

Falconbury Successful Leadership

Module 2 What you need to know

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WHAT YOU NEED TO KNOW

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1. CLOSE-QUARTER LEADERSHIP

“Leaders go first. They set an example and build commitment through simple, daily acts that create progress and momentum. Leaders model the way through personal example and dedicated execution”

James Kouzes & Barry Posner

For anyone in a leadership role the defining moment of truth is – *“It’s YOUR call. What are you going to DO?”* Becoming a fully paid-up member of the – *‘By my deeds ye shall know me’* school of leadership would seem, therefore, to be an indispensable qualification for leaders who consciously acknowledge the central nature of their role.

‘Say – do’ credibility, based upon the timeless obligation of leadership by example – and delivery – remains at the very root of leader acceptability, influence and, ultimately, success. But it is not simply a matter of action for action’s sake. Even more so, true leadership is about as distanced as it can be from its grotesque parody – ‘macho management’. Too easily, under pressure for results, a leader can fall into the seductive ‘activity trap’, in the often mistaken belief that ‘any action is better than no action at all’. Equally, the myth of urgency and the confusion about what is ‘urgent’ and what is crucial exerts its insidious pressure, as a leader may feel the presence of some sneaky ‘sword of Damocles’ hanging over his ever-vulnerable head.

Fear of failure, or ridicule, rather than the real demands of the situation, so frequently become the arbiter of leaders’ decisions and actions – or the trigger for inconsistent and inappropriate leadership ‘style’. The influential findings of recent research by people like Jim Collins¹ and, in the UK, by Jane Simms² suggest that the key behaviours of currently successful leaders tend to be – strong professional will, but with personal humility, high self-discipline, a preparedness to confront brutal reality, a focused concentration on the business, strong communication, but also an absence of narcissism, and – a largely low-key, low-profile approach.

Such findings appear to be at odds with traditional perceptions of effective leaders who are so often seen as – highly egotistical, ‘charismatic’, high-profile, colourful personalities.

As more rigorous research now seems to indicate, some of those narcissistic leaders, who set out to cultivate mythology about themselves, have their ‘brief, gaudy hour’ and may achieve short-term successes, while others may bring about necessary turn-around within their businesses. Yet, not too many of them leave legacies of long-term transformation and enduring success.

As Collins says: *“...boards of directors frequently operate under the false belief that they need to hire a larger-than-life, egocentric leader to make a business great...”*. In support of that view, Simms makes the point that, the emergence of so-called ‘low-key leadership’ is partly a reaction against the CEO celebrity boom of recent years, where ‘heroes’ can turn into ‘villains’ overnight, dragging their companies down with them. Enron, Parmalat, WorldCom, Martha Stewart Living, Omnimedia, Andersen Consulting and

1. Collins, J. *Good to Great*, Random House Business Books

2. Simms, J. *Leadership – Low Profile Bosses*, Director, Vol 57, No. 7, 2004; Institute of Directors

Equitable Life being recent high profile examples of top executive greed, or financial gross misconduct. Simms further states: *“The greater focus on corporate governance is curtailing the power of the individual and humility is replacing the pre-Enron megalomania.”*

This is not a plea for self-emasculating, over-compliant non-entities, but rather an acknowledgement of something capable leaders have always recognized, namely that success in most walks of life – and especially so in business – is usually the result of well-led teamwork, rather than the star performance of one charismatic egomaniac. Kriss Akabusi MBE, triple Olympic medallist and CEO³, writing in Director, cites the Greek football team’s triumph, in the 2004 World Cup and comments *“Greece demonstrated how teamwork could achieve far more than individual brilliance. Before the tournament began, the teams with flamboyant players were predicted to win. But as it progressed, it was clear that those teams who worked for each other were the ones winning the matches”*.

Time and again, observation and research has confirmed the ability to engage, mobilize and focus others’ brain-power, energy and commitment as being core activities of those in leadership roles.

Leading at close quarters

Engaging, mobilizing and focusing people so often means opening up possibilities for them that they may not even know about. More than that, it involves making them feel that they have no limits – or, as Benjamin Zander⁴ says: *“taking them beyond the bloody impossible”*.

A manager who remains addicted to the safe and familiar and who consistently fails to look afresh – and objectively – at challenges, is hardly likely to inspire others to listen for the sounds that are more powerful than the voice that says “no”. That may be acceptable in businesses which unconsciously support the practices of ‘reverse Darwinism’ – survival of the weakest. It is not the mindset of a leader dedicated to creating an environment where people do what they are best at and continually excel in work they believe in passionately. Fundamental to such a mindset is the imperative of getting to know thoroughly – and engage fully with – each member of the team, in order to build trust and confidence and help them to deliver to the very best of their ability. This is essentially what ‘close-quarter’ leadership is about.

There are infinitely variable and diverse approaches to close-quarter leadership, depending upon the circumstances and the people involved in a particular situation. This does not mean that it can mean all things to all people because, within the criteria of *variability* and *diversity*, the process of full engagement is paramount – but it is also a uniquely personal process. To that end, close-quarter leadership may involve delegation, challenge, developing ‘buy-in’, coaching, nurturing and/or directing, as appropriate, but the common threads of creating a climate for learning, improvement – and results – will include, variously:

- *Setting and re-affirming direction, with as much emphasis on the ‘why’, as the ‘what’ and ‘where to’.*
- *Increasing others’ awareness of personal responsibility, role-commitment and ownership of results.*
- *Providing the stimulus to explore ways to think and behave differently and do things better.*
- *The opening up of opportunities for challenge and ‘stretch’, though new roles, job-enrichment, high-profile projects and testing assignments.*
- *Encouraging people to experiment or take initiatives and break from the past, where necessary.*
- *Empowering – and the often allied process of enabling – to build confidence and facilitate accountable action.*

3. Akabusi, K. Letter, Director, Vol 58, No 1, 2004; Institute of Directors

4. Zander, B. Lanseer Productions, BBC TV, The Works Living on one Buttock

- *Providing an environment where failure is acceptable, but where rapid learning from mistakes and the ability to recover and move forward are the expected norm.*
- *Perhaps, above all – active listening, directed feedback and regular opportunity for ‘quality’ dialogue.*
- *From the above close-quarter engagement – personal and professional growth of the leader, as well as the team members.*

Close-quarter leadership is about leading from behind, just as much as it is a matter of leading from the front. As the Marquis de Lafayette, one of France’s greatest ‘soldiers’ generals’, said: “*I am their leader, therefore I must follow them*”, meaning that he saw his role, as leader, as primarily that of someone responsible for doing all that he could, to enable his troops to excel and succeed.

Leading effectively at close quarters also means that the leader is, more often than not, there to serve team members – not merely be the ‘boss’ – in enabling them to cope successfully with the challenges of expected results. In such a context, the leader’s power base becomes essentially *authoritative – the authority of expertise and competence* – not simply authoritarian, while the major source of influence stems from behaviour, ‘style’, consistency and trustworthiness.

