

STRATEGY

Are We Asking Too Much Leadership from Leaders?

by Herman Vantrappen and Frederic Wirtz

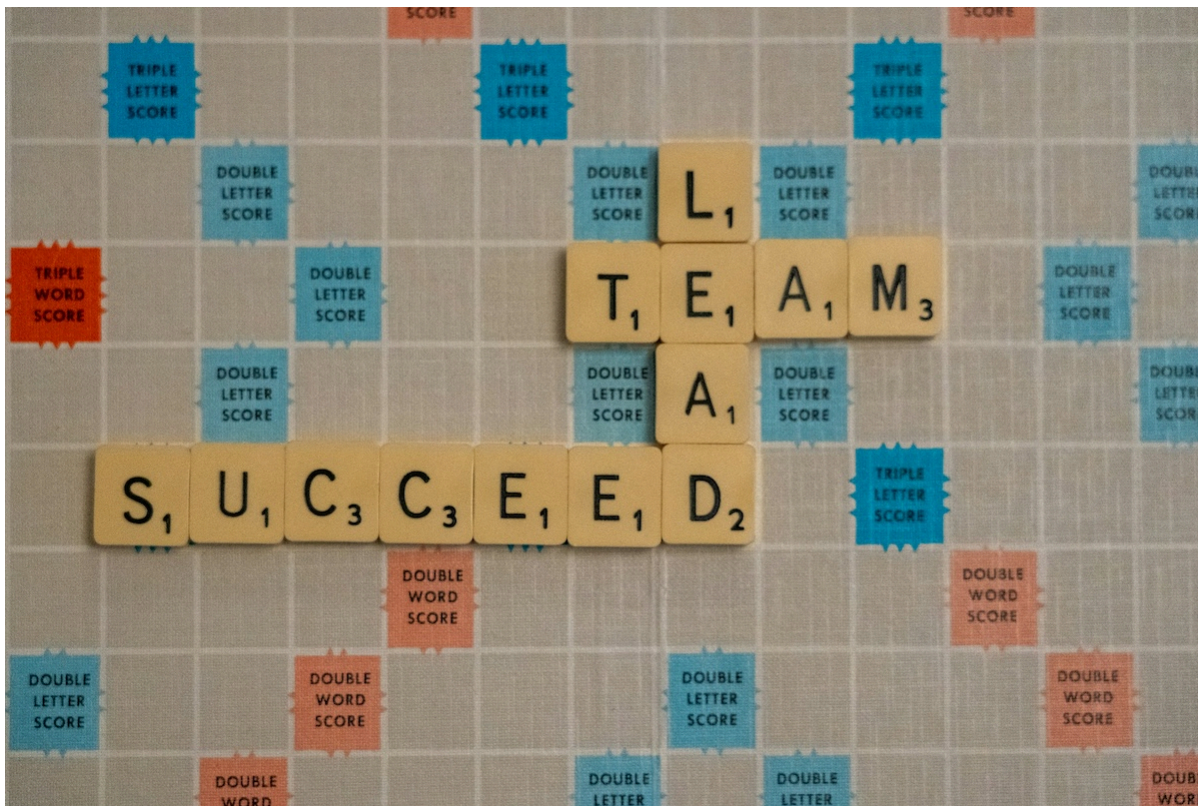


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Remove organization design faults that wastes energy resolving needless conflicts.

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Leaders do not have an easy time. In the assumption that the headlines in the management literature are a reliable guide, leaders are expected not only to be brilliant but also servant, humble, transformational, vulnerable, authentic, emotionally intelligent, empathetic, unlocked and connecting – at the least.¹⁻⁹ That is a tall order, even for those who are labelled superhuman.

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Fortunately, leaders may not need to take all those exhortations too serious, or certainly not too literal. To begin with, some scholars warn of the shaky grounds of several leadership constructs. For example, Katja Einola et al. point to authentic leadership theory as an example of a “dysfunctional family of positive leadership theories celebrating good qualities in a leader linked with good outcomes and positive follower ‘effects’ almost by definition.”¹⁰ They add that leadership studies should “raise the bar for what academic knowledge work is and better distinguish it from pseudoscience, pop-management, consulting, and entertainment.” Ouch!

Other scholars are adding precautions about the potentially detrimental effects of certain leader behaviors both for the leaders themselves and for the organizations they lead. For example, Joanna Lin et al. point to leader emotional exhaustion resulting from transformational leader behavior.¹¹ Charles O’Reilly et al. warn of the substantial overlaps of transformational leadership with grandiose narcissism.¹²

Still other scholars emphasize that leadership skills are context-specific. For example, Raffaella Sadun emphasizes that the most effective leaders have social skills that are specific to their company and industry.¹³ Nitin Nohria points out that charisma often is a

liability, yet charismatic leaders can be especially useful at entrepreneurial startups and in corporate turnarounds.¹⁴ Jasmin Hu et al. indicate that humble leaders are effective only when their level of humility matches to what team members expect.¹⁵

The above tells us two things, whether we are a leader or a follower. First, the pertinence of a particular leader behavior depends on the situation. Second, we should temper our expectations of the effect of that behavior. But even then, the question remains: Are we demanding too much from leaders? The answer is nuanced: No, we cannot demand too much; but the real question is how we could lessen the *need* for those demands to emerge in the first place.

