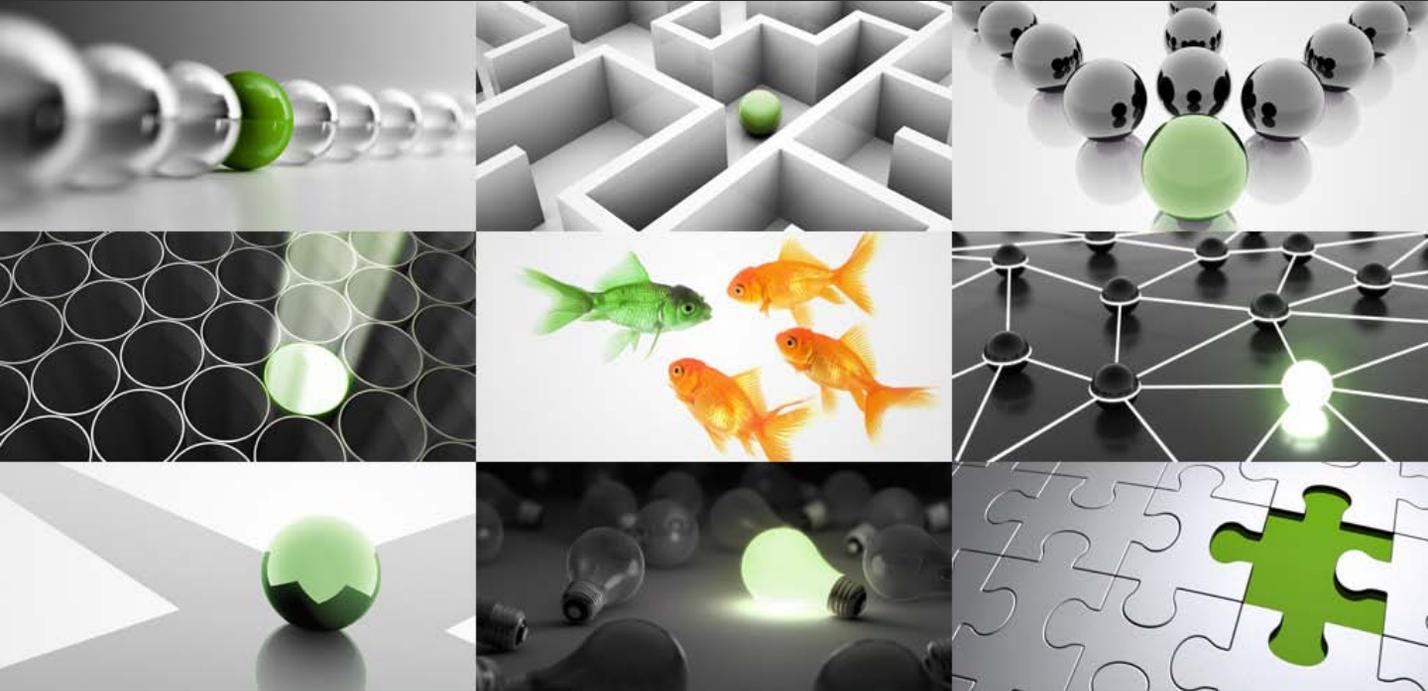# rialto

people solutions for business

Rialto Report:

Accelerating the Need for Whitewater Leadership

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Introduction

Rialto held a series of high level, **round table forums on Whitewater Leadership during 2010.** The panel were a carefully selected group of leading **CEO's, COO's, Directors, Senior Executives and HR Leaders,** drawn from organisations from **both the public and private sectors.**

This report outlines the conclusions reached during those discussions, **focusing on leaders' current thoughts on the skills required to be a truly great leader** within the new evolving business landscape and the myriad of challenges facing them as they strive to lead their organisations successfully into the future.

"The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic"
Peter Drucker

In the 21st Century, slow moving flows have disappeared; leaders now find themselves hurtling down rapids. Whitewater leadership is the new corporate necessity. Current competitive strategies often include mergers, acquisitions, restructures, outsourcing, streamlining or downsizing programmes.

All of these strategies have one common theme...

Employees are moved around out of an organisation forcing managers to handle difficult conversations and awkward situations. As a result, management are finding themselves frequently swimming in a faster moving pool of change.

