

## Chapter 1: The Leader's Challenges

On a Saturday morning in early fall, a small group of successful leaders gathered, not for the purpose of discussing their organizations, but to examine their roles. It soon became apparent that although they came from different industries and with different professional preparations, they had much in common. They approached their leadership roles with a great sense of responsibility, believing that their corporation's success rested in large measure on their ability to do the job. Unfortunately, despite previous successful educational and professional experiences, they were ill-prepared for the challenges that confronted them. Many struggled to define their jobs. Existing job descriptions were out of date or they listed a series of tasks that were irrelevant. Many of the leadership books they had read described what they were supposed to be, but not what they were supposed to do. In the absence of a meaningful compass, many relied on past accomplishments, hoping that what had worked in the past would once more help them succeed.

One leader synthesized five themes from the stories she had heard. As she spoke, a silence fell over the room. Every person present shared the same leadership challenges and frustrations. The most personal was also the most common. The five themes offered the leaders a way to describe their jobs in a meaningful way. They also gave the participants hope that their leadership challenges could be more adroitly addressed.

### The five key leadership challenges

Whether you are a manager of a department wanting to improve service to internal customers, the project leader of a team focused on solving a thorny organizational problem, or the president of a company undertaking major change, the five challenges are important components of your leadership role. Some of these challenges may be more critical than others. Understanding the five challenges will allow you to create an agenda of what you must accomplish. Once people better understand your leadership function and your objectives, they will more likely follow.

#### **1. Reframe the future**

Leaders have many opportunities to develop a broad perspective of their organizations. They understand the relationships between the dynamics in the marketplace and the dynamics in the organization. They anticipate critical changes in such areas as technology and finance, and understand the limitations of their organizations. Thus, they are able to view the business from several perspectives and can see the potential for new realities to emerge.

Reframe the Future challenges leaders to develop a new set of possibilities. It provides an opportunity to rethink assumptions and relationships, and develop a new way of doing business. The result is not an operating budget for the next fiscal year, not an extension of an existing product, nor a way to reduce the cost of doing business. Reframe the Future is focused on the need to refute the assumptions that

bind the organization to the past. By asking the unthinkable, a leader creates the potential for a totally different kind of organization. What would happen if we partnered with our competitors? What if we used an old technology in new ways? What if we adopted a new technology to make our product or service obsolete? What if we moved from being a product manufacturer to being a service provider? What product or service would excite our customers, even make them ecstatic?

The outcome of Reframe the Future is your vision of a new way to add value for customers, which could enhance your organization's position in the marketplace, its productivity, or its profit picture. Your enhanced relationships with others outside the organization could lead to a significant strategic advantage. The creation of an exciting and meaningful set of possibilities is a requisite first step in developing your ability to influence change. Once the direction is established, you must convince the critical stakeholders.

## **2. Develop followership**

When things go wrong in the organization, fingers point to the leaders. When things go right, fingers point to the vast majority of members of the organization. There can be no leadership without followership. Followers, in turn, determine that leaders will be effective. In Develop Followership leaders create clear intellectual links and active behavioral links between themselves and followers.

In our society, few people seek to be labeled as a "follower." To most people, being a follower means doing what one is told. According to our definition, followership is much more active and fulfilling. Devoted followers act with intelligence, know what to do without being told, operate interdependently with courage and strong ethics. They distinguish when it is appropriate to follow orders, when to come back with different ideas, when to operate as individuals and when to act as members of a unified team. In essence, they behave as if they own the business. Most leaders want such followers.

Indeed, at any particular moment a leader may recognize that that an individual has a greater ability to get the job done and assume the role of follower of that person. Thus, the leadership function may flow between people as the situation warrants.

Developing a cadre who are capable of engaging in complex relationships can be a daunting task for a leader. To become followers, people need to get something from their relationship with the leader. As Kelly notes, "Do followers, while being served, become wealthier, wiser, freer, more autonomous?"

Some followers expect perfection from their leaders. They become critical when they see weaknesses, which in turn enables them to feel less than accountable for their own performance. Better, more skilled and motivated followers understand the strengths and the weaknesses of their leaders and fill in the gap to make both parties more whole. The result is an organization with fewer hierarchical layers, a greater action orientation, and more productive dialogue. Followership has been attained

when the leader has developed a critical mass of people who are willing to address changes eagerly, honestly, openly.