Leaders’ power, traditionally, is seen as having its roots, variously, in:

1. **Positional authority** – that of role, job, or status and the extent of authority conferred by superiors, in terms of available resources, budget, headcount and decision parameter.
2. **Expertise** – vested in a person’s competence, in-depth or specialist knowledge and skills, or particular – often unique – expertise and abilities.
3. **Information** – access to facts, data and information, often exclusive, or privileged, that enhance an individual’s influence and power, personally and/or professionally.
4. **Relationships** – so-called ‘referral power’, based upon cultivated alliances and connections with those in positions of power and influence, who are prepared to give ‘political’ support or sponsorship.
5. **Commitment** – people support and own what they create and the ‘territorial’ commitment that arises out of a sense of personal ownership gives a person power.
6. **Integrity** – an individual’s trustworthiness, honesty and both personal and professional credibility give them ‘moral authority’, i.e. they are identified with possessing the moral high ground in a decision or event.
7. **‘Personal Power’** – arises out of an individual’s unique ‘persona’, presence and ‘style’ and the ways in which they influence, interact with, or dominate others. Includes ‘charisma’, vitality, raw energy, ‘dynamism’ and temperament.

As with any other form of leadership, those capable of leading for effect, at close quarters, will at some time draw upon all seven sources of power, be they ascribed, bestowed, derived, assumed, or otherwise acquired. In close-quarter leadership, especially, it is both the timing – as well as the *appropriateness* – of the use of leader power that is critical. Awareness of self and others, sensitivity and high empathy, the hallmarks of so-called *emotional intelligence*, emerge as crucial attributes in the exercise of power – especially in the conscious use of power, in whatever form – for optimal effect. Managing people, where communicating the right message – at the right time is critical to requisite understanding and

commitment – to the achievement of goals – means that the most appropriate *channels* must be used to ensure:

- The message is transparent, resonant – and is fully registering with the receiver.
- The intended signal is clear and as free from emotional ‘noise’ and clutter as it can be.
- The respective quality of transmission and reception are ‘in sync’, so that the receiver hears and feels what he/she is *intended* to hear and feel.
- There is ‘buy-in’, not by-pass.

When the relationships are face-to-face and leadership is literally at close quarters, the challenges of clear, unequivocal communication are difficult enough. When ‘transmitter’ and intended ‘receivers’ are regularly out of each others’ sight, the risk of miscommunication multiplies infinitely. Two tools which can significantly reduce the chances of communication going awry, but especially at close quarters, are:

1. The communication **Stimulus – Response model** which identifies the linkage between the *nature of an interaction and the intended consequent outcomes of that interaction*.
2. The **Peak Communication concept** emerges out of the idea of a *hierarchy of communication and social intimacy, whereby both interpersonal payoff – and risk – increase, the further up the hierarchy we choose to operate*.

In more detail, these two processes are described, respectively, in figures 1 and 2, below.

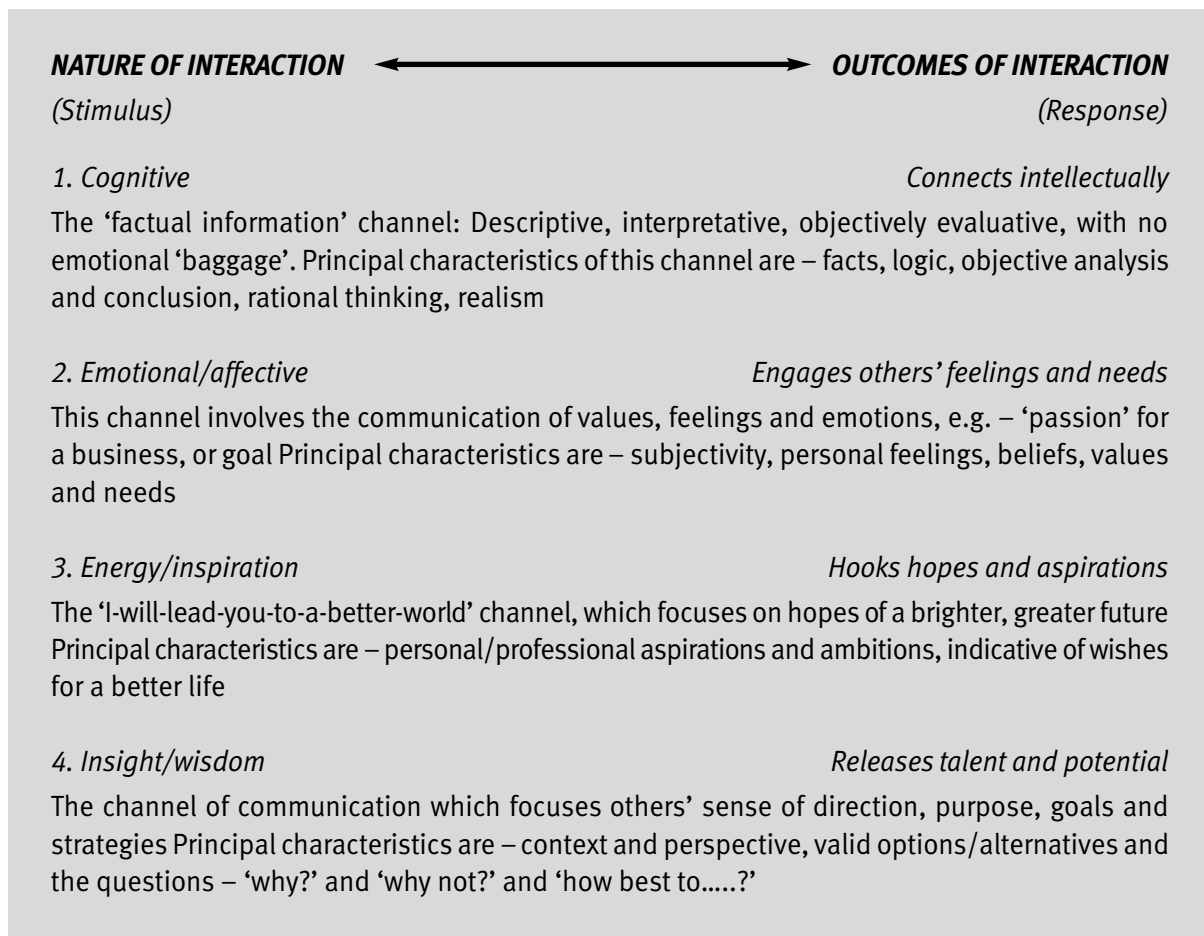


Figure 1: Close-quarter leadership: Stimulus and response – the nature and quality of interaction

Focusing people's thinking and actions lies at the heart of leadership and each of the four communication channels has its part to play in that process. Each channel, used with intelligence and developed awareness, invests communication, as appropriate, with factual authority, passion for a goal or rightful cause, a compelling vision of what is possible, or much needed fresh insights, when a solution seems impossible. Misused, or manipulated destructively, facts become distorted or corrupted, positive emotions succumb to cynicism, bigotry – or worse. Vested interests masquerade as moral principles and the fine line between vision and hallucination disappears, as fantasy assumes control and restrictive stereotyping stultifies creativity, innovation – and progress. Perhaps most important of all, is the recognition that these differing channels for communicating with others do exist and to know which to use – *and when* – for optimum resonance and impact, as a leader responsible for focusing people's thoughts and mobilizing their contributory energy and activity.

