

Appendix 3.1

EXTRAORDINARY LEADERSHIP PROGRAMME

September 2018

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INTRODUCTION

To achieve our vision of delivering unrivalled customer experience and to be the very best we can be, NWL strives to create a culture of high performance, innovation, safety, empowerment and inclusion through a leadership population with a high degree of emotional intelligence (EQ).

Research published by Six Seconds in 'The Business Case for Emotional Intelligence' (Freedman, P. 2010) provides evidence that leaders with high EQ achieve more successful results. Findings within the paper demonstrate that executives with high EQ at PepsiCo generated 10% more productivity than those with an average EQ.

The HBR publication 'The Price of Incivility' (Pearson, C. 2013) provides evidence that up to 50% of employees in 2011 reported that they were treated rudely by their manager, leading to 50% actively reducing their work efforts, 80% losing time worrying about their relationship with their manager and 38% reporting a reduction in their quality. Alarming 25% of those surveyed reported that they took their frustration out on the customer.

Based on the external research findings in 2015 we introduced the concept of EQ to our leadership population as a 'game changer' in the way we lead and engage our people as a method of achieving results that is more powerful than workplace/leadership experience and cognitive intelligence (IQ) alone.

Roche Martin conducted a significant piece of research with 7,000 leaders in 11 regions of the world, their findings demonstrated:

- Scores of between 91 – 110 demonstrate effective leadership;
- Scores of between 111-121 demonstrate above average EQ placing leaders in the good to great category;
- Scores above 121 demonstrate extraordinary leadership, those leaders with the very best EQ and ability to engage with their people.

We have used this research to set our standard high as an aspirational target in order to meet the ambition of being an extraordinary company.

Our measures of success are:

- Emotional competency scores through the Roche Martin ECR360 assessment:
 - Overall EQ score: 2016 = 109, increase to 118 measured November 2018;
 - Self-Knowing/Awareness: 2016 = 98, increase to 115 by November 2018;
 - Empathy: 2016 = 97, increase to 120 by November 2018;
 - Adaptability: 2016 = 108, increase to 122 by November 2018;
 - Relationship Skills: 2016 = 108, increase to 120 by November 2018.
- Employee Engagement Index:
 - Increase scores from 73.8% (2016) to 83% by 2019, this would place us in the best companies list and achieve a 2 star rating.
 - Scores achieved for May/June 2018 have increased to 80%, demonstrating we are on target.
- Leadership Behaviours:
 - Embed EQ competencies into leadership role profiles by December 2018;
 - Incorporate EQ competencies within the NW leadership annual 360 feedback process. Completed in 2017.

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In 2016 our 80 senior leaders participated in 360 EQ assessments, this identified that whilst the level of EQ was effective there was an opportunity to build strengths further along with opportunities to improve.

In June 2017 we launched the 'Extraordinary Leaders Programme' (ELP), an 18 month senior leadership development programme, designed to provide bespoke learning environments, innovative delivery methods and individual/team coaching that would enable our leaders to enhance their EQ competency with the goal of increasing employee engagement, wellbeing, performance, collaboration and customer experience.

The ELP comprises a number of activities:

- **Labs:**
 - 3 x leaderships events called 'Labs' focused on 'Extraordinary Self', 'Extraordinary Team' and 'Extraordinary Company'
 - Each Lab includes keynote speakers and learning activities focused on 4 key themes:
 - Head
 - The psychology and neuroscience of extraordinary leadership.
 - Heart:
 - The emotional intelligence of leadership;
 - Engaging with our people.
 - Voice:
 - Effectively using our leadership voices;
 - Creating a culture of constructive conversations.
 - Act:
 - Taking action;
 - Role modelling;
 - Continuously improving.
- **Micro-Labs:**
 - Micro-labs a series of workshops offered between 'Labs' where leaders can work in smaller groups to deepen their learning and understanding from the insights gained within the 4 key themes; Head, Heart, Voice and Act.
- **Coaching:**
 - Directorate team coaching has been delivered throughout the ELP in addition to the Micro-Labs, providing our leaders with a confidential safe environment where they can explore their personal development opportunities, gain confidence in their leadership abilities and as teams build EQ in order to achieve the corporate vision.
 - One to one coaching has been provided for all senior leaders looking to build their EQ. The one to one environment allows our leaders to explore their development opportunities in private and in confidence. Through this method of development they are able to share their vulnerabilities, challenge their thinking and create shifts that see their leadership abilities enhanced for the good of themselves, their teams, the business and ultimately the customers.

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Stephen M.R Covey - Author of *The Speed of Trust* and co-founder & Global Practice Leader of Franklin Covey's Trust Practice

"I was beyond delighted to be part of Northumbrian Water's "Extraordinary Leaders Programme", and particularly pleased with their belief that trust is the underlying foundation of effective leadership—which is the essence of my work on *The Speed of Trust*. The content they've chosen to focus on is comprehensive, holistic, and empirically based to develop extraordinary leaders. The process they've designed is an "inside-out" approach that builds as a journey and ensures that real learning and development takes place. The net result is consistent with the programme's name—the development of Extraordinary Leaders within NWL, which, in turn, enables the development of Extraordinary Teams and ultimately leads to an Extraordinary NWL.

I have no doubt that this programme is enabling Northumbrian Water to move towards fulfilling its vision of being the national leading wastewater and water service provider. Having been involved in this kind of work for nearly 30 years now, what I saw and experienced first-hand was as outstanding as any programme I have seen throughout the world. I give my highest possible endorsement to their programme—it's simply brilliant."

