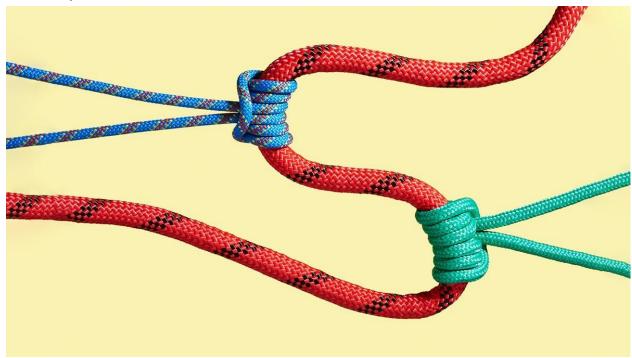
### LEADERSHIP & MANAGING PEOPLE

## **Every Leader Needs to Navigate These 7 Tensions**

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# Richard Drury/Getty Images

In recent years, articles have claimed that old-style command-and-control leadership is "out" and a new way of leading is "in." Instead of telling people what to do, leaders should ask them open-ended questions. Instead of sticking exactly to plans, they should adjust goals as new information emerges. Instead of working from the gut, a leader should rely on data to make decisions. And so forth.

Let's call this old-fashioned leadership model *traditional* and the new one *emerging*. Here's the challenge: in the current environment, most executives need to be good at both styles to succeed. That is, any leader who relies solely on positional authority will run into trouble; business, technology, and workforce expectations are changing much too quickly for that approach to be sustainable. But at the same time, any leader who fails

to strive for perfection, who never tells and only listens, and who shares but never holds power, will also struggle to be effective.

In surveys and interviews with hundreds of leaders worldwide, we uncovered seven core tensions between the traditional and emerging leadership approaches. Those tensions create significant stress for leaders, as they are often unsure of what competencies, skills, and behaviors to exercise in a particular context. In this article, we describe the tensions, outline the dangers in ignoring them, and suggest coping strategies for balancing the two approaches.

### **Tension 1: The Expert vs. the Learner**

Traditionally, leaders built their careers by developing deep expertise of some kind and demonstrating increasing levels of competence as they moved up the corporate ladder. Organizations assumed that they would bring superior insight to the challenge at hand. In the emerging approach, leaders must accept that their specialized expertise is limited (in some cases obsolete) and be open to learning from others. This is especially true when it comes to digital knowledge, as many of the leaders who are tasked with leading digital transformations are not digital natives themselves. If this tension is not managed wisely, leaders run the risk of making bad or inappropriate decisions.

Tim Westergren, co-founder of streaming radio platform Pandora, was able to blend the two. He believed that a key to his success was combining his deep knowledge of the industry with an openness to learning from others about new trends and technologies. Prior to Pandora, Westergren worked as a record producer and composer for two decades, under the name Pandora Media, which was all about music discovery — this fed Pandora's "music genome" algorithm, one of the keys to Pandora's success. But then when the company shifted to a freemium business model, he was in new territory and had to rely heavily on insights and knowledge from employees and customers.

### **Tension 2: The Constant vs. the Adaptor**

The traditional approach to leadership values decision-making conviction and consistency; good leaders "stick to their guns." By contrast, the emerging approach recognizes that in fast-changing environments, decisions often need to be reversed or adapted, and that changing course in response to new information is a strength, not a weakness. If this tension is not managed wisely, leaders run the risk of seeming too rigid, on the one hand, or too wishy-washy on the other.

Early in his career, Jim Whitehurst, CEO of open-source software company Red Hat, decided to release a product that wasn't completely open source, which was against company policy. Not surprisingly, the product failed. Fortunately, he had developed a reputation for providing a secure, solid base for his team. Consequently, when he openly admitted his error, employees and colleagues were willing to quickly move forward from the mistake.

# **Tension 3: The Tactician vs. the Visionary**

The traditional approach to leadership <u>calls for operational clarity and</u> <u>well-defined plans</u>. The emerging approach suggests that leaders require a clear vision for where they want to go, without necessarily needing a concrete roadmap for how to get there. If this tension isn't managed wisely, leaders run the risk of providing no "north star" for their team members. On the other hand, if they are not grounded in reality, they may serve up lofty, unrealistic, or intangible goals.

