Enterprise leadership evolving towards a five dimensional orientation

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Effective leadership is viewed as a central driving force towards organisational success. In the 1990s, leadership developers often had to explain, demonstrate and convince top management of the benefits and ROI of leadership development. Today that is no longer the case; organisations no longer ask the question 'why?', but 'how?'

In recent years, we have witnessed the emergence of the concept of the enterprise leader. Academics, talent management consultants and corporations on the forefront of leadership and talent development have embraced the concept and there is now data – in the form of improved leadership effectiveness metrics - to prove it.

In 1997, Dr Martin Chemers (of the University of California at Santa Cruz) described leadership as *"a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task"*. This is a powerful definition of leadership, as it permits and encourages us to consider a number of factors simultaneously. Let us begin by considering five key elements of this definition.

'Leadership is a *process*' – leadership is not some innate, invisible magical quality people are born with. If leadership is a process, then it is a systematic, planned, intentional set of behaviours and capabilities that can be broken down into sequential steps and learned, practised and refined.

'Social influence' – this underlines the fact that leadership is largely about interaction between human beings, and actually has little to do with position, rank, title, salary or education. If success in your job requires influencing others to provide help, support, commitment, or information, then you have a leadership role – regardless of relative positions within the enterprise.

Interaction means interpersonal dynamics, and by extension the importance of influencing capabilities. The leader needs to be effective and maximise personal impact in a variety of very different contexts; the leader needs to be able to influence, persuade and engage at all levels and across all functions - upward, downward and laterally. Influence is consensual, situational, and is a bilateral process rather than a singular event.

'Is able to' - Dr Chemers reminds us that there are no guarantees, and that we shouldn't consider leadership success in terms of a linear cause/effect equation, but rather as a perpetual dynamic of learning that takes place in small sequential steps. Leadership success is not about getting what you want every single time: rather it is about improving one's batting average over the course of a thousand leadership interactions, a program/project, or a career trajectory.

'Aid and support of others' – the notion of aid and support implies an exchange or a transaction. *"Who has what I need?"; "What does this person have that I need?"; "What can I do to maximise the chances of them giving me what I need?"* This could mean information, resources, commitment, support or any one of a range of enterprise assets or political capital.

Successfully securing the aid and support of others requires a sophisticated understanding of the objectives and needs of the other party. Leaders need to be able to encode their needs and objectives in the language and context most meaningful to others and help them decode the world in similar terms. This relates directly to the next point.

'Common task' – leadership involves positioning and describing tasks in terms of mutual interest, demonstrating how a course of action is in the shared interest of the contributor, the leader, the team, the function, the division and the enterprise as a whole.

> *"Leaders must establish a relationship with followers that guides, develops, and inspires them to make meaningful contributions to group goals and the organisational mission. Such relationships must match the needs and expectations of followers, which leaders discern trough nondefense judgements.*
>
> *Leaders must mobilize and deploy the collective resources of self and team to the organisational mission by matching operational strategy to the characteristics of the environment."* (*An Integrative Theory of Leadership*, Martin M Chemers, 1997)

Leaders therefore need to be highly capable translators, interpreting effectively between levels, functions and even generations within organizations – each of which will have their own interested, objectives, agendas, and perception of consequence. The most important leaders within an organization are those who manage the communication loop between the disciplines of strategy formulation and strategy execution – each of those two activities needs to receive and manage feedback from the other to ensure appropriate adaptation for success.

Leaders also need to be able to view and analyse human performance systems in multiple dimensions, decoding and encoding information in order to provide feedback in meaningful for recipients, process feedback when received, necessitating learning the language of multiple functions and hierarchical levels.

Effective modern leadership in other words necessitates the ability to interpret and understand large and dynamic integrative multidimensional layers of information. That is a far stretch from the starting point of management science.

Is this a structural, linear process…? Let's look back in time… I will explore how we got here. Is this a recent and trending topic or an evolution of a spectrum of competencies and if so can we establish a process so as to, not only verify its current validity, but also predict and thus anticipate where we need to be 2020 and beyond. In order to do that lets look at how this evolved.

Henri Fayol, one of the founding fathers of today's management science wrote in the early 19th century *"to manage is to forecast and to plan, to organise, to command, to co-ordinate and to control."* His work illustrates an early recognition of management competencies. The boss or manager obtains his or her position because of skills and meritocracy rather than as a result of wealth, birth, seniority, or nepotism. Fayol's general theory of business administration is widely acknowledged as amongst the founding theories of modern management methods. He proposed five primary functions of management of which the fifth; the control function, is used in the sense that a manager must receive feedback and analyse the deviations of a process in order to make necessary adjustments. My reason for singling out the control function is the notion of receiving worker feedback and adjusting accordingly. In doing so we go from a linear command towards a bilateral communication structure between boss and workers.

