

1

Leadership Demystified

"I'm all for progress; it's change I don't like"

Mark Twain

Why leadership?

The point of leadership is to initiate change and make it feel like progress.



Leadership is
making people
like the unlikable

"Leadership is
the ability to get
men to do what
they don't like to
do, and like it"

Harry Truman

It's not just Mark Twain who was against change. We all are. But where there is life, there is change. Change is inevitable. The issue is whether we are going to be hapless victims of change, or initiators and exploiters of change, for the benefit of ourselves and of other people. Are we going to suffer change, or drive progress?

Leadership is what takes us and other people into a better world. Leadership insists that things must be done differently. Leadership rides the forces that are pulling individuals, groups, organizations, markets, economics, and societies in different directions, and lends a coherence that will enable us to benefit from the change around us. Leadership says, "We cannot just carry on doing what we have done before. See all these forces of change around us; they are not just threats, they are also opportunities. But we must do this rather than that."



Smart answers to tough questions

Q: Isn't the idea of progress dead?

A: Yes and no. Philosophers and historians no longer believe that life is an ever-upward path – there is plenty of evidence to the contrary. Yet business and science have combined to create a near-utopia that would have been inconceivable three centuries ago. Economic growth at 3% a year means that wealth doubles within 23 years. Over a century there is an increase of 20 times. Business leadership drives this growth – which makes poor people rich.

If it is effective, leadership persuades people who would otherwise carry on doing what they are doing, to do something different, in accordance with a shared view of what that “something different” comprises. Leadership uses change to make progress.

Leadership is a quality, a culture, a role, a mind-set, and a set of actions. Leadership encompasses everything that is necessary to induce constructive change.

What is a leader?

The real definition of a leader is someone who provides such leadership. This person, these people, who are true leaders may or may not be the formal leaders. There may be no formal leaders. The group itself, which is experiencing and benefiting from leadership, may not even be defined to start with.

What this book can do for you – leadership to create wealth

This is a book for both formal leaders – those whose job it is to lead – and for informal leaders – those who lead regardless. For both current and aspiring leaders.



Smart quotes

Leadership is proving the unprovable

"Most leaders in some deep sense are striving to prove something which is unprovable."

Gerry Robinson



Do you want to
be a leader or a
business leader?
Why?

Business leadership is about effective and profitable adaptation to the conditions around the organization: it's about choices and actions that are mindful, sensible, and yet courageous too. Taking and executing decisions in a way that is responsive and flexible, as well as deliberate and influential, that makes sense to colleagues, and gains commitment from them.

Business leadership must distinguish hype from healthy optimism; denial and over-skepticism from prudence. The leader must be able to judge when it is time to act; how to frame strategies in order to appeal to others and get things going.

In so doing the leader manages the boundary between what *is* happening – the present – and what *needs to* happen – the desired future – taking into account the group's legacy and position: its potential, dreams, obstacles and prejudices.

Leading is living and influencing

We all take such leadership decisions throughout our adult lives – in our choices of career or life-partner, whether or not to have children, to move home, start a business, or change jobs. In none of these situations can a management system or glossily packaged pop-psychology provide a definitive, sustainable answer. Instead, we have to face reality, choose and act, in time, with no guarantee that we have done the right thing.



Why do you
want to be a
leader?

(For a surprising
answer, see
Chapter 2)

Yet our focus is on *business leaders* and *business leadership*. There are many common factors to leadership in business, in society, in politics, and in other theaters. But one of the requirements of leadership is a good instinct about what to do. It is no use persuading people to change if you get them to do the wrong thing. Change would then not be progress; it would be “anti-progress.” The instincts about what to do require specialization.

In business, leadership is not just about making things different and better. It is about making money in the process: lots of it. This is the only objective test as to whether resources are being used sensibly, whether change really is economic progress. We want to tell you how to use leadership to make lots more money.



Smart answers to tough questions

Q: If business leadership is different from leadership in general, why do nearly all leadership books and courses draw on examples of political and military leadership?

