are Vision & Mission Statements designed to do?

Many business people have negative views on Vision and Mission statements because they are widely misused in organisations today. Often, they end up as flowery but meaningless statements pinned to a wall somewhere (usually in the canteen or back offices), slowly fading and discolouring – a monument to lost

opportunity. But when used properly, they can make a dramatic difference to business performance.

A good place to start in making them work for your business is to clear up the widespread confusion surrounding what Vision and Mission statements are actually designed to do. The two

terms are often used interchangeably but in simple terms they can be defined separately as:

- ❑ A Vision statement captures what you ultimately want to achieve in your business.
- ❑ A Mission statement describes what type of business you will operate as you work towards that vision.

So, in one sense, Vision can be said to broadly refer to the destination, whereas Mission relates more to the journey and describes the type of business you want to operate - with regard to your primary stakeholders - as you move towards your vision. (It is worth mentioning here that some businesses also develop a *Values* statement which seeks to capture the values that matter to people working in that organisation. This can be a particularly useful tool in helping to set the broad parameters for the type of culture you wish to develop in your business. We will return to this Values statement in the section on Culture later in the guide.)

One of the main causes of the scepticism surrounding Vision and Mission statements is that, as mentioned, although many enterprises do prepare them today, they often do little else with them. But the true added-value in these statements comes from the following activities:

2.1.1 Developing your Vision and Mission

Part of the benefit arises from the process of developing the Vision and Mission statements, because by sitting down with your key managers and employees to define what you want to achieve, you are essentially forced to stand back from day to day operations

and think about, in broad terms, what your ultimate goal is. It is this process of *reflection* which adds value initially, not necessarily what ends up in your statements and the more people in your business that you include in the development of Vision and Mission the better.

Developing or revising your Vision

When thinking about your Vision, consider the following questions:

- ✓ What are you trying to achieve with your business?
- ✓ What is your ultimate goal?
- ✓ In the ideal world and if everything went to plan, what would 'success' actually mean for you?
- ✓ Something is driving you, what is it? Does it matter to you whether you are the best or the worst? Of course it does and that is what you are trying to express; it's your Dream translated into words!

Developing or revising your Mission

As stated, the Mission is focused on the type of business you wish to run as you work towards your Vision. It specifically refers to your primary stakeholders and it is where you show that you are stakeholder-focused in terms of operating your business. Essentially, in concise terms, Mission describes what matters to you in relation to your ongoing dealings with your primary stakeholders such as investors, customers, employees and perhaps even the local community.

So, the initial benefits of having Vision and Mission statements start to materialise when you sit down to develop them.

When you do prepare or revise the Vision and Mission statements for your business, keep the following points in mind:

- **There are no rules here:** be creative and do whatever works best for you, but do involve all the relevant stakeholders in some way during the process.
 - If you don't want statements: then just use memorable phrases which have real meaning for you.
 - If you don't want two statements: just have one, once it incorporates the principles of Vision and Mission
 - If you don't like those terms, Vision and Mission: then call them something else - just make sure you end up with your 'meaningful sound bite(s)'
- **Embrace a challenge, but be realistic too:** reach for the stars as they say but do stay in our galaxy; totally unachievable statements will subtract value, not add it.
 - Whatever you actually come up with in terms of the content of the written statements is fine, once they accurately reflect what you want to achieve for your business, describe what success means to you and give a flavour of the type of business you want to become. In the end, it's what you do with them that matters, so let's move to exploring how you can live these statements once you develop them.

2.1.2 Living your Vision and Mission

If you develop your statements, or whatever you end up with and stop there then you gain little lasting value from the exercise. The longer term benefits of these statements will *only* be seen if you truly live them every day. That is what the best businesses do in any industry: Vision and Mission (or whatever you decide to call them) are tangible, living commitments which really mean something to those working in the business. But how can you really live these statements in practice?

A relatively easy first step in this is to make sure that your primary stakeholders actually know about them by communicating your Vision and Mission widely and frequently. This

can be done, for example, by incorporating them into all your promotional tools, through staff training or on signage and notice boards. By informing your stakeholders, you are effectively making public commitments to them and this puts pressure on you to deliver, which is a good thing. So, communication plays an important role with regard to increasing awareness about your vision and mission.

However, in order for these statements to actually become the true driving force in your business, you must translate the broad aspirations outlined within them into concrete goals; then you must plan how to realise those goals. In this context, we are using the term goals to mean measurable targets.

