

# The leadership jigsaw -finding the missing piece

**Russell Connor and Peter Mackenzie-Smith**

**Leadership cannot be summed up by a list of action points. Leadership is an active interaction with the world and involves bringing into being new possibilities from within real constraints.**

Managing constant change has been a theme for a decade or more. Dealing with discontinuous change is a much more recent phenomenon. If tomorrow is not the same as yesterday, what do leaders draw upon to help guide them to make wise decisions? Clearly, past experience cannot be the whole answer.

Though the demands faced by leaders are becoming clearer, the essence of leadership is difficult to capture. The question of what it takes to be a good leader has been the subject of much thought and research – and the recent increase in interest coincides with the step changes in complexity many organisations face.

## **The demands of leadership**

We live, lead and work in an era of contradictory forces. The waves of change sweeping the world – including digitalisation, globalisation, demographic shifts, migration and the rapid degradation of social and natural capital – are creating opposing tensions. You can see these any time you open a newspaper or management journal: speed versus sustainability; exploration versus exploitation; global versus local ways of organising; top-down versus bottom-up approaches to leadership.

While there has always been upheaval in human history, there is something different about today's circumstances. According to a recent "white paper", Dialog on Leadership, from the McKinsey Society for Organisational Learning: "The pace of change is somehow faster, the frequency and amplitude of restructuring and reforming are significantly greater, and the pathways of emerging futures seem to be less predictable than they were in earlier times".

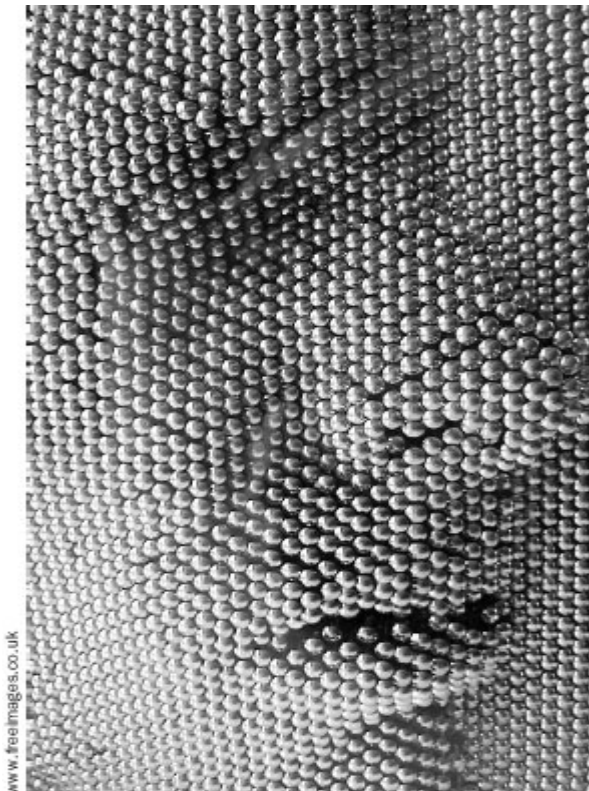
These waves of change have been evident for some time albeit the tensions are increasing as time passes. In addition, in recent years there have been huge discontinuities in markets and social structures. We have seen the inflation and bursting of the dot-com bubble, the collapse of global corporations (Enron being one example) and upward movement of share prices give way to wild fluctuations and massive devaluation of assets. And this is just the business world. No list of events marking discontinuous change could be complete without reference to September 11 2001.

If we cannot look to past experience, technical know-how or acquired knowledge to determine what it takes to be a leader, then what is it that makes a difference?

## **Prevailing views on leadership**

The following approaches have, to varying degrees, illuminated the subject of leadership:

- Humanistic psychology placed an emphasis on the leadership values such as teamwork, mutual appreciation and dialogue



- Behavioural psychology and the competency approach have attempted to identify what leaders do and how they act
- Personality theories have attempted to identify personality types and combinations of traits that leaders have in common
- Situational leadership is based on the idea that there is not one preferred style of leadership – the most appropriate one will depend upon the situation that needs to be faced
- Emotional intelligence suggests that genuine leaders have to be emotionally intelligent as “they create resonance in those they lead – a reservoir of positivity that frees the best in people”
- Comparing and contrasting “leadership” with “management” has sought to differentiate leadership from a more general managerial competence

We can best describe the way “leadership” has been tackled as butterfly catching. Researchers, management

theorists and practitioners have brandished their nets in an effort to find the genuine article. After netting a wide variety of species, some of which were truly attractive, they turned their attention to finding the rarest of specimens in particularly demanding or exotic ecosystems.

