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# Reinventing leadership

## The 10 imperative leadership aptitudes you will need as a systemic leader

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### Why do we need a new approach to leadership?

We live in an increasingly complex, fast-paced and interconnected world, where breakthrough technologies, demographic shifts and political transformations have far-reaching societal and economic consequences. Our societies increasingly face systemic challenges that cannot be addressed through the conventional linear approach of hierarchical corporate and governmental structures.

Unprecedented collaboration among the different stakeholders at organizational, sectorial, municipal, national and international levels will be progressively required to find smart and sustainable answers, transforming complex problems into abundant opportunities. Sensing this growing need, numerous initiatives have emerged in recent years – locally, regionally and globally. Yet, in many cases these initiatives had no, or only limited, impact, partly because they failed to foster collective leadership within and across the collaborating organizations. Consequently, we can observe a growing controversy in the leadership literature, pointing out that leadership models designed for the past decades may not completely capture the leadership dynamic needed in organizations operating in today's knowledge-driven economy.

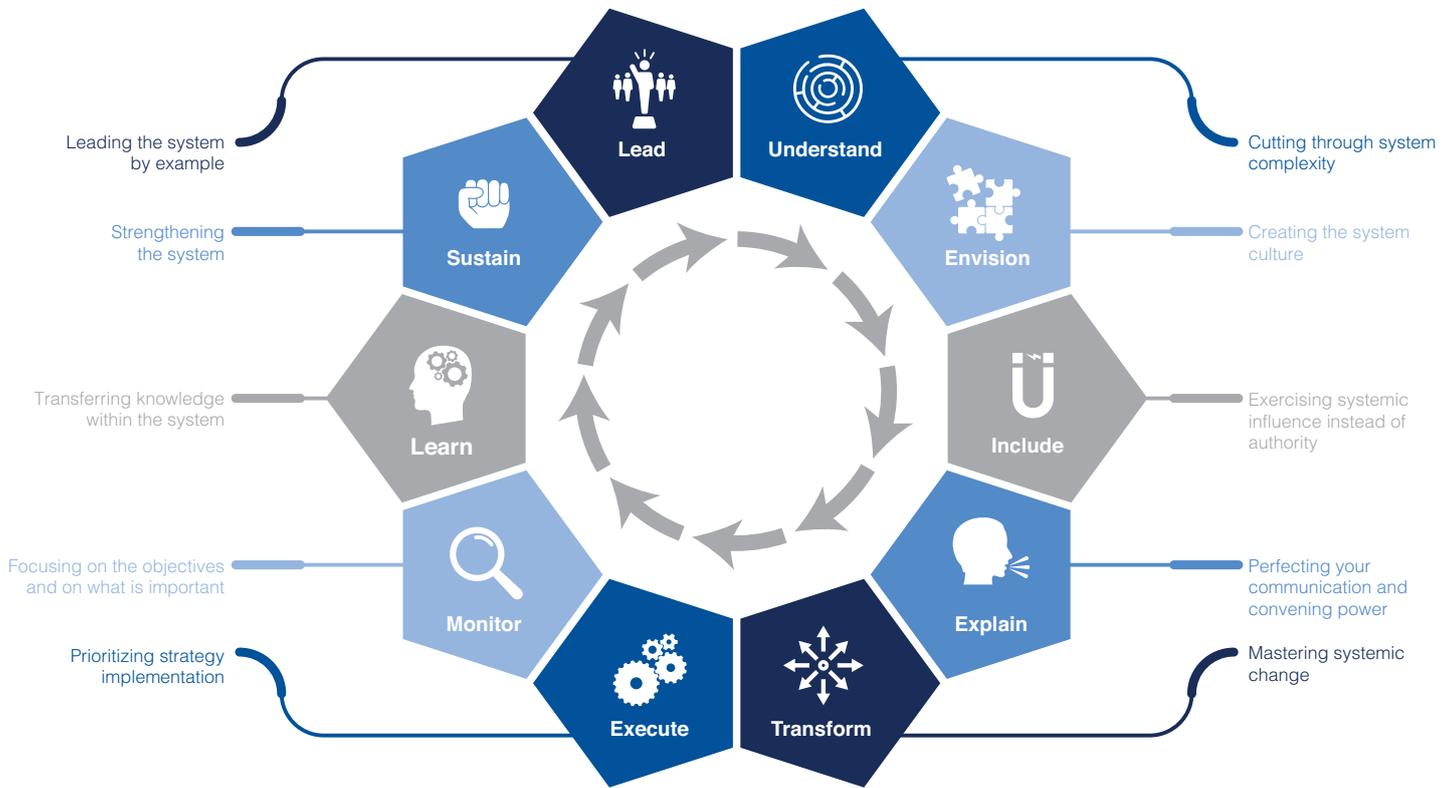
In his reflections in *From Systemic Failure to Systemic Leadership*, William Tate at Cass Business School, City University London, explains: "Systemic leadership changes everything. Once you get into the habit of taking a systemic perspective, you begin to observe leadership with a new focus. In the systemic model, leadership is a property of the organization, not of the people inside it. Take the global