Vas Narasimhan, CEO of Novartis AG, believes that predictive analytics and artificial intelligence will revolutionize the healthcare industry. Therefore, he invested significantly in AI and challenged different parts of the organization to find their own way to deploy the technology. Most teams welcomed the initiative, but Narasimhan noticed that they often struggled to link AI to their daily work. Thus, he paid close attention to the day-to-day processes needed to allow these "bigger, bolder moves" to achieve results for the pharmaceutical giant. He infused predictive analytics and artificial

intelligence into the operational heart of the company itself, as a tangible first goal, and launched a tool enabling real-time viewing of all 500 clinical trials around the world, which can be expanded into other areas such as manufacturing and regulatory affairs.

#### Tension 4: The Teller vs. the Listener

The traditional approach to leadership calls for leaders to tell others what to do and how to do it. The emerging approach values listening carefully to others before deciding. If this tension is not managed wisely, leaders run the risk of missing important information that resides in the team members surrounding them. Conversely, if a leader refrains from providing their viewpoint, they miss the chance to apply their own valuable knowledge.

Angela Ahrendts, former CEO of Burberry, entered her role with a clear point of view: that the fashion brand needed to become relevant to a generation of Millennial shoppers in order to thrive. But when it came to specific operational decisions, she sourced ideas and opinions from a wide range of people, leading to an almost doubling of Burberry's operating profits during her tenure.

#### Tension 5: The Power Holder vs. the Power Sharer

The traditional approach suggests that leaders must lead from the top, make decisions, and take actions independently. In contrast, the emerging approach values empowering others to achieve goals. If this tension is not managed wisely, leaders run the risk of alienating and marginalizing promising talent. Alternatively, they may undermine their own authority by sharing power too broadly.

Mario Bizzarri, CEO of Gucci, held the power endowed to his position by managing the financial part of the business while giving Gucci's creative director, Alessandro Michele, the space to focus solely on what he does best — the design. But he also knew when to empower, creating a shadow board of Millennial employees to advise the fashion behemoth's executive team.

### **Tension 6: The Intuitionist vs. the Analyst**

The traditional approach suggests that leaders build up an "expert gut" to make intuitive decisions. By contrast, the emerging approach says that leaders should base decisions largely on data. If this tension is not managed wisely, leaders run the risk of making decisions based on outdated and biased heuristics. Or, on the other hand, they risk ignoring their inner compass, which might provide valuable insights from past experience.

Barbara Coppola, CDO of IKEA, advocates for the importance of data-driven decision-making and data standardization globally, while giving regions the latitude to innovate to suit their immediate markets. Because data and certain metrics are standardized across regions, these can be benchmarked easily against all other regions, as well as globally. The benchmarking standardization tactic gives an overall picture from which intuitive hunches about which regional innovations could be experimentally expanded or leveraged globally.

#### Tension 7: The Perfectionist vs. the Accelerator

The traditional approach asserts that leaders should take the time to deliver a perfectly finished product. The emerging approach calls for leaders to acknowledge that doing something quickly, and failing fast, is often more important than doing it perfectly. If not managed wisely, leaders run the risk of delaying the launch of key initiatives or directives due to a fear of imperfection. Conversely, bringing initiatives forward without ample consideration and testing can lead to embarrassing results.

Charlotte Lindsey-Curtet, director of digital transformation and data at the International Red Cross, strives to maintain an impeccable, privacy-by-design approach to protecting the identity of refugees. However, she also explores ways to connect refugee families via new technologies, like biometrics, as speed is a critical factor in family reunification.

# What can executives do to navigate these tensions?

Leaders improve their effectiveness not by consistently emphasizing one approach over the other, but by developing the ambidexterity to move

between the two as the context requires. The difficulty of achieving this level of cognitive and behavioral ambidexterity should not be underestimated — but it can be achieved, with focused efforts.

**Self-awareness.** Understanding one's natural tendencies is an important first step. Where is your comfort zone? What's your default position? In the digital world, leaders can gain insight about themselves from real-time feedback apps or from online forums where members of their community post comments and provide assessments.

**Learn, adapt, practice.** Once leaders know their natural tendencies, they can work to develop a portfolio of micro-behaviors to address the tensions that they don't manage well. This process can be enhanced by formal coaching. That may come in the form of human coaching, or through a coaching bot, like Jolt.ai.

**Contextual awareness**. Becoming a more effective leader means not only expanding one's current leadership approach to incorporate new behaviors but knowing when to focus more on one side of the tension or the other. This requires both contextual awareness and emotional intelligence — sourced directly from the leader or from the surrounding social environment. Through programs like <u>reverse mentoring</u>, leaders can rely on the diversity embedded within their workforces to give them advice on when it is appropriate to favor one approach more than the other.



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