

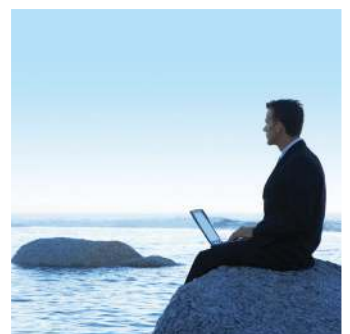
# Follow the Leader: Leadership development for the future

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## EXECUTIVE SUMMARY

Leadership development is big business. Millions of dollars are spent researching leadership, publishing innumerable books and training aspiring leaders. In spite of this, there are still many more poor leaders than effective ones (see DDI report, 2011). Organisations are not producing effective leaders and around the globe, in all facets of organisational life, people are asking what is going wrong.

*The question is: what should leadership development for the future look like?*

This white paper draws on high level themes that have emerged from the thousands of hours of leadership coaching conversations that IECL coaches conduct each year and from up-to-date industry and academic research.

The key point addressed is that while leadership development practices have changed little in the last thirty years, the context and situation of leadership has changed dramatically. This paper explores the current state of leadership and proposes a new assumption and four key ideas that will shape leadership development for the future.

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## THE CURRENT SITUATION

Over the last 15 years the reach and complexity of organisations has changed markedly. In the last five years, the advent of social media has meant that people are connected in ways unimaginable thirty years ago, defining the boundaries of organisations differently in every sense. The current landscape we work and live in is shaped by:

1. **Geographic fluidity.** Cultural and economic boundaries have changed dramatically with most large organisations operating across national borders. This has made cultural sensibility as well as systems and design thinking crucial to leadership.
2. **Technological advance.** With many more people having greater access to international knowledge banks there is a democratisation of knowledge. Leadership can no longer depend on subject matter expertise. Furthermore people are networked more than at any other time. Social media is shifting power structures as well as breaking down social and cultural barriers.
3. **Demographic shift.** The influence of technology is amplified by a generational shift. Ageing baby boomers at senior levels of leadership continue to operate in directive and individualistic leadership styles, unaware of the impact of the democratisation of knowledge and the advent of social technologies. Younger generations enter the organisational ecosystem with different expectations, strengths and ways of collaborating.
4. **Increasing complexity.** Complex situations demanding strategic responses are the everyday experience of leaders. Often problems are too multifaceted for an individual leader thinking with a single disciplinary perspective to resolve. Often there is no 'right' answer. The need for strategic, networked and systemic intelligence has superseded bounded disciplinary knowledge.

## CURRENT APPROACHES TO LEADERSHIP DEVELOPMENT

Leadership development approaches are not keeping up with current challenges because they are underpinned by two very persistent narratives:

1. "A Leader is born not made"

Traditionally leaders were thought to rely on inborn endowed gifts. This gives us the evergreen story of the "heroic individual", usually male, mostly charismatic and always resourceful. The most valued attribute of the hero leader is his [sic] ability to singlehandedly solve problems and direct others to action. As history has shown, the results are not always for the common good. However, whether the effects are good or bad, the rewards of these attributes are boundless, giving elevation to positions of power and status. This 'male, pale and now stale' mode of leadership is still prevalent, persisting maybe for a number of reasons that include our human desire for fame, or a saviour.

In leadership practice, the "endowed gifts" assumption has led to a huge industry in psychometric tools and diagnostic instruments, and a speakers' circuit of ex-CEOs who are believed to have singlehandedly transformed their organisations. And because "power" reproduces itself, we could risk a future of genetic modification and designer babies.