Whereas the communications process depicted in figure 1 describes the *messaging channels* available in transmitting and receiving information and knowledge, figure 2, below, identifies the extent of *inter-active opportunities* open to us, in communicating and building productive relationships with others. Because of what are often felt to be personal risks – looking foolish, making mistakes, leaving oneself vulnerable, or being disadvantaged in some way – so many leaders (and others!) *regularly* miss the opportunities offered, when communicating at the highest levels of interaction. Frequently, our observations showed that fear of rejection and other forms of social 'punishment', outweighed the potential benefits and advantages, for influencing others, to be gained by taking the risks involved, at levels 4, 5 and 6 in the 'Communication and Interaction Hierarchy'. So often, the challenge to go higher and operate at '*peak communication*' levels, to open up opportunities for productive synergy, was met with that most destructive of all rebuffs – '*yes, but...*'

By no means a 100% culturally dependent issue, a general reticence to move beyond level 3 – into areas of *personal uniqueness* – was met working with managers from the UK, the US, Canada, most of Western Europe and also with those from Eastern Europe. The exceptions to the pattern tended to come, in the main, from younger men and women, already in key leadership roles, from various national cultures, who were often MBA graduates from *leading* Business Schools, or were comparably well-qualified professionals. They possessed a refreshing directness, which sometimes needed 'softening', in order to persuade others to respond in the same 'open', clear terms, free from emotional clutter.

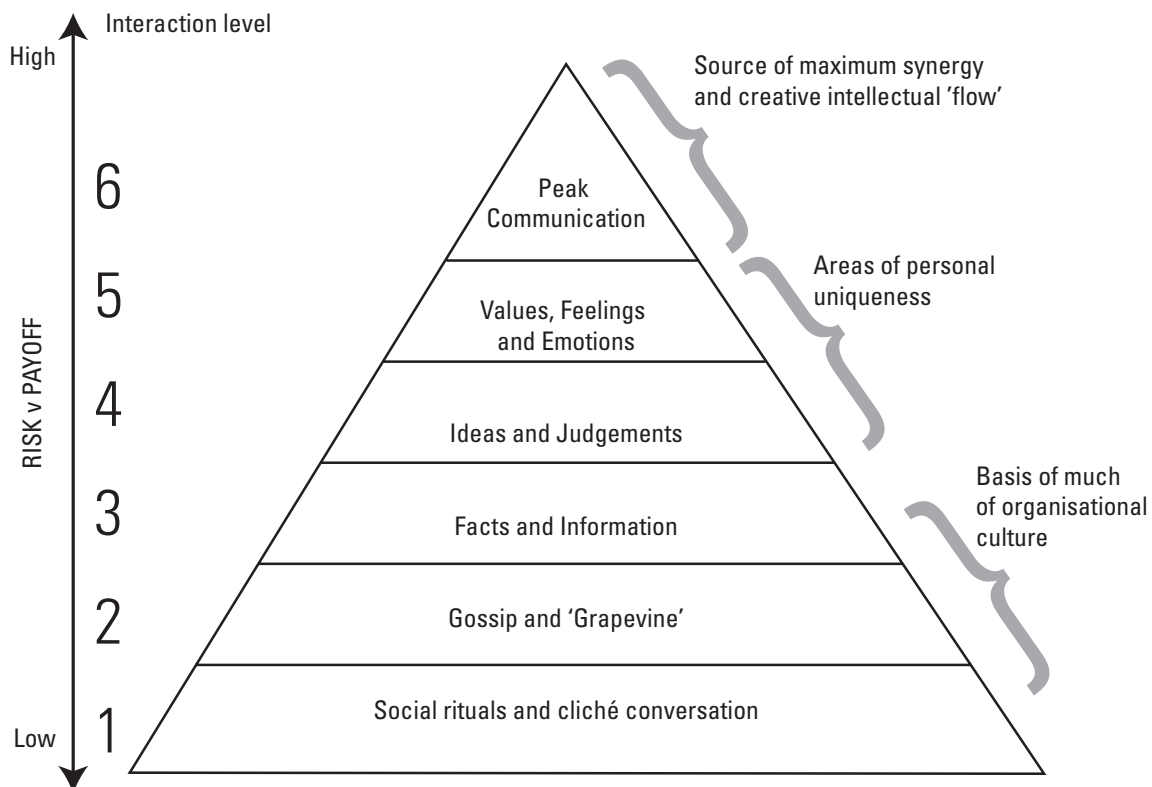


Figure 2: Hierarchy of Communication and Interaction

The model's origins are obscure, but it was extensively developed in the UK by David Gilbert-Smith, the Chief Executive of the Leadership Trust, together with his wife Janet, at Weston-under-Penyard, as one of several unique, 'bespoke' behavioural models, to provide context, focus and 'shape' to the powerful learning experiences, on the Trust's many world-class leadership training programmes.

In day-to-day management, where leading teams – and individuals – at close quarters is a matter of course, the concept of an interaction 'hierarchy', indicating progressively closer profitable engagement between people, helps to orientate and focus leadership style. Level 6 in the hierarchy represents, for practical purposes, the area of greatest productive interaction between people. It is where *synergy* and *shared 'flow'* create the *collective* intellectual and emotional energy necessary for outstanding contribution and job performance.

'Peak communication' – where people alternately share, stimulate and jointly build ideas and solutions together – also provides the necessary positive arena, that allows for constructive challenge and disagreement. Between leaders and supporters who regularly engage in dialogue, at level 6, there is an easy spontaneity which facilitates productive debate and the readiness to introduce and explore options and alternatives, as *an automatic consequence of just being together*.

Interacting at such a degree of closeness, where there is little or no serious emotional 'baggage' impeding dialogue, requires high levels of honesty, forthrightness and mutual trust, as well as commitment to achieving the task on hand. High mutual awareness and respect, and a preparedness to subordinate self-interest to the needs of the team, or group, are also critical elements in achieving the fruitful synergy so typical of level 6 communication and interaction.

The actual moments when peak communication occurs, whereby ideas are *jointly* built upon, developed and carried forward to the action stage, cannot be legislated for. Such synergy occurs *naturally* in relationships where there is little concern about recrimination, little fear of failure or threat of rejection. What can be learned, introduced and consciously practised are the tools and techniques that reflect a leadership mindset which is concerned to develop and use peak communication, as a crucial means of getting the best out of people.