### **3. Teach and Learn**

Teach and Learn sits at the juncture of several processes to develop new concepts, develop greater competence, and implement change. Teach and Learn is essential for organization change to occur. It helps individuals overcome the fear of taking on new challenges. It develops the human competence to undertake new tasks. For these reasons, encouraging learning is a leadership function.

Progress is based on the ability of people to anticipate and plan for the future, to develop new ways of operating, to learn from each other and the past, and to implement plans swiftly and effectively. Without consciously attempting to Teach and Learn, people will operate as they always have. They may not be able to make the changes that will ensure their organization's long-term survival.

It is the leader's role to encourage learning throughout the organization—beginning with the leader's own learning. Effective leaders know they cannot rely only on their innate capabilities. Rather, they hone their skills by seeking feedback, reflecting on the success of actions, participating in learning forums, and surrounding themselves with those whose strengths complement their weaknesses.

Leaders ensure that sufficient competencies exist in the organization to take new ideas forward and turn them into reality. Leaders support others in seeing the world differently, in developing the competence to do their work better, in discovering how to work together more effectively, and in learning how to serve customers in ways never before imagined.

Effective Teach and Learn results in your gaining new knowledge about yourself and what is possible to accomplish.

### **4. Build Community**

An organization requires commitment, not only from its leaders, but also from all the other members who comprise it. Our focus thus far has been on the relationships between leaders and followers. Relationships that link members together in a meaningful way must also be fostered. Build Community requires leaders to consider three distinct organizational components.

#### **Culture**

Shared values provide much of the glue that holds people and their work together. Shared values can more readily be seen in the actions of employees than in the corporate handbook. Shared values indicate what people are permitted to discuss, what constitutes risk, how decisions are made, who becomes involved in making decisions, and the relative worth of stakeholder groups. Leaders who are conscious of the values they promote through their actions, have a unique opportunity to influence the culture.

## Infrastructure

Roads, sewers, water mains, police forces, etc., sustain a community. Buildings, office furniture, and computer systems sustain an organization. Organization infrastructures establish the link between functions, processes, and people that ensure essential communications. Establishing firm, positive, communication links is the special responsibility of leaders. For example, leaders determine how meetings are conducted, how performance expectations are established and how performance is evaluated, how the corporate agenda is created, how teams are formed and maintained, and how everyday work is performed. Without infrastructure, leaders will have insufficient leverage to ensure that the work of the organization is communicated and performed.

## Governance

Leaders clearly understand what others expect of them. They manage the expectations of key stakeholders. Leaders assure that followers know how to measure their success, that feedback is continuously sought and given, and that reward systems are designed to recognize that desired processes and results. Leaders not only ensure performance, they also ensure ethical practices, governmental regulations, and internal policies and procedures are enforced.

Evidence of community can be seen in the spirit and the vitality of members' relationships as they achieve the goals laid out in Reframe the Future.

