
“High Performance Leadership”: Narratives of Identity and Control in Corporate Leadership Development and Performance Management

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Abstract

This article reviews the outcomes of a three year workshop series with senior leadership and management development managers from a range of public and private sector organisations. The aim of this enquiry was to explore the interface between performance management and leadership development systems and the extent to which they can complement one another to offer a coherent progression and performance framework. A number of competing and inter-related dynamics were uncovered that influence the extent to which performance management systems facilitate appropriate and desirable forms of behaviour in organisations and the extent to which these are supported and reinforced through leadership development. The most significant of these influences was seen to be one of identity and the impact that these systems can have on a sense of shared ‘social identity’ and purpose. By way of conclusion we argue that the narrative function of corporate leadership systems in expressing ‘who we are’ and ‘what we value’ is equally, if not more, important in determining their impact (positive or negative) than their corrective or developmental capacity per se.

Performance management has long been a focus for organisations concerned with increasing efficiency and productivity. However the management of ‘leadership capacity’ is a relatively more recent consideration. Organisations across all sectors now regard leadership as a key enabler of organisational performance and competitive advantage and are investing greater and greater sums into leadership development activitiesⁱ. Given this level of investment it is not surprising that many have now turned their attention to how best to manage their leadership talent to ensure succession, progression and the delivery of organisational objectives.

Within this field, one of the most influential approaches has undoubtedly been the rise of managerial ‘competencies’ – dictating which qualities, behaviours and capabilities are most highly valued within the organisation. Growing largely in popularity through the 1980s and 1990s this approach has been widely transferred to the field of leadership as well as management and now underpins a large proportion of organisational performance management systems (PMS’s). Despite the ubiquity of competency frameworks, however, there remain concerns about the extent to which such an approach places too much emphasis on individual performance, as determined through observable behaviours and outputs, and underestimates the significance of the social, emotional and structural aspects of organisational lifeⁱⁱ. Whilst there may be an increasing desire for ‘post-heroic’ and ‘distributed leadership’ⁱⁱⁱ, which draws on the collective capabilities and contributions of people from across the organisation rather than just those at the top, it seems that much current activity in

performance management and leadership development reinforces the dominance of the individual.

With these thoughts in mind, and a desire to work through some of the tensions of individual versus collective leadership and performance, the Universities of Exeter and Lancaster launched a series of collaborative workshops with a select group of organisations to explore their experiences of trying to align performance management and leadership development systems and to share good practice. Through the process of our enquiry we uncovered a number of competing and inter-related dynamics that influence the extent to which PMS's facilitate appropriate and desirable forms of behaviour in organisations and the extent to which these are supported and reinforced through leadership development. The most significant of these influences was seen to be one of a perceived sense of belonging to a group that values high performance and the impact that these systems can have on a sense of 'social identity'^{iv} and shared purpose. Thus we concluded that corporate performance management and leadership development systems work largely through the manner in which they draw attention to what is regarded as important and valued within the organisation and define group boundaries rather than in their corrective or developmental capacity per se.

Research Process and Outcomes

The research basis for this enquiry was a series of action learning workshops facilitated by the University of Exeter's Centre for Leadership Studies and Lancaster University Management School, with involvement from a total of 24 participants from 12 organisations. The group met nine times, with a number of interim activities and visits, between July 2005 and December 2007. Group membership included the BBC, BG, Devon County Council, Local Government Leadership Centre, RAF Leadership Centre, Reuters, Royal Mail and Wincanton Plc. Throughout the period of this initiative a total of three cycles of enquiry were completed with group membership averaging around six organisations per workshop.

Phase One: High Performance Leadership

The agenda for Phase One of the enquiry (July-December 2005) was shaped through preliminary discussion with participating organisations. In particular they wished to have the opportunity to share experiences and approaches to the motivation, development and appraisal of 'high potential' leaders and to explore the implications for recruitment, reward and succession. During this period the full group met twice, with three interim site visits between group members. The focus of discussion was primarily around how to establish and maintain a high performance ethos within the organisation through the effective deployment of leadership development and appraisal. Amongst the organisations engaged in this part of the enquiry a range of approaches to performance management and leadership development were being utilised and developed, ranging from highly specific models targeted at particular behavioural competencies to relatively general and unstructured approaches. In only a small number of cases was there a clearly-articulated link between performance management and leadership development, although all participants acknowledged the high level of interdependence between these activities.