Some of the main keys to creating an environment and climate, in which peak communication and close engagement become regular possibilities in a relationship, include:

1. Find the shared ‘connectors’ that are critical to both (all) parties – i.e. the important common concerns, hopes, fears and goals.
2. Focus attention first on the other person(s) and their ideas, wants, values and concerns.
3. Look at the other person – NOT through, around, or over them.
4. Naturally match, or ‘mirror’, the other person’s body language and posture (this implies approval, responsiveness, concern and interest – i.e. positive reactions).
5. Use ‘we’ and ‘you’, not ‘I’ – centred words and phrases.
6. Use language patterns that match those of the others, without submerging your own identity.
7. Value and show respect for the differences that exist between you. Remember! synergy comes from diversity, not uniformity, so look for the complementary strengths.
8. Explore the differences between you to find the common ground and the best mutually acceptable way forward (where the route to progress is not mandatory).
9. Constantly build upon what the other person is saying and help them, in turn, to add value to your ideas. Remember the positive role of – “Yes, and...” and the destructiveness of – “Yes, but...”

Emotional intelligence – the basis of close-quarter leadership

Both our own research – and that of many others in the field – has confirmed the central importance of emotional intelligence in leaders’ behaviour and the development of leadership style. Just as there are measures of cognitive intelligence (IQ) so, in emotional intelligence, there is the parallel yardstick of EQ, which is defined as:

‘The capacity for recognizing our own feelings and those of other people, for motivating and energizing ourselves and others and for managing emotions effectively, in ourselves and in our relationships.’

Given that definition, the importance of high EQ in close-quarter leadership, especially, becomes clear. Observation suggests that very emotionally intelligent managers and leaders, typically:

- Generate positive emotions in their relationships with others.
- Sense and discern the important underlying issues in interactions.
- Readily create a climate of goodwill.
- Build sound relationships through awareness, empathy and consistency.

- Exercise influence, through personal and professional integrity.
- Get things done, through the engaged commitment of others.

High EQ does not equate with stifled or suppressed emotion, neither does it mean that those possessing it are naturally ‘soft’ and lacking in what Tichy⁵ calls ‘edge’, which is the ‘steel’, essential to taking necessary tough decisions. What seems to mark out those with high EQ, as being different, is that they can – and do – use considerable cutting edge, whenever they need to, but they use their steel constructively and positively, without rancour and not as ‘punishment’. Typically, they:

- Have clear principles and values and stick to them.
- Exercise strong self-discipline in their judgement and decisions.
- Are manifestly consistent and honest.
- Challenge and disagree, but in a spirit of enquiry, exploration, progress – and learning.
- Can be creatively abrasive, in order to provoke new/different thinking and action.
- Engage in critical conversations and searching dialogue, to establish shared meaning and commitment prior to taking decisions.

and, in so doing, engage others – even in disagreement, or conflict – in peak communication.

As Dr Mike Bagshaw⁶ of the Consultant Group ‘Trans4mation’ states:

“These emotional competencies have been shown to have a positive effect in business performance, over and over again. And organizations are beginning to sit up and take notice.”

Perhaps in the spirit of ‘Who cares wins’, Bagshaw and his colleagues have developed a useful emotional intelligence mnemonic – C.A.R.E.S., which has high relevance in close-quarter leadership.

Summarized, but especially from a leadership standpoint, the concept C.A.R.E.S. takes the following form:

C – Creative tension

This is a process of managing the inevitable pressures and tension between the situation as it currently is – and how we need it to be. It involves recognizing that many of the tensions surrounding necessary change are both inevitable – and legitimate – and identifying the most constructive, productive ways, to work through them – not dismiss them as irrelevancies – to manage today better, in order to get to an envisaged tomorrow.

A – Active choice

It means making decisions where there are several options available to us and where there are consequent competing risks and doubts. Choosing one course of action usually means that we are forced to forego others and rejecting some advantages that we prefer. Emotionally intelligent leaders appear to be able to come to a decision – involving risk and choice – and move on, without hankering after what has been lost.

5. Tichy, N. *The Leadership Engine*, Harper Collins, 1997

6. Bagshaw, M., *Trans4mation Consultants, So what is EI?* Wiltshire Business, October 2003

R – Resilience under pressure

What so often lowers group morale, motivation and the will to overcome adversity, is not so much the difficulties facing the group as *the leader's perceived attitude towards the challenge and his/her ability and resolve to deal with it*. Nowhere, in leadership is this more immediate – and apparent – than when leading a team at close quarters.

E – Empathic relationships

Empathy means having the capacity and readiness to step into other people's shoes and see things from *their* point of view, with *their* perspectives and priorities. Empathy – like awareness of self and others – lies at the root of emotional intelligence and would seem to be a critical factor in successfully engaging closely and meaningfully with others.

S – Selfawareness

This means being aware of how we feel and react in different situations. It is about knowing our strengths and our weaknesses and acknowledging the things that we both like and dislike about ourselves – especially in our dealings with other people. Self-awareness is not about self-obsession, nor is it self-consciousness. Rather, it is the necessary, *realistic* foundation to self-confidence and the preparedness to learn, develop and move forward in life – and as a leader.

An important distinction about emotional intelligence is that it can be learned and enhanced which, arguably, differentiates it from cognitive intelligence and so-called IQ.

This does not mean changing your personality – nor doing a DIY 'spin-doctor' job, to re-invent yourself – yet again! As Jo Maddocks⁷ of JCA (Occupational Psychologists) says: *"The important question is – how can I be more effective? The answer is NOT to change who you are, but to learn how to manage yourself and your relationships better."*

Many successful leaders, in interview, during the ten-company surveys, stated that they never stop learning about leadership and management. Most cited seemingly small incidents, that occurred during the course of the working day, as frequently being the richest sources of their continuing learning and growth as leaders. One senior Dutch banker made the point that simply remembering to say 'thank you', using the person's first name and looking them in the eye, as he said it, had given a significant 'lift' to his relationships with his team members and colleagues.

An Austrian manager, in a major Italian insurance group, said that, for him, asking people for their recommendations on important issues and solutions, rather than simply telling them what and how to do their jobs, had been a very necessary and critical learning experience. Other respondents made the point that their key learning, as leaders, centred around often quite simple issues such as:

- Always keeping promises made and therefore only making commitments that they knew they could and would keep.
- Stating clearly "this is what **we** have to do" – NOT – "**they** have decided we have to..."
- Being prepared to take the blame and say to their own staff (and others) "Sorry, I got it wrong".
- Asking their team members – "What do you need me to do, to help you to.....?".
- Not asking their people to do things that they, as the manager, were not prepared to do.
- Not 'cherry picking' the choicest jobs for themselves and delegating the dull ones to their staff.

7. Maddocks, J., JCA Occupational Psychologists, Emotional Intelligence, Wiltshire Business, October 2003

- Ensuring that team members received due acclaim and praise publicly and not ‘stealing’ the resultant kudos, for themselves, as the manager.
- Regularly creating opportunities for mutual feedback, dialogue and coaching, and actively managing people’s performance.
- Encouraging reverse coaching, i.e. – team members coaching their boss on key issues.
- Where conditions allow, taking time out to ‘walk and talk’ with team members, using the outdoors as a conducive medium for discussion about sensitive or ‘difficult’ matters.
- Despite obvious time pressures, consciously making themselves more available to their people.
- Leadership by example arose time and again, as a key learning point, typified by the comments of a top investment banker from Chicago who said – “If I failed to walk the talk, just once, my team would never let me forget it. If I did it a second time, I’d be dead, as their boss”.

