

## THE SHIFTING LANDSCAPE OF LEADERSHIP

The recent banking crisis should have opened people's eyes to how systems interact. Our first reaction to the crisis was "let's find a leader to save us." But then we realized that things that happen way outside of our area of influence, have an impact on our organisation. This must make us think about deep connections and the systemic nature of an organisation. "

As Professor Kim Turnbull James and Donna Ladkin, Center for Executive Learning and Leadership, UK pose, it seems that the salvation in this century will not come from Superperson but a more broadly educated, collaboratively nuanced team player who can fathom the great complexities of the 21st century organisation.

Management theorists are seeing some seismic shifts in the way leadership should be developed. They are challenging the old 'deficit model' of leadership development. Put simply, this is an individualistic view that a leader has some skill or competence shortcoming (as measured against some normative notions). The outcome is that leadership learning focuses on personal competencies, behaviour, personal motives, cognitive preferences and so on. This 'deficit' approach is taken up by systems such as Myers Briggs and Bass's transformational leadership frameworks. **"Traditionally, we have looked at portraits of leaders. Now we have instead to admire the landscapes – it's not just about the individual leaders but what is going on in the background."** the focus is becoming on leadership rather than leaders.

The traditional model of heroic leadership is melting away. Whilst writers point out that such competency-based work is still valid it is by no means the whole story and times are very definitely changing. They assert that there are limitations to this deficit approach. They argue that this approach may stifle some of the traditions of a 'good education' such as the ability to think and understand principles which can be applied in a wide variety of situations. They profess that even where a deficit-reduction programme involves peer feedback or action planning, the consequent development activity is often largely limited. In the new 21st century models, leadership is increasingly contextual. In other words pre-packaged development systems are insufficient in dealing with the specific context in which leaders operate.

Turnbull James believes that many coaches and trainers have not picked up some of these straws in the leadership wind. They are sticking to old formulas. She writes, "...leadership development practitioners can be often resistant to the notion they are presenting a programme in this (i.e. deficit model) mode. They often stress that they are highly flexible and will digress from the script. They want to meet the learner's needs. But they are often delivering a programme booked long before the learners arrive..." She is not arguing against this mode of learning but that it is not the only approach.

### A shifting landscape

A key shift in this new century, is "People are looking for more leaders in more places in the organisation. Some are tasked with getting a more collective view of leadership where groups work across organisational boundaries and silos. They are asked to look at a whole-organisational picture rather than the one area they represent. All this means that people are starting to think of leadership in very different ways.

The shift away from leaders to leadership takes us away from thinking about individual competencies towards examining organisational practices – how do we create a sense of purpose and direction? How do we get all the organisational objectives lined up with that direction and ensure that people are committed to it? "There is no doubt," says Turnbull James, "that the landscape of leadership is changing." She has a nice analogy imagining a leadership art gallery, "We traditionally have looked at portraits of leaders. Now we have instead to admire the landscapes – it's not just about the individual leaders but what is going on in the background."

***"The modern world demands more of a 'we' approach than an 'I' approach."***

None of this precludes the need for leaders to attend to any shortcomings in their competency. But according to Turnbull James, these are necessary but not sufficient these days. "We need to think how people in *leadership roles* (my italics) need to work with others, understand what the organisational challenges are that might require radical re-thinking and re-positioning, what are the barriers preventing the organisation from achieving its goals and

objectives. This is a very different way of thinking about leadership with serious implications for leadership development."

We are doing work on shared and distributed leadership. We can see the antecedents going back to the middle of the last century. Many of the ideas have been sidelined by the 'heroic' models of leadership. I am not saying these are wrong but that we have to think of other ways of looking at leadership. The idea that one person can inspire and direct a global 24/7 business operating across time zones and languages is not really adequate." Her view is that now it is more about how those in leadership roles can generate collaborative practices, can distribute leadership tasks and yet provide an overarching sense of organisational direction. "This can happen in multiple ways and not just in the actions of a single leader," says Turnbull James. She is not arguing for an organisation simply to have lots of leaders but for those in leadership roles to fully understand how the whole complex organisation system works. "The modern world demands more of a 'we' approach than an "I" approach," she contends.