A: Examples are always useful and business examples are always tricky. The business leader may go through a bad patch after the book has gone to press. Another reason is that most of the people writing about leadership are psychologists and organization development specialists whose understanding of “leadership” is greater than their understanding of business and how to make money. This book will draw on general insights about leadership and what drives individuals to self-knowledge, but also on how this can be used specifically to create wealth.

Moving from the present to the desired future

This entails understanding the environment, and one’s own and others’ motivations, (in all their complexity), deciding on future direction, and mobilizing people in that direction.



Smart quotes

Leadership is moving people to the unknown

"The task of the leader is to get his people from where they are to where they have not been."

Henry Kissinger

Leadership in business is like that, with the additional complication that deliberate change has to result from the impact that people have on each other.

Think about the person who has influenced you most in your life, who despite your anxiety and regardless of receiving no reward and risking punishment for non-compliance, got you to risk and act on an idea, in a way that you would never otherwise have done.

Think of another case where, because of someone else's influence, you decided to move beyond your usual range of behavior, so that you were able to achieve something you would never have dreamed possible without their encouragement. The effect these people had, what they represented for you, the things they said, and how they conducted themselves – sharing your triumphs and joy, supporting you through uncertainty and failure – are what leadership is all about.

Leadership is about you

Very few of these leadership qualities can be developed through accessing others' writings or courses. Erudite authors have published thousands of books, and the holy texts of most world religions deal extensively with the topic of leadership. Yet intellectuals, theoreticians and religious people don't necessarily make the best leaders.



Smart quotes

Strategy 1, character 4

"Leadership is a potent combination of strategy and character. But if you must be without one, be without the strategy."

General H. Norman Schwarzkopf

Why? Because competence in leadership is fundamentally rooted in *who one is*, rather than in *what one knows*.



"Man's character is his fate."

Heracitus

Think of leadership as having two components: a general component; and a specific component, which is dependent on the context in which you happen to be operating at any particular time. The general component relates to *who you are*; the specific component to *what you know* about business and the specific opportunities and threats facing any enterprise. Many people can know a great deal about the latter without being effective leaders. If you doubt this, just go to any strategy consulting firm and talk to its 20-something consultants.



Smart answers to tough questions

Q: Why is "who you are" so vital to leadership?

- A:
- Because in every single company, people are boss-watchers.
 - The top person gets watched most closely.
 - Anything unattractive or phoney has a massive negative effect.
 - Any attractive and powerful examples of the leader's behavior have terrific positive effects, magnified way beyond the initial context.
 - In an important sense, your company is an extension of your personality – what a responsibility!

Although knowledge and skill are vital, it's one's integrity, self-esteem, resilience and other personal qualities that count for most when it comes to leadership.

Chains of command and management systems may create compliance and conformity – but lasting purposeful change, which feels like progress, is a function of leadership; based on the fundamental, age-old principles of judicious wisdom, strong relationships, integrity, mutual trust and respect, and an ability to manage oneself in the moment.

The paradox of corporate uncertainty



Do you have the character to be a leader? What, specifically, do you mean?

Almost by definition, organizations can only join people together through concerted, focused effort by all their people. This requires the alignment of decisions and the mobilization of common actions amidst a diversity of human interests, uncertainty, and ever-changing environments. The larger the organization and the more varied the markets, the more this complexity, diversity and uncertainty are compounded – and the more difficult it is to join people together in the first place.

The laws of physics tell us that every action has its reaction, each having equal significance and value. For instance, ask any leader or group of leaders in a big company to list their strategic imperatives and one will notice that before one page is filled, the items begin to contradict one another.

What complicates things further, is that often one imperative makes equal sense to its opposite, and seems just as beneficial to the organization. Take *customer service*. Several books in the “management fad” section of a typical airport bookstore will argue that customer loyalty is paramount, and one’s sales force will chant that the “customer is king,” and go on to insist that his demands should be sacrosanct because “he pays one’s salary.”



Smart quotes

Leaders embrace uncertainty

"Leaders must place themselves squarely in the zone of discomfort and learn to tolerate ambiguity."