Observations in the ten companies repeatedly confirmed the simple fact that leadership is not about slavishly following some theoretical ‘style’, or fad, but recognizing what is under our noses and dealing with it intelligently. The leader with high EQ is someone who picks up more readily, more deftly and with greater acuity, than others:

- Sensitive, urgent or significant issues that need to be dealt with and should not be ignored.
- Areas of potential conflict that need to be carefully surfaced and resolved.
- Less than obvious connections that suggest opportunity or productive potential.
- Gaps in communication and relationships that either need to be leapt over – or effectively filled.
- Veiled, subtle, or hinted at interactions that, if sensitively developed and progressed, could prove to be winning connections or relationships.

As Cooper and Sawaf⁸ state in their excellent book – *Executive EQ*:

“Emotional intelligence is the ability to sense, understand and effectively apply the power and acumen of emotions as a source of human energy, information, connection and influence.”

EQ is, in effect, the basis of the emotional ‘alchemy’, so critical in close-quarter leadership, that is about:

1. Going the ‘extra mile’ – and more than halfway – in initiating, building, or mending relationships.
2. The readiness to embrace uncertainty – particularly productive uncertainty, in taking decisions.
3. The preparedness to move out of ‘comfort zones’ and to take risks, in order to move things forward.
4. Using intuition, or ‘sixth sense’, in going against the rulebook, or convention that is no longer appropriate and realistic.
5. Expressing necessary constructive dissatisfaction and a readiness to change a state of affairs.
6. The courage to go first into the ‘land-of-I-don’t-knows’, that lies beyond known, familiar territory.
7. Leading in a spirit of exploration, experimentation, creative innovation and enterprise.

As Maya Angelou says: *“To live is not just to survive, but to thrive with passion, compassion, some humour and style.”*

8. Cooper, R. K. & Sawaf, A. *Executive EQ*, Perigee, 1998

Leaders with high EQ and ‘Cutting Edge’

Leaders can lead – after a fashion – simply by downloading habitual ways of thinking and acting, but their influence and achievements are likely to be, at best, mediocre. Rarely, however, will they initiate the necessary breakthroughs, to move their worlds forward. Even less will they exploit and capitalize upon them. They are likely, too, to lose the plot as leaders – because they probably won’t even have recognized it in the first place.

This is what Tichy refers to as the ‘ultimate failure of leadership’ – the lack of acuity, focus and disciplined edge, and the failure to recognize and respond effectively to the real challenges of their environment. He cites Arnold Toynbee’s⁹ example of nations and societies failing, or succumbing, once they have reached a ‘*condition of ease*’ and have lost the will, cutting edge and self-determination to face reality and deal decisively with it.

Leaders of high EQ, with the necessary will, focus and ‘steel’, give the organization the speed, decisiveness, boldness and raw energy to break the boundaries of conventional wisdom, add necessary crucial value to the business – and its people – and move them forward. Their economic decisions will focus on where to invest time, money and resources for optimum payback and where – and how best – to add value to the business. Their ‘people’ decisions, aligned to the needs of the business, will face the realities of people’s jobs, contributions, careers and futures. In Jim Collins’ terminology, they will face the brutal facts, as disciplined leaders and, using a combination of professional will – and personal humility – they will get the right people on the bus, in the right places. Equally, they will get the wrong people off the bus, to set the right standards, take the right actions and start to achieve outstanding results.

Successful leaders who commit to – and deliver – outstanding results, do so as a result of the effective leadership and management of their teams. They understand that their route to success is, inevitably through engaging, focusing and mobilizing *others’* brainpower, horsepower and commitment.

Leadership is about taking people beyond what they thought they were capable of – and creating jobs, roles, relationships and an environment whereby people can excel in work that uses and extends their talents, and about which they feel passionate. To do that, leaders need to engage closely and fully with those whom they are charged with managing and leading. In becoming effective close-quarter leaders, managers, more than at any other time, will be leading by example and will be exercising power and influence which are highly personal, as much as they are professional and authoritative. Such engaged, close-quarter leadership relies for its impact and success upon consistently clear, resonant communication. Necessarily, this involves:

1. Recognizing and appropriately using *all* the right communication *channels*, at the right times.
2. Understanding, acknowledging and using all levels of the ‘*Hierarchy of Communications*’ and being able to operate, at will, with others at so-called ‘peak communication’ levels, to stimulate necessary productive interaction and creative synergy.

The most important clues about what to change, or improve – and how best to do it – are there, day-to-day, right under our noses. Developing the necessary discriminatory perceptiveness, acuity and the ability to ‘sense’ when, or when not, to intervene, is central to professional and personal growth, as a leader and manager. It is a matter of developing the right mindset, as well as the right skills. It is essentially a selfless, not a narcissistic process, where the main focus is upon the team and its members, the organization and the results that are critical to ensuring the future of the company.

9. Toynbee, A, quoted in Tichy, N. Ibid

Change the leadership mindset – and you change the whole business.

As Rijkman Groenink, Chairman of ABN AMRO¹⁰ the highly successful global bank, says:

“Effective leaders are leaders with the strength and courage to change themselves, to grow, while retaining their essential self. If its leaders have the ability to change and grow, so will the organization.”

10. ABN AMRO Chairman’s statement on management development document

2. LEADERSHIP THEORIES, ROLE MODELS – AND COMMON SENSE

“There is nothing so practical as a theory that works”

Professor Barry Turner

“Business leaders have the difficult task of acting as role models every hour of every day”

Andrew Brown

The world of business is essentially one where applied, intelligent common sense, allied to the outstanding management of people, money, resources and information, are seen as the critical executive strengths. It is primarily a managerial arena where pragmatism, productive ‘do-how’ and discipline – in the achievement of results – are regarded as the more laudable managerial virtues. In such a world of forecasting, planning, organization, mobilization and control, there is no gain saying the crucial importance of reality, practicality and sound common sense, as key executive competencies.

Almost by default, pragmatism has inevitably assumed the dominant role, in relation to theory, in the practices of management and leadership, within the vast majority of organizations that make up the business world. In recognition of that position of precedence and preference, it must be said that the management philosophies and so-called practices taught at many business schools, universities and by major consultancies, often bear little relation to the managerial realities of shop-floor leadership, cross-functional integrative management and corporate governance. Clearly, there are exceptions to this criticism. In the UK, Exeter University, Warwick, Cranfield, London and Ashridge are among those British business schools whose teaching does have its roots in reality, while INSEAD at Fontainebleau, IMD at Lausanne, Stockholm School of Economics, Copenhagen Business School and Nyenrode, in Holland, offer some of the most relevant – and creative – learning experiences available for business leaders, on a par with those of the best US business schools.

D. O. Hebb¹ an American psychologist, made the point that – “theory is a sophisticated statement of ignorance” and in providing learning opportunities for leaders – be they managerial training programmes, workshops, or face-to-face coaching – we need to remain conscious of Hebb’s definition. Taking a different view, Professor Barry Turner² suggests there is nothing so practical as a theory that works. Theories that provides necessary context, perspective and understanding, to practice, offer people both meaning and a sense of purpose, which they might not otherwise find, by being excessively committed to utilitarian pragmatism.