Within this part of the enquiry three main conceptual questions arose as to the embedded assumptions and practical challenges of designing and implementing an effective and appropriate performance management and leadership development strategy:

(1) How can you ensure the right balance between tightness (i.e. control) and looseness (i.e. flexibility) within a PMS?

(2) Is performance driven by the management and development systems themselves or through the sense of shared identity and purpose that they engender for those individuals?
And,

(3) what evidence is there of a causal link between leadership, leadership development and performance?

The '**tight-loose**' debate was a fundamental challenge for all participating organisations, to the extent to which they can maintain sufficient structure and direction to ensure that the actions of managers (and other employees) are in line with organisational strategy and policy without hampering personal creativity and flexibility. Whilst many organisations have their own competency or qualities frameworks, the degree of precision over how these translate to behaviour and outcomes is highly variable. Thus, for example, whilst some organisations favour a more general statement of 'values' (such as integrity, trust, humility) others prefer a more prescriptive definition of behaviours that can be objectively assessed during performance appraisals. In the course of these workshops it became clear that participating organisations sat at different positions on this continuum, often with good reason, by virtue of the nature of their work. The BBC, for example, used a relatively unstructured approach aligned to its culture of creativity and innovation, whilst those with an engineering/technical focus tended towards a more structured and prescriptive approach. In each case, however, there were concerns about the extent to which the PMS may have an adverse impact on certain aspects of the business - e.g. an unstructured approach leading to inconsistencies and variable performance and a prescriptive approach inhibiting creativity and innovation. The question, then, for these organisations was whether it might be possible to embrace both dimensions simultaneously (giving *both* control *and* flexibility) rather than needing to trade one off against the other.

The issue of **identity and purpose** related to the extent to which individual and organisational performance might be driven by organisational systems (particularly performance management and leadership development) or by the shared sense of identity and purpose that they convey through their narrative and application. Whilst the common assumption is that it is the content of such frameworks that drives effective performance through telling people what to do and how to behave (whether explicitly or implicitly), an alternative argument is that they actually work by articulating 'who we are' and 'what we value'. Whilst the result may be similar whichever mechanism is operating, they are fundamentally different processes and hold different implications for the manner in which such models are developed, applied and administered – for example, attempting to control behaviour through a 'transactional' system of rewards and punishments or via the 'transformational' effects on motivation of being a member of an 'elite' group that is measured and rewarded in special ways. Through the workshop discussions it became clear that the primary focus of attention for appraisal and

development amongst participating organisations is at the individual level (through bonuses, promotion opportunities and personal recognition) even though the effective performance and completion of tasks is invariably dependent on collaboration and engagement with others. Whilst such a situation may well lead to enhanced individual performance against the assessed criteria it is also likely to introduce dynamics of competition, one-upmanship and complicity that may be detrimental to group and organisational development and performance in the long term^v.

The third issue addressed the extent to which there is convincing evidence that effective leadership and leadership development have a positive and measurable impact upon organisational performance. In effect, this is ultimately a question of **evaluation** – i.e. the extent to which we can demonstrate an appropriate return on investment for such initiatives. For many organisations, investment in leadership and leadership development remains a leap of faith, informed through gut instinct and the current rhetoric on the value and significance of leadership in organisations. Few organisations articulate a clear 'theory of action' that argues why and how particular leadership development and performance management activities will enhance leadership capacity (at individual, team and organisational levels) and, in turn, how this contributes towards organisational performance (however defined). Through the workshop discussions and reference to prior research^{vi} it was proposed that the effectiveness of leadership development is determined more by 'how you do it' rather than 'what you do'. Thus, when faced with a proliferation of leadership development tools and initiatives, the effective organisation reflects on the purpose, principles and assumptions involved and how they relate to current and future organisational needs and performance – opting for an integrated and holistic approach (comprising a 'bundle' of complementary practices) rather than a suite of poorly connected initiatives.

