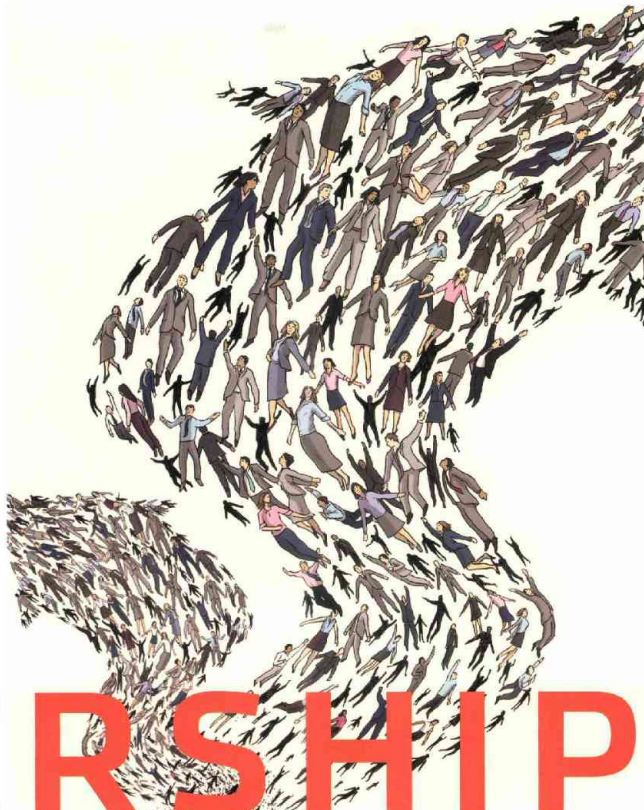


A NEW VIEW OF LEADERSHIP



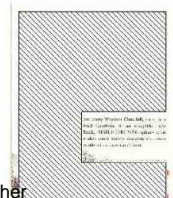
For every Winston Churchill, there is a Fred Goodwin. In an insightful new book, NIGEL NICHOLSON explores what makes some leaders soaraway successes while others crash and burn

Illustrated by Daniel Mitchell

When a flock of birds simultaneously takes to the air or when a herd of buffalo wheels and turns as one, it is a miracle of coordination. Who is leading? This is a very human question and presumption. Sit in a packed stadium and watch the crowd rather than the sport and you will see waves of emotion and expression, uncoordinated except by the spontaneous urges of people infecting each other with thought and feeling. Not a leader in sight.

LEADERSHIP INFATUATION

Picture the scene: I am working with a group of executives and the topic is teamwork. I ask them what the critical factors are to getting high performance out of a team. It is only a matter of time before one person says that the group



needs a leader. Lots of heads nod in agreement around the room. At this point, I assign them randomly to groups to perform a task, and when we analyse what transpired, it is evident that the best performing team turned out to have no designated leader, and the groups that made a point of appointing a leader performed indifferently. Look closer and you will see that teams lacking a recognisable leader do not lack leadership. It is present, no less than in the flock or herd, but it may be hard to pin down.

Leadership is not a thing but a process. It is something that helps systems to function; coordinating and directing effort. Yet, clearly, we are infatuated with leadership, which is why more space on business bookshelves is occupied by the subject than any other topic. So why yet another book – mine? Although there are lots of great leadership recipe books and stories of leadership success and failure, what I couldn't find was any analysis that connected our biology as a species that loves to be led with what we see going on around us in business.

THE LESSONS OF HISTORY

Cometh the moment, cometh the man or woman. History teaches us that just when we are in our darkest hour, a hero emerges to show us the way – Winston Churchill and Nelson Mandela in politics, GE's Jack Welch and IBM's Lou Gerstner in business. Smart businesses and societies organise themselves in ways that help these leaders to emerge, but history's parade contains as many disappointments and disasters as successes. In the new frontier of post-Darwinian thought, this turning wheel of adaptation and maladaptation is called co-evolution. What's special about leadership is that leaders can be game changers; rewriting the conditions under which success and failure are defined. Leaders are the tools of historical forces, and the makers of history.