banking crisis. The banks didn't suddenly collapse as a result of individual leaders' lack of skills or poor behaviour; it was the dynamics of the banking system that played the major part. The fact is that we live in an organizational economy. Businesses, trade and society work or fail because of the way organizations operate as systems in delivering outcomes: products and services."

### Who are systemic leaders?

The future demands collective leadership that is visionary, innovative, agile and adaptable. In this context, system theory reframes leadership by focusing on the dynamic interactions between all individuals, explaining how the interactions can, under certain conditions, produce promising outcomes. The profound changes needed to accelerate progress on society's most pressing problems require distinctive leaders. The recent literature on organizational behaviour calls them *systemic leaders* – able to lead organizations, systems, industries, communities and even nations through transformative change.

This new type of leadership does not reside at the top of a hierarchical structure and does not work if it is authoritarian. *Systemic leadership* is exercised through inspiration, by means of accelerated interaction and at any level in any organization. Indeed, it develops its full potential only when it is mobilized from grass-roots level. Systemic leaders understand and encourage the dynamics of intensified interaction at all levels, to generate beneficial effects in the entire system. They inspire people, teams and entire organizations to pursue the change it will take to achieve aspirational goals.



## When do we need a new generation of systemic leaders?

More than ever before, organizations around the globe trying to address today's complex challenges or responding to radical change need *systemic leaders*. "As these new systemic leaders emerge, situations previously suffering from polarization and inertia become more open, and what were previously seen as intractable problems become perceived as opportunities for innovation," says Peter Michael Senge, systems scientist and senior lecturer at the MIT Sloan School of Management. Systemic leadership is not new. What is new is that we need more systemic leaders if we are to actively successfully shape a sustainable and prosperous future.

## What leadership aptitudes do you need to become a successful systemic leader?

Successful systemic leaders demonstrate 10 imperative leadership aptitudes: lead, understand, envision, include, explain, transform, execute, monitor, learn and sustain.

A good description of systemic leadership was formulated by then Senator Barack Obama of Illinois in a speech to supporters during his first run for presidency in 2008: "Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek. We have to choose between change and more of the same. We have to choose between looking backwards and looking forward. We have to choose between our future and our past."

## System leaders demonstrate the leadership aptitudes below:



Lead

### Leading the system by example

- Knowing and reflecting on yourself
- Being authentic and credible
- Playing to your strengths
- Walking the talk to build systemic leadership capacity

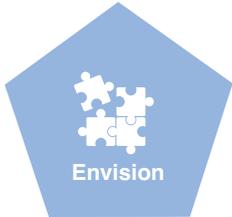
As Albert Einstein put it: "Setting an example is not the main means of influencing another; it is the only means." Being a role model is the most effective way to build trust and to inspire people. "You must be the change you wish to see in the world" said Mahatma Gandhi. Systemic leaders are reflective and aware of their leadership style and its effect on others. They practice a discipline of constantly clarifying and deepening their personal vision, focusing their energies, developing patience, seeing reality objectively and creating opportunities for collaboration. The key is to be authentic – to draw from one's own experiences, values and strengths. "Authenticity is not a licence to be excessively focused on the self," says Brooke Vuckovic, an adjunct lecturer of leadership coaching at the Kellogg School. "It's about being aligned with your character and values to lead effectively."



