1. Introduction

Talented leaders are the backbone of an organisation. They develop strategic initiatives to grow and preserve the business. Prime Minister Lee Hsien Loong, in his keynote address at SNEF 30th Anniversary CEO and Employers Summit in July 2010, highlighted that "a huge part of the responsibility for improving productivity falls on employers and business leaders”. He emphasised that leadership is critical in upgrading productivity for businesses.

In recent years, many well-known companies such as Chrysler, Lehman Brothers and Merrill Lynch have either disappeared or were taken over. Leadership is believed to be one of the contributing factors to their turmoil. Hence, it proves that capable leadership is a critical element in any organisation. An organisation depends on leadership to guide them through unprecedented changes. Without proper leadership, even the best and boldest strategies “die on the vine”, and their potential is never realised. The quality of leadership talent determines the fate of the organisations, ensuring that their strategic plans are successfully implemented. It also helps them to prepare for a more uncertain future.

Leadership also impacts the organisational culture, and plays a part in the productivity of the organisation. Mark Vickers from i4cp is quoted in his article stating that, “seventy-six percent of highly productive companies said that, to a high or very high extent, leadership in their companies raises productivity”. Hence, this further emphasises the importance of an effective leadership for a successful organisation.

2. What is Leadership?

Leadership is defined as the “process of social influence in which one person could enlist the aid and support of others in the accomplishment of a common goal”. It involves using one’s role and ability to influence others in some way, which delivers business results and contributes to the organisation’s overall success. True leadership comes from influence, congruence and integrity. A successful leadership involves the management of relationships and communications within a team, and drives the team towards
achieving a specific goal. Leadership reflects on the ability of one to “express a vision, influence others to achieve results, encourage team cooperation, and be an example”. It is important to note, however, that one who is in the formal role of a leader may not necessarily possesses leadership skills nor be capable of leading. Leadership is essentially related to one’s skills, abilities and degree of influence, instead of power.

3. Leadership Development

The ability of an organisation to accomplish its goals neither depends solely on the force of will of a single great leader, nor upon the effectiveness of the organisation’s chain of command. Both formal and informal leaders are key to an organisational success. Leadership development encompasses activities that foster and develop effective leadership skills, and enhances the quality of leadership within an organisation. It could also be regarded as an investment in “social capital” to develop interpersonal network and cooperation within organisations.

3.1 Leadership Skills

A McKinsey Global Survey results published in October 2009, as presented below, highlights the six important leadership skills that are deemed crucial for an organisation’s future success. These areas include challenging assumptions, encouraging risk taking, inspiring employees, clearly defining expectations, rewarding achievements and participative decision-making. Hence, organisations may position their businesses for future success through focussing on these key areas. The six areas are further discussed in the table below.
(i) Challenging assumptions
A business could become “stuck” when leaders are not willing to challenge current assumptions. This could hamper the creative process, apart from discouraging the growth of new ideas that are outside of normal assumptions. Leaders should be encouraged to think beyond the constraints of traditional assumptions. Incorporating this management strategy could foster both manager and employee innovation.

(ii) Encourage risk taking
Future leaders should be trained to incorporate strategies for risk taking. Taking the right risks could payoff with increased revenue and market share. Leaders should be trained to get out of their safe zone and explore new opportunities.

(iii) Inspiring employees
Once a leader has designed innovative strategies, it is important to inspire employees to get behind implementation efforts. It is also important for leaders to reach out to all employees, including the front-line employees that serve customers. These employees are a key component to success due to their ability to impact customers directly. Employees should also feel empowered by their ability to drive the organisation’s success. Leaders should inspire them to want to put forth the effort, hence requiring unique strategies designed to forge a partnership between the employee and management.

(iv) Clearly define expectations
When designing successful leadership strategies, it is essential to clearly define expectations for employees. When employees understand what is expected of them, job
(v) Rewarding achievement

Successful leaders also need to focus on rewarding employees’ achievements. Successful incentives should take into consideration what motivates a group of employees. While monetary compensation or gift cards may motivate some employees, others would be most satisfied with extra vacation days or a more flexible working schedule. A best plan that is suited to the working teams to drive up job satisfaction and motivate them to meet company goals should be chosen.

(vi) Participative decision making

Future leaders of successful organisations should focus on cultivating a participative decision making environment. Participative decision-making is an effective strategy, as a leader does not always have the foresight to anticipate all challenges when making a decision. Engaging others in the decision-making process allows the executive to tap into individual’s unique talents. A participative decision maker would consider all inputs, before making the final decision and accepts full responsibility for any consequences resulting from that decision.

