Geoff Eagleson & Stephen Langton

Learning to Lead

A DESIGN APPROACH TO LEADERSHIP PRACTICE

If you find being an effective leader difficult, a 'design mindset' can help

Many managers, especially those new to their role, are frustrated by the disconnect between their desire to be effective leaders and their lack of certainty about what exactly they should do. They know that they must have a vision; they know that they have to be aware of their own strengths and weaknesses and that they must be able to empathize with those they want to lead. But they are often unsure how to react to issues that arise on a day to day basis except in an ad hoc way.

By the very nature of their role, leaders engage with constant change, complexity, ambiguity and paradox in the issues they have to solve. This is further complicated by having to deal with the intangible, unpredictable human issues that arise, especially within their own teams. In a search for certainty, many will turn to mentors, coaches or advisors. They will also consider development initiatives that they hope will provide them with knowledge, skills, techniques they need to succeed and, ultimately, provide them with the certainty of knowing just what to do and when to do it.

Unfortunately these development initiatives seldom provide the certainty that a leader is looking for and this can be uncomfortable for those who have risen to their position on the basis of their technical expertise. The problem is that technical solutions to the unique and complex issues of leadership will be ineffective.

> **Leadership is a service that can, like other services, be designed.**

This does not mean, however, that the leader cannot use a structured approach to guide their behaviour.

On the contrary, on the basis of our work with hundreds of successful senior leaders, we have found that most leaders rely on a sequential and iterative process to resolve the tactical and strategic issues they face. The process flows naturally from the belief that leadership is a service that can, like other services, be designed. To guide their choice of actions, effective leaders use a process that is an adaption of the one used to develop new products; they approach all of their issues with a design mindset.

When a leader uses a design mindset to inform their activities, the solution to every problem is framed as a service to a client, or multiple clients, whose needs, concerns and environments must first be comprehensively understood. The client is intimately involved at all stages of option generation and selection, and an extraordinary amount of effort is

expended in communicating with the client at all stages of the process, using every medium available. Furthermore, the leader has at their disposal an overarching process to guide their problem solving efforts. We call this process the 'Leadership Design Process'.

The value of the Leadership Design Process is its combination of simplicity, flexibility and practicality. It is not the 'god particle' of leadership but it provides an underlying process that can be used by any leader for any problem. When executed well it provides a structured way to develop solutions to issues, freeing up the leader's creative power and, also, gives the leader a way to advance and control their own development.

How can Claire learn to lead?

Claire Roberts is an accomplished lawyer who has been promoted to a leadership position in her law firm. She is expected to lead a team of six specialist lawyers and their support staff. She wants to ensure that she maximises the commitment, capability and effectiveness of these professionals but finds that this is harder than she thought.

Claire's firm sent her to a content-rich, well-packaged and sophisticated development program that was full of live and historic cases. It involved integrated coaching and simulations. She benefitted from the time to reflect and from the engaging 'out of office' experiences. Back at the office, however, she still did not know how to apply this learning to help her team and to resolve the conflicts that exist between members of her team. The way the program was structured was educationally sound; what was lacking was the provision of a process that Claire could use to determine what actions she needs to implement with her team.

Serendipity to the rescue: Claire stumbles on a process for responding to an Employee Attitude Survey

The law firm where Claire works engages an outside consultancy to administer and collate the results of an on-line Employee Attitude Survey every two years. The survey consists of a set of standard questions such as 'Do you feel you are able to contribute effectively to the company strategy as presented?' with five possible responses ranging from 'I feel unable to contribute in my current role' to 'I feel strongly willing and able to contribute to this strategy in my current role '. The responses are later scored 1 to 5, averaged for the different groups in the firm and displayed as graphs. Space is provided so that the respondents can add any comments they wish on any topic they choose.

A glossy brochure is produced for every senior manager. It consists of an Executive Summary, a series of graphs that plot the averages of subordinate responses to the questions and that compare the current responses with those from earlier surveys, as well as an edited version of the comments made. The comments are presented as an appendix after having been randomly mixed in order to make it difficult to identify the source of any particular comment.