Let's use a simple example to guide us here. Imagine a Dublin-based hotel that had developed the following Vision and Mission statements:

Vision

To become the leading independent 4* hotel in Dublin providing excellent products and services at reasonable prices to every customer, every time

Mission

Our customers are our priority and we will provide them with a quality experience which is second to none. We recognise the importance of our employees in achieving this and we will create a positive working environment which encourages their loyalty, commitment and hard work. We strive to be excellent leaders and will undertake all our business activities in an honest and ethical manner to provide a fair return on our investment

We won't debate the merits of these statements as they are for illustrative processes only but even a cursory reading of these statements gives a strong sense that this management team want their hotel to be a step above the norm; they want to excel. If what is stated in their Vision and

Mission was lived up to in reality, this would truly be a stand-out hotel. But, they are only words and for these statements to be of any real benefit, the management team would need to break these broad aspirations down into more tangible goals to guide their efforts in future.

Sample goals for this hotel derived from their Vision and Mission could be:

Converting Vision and Mission into Goals

Vision

"To become the leading independent 4* hotel in Dublin providing excellent products and services at reasonable prices to every customer, every time"



What does 'leading' entail?
How can this be achieved in practice?
Perhaps the goal could be to win industry recognition, or an award of excellence within a certain timeframe

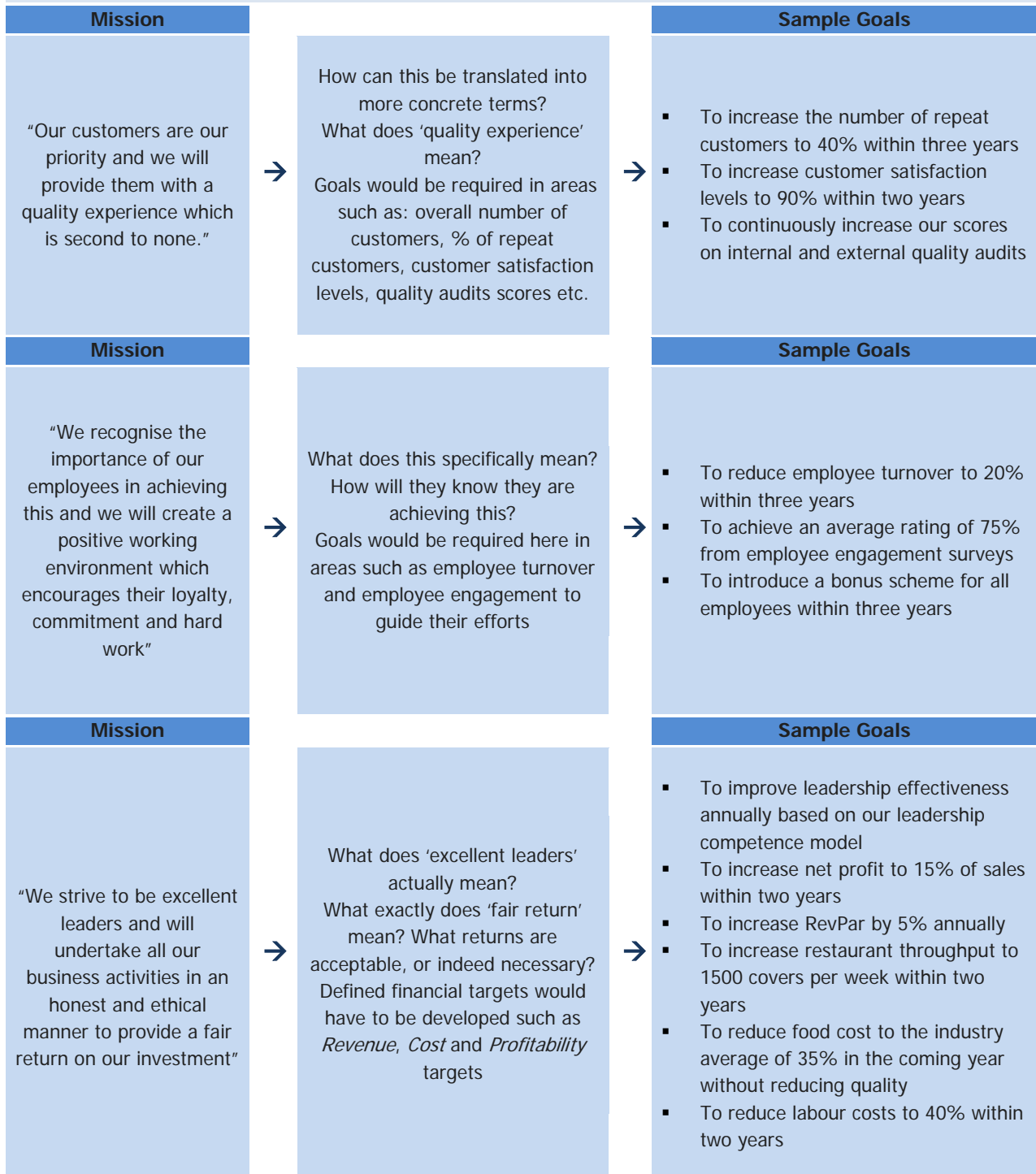


Sample Goals

- To win a leading award for excellent service in the coming year
- To win the AA Hotel of the Year award within three years

To translate the Mission into Goals, let's break it down into its constituent parts. The Mission related to three different primary stakeholders:

1. Our customers are our priority and we will provide them with a quality experience which is second to none (Customers)
2. We recognise the importance of our employees in achieving this and we will create a positive working environment which encourages their loyalty, commitment and hard work (Employees)
3. We strive to be excellent leaders and will undertake all our business activities in an honest and ethical manner to provide a fair return on our investment (Owners/Managers)



It is important to point out that these sample goals are only for demonstration purposes – we can't set real goals, as we don't know where this hotel is starting from.

But we will assume that they are challenging, yet achievable, based on their current position. You should also recognise that it is these goals which must be achieved if this business is to live its Vision and Mission and achieve excellence.

Having goals is a far cry from just hoping 'to be the best' as they define what that means in real terms.

The key message you should take from this example is how Vision and Mission are brought to life in any business through goals.

Your goals will of course relate to your own Vision and Mission and you can have as many as you like or indeed need.

Activity 1: – Reflecting upon your Vision and Mission statements

Now is a good time to reflect upon your Vision and Mission statements to see whether you are getting the most from them. *If you don't have them as yet, then this exercise will help you begin the process of developing them.*

Think about the following:

