

Leadership - Build Towards the Future Now!



In Our View

Adam Bryant is a writer with The New York times who has, for years, authored a weekly column entitled “Corner Office”. I have always found it to be one of the very best sources for insight into the never ending search for the secret sauce of leadership. Adam recently summarized the three standout traits he has observed from his interviews with literally hundreds of successful leaders, and we thought them worth sharing with you.

- First of all, the very best leaders share a habit of mind he describes as “applied curiosity.” The tendency to question everything. To want to know how things work. To wonder how they can be made to work better. To be curious about people and their back stories.
- Secondly, great leaders love a challenge. Discomfort is their comfort zone. Rather than run away from it, they embrace it with zeal.
- Finally, they are able to manage their own careers on the way to the top. They focus on doing their current job well. It’s as simple as that.

Can we now declare these to be the three definitive ingredients to success?

Not likely, the world doesn’t really work that way. There are simply too many variables, many of them beyond our control, including luck, timing and personal chemistry.

So – the search continues, and, on the following pages, we again take you on a journey of discovery. This is our passion, and we love to share it.



The Paradox of Leadership

What if the secret to leadership was as simple as coming up with a list of attributes, and then publishing them for everyone in your organization to dutifully abide by?

The problem is, one thing isn't necessarily more important than another and, quite frankly, people are complicated. We like the idea of understanding leadership behaviour as a series of paradoxes where it is the balance that matters.

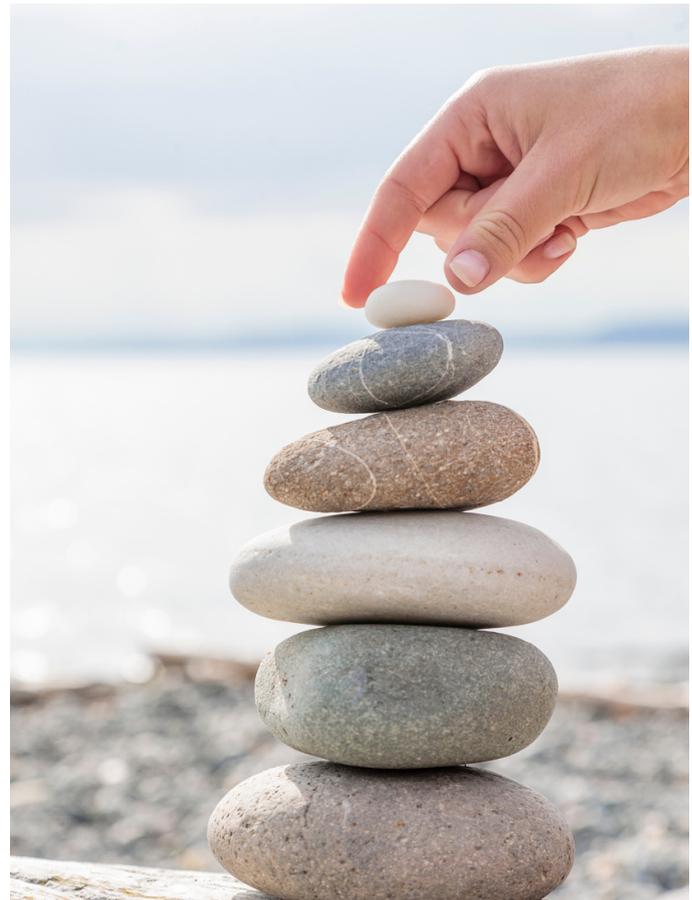
Great leaders know they need to balance ...

Humility - knowing what they don't know,
• but yet still having the confidence to make a decision amid the ambiguity.

Chaos - can help foster creativity and innovation,
• but being careful not to allow too much or it feels like anarchy.

Empathy and caring about people,
• but also a willingness to let them go, if they're dragging down the team.

Sense of urgency,
• but also having the patience to bring everybody on the team along.



One leading CEO put it this way, “We think about our values in pairs, and there is a tension or a balance between them. We talk about listening and leadership; accountability and generosity; humility and audacity. You’ve got to have the humility to see the world as it is – and in our world, working with poor communities, that’s not easy to do – but have the audacity to know why you are trying to make it be different, to imagine the way it could be.”

We couldn't have said it better ourselves!

Culture is the Glue

By definition, if there's leadership, it means there are followers. It has been said, "The quality of followers is in direct correlation to the respect you hold them in. It's not how much they respect you that matters. It's actually how much you respect them."