When Claire received her copy of the report on her group, she did not know how to respond. Nor did she know what the graphs meant for her, and there were so many comments she found it difficult to make sense of them. By chance she was catching up with George, an old acquaintance with training in statistics, and she asked him to help her.

After George had studied the report, he suggested to Claire that she should concentrate on understanding the comments and the issues that had given rise to them. The graphs related to the previous incumbent of Claire's position and were mainly useful as a baseline measurement for future surveys. Over time they would help her see how her subordinates were responding to her initiatives.

George argued that the comments were where she would find opportunities for improvement. What she needed to do, according to George, was to get her hands dirty, look at the comments in detail and search for themes that might expose common causes of concern. She needed to get close to where the valuable information was, in this case the written comments, to generate clarity and focus for the tasks her group needed to address.

To help Claire achieve this, George told her of an old consulting technique. When trying to get clarity about an organisation's problems, list the facts, group the facts, label the groups, interpret what themes have appeared and repeat this process as many times as necessary until there is comfort that an accurate and deep understanding of the issues have been obtained.

> **Followers want the leader to help them by clearing the obstacles they face in doing their job.**

So, Claire took a copy of the written comments and wrote them on separate Post-It notes. That night she spread the notes out on her dining room table and followed George's instructions. She was surprised to find that quite quickly she could identify the major issues for the team at that time. The perceptions were:

- Performance management was inadequate with underperforming staff not helped to improve or to move on;
- Internal communication was poor with inadequate information about decisions and change plans; and
- Resourcing, especially of personnel, was inadequate for the tasks they were required to do.

Claire knew that she not could solve everything herself and that she would need help from her direct reports and those below them. She decided to call a staff meeting where she presented the results of her analysis. She argued to herself that this way everyone in her group would know that she had 'heard' what they had said. She then gave the staff a couple of days to respond anonymously to her analysis in case she had missed something.

At the meeting she also announced that, if her analysis was agreed, she would first address the issue of poor internal communication. To do this she would ask her direct reports to come away with her on a half day off-site meeting to generate ideas for possible solutions, to choose the most appropriate interventions and to plan how they might be implemented. She promised the staff that she would not wait two years for the next Employee Attitude Survey to see whether the initiatives were working.

Claire closed the meeting by thanking her staff for their frank comments in the survey, giving them an open invitation to approach her or her direct reports at any time with suggestions or concerns, and ask whether anyone wanted to make any further comment at that time. Only one person, a long-time employee who worked as part of the support team, took up her offer, raised her hand and said: 'Thank you for listening. I have worked at this company for 27 years and I only wish that this had been the way we had always done things!' Claire felt proud that she seemed to have discovered a good process to engage with staff and address at least one aspect of the feedback.

Codifying what Claire learnt: To Lead is to Serve

To make sense of what happened, Claire first needs to realize the simple fact that leadership is a service. Claire may even have been introduced to this idea during her off-site development program but it is unlikely that this mindset was used as the foundation of an actionable, sustainable approach to leadership. Leadership does not exist in a vacuum. By its very nature, leadership is fundamentally relational and therefore non-existent without followers – those whom the leader strives to align to a common purpose. Those followers want the leader to help them by clearing the obstacles they face in doing their job.

The idea that leadership is a service is not new, complex, or contentious. After all, the motto of the famous British military leadership academy, Sandhurst, is 'Serve to lead'. In the business context, a number of authors have proposed that effective leadership places the good of those led over the self-interest of the leader.[1]

The need for the leader to help is made abundantly clear in typical 360-degree feedback:

- 'She makes it clear what we have to do, but everyone on the team would value her helping us solve some of these problems.'
- 'She seems to spend more time managing upwards and being seen, rather than spending time with the team and helping us all succeed for her.'