Once caught, the interesting butterflies were pinned and labelled. The differences with lesser varieties were noted. However, having pinned, labelled and classified, the essence of leadership remained as elusive as ever.

All of these approaches share a similar frame of reference. They have taken leadership as an objective “reality” and worked to identify common aspects such as behaviours or competence. Even those approaches seeking to identify less tangible aspects, such as values, personality traits or even emotional intelligence, have tried to establish leadership “facts”.

### **What is missing?**

There is a gap in the practice of social and management science. While theorists and practitioners have largely focused on establishing the doing of leadership, being a leader has been left to the “hero” chief executives to write about in their autobiographies. But even they do not help us much, usually assuming that their readers want to hear what decisions they made rather than how they made them.

It is difficult to describe leadership as a list of “must do’s”. To quote the Dialog on Leadership again: “In everyday experience we do not see what precedes leadership action – the thought processes that gradually lead to the development of entrepreneurial ideas and initiatives. We do not see the full process of coming-into-being of social action: we do not see its descending movement from thought and consciousness to language, behaviour, and action. We see what we do. We also form theories about how we do things. But we are usually unaware of the place from which we operate when we act”.

We think we know a lot about experience but in fact we don’t. Few people are able to suspend the preconceptions and assumptions that make up their approach to the world and examine the structuring and layering of experience that underlie them.

The thousands of management books rarely dip beneath the surface to reveal the real experience of making far-reaching decisions. This is not because the authors just want to demonstrate success or their problem-solving prowess. It is rare to be able fully to articulate

the perceptual skills involved in defining and seizing opportunities. People focus on an issue, opportunity or problem without being able fully to set out or report their thought processes. It is becoming widely accepted that people make decisions as a consequence of an interplay between what is articulated and what is not.

### **Leadership: the key concepts**

The linked concepts of the “work” of leadership and capability are useful to help gain insight into the subject of leadership

#### ***The “work” of leadership***

One framework for looking at the structure of managerial work has been developed by Bion (formerly the Brunel Institute of Organisation and Social Studies), which for more than 30 years has carried out research into what it takes to manage and lead in environments of increasing complexity. Based on the work of Elliott Jaques, it emphasises the significance of time as the medium for the process of work and the criterion for its completion. Work can be defined as the exercise of discretion within prescribed limits (real rules and regulations) to achieve a goal (objective).

In these terms, time has a dual significance for work. From the point of view of prescribed limits there is an agreed time by which a task must be completed. The discretionary content of work is the exercise through time of the capacity to create sufficient “pattern and order” on the path towards the achievement of a goal.

