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By Michael Bernard

Research indicates that a high-performance mindset is twice as important to high-performance outcomes as educational background and technical skills.

If you are concerned about whether your organisation's leaders have what it takes to meet workplace challenges that might affect your company's bottom line, know that you are not alone. In recent IBM- and Oracle-sponsored research, a majority of CEOs expressed anxiety about "insufficient leadership talent within the organisation as a whole" that might harm their company financially over the next 12 months.

For many years, I have been vitally interested in understanding and doing something about the

development of under-utilised potential. I cut my teeth on the issue of talent management while employed as the first sport psychologist of the Collingwood Football Team. As an academic, psychologist, and consultant-coach, I am happy to reveal what I have learned over the years about increasing leadership capacity and effectiveness.

Here's what I have discovered.

While a positive organisation (climate, culture, practice) matters a lot to high

organisational performance, what matters more is the mindset of people at all levels—particularly leadership and management.

We now have a new understanding of the positive psychological capabilities that leaders need to have to guide your organisation in the post-GFC twenty-first century. Before revealing the latest insights into the mental make-up of top-performing leaders and how a high-performance mindset can be developed in your leaders, let's step back and consider what the

research currently shows as the capital of individual and organisational performance.

The capital of high organisational performance

An organisation's competitive advantage is found in the proportion of its leaders and managers who demonstrate a high-performance mindset at work.

Recent research conducted at the University of New South Wales School of Business found that in comparison to low-performing organisations, high-performing organisations receive higher rankings on the following indices: productivity–profitability, innovation, engagement, quality of work life, and leadership.

The field of positive psychology and human performance as reported by Professor Fred Luthans reveals there are four types of capital (resources, assets) of an organisation that contribute to these high-performance indicators.

Economic capital ("What you have") refers to an organisation's tangible assets and finances.

Human capital ("What you know") includes the collective education, experience, knowledge, and job skills of the organisation's workforce.

Social capital ("Who you know") involves the quality of networks and relationships of the workforce both within and outside the organisation.

Psychological capital ("Who you are") incorporates the attitudes and behavioural strengths of employees at all levels, such as self-efficacy, optimism, and resilience.

We know that the more each type of capital resides in an organisation, the higher an organisation's performance.

However, what takes individuals and organisations from good to great, from A to A+, is

psychological capital—or what I have called the "high-performance mindset at work".

A high-performance mindset is different from a high-performance skill set

Researchers investigating leadership have identified a range of skills top leaders possess and which they engage in effectively and consistently, including, for example, focusing on what's working well and what's exceptional in individuals, teams, and the organisation, as well as communicating to staff a greater ratio (5:1) of positive feedback than negative feedback.

Distinct from leadership skill set, leadership mindset is all about psychological capabilities, not workplace behaviours. It consists of high-level commitments and behavioural strengths. This psychological capital is the source of everyone's high performance. While skill sets are key to effective leadership, it is the mindset of your leaders that determines their ability to learn and apply their skill sets effectively.

Distribution of a high-performance mindset in your leaders

Here's an important question.

What percentage of leaders in your organisation demonstrate a high-performance mindset?

How many of your leaders, including your leadership team, have a strong commitment to success—how many display high self-directedness, optimism, creativity, high frustration tolerance, and believe in the importance of continuous self-growth?

How many of your leaders have a strong commitment to others—how many display strong acceptance of others, empathy, respect, believe in supporting others and the importance of communicating regular performance feedback?

How many have a strong commitment to self—those who

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display high degrees of self-acceptance, positive self-regard, authenticity, positive focus, and value healthy living?

And finally, what proportion of your leaders respond calmly, positively, and effectively to tough leadership situations because they have highly developed strengths of resilience, self-belief, perseverance, organisation, and the ability to relate positively to difficult people?

If you believe that too many of your leaders do not possess a high-performance mindset—even though they may possess highly developed technical skills—then you may well have discovered the "real" cause of leadership talent insufficiency your organisation may be experiencing or you may be concerned about.

Return on investment

"Research with engineering managers in a high-tech manufacturing firm has shown that training focused on strengthening psychological resources contributed to a 270-per-cent return on investment?" - *Journal of Organizational Behavior*

If you invest in high-performance mindset training, here's what you can expect.

Because this form of training needs to be customised for your organisation, you can expect that leadership behaviour you want to see in practice (for example, performance management discussions) will be more frequent. Additionally, you will see that team leaders and team members not only perform more collaboratively, but their individual ability to respond effectively to tough work situations that are crucial to high performance in their roles will be in evidence.

The result is better performance and improved results. •

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