From the point of view of the follower, true leadership provides a service that is focused on supporting their work, personal and career aspirations, balanced by business objectives and strategic priorities. Extending the service analogy, followers are the clients of the leader[2] and, in a tight labour market, may choose to accept the leader's direction or go elsewhere[3]. When Claire accepts that to lead is to serve, two questions naturally arise: 'Whom is she to serve?' and 'What can she offer?'. The answers to these questions clarify the way that Claire can determine what she needs to do. First of all, while the leader serves many stakeholders, the primary ones (on which we shall concentrate here) are the direct followers, the immediate team. What the leader can offer the team is help to complete a job when they are challenged by its novelty, complexity, lack of goal clarity and information ambiguity[4]. The leader's role is to assist the team by setting direction, removing obstacles, developing capabilities, creating an enabling structure and providing resources (information, personnel, and finances). That is, the key function of the leader is to create the conditions conducive to achieving goals and simultaneously to solve the problems that are stopping their team from realising its full potential[5].

Knowing that she has to create the conditions for her team to perform well and to solve any problems that might arise still does not help Claire know exactly what she should do. If she reflects on her experience with the Employee Attitude Survey, she will see that she has used a process similar to the one used for 'New Product Development' or strategic planning exercises. She has used that process for a tactical problem and it has worked well. Perhaps it will work for any issue a leader needs to resolve.

Of course, the process Claire used could be improved. As well as analysing the written feedback, Claire could have asked people directly what obstacles they face in doing their job. She could have asked her direct reports about the problems they and their staff are having. She could have found an independent person to act as her eyes and ears. She could have involved her direct reports in analysing the feedback so that they could then not ignore the issues. These suggested improvements would have been obvious to her if she had taken a design approach to her leadership practice.

To lead is to serve and when leadership is seen to be a service offering, it can be designed like any other service, using the principles of good design.

How good designers operate: The Design Process

Excellent designers, whether of buildings, furniture, new products or new services use a number of basic principles in their work:

- A deep understanding of the client, the outcomes they desire and their environment;
- A framing of the brief, of the issue to be solved, based on empathy for the client's concerns;
- An iterative process of co-generation of a set of creative options that are functional while elegantly taking account of the constraints;
- The building of prototypes that can be used to present the options to the client and facilitate the selection of a preferred design; and
- The testing of one or more options with the client, seeking feedback in order to choose one and then refining it.

A good designer goes to extraordinary lengths to understand the client and their needs. They consciously involve the client at all stages of the process, in the framing of the brief and the generation of options. They are creative in the way that they communicate with the client through building prototypes, drawing pictures and telling stories. All of this is done while actively seeking feedback at each stage of the process which is shown graphically below.

The use of design principles need not be restricted to products and services, they can also guide the search for new strategies, better processes and more effective organisational structures. This broader application of design principles is called 'Design Thinking' – a methodology that encompasses the full spectrum of innovation activities with a focus on conscious and unconscious human needs[6].