2. "Leadership is a learned skill"

This assumption has spawned another industry based on the notion of a competency. A competency is a knowledge, skill and attitude required to perform a particular function. Embedded in the idea that management is a science, each action is analysed to identify the competencies of effective leadership. Once identified, a leadership training package can be designed for each competency. Today, in most significant organisations, industrious HR and L&D practitioners spend many hours moulding a myriad of remarkably similar competencies into a "leadership competency framework" in which competencies are broken down into increasingly detailed levels of refinement. Only recently has this taken for granted and largely time

wasting HRD practice been questioned (Petrie, 2011). Besides not taking into account the complexity of human interactions and the major influence of culture, timing and context, competency training has not delivered what it promised.

These two evergreen narratives are expressed in two of the major leadership development frameworks commonly used in organisations today; transactional leadership and transformational leadership. Most leadership development programs combine the two. Transactional leadership is based on the identification of individual leadership attributes or innate characteristics. These form the basis of a psychometric instrument that sorts leaders into pre-determined profile categories. Psychometric instruments are a huge industry used extensively in recruitment, talent management and as the basis for promotions because they offer an illusion that people can be reliably fitted into a category and that matches the functions of a particular role. Transformational leadership development involves teaching individual leaders a set of competencies. These competencies make up a “style” of leadership that can be learned and adapted to different situations with the support of a range of measurement tools.



The limitation of both these narratives is that they focus on the leader as an individual with certain qualities and attributes. Individualism conceals the essence of human life and learning. People exist in and through relationship and only now in our networked world is there tangible evidence that a psychological profile or individually exercised set of competencies is inadequate. An individual's actions is always influenced

by others and the context and situations s/he are located within. Many people have experienced the difference between an organisational culture in which they felt incompetent and another in which they flourished. This different experience is not simply dependent on an individual and her/his psychological profile. Participants in every group that we have worked with report having experienced the influence of the people around them and the influence of the culture. The cultures in which people flourish have not trained them in a predetermined set of competencies, rather these cultures have enhanced and shaped their behaviour and drawn out and built on hitherto unrecognised strengths and competencies.

These ideas reflect the interrelatedness at the heart of systemic and postmodern thinking. There have been many writers (e.g. Senge 1990; Wheatley 1999; Clegg 1999) who have argued against the narrow focus on the individual as well as the dehumanising occurring in organisations that have single-mindedly adopted the processes and practices of economic rationalism. Human relationships are the essence of all we do, including our work in organisational contexts. And, with the technological advances in neuroscience that give us access to the workings of our brain, (Cozolino 2006; Siegel 2009) we have tangible evidence of our interrelatedness. The human brain is constantly responding, growing and adapting (or not) to the cognitive and emotional demands we face as we respond together to our complex social environments.

This paper proposes that geographic, demographic and technological complexity has led to the failure of traditional individualistic approaches to leadership development. A new form of leadership is required, one that responds to the networked environment as well as examining itself as it changes and adapts to the complex, ethical challenges of the newly bounded organisation.

## **INDUSTRY EXPERIENCE**

Not only neuroscience and system thinkers have challenged us to consider leadership development in broader terms. Many recent industry studies have found that current leadership development programs do not equip leaders to deal with 21st century global complexity.

For example, a 2011 paper from the Centre for Creative Leadership based on interviews with a sample of CEOs and leadership development experts found that the competency-based leadership programs did not address the current complex environments that leaders face. CEOs reported in the 2010 “Trends in Executive Development Report” that their talented and emerging leaders were not cognitively equipped to deal with the complex, systemic and ethical issues currently facing their organisations. An IBM study of over 1500 global CEOs reported that their number one concern was the complexity of the environments in which they operate and the inability of their organisations (and their leaders) to manage this complexity effectively. The DDI 2012 Global Leadership Report found that while global leaders believe that leadership development is essential, they questioned current practices and concluded that there needs to be a shift in focus in the way leaders are developed.



## OUR EXPERIENCE

When IECL coaches were asked to identify the issues their coachees were bringing to coaching conversations, the following seven themes emerged.