## Cutting through system complexity

- Embracing uncertainty
- Making the most of complexity

Leaders have to operate in increasingly uncertain and complex environments. A key ability of systemic leadership is to see the larger system. Systemic leaders see complexity not as confusing and threatening but as an essential opportunity and necessary condition to lead effectively. This understanding enables all systemic players to jointly develop solutions not evident to any of them individually and to work together for the health of the whole system rather than chasing symptomatic fixes to individual elements. Systemic leaders create dynamic social systems by embracing uncertainty and risk, encouraging entrepreneurship and novel organizational approaches by seeing “interrelationships rather than things” (Senge), allowing experiments, learning from failure and supporting collective action.



## Creating the system culture

- Building a shared vision
- Modelling a moral purpose in action
- Inspiring meaningful action
- Fostering genuine commitment

Systemic leaders shift the collective focus from reactive problem-solving to inspiring and co-creating the future. Transformation often begins with undesirable circumstances. Systemic leaders support moving beyond reactive solutions to developing positive visions for the future. The artful use of symbols and language inspires people to articulate aspirations and build confidence based on the growing evidence of accomplishments. According to Senge, Hamilton and Kania, not only building inspiring visions is needed but also facing difficult truths about reality and learning how to use the tension between vision and reality to inspire truly new approaches. Systemic leaders understand and deploy the power of moral purpose to motivate and mobilize others, but they can also be ruthless in their decisions; for instance, in excluding stakeholders from networks, where it is clear that vision and values are not shared. Outstanding systemic leaders such as Elon Musk, CEO of SpaceX and Tesla Motors, put the purpose and the culture above everything else. Before asking “how” and “what” – Musk always starts by answering the “why” so that employees, consumers and investors can buy into his vision.

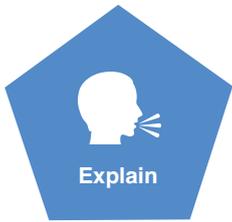


## Exercising systemic influence instead of authority

- Understanding and empowering systemic players
- Valuing diversity
- Influencing through inclusion
- Fostering entrepreneurship

“The key to successful leadership today is influence, not authority,” says Kenneth Blanchard, best-selling author and management expert. Just as managers have subordinates and leaders have followers, managers create circles of power while leaders create circles of influence. The fastest way to determine whether you are a leader or just a manager is to count the number of people outside your reporting hierarchy who come to you for advice. According to Senge, systemic leaders are not singular heroic figures but those who facilitate the conditions within which others can make progress towards social change. Any individual in any organization, across sectors and formal levels of authority, can be a systemic leader. To create a culture of innovation, diversity and inclusion are the key drivers: Organizations that cultivate and support innovation through the people that comprise them, who understand the power of diversity and inclusion, gain this competitive advantage.

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## Perfecting communication and convening power

- Explaining the vision
- Embracing mindfulness and empathy
- Learning to listen and connect
- Experimenting, experimenting, experimenting

Mastering your communication to enable authentic dialogue is another must, by fostering reflection and more generative conversations. Thinking about our thinking, holding the mirror to the assumptions we carry into any conversation and appreciating how our mental models may limit us can enable organizations and individuals to access a point of view or reality different from their own. Where distrust had prevailed, this is essential to building trust and fostering collective creativity. Whether a systemic leader is speaking to a packed auditorium or chatting with a single employee, it is important to make a sincere connection that matches the needs of the situation. The capacity to connect and demonstrate ease is a central component of executive presence. Congruence is also key, aligning actions with words and words with effect while adapting to the situation at hand, mindful of the culture of the environment. Listen. Ask questions. Seek to understand for valuable insights and a tone inviting healthy dialogue.