Whilst the previously alarming year on year decrease in tenure of the average CEO appears to have slowed slightly during the recession, it remains the case that **55% of companies have no succession plans in place.**

Today's complex, volatile, and fast-paced business environment is placing extraordinary stress on leaders – at all levels.

Leaders matter. They matter because more than **95% of all people in the workforce have bosses**, are bosses, or both. They matter because they set the tone for their employees and organisations. And they matter because many studies show that for more than 75% of employees, dealing with their immediate boss is the most stressful part of the job.

Every leader faces a series of challenges, which can be broadly broken down into three key areas:

The first priority is simply to survive in the job. This is no small matter. The average tenure of departing chief executive officers, for example, has been steadily declining. About 40% last an average of less than two years.

The second priority is building the business and increasing value. That is a major challenge, as only about 1 in 10 companies achieves sustained value creation.

A third priority is leaving a legacy of which he or she can be proud - a company that plays a leadership role with stakeholders, in its communities and in the world, contributing to a sustainable future rather than detracting from it.

Rapids of Change: Challenges and Obstacles

Almost all businesses are going through tough times. Accepting and embracing change has become a necessity. The pace of decision making has become more rapid due to continuous marketplace changes and dynamic change is occurring throughout organisations constantly.

"An army mantra for leadership in crisis reminds us that officers should never run because it panics the men"

However, if you want people to change, you need them to feel safe – in today's climate leaders don't feel safe. They are confronted with uncertainty – the world's economies are confounding forecasters making planning difficult; strategies that seemed right six months ago may not now be working; this in turn necessitates shorter planning and implementation cycles requiring more swift and agile decision making and execution. This is counter intuitive to the nervous leader. Courage is required.

Organisational strategies now often include mergers, acquisitions, restructures, outsourcing, streamlining or downsizing programmes – some or even all, managed simultaneously and requiring eyes to be on both the tactical and strategic elements in order to keep things on an even keel but ultimately continuing on the right journey. Leaders move around much more frequently – a pattern has emerged where a leader will join an organisation, make mistakes and leave. This can be time consuming, costly and damaging. A change is needed - a good leader will admit their mistakes, correct the issues and proceed with achieving organisational success.

Attracting the right talent is a major challenge – individuals and leaders are being more selective about the roles they accept. The new generation workforce is challenging the status quo; they no longer have loyalty to an organisation since a job for life expectation no longer exists.

They demand more information from organisations due to increased communication channels and are more savvy and knowledgeable of organisations, how they operate and how they treat their workforce. The criteria for engagement needs to be clear to the individual in terms of what tools and resources will be made available to support the person to achieve both theirs and the organisation's aims and objectives.

The ever increasing burden of compliance is worrying leaders. Thought leadership and progression can be blocked by senior management/leaders worrying about company policies and red tape. Law and governance prevent (or slow down) leaders from making decisions. Governance prevents a leader from being entrepreneurial.

In more extreme cases, good people are turning down leadership positions, they don't want the stress. This is particularly prevalent in compliance heavy sectors where legal issues, governance, bureaucracy and public scrutiny are to the fore, for example, the NHS.

In this period of unprecedented speed driven by rapidly changing markets and revolutionary technology, our attention span and patience has reduced exponentially yet change still takes time. Performance needs to be progressive, not overnight. Leaders are concerned that expectations are too high, especially in terms of people management. Employees have highs and lows throughout the year in terms of performance.

Whilst short and medium term planning is essential, a long term plan is required to navigate through rapids and ultimately progress.

Leadership Styles: Time to Plot a New Course?

The debates have opened with views on leadership styles:

- Are they fit for purpose?

- If not, what is required in terms of change?

"Today's leaders are not necessarily 'out front', they are enablers, or the 'glue' of the organisation"

Times have changed and so have the challenges leaders face. Alexander the Great could not imagine leading his armies from anywhere but the front, fighting on horseback in hand-to-hand combat alongside his troops. In another era, the Duke of Wellington, victorious in his fight against Napoleon at the Battle of Waterloo, stayed well behind the lines, dictating orders to aides who wrote them down and carried them forward to soldiers on the firing line. Today's leaders are different still.

There was a consensus of opinion that traditional models of leadership, particularly autocratic styles of leading from the front with low levels of collaboration, could be considered out of date. Those in organisations maintaining this tradition should challenge the 'norm' – if the organisation has done things this way for the past 20 years, perhaps it is time for a change. It was acknowledged however that different leadership styles suit different situations and leaders need to reflect the industry they are working in and adapt their style to suit that industry.