- ✓ Have you identified the key stakeholders in your business?
- ✓ Have you defined their specific needs and expectations? Consult with your stakeholders to better understand what they expect.
- ✓ Reflect on how well you currently meet those needs and also what you maybe don't do so well.
- ✓ Now, if you already have Vision and mission statements in place, do they remain relevant?
 - Does your Vision adequately describe what you want to achieve?
 - Does your Mission really capture what you are trying to deliver for your key stakeholders?

Now, think about what you do with the Vision and Mission statements you currently have:

- ✓ If someone gathered a randomly selected group of your employees and asked them to describe (even in their own words) the essence of your Vision and Mission, do you think they could do so? Does your Vision and Mission really resonate with everyone in your business on a day to day basis?
- ✓ Have you developed clear strategic goals that bring your Vision and Mission to life as in the examples above?
- ✓ List five things you did in your business over the past six months which have helped you to bring aspects of your Vision and Mission to life? If you can't answer this, then there is probably a disconnect between day to day life in your business and your Vision and Mission.
- ✓ Are you closer now to achieving your Vision than you were a year ago? Are you better at delivering on your promises in the Mission to your stakeholders? What evidence do you have to support your answers here?

If you feel your answers here are generally a bit vague then you can probably get more from your Vision and Mission by looking at them again in light of the principles covered in this Guide. If you don't have these statements already, then the questions above can help you as you seek to develop them.



3. Reviewing your Culture

In reality there is no such thing as the right culture, only better or worse in terms of how well it helps to engage your people. This can be a very theoretical area but for the purpose of this Guide, the practical implications of culture will be the focus. In terms of the culture you build in your business, it should be clear that in this day and age there are obvious pitfalls to avoid

such as creating a 'top- down' culture, or one where employees feel undervalued. In addressing the cultural component of your business, in basic terms, you simply want to ensure that the overall environment is one which brings the best out of your employees for the benefit of your customers and ultimately to improve overall business performance.

A number of warning signs can tell you that you have some cultural issues to contend with:

- ❑ If your employee turnover is higher than the industry average, this could mean that employees are unhappy for some reason or another. Equally, if turnover is higher in one department when compared with others, then you might have issues in that area.
- ❑ If you have an employee survey then – depending on the questions it entails - that should give you an indication of where cultural-related issues might lie. If you get a very low response rate to your survey, then that too might signal underlying problems.
- ❑ If you find it difficult to implement change due to employee resistance, or if you sense that morale is very low for long periods, then there are probably underlying cultural issues at play.
- ❑ Feedback from your customers will most definitely signal whether employees are performing well and again when the trend in feedback changes suddenly in a negative way, or is constantly declining, that certainly means there are concerns and they in turn might be cultural-related.

