

Transformational change must engage hearts as well as minds

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Abstract. The NZ Horticulture Industry Strategy indicates that, in order for the industry to meet its vision of growing from a NZ\$5 billion industry to NZ\$10 billion by 2020, it needs to make significant change. Fundamental to this is an attitudinal and behavioural transformation by individuals and organisations. Through a suite of leadership development initiatives, Horticulture NZ, with key partners, works with high potential emerging leaders. The aim is that they will, in turn, work with others to catalyse the type of change envisaged. We recognise that to affect change you need to tap into people's underpinning drivers and emotions, as well as offer tangible knowledge and skills development to support their leadership. While there are, on the face of it, several such initiatives in the wider primary industry, HortNZ differentiates its programmes through a strong focus on individual development, providing opportunity and tools to help people maximise their own potential both in their work and personal context. This paper presents the approach Horticulture NZ's People in Horticulture Portfolio has taken to leadership development and offers some insights learnt through a decade of development.

Keywords: Transformational Leadership Development, Emotional Intelligence, Collaboration

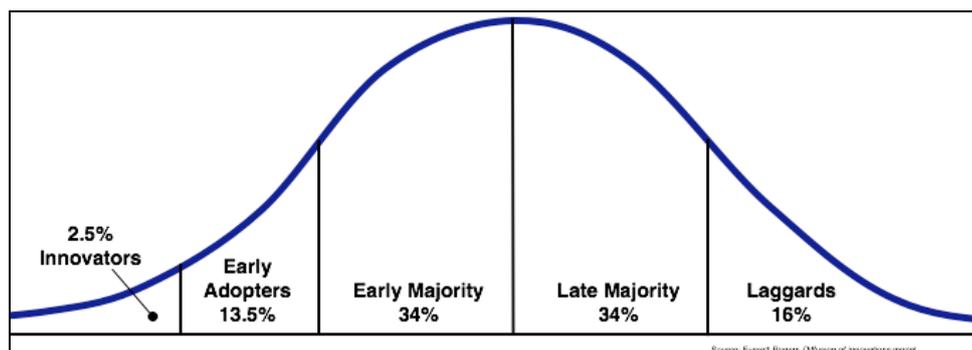
Transformational change: Moving an industry from NZ\$5billion to NZ\$10billion

In 2009 Horticulture NZ set an aspirational vision of an industry worth NZ\$10 billion by 2020 and an industry-wide strategy was developed to support this vision. During this process Deloitte was engaged to consult with 52 companies and 77 people and from their consultation two things became clear (Horticulture Industry Strategy 2009). The first was that horticulture could not keep on doing what it had always done and expect to grow. In fact, the evidence suggested that continuing with no change would lead to an eventual decline. The second issue was that significant growth was achievable but that it required change – change in behaviour and attitude. If the key players in the industry are prepared to collaborate, to focus efforts on markets with the greatest potential and to collectively lift their game, then the industry and New Zealand will benefit.

This is a classic example of a plan for transformational change. The term 'transformational' encompasses far-reaching breakthroughs in mindset, beliefs and behaviour and while acknowledging the importance of critical thinking, what is not working and what needs to change, it focuses more on the positive and what is possible. The NZ Horticulture Strategy embraces this concept and identifies one of the six key strategic actions to 'develop future leaders'. Horticulture NZ's *People in Horticulture* Portfolio has supported this strategy by investing significantly in contributing to moving the industry from NZ\$5 billion to NZ\$10 billion through a suite of leadership development initiatives that foster transformational leadership. This paper will use the *HortNZ Leadership Programme* and *The Young Grower of the Year* to illustrate and explore the approach taken when resource is limited and ambitions are high.

The Horticulture NZ programmes offer emerging leaders an experience designed to be inspirational and lead to a step change in their perception of what it is to be a leader and to develop specific leadership capabilities. The underpinning belief is that the leaders will, in turn, work with others through a more transformational leadership approach to catalyse the type of change required to move NZ horticulture to NZ\$10 billion. The aim is that they lead back into their own communities to create wider change and in a way that works for them and their people. It follows the *Pareto Principle* or what is commonly known as the 80-20 rule. They are the 20% that will facilitate the greatest impact for the future.

