

Welcome to the Inquirer, a fortnightly Newsletter highlighting insights and new ideas about organisational leadership. In these lean challenging times, moments for reflection are at a premium. The Inquirer offers bulletins to support your agile leadership and your development of agile organisations. Please do feel free to share this open source Newsletter with colleagues and to join our continuing Public Leadership Inquiry and conversation with leaders on www.publicleadershipinquiry.com

Is it hot enough in there yet? The challenges of adaptive leadership in tough times,

by Robin Ryde

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Last year an article penned by Ronald Heifetz appeared in Harvard Business Review called *Leadership in a Permanent Crisis*. It was an elucidation of Heifetz's ideas relating to the art of 'adaptive leadership' which arguably offers a solution to the difficulties of leadership in challenging and uncertain times, such as those that many organisations in countries around the world are facing today.

Those familiar with the work of Heifetz will recognise his notion that in such times we should foster adaptation, embrace disequilibrium, and generate leadership at all levels. All quite ambitious proposals but it is the middle of these three proposals that has taken our attention in recent times. Heifetz argues that:

"The art of leadership in today's world involves orchestrating the inevitable conflict, chaos, and confusion of change so that the disturbance is productive rather than destructive".

He goes on to say:

"In the practice of leadership, you must keep your hand on the thermostat. If the heat is consistently too low, people won't feel the need to ask uncomfortable questions or make difficult decisions. If it's consistently too high, the organisation risks a meltdown: People are likely to panic and hunker down."

Applying this ambition to the organisations we are working with at the moment brings to the fore the manifest difficulty of getting the temperature gauge to be at the right level. One of PLI's clients, a large technology organisation, is already on the 'edge of chaos' simply because of the pace of change in the market, the speed with which demands need to be processed and the volatility of the financial environment. Our challenge when working with the leadership is whether to advise turning the heat up or whether to cool the organisation down.



But alongside this are important questions about the level of resilience required of leaders and the organisation at large to work at this pace over the long term. With this and other clients we find that resilience is not being given the attention it deserves and capability building in this area has to be a priority.

And finally, as Heifetz suggests, there is a compelling need to “create a culture of courageous conversations...the most difficult topics must be discussed. Dissenters who can provide crucial insights need to be protected from the organizational pressure to remain silent. Executives need to listen to unfamiliar voices and set the tone for candour and risk taking”.

PLi Comment: *The PLi Leadership Model, shared for the first time at the Autumn 2010 ‘Open Inquiry’ focuses on 5 critical areas for attention, that of Purpose, Engagement, Collaboration, Agility and Resilience. Increasingly we are finding that particularly in these times it is ALL five leadership dimensions that need to be in play at any one time to be assured of success. And similarly for benefit to arise from notions of leadership similar to the ‘adaptive’ stance offered by Heifetz, leaders need to pay serious attention to all of these points on the leadership compass as without these the disequilibrium proposed by Heifetz may just turn the heat up too high for people to cope.*

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DATA POINT ONE: IBM’s 2010 annual survey of 1500 CEO’s worldwide showed ‘creativity’ to be their prime concern. Creativity had overtaken ‘change’, which had been top of the pile in the previous three years. However, as well as ‘creative leadership’ (embracing ambiguity, disrupting traditional business models, challenging the assumptions carried by their people about the best features of their product and service offerings), this large group of CEO’s also placed strong emphasis on ‘customer intimacy’ and ‘strong, simple operating dexterity’ as the necessary foundation stones of their strategies. In other words, creativity could not thrive - and their organisations could not be truly agile - without the support of strong intimate customer relationships and simple, efficient processes.

DATA POINT TWO: At a recent Economist Innovation Conference, Charles Leadbeater argued that, to have the best chance of success in future, organisations needed to combine an efficient systematic approach to their business processes with the ability to build intimate, deeply connected personal relationships with their customers (who become contributors to the business, not just consumers, for instance in the way Procter and Gamble source new product ideas from a diverse range of stakeholders, including customers). For him, agility is the product of this combination of efficiency and customer intimacy. One of his many examples is a microfinance lender that has a strong system formatting loans based on a robust set of technologies and underlying processes, but the business itself takes place through strong one to one relationships between the customer and the loans officer.

DATA POINT THREE: At our recent Open Inquiry on ‘Leading Agility’, one participant pointed out that he definitely did not want organisations to be just creative, innovative and light on their feet. ‘They also need to collect money, run efficient call centres, get their products to the customer on time, and deliver a whole range of administrative processes, often with an outsourcing partner. All of this needs to be managed efficiently and with discipline, and definitely **not** creatively’.



PLi comment: *Two themes stand out from these three data points. Firstly, agile organisations do not just rest on creative approaches alone; they also need to be strong at ‘operating dexterity’ and ‘customer intimacy’. Secondly, agility takes significant practice; athletes, gymnasts and other sports stars do not become agile without hours of practice, perhaps as many as the 10,000 hours trumpeted by Malcolm Gladwell in ‘Outliers’ as the basis for outstanding performance in any field. Similarly, this troika of creativity, customer intimacy and operating dexterity needs strong discipline and practice at its core to allow the organisation to be truly agile.*

Public Leadership Inquiry is a bold research and consulting enterprise devoted to understanding and strengthening leadership and organisational change.

At the heart of our work is a focus on helping organisations to become AGILE and LEAN - two critical features of success for modern organisations. We look to the real-world experiences of leaders and undertake research that delivers insights, “know how” and the strategies needed to be agile and lean. We bring particular value to complex organisational challenges, in fact the more complex they are, they more we can help.

PLi was co-founded by Sue Duncan, former Government Chief Social Researcher; Robin Ryde, author & former CEO of the National School of Government; Steve Turner, executive coach and board level leadership advisor; and Julian Powe, employee engagement expert and board level change management advisor.