What comes out of this view is what I call the Leadership Formula. To be effective, a leader has to be the right person, at the right time and place, doing the right thing. This has some simple implications and some tricky ones. The simple ones are that there are many ways of being a leader, and there are many leadership situations. But leaders need to watch out, for situations change faster than people do. This is where it gets tricky. It turns into a strategic challenge of whether or not leaders can bend the situation to their will or be versatile enough to ride the waves of change. One of the smartest things Nelson Mandela did was to quit while he was ahead, climbing off the turning wheel of history before it crushed him, making way for a technocrat successor, Thabo Mbeki, to move the country to its

next stage of development. With our leadership infatuation we have to beware of the football manager syndrome, replacing leaders as soon as things go wrong. Rather, succession should be strategic, to meet the needs of changing times.

THE 'I' OF LEADERSHIP: SEEING, BEING AND DOING

Now let us climb into the mind of the leader to see how the process of leadership actually works. What you find is an interdependent triangle of being, doing and seeing.

Being – who you are – determines what you do. In leadership, character matters because we view the world through a prism of identity. Many leaders succeed and then fail because who they are filters how they see the world and scripts the actions they take. Look at Kenneth Lay, architect of the Enron disaster.

Doing – what you do can shape your character. This is especially true of malleable people not troubled by strong instincts and impulses. They can be conditioned. Tony Blair's account of his 'journey' through his premiership seemed to involve a lot of development and discovery by doing, but it was seeing – his analytic capabilities applied to experience – that informed his choices.

Seeing – this is the most fundamental starting point for leadership, and the least regarded. It is the vision of leaders that drives them and us on. They see the world as it is and how they wish it to be. The challenge they face is to keep pace with the environment and the effects of their actions. Being openminded does not guarantee you will see what is truly important. Perspective matters, and is the key to leadership effectiveness. Open-mindedness is a mark of the new generation of leading-edge business leaders, people such as Larry Page, Sergey Brin and Eric Schmidt at Google or Mark Zuckerberg at Facebook.

How Being, Doing and Seeing work together can be illustrated by thinking about change. Did you ever try to influence someone – like a spouse, a boss, or, worse, a teenager? Often we try to do this by direct attack on the Being part – 'Get your mind right will you, please? If possible, be like me'. Does it work? Does it hell! OK, next tack – try changing the Doing part, say by forcing a person down a new route, with the aid of rules, rewards and punishments. Does this work? Sometimes, but it can take time. The mind has to play catch-up with behaviour, as was the case with banning smoking in public places.

Want instantaneous change? Seeing is the key. Reframe safety as threat, danger as opportunity, desire as dependence and people can switch their goals and their actions in a flash. That's the thing – the only person that can change you is you. This is a special human gift: the ability to change our lives and states of being

in an instant, like Saul on the road to Damascus.

It is an unfortunate tribute to human persistence and optimism that we are forever trying to change people by the hardest and most impossible routes. Great leaders know that seeing – vision – is the key to influence. Steve Jobs enveloped people in his 'reality distortion field' (a *Star Trek* concept applied to him by a colleague) and Jack Welch was a master storyteller.

LEADERSHIP AS STRATEGY

Let us now apply my leadership framework, which I call the Situations, Processes and Qualities model (SPQ) to unlock the secrets of

why certain leaders emerge, and why others fail.

There are many different kinds of leadership situation – every time you get promoted, take on a new assignment or employ new people, your leadership situation changes. Look at financial services, where an almost nonexistent leadership culture with everyone contentedly churning inside a bubble of self-inflating growth now finds itself struggling to be reborn and crying out for a new style of leadership. Fred Goodwin was more a dealmaker than a leader, who expanded RBS to gargantuan proportions, until its collapse revealed the fatal absence of a coherent vision that met the needs of a changing world.