The concept follows through with the theory behind Everett Roger's Diffusion of Innovations model) of how innovations are taken up in a population. Diffusion researchers believe that a population can be broken down into five different segments, based on their propensity to adopt a specific innovation: innovators, early adopters, early majorities, late majorities and laggards. The adoption process begins with a small number of visionary, imaginative innovators (Robinson 2009) (Figure 1).

Figure 1. Rogers Adoption/Innovation Curve

Source: Rogers 2003

The programmes aim to work with the 2.5 % of visionaries or the 13.5 % of early adopters – those who have a propensity to lead change. They encourage the participants to develop a mindset where they leverage a fresh approach and innovative thinking and then proceed to diffuse the approach to other innovators, early adopters and the early majority.

Transformational v transactional leadership

The challenge with instigating transformational change in the sector is that most horticulture enterprises are still dominated by transactional leadership styles; those that are more concerned with what David Ingram, business owner and writer, describes as the normal flow of operations and keeping the ship afloat (Ingram 2013). Perhaps it is because of the seasonal nature of the industry or the fact that the product is perishable. The necessary sense of immediacy generated during crucial times such as harvest and businesses having to respond to what can be fickle market demands can lead to a culture that generates an on-going sense of urgency where fire fighting can be the norm. In transactional leadership, people are motivated by reward and punishment and the importance of the chain of command is high. A transactional leader aims to achieve performance by exchanging one thing for another; e.g. reward for performance, corrective action for not reaching standards. A transformational leader, on the other hand, sets vision, shows passion, injects enthusiasm, walks the talk and supports individuals to find their way forward. This is where the leader influences those whom he or she is leading to higher levels of performance by empowerment and engagement - tapping into and inspiring the higher motivation of the follower. Transformational leadership refers to the leader moving the follower beyond immediate self-interest through idealised influence (charisma), inspiration, intellectual stimulation or individualised consideration (Bass 1999).

There are advantages and disadvantages and a place for both styles of leadership. Observations are, however, that if NZ horticulture wishes to thrive in today's complex and increasingly changing business world, then the industry needs more transformational leaders - those who take others with them, engender trust and who care about the people as well as the task. These types of leaders understand the fundamentals of cooperating and co-competition, want to know how to work together and know how to get people to work together. They are the ones who are going to be able to achieve the scale and connections that businesses need to achieve competitive advantage. This requires better understanding and acceptance of different types of leaders and a mind shift and change in modus operandi for many of our people.

Our experience is that emerging horticultural leaders (young and old) are far more receptive to a more transformational leadership style than was ever anticipated. What has been even more surprising is that despite the initial scepticism and reluctance, once the grower community becomes involved, the effect is infectious. Over a term of five years, for example, the Young Grower of the Year can now boast annual gatherings of growers and industry of between 160 - 200 per regional event, just to hear the Young Growers speak. Ordinarily the only time such groups of growers would get together is in times of crisis. In contrast, these growers attend to celebrate: to support the young competitors and to enjoy more certainty of the future of their industry which they love so much. It engenders a sense of belonging and taps into their underpinning drivers of passion and pride. It taps into their hearts as well as their minds.

The power of self and social connection

Transformational change derives its power by attending equally to hearts and minds, human behaviour and the social systems and structure that exist (Gass 2010). HortNZ's leadership programmes develop analytical thinking and knowledge of global and industry issues, as well as the more tangible leadership competencies such as presentation and communication techniques.

We also make sure we tap into their underpinning drivers and emotional intelligence to bed in the transformational change.

Emotional Intelligence is a relatively recent behavioural model originating during the 1970s and brought to prominence by Daniel Goleman in the mid-90s (Chapman 2013). He described emotional intelligence as the ability to manage ourselves and our relationships. A study was commissioned by the Human Capability in Agriculture and Horticulture Group in 2004 on leadership development in the agricultural and horticultural sectors (Blyde et al. 2004). In their summary of findings they outlined that there was a set of competencies that were strongly identified by industry leaders as being very important and critical for success. There were eight competencies that appeared across all levels of leadership and emotional intelligence competencies were top of the list.

