

# A RETURN TO THE ARTISTRY OF LEADERSHIP

Whilst the economic crisis may be over, we are not out of the woods yet and, if there's one thing we must avoid, it's a return to the old ways. Things are different now, the doctrines and ideologies that characterised the past have been questioned and found wanting; 'great business leadership' is entering a different phase. This, suggests **Charles Sutton**, is a return to the artistry of leadership which requires a different form of support to enable outstanding performance.



## SHAREHOLDERS AND CUSTOMERS

Previously, we were led to believe that the primary goal of business was the delivery of shareholder value. This has been the fundamental platform upon which businesses have been built and for which CEOs and senior executives have been incentivised. This belief has been so important that many organisational vision statements have some articulation of this notion encompassed within them.

Then the recession bit deep and some of the fundamental doctrines of the past have come into question. For example, Jack Welch, a vocal proponent of this thinking (and the former boss of GE), publicly chastised his successor, Jeff Immelt, prior to the recession, saying he would “get a gun out and shoot him” if GE did not hit profit forecasts. Yet, within a year, Welch had changed his tune. His new message was that the idea of delivering shareholder value “is the dumbest idea in the world” (*Financial Times*, April 19, 2010). If this fundamental doctrine is allowed to slide, then the question of the purpose of business needs to be revisited. If we are not driven by the pursuit of shareholder value then what *does* drive us?

Paul Polman, the CEO of Unilever, is in no doubt about the key driver for profitability. For the share price to rise and the company to become increasingly profitable, the best way is to sell more valued products to appreciative customers in a responsible way. This, for Polman, is the fundamental basis for a successful business. For him, for Welch (eventually) and others who hold similar positions, it is a clear focus on people, customers and employees that makes a



### COMMUNITY COMMENT

**Gwen Ventris**  
**Former COO**  
**AEA Technology plc**

“Leadership is both contextual and situational and, in most businesses today, effective leadership is complex. For me, leadership is enabling: the role of a leader is to create the circumstances whereby the people in the business, its customers, suppliers and shareholders are engaged in ways that are appropriate to achieve mutual objectives and sustain the business and its brand into the future. Command and control structures have long been extinct in some parts of the business world, although they remain strong, as though glued to the fabric of the business, in some of the big corporates. The recession has caused a shift in thinking, but its impact has yet to be realised in many leadership contexts. Today’s leaders tomorrow will indeed need to be more artist than scientist.”

business profitable and, consequently, delivers shareholder value. People, not profits, define the starting point.

## IMPACT ON LEADERS

What is expressed here is not a simple dichotomy – delivering shareholder value versus achieving excellence in customer relationships. It is a significantly more subtle shift of emphasis, but a shift which has profound impact upon organisational strategy and operation, and upon employee attitudes and behaviours. In particular, the shift of focus, as a consequence of the economic downturn, has impacted upon the nature of our business leaders.

# The idea of delivering shareholder value “is the dumbest idea in the world”

It is interesting to see who, among our major business leaders, is still in place after the recession and who has gone. *The Economist* provided some insight into the departed bank bosses in an article entitled ‘It Wasn’t Me’ (8 October 2009).

In summary, it would appear that the competitive and dominant leaders who drove single-mindedly towards commercial success have gone. So too have the imperial minded and acquisitive. However, when the leaders who have stayed in place are compared, it then becomes apparent that there is no simple archetypal collection of characteristics that allows us to define the success of the boss. In short, whilst some common characteristics may be identified amongst those who have gone, this is not the case for those who have remained in position. This, I would suggest, is partly because of the multilayered and elusive nature of leadership itself.

## LEADERSHIP AFTER THE FALL

Historically, effort invested by academics and management thinkers in exploring ‘leadership’ has been subject to the identification of leadership characteristics and traits. This has been driven by a belief that a model exists that will define leadership. The focus of research has been on the identification of the attributes and qualities of an individual which will

confirm their leadership capability. Many of these models of leadership are well known to us (leadership that is: charismatic, authentic, situational, spiritual, Zen, Nu, or inspirational) and it would be true to say that most contain core elements of truth. The problem here is that, at the heart of this form of ‘scientific search’, is the belief that a list of leadership traits or behaviours exists, and that the identification of individuals who exemplify these characteristics (or carry the potential) will provide the leadership cadre for now and the future.

