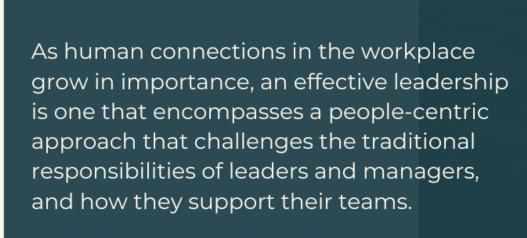
THE CURRENT STATE OF LEADER & MANAGER EFFECTIVENESS



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The underlying assumption that work is static, unchanging, and repeatable has governed the ways in which we've been organizing tasks and creating jobs for decades: Characterized by siloed job functions, a physical location, and strict organizational charts, "work" as we know it has always followed a standard, expected routine.

But in recent years, the workplace has changed in ways beyond previous recognition, especially when compared to the pre-pandemic world. Executives are now grappling with the reality of <u>uncertainty and unprecedented inflation in the economy</u>. Now, with the vast majority of CEOs shifting their attention away from <u>people, prices, and productivity</u> to the prioritization of workforce management issues (ie. retention, acquisition), the new focus has become using leadership effectiveness as a metric to improve employee engagement in a rapidly changing world.

Gartner surveyed more than 800 HR leaders across all major industries to identify their priorities and challenges in 2023 and found that improving "leader and manager effectiveness" was the top priority for 60% of HR leaders, ranking it as the #1 concern for the c-suite. Changing how we evaluate effective leadership and management has a direct correlation to sustaining employee engagement, which can improve business performance and outcomes.

Existing Approach to Leader and Management Effectiveness

The current approach to leadership was designed for a simpler, more compartmentalized world—one where work has boundaries and personal life is rarely mentioned. In most organizations, leaders are expected to act professionally and model "ideal" workplace behaviors, specifically those related to productivity and efficiency. However, when it comes to supporting their teams, leaders are only expected to address their work needs without consideration for outside stressors. In a post-COVID world, this outdated approach to people management no longer works.

With traditional work-life boundaries dissolving and the workplace rapidly changing, so are the core responsibilities of leaders—<u>and this includes how they support their teams</u>.

The People-Centric Leader

The human connection in the workplace is becoming more important now than ever before. Therefore, the new approach to effective leadership is one that encompasses the modeling of safe self-expression in the workplace and supportive behaviors towards people's life needs. Leaders that display these people-centric leadership includes three principles:

- 1. Authenticity: When leaders practice what they preach in a genuine way, others will follow. Employees can easily tell if initiatives are created just for the sake of show, or if they're created with purpose and intent. A leader's behavior and their words should be congruent with each other—they should act with purpose and enable true self-expression for both themselves and their teams.
- 2. *Empathy:* Showing genuine care, respect, and concern for your team's well-being can mean fostering an inclusive environment for all people involved. Great leaders show genuine interest in their taskforce and make a concerted effort to understand how to engage them. McKinsey found that leaders who demonstrate a combination of both consultative and supportive leadership behaviors can <u>increase the likelihood of their workforce's psychological safety, fostering a positive team climate</u>. Inclusive leaders are able to listen to the needs of their team, whether it's by soliciting the team's input and considering their viewpoints on issues that affect them, or demonstrating concern and supporting them not just as employees, but as individuals.
- 3. Adaptability: Leaders that are able to support the unique needs of each team member by displaying flexibility and compassion can lead to significant returns on employee engagement and retention. Being sensitive to feelings of burnout and exhaustion can help leaders identify ways to simplify the work environment and promote employee wellbeing.

A New Approach to Leadership

Today, organizations are undergoing a period of pivotal transformation. Leadership is no longer contingent upon flowcharts and hierarchies, but instead <u>defined by those who are able to inspire teammates with passion and authenticity</u>. These traits—authenticity, empathy, and adaptability—have been listed as some of the key qualities that make great leaders and will define the future of leader and manager effectiveness. However, the human capabilities of an organization aren't always in plain sight. Claira's platform has the power to take these desired leadership behaviors and transform them into competency statements, <u>which can help leaders digitally map their team's competencies to match the organization's current and future performance needs</u>.

As the workplace continues to transform in unexpected ways, leaders need to anticipate these changes in order to stay ahead of their competitors. While data-driven decisions can reduce turnover and increase ideal business outcomes, using competency science to analyze leadership effectiveness can reveal hidden insights about your organization's human capital.

