

## RETHINKING LEADER & LEADERSHIP DEVELOPMENT

Recent crises have demonstrated the complexity and stresses of the environment in which our organizations function. The banking, financial and housing failures and government deficits worldwide are causing severe challenges and disruptions worldwide. For example, in April 2010, the volcano Eyjafjallajökull erupted and spewed ash across Europe, halting flights and grounding about 10 million travelers worldwide. Commerce stalled, and routine business operations suddenly seemed vulnerable and volatile.

Our first reaction to these crises was to think “let’s find a leader to save us.” Now we realize that these catastrophies require more comprehensive, collaborative and widely diverse and distributed responses that address the great complexities of the 21st century civilizations and organizations. The modern world demands more of a ‘we’ approach than an ‘I’ approach.

The recession has left many organizations feeling somewhat battle weary. Morale may be low and draining the energy out of the workforce. Many leaders are just focusing on surviving. However, we should reevaluate what we mean by leader and leadership development and how best to proceed in this challenging environment.

In the new 21st century organization models, the terms “leader” and “leadership” are being redefined. The Center for Creative Leadership and other experts, who have been studying leaders and leadership for many years, have come to an important conclusion: leadership begins with individuals in leadership positions, but it doesn’t end there. The ability of an organization to accomplish its goals does not depend solely on the force of will of a single great leader, or even upon the effectiveness of the organization’s chain of command. These things are important, but don’t in and of themselves help us understand why some organizations succeed where others fail.

Rather, as research has shown, we must understand leadership and leadership culture, as defined by the collective actions of formal and informal leaders acting together to influence organizational success. It is not simply the number or quality of individual leaders that determines organizational success, but the ability of formal and informal leaders to pull together in the support of organizational goals that ultimately makes the difference. Thus, when we speak about leadership here, it is both the leaders themselves and the relationships among them that are being discussed.

### Leadership Culture

Every organization has a leadership culture that defines people's thinking and behaviors, and has implications for the collective ability to respond to its challenges. In The Center for Creative Leadership’s (CCL) organizational leadership work with clients from the military, civilian government, manufacturing, healthcare, legal sector, nonprofit and others — three types of leadership cultures are identified:

1. **Dependent leadership cultures** hold only people in positions of authority responsible for leadership. Authority and control are held at the top. Success depends on obedience to authority and loyalty. Mastery and recognition of work operates primarily at the level of technical expertise. Dependent cultures take a conservative approach to change and emphasize keeping things running smoothly.
2. **Independent leadership cultures** assume that leadership emerges as needed from a variety of individuals based on knowledge and expertise. Authority and control are distributed through the ranks. Independent cultures value decentralized decision-making, individual responsibility and expertise and competition among experts. Independent cultures focus on success in a changing world and adapting faster and better than the competition. Other characteristics associated with independent cultures include: individual performance as an important source of success and status, an emphasis on taking calculated risks, open disagreement and independent actions within functions or workgroups.
3. **Interdependent leadership cultures** view leadership as a collective activity that requires mutual inquiry, learning and a capacity to work with complex challenges. Authority and control are shared based on strategic competence for the whole organization. The mindset tends toward collaborating in a changing world so that new organizational orders and structures can emerge through collective work. Interdependent cultures work effectively across organizational boundaries, value openness and candor and see synergies across the whole enterprise.<sup>i</sup>

Explaining about leadership cultures is important, but we also look for innovative ways to help everyday leaders understand and implement what culture is, why it matters and what role they, as individuals, have to play. Some leaders are tasked with getting a more collective view of leadership where groups work across organizational boundaries and silos. The most challenging test for these leaders is whether they create leadership.

### Leadership Qualities

There is a vast literature identifying desired leadership qualities. Surveys of CEOs show that they believe the one factor that will determine their fate is the quality of their leadership talent. Without proper leadership, even the best and boldest strategies die. Yet many top executives bemoan the lack of leadership bench strength in their companies.

As suggested by Bob Johansen, Management Consultant, leaders in the future will need to have Vision, Understanding, Clarity and Agility. As stated by KimTurnbull James, Management Expert, "We need to think how people in leadership roles need to work with others, understand what the organizational challenges are that might require radical re-thinking and re-positioning, and what are the barriers preventing the organization from achieving its goals and objectives." This is a very different way of thinking about leadership with serious implications for leadership development.

If organizations are to grow then they need to develop an effective management team – and a management team that can lead change. Leadership development is not about an event or a series of events – and it is not about purely developing people in your own image – it's an ongoing process.<sup>ii</sup>

The recent research from the Chartered Institute for Personnel and Development (CIPD) and PricewaterhouseCoopers informs us that our workforce may resign their jobs (in a better economy) and/or/show dissatisfaction if they feel disengaged. But most importantly, leaders must recognize that engaging their current and future workforce is the absolute priority that will enable innovation and change to take place. In true innovation, people have to be given the permission and freedom to experiment. And if their experimentation does not always lead to success, leaders then have to accept that any failure is a shared failure – not the fault of an individual. It's about being brave enough to allow people to have their voice – it may not work – but it could also lead to the 'next big thing.'