At some point, a good leadership team will inevitably go through the exercise of defining a set of Core Values to shape the culture of their company. These lists can be all over the place - lengthy or brief, predictable or quirky - but are there some best practices?

Shorter is generally better than longer

- In fact, it's not unusual for leaders to struggle to remember them all if there are more than five bullet points. If the boss can't remember them, will anyone else?

Values need reinforcement beyond repetition

- Many companies make their Values part of the hiring and firing process, and hand out awards to people who bring the Values to life. Culture is almost like a religion. You can tolerate a little bit of heresy, but not a lot.

They must include behaviours you want to cultivate

- The problem with Core Values like "respect" and "courage" is that everybody interprets them differently. They're too ambiguous and open to too much interpretation. Instead of uniting people, they can create friction.

At the end of the day, does the Core Values exercise even matter?

Well, we think symbols and signals are powerful. It is vital to the credibility of the leadership team that the people who succeed in your organization are seen as role models for what's truly valued.

That determines whether your culture is anchored or not.



Banish Bureaucracy Forever



Harvard Business School, and business guru Gary Hamel, estimate bureaucracy costs the U.S. economy more than \$3 trillion in lost economic output per annum. When you look at all 32 countries in the OECD, the cost of excess bureaucracy rises to nearly \$9 trillion.

Unfortunately, while the incentives for dismantling bureaucracy are substantial, so are the hurdles. Bureaucracy is ubiquitous, familiar, and deeply entrenched in most organizations. For most managers, bureaucracy is not merely the “safe” choice, it is the only choice. Upending cultural norms isn’t easy. It takes courage, a dose of indignation and, perhaps most critically, data. People pay attention to things that can be measured.

To dismantle bureaucracy, then, the first step is to be honest about how much it is costing your organization. These costs fall into seven categories:

- **Bloat:** too many managers, administrators, and management layers
- **Friction:** too much busywork that slows down decision making
- **Insularity:** too much time spent on internal issues
- **Disempowerment:** too many constraints on autonomy
- **Risk Aversion:** too many barriers to risk taking
- **Inertia:** too many impediments to proactive change
- **Politics:** too much energy devoted to gaining power and influence

Reducing bureaucracy won’t happen until its costs are visible to all internal and external stakeholders of your company. A decade ago, a few companies began reporting on their environmental impact – now many do, thanks to pressure from governments, customers, and advocates. Similarly, shareholders and other interested parties now need to press CEOs to detail the costs of obsolete management practices, and to develop plans for eliminating those costs.

Navigating Through Crisis

There was an article published by HBR in 2009 titled “Leadership in a Permanent Crisis” that we keep going back to in our work with clients. Its messages haunt us because they capture so much of the struggle we see day in and day out, across multiple organizations, in different industries and across several geographies.

We think they are worth a minute of reflection here.

The task of leading during a sustained crisis is treacherous and has two distinct phases.

First - is the **Emergency Phase**, when your task is to stabilize the situation and buy time.

Second - is the **Adaptive Phase**, when you tackle the underlying causes of the crisis and build the capacity to thrive in a new reality.

The Adaptive Phase is especially tricky.

People put enormous pressure on you to respond to their anxieties with authoritative certainty, even if doing so means overselling what you know and discounting what you don't. As you ask them to make necessary, but uncomfortable adaptive changes in their behaviour or work, they may try to bring you down. People clamour for direction, while you are faced with a way forward that isn't at all obvious.

The danger is that people in positions of authority will hunker down. They will try to solve the problem with short-term fixes such as tightened controls, across-the-board cuts and restructuring plans. They'll default to what they know how to do in order to reduce frustration and quell their own and others' fears. Their primary mode will be drawing on familiar expertise to help their organizations weather the storm. That is understandable. It's natural for authority figures to try to protect their people from external threats, so that everyone can quickly return to business as usual. But in these times, even the most competent authority will be unable to offer this protection.



Practice Adaptive Leadership

People who practice adaptive leadership do not make the mistake of hunkering down.

They seize the opportunity to hit the organization's reset button.

They use the turbulence of the present to build on, and bring closure, to the past.

In the process, they change key rules of the game, reshape parts of the organization, and redefine the work people do. We are not talking here about shaking up an organization so that nothing makes sense anymore.

It is important to remember, though, that the process of adaptation is at least as much a process of conservation as it is of reinvention. Targeted modifications in specific strands of the organizational DNA will make the critical difference. Still, people will experience loss. Some parts of the organization will have to die, and some jobs and familiar ways of working will be eliminated.