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### 3.2 Leadership Styles

Leadership style is defined as the manner and approach of providing direction, implementing plans and motivating people. Leadership styles vary with personality and situational need. Understanding the different types of leadership is a necessary first step in leadership development. Each of the leadership styles has an impact on reforming and/or creating an organisational culture. The table below presents the 10 common types of leadership styles.

<table>
<thead>
<tr>
<th>Leadership Style</th>
<th>Description</th>
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<tr>
<td>Autocratic Leadership</td>
<td>Autocratic leadership is an extreme form of transactional leadership. Leaders have absolute power over their employees, and the latter have little opportunity to make suggestions, even if it would be in the organisation’s best interest. Autocratic leadership often leads to high levels of absenteeism and employee turnover. However, it could remain effective for some routine and unskilled jobs, as the advantages of control may outweigh the disadvantages.</td>
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<tr>
<td>Type of Leadership</td>
<td>Description</td>
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<td>Bureaucratic Leadership</td>
<td>Bureaucratic leaders tend to follow rule rigorously. They ensure that their employees follow procedures precisely. Bureaucratic leadership is very appropriate for work which involves serious safety risks, or where large sums of money are involved.</td>
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<tr>
<td>Charismatic Leadership</td>
<td>Charismatic leadership may appear similar to transformational leadership. Charismatic leaders inspire lots of enthusiasm in their employees and are very energetic in driving others forward. Charismatic leaders, however, tend to believe more in themselves, than in their employees, hence, creating a risk that a project, or even the entire organisation, might collapse if the leader leaves. In the eyes of the followers, success is directly connected to the presence of charismatic leader. As such, charismatic leadership carries great responsibility, and needs a long-term commitment from the leader.</td>
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<tr>
<td>Democratic Leadership / Participative Leadership</td>
<td>Democratic leaders tend to invite other members of the team to contribute to the decision-making process, although they make the final decision. Hence, it increases job satisfaction through the involvement of others, and helps to develop people’s skills. Employees would also feel in control of their own destiny, and motivated to work hard by more than just a financial reward. This approach could however take longer, but often with a better end result. Democratic or participative leadership is most suitable when working as a team is essential, and when quality is more important than speed to market or productivity.</td>
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<tr>
<td>Laissez-faire Leadership</td>
<td>“Laissez-faire” means “leave it be” in French. It is used to describe leaders who leave their employees to work on their own. Laissez-faire leadership could be effective if the leader monitors what is being achieved and communicates this back to the team regularly. Often, this style of leadership is most effective when individual employees are very experienced and skilled self-starters. This type of leadership, however, could also occur when managers do not apply sufficient control.</td>
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<tr>
<td>People-oriented Leadership / Relations-oriented Leadership</td>
<td>People-oriented leadership is the opposite of task-oriented leadership. People-oriented leaders are totally focussed on organising, supporting and developing the people in their teams. It is a participative style, and tends to encourage good teamwork and creative collaboration. In practice, most leaders adopt both task-oriented and people-oriented styles of leadership.</td>
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<tr>
<td>Servant Leadership</td>
<td>Servant leadership describes a leader who is often not formally recognised as such. When someone, at any level within an organisation, leads simply by meeting the needs of the team, he or she is described as a servant leader. Servant leadership is a form of democratic leadership in many ways, as the whole team tends to be involved in</td>
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decision making. Supporters of the servant leadership style suggest that it is an important way to move ahead in a world where values are increasingly important, and where servant leaders achieve power on the basis of their values and ideals. Others believe that in competitive leadership situations, people who practice servant leadership could find themselves left behind by leaders using other leadership styles.

**Task-oriented Leadership**

Highly task-oriented leaders focus only on getting the job done, and could be quite autocratic. They actively define the work and roles required, put structures in place, plan, organise and monitor. However, since task-oriented leaders do not tend to think much about the well-being of their employees, this approach could suffer many of the flaws of autocratic leadership with difficulties in motivating and retaining employees.

**Transactional Leadership**

Transactional leadership starts with the idea that employees agree to obey their leader totally when they accept a job. The “transaction” is usually the organisation paying the team members in return for their effort and compliance. The leader has a right to “punish” employees if their work does not meet the pre-determined standard. Employees could do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively, a transactional leader could practice “management by exception” – rather than rewarding better work, the leader could take corrective action if the required standards are not met. Transactional leadership is more of a type of management, as it focuses on short-term tasks. It has serious limitations for knowledge-based or creative work.