Consequently, innovation and engagement means winning the hearts and minds of, not just our existing people but also our teams of the future. And with workforces that can now comprise up to five generations – that could be the toughest challenge of all. There are a large number of bruised managers who are frightened to be innovative and forward thinking and who are hoping that momentum and tenacity will carry them through. What is absolutely clear is that we will need a much wider leadership toolkit to engage our people in the years ahead.

Further, Marshall Goldsmith, Management Expert, points out that the many desired qualities of effective leaders will never change - characteristics such as communicating vision, demonstrating integrity, focusing on results, and ensuring customer satisfaction. But he believes that five new factors have emerged as clearly more important in the future:

### **Thinking globally**

The trend toward global trade, globally connected markets and technology and competitiveness will become stronger. Leaders will need to understand the economic, cultural, legal, and political ramifications. Leaders will need to see themselves as citizens of the world with an expanded field of vision and values.

New technology is another factor that makes global thinking a requirement for future leaders. It will make it feasible to export white-collar work around the world. Computer programmers in India will communicate with designers in Italy to help develop products that are manufactured in Indonesia and sold in Brazil. Technology can help break down barriers to global business. Leaders who can make globalization work in their favor will have a huge competitive advantage.

### **Appreciating cultural diversity**

Future leaders will also need to appreciate cultural diversity, defined as diversity of leadership style, industry style, individual behaviors and values, race, and gender. They will need to understand not only the economic and legal differences, but also the social and motivational differences that are part of working around the world. Understanding other cultures is not just good business practice - it is a key to competing successfully in the future.

The ability to motivate people in different cultures will become increasingly important. Motivational strategies that are effective in one culture may be offensive in another culture. The same recognition that could be a source of pride to one could be a source of embarrassment to another. Leaders who can understand, appreciate, and motivate colleagues in multiple cultures will become an increasingly valued resource.

### **Demonstrating technological savvy**

Many future leaders who have been raised with technology view it as an integrated part of their lives. Many present leaders still view technological savvy as important for staff people and operations, but not for them. We need not all become gifted technicians or computer scientists, but we need to:

- ❖ Understand how the intelligent use of new technology can help us
- ❖ Recruit, develop, and maintain a network of technically competent people
- ❖ Know how to make and manage investments in new technology
- ❖ Be positive role models in leading the use of new technology

Organizations with technologically savvy leaders will have a competitive advantage. Without technological savvy, the future of integrated global partnerships and networks would be impossible.

### **Building partnerships and alliances**

More organizations are forming alliances today. This trend will be even more dramatic in the future. Reengineering, restructuring, and downsizing are leading to a world where outsourcing of all but core brand-related activities may become the norm. The ability to negotiate complex alliances and manage complex networks of win-win relationships is becoming increasingly important.

### **Sharing leadership**

Sharing leadership is a requirement, not an option. In an alliance structure, telling partners what to do and how to do it may quickly lead to having no partners. In dealing with knowledge workers - people who know more about what they are doing than their managers do - old models of leadership will not work. Future leaders will operate in a mode of asking for input and sharing information. Knowledge workers may well be difficult to keep. They will likely have little organizational loyalty and view themselves as professional free agents who will work for the leader who provides the most developmental challenge and opportunity. Skills in hiring and retaining key talent will be valuable for the leader of the future.

Bob Johansen says that leaders increasingly will face challenges that have no solutions. Of course, they will have to make decisions anyway. "Leaders will be buffeted, but they need not allow themselves to be overwhelmed, depressed or immobilized. Leaders must do more than just respond to the whirl of events, though respond they must. They must be positive change agents in the midst of chaos, creating the future. Some things can get better, even as other things get worse." To make a better future, leaders must seek out experiences and opportunities to learn and apply 10 new skills:

1. **Maker instinct.** Ability to exploit your inner drive to build and grow things, as well as connect with others in the making.
2. **Clarity.** Ability to see through messes and contradictions to a future that others cannot yet see.
3. **Dilemma flipping.** Ability to turn dilemmas — which, unlike problems, cannot be solved — into advantages and opportunities.
4. **Immersive learning ability.** Ability to immerse yourself in unfamiliar environments and to learn from them in a first-person way.
5. **Bio-empathy.** Ability to see things from nature's point of view — to understand, respect and learn from nature's patterns.
6. **Constructive depolarizing.** Ability to calm tense situations where differences dominate and communication has broken down — and bring people from divergent cultures toward constructive engagement.
7. **Quiet transparency.** Ability to be open and authentic about what matters to you — without advertising yourself.
8. **Rapid prototyping.** Ability to create quick early versions of innovations, with the expectation that later success will require early failures.
9. **Smart mob organizing.** Ability to create, engage with and nurture purposeful business or social change networks through intelligent use of electronic or other media.
10. **Commons creating.** Ability to seed, nurture and grow shared assets that can benefit even competitive players. <sup>iii</sup>

Most high-potential future leaders see the value of these new competencies and are willing to learn and/or practice them and have their performance measured by them. Present leaders may not see their value and may not have these traits. If future leaders have the wisdom to learn from the experience of present leaders, and if present leaders have the wisdom to learn new competencies from future leaders, they can share leadership in a way that benefits their organization.