## Mastering systemic change

- Creating a sense of urgency
- Forming coalitions
- Communicating a vision of change
- Demonstrating success
- Anchoring change into the culture

The evidence is unequivocal – organizational change remains a major challenge and about 70% of all changed initiatives fail. Harvard Business Review points out that despite some individual successes, few organizations manage the process as well as they would like. Systemic leaders successfully shape and deliver transformational and systemic change first by creating a sense of urgency around the need for change based on an honest and convincing dialogue. The urgency needs to achieve a critical mass and create a sustained positive feedback loop in the organization. Next, systemic leaders have to identify other systemic leaders and form a powerful coalition to leverage the need for change. They have to effectively communicate a vision of change, remove obstacles along the way and show evidence of success by creating short-term wins. Finally, systemic leadership builds on the change and sustainably anchors it in the organizational culture.



## Prioritizing strategy implementation

- Placing strategy top of the agenda
- Translating a vision and strategy into a tangible roadmap

“I have two kinds of problems, the urgent and the important. The urgent are not important, and the important are never urgent,” said Dwight D. Eisenhower. Day-to-day operational and non-strategic organizational business is dominated by urgent but not important problems. Whereas, important issues – not characterized by a sense of urgency -- often concern long-term goals and areas related to strategy implementation. A study by the Economist and the Project Management Institute (PMI), shows where C-suite executives recognize the importance of successful strategy implementation. Yet a majority admits that their organizations fall short in executing new strategies – 88% say executing strategic initiatives successfully will be “essential” or “very important” for their organization’s competitiveness over the next three years. Organizations that are poorly aligned with their strategy also report not achieving their envisioned objectives. Immersed in the myriad details of daily existence, it is easy to lose sight of the bigger picture – the overall strategy of the organization.

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## Focusing on the objectives and what is important

- Defining the metrics
- Measuring and getting things done
- Evaluating success and impact

An IBM study showed that only 41% of projects were considered successful in meeting project objectives within planned time, budget and quality constraints. Already in the 1960s, management guru Peter Drucker pointed out: "What gets measured gets managed." Translating strategy into goals and objectives, then objectives into key outcome and performance metrics, and focusing on monitoring them, is as relevant today as it was in the 1960s. The Collective Impact Forum proposes that systemic leaders be encouraged to use shared measurement so that all systemic stakeholders agree on the ways that success will be measured and reported, with a shortlist of common indicators identified and used for learning and improvement. Collecting data and measuring results consistently across all stakeholders ensures that efforts remain aligned and participants hold each other accountable.



## Transferring knowledge within the system

- Reinforcing continuous organizational learning
- Creating a review and feedback culture
- Encouraging entrepreneurship and learning from failure

According to The Fifth Discipline, systemic learning starts with constructive dialogue, the capacity of systemic stakeholders to suspend assumptions and enter into genuine systemic thinking collectively. Learning – research, thought and reflection – takes time. Today's hyperconnectivity makes organizations believe that an immediate response is more important than a thoughtful one. Systemic leaders know that leadership is synonymous with the leadership of learning. They are risk-takers and innovators who learn from outcomes, including mistakes and the acknowledgement of failure. Experimenting is welcome and failure is defined as part of the process towards excellence. Crucially, systemic leaders both model this behaviour and create opportunities for others adopt it, recognizing state-of-the-art and state-of-practice evidence and making such intelligence widely accessible – even beyond their own system. They continue professional development and improve stakeholder learning, welcoming feedback in the process – even if unpopular. Authentic leadership is not a popularity contest but by focusing on what is right for the organization, making ethical choices and treating employees with dignity in the process, leaders are likely to earn the respect of the vast majority.



## Strengthening the system

- Creating and engaging a sustainable system community
- Growing the organizational independence and interdependence

The culture and sense of community are essential to the long-term success of systemic change. Consistently and continuously communicating the benefits of current and future changes is equally essential. According to Brad Messinger, global lead with Towers Watson's Change Management Practice, organizations need to revise performance requirements. Without the right incentives and performance metrics, systemic leaders leave the door open to old ways of doing things. Good governance is important to sustaining change, so, too, is recognition and celebration of successes, large and small. Leaders should take the time on a regular basis to recognize individual stakeholders and stakeholder groups who make a difference to the required transformational efforts. When it comes to change, we're all human beings. Our hearts, expectations and past experiences get in the way, and that's OK – it's what makes us human. Understanding and managing the rational and the side of change are, in our experience, part of the secret to successful change efforts.

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