Yet it is my view that horticulture and the wider primary industry still lags behind in this field and places less value on 'softer management' capability with a stronger focus on practical and technical capacity. This is backed up by the CEO Group's review (Blyde et al. 2004) where its competency analysis of the programmes of the time showed that they were weak in the competencies of visionary, inspirational and influential and strategic change leadership.

Within HortNZ's programmes we have, therefore, worked to focus more on emotional intelligence capabilities. Under Daniel Goleman's model the competencies can be categorised into four categories, two of which are around personal competence: self-awareness and self-management and two around social competence: social awareness and social skill or relationship management (Goleman 2000). Throughout the three phases of the HortNZ Leadership Programme there are a number of dedicated sessions, an individual project and individual presentations on personal leadership style and personal growth which relate to the emerging leader's personal competencies. In this programme, we create an environment where it is safe and good, not only to have high aspirations and challenges, but to also talk about themselves and their personal goals. It's 'all about them' and that's ok.

The programmes develop the competencies of social awareness, for example, by encouraging participants to understand other perspectives, creating awareness of organisational or political behaviour and of putting forward the concept of leadership as a service to others. With respect to social skills, there is a strong emphasis on relationship management and working positively with people as opposed to against them even within conflicting situations. In this context a strong sense of belonging occurs. The Young Grower of the Year programme deliberately fosters a 'high energy' regime that's fast paced, exciting and emotionally and intellectually stretching but still fun (Plate 1). It is a competition yet teamwork between the four finalists in the national event is encouraged and it is within this tension that strong personal bonds are created.

Plate 1. Photographs from Young Grower of the Year 2011 and the HortNZ Leadership Programme 2008 capturing the sense of fun, challenge and excitement



Source Ivor Earp Jones 2011 and Sue Pickering 2008

In both programmes we move our people out of their everyday mode into a world of possibilities in a challenging and positive way. The enthusiasm is contagious and participants leverage off each other. In this kind of environment the level of thinking and the tendency to move towards collaboration increases exponentially even though they are often out of their comfort zone.

Walking the talk

Ghandi said 'We must be the change we want to see happen in the world' (Potts 2002). The process of transformational change should mirror what it seeks to create. We work to do this in the programmes we run. We focus on attending to the heart through weaving a culture throughout the training event that transforms the candidates' thinking. It starts with our own leadership and the way we organise and deliver the programmes. We aim to inspire and

motivate, to set aspiring goals and incentives to push individuals to higher performance levels while providing opportunities for personal growth. We create a warm and supportive culture and engender an authentic visionary and glass half-full mindset. Those who manage the programme and presenters are strong role models, with clear sense of purpose, values driven and exhibit high expectations.

HortNZ and its People in Horticulture portfolio sustains these activities through close partnerships with others. For the Leadership Programme we partner with Lincoln University, for the Young Grower of the Year it is regional or sector grower organisations and sponsors, and for the HortNZ Scholarship Package it is the Primary Industry Training Organisation as well as Massey and Lincoln Universities. We aim for the relationship to be a collaborative one where we all have common purpose and we seek to enhance the capacity of the other partners for mutual benefit. We try to work with those who understand the nature of collaboration and are willing to role-model the collaborative style we prescribe in the programmes. True collaboration is not always easy, however, because it requires all parties to be willing to give up some of their own turf. In an industry that has a predominately transactional context this can be difficult to achieve and requires determination, tenacity and resilience – particularly when you aim to encourage the approach wider than those directly involved in your programmes.

Aspiring to walk the talk and be transformational leaders ourselves is challenging and to get you through, the vision of what you are trying to achieve is all important.