As people try to develop new competencies, they'll often feel ashamed of their incompetence. Many will need to renegotiate loyalties with the mentors and colleagues whose teachings no longer apply. It is very important to understand that your empathy will be as essential for success as the strategic decisions you make about what elements of the organizational DNA to discard. That is because you will need people's help - not their blind loyalty as they follow you on a path to the future, but their enthusiastic help in discovering that path.

If they are to assist you, you must equip them with the knowledge and ability to perform in an environment of continuing uncertainty and uncontrollable change.

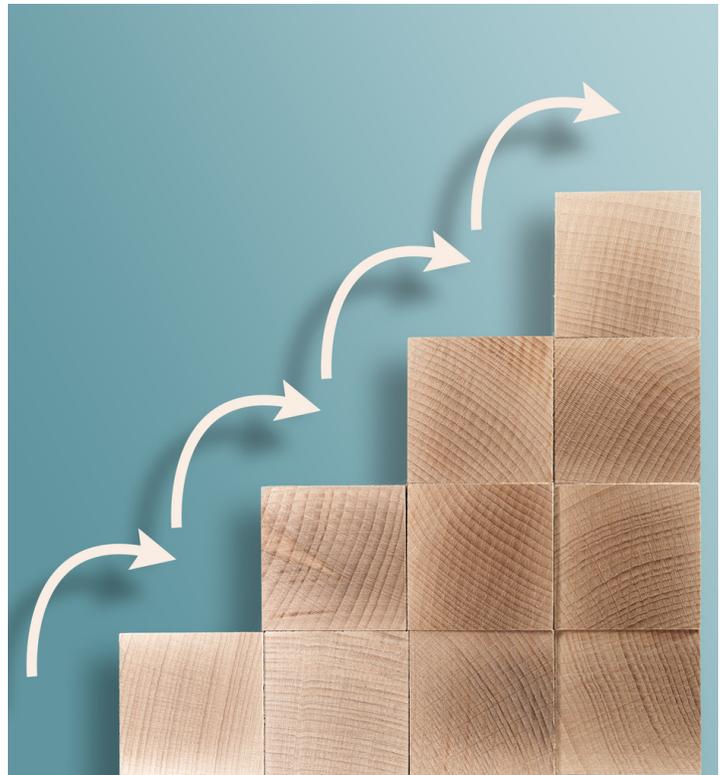


Steps to Take - Actions to Consider

Like it or not - leadership is an improvisational and experimental art.

Like it or not - the brutal reality is that skills that enabled most executives to reach their positions of command - i.e. analytical problem solving, crisp decision making, the articulation of clear direction - can get in the way of success.

Although these skills will, at times, still be appropriate, the adaptive phase of a crisis requires some new leadership practices which we have summarized below.



Foster Adaptation

Executives today face two competing demands. They must execute, in order to meet today's challenges, and they must adapt what and how things get done in order to thrive in tomorrow's world. They must develop "Next Practices", while not being held captive to today's Best Practices. Getting an organization to adapt to changes in the environment is not easy. You need to confront loyalty to legacy practices and, at the same time, understand that your desire to change them makes you a target of attack.

Embrace Disequilibrium

Without urgency, difficult change becomes far less likely. On the other hand, if people feel too much distress, they will fight, flee, or freeze. The art of leadership in today's world involves orchestrating the inevitable conflict, chaos, and confusion of change so that the disturbance is productive, rather than destructive. Keeping an organization in a productive zone of disequilibrium is a delicate task. In the practice of leadership, you must keep your hand on the thermostat at all times. If the heat is consistently too low, people won't feel the need to ask uncomfortable questions, or make difficult decisions. If it's consistently too high, the organization risks a meltdown, and people are likely to panic and hunker down.

Encourage Productive Conflict

Maintaining the right level of disequilibrium requires that you depersonalize conflict, which naturally arises as people experiment and shift course in an environment of uncertainty and turbulence. The aim is to focus the disagreement on issues, including some of your own perspectives, rather than on the interested parties. That game requires you to create a culture of courageous conversations. In a period of sustained uncertainty, the most difficult topics must be discussed. Dissenters, who can provide crucial insights, need to be protected from the organizational pressure to remain silent. Executives need to listen to unfamiliar voices, and set the tone for candour and risk taking.

