

The background features a gradient from light blue at the top to dark purple at the bottom. A large, semi-transparent wireframe sphere is positioned on the right side, partially overlapping the text area. The sphere's grid lines are more visible in the lighter blue areas and fade into the purple background.

# *A new way of thinking about leadership*

**Better**Change  
Adapt. Evolve. Thrive.

## *A new way of thinking about leadership*

*Developing a high leadership competency in an individual does not always add up to strong organisational leadership capability. In the same way a sporting team of highly competent individuals does not always add up to the strongest team.*

People have a lot to say about leadership. A Google search on 'leadership' yields over 500 million hits. Amazon lists 77,000 books on the topic. A massive industry has emerged to help with leadership development. There seems to be an increasing body of knowledge for leaders to understand about leadership.

But herein lies the paradox. Has anyone noticed that as ever-more diet books are published, our society has become more obese? Similarly, CEO churn has never been greater than it is right now. Also the Edelman Trust Barometer has shown significant drops in the level of trust in leaders. There appears to be little compelling justification for the investment in current leadership development.

Does this mean we need to start looking at leadership through a different lens? Is it time to start focusing on the supposed link between investment in leadership development and organisational success?

We believe so. At BetterChange, we think it's critical to start thinking of leadership as *an organisational capability rather than an individual competency*.

You may think this runs counter to the traditional notion of a 'leader'. But as we outline in this paper, it is just one of several paradoxes that our leaders of the future will need to reconcile.

## *Why leaders look different now*

The world is undoubtedly a more complex and dynamic place to live and work. Black and white has been replaced by numerous shades of grey. There are more options, opportunities, ideas and technological resources. On the flip side, there are more tensions, threats and unknown risks.

The skills and capabilities required of leaders in the coming decades will be very different from those previously. These future challenges and opportunities call for greater collective purpose, energy and action.

At BetterChange, we recognise that a successful leader must embrace a new way of working. They must be comfortable with the notion that it no longer makes sense to try and control every decision and risk. Importantly, it is no longer desirable to control the means by which things get done. Our environment is now too complex – we need to face it and work with it.

## *Working in a world of paradox*

In today's environment, the following are just some of the paradoxes that modern leaders need to reconcile.

### ***Risk v opportunity***

Risk aversion is normally associated with mature/high control environments, and opportunity seeking associated with small start-up or innovative entities. Yet increasingly, we are seeing organisations and even government bodies being exhorted to become less risk-averse and more opportunity seeking.

However, there is a balance to be achieved here. Either orientations (or both at once, at varying levels) can be a part of the organisation's culture. The key is to clearly communicate how they can appropriately co-exist. For example, there may be areas of the business where it is critical to remain vigilant about risk. Similarly, there may be areas identified where opportunity must be passionately pursued. The beliefs, values and behaviours of everyone (particularly leaders) must be congruent on this.

## ***Control v freedom***

Organisations typically opt for empowerment (or freedom) of the workforce where there's a need to adapt to fast changing environments, or there is a high degree of variability and complexity in the business environment.

Some might argue, then, that this applies to all modern organisations. However we believe there are still arguments 'for and against' more or less control in the workplace.

High levels of control are generally required where human behaviour needs to be constrained within specific boundaries – usually relating to risk levels and delegated financial authority.

Innovative environments usually have a mix of structural controls, but incentives are provided for the workforce to experiment and take risks.

It is something of a paradox that opting for an empowered workforce in fact places higher demands on the management team. This is because they remain ultimately responsible for an extended network of delegated authority, which they have less control over. It requires a very sound strategy and robust framework of checks and balances to be designed into the system.

## ***Strategising v evolving***

Gone are the days when a business developed a 15-year strategic plan they could actually rely on. The days when capability could be built ahead of time, and the customer would fall into the net. While the old ways may still apply for a dwindling number of organisational models, 'predict and prepare' is virtually obsolete in the form it used to exist.

Developing and implementing the strategic plan has long been a traditional function of the leader. So if there is no longer a 'plan' per se, what will replace it? What is the new leadership function?

The answer is complex. But at its essence, the future leader will be charged with creating and implementing the new 'evolving' approach. Many organisations are dismantling old style strategy groups, instead opting for groups that are drawn from a mix of marketing, technology, operational and customer facing people; all with the intention of shortening feedback cycles between what the market wants and what they are able to deliver.

## ***A better approach to leadership***

At BetterChange, we believe a new approach to leadership is required. This approach recognises leadership is an organisational capability rather than an individual competency.

Developing a high leadership competency in an individual does not always add up to strong organisational leadership capability. In the same way a sporting team of highly competent individuals does not always add up to the strongest team.

