

AN e-BURST OF INSPIRATION FROM THE BEST BOOKS

Russell E. Palmer

THE MANY CONTEXT OF LEADERSHIP

One Size Does Not Fit All

FT

Press Delivers *elements*

FINANCIAL TIMES

The Many Contexts of Leadership

One Size Does Not Fit All

Russell E. Palmer

One of the biggest mistakes a leader can make is to fail to understand that what works in the leader's own organization can be very wrong in other contexts that may be a part of the leader's wider responsibilities. I have seen leaders who were brilliant in shaping their own organizations fail utterly when they found themselves in leadership roles in very different kinds of organizations.

Why that happens will be the theme as I describe a number of different leadership contexts and briefly explore the special challenges facing their leaders. Each of the contexts requires a different approach to leadership, and I suggest what styles work best in each case. I point out that the list is not meant to be an exhaustive survey of every possible context. Rather, I expect that you will recognize what kind of organization you are in among those I discuss. Just keep in mind that no matter what leadership style works best in your organization, it might not work at all if you find yourself, for whatever reason, either temporarily or permanently in one of the other kinds of organizations I describe.

Command-and-Control Organizations

Is there still such a thing as command-and-control leadership? Probably not in the purest sense of the term. But there are industries in which the board holds the top leader's feet to the fire and expects results—or else. Such leaders are accustomed to wielding great power.

Authority devolves from the top down, and the organization generally marches in lock step. Industries that tend to have this mode of operation include automotive, defense, and construction. But there are other industries and organizations where this leadership style prevails, and you should easily know if you are in one yourself.

In my experience, leaders nurtured in command-and-control organizations often are the ones who find it most difficult to adapt to organizational contexts that require a more collegial approach. This is especially true of leaders in industry who move to positions in academia, government, partnership firms, or, for that matter, any organization that needs a collegial approach as opposed to a “do it and do it now” mentality.

In today’s global economy, marked as it is by growing trends like outsourcing and offshoring, command-and-control organizations often appear as vestiges of the old military-industrial complex and its bureaucratic leadership styles. In most business organizations today, hierarchies are being flattened; persuasion rather than command is the dominant form of communication; and authority is ambiguous—it is often exercised laterally rather than in top-down fashion. It is also true, however, that old habits die hard, and in some situations nothing but a top-down approach to leadership will work in making things happen.

Companies like Home Depot, for example, have recruited former military officers and used their services to obtain strong business results. A major pitfall of this style of leadership, however, is that the leader sometimes tends to become increasingly arrogant, isolated, and even alienated from his or her constituents. And when that happens, as the ancient Greek dramatists knew so well, Hubris against the gods is often followed by the retribution of Nemesis.

Partnerships of Peers

Leading an organization of partners requires great skill and tact. In theory, everyone is equal in a partnership, but effective functioning requires that someone be appointed first among equals. The challenge facing this kind of leader, who has some idea of what needs to be done to meet changing conditions, is how to communicate with the others. The leader's task is to engage partners in a way that brings them on-board in the process of change. Such organizations include Big Four accounting firms, management consulting firms, law firms, physicians' organizations, and organizations involving knowledge workers.

This is an organizational context where my own personal experience has taught me much about leadership. At Touche Ross, later the Wharton School of Business, the prevailing organizational culture emphasized peer-to-peer leadership rather than the top-down variety. At Touche Ross successful leadership entailed uniting the partners around a common vision of helping build an innovative firm, and at Wharton as the dean I had to rally the faculty and other constituents around a plan for pre-eminence. Neither of these efforts would have succeeded if I had used an autocratic approach.

Anyone who leads an organization like this has an advantage when confronted by the challenges of other contexts that require a collegial approach.

Entrepreneurial Organizations

Among all the kinds of leaders, entrepreneurs are unique. They are alone. Of course, they work with investors and advisors, but they are the ultimate decision makers. This allows them to make decisions quickly and to execute rapidly. Entrepreneurial contexts are a fertile ground for leadership. But the challenge entrepreneurial leaders face is knitting together the investors, advisors, customers, vendors, and others, with their vision. That is a matter of negotiation. It is the price the entrepreneur must pay.

When entrepreneurs find themselves in other contexts, they need to restrain their natural instinct to take charge and make decisions if collegial leadership is required.

One of the most important lessons entrepreneurial leaders need to learn is to work with the right partners. Have lots of due diligence about whom you are working with—and you will find that the effort is worth it. An important mistake to avoid is waiting too long to make money. Your goal as an entrepreneur should be to try to generate a profit as soon as is reasonably possible.

The Academic World

It may be a cliché to say that leading a faculty of independent-minded professors is like herding cats. But it's not far from the truth. Professors can usually decide what research to pursue and how to teach their courses, and most of them generally believe that they have no boss. This makes the role of an academic administrator, such as a dean or college president, especially challenging. It's one of the roles in which I served, and I can attest to how careful an academic administrator needs to be to accomplish anything. If there is a need for significant change, the challenge is even more difficult.