Richard Pascale

That seems simple enough; yet as Oscar Wilde said, "the truth is rarely pure and never simple." If we ask the opinion of a manager concerned with organizational efficiency, he will tell you that giving in to customer demands costs money, and can therefore negatively affect the bottom line, compromising both shareholder interests and well thought-out policies and procedures which have been designed to eliminate favoritism and to ensure efficiency and fairness through uniform treatment for all.

Should such a tension lead to a quarrel between customers and staff, and for argument's sake, one takes the customer's side over an employee's – particularly when that employee was applying a policy or procedure in what he understood to be the company's best interests – one is risking being seen as inconsistent and damaging staff morale and of violating the principle that "our people are our greatest asset," which is, according to umpteen other books, absolutely true.

Every senior executive has faced dilemmas such as this, where he has had to mediate a dispute between various competing interests, all of whom have had "a piece of the puzzle," but are each presenting information and arguing credibly to outmaneuver one another and "win the day." How do we resolve such an issue?

Kaplan and Norton introduced the notion of "*The Balanced Scorecard*" – an organizational management system that aims to give equal weight



Killer questions

- If you want to be a leader, are you sure you can cope with the inherent uncertainty and ambiguity?
- Can you cope with the conflict that leaders always experience?

to human/social imperatives (which promote growth and learning), organizational efficiencies (business processes), customer needs, and financial requirements (or those of shareholders who are looking for financial returns). They propose that one can engineer *logical systems* to manage organizational dilemmas, and that with appropriate management rigor and discipline, one would achieve a *balanced*, effective, and efficient organization.



A full life means
a life full of con-
tradictions

"Everything
comes alive
when contradic-
tions accumu-
late."

C. Bacheland

But Kaplan and Norton brushed over the fact that trading-off between opposing points of view and imperatives is always challenging and requires presence of mind, level-headedness, a strategic view, and integrity. This is especially the case when one cannot calculate the right answer – both because each side seems believable and the future is uncertain, and when one suspects but cannot prove that the rational arguments are presented merely to further personal interests.

Furthermore, it's not just a matter of making a decision; leaders must also ensure it makes sense to everyone. Process Oriented Psychology teaches that an interest group or person who feels discounted or under-acknowledged by a decision will resist it, either passively (working-to-rule and passing on information only when asked), or actively (overt sabotage). Leaders need to know how to provide intelligent, integrated solutions to company dilemmas, in which everyone will at least acquiesce.

We may be told that all imperatives – short-, medium- and long-term, staff-, customer-, public- or shareholder-related – are equally impor-



No sex please,
we're leaders

"A great mind is
androgynous."

Samuel Taylor
Coleridge

tant. In specific situations, however, leaders must favor one over another. The specific trade-off will depend on the information available, the risks and benefits of each action, what will make the most money, the ethics of treating people fairly, and on the particular message the leader chooses to send to the organization.

Of course it is beneficial to have a comprehensive management system that tracks and measures achievement of conflicting financial and non-financial business objectives and aligns initiatives accordingly. Yet, human beings still need to make sense of the conflicts, agree on their implications, and trade off and take decisions to ensure progress. Effective leaders work *with* the paradox of uncertainty, and so embrace fundamental tensions, supporting and listening, challenging, and directing in a holistic and integrated way.

The yin and yang of leadership

Such conflicts are linked, at a deeper level, to the fundamental universal tensions that Jung called *anima* and *animus* (female and male archetypes), and that Taoists refer to as *yin* and *yang*.

Working with *yin* and *yang* requires a certain type of thinking. An androgynous mind can strategize and inspire, energize and arouse the le-



Smart quotes

Creation requires androgyny

"A mind that is purely masculine cannot create any more than a mind that is purely feminine... the androgynous mind is resonant and porous; it transmits emotion without impediment; it is naturally creative, incandescent and undivided."

Virginia Woolf



Smart quotes

Being smart is being schizo

"The test of a first rate intelligence is the ability to hold two opposed ideas in the mind at once and still retain the ability to function."

F. Scott Fitzgerald

thargic, and defuse the panicked and hostile. An effective leader knows when to apply the maxim "don't just stand there, do something" (be action oriented) and when to use its opposite, "don't just do something, stand there" (be patient, contemplate, and be reflective).