**Transformational Leadership**

Transformational leaders are true leaders who inspire their employees constantly with a shared vision of the future. While this leader’s enthusiasm is often passed on to the team, he or she may need to be supported by “detail people”. Hence, in many organisations, both transactional and transformational leadership are needed. Transactional leaders ensure that routine work is done reliably, while transformational leaders look after initiatives that add new value. Transformational leaders; has integrity, sets clear goals, clearly communicates a vision, sets a good example, expects the best from employees, encourages, inspires and supports, recognises good work and people, provides stimulating work and helps people see beyond their self-interests and focus more on team interests and needs.
3.3 Leadership Strategy

Leadership strategy is similar to a business strategy. It is based on a thorough analysis of the current situation, and an "informed view of the future". It provides a series of recommendations to close the gap between the current situation and desired future. Once the strategy is put in place, business results would provide feedback on how well the leadership strategy is working. It also helps to shape the new business strategies, which could be considered with the leadership talent that has been developed. Leadership strategy also impacts the talent management process.

3.4 Leadership Framework

Self

The key element of the leadership system is one’s self. Leaders that understand this personal perspective and possess the core leadership skills and personal capacity to lead themselves, would enjoy a high degree of success in leading others in the long run. This calls for an understanding and awareness of strengths and weaknesses, clarity of personal vision, and ability to be creative and curious, understanding others and a sense of one's personal brand of leadership. One’s leadership ethics and values act as an anchor in turbulent times, and all of this serves to formulate his/her personal style of leadership.

Self-Team

Middle managers play a critical role in developing relationships, which contribute to team and organisational success. It is critical for middle managers to know how to influence others through communication, relationship building and management.

Team

Leaders who are operating in this perspective must be able to engage and generate passion in others. Creating a vision for success and aligning all members of the team to that vision is often challenging, and requires an understanding of team leadership and dynamics, as well as the ability to create an environment which maximises the abilities of all team members. Leading for success in the team environment requires a great deal of grace, patience, focus and finesse.

Business Unit

Leaders who operate in this perspective are measured greatly by tangible results, which they must produce at the business unit level. It demands leaders who could align individual and team efforts with the higher-level business objectives. Leaders at this level must be able to measure performance, improve business processes, as well as working within the organisation to create an environment which fosters accountability, and allows individuals to be proactive, focussed and successful.
**Organisation**

Leaders operating at the organisation perspective are usually concerned with the strategic direction, enhancing value to the customer, while skilfully guiding the organisation in a highly competitive environment. They have the skills and capacity to position themselves and their teams to maximise value today and in the future. These leaders should also be ever watchful of the changing marketplace and are able to be proactive in ensuring the long-term viability and effectiveness of the organisations, business units, and teams they lead.

**3.5 Benefits of Leadership Development**

A report by Bersin and Associates indicated that organisations with leadership development programmes might experience significant business impacts, which includes improvements in leadership strength, leader retention and employee retention. The impact of leadership development is not determined by the amount of money spent, but how it is designed and executed.

The five key benefits of leadership development are;

(i) **Morale booster**

This is the most obvious benefit, which is also the hardest to measure. Having well-trained leaders and intentional in how they lead would create an immediate impact on the work environment. This leads to a “snowball effect” of positive outcomes.

(ii) **Limits employee turnover**

Employees, who are constantly motivated, contented and respected, would be less likely to leave the organisation. A low turnover impacts the bottom line immensely. The organisation would also be able to retain skilled employee and the team dynamics, while avoiding the costs of recruiting and training of new employees.

(iii) **Increases productivity**

Effective leaders are able to guide their team and minimise obstacles, hence, getting the best results out of the resources available. This shows that team members are ultimately empowered to succeed, which would result in a much better productivity.
(iv) Provides better vision
Leaders who are well connected with their team could see the issues affecting their group better. This makes problem solving easier as leaders are more aware of the current situations and surroundings. It also allows them to create a solid set of actionable goals, which could lead to success.

(v) Fosters new ideas
An effective leader is a good facilitator, which makes sharing of new ideas in the team comfortable. It also allows for those ideas to be further studied and explored in detail. A good steward of new ideas could help keep the organisation dynamic and ever evolving.

4. Leadership vs Management
Although leadership and management overlap to a significant degree, they are not the same. While management is “getting things done through others”, leadership involves “getting others to want to do things”. Leadership is distinct from management to the extent to which it is closely related with motivating and influencing others. It involves setting a new direction for a team and preparing people for roles and situations beyond their current experience. Management, on the other hand, focuses on enhancing, directing and controlling, according to established principles.

