

Successful leadership: building a solid future for your organisation

25 Jun 2019 By Professor Randall S Peterson

Professor Randall S Peterson considers how leadership has changed in recent decades and the necessary skills to ensure an enduring future for your business

We live in turbulent times. Things we never imagined five or 10 years ago are now a daily reality. Business is right there in the middle of it all, ranging from the climate-change debate to artificial intelligence and machine learning. So how do organisations develop their leadership talent to be more agile and respond to uncertainty in the world?

Then and now

Back in the not-so-distant past, many of us will remember that the world of work was highly structured. We knew where to go to find the type of job we wanted, we got training for the role we would play, and we knew what to expect. In that environment where the future was predictable, hierarchical structures made sense and were highly functional for powering through the bits of unexpected 'rough air' that came our way. In that environment, there were many small steps to gradually work our way up the corporate ladder. We started in a technical role; we became a team leader; then ran our department; and so on up to the C-suite. We all knew that essential knowledge rested largely within senior teams creating a general acceptance (and expectation) that management teams would have the answers to our problems.

Today, that 'rough air' has grown in intensity to become a hurricane-force wind, and we can see that pieces are coming off of the established order (eg think Kodak, Woolworths). As the competition to survive and thrive has grown in this new reality, organisations have become flatter, squeezing out layers of management to improve efficiency. Data is still important, but instead of being desperate for data as a means to make informed decisions, today we are swimming in data and need to sort what data is worthy of our attention.

Today's leaders need to be able to cut through the noise and work with colleagues to leverage their collective expertise. The old ways of L&D are disappearing quickly, so what should replace it? Some organisations have gone down the solo route of outsourcing L&D to individuals. But I know there is still a critical role for formal organisational L&D in helping current and future leaders to adjust leaders' mindsets in order to be successful in this brave new world.

Staying ahead

Here are the key skills and attributes for today's leaders.

- Build psychological safety to facilitate collaboration and learning^{[1][2][3][4][5][6][7][8][9][10]}

Leading a company to success these days requires an organisational learning culture where curiosity and the acquisition of new skills are encouraged. This means that staff must be encouraged to experiment with new ideas and ways of working, safe within the corporate frame. To achieve this, companies need to embrace a 'fail fast, learn fast' culture, which in turn relies on instilling a sense of psychological safety throughout an organisation enabling people to try out new ideas (within reason) without fear of retribution.

This is best created with a two-pronged approach. First, teach workers (and leaders) how to engage in personal experimentation, trying new behaviours and ideas; that is the easy part. Second, teach our leaders to think about 'hit rate', 'percentage success' and the like, rather than 'you are only as good as your last performance', because when the focus is on last performance it encourages a fear of failure rather than aiming for success.

- Nurture diversity and treat it like gold dust

With a background of psychological safety, it's easier for people to bring more of their 'real self' to work. When this happens, it becomes possible to build a culture of greater authenticity among staff and leaders based on mutual trust and a high degree of transparency.

Mutual trust and a high degree of authenticity creates a virtuous circle where diverse perspectives are embraced, enabling better quality of debate and decisions, encouraging everyone to bring new ideas forward. Hence, those from different backgrounds and with varying skillsets can exchange ideas, and trust is therefore the first step to managing discussion effectively.

- Remind them how to learn (and adapt)^{[1][2]}

Given the pace of change, companies and whole industries need to learn and adapt – and often quickly to secure their future. For example, as driverless cars become the norm, will car interiors become mini-mobile entertainment centres and, if so, will they need to compete in new markets?

As adults we sometimes 'forget' how to learn. But learning is critical for long-term career success in a turbulent environment. Having an organisational culture that supports learning and experimentation, while being also rooted in collaboration and trust will help to make this happen.

In short, successful organisations' teams of the future will be much more about creating a culture of learning rather than compliance or delivery: when people are not scared of what they might lose, and instead focus on possible gain, they become much more adaptable to change.

There is still much that an inspired HR and L&D team can engage on with their colleagues to support leadership development: creating a culture of psychological safety, nurturing diversity, and focusing on learning in their work as a start.

Randall S Peterson is Professor of organisational behaviour and academic director of the Leadership Institute at London Business School