The overall conclusion from Phase One of this initiative was that there was no ideal 'one size fits all' solution to performance management and leadership development in organisations but that through sharing practices and experiences in a forum such as this it is possible to begin to work through some of the tensions and difficulties encountered. By recognising the need for flexibility as well as control, reducing tensions between individual and organisational priorities by affirming aspects of social identity that reinforce a meaningful and positive sense of personal identity, and articulating (and where necessary challenging) the assumptions underpinning development and appraisal processes, a more balanced and coherent approach may be fostered.

Phase Two: Identity, Speed and Cultural Diversity

In Phase Two of the initiative (April-December 2006), four of the founding organisations were joined by another four to build on the learning and insights from the previous phase. In particular, there was a desire to further explore the insights around social identity in relation to the rapidly shifting work environment within which participating organisations operate. Key factors that were seen to impact upon identity included the need to work collaboratively with other organisations through partnerships; shifting demographics in terms of age, gender, ethnicity, occupations and location; cultural trends including globalisation, social mobility and corporate mergers and acquisitions; political processes including the micro-politics or

organisational life, public scrutiny and transparency, the commercialisation of the public sector, and the rhetoric and reality of power and command; increased pace of change and a shortening of delivery times; and acceptable and unacceptable forms of behaviour in organisations. Whilst all of these were experienced to a greater or lesser extent within each organisation, for clarity of purpose, it was decided to focus particularly on issues of speed and cultural diversity and their implications for identity formation.

With regards to **cultural diversity**, key questions included what happens to individual and social identity in mergers and acquisitions? Do different nationalities have different notions of what constitutes effective leadership and performance? Does it make sense to apply the same set of Human Resource Management (HRM) practices across a multi-national company or should these be adapted to the local context? And how can we maintain a meaningful sense of corporate identity when managers and employees are increasingly required to work alongside people from different organisations and, to some extent, assimilate their values and ways of working? An example of the challenges of working with cultural diversity was demonstrated by Wincanton Plc, a logistics company operating in over 15 countries, which has grown rapidly since 2002 (primarily through acquisition) and is required to work closely with its major customers in a 'customer intimate' manner, whereby employees are expected to integrate with the culture of the client organisation. Within such a diverse, and somewhat fragmented, organisation it is very difficult to ensure a consistent approach to performance management and leadership succession, and doing so may even have adverse effects at the local level. Despite this, it is still vital to nurture a distinct sense of organisational purpose and to maintain a coherent strategic approach to talent management and business growth.

With regards to **speed**, there was a concern as to the capacity for leadership development and PMS's to keep up-to-date with current strategic priorities. It was indicated that, due to the time taken to establish such systems, there is an inevitable lag vis-à-vis organisational priorities and initiatives. An extreme example is the lead-in time for the training and procurement cycle for the RAF and other parts of the Armed Forces. Thus, for example, decisions for commissioning new aircraft frequently need to be made a decade or more prior to active deployment. As evidenced in recent conflicts such as Afghanistan and Iraq, however, the nature of operations and the mode of engagement in which service men and women find themselves may fundamentally change over much shorter periods. The question, therefore, is how to become more agile in terms of managing and planning for the future. The unrelenting pace of activity is experienced increasingly across all organisations and, within our own group, perhaps most acutely by Reuters, who are expected to deliver financial data and news on a real-time basis, and the Royal Mail whose activities are largely shaped by the 24 hour collection and delivery cycle. Within such time-dependent contexts performance priorities may change from moment to moment. PMS's by nature, however, assume a certain consistency about the core competencies required by the organisation over time. All too often, therefore, managers find themselves playing catch-up, and HR practices are regarded as bureaucratic, unwieldy and out of touch with operational concerns. The question, then, for leadership and management practitioners is whether it is possible to turn this around: can we manage and improve performance through periods of change and adapt our processes more quickly without compromising on ethical standards and effectiveness? In other words, given

the rate of change in organisations, is it realistic or even beneficial to endeavour to 'manage high performance' or could this be better achieved through other means?