Exceptional leaders come in many forms but share key attributes that enable them to navigate the ebb and flow of today's organisations, providing calm and assurance but also inspiration, motivation and passion.

Leaders now need to possess a long-term global mindset with good judgment and decision making rigour to evaluate risks and returns attached to different strategic options.

They need to be innovators and change leaders, able to build a culture that supports the generation of innovative ideas and ownership for change. They need to be talent developers, able to create an entrepreneurial spirit and build a team culture based on authenticity, accountability and caring.

If they achieve this, they will ultimately be recognised for their own personal leadership brand.

Leadership is always going to be a challenge being an evolutionary process requiring continuous learning and adjustment.

Lengthy discussions on the importance of various leadership qualities were considered but what emerged was a set of core key attributes that today's leaders need in order to succeed and these are discussed in more detail later in the report

What Makes A Whitewater Leader?

Various examples of strong leadership and teams were discussed including:

the army with its strong allegiances, disciplined training and resilience to tough situations;

the structure, direction and mentoring provided to football teams by their managers, together with the culture of managing underperformance and acceptance that teams need to be constantly adapted to meet performance targets.

"Good leaders turn ordinary people into extraordinary people."

In the current climate, it is paramount that leaders are visionary with a balance of short term and long term strategies. If the focus is continually short term, organisations are left vulnerable and as a result are on course not to achieve their required long term position. Leaders need to give their team the freedom they need to develop the structure of the business to ensure success. Leaders need to be committed and convincing; a workforce needs a leader to follow.

Leadership is about providing others with a sense of purpose, creating an equitable, engaging and enriching environment in which to serve or work, motivating with words, but inspiring through actions.

The job of a leader has never been easy. Not only must they set an organisation's destination and course, bring individuals and teams into alignment, and make certain the organisation's values are upheld, they must do these things in the face of risk, uncertainty and in real time.

To be successful, leaders must find ways for people to identify with them, feel a sense of common purpose with them, and be willing to share their fates. The best leaders, as one executive said, are "people who are genuine, real and who care. They are people who believe in we, and not just me. They are not in it for selfish ends."

Extraordinary leaders produce extraordinary results, even in periods of turmoil. They thrive in times of market growth and contraction. And while leadership in a time of change is not a new concept, it is easy to ignore some of the most important implications regarding a leader's role during times like these.

Each leader is like the captain of a ship, setting the course, steering toward it, navigating by the stars, while others in the organisation furl and unfurl sails, hoist the anchor, cleat the lines and sweep the decks. In this way, the organisation and its board contract with the leader for a set of services – navigating to a destination, keeping the ship afloat, returning the crew safely home – always with the understanding that the captain's fate depends on the crew. In times like these, which are fraught with unpredictability, the captain's job grows more complex, even though the contract between the leader and the organisation remains in force.

Core Whitewater Leader Attributes

The leaders who contributed to this research report came up with many and varied components of what makes a good leader hey agreed on the following core attributes present in both the actual real life leaders they admire and their own personal vision of the perfect leader's.

BUILDING, MOTIVATING AND ENGAGING TEAMS
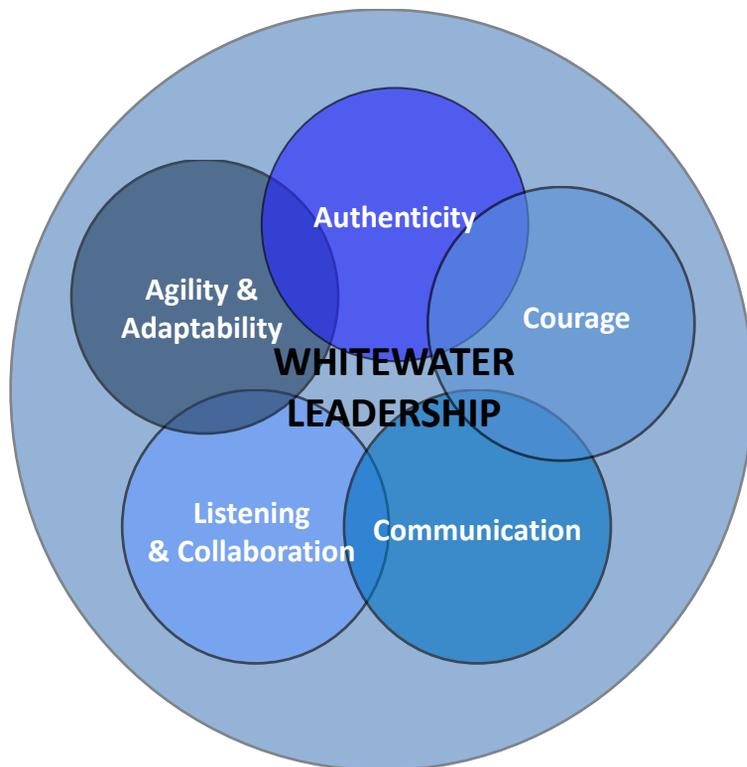
5.1 Authenticity