Leaders must be mindful, able to see all sides, and be decisive, flexible and mature in deciding who is right in each a situation: what will create the most wealth. To create clout, leaders must also, sometimes, use drama and surprise.



Smart quotes

Be mild and thump the table

"Leaders often combine consensus building with another somewhat contradictory technique – occasional public and drastic displays of their strong support for new ways of doing business."

Charles Farkes and Suzy Welaufer

Management versus leadership

Managing means planning, organizing, directing, controlling, and monitoring in order to get things done and to attain a clear, defined set of objectives. It is largely about marshalling resources towards achieving a desired outcome: achieving or winning according to a particular



Smart quotes

The trap of management rationale

"A man has his beliefs: his arguments [management rationale] are only excuses for them. Granted that we both wanted to get to Waterloo Station: the question whether we shall drive across Westminster Bridge or Waterloo, or whether we shall walk across Hungerford foot bridge, is a matter for logic; but the destination is dogmatic. The province of reason is the discovery of the means to fulfil our wills; but our wills are beyond our reason ... our temperamental convictions produces oversight as to all the facts that tell against us."

George Bernard Shaw



Managing the past

"Most management practices are designed to monitor the past rather than create the future."

Tony Manning

paradigm or set of rules. An unfortunate and unintended consequence of this is that management systems themselves tend to reflect the assumptions held by the managers who designed them. Furthermore, people management (performance management, reward and recognition etc.) systems encourage people to place a "spin" on facts in order to make things look good; to enhance their own or their manager's ego and reputation so as to reinforce the notion that everything is under control and going according to plan, even though this may be far from the case.

Many well-managed organizations have gone out of business because they failed to see beyond their assumptions.

Management is inherently conservative. Psychological theory and in particular the transactional analysis theories of Berne and Erskine explain how people will naturally protect their assumptions about the world in order to feel in control when faced with stress or challenge.



Smart quotes

The danger of knowing the future

"In a totalitarian regime, the only thing that is not certain is the future."

Percy Craddock, British ambassador to China,
in his valedictory dispatch

Leadership, in contrast, faces up to things as they really are rather than as we want them to be, regardless of how it makes us, our boss, or our organization look. It involves being aware of our assumptions, questioning them, and *working out the right things to do and doing them*.

Managers achieve objectives; leaders work to a purpose

Leaders can discern patterns amidst the apparent chaos of the business environment and envision a desired future state and possibilities, often with little or no supporting data. To see the real picture, leaders must be able to screen out their own bias.



Smart quotes

Leadership is a calling

"Change is almost always accompanied by controversy, discomfort and resistance ... which forces leaders to rise above their natural inclinations ... requiring people to lead in ways inconsistent with their personalities ... Leadership is therefore much more of a calling than a management style."

Charles Farkes and Suzy Welauter



Choice is uncertainty

"If choice is real, the future cannot be certain. If the future is certain, there can be no choice."

Brian Loosby

Real progress requires an ability to let go of one's own comfort zones and assumptions, which may mean hearing or seeing what one does not want to hear or see, to take courageous decisions, and engender the necessary trust amongst others to do the same.

Even worse, we cannot hope to consistently make the right decision first time. If the waters are uncharted, we're bound, sooner or later, to get lost.

The leader must therefore change or abandon a strategy if it's not working, regardless of how this may affect the organization or her own image or ego. Whereas the manager sets out to achieve objectives, the leader aims to fulfill a purpose – *a specific and unique way to create long-term wealth that fits one organization perfectly.*

The idea of the cause



To lead well, you must excite

In 1907, Henry Ford announced that his company's mission was "to democratize the automobile" – to make something that was the preserve of the rich affordable to ordinary working men. That was a cause. In the nineteenth century, the unification of Italy, and of Germany, were causes. The elimination of starvation and of smallpox are causes. To grow into the leading supplier of a particular product or service is a cause. Becoming larger than a much bigger competitor is a cause. Providing the world's best ideas for business is a cause.