Source: Leadership Learning, Knowledge into Action' ed. Kim Turnbull James and James Collins, (Palgrave)

### **Characteristics of Competent CEOs/Top Level Executives**

***Relevant industry experience, charisma, leadership style and cultural fit are just some of the necessary selection criteria for CEO succession planning. But, as the stock-fund prospectuses always note, past performance is not an indicator of future results.***

*By Marlene Prost*

Charisma, credentials and vision can dazzle a corporate board of directors who are looking for a new CEO. But the single best indicator of future success is the candidate's track record as a CEO in his or her industry, according to a new study by researchers at Georgia State University.

Great CEOs manage resources efficiently and consistently pull distressed companies out of trouble more quickly, while poor CEOs do the opposite, according to the survey, which tracked the performances of CEOs in 12,000 companies in the product-liability insurance industry. Grace chose the insurance industry because distress is relatively frequent and severe in that sector and because it is scrutinized by regulatory agencies, so data was available. He chose the decade before 9/11 because it was a robust period of growth.

Researchers found that the most efficient CEOs moved their companies out of regulatory scrutiny eight to 16 times faster than the poor CEOs.

The message for boards of directors and HR executives involved in CEO succession planning is to look at the candidate's past success in managing companies in your own industry, says Martin Grace, professor and associate director of the Center for Risk Management and Research at GSU's J. Mack Robinson College of Business. "I looked at a lot of discussion about leadership, charisma and vision," he says. "All are important characteristics for managers. I said, 'I can't measure them easily across companies, but I *can* look at results,' " ... [The study looked] at one simple thing, marshaling resources [to make a profit]. That's what managers are supposed to do, and if they can't do that, they're not going to succeed."

Warren Cinnick, director of People and Change with PwC in Chicago, acknowledges that there's no doubt past performance is "still the most important characteristic to consider." "However, to select CEOs or other leaders based totally on the past is to lock yourself into a model that succeeded in the past, but may not be the most successful criteria [today or in the future]," he says.

Cinnick says boards of directors have "to outline the strategies of the company going forward and consider what characteristics of a leader would support [that growth]."

In planning succession, no one disputes the importance of a track record. But sometimes CEOs are fired despite their performance because they aren't a good fit with a company.

"People know not everybody is going to fit in every job. If you got fired from your last job, you could still have a good track record," but may have experienced some conflict with the board. Bob Wilson, CEO of Chicago-based OI Partners Inc., a global talent management firm, says the best way to evaluate a candidate's competencies is not by asking them to recite their resume.

"Most companies frankly do a lousy job interviewing people ... [and] getting behind the resume points. Everybody has a great resume. They have the patten down. They've been coached. It's up to the interviewer to dig behind that. ... There are functional traits, a hit list of items you absolutely need to have," he says. A good interviewer asks "competency-based questions like, 'When were you at your personal best?' or 'Tell me when things didn't work out?', forcing them to give you an anecdote to back up the competency."

Even a CEO with a top-flight performance record might not be the right fit for a company's culture.

"When you have a new executive, what you look for isn't just the resume or accomplishments. [It's their] style and cultural fit to the organization," Wilson says. "Frequently we [at OI] find ourselves retained to assess the fit. ... [You] have to be satisfied that their skill sets are harmonious with the culture of the company." Leadership style is an aspect of that -- and it's not always self-evident.

In a recent survey, OI Partners asked chief HR officers at 243 major companies how they would advise former CEOs and other chief officers to improve their chances of landing another top executive position. Six of 10 (59 percent) respondents agreed executives need an impartial evaluation of their leadership styles and behaviors. And more than half said executives need coaching in new management styles and techniques (53 percent), and need work on motivating and engaging employees (51 percent).

Other skills top executives most need help with, according to the survey, are communicating effectively, strategic thinking, leading change, team building and leadership. Flexibility and emotional intelligence are also crucial. Wilson offers the example of an HR professional who left a job with a hospitality organization, where he worked with sales and service employees, to take a job with a manufacturing company, where he would work with engineers. "He knew his strengths. He was able to survive. Engineers are all about process, a lot of detail. ... He had that ability to understand what he was good at and found his [new] approach. He had the emotional intelligence," Wilson says.

Relating to others also means having media savvy and charisma, Cinnick says. Today, corporate information is delivered in many media, from blogs to Twitter, and a strong CEO needs to be effective in all those media. "Charisma [matters] in today's world because we're such a media-drawn culture," he says. "It's a facility with, and comfort with, multiple media as a way to communicate."