## **5. Managing paradox**

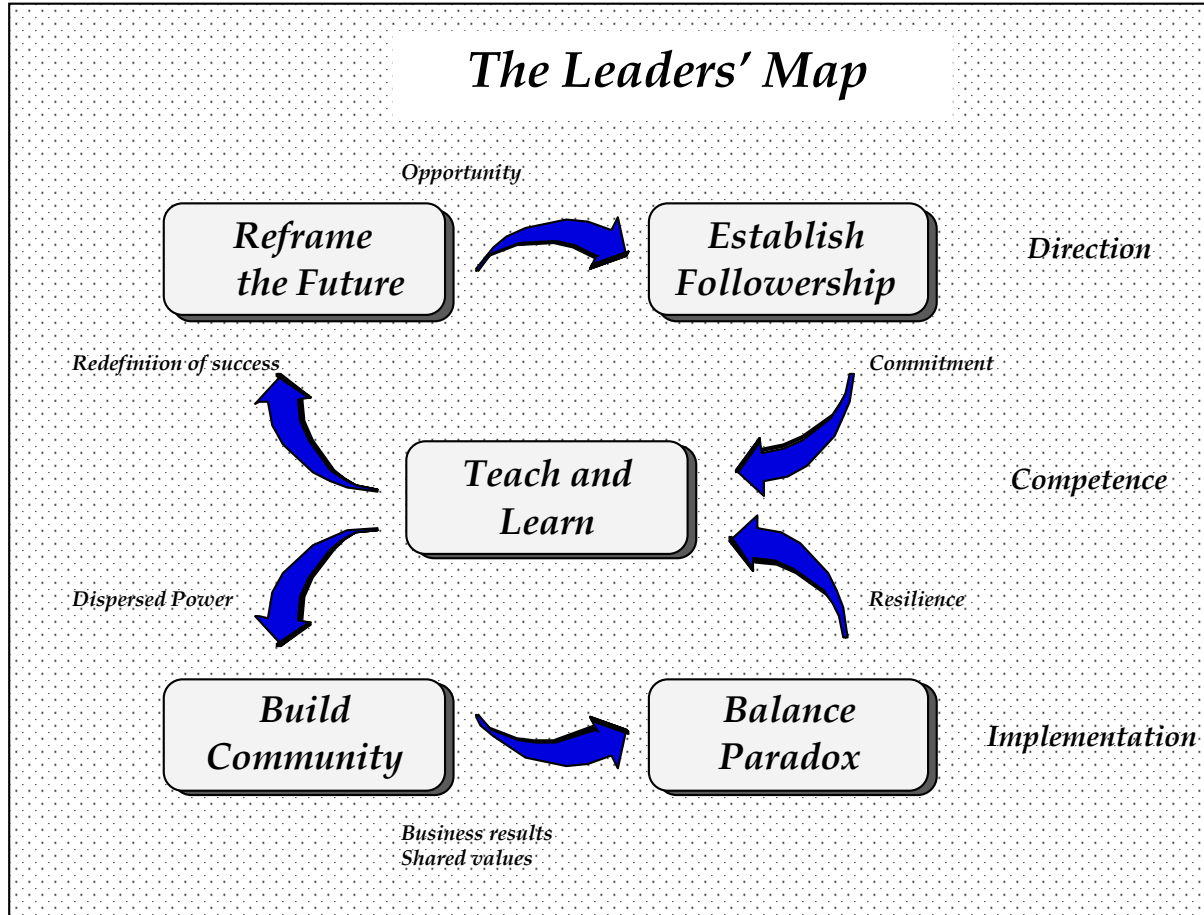
Leaders know they encounter paradox when they feel as if they are “damned if they do, and damned if they don't.” During the course of Build Community, the leader encounters reality. The real world is where critical choices must be made. Managing paradox explains why the leadership role is often a lonely and unpopular one. The leader's and others' decisions may propel the organization to great success or bring it to its knees. In managing paradox the true mettle of a leader is tested.

Chapter 5, Manage Paradox, helps leaders understand how to balance both on focusing on creating short-term profits and simultaneously building the capacity to compete in the long term. The leader may decide to lay off some employees and ask the remaining employees to be loyal. The leader may decide to continue a currently unprofitable core business. The leader may seek the advice of many people and yet be the only one who makes a difficult decision. The leader may not feel competent to act and know that the opportunity of the moment will be lost if no action is taken.

Traditional problem-solving methods are inadequate for handling paradoxes. Professional training is also typically inadequate. Successful leaders learn to cope with paradox by rising to higher, more balanced views of situations.

### The Leaders' Map

Together, these five key challenges represent the heart of the leader's role. They represent what to think about as you strive to impact your organization. Not five separate and independent challenges, all exist in a fluid interrelationship that will guide your work.



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Leaders know that much is expected of them. At any time they may analyze, define, and imagine possibilities; determine hard realities; sell, tell, and gain consensus; anticipate; demand perfection and be understanding; receive feedback and give feedback; be courageous; be authentic; be out front but not too far out front; follow the rules and go around them. A very confusing job description!

There are appropriate times for each of these leadership behaviors. Knowing what to do when is not obvious. Just as the navigator on a ship uses a sextant to determine its position so that alterations in speed, sail, and rudder can be correctly made, so leaders use tools to determine their positions and take necessary courses of action. The Leader's map is a sextant, a tool for understanding the need to implement a change or take a new course. Using the Leader's Map ensures that the leader does not over-emphasize one challenge at the expense of the others. Using the Map helps define the broad range of required leadership actions.