EMPATHISE

Understand the client and their environment

DEFINE

Frame client's needs to focus the task

IDEATE

Generate options collaboratively

TEST

Test options with the client to chose one and then refine it

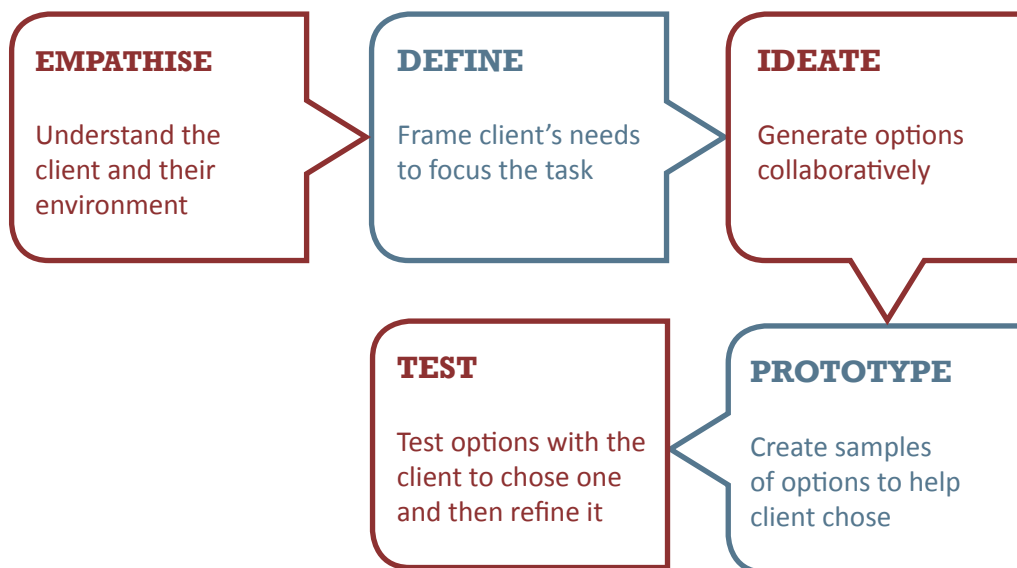**PROTOTYPE**

Create samples of options to help client chose

Figure 1. The Design Process

There is no reason why a leader who wants to serve their team, cannot apply design thinking to both what they should do, and how they might do it. The design process can be adapted to the task of designing an appropriate leadership offering. We call this adaptation the 'Leadership Design Process'. The leadership actions and styles that emerge from this mindset will have been designed explicitly to meet the needs of followers who are facing specific issues in a particular environment and context.

Framing leadership as a service to be designed puts responsibility on the leader to identify what the individuals around them need from them in order to do their job well. Not only does this approach require the leader to find out what is required of them, it also sets up a continual design process to determine appropriate actions. This results in a service offering that, although specific to the individuals in the leader's network, remains dynamic and flexible.

Using design thinking to determine leadership activities: The Leadership Design Process

By applying the principles of good design to her leadership, Claire can practise what we call 'Leadership by Design'.

Applying design principles to leadership has four important consequences:

1. It opens up the possibility of applying 'Design Thinking' to the leadership process;
2. It emphasises that leadership should be creative within individual, group and organisational constraints;
3. It extends the leadership agenda from the 'here and now' to the future; from solving those problems that are known, to addressing unmet needs that currently may not be articulated. Design is concerned 'not with how things are, but with how they might be'[7]; and
4. It provides a process that a leader can follow to identify what they need to do, by adapting the well-specified and well-understood design methodology to obtain a Leadership Design Process.
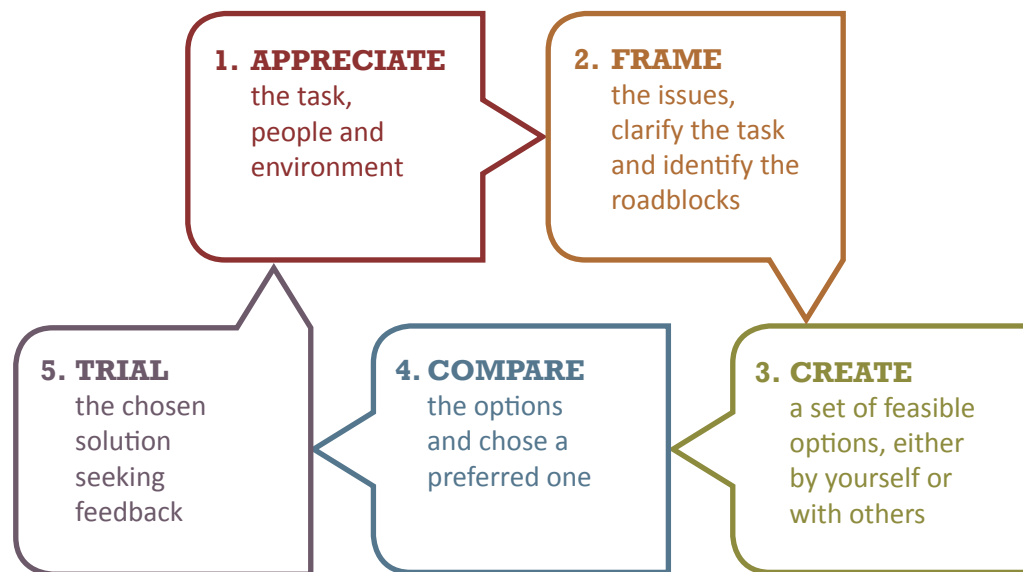
Figure 2. The Leadership Design Process

The Leadership Design Process adapts the stages of the standard design process to the issue of deciding what leader behaviours and styles are required in a particular context. There is nothing complex or new in this process. In our experience, effective leaders use it consciously or unconsciously for both strategic and operational issues, over both short and long time frames.