Generate a Deep Leadership Pipeline

Corporate adaptability usually comes not from some sweeping new initiative dreamed up at headquarters, but from the accumulation of micro adaptations, originating throughout the company, in response to its many micro environments. Even the successful big play is typically a product of many experiments, one of which finally proves to be ground breaking. To foster such experimentation, you have to acknowledge the interdependence of people throughout the organization.

It is an illusion to expect that an executive team, on its own, will find the best way into the future. You must use leadership to generate more leadership deep in the organization. Individual executives just don't have the personal capacity to sense, and make sense of, all the change swirling around them. They need to distribute leadership responsibility, replacing hierarchy and formal authority with organizational bandwidth, all of which draws on collective intelligence.





Leverage Diversity

To generate new leadership muscle and innovative ideas, you need to leverage diversity which, of course, is easier said than done. We all tend to spend time with people who are similar to us, because listening and learning across divides is taxing work. But, if you do not engage the widest possible range of life experiences and views, including those of younger employees, you risk operating without a nuanced picture of the shifting realities facing the business.

Develop an Abundance Mindset

An abundance mindset sees possibilities, where a constraint mindset sees only challenges. A leader's ability to spot the white spaces, the unique problems, and the interdisciplinary intersections, is as critical in the new world as their ability to "do something about it". In today's world, leaders have to listen to the future by constantly scanning the horizon, being future minded and having strategic foresight - all without losing sight of the current reality. This gives them the unique ability to see through contradictions towards a future others cannot see.

Weave Ecosystems for Human Engagement

One of the biggest leadership challenges is to create an environment that taps into the intrinsic motivation of people. Softer areas, such as culture and engagement have become urgent priorities on a CEO's desk. An ecosystem of human engagement is created when leaders understand the basic drivers - the need for trust, the need to have hope, the need to feel a sense of worth and the need to feel competent. At a time when most "engagement initiatives" are aimed at providing external motivation, we need leaders who can build trust through integrity and results, who can mentor and coach others, who can clarify the meaning of the work people do, and who can build a positive influence.

Be an Agile Learner

Rapidly changing context is like a treadmill, it compels leaders to learn continuously in a self-directed mode. Leaders have to be constantly curious and carry a “beginners mind”. They have to be willing to give up on familiar approaches, and they must always be aware of the bigger picture. When thrown into unfamiliar situations, leaders need to learn everything they can from those experiences.

Network and Collaborate

To make sense of changing trends, practices and expectations, leaders in today’s world need to collaborate relentlessly within and outside the organization.

A social mindset enables leaders to create and nurture purposeful business and social networks, through social media and in-person communication.

Design for the Future

Leaders are designers of the systems for the future. They do so by building an emotional infrastructure, as well as organizational methods and processes. If organizations are purposeful networks of people, leaders need to create a compelling purpose that people in the organization can share. Leaders will have to pay attention to leveraging diversity and drawing on multiple points of view.

Constantly Clarify and Communicate

When working with a global workforce, leaders will need an ability to communicate effectively across cultures. Like a GPS map, leaders have to constantly clarify the current situation with respect to changing external demands. They also have to reiterate and reinforce vision, values and strategies.

Leaders have to help others in clarifying the meaning of their work. Communication and clarity are the currencies of effective leadership.





Take Care of Yourself

To keep yourself from being buffeted and disoriented by the many forces that generate crises in the first place, you must be able to depart from the default habits of authoritative certainty. The work of leadership demands you manage not only the critical adaptive responses within and surrounding your business, but also your own thinking and emotions. This will test your limits. Taking care of yourself, both physically and emotionally, will be crucial to your success. You can achieve none of your leadership aims, if you sacrifice yourself to the cause.

First - give yourself permission to be both optimistic and realistic. This will create a healthy tension that keeps optimism from turning into denial, and realism from devolving into cynicism.

Second - find sanctuaries where you can reflect and regain perspective. A sanctuary may be a place or an activity that allows you to step away and recalibrate your internal responses.

Third - reach out to confidantes with whom you can debrief your workdays and articulate your reasons for taking certain actions. The most important criterion is that your confidante care more about you, than about the issues.

Fourth - bring more of your emotional self to the workplace. Appropriate displays of emotion can be an effective tool for change, especially when balanced with poise. Maintaining this balance lets people know that while the situation is fraught with feelings, it is containable.

Finally - don't lose yourself in your role. Defining your life through a single endeavour, no matter how important your work is to you and to others, makes you vulnerable when the environment shifts.