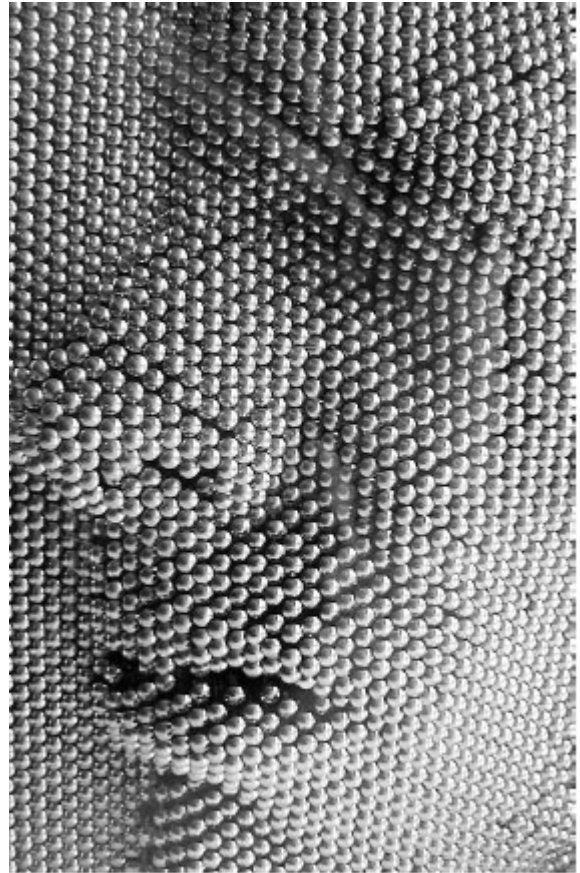
In Jaques’ words: “Having decided how to set about a task, and having completed it, you can never be sure that if you had decided to do it another way that you might not have done it better or more quickly. You just do not know. Once a task is done it is done. If you set about to replicate the task and the conditions under which you did it, you are in the process of creating knowledge. However, this is not ‘work’ in the same sense. While knowledge is one of the essential tools of work, it is not the work itself. Knowledge alone will not see you through. In work you are confronted by problems that have no absolutely correct answer. You have to use *knowledge and judgement in interaction.*”

Seeing knowledge as a tool eases people away from the feeling that it is their fault they do not know enough and helps them to accept that as jobs get bigger and more complex there is a growing degree of “unknowability” in many of the situations where decisions must be made.

Obviously some roles in organisations deal with more uncertainty and complexity than others. Over 30 years ago Bion defined the types of work in terms of

complexity that are carried out at various levels in organisations. (See Figure 1.)

The leadership jigsaw – finding the missing piece 61



This framework is helpful in that it can be used to make a distinction between leadership and strategic leadership. All levels of work involve discretion and certain levels of judgement and therefore it is possible to say that everyone has the opportunity to take a leadership position in their area of responsibility. Strategic leadership involves bringing new possibilities into being and is very different from leadership at lower levels of work where the focus is on resource effectiveness, efficiency and best practice.

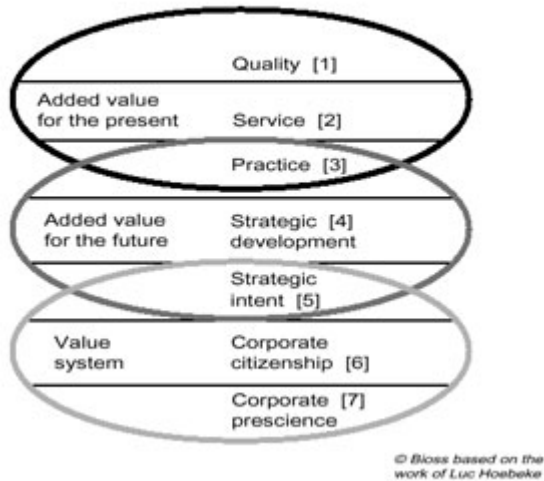
Using the framework illustrated in Figure 1, four kinds of strategic leadership work can be identified:

- Strategic development. The theme for this capability is modeling
- Strategic intent. The theme for this is weaving
- Corporate citizenship. The theme here is revealing

- Corporate prescience. The theme here, now at the highest possible levels of leadership, is previewing

62 Russell Connor and Peter Mackenzie-Smith

Figure 1  
Domains of work



### Capability

Capability is used to describe the way in which people “pattern and order” their experience as a basis for making sense of their world and acting in it. Capability is not simply an attribute of a person but is characteristic of the whole pattern of relationships that he or she builds up in the process of defining the shape, sense and scale of the world in which that person is going to operate.

Capability defines the scope and complexity of the world people construct and in which they act. It is therefore reflected in the degree of uncertainty that people perceive and can tolerate, the scale of their view of the world and the kind of inner structure they bring to bear on opportunity identification, definition of problems and the pursuit of solutions. While individual in reference, the concept of capability does not separate the individual from the world. On the contrary, it describes the active construction – in the sense of both building and construing – of the world in which that individual lives. “Pattern and order” is the way individuals build a perspective in the context of uncertainty and complexity so that they can make decisions when they do not know and cannot know what to do.