For example, a leader's first exploration of opportunities is too soon to seek consensus in the organization. Those most likely to be affected may feel threatened by undefined opportunities. Once the opportunities have been defined, the leader must listen to others' concerns, for they hold nuggets of truth worth considering. There is an appropriate and an inappropriate "season" for each leadership behavior. The Leaders' Map enables you to consider a broad range of behaviors. We believe that if you know where you are on the map, the more likely you are to take effective action. For example, leaders who more readily command will know when they must listen. Those who more readily seek consensus before acting will know when they must give specific direction.

***: a successful navigation of the Leaders' Map***

*Leader taking organization around the map goes here*

***The primary responsibilities of leadership***

Leaders often find it difficult to describe their jobs. The Leaders' Map suggests that leaders have three major responsibilities: They establish the direction of the organization; they ensure the competency to succeed in the direction; and they ensure that the results are achieved.

**Establishing direction**

It is the leader's responsibility to determine and articulate a vision, to explore opportunities for strategic linkages, and to consider new products and services that could change how the organization is positioned in the marketplace. Through facilitated planning sessions, analyses of trends, conversations with knowledgeable people, reactions to current conditions, and so on, the leader begins to formulate new ideas.

Because they are human, leaders can become somewhat enamored of their initial ideas and prone to implement them based on impulse. They may view others who question the viability of their new ideas as less than enthusiastic. The Leader's Map suggests that in time new ideas should be shared with others, who can thoroughly explore their viability. Leaders, at the appropriate time, must uncover the potential of their ideas prior to committing significant human and financial resources to a new direction. We have often seen leaders change their minds. A new direction that was supposed to solve a problem is dropped in favor of a still newer direction. Followers who worked hard for what they had assumed to be the long-term direction of the organization may lose faith in their leaders and be less likely to put their hearts and souls into the next initiative. When leaders change their minds, faith erodes.

Having a good idea is not enough. The Leader's Map suggests that leaders must not only be certain about the course they wish to undertake, but they must have the understanding and the support of followers who are needed to implement the course.

Thus, the leader must ensure that ideas are well articulated and well understood. As one CEO told us, "I know that employees at least understand the direction we are going when they are able to articulate our vision, mission, and major objectives in an elevator ride from the first to the fifth floor. If they can do that, I know I have done at least one thing right. Next I look into their eyes to see if they believe it."

How will you know if you have done an adequate job of articulating the direction? The following criteria will guide your evaluation. Apply the questions to a new initiative or to a program you wish to introduce. Once you have completed the list, pose similar questions to members of your management team and determine how aligned their ideas are with each other and with yours.

### **The idea**

- I have explored the idea with many people. I have carefully taken into consideration the thoughts of those who disagree with my perspective.
- I have developed a clear understanding of the pros and cons of implementing this idea. I understand the risks of moving forward and not moving forward.
- I have played the role of devil's advocate to my own idea.
- The benefits of the new direction are worth the risks involved.
- The idea is "big" enough to get the organization where it needs to be.
- I have articulated the idea in 25 words or less and can clearly describe the benefits and the risks. The idea, benefits, and risks are understood by at least the critical few.

### **The follower**

- Those who might disagree with me feel that they have been heard and understood
- I have established sufficient understanding in those whose support is essential to turning the idea to reality.
- Sufficient numbers of people are able to communicate the message to others in the organization.
- We understand the risks as best we can and are willing to move forward.

### **The learning**

- We have developed several scenarios, and we have determined the likelihood of success.
- We have done our homework to better understand the marketplace.
- We know what we have to do internally to make the idea succeed.
- We looked for others who have attempted a similar undertaking and learned why they succeeded or why they failed.

Make sure that the direction in which you wish to move the organization is sound. Do not waste human and financial resources in an effort that is unlikely to succeed. At this point in the process of a change you will have incurred relatively few sunk costs; although some disappointments or bruised egos will be on the line if you decide not to move forward. The most costly mistakes include choosing an inappropriate direction and not properly defining the scope of a project. Unless you question your ideas early and thoroughly, such mistakes will not surface until the implementation phase.

### Ensuring competence

Many leaders assume their work is complete when a half-baked idea develops into a sound plan. The plan is clearly articulated and the bank is impressed. Action plans have been developed, and people are expected to “turn on a dime” in order to meet the expectations of the leadership team. If the plan is an extension of what already exists, the move will be easier than one in which a major change in direction is expected. Before moving forward, you may want to first assess whether the competencies needed to implement the plan are present and available.