Within this phase of the enquiry we were primarily concerned with what it means to belong to a 'high-performance leadership' group. Is this the same across companies and industries? Do people of different ages, backgrounds and nationalities perceive leadership and performance in different ways? In what ways can performance management, leadership development and HRM systems reinforce a commitment to high performance such that it becomes a cultural norm? How do high-performance cultures respond to mergers with others, or to being acquired? What happens to a sense of belonging to sub-groups, specialist and professional identities? Are there down-sides to being a member of a high-performing group, risks for individuals, for ethical behaviour or sustainability, for example? Ultimately we were concerned with how a coherent and meaningful sense of group identity can be retained in the face of shifting contexts and priorities and the adverse effects of failing to maintain such a balance. One possible model for better aligning leadership development with organisational priorities that was explored was the *Coaching Ourselves*^{vii} approach developed by Henry Mintzberg and colleagues whereby action learning sets are delivered in-company, facilitated by group members with the assistance of a resource pack. Whilst this model was popular with participants they saw a need for integrating their own, in house material, to make it work effectively for them.

Phase Three: Team Leadership, Customer Focus and the Changing Nature of Work

Phase three of the initiative (Jan-Dec 2007) saw five organisations from the previous phase joined by two further organisations. As before, the aim was to continue to discuss and explore key issues related to leadership development and performance management and their potential to nurture collective as well as individual leadership capacity. Once again, the development of a shared sense of social identity was regarded as a fundamental mechanism by which such systems operate. Through discussion at the first workshop two principal themes were selected for further discussion and exploration: 'team leadership' and 'customer focussed performance'. A further theme that arose during this phase of the enquiry was the changing nature of work, particularly the extent to which organisations are shifting from hierarchical to networked structures.

With regards to **team leadership** we questioned the extent to which organisations place emphasis on the leadership *of* teams, *by* teams or *in* teams. Unsurprisingly, given the prevalence of individually-orientated performance and development systems, the participants acknowledged that most attention is currently directed at the leadership *of* teams – i.e. how a formally designated leader can effectively coordinate and facilitate the effective functioning of his/her work group. It was also acknowledged, however, that in order to facilitate the emergence of more effective collaborative engagement, greater attention may need to be given to shared leadership (leadership *by* teams) and group dynamics (leadership *in* teams). For all of the participating organisations, the 'team' environment was deemed to be the most predominant context within which their managers operate. Despite this, however, in most cases performance management is applied at an individual level and determined in relation to organisational objectives, thereby largely neglecting the significance of social capital^{viii} at the

team or group level. There were some exceptions to this, including the introduction of bonuses based on team performance and attempts at 360° team level assessment, but generally these were secondary to individual performance and development criteria.

On the topic of **customer focussed performance**, a number of the organisations had a particular interest in how leadership development and PMS's could be better aligned with customer demand and perceptions. The Data Division of Reuters, for example, have set internal targets for timeliness of response depending on the type of query and client. Although these are not formally stated in service level agreements with customers due to the dependence on external suppliers in meeting these targets they are compiled on a management information system and used on an ongoing basis to assess the performance of teams and their managers. The Royal Mail Letters Division similarly places high value on quality measures such as speed and accuracy of delivery, yet are less discerning with regards to the service provided to different types of customer. Thus all users benefit from the same high-level of service, even where this is done at the expense of overall operational efficiency. In a number of cases, including Devon County Council, Royal Mail and the RAF, there are serious challenges in clearly identifying and segmenting customer groups and prioritising their relative needs vis-à-vis financial return, especially given that many staff in such organisations come from a 'public service' rather than 'corporate performance' ethos. Thus, whilst aligning organisational delivery mechanisms to better meet the needs and aspirations of customers may be desirable in principle, this is often very challenging to implement because of widely varying (and often competing) stakeholder demands and staff perceptions of work priorities.