There are limits to the size and scale of the world we are able to construct and pattern and in which we can live and work. For some, the ability to find pattern and order at increasing levels of complexity develops faster and

further than for others. Capability can develop at an average, modest rate or, in much rarer cases, on a sharply rising curve, enabling people to make sound judgements even when the ambient complexity and uncertainty is at a very high level. Figure 2 gives an example of one manager’s capability – an individual who can grow to potentially high levels of management but would probably not be comfortable at CEO level.

Bloss research across many nationalities and types of work indicates that, although capability grows at an individual pace it does appear to grow at a consistent pace. Thus, having plotted the individual curve, predictions about future capability can be made with more statistical confidence than with available psychometric measures.

The relationship in Figure 2 between capability and time (age) can help to explain and illuminate a number of leadership scenarios. Some people will steadily grow in capability so as to be ready for decision making at the fourth level of complexity – strategic development – in the maturity of their careers. Others will be comfortable at that level at a more precocious age, perhaps on their way to having capability at Level 5 or even higher. This model can, for example, help to explain to a very high-potential young manager that while the long-term prediction for his or her career path is very buoyant, there is currently a gap between their capability and their credibility that is almost guaranteed to give them some temporary frustration.

Equally, this model raises some challenging questions about the age of leaders and our policies on age in general. In Anglo-American business, over the past decade CEOs have been, on average, 10 years younger than in previous decades; they also remain in post for an average of half as long – just over three years as opposed to seven. It might also be said at a more anecdotal level that senior business leaders have never had such low public trust and that it has never been more difficult to recruit effective chief executives.

Figure 3 shows the concept of “flow” – that satisfying, energised state where the challenges we face feel like a good fit with the capability we have at the time. Most of us have languished below the “flow” line during periods of our careers, frustrated at being under-stretched. More critical to the organisation, however, is to have a senior leader appointed to a role well above his or her natural flow point. The impact on decision making, on costs and wasted opportunities, on team morale (and not least on the personal health and happiness of the leaders concerned) can be very serious.