Nevertheless, the lessons a successful dean or college president learns on the job can be applied in a number of other contexts.

Business Round-Tables and Other Peer Groups

The more successful top executives become, the more in demand they are likely to be to serve on round-tables, boards of industry associations, government commissions, and the like. Here they have to work with equally accomplished executives from other organizations who are not about to sit back and let someone else take charge. However, someone is usually designated to be the chair, and to get anything done

the chair has to tactfully lead these contending egos to agreement on agenda items.

Executives who have served as chairs on effective boards of peers have been through a trial by fire that can temper and deepen their leadership skills.

Nonprofits

Leaders in nonprofit contexts face a discipline not unlike that of the bottom line that leaders in the business world face. They have to balance what they spend with what they take in. Examples of nonprofits include grant-making foundations, think tanks, arts organizations, and charities. Leaders in these organizations often have to spend much of their time fundraising, and that generally requires a very different style of leadership from the corporate world. Even when there is no need for fundraising—for example, in a well-endowed foundation—the top executive needs to work cooperatively with a board of governors that is likely to have definite ideas about the foundation’s mission and agenda. Nonprofit organizations often are dependent on volunteers who don’t view themselves as employees and often act as free agents. Moreover, while I don’t mean to generalize, volunteers can sometimes have a lot of opinions that are not based on facts. All this tends to make managing a nonprofit a difficult challenge for the leader.

The Military

Leadership style in the military is similar to that in command-and-control organizations. An order is an order. An obvious difference, however, is that in the military, lives are at stake. And in the U.S. military, tactical decision making has been pushed down the hierarchy to combat leaders who must respond to moment-to-moment changes on the battlefield. The best top military leaders understand that they must set broad strategic goals that are clear and step back and let those on the line implement the goals using their best judgment. On the other

hand, I have often been struck by the fact that top military leaders have a surprising amount of political skill and collegial ability when these are necessary. Perhaps these skills are developed as part of a need to be successful in promotion and dealing with large numbers of superiors.

Military leaders often make a smooth transition to positions of leadership in industry and other contexts.

Government

Leadership in government differs from almost every other kind of context because, in the final analysis, everyone is your boss. You have been hired, or elected, to carry out the will of the people. Broadly speaking, there are two kinds of government leaders: those who hold elective office and those who head government departments, agencies, commissions, and other nonelective governmental organizations. In both cases, the leadership role can be ambiguous. That is because both types of leaders are visible to the public at large. What they do is scrutinized by the public and the media, and they can be called to account in a public forum when things go wrong.

Leaders who move from government to the private sector may not err on the side of being too assertive, but they may err on the side of being too cautious and bureaucratic.

The Operating Room

The scene in an operating room is one of complete autocracy. The surgeon is in charge and no one questions his or her orders. When the surgeon asks for a certain kind of scalpel, none of those attending the operation debates whether it is the correct instrument. It is perhaps one of the purest forms of a command-and-control context.

I include this context to remind you that it is unlikely that you will actually have the authority of a surgeon in other contexts. It works only if you are a surgeon yourself.

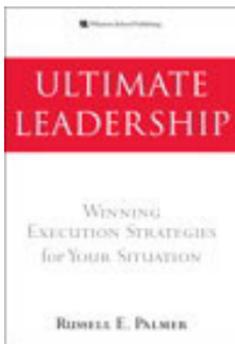
Organizations in Crisis

When an organization is in crisis, the collegial leadership rule book gets thrown out. There is a need for leadership to become very concise. There is not a lot of time to deliberate over and discuss decisions. The leader has to step forward and personally take charge. The leader still requires a type of strategic plan, but there is no time for collegiality and little room for delegation. A crisis calls for execution—rapid execution—while being calm under fire. But a crisis also can be turned into an opportunity. It can be very revealing, especially about one's peers. You never know fully about people around you until you have seen them under fire. It can be a bonding experience.

Once the crisis has passed, the leader has to know when to relax the grip on the reins and allow authority to flow down the hierarchy, both for the long-term health of the organization and to develop its future leaders.

Summary

- It is crucial to your success as a leader to understand that effective leadership styles need to vary with the context and to adapt your style to the context of your own organization.
- Successful leaders can fail to understand that the leadership style that works in their own organizations can be very wrong in other leadership roles in which they may find themselves. Recognizing this reality can help you make the transition to a different leadership style when that is necessary in a new context.



If you liked this Element, you might like the book by Russell E. Palmer, *Ultimate Leadership: Winning Execution Strategies for Your Situation*

(Wharton School Publishing, ISBN: 978-0-13-193386-6).



Vice President, Publisher: Tim Moore

Associate Publisher and Director of Marketing: Amy Neidlinger

© 2010 by Pearson Education, Inc.
Publishing as FTPress Delivers
Upper Saddle River, New Jersey 07458

Company and product names mentioned herein are the trademarks or registered trademarks of their respective owners.
All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

ISBN-10: 0-13-254227-7
ISBN-13: 978-0-13-254227-2

For more information, please contact us at info@ftpress.com