

Figure 05. Towers Watson leadership effectiveness model



What do effective leaders do differently?

Only 48% of employees report that their top management is doing a good job of providing effective leadership. The Towers Watson leadership effectiveness model provides a framework that helps us clarify the performance components of effective leaders (Figure 05). First, effective leaders are committed to an organisation's strategic priorities and model its values and culture. They also perform across four key dimensions and associated competencies: *envisioning* the future, *inspiring* others to follow, *transforming* the organisation to achieve the vision, and *adapting* to changing internal and external conditions. These dimensions are helpful in analysing employee views on senior leadership and drivers of leadership effectiveness captured in our study.

From the employee perspective, the ability to inspire and motivate employees is the most important driver of leadership effectiveness (Figure 06). Yet only slightly more than half (55%) of employees say their leaders inspire them. Similarly, employees value a leader's ability to adapt, which may involve responding to new situations, different social and cultural contexts as well as growth opportunities. There is some room for improvement here, too. For example, only 51% of employees report that their senior leaders are very flexible in their approach to new situations.

Also key to effective leadership is envisioning, which includes clearly communicating future plans and demonstrating an understanding of key success factors. Slightly over 60% of employees indicate that their leaders perform effectively on these aspects of envisioning.

A leadership model incorporating these performance dimensions and helping leaders develop these competencies can improve the effectiveness of leaders and as a result, increase retention rates and levels of sustainable engagement.

Figure 06. Key drivers of leadership effectiveness