Figure 2  
Growth of capability

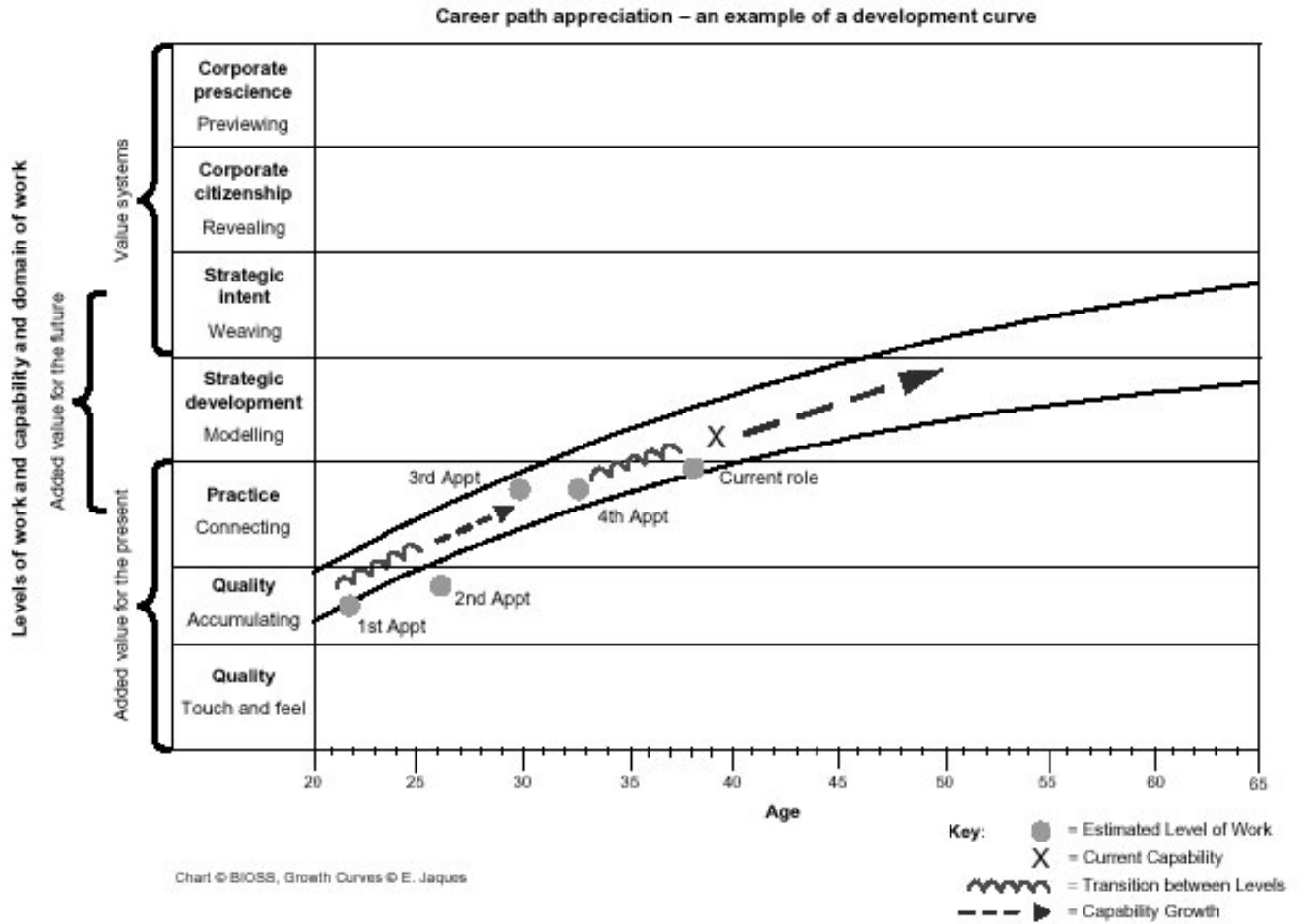
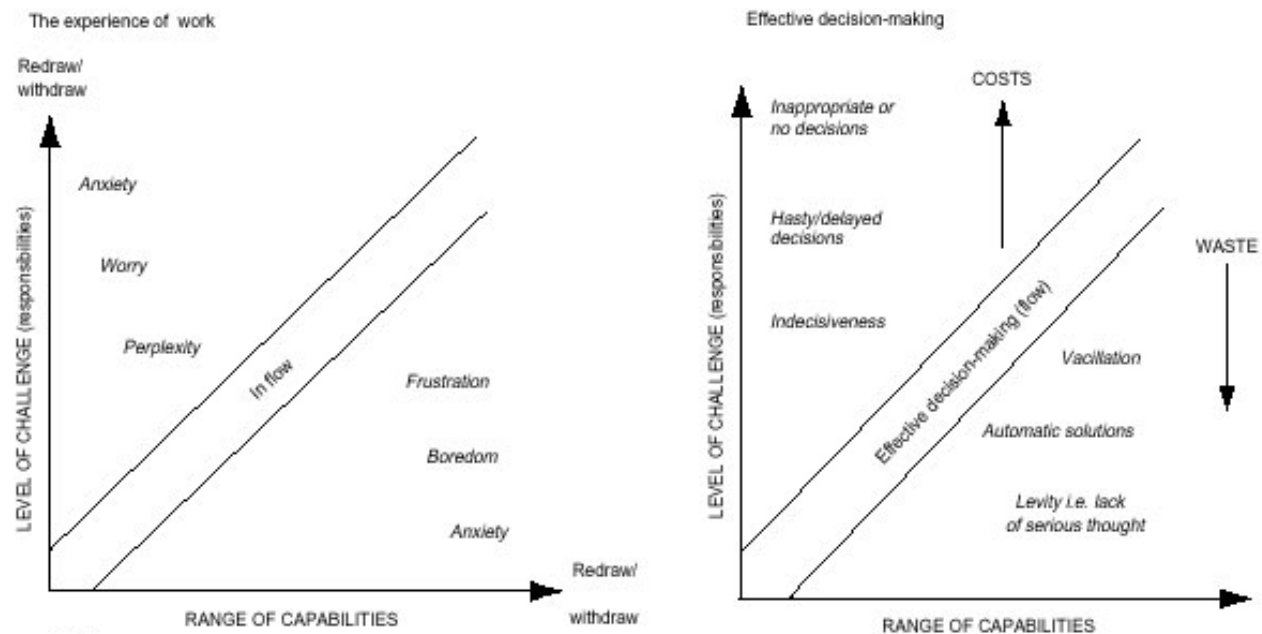