Most organizations can no longer support a large cadre of middle managers. Profitability comes when fewer people are required to do the work and everyone pulls a heavier load. People must not only have the required technical expertise, they must also be able to relate well with others. If people have neither the technical skills nor the interpersonal skills, the resources are not available to implement the idea. The leader must understand how the new idea will change the company and the many ways people will need to work together.

Assessing an organization's readiness for change can be daunting. After more than 20 years of experience working in organizations, we still find the assessment phase difficult. People who appear to embrace the change will nevertheless resist implementing it because they lack the necessary professional or personal capabilities. On the other hand, people who appear incapable of change will rise to the occasion. The leader's ability to assess the competence to successfully implement the change is a critical ingredient of long-term success. Questions of competence include not only the abilities of followers, they also include the leader's ability to lead and operate in changed circumstances. The following questions are designed to assess competence and the organization's readiness to undertake an envisioned change in direction.

### Leadership competencies

- What kind of leadership will be required in the future? How is such leadership similar/different from the way I am most comfortable operating? What does this mean for me?
- What messages must I deliver? What is my communications plan?
- What do I need to learn? Who will help me learn it?

### Organization competencies

- How must people work together? Will it be different from their accustomed ways? How can I ensure that people will collaborate to achieve the change?
- What new approaches or technical skills may be required? What is the best way to ensure that people learn new skills and use them?
- What have we learned from our past successes and mistakes? What do past successes tell us about how we might want to move forward?
- Have we the right people on staff to affect the change?

Although you may be eager to begin moving forward with your new project, it may be helpful to ensure that your people are ready to implement. They may not need to possess all the required competencies before the project starts, but how long will it take to obtain them? See chapters four and five for more information on building competencies.

### Implementing the direction

Leaders become excited during the conceptual and the learning phases of a transition. New possibilities are invigorating. But the day of implementation often brings sheer panic. Do we *really* believe that this project will bring expected results? What if something goes wrong? Suppose things don't work out, what will happen to my career? My investment? What negative impact might this have on employees? What will happen to my business?

A while ago a leader we knew had thoroughly prepared for a major organizational change, involved employees with the planning, and felt ready to move forward—or so he thought. The day he announced that he would begin to move in the new direction he became uncharacteristically hostile toward all around him. Beneath the surface was sheer panic. He knew the risks to the organization and people in it. Although many people had significantly contributed to the plan, he felt accountable if the objectives were not attained. Though many around him shared his passion and had contributed their best thinking to the plan, this leader knew he was ultimately alone.

During implementation people must not only talk about the right things; they must do the right things. Doing requires higher levels of communication and coordination than talking. People must be held accountable for promised accomplishments. During implementation we discover whatever we didn't or couldn't know earlier. Our true leadership capabilities emerge during the heat of the implementation phase. Idealism strikes against reality, and we are forced to make choices and compromises that we might wish to ignore.

When evaluating whether you and the organization are prepared to move forward to the implementation phase ask:

- Even though we will be better off for implementing the new idea, what will people have to give up?
- How might existing policies, procedures, practices, and processes get in the way of implementation? What will I need to do about this?
- What new processes will have to be put in place to make the idea work? Examples include human resources, finance, information systems.
- What if the project takes twice as long, costs twice as much, becomes twice as large as we originally thought? What will be the impact?
- How might this project become derailed? How will I deal with barriers? Who or what will resist this effort?
- Am I discounting a potential problem by thinking others do not have the capability to hurt the project? What will I do if incompetence stops or harms the project?

### ***Map Assessment***

Raising and answering the above questions are critical to the success of your leadership of the project or transformation you wish to undertake. If you believe that a more formal assessment would be of value to you, Appendix 1 contains a survey that does not measure organization climate, employee satisfaction, strengths/weaknesses of an individual. It does measure the leadership function. It asks respondents to assess organizational requirements, environmental influences, and project execution. Scoring responses on the grid will help determine organizational needs and required leadership improvement.