A great many gurus have entered the very testing arena of business leadership and management, over the last hundred years. Their acceptance, survival and professional longevity have depended upon their ability to add perceived value to the body of knowledge, understanding and evolving best practices that represent state-of-the-art leadership and management.

1. Hebb, D. O. Quoted in Proceedings, IMI Business School, IAMP, 1989 Geneva

2. Turner, B.T. Proceedings, Rover Cars in-house Management Programme, 1988

Among those who have invested leadership theory with major significance are John Adair, Paul Hersey and Kenneth Blanchard, Noel Tichy, Warren Bennis, Henry Mintzberg, Charles Handy and, most recently, Jim Collins. All have developed models or concepts of leadership, way beyond mere fad, that have stood – or will stand – the test of time. All have added major value to our understanding and practice of both leadership and management.

This section explores some of the practical and applicable ideas of Adair, Hersey and Blanchard, Tichy and Collins.

Professor John Adair

A former soldier and subsequently lecturer at the at the Royal Military Academy, Sandhurst. John Adair³ held the first Chair in Leadership at a British university. A prolific author and public speaker, he has developed and promoted the concept of ‘*Action-centred leadership*’ shown in figure 3, below.

Action-centred leadership – the model and constructs

Adair’s model of leadership is based upon three key functions of leaders, i.e.:

1. Achieving the task
2. Maintaining the team
3. Meeting the needs of the individual

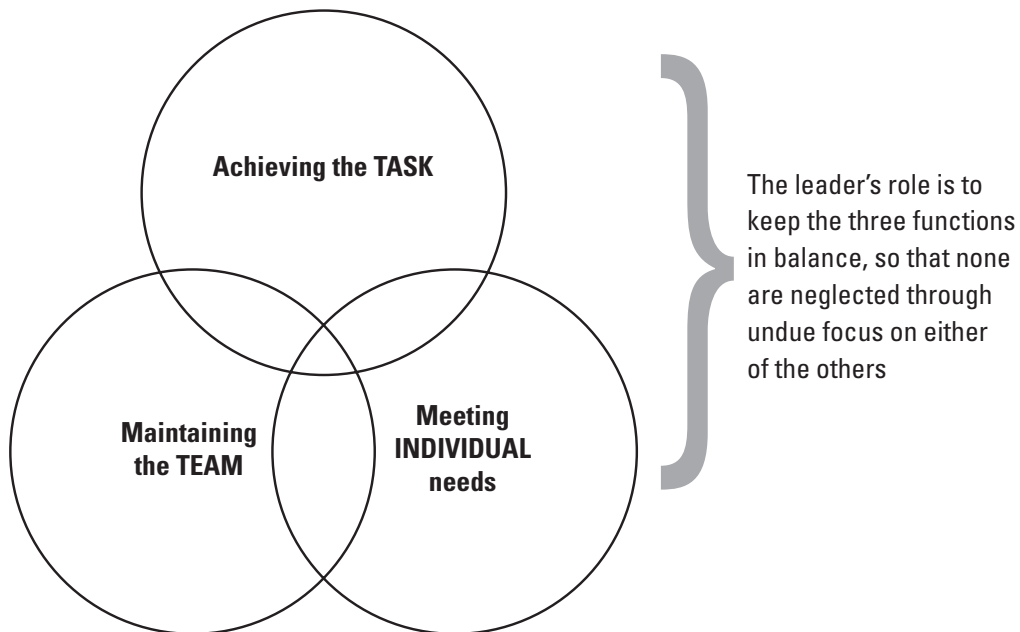


Figure 3: The Adair Leadership 'Trinity'

3. Adair, J. Action-Centred Leadership model, illustrated in many of Professor Adair

Adair's model has been extensively used since the 1960's and is acknowledged as being a pragmatic and relevant basis for the day-to-day leadership and management of tasks, teams and individuals, at any level, from shop-floor to Boards of directors.

The central notion of *maintaining equilibrium of focus*, between – *meeting the demands of the task, maintaining the team and meeting the needs of individual team members* – is a major guide to leaders and provides a practical yardstick for self-monitoring, self-development, training and coaching. The model, as a whole, provides a relevant discipline in exercising close-quarter leadership and lends both form and focus to that highly engaged style of leading and managing.

Paul Hersey and Kenneth Blanchard

Early in the 1970s Hersey and Blanchard developed a situational approach to leadership. The basic premise of their thinking was that the functioning maturity of the team members is a major determinant of the 'style' and focus that need to be adopted by leaders in order to elicit the optimum productive responses from people.

'Functioning maturity' is the degree to which people are sufficiently:

1. Competent to successfully undertake the task given them
2. Confident to cope with the challenges posed by the task
3. Committed and motivated to undertake the task

The situational approach argues that in order to be effective leaders we need to adapt our style, according to the maturity of our people to carry out the task they are working on. Maturity can be defined from two fundamental aspects:

- **Motivation.** Is the individual motivated and willing to do the work?
- **Competence.** Is the individual competent to do the work? Do they have the necessary level of skills, and experience?

Based on the answers to these questions an effective leader decides the best style to use in any given situation. The situational approach suggests applying the four classic styles:

- **Telling style.** Highly directive and for individuals who are either:
 1. New to their work and need to be supervised
 2. Will not perform the task unless directed to do so – namely unwilling people.
- **Selling style.** Very directive and supportive for individuals who do not yet have the necessary level of capability but who do need their confidence developed and encouraged.
- **Participating style.** For individuals who can succeed but who may need some support to build their confidence and motivation.

To find out any problems – Why is someone who is able not keen to do something?
- **Delegating style.** For highly skilled, competent and motivated individuals who know what they are doing!

Noel Tichy

Tichy⁵ an American academic, who is well known for his study of transformational leadership (see section 3 of this module) and leader development of other leaders, evolved the concept of the **Leadership 'engine'**. His model is based upon the premise that leaders are essential, as the energizing and driving force in collective activity. Tichy sees leaders, necessarily, as committed, focused, tough individuals of high energy, who lead by example. Tichy regards the effective mobilization of people – including other leaders – as central to the leader's role and primary contribution to the organization.

The Leadership 'engine' has three distinct facets to it, as is shown in figure 5.