To excite people, and to create a sense of future momentum and direction, good leaders use *causes*. A cause is something that needs doing to create progress. It is the purpose that will mobilize a group of people – an organization or a tribe within it – to do great things.

A cause is something that needs doing. If nothing needs doing, and if nothing new is done, there can be no progress.



Discontentment
leads to progress

"The world
belongs to the
discontented."

Robert Woodruff

In selecting a cause for your group, follow these guidelines:

- Adopt a *unique* cause. If someone else already has the cause, why should this excite people or cause them to follow you?
- Ensure it's an *exciting and worthwhile* cause.
- But also that it's *attainable* within a reasonable time period – usually between one and five years.
- The cause must *fit your people, your firm or unit's history and its capabilities*. The cause should fit your unit better than it would fit any other unit. Otherwise, other firms or groups will be better placed to carry out the cause. Another reason to ensure this close fit is that you will not excite people unless they can see why *they* are uniquely qualified to execute the cause – if they don't believe this, they will be turned off.
- The cause must *fit you*. Otherwise, it would better suit another leader. The cause must be something that you are personally passionate about. You can't manufacture this – synthetic excitement is soon seen through. The cause must be totally congruent with your personality, skills, and motivation.



Smart quotes

Purpose gives joy

"This is the true joy in life, being used for a purpose recognized by yourself as a mighty one; being a force of nature instead of a feverish, selfish little clod of ailments... complaining that the world will not devote itself to making you happy."

George Bernard Shaw



Smart answers to tough questions

Q: Is a “cause” the same as a “mission” or a “vision?”

A: A cause is essentially the same as a mission but different from a vision. We prefer the word “cause” to “mission” because the latter sounds too “religious” and is very difficult to translate from English to other languages.

A “vision” is different from a “cause.” A cause is what the organization (or part of it) is going to do. A vision is what the organization could become.

A cause is always very specific and usually has a fairly short time fuse. You will always know whether your cause has been attained or not. Once your cause is fulfilled, you’ll invent another cause.

A vision is fuzzier, longer term, and longer lasting. You cannot really “reach” a vision. It is qualitative and not quantitative. It is an aspiration, an emotion, a dream.

Visions are extremely useful to leaders. We’ll discuss visions later in this chapter. When we do, remember that the cause and the vision, though different, must be congruent and complement each other.

Developing the right cause is often a difficult and non-linear process. Do not rush it. Evolve it. Use trial and error to see whether an incipient cause really does suit you and your people. Don’t proclaim the cause very emphatically until you are sure it is right – and it has a good chance of being realized.

Ultimately, though, you must have a cause. If you are trying to make change feel like progress, you need to know what “progress” really means.



Smart quotes

Markets cannot be predicted

"The complex phenomena of the market will hardly ever be fully known or measurable, unlike most of the factors that determine events observed in the physical sciences."

Friedrich von Hayek

Don't plan the future



*If you know,
you're wrong*

*"Once you
think you know
the answer, it's
almost always
over."*

Millard Dexter

A leader has to make sense of how the future is unfolding, in order to decide how to act now and communicate a vision of the future that will carry the group there.

But in thinking of the future, beware. Many nasty traps await you.

Organizations, and societies run by organizations, tend to be blind to the future, because they have such a strong vested interest in keeping the present running. The collapse of Nazism, communism, and apartheid are extreme but instructive examples. Talent, energy and money were channeled in to prop up these systems – maintaining the present in respect of past assumptions – rather than towards change and progress – confronting the boundary between the present and the future.

Leaders must stand aloof from their organizations' tendency to deny that the future will be different. An opposite trap lies in a subculture within organizations, happily not so prevalent as fifteen or thirty years ago, but still present or lurking below the surface – the idea, much beloved of marketers, finance people, MBAs, and unreconstructed strategists, that the future can be planned or predicted with tolerable accuracy. You can tell these people by their dynamic energy, their sheaves



Smart examples of leadership

How leaders can get lost in space

James Gleik, in his recent book, *Faster*,¹ watches the first episode of the 1965 American television series *Lost in Space*, which was an intergalactic adventure set in the far future – 1997.