### ***Costs of ignoring the map***

The leadership team of a nationally known insurance company emerged from their annual planning session with an exciting new direction. They decided that the organization needed to broaden its product line and to deliver services in new ways. Under the new scheme, customers would no longer receive all their insurance advice from one person, but they would have several “advisors,” each with different expertise. To accomplish the change, a new sales compensation program would have to be designed to encourage joint sales ownership for customers. The Human Resources Department was charged with the responsibility of devising the new sales compensation plan. Unfortunately, the sales organization heard about the potential changes and squelched not only the change in the compensation plan, but also the goal to sell the expanded insurance program. Clearly leaders had moved from Reframe the Future to Build Community without first establishing Followership or Teach and Learn. Clearly the insurance industry was going through a very significant metamorphosis, but the sales organization has handcuffed the leadership team and significantly impacted the long-term viability of this company.

The mistakes made by the leadership team of the insurance company are all too common. Consensus within the leadership team regarding a future direction does not ensure the

concept is sound or can be implemented. It will take significant thinking, planning, selling, developing, allocating, attempting, and re-attempting to make the new idea work for the long term. Had the group been more aware of the steps outlined in the Leader's Map, they might have avoided a serious setback.

Early in his career, one of the authors was involved in the major transformation of a division within a Fortune 500 organization. He sought to transform the organization from one where employees operated independently to one where they had mutual accountability in a strong team environment. The change was well thought through, the employees stated their strong commitment to the process and much attention was given to building the infrastructure. Unfortunately, the project did not proceed as planned. Although the employees stated they wanted to operate in a team environment, they were unwilling to give up their autonomy. What the architects of the transformation failed to appreciate was the dilemma of people wanting both individual freedom and recognition and wanting to work together in a coordinated fashion. Had the author possessed the Leader's Map at the time, he might have predicted some of the difficulties that emerged later, when the organization was well into implementing the change.

The Leader's Map may help you anticipate some of the obstacles that could keep the organization from moving forward and what you will need to do.

***Whose job is it to lead?***

Leadership does not have to be a solo act. A group of people, working closely together, can provide the deliverables of direction, ensuring competence, and ensuring that change is implemented. To do so requires participants to share similar values, to develop a commitment to each other and the organization, and to allow those who possess complementary skills to lead when appropriate.

People learn by doing. The tools in this book encourage collaboration, dialogue, joint decision-making, and action. Working together to address the most central issues of a company creates teamwork, mutual accountability, and the ability to achieve greatness.

**Chapter one summary**

In this chapter, we have defined what leaders do and provided opportunities to develop insight when implementing major organizational changes.

The five leadership challenges are reviewed in the following table:

**Table 1—1: Explanation of the five leader challenges**

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| <b>Challenge</b>   | <b>Purpose</b>  |
|--------------------|---|
| Reframe the Future | Establish a strategy that repositions the company to take advantage of its strengths, re-define relationships with key partners, revolutionize how the product is produced or delivered to customers, and create new products and services. |
| Build followership | Develop a critical mass of supporters who understand the strategy and will do what is necessary to succeed  |

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| <b>Challenge</b> | <b>Purpose</b>  |
|------------------|---|
| Teach and learn  | Develop the leadership skills needed to move the organization forward. Build competence in people throughout the organization. Establish processes that encourage learning to undertake new challenges now and into the future. |
| Build community  | Create the infrastructure that enables people to work together effectively and accomplish the expected results.   |
| Manage paradox   | Build in the mechanisms to manage the conflicts that naturally occur when reality collides with expectations.   |

At certain times in the organization's life, some challenges are more important than others. Know where the organization is and what is needed. Then focus on the appropriate challenges.

- Organizational leadership is a function, one that may be attended to by a single person, a small group, or many people throughout the organization who care about what can be achieved. Who does what to meet leadership responsibilities depends on what the organization needs and who possesses the skills to meet those needs.
- Managers ensure order and consistency. They delegate tasks, solve problems, and ensure that expectations are fulfilled. Leaders ensure the long-term health of their organizations by meeting the five leadership challenges.
- Many leaders are more comfortable being individual contributors or managers than they are fulfilling their leadership responsibilities.
  - Most people have spent most of their time learning the specific technologies of their profession.
  - Organizations are more likely to have programs in place to encourage managership than leadership.
  - What is expected from leaders is unclear.

The Leader's Map provides a path for thinking about and implementing change. Problems will occur if the leader moves directly from Reframe the Future to Build Community without first attending to issues of followership and competency.