Effective leaders use the Leadership Design Process for both strategic and operational issues, over both short and long time frames.

The Five Stages of the Leadership Design Process
1. Appreciate the task, people and environment

'Appreciate' is used here in the sense that one appreciates a good wine – acknowledging its strengths and weaknesses and its provenance. Just as with wine, the leader needs to appreciate the task, people and environment by understanding deeply the members of the team and the jobs they are trying to complete. The leader also needs to know their personal and career aspirations along with the environments (at and outside work) in which they operate and which determine the conditions for them to succeed as team members and individuals. If this first stage is not adequately addressed, what follows is likely to be less effective than it could be. The essence of this stage is for the leader to observe their team in action, to listen intently, to ask open questions, and to put themselves close to where relevant information may be, at a time when the information is likely to be available. This stage is predicated on the assumption that the requirements of subordinates will be dynamic, requiring a continual update.

Just as with ethnography – the qualitative research design aimed at discovering cultural phenomena – there are good and bad ways of collecting observational data. A leader can protect him or herself by using a reliable process.

Effective leaders often have someone who is approachable and trusted and who keeps the leader informed about what is happening. Take the example of Paul Anderson who was appointed CEO of BHP in 1997 when the 'Great Australian' was on its knees. After his appointment, Anderson spent his first few months with the organisation travelling to remote sites and talking to employees. He took his wife with him on these trips and used

her to gather information from the employees and their spouses when they attended social events. People were willing to be frank with her whereas they would not have been so frank with him. (This particular strategy may not work in every situation!)

2. Frame the issues; clarify the task and identify the roadblocks.

It is important to frame correctly the issues to be addressed. The question you ask determines the answer you get. The correct framing of a problem is critical! As an example, one of the authors was staying in a hotel in Rome and asked the reception staff where to find an Internet café. He was given instructions that involved a 15 minute walk but which did indeed lead to such a café. On return to the hotel, he noticed a VDU in the foyer which another guest was using to access the internet. The question you ask determines the answer you get...

The leader needs to treat the exercise of understanding the issue as a consulting assignment, not accepting input at face value. If told that they need to do something, the leader should ask 'why?' and continue to probe until the underlying causes of the issue are exposed. If they are presented with a problem, they should ask 'so what?'. Responding to input, one piece at a time, is not efficient. Typically there will be systemic problems and these are the ones that should be addressed to develop and implement effective and sustainable solutions.

Malcolm Broomhead was appointed Managing Director of Orica in September 2001. Orica was created out of ICI Australia when the parent company sold its 62.4% shareholding in 1997. Between then and 2001 the share price had dropped from $12 to $4. Broomhead first addressed the excessively high cost base and, after that was under control, travelled the world to talk to around 15% of the employees in small groups. The process took about three months and the opinions were surprisingly consistent: there was a lack of commercial ownership in the company. Together with the employees Broomhead clarified the major goal for them to be 'Delivering on the Promise'.

3. Create a set of feasible options, either by yourself or with others

An effective leader must generate, alone or with the help of the team or external experts, a set of creative, different solutions that are functional while also taking account of the constraints. At this stage the need is for divergent thinking which can be disturbing for those who excel at structured analysis.

While most leaders use this stage in their strategic planning cycle, they sometimes overemphasize the completion of the task to the detriment of the process. Andrew is the CEO of a large Australian manufacturing company. The high value of the dollar is affecting his turnover. Although he is confident that his people produce a better product that will last longer than its imported competitors, the market is not willing to pay for the mitigation of future risk. He decided to take his senior executives away for a day to generate options for responding to this very real threat. Unfortunately, Andrew rejected the advice of his HR Manager and decided that he would facilitate the proceedings. The results were disastrous. Andrew talked too much, interrupted people as they tried to make a contribution and made clear from the start that he had already made up his mind about what to do. As for all the other stages, good outcomes will only come from good process.