Management science continued to evolve at a rapid pace and in the US we saw the birth of the MBA. As the country became more industrialised, companies began to seek out new, more scientific approaches towards business management. Automated machines began to replace manual labour, which led to a demand for educated supervisors to oversee machines, labour and automation. Harvard established the first MBA program in 1908 and soon, more colleges began to offer these programs. By the 1950s, the first MBA degrees outside the United States were awarded.

With the growing popularity of the MBA, we witnessed the birth of a new generation of future managers with a scientific approach to management and broad rather than a singular functional expertise skill set such as accounting, controlling or engineering from which people were promoted in the past. The MBA created a generation of highly skilled analytic and successful strategic managers. As these managers rose to senior roles during the 70s and 80s it became apparent that their 'soft', or people skills, often left a lot to be desired for and that in many cases these future leaders and subsequently the organisations they worked for would benefit from the integration of more interpersonal skill, training into the MBA curriculum.

During the 90s we subsequently witnessed the conversion of management training towards broader leadership training and simultaneously we witnessed exponential growth of leadership development and consulting firms growing to what is now a $10 billion industry. The manager was out and the leader was

in, and leadership now encompassed a whole array of inter- and intrapersonal skills.

The international perspective; leadership going global

What happens when we do not see or understand context and take a singular subject matter expertise without the interpretation or encoding and decoding of all the elements surrounding and influencing it? Living and working in Europe there is one large international survey that comes to mind that illustrates the results of professionals who predominately use one singular skillset; translators.

The European Union counts 28 member states; expand the region to EMEA than it encompasses about 150 countries. The EU counts 23 official languages and employs some 2,500 translators at a cost of about €1.5 billion.

A 2003 and 2010 translation quality survey indicated that only 16 and 17% of the respondents obtained a satisfactory test score on a test verifying the accuracy of a 300-word translation. Only about one out of 15 translators obtained a 'very good' grade. Does this imply that the vast majority of these translators are incompetent; surely not? Their translations were mostly grammatically correct and most words were accurately translated according to their most common linguistic equivalent. Where it went wrong in over 4 out of 5 cases was that the translation was inaccurate because the translators had little or no contextual understanding or knowledge of the subject matter.

Europe itself has the greatest linguistic and cultural diversity of the Western world. It is therefore of crucial importance to analyse the cultural dimensions and aspects of the corporation the leader works for, as well as his or her personal cultural make up and that of their team. Having specialized in work with European and EMEA leaders of European and or American firms for the past 13 years, the majority of my leadership development and coaching work has carried English as it's the official language.

In addition to having worked with leaders across the globe, I have previously worked and lived in five European countries as well as the United States, which has allowed for me to personally experience many of the business challenges and cultural dynamics the leaders and teams I work with encounter on a daily basis. Many of my assignments have been trilingual and thanks to my contextual understanding, I have acquired a significant amount of insight, which has been crucial in helping the leaders, and teams I worked with throughout the past 13 years.

In 1993 I took on the challenge of acquiring an almost bankrupt industrial company in France through an MBO. Within 100 days of the takeover, I rebuilt the company and steered it out of its crisis. One year later, the company and I were now ready to tackle our mid- and long-term strategy of becoming an innovating and trendsetting leader in French industry.

One of my primary personal goals for this challenge being a successful immersion into the French society in order to steer away from the 'expat' stereotype, I did my best to embrace the French lifestyle and mindset by tackling each new day of this (work-enriching) experience from the point of view of a typical Parisian. I was to address every morning with the finesse of a Parisian by sipping on a thick espresso at the local brasserie with a copy of *Le Monde* in hand while balancing a lean Gaulois

cigarette, à *la francaise*. I had officially debuted my mission towards the transformation of this French company and I was ready to conquer any upcoming challenge.

As a manager and leader, I realised that my experience, upbringing and academic background had instilled a very Anglo-Saxon, Nordic view of management and leadership. At the time, I believed in the participative management style upholding a very low power distance. I was very ethnocentric in regards to this and believed that my French employees would come to embrace such a leadership style once they became sufficiently exposed to it. But unfortunately for me, I was to quickly discover that the equalitarian mind-set I had hoped to be a universal was far from the truth.

The company that I worked with had amongst its parking facilities four prime parking spots: two exclusively reserved for the VIP customers, and two that were allocated for the MD, who for his convenience preferred to park in the middle of two. Upon purchasing the company, I changed the two MD spots to serve as employee spots on a first-come-first-serve basis. To me, this was a conscientious and respectful move on my behalf and I could not imagine how employees could possibly perceive this any other way. By both downgrading my parking spot while upgrading theirs, I was establishing a just field of equality which I believed to be the perfect platform to build on when trying to make a name for oneself in a foreign company.