Dr Kate Goodger – Former Director of Education and Psychological Mentor, Chimp Management stated:

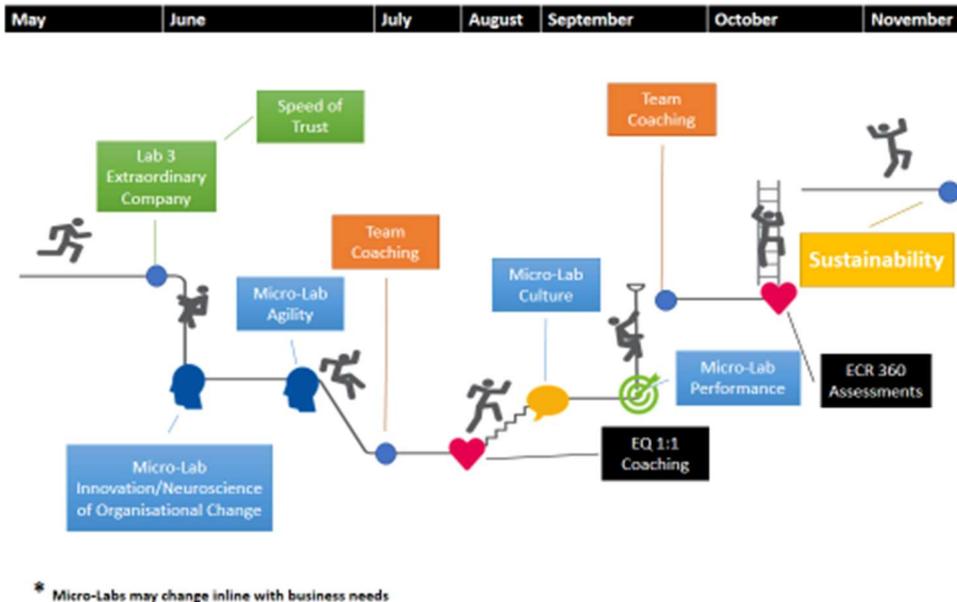
"The transformation project at NWL is one of the most well thought out and innovative I have come across in more than ten years of working with organisations facing the challenges of cultural and organisational change. The team at NWL have been exceptionally clear in establishing their vision and combined brilliantly their aspirations for the future of the business with pragmatism for staff in doing the day job. They also have both an exciting and progressive plan to deliver on this vision that has struck a skilful balance between challenging staff to think and act differently whilst also supporting them to acquire the tools to do so and sustain this change"

An example of how the Labs, Micro-Labs and Coaching sessions piece together can be seen in the 2018 ELP journey map below:

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ELP Journey 2018



In November 2017 we launched the Engaging Leaders Programme to cascade the ELP themes of Head, Heart, Voice, and Act to all leadership levels through directorate specific activities.

The offering has been amended to suit a wider leadership audience and will be refreshed on an annual basis with new content under each of the themed headers.

The 2017/18 offering includes:

- Head:
 - Understanding how to manage stress, pressure and anxiety through neuroscience based on the Chimp Model by Professor Steve Peters;
 - Building resilience through mindfulness and mindful practice.
- Heart:
 - Building EQ awareness through perceptual positioning, based on NLP meta-mirroring.
- Voice:
 - Creating empowerment through adult to adult relationships, based on transactional analysis.
- Act:
 - Applying the principles of Simon Sinek's 'Start with WHY', we explore the importance of taking actions and building credibility.

Professor Steve Peters - CEO Chimp Management Ltd

Success both personally and professionally have a direct correlation with the possession and implementation of emotional skills. Chimp Management offers an accessible model based on the neuroscience of the mind that gives individuals a way of understanding how their mind is structured and functions. With insights into how to optimise performance and with training in skill acquisition, individuals are encouraged to monitor progress in areas of interest to them, such as leadership, team work, self-confidence, communication and culture setting. A holistic approach is taken to both personal and professional aspects of life.

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In July 2018 we will be launching the Leadership and Management Development Programme (LMDP) for all new leaders within NWG. The LMDP has been designed to provide our leaders/managers with a foundation of excellence in their leadership roles. Historically the technical element of leadership/management and people based skills of leadership/management development have been delivered as separate entities, the LMDP brings both together to provide a holistic development experience that will enable our line managers to lead and manage their people with confidence whilst delivering a great place to work for our employees and unrivalled customer experiences for our internal and external customers.

Developing our leaders further:

In October 2018 we will repeat the EQ 360 assessment and feedback for the senior leaders with continued development plans to ensure the insights gained throughout the ELP are sustained.

Throughout 2018 and 2019 we will extend the EQ assessment to all leaders with line management responsibility. We will continue to provide EQ 360 assessments and developmental support on a regular basis beyond 2019 with assessment revisits every 2 years.

In 2019 (and beyond) we will deliver elements of the ELP within the ½ yearly leadership conference ensuring the themes of Head, Heart, Voice and Act become a part of our leadership fabric and EQ continues to grow. This approach will ensure we are in the best possible position to see our aspirations realised and our customers and employees receiving the very best from NWG.

In 2019 we will launch the 'Aspiring Leaders Programme' (ALP), a development programme that will identify our future leaders at all levels. The ALP will give those people who are not yet leaders and demonstrate the will and skill to become future leaders the opportunity to develop in line with our leadership aspirations. The ALP will also give our current leaders a development framework that will support suitable leaders to progress to the next level of leadership.

We have taken a broad look at leadership development and aimed to provide an approach that will see our current and future leaders at all levels excel in their abilities to lead others, engage with our employees and provide our customers with the service they deserve. As the workplace evolves and customer and employees expectations change, we will continue to review our approach and apply new methods of development to ensure we are achieving and delivery our very best.