### **Observations About Leader and Leadership Development Strategy**

Management theorists are seeing some seismic shifts in the way leaders and leadership could be developed. They are challenging the old 'deficit/individualistic model' of leadership development which focuses on whether a leader has some shortcoming in skill, competence, behavior, personal motives, cognitive preferences, etc. (as measured against some normative notions). These theorists are not saying that such competency-based work is not valid but are pointing out the limitations to only using this approach. Even where a deficit-reduction program involves peer feedback or action learning, the consequent development activity is often largely limited. Further, pre-packaged development systems are insufficient in dealing with the specific context in which leaders operate.

In developing a strategy for obtaining and developing the appropriate organizational leaders and leadership capacities, experts say that leadership strategies and development investments have to be linked with their business strategies. A good leadership strategy takes many factors into account. Simply having all of the leadership positions on the organization chart filled will not produce the leadership that is required to implement strategies, adapt to change, support innovation or other important organizational agendas. It is not just having the right number of bodies, it is what those bodies do and how they relate to one another that matters. A leadership strategy makes explicit how many leaders we need, of what kind, where, with what skills, and behaving in what fashion individually and collectively to achieve the total success we seek.

Making continuous improvement a key driver of business results requires a leadership strategy that calls for continuous improvement in leadership as well. A leadership strategy supports the effective implementation of an organization's business strategy. Without the right leadership, organizational strategies will remain as ink on paper. Getting the right leadership to implement business strategies takes careful planning and dedicated effort, and often substantial investment. Like the sports coach whose mediocre team never wins a championship, even with a new book of plays every year, CEOs can't hope to achieve bold new strategies without giving thought to their leadership culture.<sup>iv</sup>

Like business strategies, leadership strategies are based on a thorough analysis of the current situation and an informed view of the future. The strategy then provides a series of recommendations to close the gap between the current situation and desired future. Once the leadership strategy is known, a leadership development strategy can be formulated to produce the desired future state, and implications for talent management processes can be identified. When the strategy is implemented, business results will provide feedback on how well the leadership strategy is working and help shape what new business strategies can be considered with the leadership talent that has been developed.

At a minimum, the Center for Creative Leadership suggests, organizational leaders should consider:

- The quantity of leaders needed, as indicated by current and projected formal leadership positions depicted on an organization chart (number, level, location, function, business unit, reporting relationships, etc.)
- The qualities desired in selection (demographics, diversity, background, experience level)
- The skills and behaviors that are needed to implement the business strategy and create the desired culture (skills, competencies, knowledge base)
- The collective leadership capabilities of leaders acting together in groups and across boundaries to implement strategies, solve problems, respond to threats, adapt to change, support innovation, etc.
- The desired leadership culture, including the leadership practices in use, such as collaboration
- across boundaries, engagement of employees, accepting responsibility for outcomes, creating
- opportunities for others to lead, developing other leaders, learning how to learn, etc.. In much of the work on talent and leadership strength, the focus has been on only the first two of these ways of describing an organization's leadership. By leaving out connected leadership and leadership culture, we have overlooked what makes leadership come alive in organizations and the factors that often determine whether strategies and plans will actually be achieved.

## Summary

In these challenging economic times, even the most financially sound companies are decreasing their spending. From bonus cuts to training and travel budget freezes to layoffs, organizations are minimizing costs and finding ways to "wait it out." According to the U.S. Bureau of Labor Statistics, the United States will experience a labor shortfall of 10 million workers in the near future. Other countries are reporting similar patterns. An IBM Global Human Capital Study reports a "deep concern over the current and projected shortage" of individuals to lead, with more than 75 percent of respondents citing their inability to develop future leaders as a critical issue. However, smart organizations know that reactive cost-cutting in HRD can hinder bigger-picture strategic efforts, including succession planning.

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<sup>i</sup> *The Center for Creative Leadership Handbook of Leadership Development, 3rd Edition, Jossey-Bass/A Wiley Imprint, 2010.*

<sup>ii</sup> *Leadership Learning, Knowledge into Action'* ed. Kim Turnbull James and James Collins, Palgrave Macmillan, 2008.

<sup>iii</sup> Bob Johansen, *Leaders Make the Future: Ten New Leadership Skills for an Uncertain World*

<sup>iv</sup> The Center for Creative Leadership, *Strategy: A Critical Ingredient for Organizational Success*. Global Organizational Leadership Development, White Paper Series May, 2009.