Transformation is an ongoing process, not an event

We know that the development programmes result in a greater number of new leaders stepping up into expanded or new roles. Within the programmes, the emerging leaders embrace the concept and are fired up to get out there and lead and a large majority of them do. For the HortNZ programme, a minimum of 50% of graduates are now in obvious positions of leadership within the industry ranging from Board Chairs of national grower or farmer organisations, through to executive and management positions. We also know that individual participants are better equipped to lead in a more transformational way when they leave the programme. Feedback from participants is highly positive. For example, in 2012 the average score for achievement of the HortNZ leadership programme outcomes was 8.2/10 and for achievement of personal outcomes 8.4/10. Anecdotal evidence suggests that there is a wider range of leadership styles coming through with the more positive approach, for example, the affiliative or democratic styles versus coercive or pace setting styles (Goleman 2000).

What is difficult to measure is how much of this is translated into transformational results back in the horticultural enterprises overall after the programmes have been completed. In the context of the Diffusion of Innovations model the 'innovators' and the 'early adopters' are an easy audience (Robinson 2009). But the developmental event is really just one step. Several phases of the 'change process' that build on each other are required to embed back into the world outside the programmes to migrate the learning forward to the transactional-oriented. The danger is that the chasm between the visionary innovators and early adopters and their parent organisations (Robinson 2009) is too great and thus not leveraged enough back in the real world. At this stage, the Horticulture NZ Leadership programme is essentially running as a single event with very little follow up so it is therefore unclear how much longer-term impact this work is having back out within organisations and industry good bodies. What is clear, however, is that we need to find more proactive ways to embed the new way of thinking. Change will stick when it becomes 'the way we do things around here', when it seeps into the bloodstream of the corporate body (Kotter 2007).

By its very nature the Young Grower of the Year model lends itself to stronger connection back at 'home base'. It is made up of regional competitions that feed into the national event and it takes a region-up approach. The region's involvement means there is a strong infrastructure developing to spread the transformation wider. A national objective of the competition is to catalyse organic regional networking and development. Our facilitative style and deliberate approach means it is not controlled from the national organisation rather we aim to inspire our regions to take up the challenge themselves. This is happening, albeit slowly. Several regions have now set up their own young leaders networks as an extension of their competitions. This approach takes longer and is not in national control but what it does mean is that regions own the initiative – truly transformational. This requires a certain amount of letting go from the national body and trusting the process and players out there. The challenge is, however, to maintain the momentum once the developmental events are over. This means that national oversight is useful to help maintain consistency in approach and standards in the process and to facilitate separate managers or coordinators themselves to walk the talk and work collaboratively with others.

Crossing the chasm

There are several barriers to sustaining the necessary momentum and achieve a more transformational mindset back in the regions, or the workplace away from the special aspects of developmental programmes. These include not having enough focus in this area of work or not having sufficient resources. But the major barrier is the culture that predominates in horticultural or primary industry enterprise. Often the emerging leaders on our programmes go back to a management or governance regime that has a deeply embedded transactional style with a high focus on operations. The graduate with new ideas and the enthusiasm fired by the programmes can find that they soon get back into the 'important and urgent' realm and have little chance to implement and explore what they have learnt. This is the realm of developing transforming cultures. Kotter (2007) explains that to do this a conscious attempt to highlight how the new approaches, behaviours and attitudes help improve performance and secondly that sufficient time must be taken to make sure the next generation of top management does embrace the approach.

The challenge in the horticulture sector is even more fundamental. In order to make headway, we need more of the current generation of top management within horticultural enterprises to understand and better embrace the concepts and practices of transformational change. Additionally those established leaders need to value the power of transformational leadership development as applied and practicable within their enterprise. This is not an easy ask in the highly competitive and highly reactive world of running horticulture businesses where processes are time critical and external demands are hard to control.

Horticulture NZ has some well-established and proven tools in the Horticulture NZ Leadership Programme and Young Grower of the Year. Yet full transformational change will require much more collaboration before, during and after the event with the top people back in the commercial enterprises, industry good organisations and the wider community. There is much to do to anchor the change industry-wide. We need to connect with participant's organisations more. We are also exploring new projects around improving workplace cultures and staff engagement for high work performance and follow-up leadership coaching. There is a real opportunity to spring off the platform already in place. Changing mindset and behaviour is, however, a long term game and we only have seven years left to achieve the visionary NZ\$10 billion goal (currently it stands at NZ\$6.2 billion). Time is running out and transformational leadership may well be the critical tool that will enable step change.

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