Being who you are.

Authentic leaders are people of character and integrity who align their thoughts, feelings and behaviour. They are characterised by qualities such as commitment to building enduring organisations, a deep sense of purpose, and being true to their core values.

Bill George, Professor of Management Practice at Harvard Business School, was one of the original proponents of authentic leadership. The recent economic calamity, he argues, has been made worse by a failure of authentic leadership within business itself, by which he means a failure of character and a certain lack of courage in facing up to reality.

He advocates that every manager should develop their own leadership style consistent with their personality and character then adapt (within reason) their leadership style to the immediate situation. Self-aware and authentic leadership first, their own needs second - outstanding leaders unite a deep understanding of others, high levels of self-awareness and a systemic appreciation of their symbolic position to become a role model for others.

Authentic leaders demonstrate self-discipline and a commitment to developing themselves just as a musician or athlete is committed. They balance their extrinsic motivations - desire for external validation, such as status, financial rewards - with their intrinsic motivations - desire for fulfilment, such as personal growth, making the world a better place.

5.2 Honesty

Being open, honest and upfront with others is critical in today's turbulent world and this was reiterated over and over by our round table attendees.

Leaders should be honest when they don't have all the answers – employees will respect them for it. Leaders who make mistakes should put their hands up, rectify the error and move on. No leader is perfect.

Having open and honest conversations with employees means that they are more likely to feel respected, motivated and engaged. No one can guarantee someone's job; it is a mistake to do so. Good leaders do not resist the inevitable and do not over promise - they set strategies and determine outcomes of situations.

A good example of an honest leader is Richard Branson who is known for operating an open and honest environment – this powers employee engagement. His business strategy is creative and innovative, not prescriptive.

Managers often struggle to have honest conversations with employees regarding performance. They need to operate a performance minded culture. Help under performers to move on and succeed. If they are not going to meet your or their goals, tell them.

Being honest, telling it straight, may initially be unsettling for those not used to it but they will adapt.

5.3 Agility

Good leaders are agile, adaptable and flexible – they adjust their style according to the situations they face, calm but responsive when waters are troubled and fast flowing; innovative and visionary when the environment is slow and stagnant. The ability to respond rapidly to situations can make the difference between success and failure.

Agile and adaptable leaders have a good grasp of what is needed for effective short, medium and long term planning with the ability to apply tactics as well as strategy. The challenge of leadership today is constant adaptability and agility. Businesses not only want to know where they'll be in five years but currently, almost more importantly, where they will be in 90 days?

Taking appropriate action quickly, communicating effectively in a careful and caring manner. From this leaders will build a rapport with staff which will result in loyalty.

5.4 Courage

In today's uncertain world, employees are looking for leaders with courage and individuality. They need to feel safe and whilst it's true even leaders don't always have the answers, people still look to those who seem confident and able to take the action needed to tackle the challenges ahead.

Many organisations define leadership capability lists that sound powerful but would be barely recognised as important in environments where real leadership is required, for example: commercial insight, strategic thinking, customer insight and cooperation are all well and good but in testing times, core values denoting real leadership are stronger attributes such as courage, individuality and resilience.

Courage can make the difference - the courage to feel fearful but to present confidence and hope; to be honest and lead with truth. The courage to make decisions for their employees, not for yourself; challenge the principles, behaviours and values that created the status quo; be true to themselves and lead when it can be the loneliest position in the organisation.

There are many reasons why courage is important. One reason is highly evident in recruiting new talent. Courageous leaders choose the best-performing, most qualified candidates to become members of their teams; they are not fearful that they are undermining their own position; they have the courage to be tested.

