



LEADERSHIP FOR CHANGING TIMES

THIS WHITE PAPER discusses the underlying force holding companies back from fulfilling their potential – the fear of change. It examines the fundamental difference between leadership and management and between understanding and knowing, before focusing on the three leadership skills which are essential in facilitating companies to identify and achieve their goals.

Leadership is needed broadly within every company and specifically at board level and at the sales interface with customers.

White Paper Series — Paper 1

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LET'S FACE IT, MOST OF US HATE CHANGE. Just as we become comfortably settled into a routine in our life or in our business, change comes along to upset the apple cart. Most of our training, through early childhood, school days and work, shows us how to organise our thoughts into familiar patterns and how to manage along established guidelines. This is natural. When we turn our life and our work into a smooth series of routines, getting by with the minimum of effort, we are following the first rule of nature: 'Don't waste energy'. We build our self-esteem and our sense of security around these routines, at home and at work. Change unsettles our routines, shakes our confidence and creates more work. That's why most of us hate change.

Some of us even fear change! Some of us are so settled in our routines that we won't change, even though carrying on 'business as usual' is slowly killing our company. We would rather hide our heads in the sand than face the reality of what is going on around us. We think that just doing the same old things more quickly and for longer will allow us to cope with change. We end up harming ourselves as well as our companies.

In today's world, the pace of change is accelerating: it unsettles our lives and our businesses. Continuing to manage our businesses using established practices, many of us are barely coping. To quote the American philosopher Thoreau 'Most men live lives of quiet desperation'. In times of rapid change we need to stop just managing our lives and our businesses and start leading.

LEADERSHIP AND MANAGEMENT

Leadership and management are often confused. Managers go on 'leadership courses' which include solving puzzles, often outdoors, for example leading a team through a minefield. This is not leadership, for the objective is known, the team defined and the boundaries set. This is management, with motivation.

Management is about handling complexity. Leadership is about handling change. Motivation is required for both.

Managers have an objective, a team and a 'way we do business around here' to guide them through the complexities of achieving their objectives. They are essential for establishing routines and for increasing productivity.

Leaders are needed when the 'way we do business around here' no longer works, when new goals and objectives are required. Leaders develop a broad awareness of what is happening around them, where threats lie and where opportunities can be found. A sensory connection to their business, their market and the wider environment is paramount to develop the right moves.

Why do we find change quite so unsettling?

How do we separate leadership from management?

What do we do when 'business as usual' doesn't work?

Leaders use their instinct to select objectives that will maximise the potential for their team or their company within the wider environment. Leaders create a vision to motivate the team to change to achieve these new objectives. Leaders break the inertia of the fear of change in teams within their company and in virtual teams with their customers and suppliers.

Few of us have the luxury of being just a manager or just a leader: most combine those roles. Rapid change impacts us all in our dual roles: we need to learn how to switch easily and effectively between leading and managing - to make the right moves and to handle their complexity. For most us, already well-trained in management, the need is largely to develop the three leadership skills: *awareness, intuitive decision making* and *vision creation*.

Before discussing these skills, we need to examine what is at the core of leadership – the difference between *understanding* and *knowing*.

Understanding and knowing

Understanding occurs when the brain, our conscious mind, has organised a set of facts into an answer to a problem - very much like completing a jigsaw. With understanding, we make decisions based on facts.

Knowing occurs when our intuition, our unconscious mind is attuned to the environment in which a decision is required. In knowing, we make a decision based on instinct.

Learning to drive provides a simple example. When we passed our test we understood driving, which pedals to push, which levers to move and how to steer. After a year or so, we found we knew how to drive. We became able to respond automatically to potential danger - pressing pedals and moving the steering wheel quicker than thought. We may also have found that, when deep in thought, our unconscious minds were safely driving the car.

The journey from understanding to knowledge is critical for leaders when their environment is changing rapidly. Essential facts may not be available and decisions may be required quickly to avoid disaster. Our brains and thinking are excellent at managing complexity but are little better than useless at leading change.

Leading change requires a sensory connection to our business. Research has shown that most of our decision making is instinctive¹. Without that sensory connection, we do not have a full sense of where we are with our business and we cannot form an adequate vision of where we want to be. We struggle to make good decisions.

‘You can understand that water is composed of two atoms of hydrogen and one atom of oxygen but when you know water you can make it rain.’ (Peruvian Shaman)

How do we get from understanding to knowing?

How will instinct help us?

THE THREE LEADERSHIP SKILLS

1 Building awareness

When we first take on a new role in business or start a new business, we immerse ourselves in it. We talk to the other people in the business, to customers, to suppliers, to competitors and we read anything to do with our business. We start a journey in the physical world, but we also start a journey in the energetic world. Whilst we are picking up physical understanding, we are also building a sensory connection to the energy of our market and it is this connection that fuels our entrepreneurship, our instinct for business. We just know the right moves to make.

Unfortunately, as our businesses grow, we tend to become more involved in the *business* of doing business, running the company, rather than in doing business. We gradually diminish our energetic connection to our market and our instincts for the right move. We start to rely on understanding what changes are needed. We use consultants and surveys to advise us rather than using direct experience. A paper presented by David Butcher of Cranfield School of Management suggested that 70% of board members were out of touch with their market. This is detrimental in terms of both understanding and knowing the right moves to make.

Native nomadic tribes were experts on awareness. They needed to be constantly alert to their environment in order to survive. When they arrived in a new place they would look for animal trails that would tell where food was, where water was and where the animals slept. By reading the tracks on the trails and listening to the alarm calls of birds they could tell which animals were nearby. By searching and scanning their surroundings they could find wood for building fires and shelters and plants to create medicines to keep the tribe healthy. They rapidly assimilated a connection to nature that allowed them to survive.