Reading the definitions of those leader behaviors, it would be hard to argue we are demanding too much. Just consider the following examples:

- Servant leaders “place the needs of their subordinates before their own needs and center their efforts on helping subordinates grow.”¹
- Humble leaders “are willing to admit it when they make a mistake, they recognize and acknowledge the skills of those they lead, and they continuously seek out opportunities to become better.”¹⁶
- Vulnerable leaders “intentionally open themselves up to the potential of emotional harm while taking action (when possible) to create a positive outcome.”⁴
- Emotionally intelligent leaders “are conscious about and responsive to their emotions, possessing the ability to harness and control them in order to deal with people effectively and make the best decisions.”¹⁷
- Empathetic leaders “genuinely care for people, validate their feelings, and are willing to offer support.”⁷
- Connecting leaders “concurrently contend with identities, actions, emotions of a leader and a follower.”⁹

While these demands on leaders are pertinent, they are also taxing in terms of time and energy. To solve the quandary, we should look for ways to lessen the need for those demands to emerge in the first place. On many occasions, leaders at the top are led to activate the afore-mentioned behaviors because doubts, disagreements, tensions, trade-offs and eventually conflicts by and between people in the field are allowed to escalate.

These frictions may emerge and escalate to the top for all kinds of reasons but they often land there due to organizational design faults: Some designs are intrinsically frictional; others lack mechanisms to resolve friction at origin. Precluding these design faults requires craftsmanship in organization design.

Let us take a stylized example. Laura is the commercial manager in charge of the Brazil region at Widget Inc. As sales this year are going more slowly than planned, she is desperately trying to win a specific new client. To have any chance of winning, she must be able to offer a special off-catalogue product. So she turns to Lucas, the global manager in charge of the product line concerned, who unfortunately has to tell her that the manufacturing plant is fully booked for the next six months, leaving no capacity for the mandatory testing of the special product for her client in Brazil. Tension rises, and the issue escalates to their respective bosses, the EVP Regions and the EVP Products. Unfortunately, these two do not manage to agree on a solution either. Even worse, the incident degenerates into an acrimonious confrontation at the company's next executive team meeting, where the two blame each other for a chronic lack of flexibility.

The originally operational issue thus lands with a thick thud on the CEO's desk. After suppressing a deep sigh, she activates various leader behaviors. She is empathetic ("I sense how strongly you both feel about this important matter ..."), servant ("I don't blame you for bringing this to my attention ..."), humble ("I realize I should have put in place a way of preventing issues like this ..."), vulnerable ("In fact, I once struggled myself with a similar issue ..."), and more...

The CEO may be doing all the right things at that moment, but could she have been spared the onus of dealing with the originally operational friction if only the company's organization had been designed differently? Widget Inc.'s organization architecture features two equally-weighted primary verticals, i.e., "region" and "product", both having full P&L responsibility, hence competing with each other directly for resources, decision power and attention. While there is no general rule that such an architecture must not be chosen, in general it tends to be an intrinsically frictional design.

The general message for leaders is: When you seek remedies for pain points in your organization, do not count on leader behavior only, but check also for architectural design faults or ambiguities. Here are three examples, each linked to a variable that defines an organization's architecture.

1. The primary vertical

Small mono-product and mono-market companies tend to have a function-based architecture (e.g., product development, purchasing, production, sales, distribution, after-sales). At large companies, that architecture can be intrinsically frictional. For example, if you are in the business of developing, constructing and maintaining power plants worldwide, the business development people, when they make a bid, might be tempted to foresee low maintenance costs so as to increase their chances of winning the bid. Alas, if the bid is won, the maintenance division will bear the brunt. Such operational tension is inherent to this type of business, but you do not want that tension to constantly manifest itself at the C-suite level. Therefore, consider having “region” rather than “function” as primary vertical and then setting up a function-based organization within each region.¹⁸

2. The corporate parent

Each of a company's business entities has specific objectives, challenges and priorities. Imagine your company has a mix of large businesses operating in its mature home market and small ventures in promising overseas markets. The latter may be keen to tap into the talent and knowledge that reside in the former, while the former may be reluctant to lend to the latter. Obviously, you do not want every such request and refusal to be elevated to the C-suite level. A global knowledge management and talent mobility system could solve the problem, and you might expect the businesses, out of enlightened self-interest, to set it up among themselves. Alas, that is unlikely to happen, as the benefits are contingent on participation by *all* businesses. Therefore, consider having a corporate function kick-start the initiative.¹⁹

3. Lateral coordination

Imagine that your organization architecture consists of business entities focused on “product” and others on “customer segment”. Even though these entities by design are relatively self-contained, “product” and “customer segment” still need to coordinate daily on operational matters, such as defining product specs, setting price levels, launching commercial campaigns, etc. Hence you decide to create a matrix, with sales managers reporting both to a product line manager and a customer segment manager. And you expect these matrixed sales managers to make the best possible trade-offs between the partially diverging interests of their two bosses. Alas, a matrix between two verticals with P&L responsibility tends to be intrinsically frictional.²⁰ The matrixed manager’s anxiety about role conflict and their bosses’ fear of power loss may create festering conflicts escalating to the C-suite level. Therefore, in this case, consider a soft-wired coordination mechanism (such as a periodic joint planning cycle) instead of a hard-wired matrix.

There are many other examples of organization design faults or ambiguities, not only related to organizational architecture but also to governance, business processes, company culture, people and systems. Admittedly, the perfect organization design does not exist – tension and friction are a fact of corporate life. And we could hardly demand too much authenticity, emotional intelligence, empathy and other commendable behaviors from our leaders, as described at start. But there is an issue when senior leaders are compelled to activate these behaviors to resolve internal conflicts that should not have escalated to the top of the organization. By identifying and removing glaring design faults and ambiguities about roles, we can help lessen the emergence and escalation of such conflicts, and consequently reduce the opportunity cost of senior leaders devoting energy and time to resolving stoppable conflicts. Senior leaders had better focus on genuine people issues, external stakeholders, and the organization’s strategic choices.

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