These are just indicators that might flag cultural problems, but often you can get a sense of how things are just by interacting with your people. When the culture of an organisation makes people feel valued and respected, you can quickly see that in how they act and behave; and, of course, the

opposite is true also. Some managers choose to ignore the negative warning signals because they are afraid to 'open a can of worms' but that's short-sighted at best. Make sure you, and your wider management team are constantly communicating with employees.

3.1 Practical steps towards building a positive culture

Some practical steps which you could take to either begin the process of changing the culture if you feel there are problems, or to build on the positive one you already have include:

- ❑ If you haven't developed your Vision and Mission as yet, then that's the first thing you should do based on the lessons learned earlier. Having these statements of itself starts to communicate to employees the type of culture you are seeking to build.
- ❑ As touched upon earlier, it can be useful to work with employees to define which values are important to them. Usually, when people identify collective values, they feel a sense of ownership toward them and do their best to live them every day.
- ❑ Always be a role model for the culture you are trying to create in the business and in particular do not allow other managers, or indeed any employees, to act or behave in a way that does not mirror your preferred culture
- ❑ Review all training programmes which you may have in the business – make sure that behaviours and attitudes, reflective of your preferred culture, are promoted during these sessions.
- ❑ Consider what the channels of communication are at present in the business. Are they adequate to encourage effective two-way communication? Do they deliver good results?
- ❑ How often do employees get to discuss concerns and issues with their managers, and indeed with you? If that doesn't happen in a regular, structured way, then you should address this gap immediately. If it does, what happens as a result of those discussions? Are identified problems addressed and resolved?
- ❑ What recognition and reward mechanisms do you have in place to acknowledge when employees go the extra mile for you? They do not necessarily have to be solely financially driven as often a meaningful 'thank you' can make a difference.

“ *create the right culture* ”

These considerations alone won't dramatically change the culture in your business, but they will get the ball rolling if you think hard about them and act accordingly to bridge identified gaps. In addition, the following section of this guide focuses on leadership competences and it is well established

that when leadership at every level within a business is effective, that goes a long way to creating the right culture. Finally, in line with the above considerations, the following activity will give you some more food for thought on this issue.

Activity 2: – Considering your Culture

You can further consider the culture in your business by reflecting on the following questions and activities:

- ✓ What five words do you think would summarise the values that are important to your employees? Note them down. Then ask a selection of your employees what they think are their top five. Compare the lists and you might be surprised what you find. Work with them to devise an agreed list of priority values.
- ✓ What attracts employees to come and work in your business and what motivates them to work harder? Write down what you think matters to them. Again, ask a selection of your employees the same question and see what comes up. Often what we think motivates people isn't entirely accurate.
- ✓ What makes people leave? If you are not holding exit interviews at present, start doing it – you can learn a lot from good employees who are moving on.
- ✓ What is the most common feedback you receive from customers about your staff? Go back over your various feedback tools and really examine what they are saying about your employees. This can help give you a sense how employees are interacting with your customers.
- ✓ How would you describe the leadership styles in your business at present? When was the last time you asked your employees how they felt about the way they were managed day to day?
- ✓ How are decisions made and problems solved in the business? Do you involve employees in the process?
- ✓ How are failures dealt with? Are they seen as opportunities for punishment or learning?
- ✓ How is quality achieved in the business? Is there a sense of ownership amongst employees or do you have to drive everything?

These questions and related actions are designed to get you thinking in practical terms about the culture within your business at present. If it doesn't happen already, you should introduce formal mechanisms for you, and all managers, to talk regularly to your employees about 'how they feel' so that you continuously get a sense of what their views are. As stated, if you currently have an employee survey, that's one tool to facilitate this, but make sure it is giving you the information you need. If you don't have such a survey, you can still discuss these issues in a structured way with employees.



4. Developing a Leadership Competence framework

You can find guidance on personal leadership effectiveness on the [Business Tools](#) web page

When focusing on issues like bringing Vision and Mission to life, or when seeking to build the right culture, nothing is more important than the quality of leadership. You can find guidance on personal leadership effectiveness on the Business Tools page and you, and all the managers in your business, must continuously work to build individual leadership effectiveness.

That will help to bring Vision and Mission to life and build a culture which engages employees. However, the quality of leadership must also be considered in a strategic context and as such you and your senior management team must outline the parameters or competences which you feel all leaders in the business much aspire to. This can be achieved through the development of a Leadership Competence framework.