Leaders need to become trackers in their own environment. They need to talk to suppliers, to customers and to their people, to establish how business is and how it needs to be. They have to ask questions and listen to the answers. Sending someone else to ask the questions and listen to the answers doesn't work – it's like passing a driving test but never driving a car. Unless leaders are directly in touch with their marketplace, they cannot build awareness of their current situation, that sensory connection that is essential for knowing the right thing to do.

It was interesting and sad to learn that during the Asian tsunami disaster of Boxing Day 2004 most of the wild animals had headed to high land before the tsunami struck and only a few were killed – they had picked up the signals of danger that humans were no longer sensitive to.

Why is sensory perception so important to us?

How do we develop awareness?

2 Making intuitive decisions

Most decisions in business are made through debate. A number of interested parties get together to put their point of view and generally, the most convincing or most powerful person wins, or even the person with the loudest voice. This can also happen with individual decision making where we gather together a number of different views and then have an internal debate involving the most important influences on our lives – parents, partner, direct manager, peers etc.

The problem with debate is its excluding nature – someone gets their point of view selected, whilst others may have vitally important contributions ignored. Not only can the decision be faulty, but also the division into winner and losers can create factions that destroy the potential of the decision from the start.

In addition, facts and feelings - positive and negative, past, future and present - become mixed up, both in the words of the debater and in the minds of the listeners - creating a parallel processing of information. The objective of the debater is to win the argument, rather than come up with the best decision, and everything is grist to the mill when convincing the audience.

A better model for leadership decision making is that advocated by Edward de Bono². Here information is presented sequentially – the facts and the feelings are kept separate. People are recognised for giving good facts, for being honest in their feelings, and for being positive at the time when everyone is being positive and for sharing doubts when everyone is sharing doubts. Everyone is included and the richness of the information available is enhanced.

How does a leader make decisions in this environment where a group of people are involved? The leader may use this method of gathering information to fuel their own intuitive decision, or they may decide to use the opportunity for team building and turn the decision over to a vote based on the intuition of the group. Whichever way is chosen, once all the facts and feelings have been discussed, the decisions are usually obvious.

The selection of contributors to this process is important. The right quality of understanding and experience is essential to provide the breadth of awareness required to feed the intuition. That means involving those directly affected by the decision in addition to those who have had experience of making similar decisions.

It is important, too, that the leader builds confidence in intuitive decision making, both in themselves and in the participants. This can be achieved through decision games in the same way that war games build the confidence of battlefield soldiers to make intuitive decisions that may save their lives in war. Most native traditions include rituals which train them to react intuitively to the dangers of their environment.

How do we usually make decisions?

How can we encourage intuitive decision making?

3 Creating a vision

Selecting the best possible future out of the breadth of what is possible, then painting an exciting picture of it, is vital in ensuring that leaders and the people they lead are inspired to change.

This simple formula for success in life and business is at the core of most business publications:

Know where you are.

Know where you want to be.

Plan to get from where you are to where you want to be.

Carry out the plan.

Knowing where you are and where you could be requires the skill of awareness. Making the decision of where you want to be requires the skill of intuition. Developing and maintaining the momentum to make a plan and carry it out requires the skills of visioning and motivation. It is the quality of the vision of the future in a life or a business that generates the energy for change.

A vision is a decision about the future. A great vision is a picture that people want to see themselves part of. Business visions that are just words have no power. The words need to create a picture and excitement that causes people to change.

Think about the pictures that inspired us as children. We hung pictures of our heroes on our bedroom walls or carried them within our heads, perhaps changing these as we grew older to images of potential partners or lifestyles. They inspired us in our choice of sport or profession or the level of income we wanted to achieve. For some of us, the energy created by these pictures was enough to carry us through barriers and over obstacles we met on the way. Without the pictures, there would be no goal to aim for.

That is a problem haunting most businesses – there is no sense of an exciting future that all are working towards. This is why so many change management activities fail.

Leaders need to create a picture in their heads of how the business will look when change has happened, and then successfully communicate that picture as simply and vividly as possible so that it excites, inspires and motivates people to change.

The skill of motivating is required by managers as well as leaders, but for leaders, motivating goes beyond words and plans into behaviour. The leader has to live the vision, as well as communicate it through logic and with passion.

Great leaders take on the mantle of the vision they have created. It is their behaviour, their confidence, their body language that most convinces people to change.

A great vision not only inspires change, it also makes future decisions easier. Each decision point can be assessed against its impact on the vision and be quickly accepted, adapted or rejected as a result.

What skills do we need to create a vision?

How can we inspire and motivate change?

Business Tracks Ltd

HANDLING CHANGE IS DIFFICULT. Business Tracks was born out of the conviction that a wider perspective is needed for training leaders to welcome and embrace new opportunities in a rapidly changing world. We offer a distinctive and insightful approach to individuals and companies enabling them to lead change within their business.

Who can I talk to about this?

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Inspiration, and food for thought

The 18 Challenges of Leadership – Trevor Waldo & Shenaz Kelly-Rawat

An excellent presentation of ideas and exercises for developing leadership.

Intuition at Work – Gary Klein¹

A source book about decision making and intuition.

Appreciative Inquiry – Watkins & Mohr

Examines the use of positive questioning to help examine failures and issues

Six Thinking Hats – Edward de Bono²

The antidote for destructive debate

Spin Selling – Neil Rackham

Contains the art of extending sales awareness within a customer environment