Finally, it was recognised that there are a number of fundamental shifts occurring in the **nature of work and organisations** that may require new and innovative approaches to the conceptualisation and development of leadership and performance^{ix}. In particular, this relates to the growth of the 'knowledge economy' and the challenges of leading 'knowledge workers'. Within this context, it is often argued that organisations need to shift from hierarchical to networked structures yet the evidence would imply that this is not occurring to the extent that might be expected. Whilst there might be a strong rhetorical call for more inclusive forms of leadership based on distributed and shared models of power and responsibility, the reality of who holds and executes power and influence within and beyond organisations remains somewhat unchanged. Although there may be ideological pressures to be seen to be collaborative and participatory, the degree to which this ultimately affects decision-making and the distribution of rewards remains rather more doubtful^x.

In conclusion, from this phase of the enquiry it could be argued that despite calls for greater customer engagement, team work and shared leadership, the reality of organisational life remains heavily shaped by existing power differentials and attempts by senior management (and/or politicians) to retain control. Viewed from this perspective, leadership development and performance management may actually be more appropriately conceived of as 'follower development and performance management' – the latest in a series of techniques for the extraction of value (i.e. exploitation of labour) and a response to economic pressures and political incentives. Whilst this might seem a rather negative perspective, it draws stark attention to the competing priorities that organisations find themselves up against, including:

short versus long term objectives; external versus internal priorities; individual versus collective reward and recognition; transparency versus opacity; harmony versus competition; punishment versus reward; and individual versus team and organisational performance. Within this context it may be more constructive to consider leadership as a series of *dialectical relationships* arising from the juxtaposition of conflicting ideas, forces and differentials of power and resources, rather than a property of the system or the individuals within it^{xi}.

Discussion

Through the process of this enquiry we explored in quite some depth the practical and conceptual challenges of developing and implementing organisational performance management and leadership development systems that are flexible and agile enough to respond to contextual variations between roles and locations and changing work priorities, whilst also offering consistency and transparency across the organisation. A particularly strong and recurrent theme running through these discussions was the extent to which performance management and leadership development systems could be regarded as *rhetorical devices*, whereby they function by focussing attention on 'attempting to improve', and thus forming a sense of shared identity as 'we are people who care about improving our performance'. Appraisal and development systems, therefore, are not used merely for *corrective* purposes (in terms of dictating how to behave) but also carry a strong *persuasive* function (in terms of convincing us of who we are and what we value). The persuasive function, however, frequently remains obscured behind pseudo-scientific arguments that vouch for the rational and objective nature of these activities and the importance of rewarding people on the basis of individual merit. Whilst, in intent, this may not be undesirable it does reinforce a somewhat myopic view of human behaviour based on 'machine logic' (see Table 1).

Questions leaders ask	Possible Responses	
	Machine Logic	Narrative Logic
What's going on?	Generate & interpret numbers	Generate & interpret stories
What's coming next?	How much control do I have?	What are the tensions & dilemmas?
What should I do?	Where are the levers for change?	What will provide enough continuity?
Will it work?	Can I predict the outcome?	Does the continuity make sense?

Table 1 – Machine versus narrative responses to leadership questions^{xii}

A 'narrative logic' of performance management and leadership development, on the other hand, draws attention to the sense-making dimension of such activities. Thus, it is not unreasonable to argue, the impacts of leadership development extend far beyond the acquisition of skills and knowledge by the participant (human capital). Indeed they help build relationships and networks (social capital) as well as signalling to participants (and conveying this to others in the organisation) that they are now part of the 'leadership cadre' and expected to assume the responsibilities and values associated with such a role (social identity). A key part of leadership development, therefore, is coming to accept one's identity

as a 'leader' and developing an affiliation with other 'leaders' in the organisation. Viewed from a narrative perspective, performance management becomes an exercise in convincing people of their need to continually monitor and improve their performance against a range of criteria signified as important by the organisation. The manner in which this occurs, however, is not through rigorously adhering to the performance management criteria themselves, but rather by assimilating the embedded meaning and implications. This is arguably both the main strength of such systems but also a major source of their downfall.