Cinnick says boards and HR leaders should also look for global experience if they want an edge in today's global marketplace. "One characteristic I see consistently as a gap in companies is that CEOs do not have sufficient international experience in their background?" That could include time abroad as an expat, or work with a foreign alliance or trade partner, he says.

Test one: Do leaders create followership?

The most fundamental level leadership is about the person. People follow people. This might sound self-evident, but the first test of leadership has to be whether any of the candidates creates in us a sense that we would be prepared to follow them.

Test two: Leaders connect people to purpose

Leaders crystallise and communicate purpose. They capture it, state it and then re-state it, and in doing so create a shared sense of meaningful endeavour that unites and energises. They do not have to be the author of the inspirational words, but they do have to make the message their own. In business, too many leaders fail this test, as the multiplicity of weary mission statements and 'commitments to shareholder returns' bears witness. As Henry Ford himself put it: *"Business must be run at a profit, else it will die. But when anyone tries to run a business solely for profit... then the business must die as well, for it no longer has a reason for existence."*

Test three: Leaders create leadership

The third and most challenging test is whether leaders create leadership, a test which goes to the core of what it is to be a leader. Leadership is not a fair-weather concept and nor is it a technocratic exercise in targets and accountabilities. It is about picking up the difficult challenges involved in changing patterns of behaviour, belief,

belonging and identity. For sure, we want our leaders to be competent managers, to be good at bringing about technical change, but we need them to be prepared to go beyond this, to put themselves on the line. Are our leaders change ready?

*Our leaders need to be equipped with the tools to change and innovate, says Fiona Lander.*

The recession has left many organisations feeling somewhat battle weary. Morale may be low and ‘unhappy stayers’ may be draining the energy out of your workforce. For today’s leaders, being told that the key to success and survival is innovation may sound like just a step too far when many have just been focussed on getting through and surviving. With the recession still fresh in everyone’s mind, one of the real challenges is that leaders are still nervous about taking risks – and nervous about inviting yet more change - which is inevitably a by-product of innovation.

### **The need for innovation**

However, at a recent leadership forum innovation – and how innovation is linked to engagement, was one of the main themes that came out of the round table discussions. The forum brought together fourteen business professionals from the training arena and allied sectors who exchanged views on the challenges and opportunities that leaders will face as we begin a new decade. They included current and past managing directors and CEOs of global recruitment businesses; training, development and career coaching professionals; HR and legal experts, and academics, including a visiting professor from Henley Business School.

Several delegates felt that the issue called for real courage amongst leaders as in order to achieve true innovation, people have to be given the permission and freedom to experiment. And 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’.

So how does innovation link into engagement? With recent research from the CIPD and PricewaterhouseCoopers telling us that one in three of our workforce will move on if they feel disengaged, it’s clear that engagement has to be at the top of the HR agenda. But this also links into leadership training and development and ensuring that your managers and leaders understand the paradigm shift that is taking place in the nature of the workplace. Because if they don’t know *how* to engage – or understand the rules of engagement - then those ‘one in three’ will move on!

### **Hope is not a strategy**

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.

But hope is not a strategy. Leaders need to be planning on how they are going to use their workforce and in what capacity. Generation Y are the future. And if they cannot see a clear career path, or feel that they are being under utilised then they will move on. Generation Y want to work in a community and will move if the culture is too oppressive and they feel that they have no voice. Generation X prefer structure – and what of those born after 1997 – our next generation in the workplace – what will they want? What is absolutely clear is that we will need a much wider leadership toolkit to engage our people in the years ahead.

If organisations 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.

Innovation itself creates change and the current market conditions are imposing change not only on our business models but on how we interact with our customers. One thing is sure; that it shouldn’t take a crisis to stimulate change. The fast moving avalanche of technology can swamp us, if we are not ready to embrace the changes that it brings. So it is essential that we create change ready organisations that are more adaptable, more innovative and more engaging.

If our organisations are going to be prepared for the future, we need to push our thinking as leaders. Businesses that win will take risks going forward and create new paths for others to follow. Innovation is essential in creating a standout brand. They will not simply respond to change, they will drive it. But most importantly they will recognise that engaging their current and future workforce is the absolute priority that will enable innovation and change to take place.