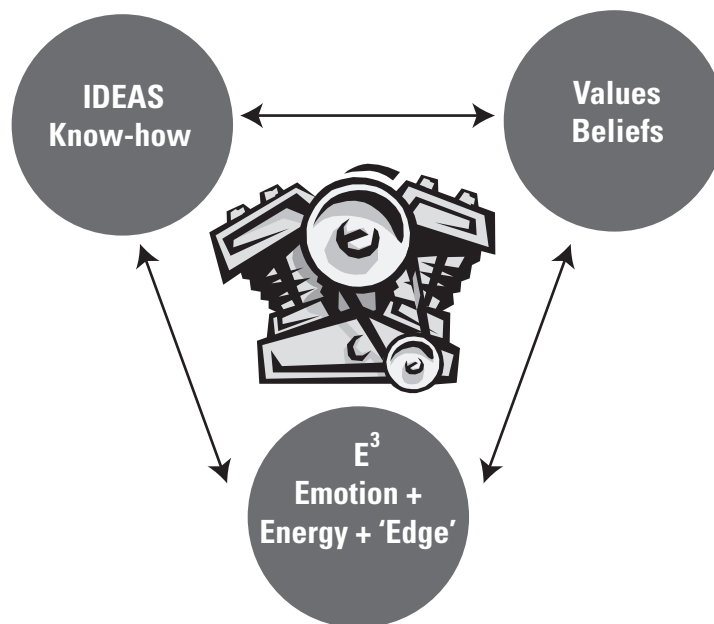


Figure 5: The leadership engine

In more detail, the three essential components of Tichy's Leadership engine are:

1. **Leaders are responsible for ensuring that there are sufficient ideas and information flowing, that are relevant to the task on hand.** The leader's role may, variously, be to generate, stimulate, trigger, or foster new or fresh thinking on an issue, or problem. Leaders, themselves, are not the fount of all knowledge, but their task is to make sure that sufficient insight, intuition, logic and intellectual energy is made available to deal effectively with the challenges facing the team.
2. **In leading by example – 'walking the talk' – leaders provide a continual living demonstration of the values which represent the core culture of the team or group.** Day-to-day, through integrity and consistency, their role is to define and exemplify what their group stands for and believes in.

In many cultures – including those which collectively constitute the British way of doing things – there can often be a fine and subtle line between integrity and pretentiousness. Usually those on the receiving end, sooner rather than later, distinguish the real thing from the inauthentic and spurious.

5. Tichy, N. Ibid

The third component is what Tichy defines as the E3 Factor. This, in turn, is made up of three elements:

- Emotion and drive to get the job done well.
- Energy and the ability to energize others and create energy and synergy where none existed previously.
- ‘Edge’ – which is the the ability to take necessary tough decisions and remain resolute and resilient, in conditions of adversity or high pressure. If leaders with ‘edge’ go down, they don’t stay down, but rather live by a philosophy of – ‘So, life gives you lemons – then make lemonade!’

In Tichy’s terms, ‘Edge’ represents the difference in leadership style between those who will win – and those who will lose, in today’s competitive world.

Leaders with edge give a business speed, decisiveness, boldness and ‘raw’ energy. Leadership edge can apply to decisions about where to invest time, money and resources, for optimum payback and where and how best to add value to the business.

Equally, edge may give the necessary reality to ‘people’ decisions, about individuals’ performance, jobs, roles, careers and futures.

Edge is the very opposite of what Arnold Toynbee described as the ‘*condition of ease*’ – in essence, a leadership ‘plateau’ of:

- lack of acuity, focus and sharpness
- Absence of a will to win
- Failure to recognize and respond effectively, in time, to critical challenges within their environment

As Tichy states – “*This is the ultimate failure of leadership...*”

Jim Collins

Author of the best-selling book, *Good to Great*, one-time McKinsey research analyst, former Stanford professor and proponent of the controversial ‘*first who... then what*’ principle, Jim Collins⁶ emerges as one of the most exciting and challenging of the current management gurus. His findings on leadership are as surprising as the conclusions that he came to about the ways in which ‘good’ companies achieve sustainable greatness and he has evolved from his extensive research, in over 1400 companies, what he defines as ‘*Level 5 leadership*’.

Working by logical, incremental steps, in a highly disciplined and focused way, Level 5 leaders look first to get the right people onboard – and in the right roles (and get rid of the wrong people) before they ask the question ‘what?’. In other words, their first priority is the right people and *then* they set the right direction. They are also consistent leaders with a strong sense of accountability and high ‘say-do’ credibility. Collins and his research team found that the so-called Level 5 leaders tended to work consistently and diligently, over considerable periods of time, at developing a ‘flywheel’ effect, to create ever-increasing momentum, in transforming their companies from good to great. Collins identified several more unusual, or unex-

6. Collins, J. Ibid

pected, characteristics, among the ‘good-to-great’ leaders, including a readiness to confront brutal and often unpalatable facts, such as, for instance:

“We’re at least 20% over-manned in our manufacturing operations. Why?”

“The pace, nature and direction of transformation of this organization have overtaken the HR manager’s knowledge and competency levels and are way beyond her professional experience. There is no longer a place for her, in this seat, on this ‘bus’. We must find a replacement, within 3 months.”

“This supplier has successively taken us for a ride, for at least the last 18 months. As a result, we’ve incurred avoidable losses of over £350,000. How, precisely, did this happen?”

“Yield of first quality tiles, in production, has been running at around 73%, for the last 3 weeks, when it should have been consistently over 95%. What, exactly, do we need to do differently?”

Level 5 leaders focus just as much upon what they and the business need to STOP doing and what should be abandoned, as they do on what new practices and processes they need to adopt, in the interests of greatness. Shedding much loved brands, products and practices (often hallowed by little more than the passage of time) can be one of the toughest decisions that CEO’s and their Boards have to make. These, too, are the decisions that demand that leaders persist and don’t waver in the face of opposition and ridicule from those with vested interests in preserving the status quo.

Confronting hard reality and working through the ‘Stop doing’ list, moves a business closer to what Collins describes as the ‘Hedgehog Concept’ and, in turn, provides a further logical basis for necessary transformation. *Hedgehogs provide the analogy because of their ability to recognize the one big, critical factor facing them and so they are able to break down the complex, and multi-faceted, into a fundamental and focused single idea* (as opposed to foxes, who know a great many varied and small things and may diffuse and spread their efforts too widely). Most good-to-great leaders it seems, from Collins’ study, are ‘Hedgehogs’, rather than ‘Foxes’.

In the form of another ‘unholy trinity’ (figure 6) the Hedgehog Concept is best portrayed as three intersecting circles, representing much needed, disciplined thinking, in the form of three pivotal questions:

- What can we be best in the world at? (and, equally important – what can we not be best at?)
- What is the economic denominator that best drives our economic engine, e.g. profit per ‘x’?
- What are our core people deeply passionate about?

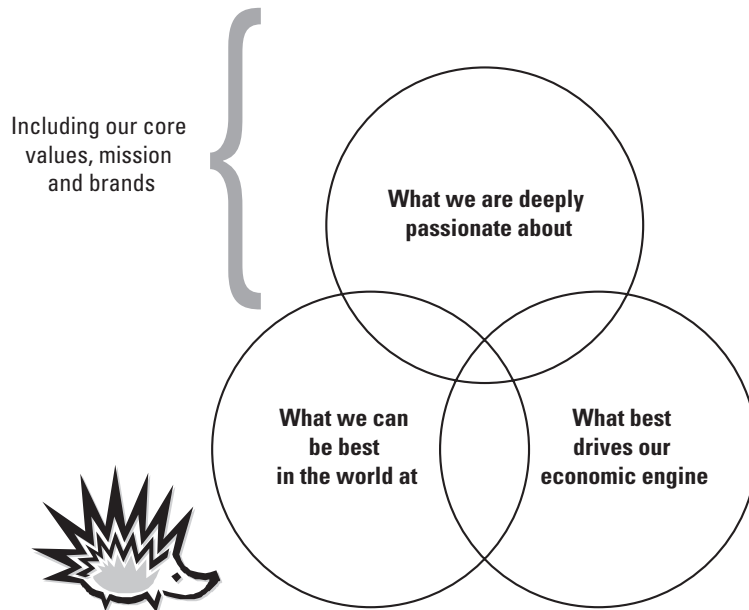


Figure 6: The ‘Hedgehog Concept’

Level 5 leaders, according to Collins’ study are essentially disciplined people who lead through an unusual combination of *professional drive* (strong focus on the business – not themselves) and *personal humility* (as opposed to arrogance and egotism).