Figure 3  
The concept of flow



It may be that age has been much more of a factor than recognised in the past, not for any altruistic ageism reason but simply because many search and appointment policies, by setting an arbitrarily young age limit, have excluded most of the managers whose capability has grown to the requisite level for the job.

In France, a culture with a different outlook on the age of its leaders, the 70-year-old president Jacques Chirac looks out on business chiefs of significantly older average age. When Jean-Marie Messier failed with some public humiliation in 2002 as CEO of Vivendi, a common reaction on the Bourse was a Gallic shrug and the comment: “C’est évident qu’il était trop jeune, c’est sur...” Messier was 45.

Figure 4 illustrates the integrating role of capability. It is recognised that this is the requisite but not sufficient condition for leadership. All of the elements are needed for the successful completion of the leadership task but with shifting emphases. For example, the skills and knowledge elements for an IBM programming team leader would be substantial. On the other hand, Lou Gerstner, who took IBM from \$8bn loss to \$8bn profit, had, in his words, “absolutely no knowledge of or aptitude for IT when I joined as CEO”.

It is sobering to look at the jigsaw diagram in Figure 4 – and indeed at many lists of alleged “competencies” – and then consider Nelson Mandela. External factors savagely reduced his opportunities to develop the knowledge, skills and experience segments of his jigsaw, yet he emerged to succeed in a leadership challenge of Herculean proportions. This was fairly powerful evidence that, in spite of the worst efforts of his captors, one key element - his intrinsic capability – had continued to grow strongly during 27 lost years.

### **Judgement and leadership**

Capability is demonstrated when people have discretionary space. This space is where the solutions do not fall out of the data and people are called upon to make judgements. It is in this discretionary aspect of work that the balance between analysis and intuition is brought into play in the continuing process of sensing a potential opportunity, defining a problem and constructing a solution.

In looking at the judgements people make, it is useful to consider the following areas in addition to the complexity of the decision itself.

- The level of self-awareness underpinning the judgement
- Making provision for others

### ***Self-awareness***

Self-awareness means having a deep understanding of one’s emotions as well as one’s strengths and limitations and one’s values and motives. Many authors have written about how awareness of emotions is critical to leadership success. There are, however, two further, crucial elements. One is related to the awareness of the psychological “weight” of work, which is generated by not knowing the outcome of judgements. The other relates to the awareness that there are a number of life journeys that are being made simultaneously. An awareness of these is crucial to having a sense of balance.

It is the exercise of discretion and judgement that gives psychological weight to work. The discretionary aspects are personal and consist of judgements made about priorities, pace of work and the pursuit of one alternative rather than another. The exercise of discretion is characterised by doing things without being certain that they are the right or appropriate things to be done at that moment. In work, a manager must tolerate anxiety and uncertainty about the future outcome of the present commitment of personal and material resources. This is the aspect that gives work its “weight” in a psychological sense.

Leaders need to be in tune with the psychological weight of work and be aware of the level of unease that “not knowing” generates. Unease can soon slip into worry and anxiety and leaders need to be aware of an increase in their emotional state.

Leaders need to be able to reflect on how they feel about change and its underpinning – impermanence, transience. Strategic leaders acknowledge that uncertainty is part of their world. It is not just tolerated or minimised but accepted and welcomed as a resource and, paradoxically, as the only certainty. They need to be able to develop a relationship with uncertainty where there is a clear awareness of the level of concern but not such that it impedes decision making either through analysis paralysis or over-hasty action designed to reduce tension.

Some common traits have been observed among leaders of the highest capability, those whose relationship with uncertainty and complexity has been exceptional. Their self-awareness frequently includes an increasing sense of what they do not know, of what their experience does not teach them, of how much they still have to learn and, without any false modesty, how little they have yet achieved. The final sections of Winston Churchill’s and Mandela’s autobiographies, where one might expect a mature summary of all that has gone before, are entirely focused on the future, on how much there is still to be done.