5. Impact of Leadership on Productivity
Leadership undeniably affects organisation performance, in particular employee outcomes. Job satisfaction, productivity and organisational commitment are affected by leadership behaviours. Leaders, apart from their actions and personal influence, should be empowered to make the critical decisions and keep operations running smoothly and effectively. They also need to constantly keep themselves up to date with the current affairs and situations. It is critical for leaders to be aware and able to identify the new emerging markets, which may present new business opportunities that they could consider venturing into.
For organisations to achieve a higher level of productivity, there are many steps and activities that could be undertaken by leaders. The following highlights six steps that could be taken into consideration.

5.1 Employee Ownership and Accountability

Leaders should increase employee ownership and accountability. Multiple owners to one project create ambiguity and tension among them. Often multiple ownerships also decrease work productivity. Hence, a single ownership to a project is recommended. The person assigned with the ownership would then “owns success or failure” of the project, and would be responsible for creating the work team, setting up meetings and determining the timelines. The leaders could also then make the assignment of ownership public, to increase the owners’ feeling of personal accountability. Leaders should also set clear expectations to the owner for updates and reports on the progress of the project.

5.2 Defining Big Projects, Initiatives and Goals

It is crucial for leaders to clearly define big projects and initiatives. When employees are not clear of what the team is really trying to accomplish, it often affects productivity. The ultimate goal or deliverable of each project should then be emphasised and communicated to all employees. The current state of situation should also be addressed. This would assist employees in identifying the gaps and tasks that are needed to be put in place in order to achieve the goal.

5.3 Managing Employee’s Satisfaction

Leaders need to utilise their resources efficiently to maximise on their productivity capabilities. Saving costs through employing more unqualified and low cost workers may not necessarily raise productivity. They should also demonstrate a strong support in allowing their employees to acquire new skills and knowledge, and be individually productive.

Leaders play an important role in maintaining or improving their employees’ job satisfaction. They would
need to keep a close pulse on employee’s morale, and taking specific actions to improve it when necessary. Leaders need to set appropriate examples and inspire their subordinates to ensure that the organisation’s objectives are met. An inefficient leadership causes job dissatisfaction, which leads to absenteeism, low morale and high turnover. This further impacts the productivity of an organisation, while employees who experience job satisfaction are more likely to be productive and less likely to leave the organisation. Apart from organising team building activities, taking the time to celebrate key milestones or the successful completion of projects would also help improve employees’ morale. This would ultimately lead to more engaged employees and better results on future projects.

5.4 Communication

Leaders should employ open communication to increase the trust between them and their employees. They need to help employees feel as though they are valued and trusted. A frank communication promotes a trustworthy relationship between the leader and his employees, which helps to get issues solved quickly and competently. Leaders would also need to show their appreciation towards their employees. It is critical for leaders to listen to their employees to give them a better understanding of their feelings as well as to gather their feedback or ideas that could be beneficial to the organisation and could be taken into consideration.

5.5 Recognition and Incentives

Leaders could motivate their employees through recognition and incentives for a job well done. Through small gestures, such as having “Employee of the Month” award would increase employee’s sense of self-esteem and create positive impact on productivity. Performance incentives, in the form of monetary awards, could also be given to employees, based on their performance. Employees would be judged based on the quality of their work, productivity, time lines, and discipline.
5.6 Innovation

Innovation is one of the key factors that impacts the productivity and growth of an organisation. Leaders must embrace innovation to stay ahead of their competitors. In today's economic scenario, "innovativeness has become a major factor in influencing strategic planning". Leaders who actively supports and promotes innovation to their employees would create and re-invent new markets, products and services, which would contribute to the organisational growth.
Recommended Readings


References


Why is Productivity Important?
Singapore businesses and the workforce are gearing up to address productivity challenges that have arisen in the past decade.

Key findings from the recently disseminated Report of the Economic Strategies Committee highlighted that:

“We must shift to achieving GDP growth by expanding productivity rather than the labour force. We must boost productivity in order to stay competitive, upgrade the quality of jobs, and raise our people’s incomes. A slower growing workforce makes it all the more important for every enterprise to innovate to create more value, and to maximise the potential and performance of every worker.

This shift to productivity-driven growth would require major new investments in the skills, expertise and innovative capabilities of our people and businesses over the next decade.”