An example of the narrative nature of performance is demonstrated in Sandberg's research with engine assembly workers at the Volvo plant in Sweden^{xiii}. He found that work competencies for such employees arise, not out of acquiring a pre-defined set of capabilities but, as a result of the worker's conception of his/her work. He distinguished between three groups of workers:

- (1) those who conceived of their job as optimising a series of separate qualities (i.e. excellence in specific aspects of engine assembly);
- (2) those who conceived of their job as optimising a series of interacting qualities (i.e. excellence in establishing the relationship between different parts of the engine); and
- (3) those who conceived of their job as optimising from the customer perspective (i.e. excellence in producing an engine that operated in the manner in which a customer would like it to).

By way of conclusion he argues:

"It is the workers' ways of conceiving work that make up, form and organise their knowledge and skills into distinctive competence in performing their work. Hence, the findings suggest that a worker's particular conception of work defines what competence she or he develops and uses in performing that work."^{xiv}

From this perspective, if we want to change or improve an individuals' level of competence on a particular work activity we would do better to engage them in a debate about how they conceive of their role and how this contributes towards individual and organisational outcomes, rather than simply encouraging them to acquire or enhance a specified set of behavioural capabilities.

Whilst Sandberg's research draws attention to individual sense-making processes at work, it makes less reference to the manner in which these are socialised and are influenced by one's sense of group membership. This was a particularly strong theme in our own enquiry and was influenced both by the PMS against which people were appraised as well as the developmental activities in which they were engaged. An example from one of the participating organisations was the potential roll-out of their leadership and performance management system from a cohort of several hundred of their most senior managers to all managerial levels within the organisation. In its current form the PMS conveyed a clear sense of group membership – who was regarded as 'in' and who was 'out' of the high performance leadership group. Through its selective application it clearly marked out those regarded as 'high potential' whilst also offering the possibility for others to aspire to being part of this

group. It is always hard in such instances to argue whether the future success of members of such an 'elite' group is due to some innate qualities they possessed *prior* to becoming part of it; the learning and development acquired *whilst* being part of it; or a form of self-fulfilling prophecy whereby the very process of being marked out influences how they are *subsequently perceived* and treated by the organisation. The challenge in rolling-out such models, therefore, lies not only in the practicalities of applying them to a wider group of individuals, but in managing the impact on group identity – will the existing cohort no longer feel so special? Will the aspiration for group membership decline? Will the group become too large and diverse to carry a meaningful sense of shared identity? These are all real issues that will have an effect upon the longer-term success and impact of such initiatives.

The resolution of such challenges is inevitably complex and not clear cut. Yet through considering the narrative as well as the machine logic of organisational control it may be possible to maintain a balance between calls for the centralisation and decentralisation of authority – of responding both to our need for control *and* autonomy.

An interesting example of how this might be done comes from naval history. At the turn of the 19th Century the commander of a naval squadron would signal commands from a basic menu of possible meanings. These were limited to functional instructions, such as "tack in succession", "retire to safety" or "engage the enemy more closely". The signals were conveyed by a combination of flags flown from specific masts, and sometimes incorporated the firing of guns in a specified order. In 1805 the British Navy adopted a new signalling system (named the 'Popham system' after its founder) by which any word could be spelt out, freeing captains from the constraints of the 'menu' of commands. The first time this new system was used in action was before the Battle of Trafalgar, when Nelson famously signalled "England expects that every man will do his duty".

Nelson spotted the flexibility within this new system and used it to communicate more than instructions - his was, as far as we know, the first spur-of-the-moment inspirational message sent by a commander to all his troops in one go^{xv}. Over the next 100 years naval commanders used the Popham system to send ever more detailed instructions. By the turn of the 20th century it was normal for a ship's officer to be assessed by the accuracy of their signals and the speed with which they obeyed them. Admirals worked out ever more complex manoeuvres, confident that they could give precise instructions as the course of battle proceeded; the idea of 'tight management' had arrived. At the battle of Jutland in 1916 the fleets engaged each other as night fell, in high seas and rain. Signal flags could not be seen in the dark, lights were intermittently visible, and many of the British captains therefore thought it best to wait until morning rather than risk disobeying a signal. The German fleet sailed to safety through the middle of the British fleet, seen by at least three Rear Admirals, none of whom attempted to stop them because they had received no signal to do so, and none wanted to be the first to inform the boss that they knew something he didn't.