Sir John Harvey-Jones, as CEO of ICI, took the company from a £200m loss to £1bn profit in five years in the 1980s, following this with extensive contributions to broadcasting and presentations. But in a recent interview at age 78 he said: "I don't think I have really achieved very much... you look around and there are so many things that need doing. I would still like to make a difference".

Gerstner, the turnaround king of IBM, when asked of his retirement plans, said: "I'm going back to school. Not to get a degree but to read and to enjoy the process of learning."

And the final pages in the diary of Leonardo da Vinci, whose achievements in a dozen branches of both arts and sciences still leave people breathless five centuries later, are increasingly punctuated with the cry: "Was there anything ever done?"

Leadership often places huge demands on the shoulders of a person. A helpful framework for understanding how this weight can best be carried has been developed by Gillian Stamp. She puts forward the idea that each of us is on four journeys through our lives:

- *The underlying journey.* The journey of the self and in particular the growth in capability
- *The public journey* in the world of work. This where our capability is expressed
- *The private journey* that is shared with family and friends and community in which we are close to others' journeys
- *The personal journey* through which we do or do not care for ourselves and weave together the other journeys

Being a leader throws a spotlight on the public journey. Leaders need to be particularly aware of each journey and the work of keeping them in balance.

#### ***Making provision for others***

In traditional and more stable business environments, the work involved in creating meaning and value systems was rarely considered. In today's more organic and dynamic business environments the intangible dimension – that is, the domain of human interaction and relationships – is moving from the periphery to centre stage. The core leadership activity has moved from working with the more tangible to the more intangible variables of social behaviour and managerial action. What follows from this is that leaders, in order to do well,

have to learn to pay attention to a different set of variables: variables that used to be referred to as "soft", such as intentions, interpretations and identity.

Due to the higher levels of uncertainty in the business environment individuals have to use their own judgement. Accordingly, it is necessary to treat people as people. Not surprisingly, in the world of work where human beings are seen as resources, this is an approach that is not as evident as it might be. The temptation to forget that people are people and to treat them as things – to be switched on and off – becomes great. In these commercially turbulent times, that tired corporate mantra "people are our most important asset" is cynically received as true. People are indeed important as the asset that is easiest to shed, cut, reshape or replace.

In treating people as people it is useful to consider the four Ms also identified by Stamp: people are makers of meaning and of decisions; members of technical/professional groups, communities, families; each person is an irreducible mystery; and treating people as people is messy.

None of the four Ms is particularly attractive to a senior decision maker; they reinforce the truism that managing people as individuals is hard work. Weak leaders see it as optional; high-capability leaders recognise it as essential.

As leaders it is necessary to create the conditions under which people can be treated as people. These conditions include: coherence to address the need for people to make meaning and decisions; an expectation that each will use his or her judgement to the best of their ability; the capacity to review, learn, grow and set blame aside.

This requirement, like all leadership aspects, is full of contradictions and tensions that can be summed up in the paradox between controlling costs/creating value on the one hand and managing relationships on the other.

Managers at all levels are exhorted to control costs and at the same time provide leadership, create trust and treat people – customers, joint-venture partners, stakeholders, competitors – with care and respect. The manager's own position may be vulnerable and yet he or she is expected to provide conditions for others to work effectively, to trust and remain committed to the organisation.

#### **Filling the gap**

The challenge of being a leader at a time when towering corporations can come down overnight is to bring into

being new opportunities through sensing and discerning emerging patterns, quickly to appreciate the range of future possibilities and how events are intertwined and make judgements based on this.

The judgements made by a leader reveal the perceptual skills and level of intuition used to identify problems long before evidence of them can be found by even the most advanced management information system. Through focusing on the judgements that are made it is possible to explore the way leaders make decisions, manage the tensions related to this and make provision for others.

By considering the challenge of work and the individual capability to undertake this as two sides of the same coin real insight can be gained into leadership; this can help meet the challenge of having the right people at the right time to lead organisations in turbulence.