1. Leaders face complex and ambiguous situations that require complicated, practical decision-making and difficult ethical choices.
2. Leaders rarely have the space they need to converse, reflect and be challenged in their thinking.
3. Organisations develop predictable and entrenched cultural patterns which can silence creative thinking and stifle innovation. Leaders require a critical capacity to detect this and respond courageously and constructively.
4. Most situations at senior levels are too complex for a single individual to resolve and this requires leaders to have trusted and diverse teams around them.
5. Virtual management is making leadership more challenging because of differing cultural norms and the unpredictability and diversity of foreign official responses.
6. Leaders often fail to recognise the value of mindfulness in responding to complex and ambiguous challenges.
7. Leaders are always also followers and this creates stress from “influencing upwards” to Boards as well as sideways in managing peer-to-peer relationships and downwards to other staff.

When one considers these themes, along with the findings of recent studies of the shifting landscape in organisations, the limitations of the individualistic assumptions that underpin current leadership development practices are highlighted.

## FUTURE DIRECTION; CQ



Future leadership development needs to start with the assumption that Connected Intelligence (CQ) is the key to 21st century leadership. This heralds a shift from a focus on individual competencies to the creation of collaborative and networked organisational cultures in which leaders emerge easily and seamlessly to fit the requirements of the moment. Connected intelligence requires attention and analysis of the overlapping network of relationships and conversations that, woven together, shape a culture. At its foundation is the interdependence of self and “others”, a shift from “self AND/OR other” to a collective WE. Within this culture, all parties share responsibility for maintaining an engaged and exuberant conversation to which they all mutually contribute in different ways. Leaders with CQ are those that form a hub or conduit in the network. They are the moderators and mediators who facilitate the flow of information and help people with like interests to connect with one another around common projects.

The hidden aspect of leadership is the leader/follower relationship. Research abounds on “how to be an effective leader”, but we spend little effort or money on leadership’s essential role-mate, the follower. Leadership is snazzy, even sexy. Most of us want to be leaders. Organisational charts manifest a trend of marketing every job title as a leadership role; executive leaders,

senior leaders, department leaders, people leaders, area leaders and team leaders. However, while there is much hype about leadership and leading, there is almost no mention of followers. Being a follower has definitely not been viewed as sexy.

While “following” is the role occupied by most people in an organisation, the word does not appear in any job title. Social media has begun to change this. The actual followers one has (those that respond) builds one’s reputation as a thought leader in a field. A strong follower base is also crucial to driving change. All leaders need loyal followers. Followers go the extra mile. Followers show their commitment and express their support to others. They follow because they support a leader’s visions and direction. As followers their task is to translate vision into results and action. This implies relationship. A leader retains followers by responding, acknowledging, guiding and rewarding them, not just through promotions, but mostly through affirmation of their achievements in regular conversations. Throughout any given day in an organisation, thousands of conversations between leaders and their employees shape relationships and increase productivity. There is no job in an organisation that does not at some point involve conversations. Increasingly the quality of relationships in organisations will influence the long-term sustainability of organisations.

If connected intelligence is the key to successful leadership, then leadership development for the future should consider the following emerging patterns:

**1. From leader-led to leaderful organisations: *cultures and systems shape people as much as they shape culture.***

The democratisation of knowledge produced by the social media revolution is evident politically in the Arab Spring and the Occupy movements. Some writers think that social technologies and the easy dissemination of knowledge (across and within organisations) have made leadership redundant. This has been considered by some authors to produce a “leaderless” organisation. A more realistic conception, reflecting organisational coherence and purpose, is a conception of a “leaderful” organisation, one in which leadership is distributed. In a leaderful organisation, leaders emerge at all levels

from a collective process of collaborative networks and alliances. But in any network there are also hubs that attract people and serve as conduits for the flow of knowledge and experience. This concept led firstly to a facetious suggestion by two Harvard Business Review writers then the adoption in a few enlightened organisations of the position of “Chief Collaboration Officer” by their senior “C suite” roles.