But despite my aspirations, I learned shortly thereafter that what I had thought to have been an act of compassion and kindness did not conform to the power and distance dynamic to which the French were previously habituated, and that despite my motives my actions had been perceived as being weak, giving me the embarrassing prejudice of the 'boss who was incapable of assuming his leadership role, being conflict aversive and fragile'. But this episode wasn't the last in the series of mistakes I was to make before finally coming to the realisation that I was far from being an expert in the field of cultural disparity and the different dynamics that this field encompasses. I eventually started to study and read about culture in order to broaden my spectrum and understanding of it and I bought Geert Hofstede's book *Culture's Consequences.*

Cultural dynamics
Geert Hofstede is seen as one of the key writers and proponents of cultural theory. His research, which originated in the late 1970's and early 1980's, was conducted amongst IBM employees and covered over 116,000 responses and 76 national subsidiaries. The research identified systematic differences in national cultures on four primary dimensions to which he later added two more.

Hofstede's observations help us in understanding the cultural differences and dynamics that come into play amongst the leaders, stakeholders and team. We already observed

1. Power Distance

High Power Distance

France
Greece
Italy
Portugal
Spain
Turkey

Finland
UK

Low Power Distance

Denmark
Ireland
Norway
Sweden

2. Uncertainty Avoidance (UA)

High UA

France
Greece
Italy
Portugal
Spain
Turkey

Finland
Norway

Low UA

Denmark
Ireland
Sweden
UK

3. Individualism/Collectivism (I/C)

High Individualistic

Denmark
Finland
France
Ireland
Italy
Norway
Sweden
UK

Spain

High Collectivism

Greece
Portugal
Turkey

4. Masculine/Feminine

Masculine

Greece
Ireland
Italy
UK

France
Spain
Turkey

Feminine

Denmark
Finland
Norway
Portugal
Sweden

Hofstede (1994) Cultures and Organizations - The Four Cultural Dimensions

that languages can form an obstacle towards accurate communication. We subsequently need to realise that interpreting communication within their appropriate culture setting is equally important. There is a plethora of research to support this notion and confront us with our dismal capacity of doing so effectively. According to one survey of senior executives:

- 76% believe their organizations need to develop global-leadership capabilities.
- 7% think they are currently doing so very effectively.
- 30% of US companies admit that they have failed to exploit fully their international business opportunities because of insufficient internationally competent personnel.

Shirley Daniel and Ben L Kedia, US Business Needs for Employees with International Expertise

Exploring the hypothesis that the pre-management science period was a mono dimensional perspective and that during the last century we gradually added a two, and subsequently, a third dimension, then integrating additional layers of depth and context to the equation such as cultural dynamics provides us with a fourth dimensional view. Leadership has, however evolved beyond these four-dimensional layers and today comprises an even more integrative approach across the enterprise through enterprise leadership.

Enterprise leadership is a holistic approach to value creation in the enterprise, recognizing and integrating the challenges of the 21st century global executive. Today's leaders have to manage and influence multicultural teams across large regions and often throughout a complex structure of corporate brands, divisions and companies. Their impact and success no longer depends on their individual control and command skills but rather on how effective they are at steering and navigating their teams in adjusting and anticipating the dynamics and challenges they are faced with.

The enterprise leader is a translator who translates, articulates, manages and enacts communications across the enterprise. He needs to translate strategy formulation to execution and code and decode feedback from and towards the organisation
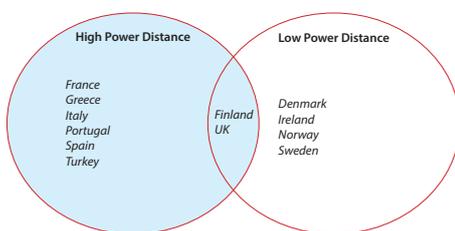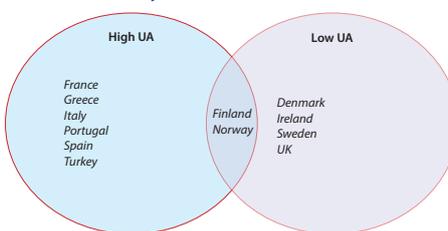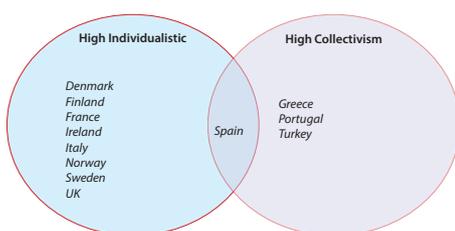
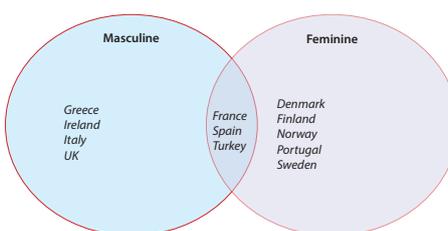No one leader can 'manage' the entire enterprise, and therefore leadership needs to be distributed. The shifts a function head must make when first becoming an enterprise leader involve learning new skills and cultivating new mind-sets. Michael Watkins in his article; *how managers become leaders* (*HBR* 2012) described the following seven seismic shifts:

- Specialist to generalist
- Analyst to integrator
- Tactician to strategist
- Bricklayer to architect
- Warrior to diplomat
- Problem solver to agenda setter
- Supporting cast member to lead role

Reflecting the changes in the environment, the competencies that will be most valuable to the future leader are evolving. Leaders need to be agile critical thinkers that solve problems while leading by influence and collaborating across networks using complex and adaptive thinking abilities. They need to have an entrepreneurial mind-set and be able to interpret large amounts of data while being eloquent and effective communicators. Many of these leaders will have to be groomed through vertical development within the enterprise.

If we try to view or conceptualize leadership development and our understanding of effective leadership in a five dimensional model where each dimension and layer provides us additional context and interconnectivity, then we should take all external influences into perspective as they have a significant impact or influence the effectiveness of the leader.

In doing so the analogy of the evolution of medical imaging came to mind to show the increasingly sophisticated insights we have into leadership behaviours and the decisions those insights enable.

"Leaders need to be agile critical thinkers that solve problems while leading by influence and collaborating across networks using complex and adaptive thinking abilities"

Nick Petrie 2014 in his article; *Future Trends in Leadership Development*, CCL 2014, described four trends for the future of leadership development:

1. More focus on vertical development
2. Transfer of greater developmental ownership to the individual
3. Greater focus on collective rather than individual leadership
4. Much greater focus on innovation in leadership development methods

Once we accept that the ideal goal for leaders is to achieve a true enterprise leadership orientation, the key question becomes 'how can leaders accelerate this development?' A critical accelerant on this journey is the sourcing of advice and counsel from selected thought partners with complementary experience and perspectives; these thought partners may be within the enterprise, or often external to it. Our experience at Executive Core shows that a combination of both is usually necessary: in order to seek, partner with and obtain counsel and support from key advisers internally, leadership skills are necessary for securing mentoring relationships (answering the question 'how can I get from this person what I need, and how can I solicit their help in terms which will be relevant to them?') - which very often requires the advice and help of an external coach or adviser. ■

Evolving towards a 5 Dimensional Enterprise Leadership Orientation
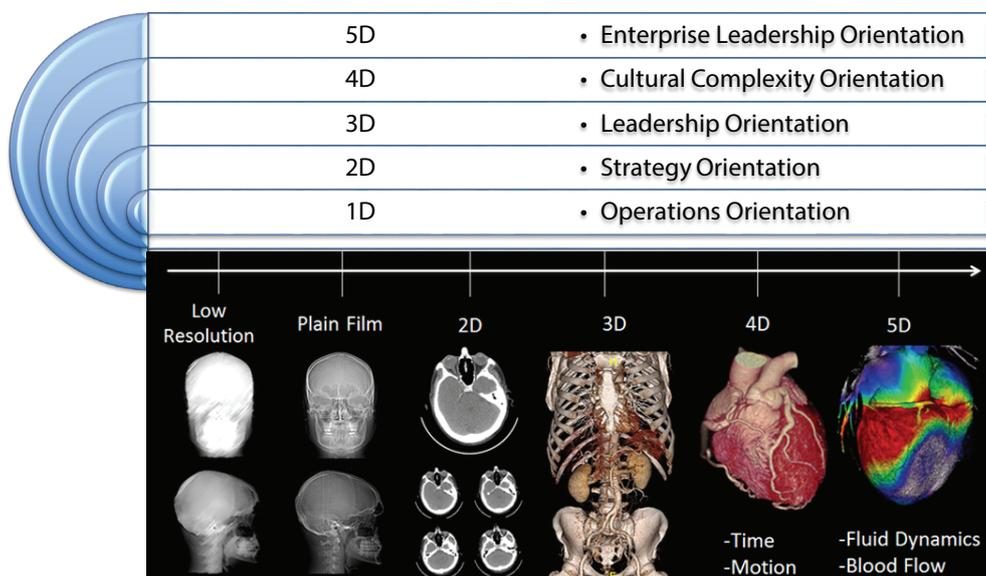
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