This story illustrates the core problem of control: greater precision does not necessarily lead to improved performance. In fact the reverse is often the case; tight management can inhibit the intelligence and creativity of competent leaders. Hidden in here are two fallacies: (1) *The fallacy of analysis* – that it is desirable (and possible) to achieve as much granularity as

possible, and (2) *The fallacy of automation* – that a precise map of any process can be used to control that process. Both of these fallacies are of course partially true – they fail only when extended too far, and this is the issue for organisations: should we seek the right balance on a continuum between tightness and looseness; or do we want really tight analysis and control in some areas, and complete looseness (autonomy) in others?

Conclusions

The conceptual and practical debates outlined above formed the basis for a series of interactive workshops with leadership and management development managers from a variety of organisations. Whilst no clear recommendations were generated, a number of commonalities of view were discernable.

First, there was agreement that organisational performance is driven more by the culture of the organisation than any individual performance management tool or practice. It was acknowledged, however, that performance management processes can be instrumental in determining the overall 'feel of the place' and can either reinforce or undermine the effects of organisational culture more generally. To this extent, factors such as organisational citizenship behaviour^{xvi} are significant indicators and outcomes of shared identity and purpose. Likewise, if an organisation promotes and supports a distinct 'leadership cadre', this can have a beneficial impact on the shared identity of this group, although possibly a negative impact on other groups.

Secondly, there was an agreement that leadership development and PMS's are more likely to be effective at bringing about the desired outcomes when they are integrated and consistent with one another (constituting a 'bundle' of approaches). Thus, for example, if an organisation is encouraging 'distributed leadership' at all levels this needs to be reflected in leadership development opportunities and reward structures. People are very good at reading between the lines and pursuing the most direct route towards their own reward and progression.

And thirdly, it was recognised that individual-level PMS's can sometimes reward and encourage behaviours and practices that are ultimately non-beneficial for the wider organisation. An example is where all leaders/managers are expected to exhibit the same behaviours irrespective of the context, or where individual performance is encouraged to the detriment of team cohesion.

There is no simple answer to the question of whether performance is driven by the management development system itself or by the manner in which it constructs a shared sense of identity and purpose, as it depends on a host of factors including the culture, strategy and structure of the organisation. When organisations actively reward and/or recognise individual over collective performance, then it is likely that the PMS will be a powerful driver of behaviour. In this case, individuals may achieve their own goals but some important aspects of organisational life, such as organisational citizenship behaviour, may be absent. On the other hand, when group, department and/or organisational performance are rewarded, then the PMS is more likely to serve as a persuasive mechanism that facilitates collaboration and reinforces a shared sense of identity and purpose.

These, however, are broad generalisations and whilst it is probable that the second scenario leads to higher performance over the long term because performance is a natural outcome of intra and inter-group processes, it is equally evident that in some cases it is possible to generate high performance work environments through highly individualistic PMS's. What is perhaps most essential, however, is a consistency in the messages that are conveyed about performance management and organisational identity. Individual and group behaviour is driven by belief and a sense (or lack) of membership rather than the fine detail of a PMS. In the same way as the words and actions of managers influence their credibility, an inconsistency between the rhetoric and practice of leadership and performance management will greatly undermine their utility. It is, therefore, as important to consider the manner in which organisational values are embedded and communicated by the PMS (and those responsible for its implementation) as the specific detail of the system used. In either case, however, it is essential to consider the balance of individual and collective reward and recognition.