Research shows that strong courageous leaders choose the best candidates; but leaders lacking courage tend to choose lesser individuals. When this happens, the top ranks of an organisation are eroded and the organisation loses strength where it needs it most, creating a situation from which it is difficult to recover.

5.5 Listening and Communicating

The art of listening seems insignificant but is a critical skill. Despite the frantic torrent of information, both good and bad coming at leaders from all sides, they sometimes need to stop and just listen.

A good leader listens and as well as communicates, creating a two way dialogue at all times, being honest and timely with the truth is very important to employees.

This means successful leaders must develop skills of listening and learning if they are to be successful at leading. Leaders coming into an organisation from the outside must fit with its culture and values. Listening and learning in order to lead are not small tasks, nor are they as easy as they might sound.

Leaders often don't realise they're not listening. They're used to people listening to them. An example from a recent McKinsey survey demonstrates this:

Employees felt that their boss didn't listen. The boss and the team did a group exercise where they spent half an hour brainstorming new products and chose the most feasible, the wildest, and the most likely to fail. As they brainstormed, a count was made of the number of comments made by each team member and the number of times each interrupted someone else and was interrupted in turn.

The boss contributed about 65% of the comments, interrupted others at least 20 times, and was never interrupted. He was asked to leave the room momentarily and his subordinates were asked to estimate the results - they did so accurately. The boss returned. He recalled making about 25% of the comments, interrupting others perhaps 3 times, and being interrupted 3 or 4 times. When he was shown the results and explained that his direct reports had estimated them far more accurately, he was flabbergasted and annoyed.

Leaders should deliver uncomplicated and clear communications and take time to listen. Good leaders are honest, upbeat, consistent communicators.

Obama has a consultancy style about him, he is able to listen to the individuals around him and then take direction from what has been said and views that have been shared.

Outstanding leaders give time and space to others and allow their employees considerably more freedom and influence over the work they do and how they do it.

Communication needs to run throughout an organisation – allow all levels of workforce to volunteer their suggestions and comments – involve them in the business.

The new generation workforce will bring new ideas and changes – leaders should listen.

As businesses grow, communication can become challenging.

Communicate and then communicate again because in a change situation you cannot communicate enough. Over communication is key.

5.6 Building, Motivating and Engaging Teams

Good leaders see people as the route to performance: they are deeply people and relationship centred rather than just people-oriented. They give significant amounts of time and focus to people. For good leaders, people are one group among many that need attention. For outstanding leaders, they are the only route to sustainable performance. They not only like and care about people, but have come to understand at a deep level that the capability and engagement of people is how they achieve exceptional performance.

A leader cannot be successful alone, it takes a team.

A successful leader is one who has a vision which is shared by the entire workforce. They need buy-in, commitment, take advice and most all listen to what employees in the organisation are saying. They need to lead from the heart, be personally involved with every part of the business and be visible to the workforce.

There are still too many organisations operating a 'them and us' policy. Surprisingly, employee engagement research has identified that some managers do not consider themselves part of the organisation's workforce! The financial sector is famous for not allowing junior staff to voice their opinions. This is a negative approach as junior staff could well hold the key to new innovative ideas that would benefit the business.

Good leaders are collaborative – they say "we will work it out" – not "you will sort it out".

Organisations operate more effectively when decisions are made in a team environment.

Engaging with employees is paramount. What does engagement mean? Good leaders believe in the ethos of 'let's work together and as a team' this in turn creates relationship development between a leader and their employees.

A good leader engages its workforce by understanding leadership needs to be a shared factor.

A good organisation allows employees time to do what is important to them. E.g. Google employees are allowed to pursue activities that are relevant to them. This increases engagement with their employer who are more motivated and happy to do the work that is required of them, as they know that they can also follow other issues that are important to them and that they are trusted by their leadership team. Google allows their workforce freedom in a creative environment and takes risks – risks that have paid off.

Whitewater Leadership Strategies

During the global economic crisis of recent years, there have been very few leadership heroes – the environment has been more about highlighting the 'bad guys'.

Should a whitewater leadership hero emerge, it would be someone who has been instrumental in creating stability within their organisation with the courage to take risks, act decisively and take a people centred approach. They would have the attributes mentioned earlier in this report, combined with the strategies and team to take them forward.

During current market conditions, where organisations are hurtling down whitewater rapids, leaders need to give employees the right equipment they need to steer through the course and emerge unscathed and ready to face new challenges.