The first lesson of the SPQ model is to read the world and understand how it is changing. This might sound simple, but it is fraught with difficulty, not least the problem that people around leaders inhabit the same reality bubble. They only see what the leader sees, and those with a different perspective get scant air time or are suppressed. The more powerful and successful leaders are, the less likely they will be to hear dissenting voices. Leaders like Robert Maxwell, Goodwin, and Al ‘Chainsaw’ Dunlap (of Sunbeam) were surrounded by likeminded supporters in a climate where bad news was often suppressed. Leaders have to go undercover in their own organisations, engage in counterfactual thinking and allow their vision to evolve with a changing reality.

The second lesson of the SPQ model is the importance of doing what is needed for the situation. In principle, anyone can learn how to craft and deliver a powerful message, practise the skills of empathy, build a team, and so on. It just takes time, discipline and desire. The last of these – desire – is the Achilles heel of doing what’s needed. If your backhand is weak, you may find it easier to run round and play a forehand, rather than work on your weakness.

There is also a capacity problem, and here we are bedevilled by the lonely leader problem – where leaders are isolated, insecure and obsessively meddling in every detail. What is needed is not just a strong team and the ability to delegate but what I call Critical Leader Relationships – a handful of trusted confidants who can be eyes and ears, helpers and advisers, and sources of support and honest feedback. Michael Eisner, Steve Jobs and Bill Gates enjoyed their greatest successes at Disney, Apple and Microsoft respectively through their

partnerships with people with complementary gifts, who advised, challenged and supported them when needed.

The third lesson of the SPQ framework is that leaders have to know themselves and control themselves. Unfortunately there are major disincentives to self-control. Leaders often find their narcissism and arrogance and unfettered displays of their identity – a surfeit of ‘authenticity’ perhaps – are not just rewarded but revered by followers longing for the magical protective power of heroism and charisma. Indeed, at the heart of leadership lies a dilemma or rather a balance to be struck between instinct and insight, between shaping and versatility, and between innovation and adaptability.

On the one hand is the need for leaders not just to respond to the forces around them but to shape them, as Steve Jobs famously did. Power is not just an opportunity but a duty to make elements of their world follow their vision. Leadership is about taking charge. This goes beyond accountability. The performance of your boss and your peers is not your remit, but if you can help them and share your vision with them you should do so.

On the other hand is the need for deep insights into the leadership situation – to anticipate the waves of change and ride them with agility and versatility. Welch’s virtue as a leader resided in his ability to change his strategy to match the new realities he had created. There are many forces that the leader cannot control but must navigate with skill. To do this, leaders need to develop techniques of inquiry. Asking questions is the least developed skill in management. Too many leaders see their role as being advocates, declaimers and speech-makers. All useful at the right time and place, but reading other people is an equal need – using what I call the art of ‘decentring’ – knowing what the world looks like through the eyes of others. Management-by-wandering-about is another time-honoured insight technique – mostly practised by new leaders when they are finding their feet, but too often neglected as their in-tray piles higher over time.

LEADING WITH VISION, IDENTITY AND PASSION

What leaders need most of all is clarity of vision founded on a secure sense of personal and business identity, and which can be communicated

with passion. This does not mean speechifying from a podium but storytelling in ways that are simple, compelling and that make sense. People need a narrative that makes sense of their experience and connects the past, the present and the future. People need to see the logic of the journey and to be reassured that if the future is not going to be like the past, it is connected in ways that are also a part of their story.

There are four stories, actually, that all leaders need – not necessarily to tell but to keep in their hearts and minds in how they act and communicate:

1. Who am I and why I am here? This is not a recital of one’s CV but is about how to be real to people around you and show that you have chosen to be where you are for a purpose.
2. Who are we and what do we stand for? This is the ‘I’ of identity, that declares the purpose and *raison d’être* for the part of the organisation the leader is responsible for.
3. Where are we going and why? This is the mission story, hard to tell when the future is shrouded in fog, so often a message of commitment, hope and determination
4. Why we must change – this is the call to people on the journey to let go of the past and embrace the future.

The ‘I’ of leadership is also the eye of leadership – identity plus vision, communicated with passion. ■■

Nigel Nicholson’s The ‘I’ of Leadership: Strategies for seeing, being and doing, is published by John Wiley & Sons at £18.99