“So there on the screen, photographers are milling around in Alpha Control to capture this historic 1997 moment, and flash bulbs pop. Yes flash bulbs. Remember them? Actual bulbs that fired once, smelled of burnt metal and had to be replaced for the next shot? Now the view pans back from an image of the galaxy distantly displayed on a giant mock-up of a giant 1965 television set – the round corners are a dead giveaway. The control-room walls are lined with vintage 1965 computers: refrigerator-sized cabinets with flashing lights and large reels of tape. In fact everything looks absurd and bulky and somehow slow – the big old-fashioned television cameras rolling about with their cables trailing behind; even the lights (no miniature LED’s). The mission engineers work at desks that seem to be equipped with big switches and bulky knobs and flashing lights of their own – but, you can’t help but notice, no keyboards, no mice, no display screens. And what are those shiny round disks resting on the desks of this advanced, high-tech, space-mission control room? Ashtrays . . . Who can guess what new materials, what new fashions, and what new devices will betray this year’s science fiction when another generation has passed; or what new social behaviour: no one guessed, a generation ago, that a 1997 control room would be a no smoking zone.”

The program predicted convenient moon travel and machines that washed, dried and ironed clothes in 16 seconds, breakthroughs that seem as fantastic now as in 1965.

of printouts, their luminous presentations, their enthusiasm, and their utter sense of conviction. They are dressed for success, yet their siren songs will surely lure you to perdition. Fire them all immediately.



Smart quotes

Take the future in small doses

"It's a mistake to look too far ahead. Only one link in the chain of destiny can be managed at a time."

Sir Winston Churchill

Vision



Expect the
opposite

"Expect what you
do not expect."

J M Coetsee

Though the future abounds with paradox, it is so uncertain and complexly determined that enterprises that fail to take responsibility for their future are unlikely to endure. The key tool is some *vision* of the firm and its future.

Vision provides a sense of meaning and aspiration that can never be fully described. Nevertheless, all effective visions have a *fundamental* resonance and clarity that will make sense, encourage, and also provide discipline.



Vision is invisible

"Vision is the art
of seeing things
invisible."

Jonathan Swift

Vision is usually described as a destination – a picture of where the organization should be going, and of how you define success in the future. True, but not the whole truth. As befits a holistic and invisible force, vision simultaneously describes the present, the past, and the future; what the organization is as well as what it should become; what drives the enterprise as well as where it will drive; what gives it power; why it deserves a place in the economy; what it has done and will do for the world.

We have to describe a vision in words, but they need not be – generally, should not be – too precise. A dream must be fuzzy. If we enjoy the dream, awake and try to make sense it, to tie it down to terms we can fully understand, then we drive it away. The dream is not some-



Vision is a holistic dream.

"To carry on a successful business a man must have imagination. He must see things in a vision, a dream of the whole thing."

Charles M. Schwab

thing we fully understand, yet it is a force we can feel, and it can drive us forward in a way that a plan tightly based on words and numbers never could.

If vision is about behavior and ideals, then it matters hugely whether the "chief visionary" – the leader – embodies these ideals and behaviors. Vision is visceral, not rational; emotional, not intellectual; personal and personalized, not dispassionate. The vision must be *congruent* with the leader, and the leader must be congruent with the vision.

We come back to the indissoluble link between the leader's effectiveness and the leader's integrity. Who the leader is, what she feels, what she thinks, what she says and what she does, need to be congruent. The vision, validated by the leader and what she stands for, needs to "hold together," give hope and meaning – feel true to individuals, teams and organizations over long periods of time, and in various different situations.



Ideas control.

"It's the ideas of business that are controlling, not some manager with authority."

Robert Haas

Successful leaders use language artfully to describe their vision; people feel that despite not always being able to see the possibilities it suggests, they are still able to suspend their anxiety and disbelief. They follow their leader into uncharted territory because they trust him or her, and therefore the vision itself.

In describing a vision, leaders face a challenge similar to that of the great artist. The leader has to describe something coherent, realistic and unifying, but sufficiently complex to provide hope and meaning to a diversity of people, interest groups and professions in a way that stands the test of time.