The experience of the recent past has reminded us of something we already knew: leadership is not the fulfilment of a list. Leadership is better seen as contextual, existing at a political and social level in the dynamic space between people.

Here, I do not intend to provide a summary of the historical research into leadership. Rather, I shall cut straight to the main point and describe what leadership needs to be based upon, taking the learning of the recent past into consideration.

## WHAT IS THE NEW NORM?

Since leadership is not about the satisfaction of a predetermined list, how might we attempt to describe leadership within the current context? One school of thought suggests that

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leaders display complex patterns of behaviour, personality and drive that shape their style, or perhaps 'signature style', relevant to a specific context. Zaleznik, in an early discussion of this theme (in the *Harvard Business Review*) described it as 'the creative artistry of the leader'. The idea here is that the myriad of traits, behaviours and attitudes, that were previously considered to be the characteristics of leadership, become the colours, or rather blends of pigment, with which the leader 'as artist' builds the shape, texture and tones of his or her organisation to deliver success within specific environmental conditions.

How might the colours that come to be formed upon the leader's palette be described? A few examples of 'blended colours' that form on the palette are described below. They are intended to indicate an element of the leader's artistry as s/he draws from the pigments to create the hue, value and chroma required by the organisation to succeed within a particular business context. As is apparent in these 'blended' examples, there is no one way. The art is for the leader to understand the canvas and picture the landscape so as to determine the required blends for the palette.



## COMMUNITY COMMENT

**Kai Peters**  
CEO  
Ashridge Business School

"I agree with Charles' comments that leadership is a complex construct which is elusive at best. I suppose my preferred view would be of leadership as stewardship - a view which takes the needs of customers, staff and suppliers - the stakeholders - into account. Additionally, stewardship views issues of sustainability, human rights and ethics as central to good leadership. The recent recession has made it clear that leadership is contextual and that one needs to adapt to new realities. Charles has clearly noted that dogmatically sticking to a "command and control" model did not serve leaders well - and will not in the future. The world is too complex and leadership needs to be distributed rather than centralised."

- **'Visceral' Values** – A blend in which moral responsibility is clear. Where there is no simple compliance to commercial targets and economic imperatives, but a focus on people with real engagement, and dispersal of power and authority. A balance of ethical and caring behaviour, enabling real involvement in decision-making. Trust is fundamental and displayed in personal behaviour, generating loyalty, protecting people from failure or unreasonable pressure.
- **'Strong' Strategy** – Clear articulation of vision and strategy, where the alignment of people is to a vision through their objectives and targets. And where the alignment is to now and the future, enabling the emotional engagement between people and their work. Where people can talk of forward movement with clarity and despite complexity.
- **'Carbon' Connections** – Linking the complex chain of connections where the whole workforce (employees, contractors and partners) comprise organisational talent: an organisational environment in which middle managers are enabled to excel and operational boundaries are greyed out. People management practices are designed to fit need and are consistently applied. Where a cultural climate exists that favours autonomy, recognises contribution and develops trust; furthermore, where the climate supports organisational performance and, at the same time, builds and enhances the quality of the working life.

- **'Platinum' Customers** – Where the blend of pigments ensures that the customer experience is at the heart of the organisation. More than meeting expectations, this is about creating the culture in which customers are valued, respected and recognised as individuals with differing needs. Further, it defines a culture where the experience of the people who comprise the organisation directly reflects and parallels the experience of the customer.

## THE LEADERSHIP LANDSCAPE

The experience of the past, and specifically the learning drawn from the recent recession, demands that organisations and their leaders take a step back to reflect and adjust. Taking this step-back can be a significant challenge as we have become habituated in old ways of thinking. To enable this process to operate more effectively, some individuals and leadership teams have engaged the support of a coach or mentor to provide alternative perspectives, introduce broader range and encourage the use of different techniques or brush-strokes.

The result of this process is a redefinition of the business landscape and a different use of the leadership palette. There are two aspects. First, rebuilding clarity of business purpose that shifts the focus from creating wealth for a few, to a position that enables more to be 'richer' and second, within this context of greater involvement and engagement, the construction of high trust relationships between individuals and groups. It is upon this landscape that the leader is able to apply his or her finesse as artist, defining, operating and existing at a political and social level in the dynamic space between people to deliver outstanding performance.

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