At a time when increasing calls are being made for inclusive and emergent leadership, we find a concerning trend towards individual accountability and performance management reminiscent of Taylorism^{xvii}. Whether such attempts to retain control through greater individual scrutiny will be successful remains open to debate. As Salaman^{xviii} concluded about the growing trend for leadership and management competencies:

"The first management competence is commitment to the competence framework itself and, thereafter, acceptance of responsibility for self-regulation and self-management in terms of these competences... [Yet] the problems it promised to resolve are not capable of resolution and its promise consisted largely of a sleight of hand whereby organizational problems were simply restated as management responsibilities."^{xix}

For us and the organisations involved in this enquiry the only legitimate answer to this dilemma is to keep discussing these issues. This is not in the hope of discovering a 'holy grail' of leadership development and performance management, nor to pontificate about forces over which we have no control, but reflects an understanding that dialogue is of itself a critical part of the process. Through narrative we help to construct meaning, avoid slipping into complacency and build connections. In the face of ever-increasing complexity and uncertainty these are perhaps the only things we can hold onto.^{xx}

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ⁱⁱ See Bolden, R. and Gosling, J. (2006) Leadership competencies: time to change the tune? *Leadership*, 2(2), 147-163.

ⁱⁱⁱ For a review of this literature see: Bennett, N., Wise C., Woods, P.A. and Harvey, J.A. (2003) *Distributed Leadership*. National College for School Leadership. URL: www.ncsl.org.uk/mediastore/image2/bennett-distributed-leadership-full.pdf.

^{iv} See, for example, Haslam, S.A. (2004) *Psychology in Organizations: The social identity approach 2nd Edition*. London: Sage Publications.

^v E.g. Toegel, G. and Conger, J. A. (2003) 360-Degree Feedback: Time for Reinvention, *Academy of Management Learning and Education*, 2(3), 297-311.

^{vi} E.g. Burgoyne, J., Hirsh, W. and Williams, S. (2004) The Development of Management and Leadership Capability and its Contribution to Performance: The evidence, the prospects and the research need. DfES Research Report 560. London: Department for Education and Skills. URL: www.dfes.gov.uk/research/data/uploadfiles/RR560.pdf

^{vii} See www.CoachingOurselves.com for further details.

^{viii} Considered to be "the goodwill that is engendered by the fabric of social relations and that can be mobilised to facilitate action." Adler, P.S. and Kwon, S.W. (2002) Social capital: prospects for a new concept, *Academy of Management Review*, 21(1), 17-40, p.17

^{ix} These observations are largely informed by the outcomes of an ESRC Seminar run by the authors of this article in conjunction with the Work Foundation on 19/09/07 that complemented the action learning workshops and included a far wider spread of participants (see www.inter-logics.net/CFO for details).

^x See, for example, Bolden, R., Petrov, G. and Gosling, J. (2008) Distributed Leadership in Higher Education: rhetoric and reality, *Educational Management, Administration and Leadership*, forthcoming.

^{xi} E.g. Collinson, D. (2005) Dialectics of leadership, *Human Relations*, 58(11): 1419–1442.

^{xii} Courtesy of Jonathan Gosling – "Leading Continuity in Times of Change", *RAF Leadership Conference*, RAF Hendon, 18-19 July 2007.

^{xiii} Sandberg, J. (2000) Understanding human competence at work: an interpretative approach, *Academy of Management Journal*, 43 (1), 9–25.

^{xiv} Ibid: 20-21

^{xv} For further details see Jones, S. and Gosling, J. (2005) *Nelson's Way: Leadership Lessons from the Great Commander*. London: Nicholas Brealey.

^{xvi} See, for example, Organ, D. W. (1988). *Organizational Citizenship Behavior: The Good Soldier Syndrome*. Lexington, Massachusetts/Toronto: D.C. Heath and Company.

^{xvii} I.e. piece-rate reward mechanisms such as those conceived by Frederick Taylor in the early 1900's.

^{xviii} Salaman, G. (2004) 'Competences of managers, competences of leaders' in J. Storey (ed.) *Leadership in Organizations: Current issues and key trends*. London: Routledge, 58-78.

^{xix} Ibid: 71, 75.

^{xx} We would like to acknowledge the substantial contribution of all workshop participants and staff involved in this initiative including: David Cartwright, Andrew Copson, Simon Haben, Alice Heezen, Tom Irvine, John Jupp, Kevin Morgan, Dick Randell, Gerry Redmond, Kevin Roe, Judith Sharples and Simeon Sharples.