The vision is not necessarily a new idea; instead the leader is able to sense what needs to happen next, to synthesize and explain with credibility.



Smart quotes

Vision is power

"Vision is a field [as in scientific field theory] ... in creating a vision, we are creating a power, not a place, an influence, not a destination ... we need congruency in the air, visionary messages matched by visionary behaviours ... vision must permeate throughout the whole organization as a vital influence on the behaviour of all employees."

Margaret J. Wheatley

Virginia Woolf described how Tolstoy and Shakespeare had affected her world-view: "One holds every phrase, every scene to the light as one reads – for nature seems, very oddly, to have provided us with an inner light by which to judge of the novelist's [leader's] integrity or disintegrity."²

Following this analogy, the thing about leaders is how they sense the not-always-obvious connections between things. In the words of the great existentialist philosopher and author, Arthur Koestler, "the leader uncovers, selects, reshuffles, combines and synthesizes." The leader responds creatively to his or her environment, "sorting the sig-



Smart quotes

Vision is effective fantasy

"Many great strategies are simply great visions. And great visions can be a lot more inspirational and effective than the most carefully constructed plan. Only when we recognize our fantasies can we begin to appreciate the wonder of reality."

Henry Mintzberg

nals from the noise ... seeing the picture emerging from the mist” and describes a dream for the future in a way that inspires commitment, restraint and action and which bounds anxiety and uncertainty. Good leaders use their sense of future together with expert intuition and interaction with people to keep things on track – giving meaning to setbacks and triumphs alike.

Conclusion



Leaders have a cause and a vision. What are yours? Are they different yet congruent and complementary?

To recapitulate our key points:

- Leaders translate change into progress. Progress implies a clear idea about what is to be improved – the leader’s *cause*. The cause must be specific, verifiable, unique, and fit the organization and the leader uniquely well.
- Leadership has a generic component. Leadership competence is fundamentally about who you are; your character. “Strong” character is not enough. To be a leader, you must have an unusual and paradoxical combination of self-worth and self-doubt, awareness of self and of others, and the simultaneous ability to belong and to be detached.
- Leaders must be able to deal with uncertainty, ambiguity, trade-offs, and conflict. Leaders have androgynous minds, combining and alternating between female and male archetypes.
- Leadership is fundamentally different from management. Management means running things as efficiently as possible under existing policies and objectives. Leadership means changing direction as conditions evolve, working out the right things to do and persuading other people, usually against their inclinations, to change course. Management is the “government” or executive; leadership is the “opposition” or campaign agitator. Yet leaders have to get re-

sults too – through the power of persuasion rather than through the power of hierarchy.

- Although leaders have to take us into the future, they should eschew trying to plan or predict it. Leaders evolve their ideas as conditions change. Leaders are infinitely flexible and often inconsistent. Yet leaders still manage to convey a sense of where we are going, even though they have little more idea than the rest of us of how the future will unfold. How do they manage this? Through vision – a view of things that are invisible but visceral, imaginary yet real, influential though intangible.
- Leadership depends on the particular situation. Leaders need to belong and be accepted, as well as having the skills to work out where to take a group. This means that an excellent leader in one situation or time may be hopeless in another. “Fit” is everything.
- Business leadership is different from other forms of leadership, because an enterprise has a different character and role in life than, for example, an army or a government or a voluntary organization. Creating wealth is a different vocation from creating other forms of well-being. A business leader must be a specialist in money-making as well as having good general “leadership” skills – otherwise he or she will not be an effective leader.

In other words, business leadership is tricky! It’s marvelous, but it’s not what people think it is. It’s no wonder that great business leadership is so rare. It’s not so much that it is any more difficult than anything else worthwhile, but that conventional views of leadership are so far from the truth.

In the next chapter, we review the controversies about leadership, before describing in the rest of the book the “anatomy of leaders” – a

detailed review of the psychological make-up, qualities, and behavior of business leaders.

Notes

- 1 James Gleik (1999) *Faster*, Random House, New York.
- 2 Virginia Woolf (1929) *A Room of One's Own*, Hogarth Press, London.