Developing a Leadership Competence framework might sound like a complex undertaking but it doesn't have to be so and a simple approach can work well even in larger businesses. When you begin to look more closely at this area, you will likely find that there is too much emphasis on what managers do, and not enough focus on what they achieve.

For example, most organisations use Job descriptions for various management positions – and although useful – they generally focus on what a manager does, which is important of course but is only half the story. It is perhaps more productive to concentrate on *what they do* and *what they are expected to achieve* and this is where a competence framework can be beneficial. You could devise a framework with the following components:

Results – what they must achieve.

Every manager, regardless of level, must achieve certain things and in many organisations this is not spelt out clearly enough, or is solely financially focused. So, it is useful to agree a set of result areas for all managers and this could include headings such as:

- Meet specific revenue targets
- Achieve defined cost percentages
- Increase customer satisfaction ratings for their area
- Lower employee turnover in their area

- Reduce number of accidents in their area
- Meet the requirements for training hours provided to staff

Note the mix of financial and non-financial results here. Naturally, the targets expected will vary by management level but having a focus on 'what they must achieve' beyond the financials would change the dynamic in many businesses.

Focus on Task – what they must do

You could define criteria in this area such as:

- Demonstrate commitment to the company's Vision and Mission
- Understand their roles and responsibilities and demonstrate high levels of competence
- Continuously develop their own skills and knowledge
- Effectively plan and organise the workload in their department
- Manage resources to achieve the objectives agreed for their area
- Provide clear direction and guidance to their employees
- Ensure that work in their area is consistently carried out to the standard required
- Constantly strive to improve overall quality and promote continuous improvement in their area
- Address underperformance in a proactive and constructive manner
- Adopt a structured approach to training, coaching *and* developing their team
- Provide regular constructive feedback to employees
- Solve problems and show initiative in finding creative solutions to work related problems

Focus on People – what they must do

You could define criteria in this area such as:

- Be self-motivated and set a positive example for employees by their attitude and performance
- Demonstrate high levels of energy, enthusiasm and professionalism
- Show concern for their team members and interact with them in a positive manner
- Treat all team members equally and fairly
- Apply flexible leadership styles and regularly show an ability to adjust their approach to deal with different people and situations
- Communicate in a structured and effective manner with their team
- Build and sustain effective relationships with employees and customers
- Motivate others to improved performance

These are of course just sample criteria for you to consider, but you get the idea; you are translating leadership effectiveness into something more concrete which is focused on both what you want your managers to do, and to achieve. Think of it this way: if any given manager in your business was meeting all of these sample criteria, they would be very effective and adding a lot of value to your business. The competence model you develop will also be useful in other areas such as recruitment, training and performance management, so it is certainly a task worth undertaking.

Activity 3: – Developing a Leadership Competence Framework

1. Think about the current situation in your business:

- Do you provide clear direction to your managers as to what you want them to deliver for you, as well as what you want them to do for you?
- If you currently use Job Descriptions, is there too much of a focus only on what they should be doing? Could you reword/add to them in order to make your Job Descriptions more outcome-oriented?

2. Think about the specific *Results* you want your managers to achieve.

- Can you devise a set of result headings that would be applicable to all managers? Certainly, as in the example above, all managers would be responsible for targets such as: Revenue, Costs, Customer Satisfaction, Employee Satisfaction etc.
- Devise a list of common result-focused headings.

3. Review the *Task-Focused* criteria above

- Select those that you feel are most appropriate in your business, or devise your own.

4. Review the *People-Focused* criteria above

- Select those that you feel are most appropriate in your business, or devise your own.

By applying these simple steps you can quite quickly begin to devise a basic Leadership Competence framework for your business which can be used to recruit, train/develop, appraise, and reward managers. And, if all your managers address the type of criteria listed above then not only will you raise business performance, but you will be living your Vision and Mission and creating the right culture which truly engages employees.

5. Conclusion

This guide has focused upon macro concerns in relation to leading your organisation. In conjunction with other guides available on the Business Tools site, the information will help you to address important issues such as strategic planning or managing innovation and change. This guide specifically highlighted the importance of three interlinked concerns:

- Developing and living Vision and Mission statements for your business
- Building a culture which supports the achievement of the Vision and Mission
- Defining competences to raise leadership effectiveness which is a major contributor to creating the right culture.

It is important that you devote some time to step back from your day to day concerns to focus on such important issues, and by doing so you will set a clearer direction for the business, and for your management team, which will generate a positive return for your efforts.



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