The leader needs to ensure that all the major options are on the table. It is well-established that a group can choose the 'best' among options, but, if the optimal solution is not available for comparison, it will not be chosen. One way of generating options is to create boundaries that they must lie within. The argument is that free-wheeling brainstorming is, at best, inefficient, while the rehashing of existing data is likely to produce incremental improvements rather than breakthrough ideas. The idea of taking a middle course – thinking within a specially constructed set of constraints – has been described by Coyne, Clifford and Dye[8]. Their article reiterates the importance of asking the right question.

4. Compare the options, choose a preferred one

Available options need to be compared in order to select one. An efficient way to do this is by describing them in terms of a model, or a framework. The value of frameworks is that they take a complex set of ideas and disaggregate them into simpler components. The components for the different options can be compared directly, as can the relationships between the components.

Another way to compare options is to create a safe environment, a mental laboratory, where the options can be dress rehearsed to expose and test their underlying assumptions. Whichever option is chosen it should be creative, solve the issue that generated the analysis, leverage the strengths of the leader and the team and come with a plan to manage its downsides.

When choosing a preferred option the leader needs to be aware of the risks involved by elucidating the downsides of the various options so that mitigation strategies can be developed. All the options will have unintended negative consequences that have to be managed. A practical decision rule is to choose the option whose downsides are known to be more manageable.

The senior managers of a Division of a Financial Services company together generated a set of realistic growth options for their business. To make a choice, each option was assessed for the degree of adjacency to the current offerings as well as for Market, Regulatory and Business risks. The risk assessments and their associated mitigation strategies were then used to prioritise the options.

5. Implement the chosen solution seeking feedback

Implementation is universally acknowledged as being difficult. At the very least, when announcing the preferred option the leader must make sure that the objectives are clear, that the team have all the capabilities and resources they need and that the organisational environment will support rather than hinder the implementation phase.

One of the most important tasks in this stage is for a leader to communicate the essence, coherence and appropriateness of the preferred option to their followers. This is best done through pictures or a story, because this approach will enable followers to construct the logic of the argument themselves rather than be tempted to argue with an explicitly presented logic[9].

An Australian CEO who was a superb communicator, mastering both the message and the medium, was James Strong. When he was CEO of TAA and focusing the company on growing its business segment he discovered that the major complaint of the business passengers was the time taken to receive their luggage. As a consequence, he held luncheon meetings with his business clients and ensured that a Baggage Handler sat at every table. The message got through and the time to offload baggage was greatly reduced. When Strong became CEO of Qantas he wrote an article for the in-flight magazine, 'The Australian Way'. In the article he asserted his belief that Qantas could create competitive advantage through superior service. To achieve this he promised to invest in and communicate with his staff. The article may have been of interest to the passengers but he was using it to pitch his vision to Qantas's employees. Later in his tenure at Qantas, Strong had to implement a cost-cutting exercise. This time he appeared on a TV business program to outline the reasons for the cost reduction drive and what its consequences would be for the company, its customers and its employees. This time he was talking primarily to investors.

Finally, in seeking feedback the leader needs to use the skills that were used in the first stage – listening intently, asking open questions, probing what lies behind any comments made. The process has come full circle.

Using the Leadership Design Process

The Leadership Design Process should look familiar. After all, it is very similar to the process most organisations use to generate strategic plans. Our point is that it can be used more extensively. It can be used for any leadership activity, be it developing a strategic plan or a straightforward interaction with a staff member in the corridor. Of course, the time, resources and rigour devoted to the different activities will differ enormously, as will the number of steps of the process that are used. For strategic planning the complete process is already widely used. For short, sharp interactions, which are examples of 'touchpoints', the process is captured in the mantra: 'listen intently, frame the issue and advance the agenda'[10].

While the description of the Leadership Service Design Process is linear, in practice it rarely is. There are frequent feedback loops within and between the different stages. For instance, it may become clear in the option generating stage that the framing of the issue was not correct. In that case the framing stage needs to be revisited. Also, the short descriptions of the different stages in the process hide the fact that their execution is often not easy. In particular, framing an issue well and generating creative options are notoriously difficult though there are many sources that can help the practitioner.