Where the democratisation of knowledge is most evident is in customer relationships through the connected world of social media. Savvy customers have access to competitors like never before. CEOs face not only financial crises and ever increasing costs; they also face the fact that social media is making competitive advantage increasingly elusive. When organisational results are affected, the traditional technocrat/accountant leader responds with the tunnel vision of economic rationalism. However, cost cutting rarely brings more value to the customer. In the digital age, finding ways that customers can be proactive in their experience with the organisation - from sales to product design - is giving successful organisations their competitive advantage.

## **2. From Hero Leader to Democratic Leadership: *knowledge to the extent of our ignorance is perhaps the beginning of wisdom.***

Connected leaders invite participation and seek the constructive engagement of everyone. Conventional notions of leadership still operate on the idea that the leader must know best because of his/her role and subject matter expertise. The organisational hierarchy consists of layers of leaders with differing levels of subject matter expertise who “know best” and are therefore in the best position to define the required actions (or role).

Most people recognise that the individual, “expert” leader can no longer make dependable decisions. Narrow and bounded disciplinary knowledge is not sufficient for the situations they face in a complex multi-faceted environment. Now that organisations require agility to survive, the active engagement of all its members to offer the perspective they gain from their position (both internally

and externally) is crucial. Connected leaders mobilise all potential voices and perspectives including those of customers to shape the organisational culture, tasks and operations in ways that respond to the competitive environment.

As well as mobilising voices, connected leadership has another crucial task – that of channelling conversations in ways that make them productive. They become the hub that moderates and mediates diversity, carrying insights to the people who can and will make a difference, and connecting people with related ideas and concerns so they can take constructive actions. The connected leader needs to recognise the implications of their followers' insights, help them connect with relevant people, define the task that needs action, and ensure they have the necessary resources, including a flexible position in the organisation and the motivation and confidence they need to carry out the task. This is all occurring across geographic, economic, political and social boundaries and often without the "expert" leader realising it. Leadership today is about joining the conversation, opening the space for challenge, inviting others to speak truth to power and being open to others' perspectives.

### **3. Leadership as a mindfulness practice**

Mindfulness is increasingly connected with effective leadership. In its simplest form it is being aware of one's own behaviours and actions in the moment. Mindfulness, according to EQ expert Daniel Goleman, is the foundation of effective and authentic relationships (2008). A mindful leader has a high level of self-awareness. This is expressed in their consideration of others as they interact. Mindfulness is the practice of pausing in the moment to respond to a situation rather than simply reacting. Leaders who exercise mindfulness encourage cultures of high engagement and motivation. Leaders with little self-awareness and mindfulness are more likely to be reactive, inconsistent and non-relational. They are less able to recognise their own weaknesses or to acknowledge when they have made mistakes.

In 2009 and 2010, the Institute of Mindful Leadership surveyed 80

leaders from twelve organisations who had undertaken mindfulness training. Seventy percent of leaders reported the training made a positive difference in their ability to think strategically, 93% said the training had a positive impact on their ability to create space for innovation, and 89% said the program enhanced their ability to listen to themselves and others.

Resilience is a product of mindfulness; leaders become clear that there are different choices that they can make about how they respond to circumstances. This leads to self-compassion and therefore to compassion for others. If we accept our own vulnerabilities, we are more likely to accept others and their vulnerabilities and challenges.

Mindfulness enables constructive yet fierce conversations around differences of opinions and challenging ideas. In a leaderful organisation, a culture of mindfulness invites the consideration of other's opinions, however left-field they are. If people feel safe to offer their opinions and speak truth to power, innovation and effective decisions emerge.

The last major advantage of mindfulness is that it equips leaders to work in global environments. Mindfulness is the foundation of cultural sensibility. With cultural sensibility a leader has the flexibility to think and act in ways that take into account the complex nuances of any situation, shaped as they are by a diverse range of social structures and cultural narratives as well as psychological and biological processes. Mindful leaders will use their oversight to pick up differences of hierarchy in terms of gender, culture and class and take these into account in their responses.