The benefits from higher productivity are wide ranging:

- Increase in income / profitability.
- Lowering running costs / operational costs.
- Maximising the use of all of the company’s resources such as land, equipments / machineries, factory / space, workers, and etc.
- Gaining a greater share of the market.
- More cash flows mean more opportunity for the company to expand and grow.
What is the Certified Productivity Practitioner (CPP) Programme about?
One key investment by businesses would be the development of productivity managers to drive and implement productivity improvements in the company.

The Singapore Productivity Association has developed this course for the purpose of training managers to:

- analyse the productivity issues affecting their companies
- develop a solution(s); and
- implement improvements

The programme would conducted in 2 parts:

Part 1 is an 8-day in-class component and comprises four modules:

Module 1 – Understanding Productivity
Module 2 – Productivity Tools, Techniques & Management Systems
Module 3 – Innovation & Service Excellence
Module 4 – Critical Success Factors

Part 2 would comprise 2 days of in-company project guidance:

Upon finishing Part 1, participants would embark on a company project to improve productivity in a specific area. Project guidance would be provided to help ensure that the solution(s) and plans are appropriately designed and delivered.

What would you learn?
At the end of the course you would:

- understand the key productivity concepts, including how productivity is measured
- know the relevance and types of tools available to improve productivity
- identify and develop a programme to address one productivity issue affecting your business
- understand the critical success factors for a sustainable productivity improvement culture in the company.

Who should attend?
This course is targeted at employee that are involved in developing, managing and implement Productivity initiatives.

Targeted employee could include:
- Senior Managers
- Managers and Senior Executives
- Senior Supervisors

Participants should possess a minimum of GCE “A” level and at least 5 years of working experience.
**Course Fees & Funding**

As WDA provides funding for the course, participants need only pay the net fee as shown in the table below:

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<th>For SMEs:</th>
<th>Nett Fee</th>
<th>Nett Fee with GST</th>
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<tr>
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<th>For MNCs &amp; LLEs</th>
<th>Nett Fee</th>
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<tr>
<td>SPA Member (S$3,700)</td>
<td>S$1,850</td>
<td>S$1,979.50</td>
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<tr>
<td>Non-Member (S$3,950)</td>
<td>S$1,975</td>
<td>S$2,113.25</td>
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*Funding applicable for up to 2 participants from any single company.*

**When would this be held?**

The Programme would commence on Wednesday, 1 September 2010 from 9.00 am – 5.00 pm.

It would be held every Wednesday and Friday till 24 September 2010 at the same time.

Please contact Secretariat for information on subsequent runs.

**How to register or get more information?**

To register, please fill out our Registration Form here.

To request for a brochure, please fill out our Expression of Interest Form here.

**Contact us**

For more information about the seminar or future runs, please contact:

Ms Leanne Hwee at DID: 6375 0938; Email: leanne.hwee@spa.org.sg
Why a Productivity Seminar?
Singapore businesses and the workforce are gearing up to address productivity challenges that have arisen in the past decade.

Key findings from the recently disseminated Report of the Economic Strategies Committee highlighted that:

“In absolute levels, Singapore’s productivity in manufacturing and services are only 55 to 65 percent of those in the US and Japan (see Figure 1). In the retail sector for example, our average level of productivity is about 75 percent of that in Hong Kong and one-third that of the US. In construction, productivity levels are half that of the US and one-third that of Japan.”
What is the Seminar about?
The Singapore Productivity Association has developed this Seminar for the purpose of providing information to all parties on the basics of productivity. Specifically, the seminar aims to:

- Refresh – everyone on the meaning and concepts of productivity
- De-myth – explain what productivity is and is not, especially in the current day context
- Inform – about the Tools, Techniques and Methodologies

What would you learn?
At the end of the seminar, you would understand:

- the key productivity concepts, including how productivity is measured
- the relevance and types of tools available to improve productivity
- the way forward to implementing productivity in your company.

Who should attend?
This seminar is targeted at employee that needs to understand the importance and relevance of productivity at work. They may be involved in developing and managing; or are part of teams that implement Productivity initiatives.

Targeted employee could include:
- Managers
- Senior Executives
- Supervisors
- Senior workers with team leadership responsibilities.

When and Where would this be held?
Please look out for our September schedule on our website: www.spa.org.sg.

How to register?
To register, please fill out our Registration Form here.

Contact us
For more information about the seminar or future runs, please contact: Ms Leanne Hwee at DID: 6375 0938; Email: leanne.hwee@spa.org.sg