Sudden changes occur in business –hence they need to have people in place who will turn any corner with them. There must be chemistry within an executive team to have a chance of riding through rapid times.

6.1 You can't afford to have anyone in the raft who can't paddle.

As soon as an organisation finds itself caught in a rapid it automatically cuts costs and makes redundancies, leaving itself operating on a bare bone of employees. The strategy that should be considered is not restructuring, but addressing the performance of the organisational culture. Exit under-performers by means of transition programme and focus on the core talent ready to fight the storm.

Managers need to engage in honest and difficult discussions. They should create a process that:

- Identifies under-performers.

- Know where the talent is in the organisation.

- Use transition services when exiting employees as this maintains both the company's/individual's reputation.

If the right team is not in place, show courage and review the team. The business environment has changed and as a result employees have to change. If employees resist and cannot adapt to the new world then it is likely that they will never fit into the organisation.

A good leader stays calm, restructures and communicates changes to its workforce.

Obstacles are being thrown up all the time. We are now in a place where one situation hitting a particular sector is then impacting on other sectors.

Start by looking at company culture, get the workforce engaged, and repeat messages multiple times so that the message gets through all the noise.

6.2 Don't Overpromote

Employees believe that to be successful in an organisation they need to achieve management status.

Leaders should communicate the message that employees are regarded successful for exceeding management expectations in their existing role.

Too often the wrong people are promoted for the wrong reasons. Just because a person is an outstanding sales person, doesn't mean that they will be an exceptional manager. They might not possess the necessary management skills hence care should be taken when considering moving employees into a management role. Training should definitely be provided prior to any management promotion.

6.3   What happened to Training?

Formal training for managers has almost vanished from organisations. Leaders should be trained for all types of change; people, structure and organisational development. By investing in people, you create a loyal and productive workforce.

6.4 Talent Management and Development

Spot talent in your organisations by conducting Talent Reviews, these reviews will unmask those who are performing and reveal those that have the potential to become a leader.

Leaders at times fail to give employees enough time to show their talent. Organisations sometimes expect too much, too soon. Support and development training should be provided to new recruits in order to maximise their potential and success.

6.5   Succession Planning

Lack of succession planning is a serious issue with research suggesting 55% of organisations have not put succession plans in place. Consider world leading organisations such as Apple, facing a succession crisis but with seemingly little or nothing in place. Just because everyone else has the problem, don't assume it's ok to do so too.

Get ahead of the game. Succession issues in an organisation leaves the company open to major weak points. What happens if the leader leaves and there is simply no one ready to step into the role? New leaders are in short supply due to lack of training and coaching.

Move to identify the best talent you have and nurture it. Skills can be taught, aptitudes need to be coached. Organisations need to have plans in place to move employees forward. Just as you would develop a business, you need to develop people.

6.6   Engaging and Motivating

Employees are an organisations asset, invest in them. Conduct employee engagement surveys. This form of communication not only shows that you value and care about your staff, but also provides leaders with a clear picture of what their workforce is thinking.

- Implement measurements for evaluating how effective leadership is in the organisation.

- Outcomes must be addressed and changes implemented to make the exercise worthwhile.

Provide employees with feedback from the survey. This creates enhanced engagement and productivity.

Ask questions. Gather as much information from employees – one of them might just have an idea that ignites the organisation.

Understand what motivates/de-motivates your employees, this will enable to you to develop a high performing workforce.

Create a unique proposition which motivates all employees.

You don't know how you are going to get there, but you know what you want to get. A good leader will steer the workforce, communicating instructions along the way.

A performing organisation that is responsive to change may not rely on, or have just one leader, as different times or situations may call for different types of leaders / leadership styles.

Leading by clarity of principles, someone who creates a values framework and sticks to it, so employees know where they stand at all times.

A good leader empowers people to go off and do things on their own.

Employee engagement surveys often reflect this, as one of the most common responses when asked what they like about their job is: "The people I work with".

Calm Waters Ahead?

When you finally come through the rapid. It's worth being there – the reward will be yours... your competitors would have fallen off their raft meaning less competition.

However, the journey never ends – as soon as you have conquered one rapid another lies ahead......

Rialto specialises in unique change management and transformation solutions which deliver exceptional results. We provide a range of services and interventions associated with the entire people agenda .

Our services include:

Transforming the Performance Culture

Executive and Leadership Coaching

Outplacement for Senior Executives

Outplacement and Career Transition

Executive Search

Interim Management

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