Figure 7 sets out the interplay of the two characteristics which underpin the principal good-to-great leadership style and focus.

‘GOOD-to-GREAT’ – what makes the difference?

‘Level 5’ Leaders lead by:

PROFESSIONAL DRIVE

- Create outstanding results
- Demonstrate unwavering resolve
- Set and maintain standards
- Assume responsibility for poor results

X PERSONAL HUMILITY

- Show compelling modesty
- Act with quiet determination
- Channel ambition into the company
- Credit others with success

Figure 7: ‘Level 5’ Leadership Style

All of the above models and concepts, from John Adair’s ‘Action-centred Leadership’ to Jim Collins’ ‘Level 5 Leadership’, provide practical insights into the functions, roles and processes which, together, make up organizational leadership. Each one offers something that virtually everyone, in a leadership role within the business world, can use as a basis for developing and enhancing their own competencies and style, as a leader – especially if they are prepared to take on the challenges of becoming a better close-quarter leader.

Close-quarter leadership, both as a mindset and as a series of carefully-honed practices, is so-described because the process depends upon high leader awareness, focus and commitment to others' success. The parties involved, necessarily, become professionally engaged, as closely as possible, with very clear intended aims and outcomes, that might not otherwise be achievable, through more 'distant', less focused leadership.

Such styles of leadership are best developed by:

- Coaching by a competent, experienced close-quarter leader with specific results-based feedback.
- Bespoke – as opposed to general – leadership training, with participant and tutor feedback.
- 'Reverse' coaching, where team members, on the receiving end of the individual's leadership, give him/her feedback and coaching on the felt impact of that leadership style.
- Regularly analyzed 'incident-method' self-review and feedback, facilitated, explored and constructively built upon by a trusted, credible third party.
- If and where available, appropriate role-models.

One problem is that there are, as yet, too few role-models of the kind needed to provide sufficiently credible examples, for others to follow and emulate.

The 'classical' leader role-models so often quoted – Mandela, Gandhi, Churchill, Richard Branson, Archie Norman, Lee Iacocca, or Jack Welch are all, in their differing ways, examples of great leaders. All are, or were, charismatic leadership icons on a grand scale – several of them being dynamic, larger-than-life personalities. A major factor with role-models is recognizing when such icons actively corrupt, or simply no longer represent, currently defining values, needs and realities. In other words, at which point – and why – would you cease to follow Hitler, General Custer, Napoleon, Ernest Shackleton, or even Winston Churchill?

Low-key 'thinking' leadership

As we saw in chapter one, however, currently emerging highly successful leaders, in the world of business, tend to operate in more low-key ways to achieve sustainable transformation and greatness, for their businesses. By and large, they don't fit the outgoing, extravert stereotype of the traditionally accepted leadership role-model. They are leaders of a different ilk, creating new, *involving* operational environments, where the cultural, economic and social imperatives that determine leadership ability and style are changing dramatically – where the traditional critical leader message – *"Follow me and I will lead you to a better world..."* becomes re-defined as – *"Together, we will build a better world..."* Among their key directional competencies are:

1. The ability to reduce complexity to profound and manageable simplicity.
2. Strong, clear sense of necessary direction.
3. The ability to identify the real priorities for concerted action.
4. Resolute single-mindedness in the dedicated pursuit of those priorities.
5. The acuity to ask the sort of questions that will ignite necessary change and transformation.
6. High awareness and insight in their ability to mobilize and move others in the direction required.

Such leaders typically *act* like thinking people, while they *think* like action-oriented individuals, focusing strongly on the requisite goals and outcomes of the business – not their own image and personal standing. However, there are some disadvantages – even dangers – in low-key, ‘quiet’ leadership styles. Deflecting interest away from themselves and into the business can make a leader appear as colourless, devoid of charisma and lacking in personality. Communication skills – and the related demonstrable ability to inspire others – remain as essential elements of a leader’s expected repertoire of talents. Thus there is a fine line between *professional* low-profile leader styles that do deliver – and acquiring a reputation as a ‘grey nonentity’ who collects the rewards, while others, of higher visibility, are assumed to be doing all the hard work.

In her very cogent article – on the UK’s more publicity-shy heroes, which appeared in the February 2004 edition of the Institute of Directors journal *Director* – Jane Simms⁷ identified some of Britain’s very successful ‘dark horse’ CEO’s and Chairmen who generally shun the limelight. Most appear to avoid becoming cult figures, or media personalities, and focus their energies and commitment in very targeted ways on the business. Her impressive list includes Terry Leahy, CEO of the highly successful Tesco Supermarket chain, CEO John Peace, whose Company GUS outperformed the FTSE All Share by 134%, since his appointment in 2000, Julian Richer, Chairman, Richer Sounds who is highly regarded by customers, investors and his own people alike and Rose Marie Bravo, CEO, Burberry, who has transformed an ailing brand the into a leading ‘must have’ fashion item, growing capitalization from £200 million to £1.4 billion, in just four years.

Maintaining a low profile and avoiding becoming an icon or symbol, when clearly successful and under public pressure to assume the role of a cult figure, may be difficult in the extreme. The City, the press – and business in general- want successful role-models and frequently add their own ‘colouring matter’ to make them appear larger than life. Manfred Kets de Vries, Professor of Leadership Development at INSEAD business school states – “*People project fantasies onto them and they become a walking symbol, which can be very hard to carry*”.

It is also very human and very natural to want to receive recognition and bouquets, in an age where brickbats and public criticism, often barely short of defamation, have become an established occupational hazard for CEO’s and other senior business leaders. ‘Good’ publicity, and cultivated leader ‘brand image’, can undoubtedly be good for the business and some low-profile leaders have been criticized for not projecting their personal profiles sufficiently, in the public interests of their companies.

Clearly, it is possible to lead effectively, in a low-key and very focused way, without unnecessary narcissistic ‘baggage’ contaminating the process and so taking the leader’s eye off the critical ball. Leahy, Peace, Richer, Bravo and many others, are living evidence of the success of under-stated, but exceptionally talented, high-achieving leaders. Collins’ research and Simms’ findings – about leaders and leadership – would seem to reaffirm, on both sides of the Atlantic, Alexander Pope’s adage:

“...Charms strike the sight, but merit wins the soul” – and, it would seem, ensures sustainable longer-term business success.

7. Simms, J. Ibid