#### **4. Leadership Learning as Real Time Development**

The most important and effective learning is informal, real time, on-the-job learning that emerges as a response to real life situations. This challenges the current organisational leadership development methodology with its preoccupation with competency frameworks and training. As respondents in the CCL Report said, "competency

development has been done to death...competencies have become either overwhelming in number or too generic... they don't add value..." (2011). While developing skills and knowledge is important, leadership as a connected practice cannot be reduced to a set of competencies. The challenge today is not skill building but the development of agile, open and resourceful minds. Leadership learning is about mind building and minds are built in connection to other minds.

The proven effectiveness of informal learning constitutes a challenge to traditional competency training, and that means responding in the moment and taking into account individual learning preferences. The question becomes, not what do we teach but HOW do people learn best. Much lip service is given to more experiential learning methods, but in both training workshops and online learning, it is the content and the trainer's voice that predominates. Although contemporary neuroscience research makes clear what the optimal conditions for learning are, the ease and economics around telling people what a trainer/expert believes they ought to know, makes "chalk and talk" the prevalent method in leadership learning.

The learning process itself must be examined carefully in leadership development because it is this process that is the key to developing connected intelligence. Success requires a generative learning environment that:

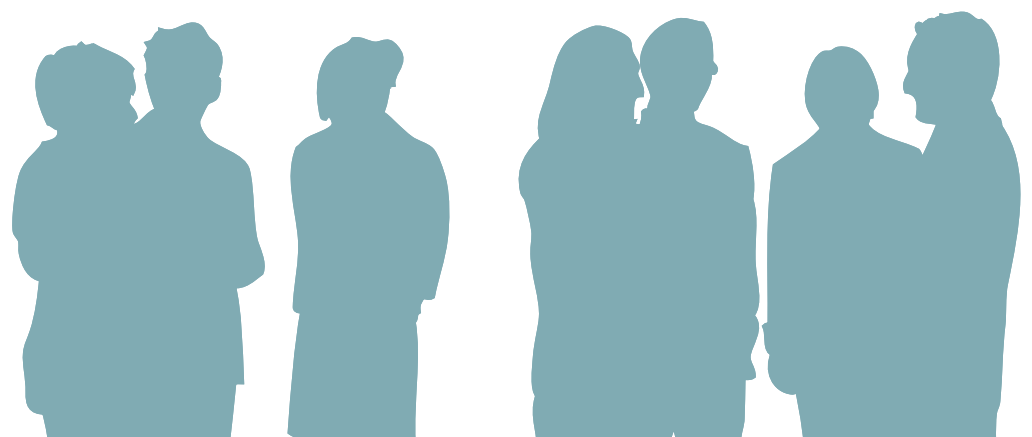
- Is founded on the actual time challenges that leaders are facing at work.
- Builds on existing experience and levels of knowledge between people.
- Develops content/input around structured reflective conversations, which make the learning relevant.
- Tailors learning to individual situations and needs (real plays rather than role plays).

## IMPLICATIONS FOR LEADERSHIP DEVELOPMENT PRACTICES

This white paper proposes that leadership development practices are still focusing too heavily on individualistic assumptions that are out-dated in the new era of networked organisations. We are still too distracted by heroic action and the power of charisma. We need to recognise that leadership grows out of the spontaneous conversations and relationships that materialise in organisations as people face the many challenges and crises of everyday workplaces. Over time these thousands of acts of relationality come together and weave a network through which the spirit of ongoing guidance, challenge, support, sharing of experience and inspiration of one another is created. These networks produce the new possibilities and opportunities for leadership that are shared and passed around.