> **The essence of Leadership by Design is the adaptation of the standard design process to generate leadership insights.**

Finally, the description of the process implies that there should be a rational approach at each stage. However, there will be times when there is inadequate information to make a rational decision. Intuition based on extensive experience and deep domain knowledge can inform the whole process though the intuitive insights should be tested to give comfort to all concerned that they have generated an appropriate approach.

In following the Leadership Design Process, it seems as if the leader needs to play a number of different roles: ethnographer, forensic scientist, creative genius, graphic designer, story-teller and experimenter. If this seems daunting, it need not be. The important point is that the stages of the process are completed and that the exercise is treated as a learning opportunity.

The leader has the possibility of involving the team in the process and can outsource a number of the steps to them. What the leader cannot outsource is the ownership of the process, the understanding of the team, the communication of the narrative and the provision of the necessary resources.

Performing effectively as a leader is not easy… but a design approach can help!

Claire is consciously incompetent. She wants to be an effective leader, does not know what to do but is willing to learn. If she reflects on her experience with the Employee Attitude Survey and improves the process she used there she can formalise a leadership design process for herself. If she applies that process to all of her activities, all of the time, she will begin to lead by design. The essence of Leadership by Design is the adaptation of the standard design process to generate leadership insights and thus, with reflection, provide the means for leader self-development. Through adopting a Leadership Design Process Claire will have a guiding mindset (leadership as a service that can be designed) together with a roadmap to co-develop new capabilities and behaviours.

A corollary of using the Leadership Design Process is that the leader can take responsibility for determining their behaviours by proactively questioning and probing those around them. It is the leader themselves that can make an assessment of their capability gaps within the organisational context and plan to close them.

Do not hesitate to contact us at:

The Centre for Leadership Succession
Level 25, Angel Place
123 Pitt Street
Sydney, NSW 2000
+61 2 9921 3100

www.leadershipsuccession.org

or by email:

geoff@geoffeagleson.com (Geoff Eagleson)
elizabeth.macgregor@johnsonpartners.co (Stephen Langton)

September 2012

References

1 See for example: Covey, S. R. 'Servant Leadership', Leadership Excellence, 12/2006, Volume 23, Issue 12, p. 5. Kiechel, W. III 1992, 'The Leader as Servant', Fortune, 05/1992, Volume 125, Issue 9, p. 121.

2 Blasingame, J. 2011, 'How Compelling Is Your Leadership Product', posted 28 July 2011, http://www.forbes.com/sites/jimblasingame/2011/07/28/leadership-product/, downloaded 2 June 2012.

3 Lichtenwalner, B. 2012, 'Leadership as a Product Purchased by Followers', posted 17 April 2012, http://modernservantleader.com/servant-leadership/leadership-as-a-product-purchased-by-followers/, downloaded 2 June 2012.

4 Mumford, M. D., Zaccaro, S. J., Harding, F. D., Jacobs, T. O. And Fleishman, E. A. 2000, 'Leadership skills for a changing world: solving complex social problems', Leadership Quarterly, Vol. 11, No. 1, pp. 11-35.

5 Morgeson, F. P., DeRue, D. S., & Karam, E. P. 2010, 'Leadership in Teams: A Functional Approach to Understanding Leadership Structures and Processes', Journal of Management, 36: 5-39.

6 Brown, T. 2008, 'Design thinking', Harvard Business Review, Vol. 86 Issue 6, pp. 84-92.

7 Simon, H. A. 1996, The sciences of the artificial (3rd Ed.). Cambridge, MA: MIT Press.

8 Coyne, K.P., Clifford, P.G. & Dye, R. 2007, 'Breakthrough thinking from inside the box', Harvard Business Review, December, pp. 71–78.

9 Denning, S. 2004, 'Telling Tales', Harvard Business Review, Vol. 82; Part 5, pages 122-130.

10 Conant, D. R. and Norgaard, M. 2012, 'Touchpoints: The power of leading in the moment', Leader to Leader, Vol. 2012 Issue 63, pp. 44-49.