The following are our principles for building enduring leadership capability:

### *Engage with **organisations as systems***

It is getting harder and harder to generate positive progress independently. The new opportunities for making positive progress can really only be recognised across networks or systems.

Why then, is so much of the current leadership thinking focused on individuals? Shouldn't and couldn't leadership capability be developed systemically?

At BetterChange, we think that meaningful leadership capability should happen with the groups, teams and systems that represent their environment. One way to do this is developing leadership capability around a set of challenging assignments that engage the system.

### *Craft a **challenging assignment***

Developing a systemic leadership capability requires a challenge. It doesn't happen in theory – it happens in action, around a meaningful challenge. Think of every historic example of leadership. It began with a personally meaningful challenge.

At BetterChange, we think every initiative in leadership development should begin with the careful design of a collectively meaningful challenge. It should be a challenge that offers the potential to create systemic value. Our experience tells us that these kinds of challenges need to be attractive, leveraging of strengths, and 'real' for the team working on them.



### *Don't be afraid to **fail forward** together*

It is an emergent world. To what extent should we learn our way forward?

We like this example from US company, NUCOR, that has the following as part of its values statement: 'If something is worth doing, it's worth doing wrong'. (It's not surprising that NUCOR leads its industry in innovation of environmentally-friendly, production-increasing and cost-reducing technologies).

We also recognise that not knowing what the outcome(s) will be is a challenge for most people. One of the roles of the future leaders is to demonstrate – both individually and collectively – that it's okay to try something new. The relationship between action and progress is not linear. Sometimes you have to go backwards to go forwards. Often small changes have disproportionately large effects.

### *Build trust **across the network***

It's important to recognise that – more than ever before – a leader's success is socially constructed. They do not operate in a vacuum. Success is 'co-created' between the leader as an individual, a team, and other stakeholders.

The modern organisational structure is far more fluid, and less structured. Traditional command-and-control approaches can no longer succeed across silos, sectors or systems. The mechanism that facilitates cross-system progress is trust.

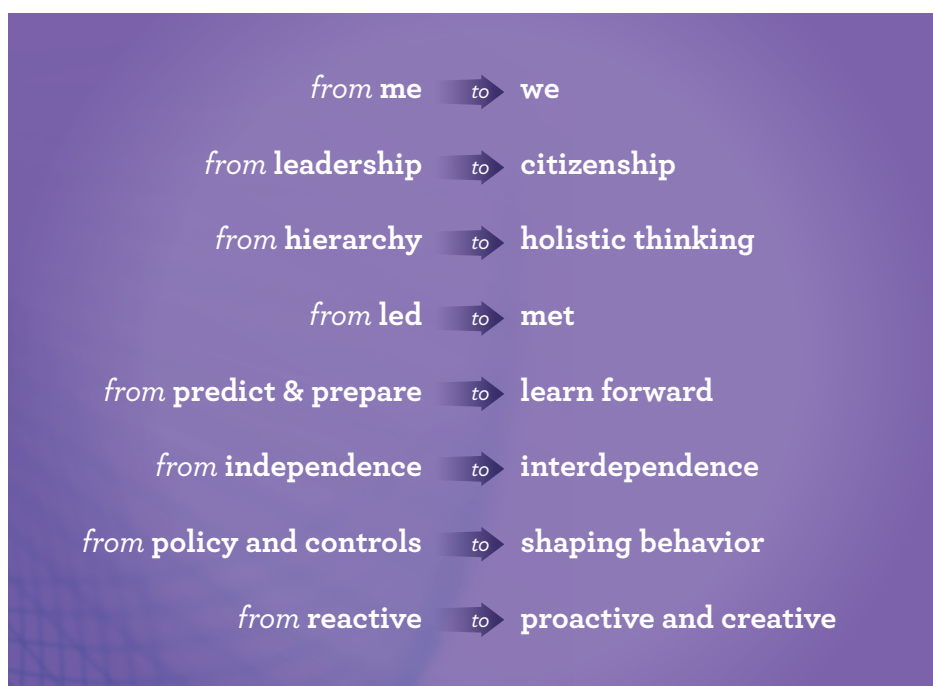
Trust-based cultures gravitate toward values that emphasise achievement, affiliation, encouragement and personal satisfaction. Trust enables systems to rapidly understand their reality, build capability, identify opportunity, and more quickly realise higher shared value.

## ***Better leadership begins today***

We think that leaders already know enough about leadership. It is time to put it into practise. BetterChange has developed a robust framework for translating leadership know-how into meaningful progress – by thinking, acting and learning in the real world.

If you're ready for a different approach, we'd welcome the opportunity to share these ideas with you.

There is an ongoing paradigm shift happening in effective leadership. Rob Fyfe, the former CEO of Air New Zealand, is a local exemplar of this shift. The new leadership style illustrates the transformation:



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