Leadership development needs to address the collaborative and networked nature of the new leadership. The basis of collaboration is relationship; and the basis of relationships is conversation. Although the value of conversation is taken for granted, it is surprising how scarce it is. The goal of driving better outcomes reduces communication to performing a role through a quick email, a two paragraph executive summary, or a fifteen second sound bite. Despite the adaptive nature of conversation, “bullet point statements” are the norm and this kind of misplaced efficiency does not build flourishing organisational cultures, let alone meaningful engagement and innovation.

A connected leader knows that their conversation style, whether online or face to face, makes or breaks relationships. If a conversation is pitched incorrectly in an email, is shallow or leads to misunderstandings, shared purpose and meaning are not created. If a conversation is flowing, respectful and purposeful - even in conflict - then the relationship remains intact and can lead to mutually productive outcomes. In other words, quality conversation underpins exceptional organisations and robust results. Leading others



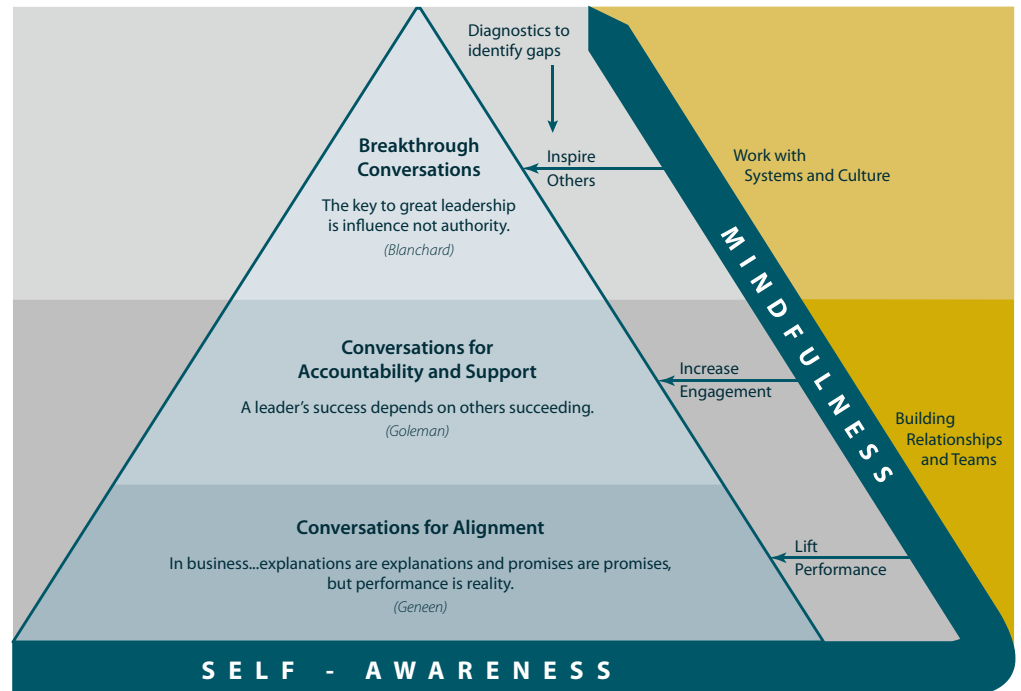


successfully requires connected intelligence. It requires a mindset and networked practices that recognise and influence the interdependence of the organisational community.

At the IECL our experience and research has led us to develop three general levels of connected intelligence for effective leadership. They are based on the recognition that leadership is a collaborative activity and that a networked culture in an organisation will encourage the leadership that is required (see diagram below). For a leader to be effective in their connected intelligence they need to think in terms of three types of conversations that should occur both offline and online:

- Conversations for Alignment across the organisation
- Conversations for Accountability and Support
- Conversations for Breakthrough and Influence

Underpinning all these conversations is Mindfulness and Self-awareness.



Facilitating successful conversations, one-on-one, on social media or across project teams and cultural boundaries - whether face-to-face or virtual - is the key to leadership. The connections created by these conversations are fundamental to building healthy organisational cultures in which thinking is challenged, staff are engaged and new possibilities develop.

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