

Engaging Leadership, A New Road Taken

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Antony Colijn



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Resume of Antony C. Colijn

Antony Colijn has extensive professional experience in the field of personnel and organisation as a management development consultant, transition manager and senior HR executive.

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Abstract

Engaging leadership¹ is a third generation leadership concept designed to undo the failings of the ICT driven command and control model which produced out of touch business leaders under the spell of hubris and corporate vanity. Cut loose from their socio-cultural grassroots and forgetting where to draw the line, these leaders responded to the golden rule of money machine capitalism 'what is good for me is good for the world'. The outcome was the recession of 2008-2009 with its massive governmental interventions socialising the staggering losses of big business.

Engaging leadership is focused on revitalising the Schumpeter vision of capitalist entrepreneurial drive in a cycle of continuous destruction and innovation. Emphasis is on tools and techniques for business leaders to re-engage with their management teams building a wolf pack of authentic, talented and entrepreneurial individuals with the stamina, competence and commitment to shape the future.

The paper proposes an alternative and challenging strategy for business leadership. Alternative as it focuses on human authenticity, intelligence and entrepreneurship as the integral dynamic response to the raplexity² of our global world. Challenging in its appeal to business leaders to reduce their personal shadow and practice the art of intelligent laziness making time for reflection and anticipation by consistent delegation and tough feedback.

The author explains why the highly popular command and control leadership paradigm is failing to cope with the raplexity dynamic of the global environment but nevertheless is acclaimed widely because of its appeal to the need to control in times of insecurity and crisis and its soothing, boosting effect on the ego. The reader is granted a view into their own situation and invited into the exploratory journey of engaging leadership.

Practical insight is given on how to create an entrepreneurial culture of engaging leadership and how to build wolf packs on all levels within the organisation. Wolf packs who identify with the company and who are fully in touch with the business reality, collaborating to turn their active commitment to the strategic ambition of the business leader into operational relevance and success. Engaging leadership is about how to recruit tomorrow's engaging leaders who focus on being in touch and not in control, and most importantly, how a business leader should manage his interaction with his people to ensure a sustainable success that outlasts his tenure with the business.

The author's intense personal experience over 30 years of senior level business action, learning by doing the power/trust dimensions necessary to create buy-ins and build commitment for organisational transitions, makes him painfully qualified to deliver such a confrontational proposition for new roads taken. Engaging leadership is the collaborative share and compare contribution of a seasoned practitioner producing intriguing insights for coping with today's and tomorrow's environment in an effort to inspire his fellow active citizens in shaping our future rather than being victimized by it.

The necessity for a new road

The recession is a serious social economic problem and a compelling symptom of a moral crisis in leadership. From the Robber Barons of the 19th century to the modern Wall Street Wizzards and Subprime Pirates, we find reckless businessmen who trample on the core principles of capitalism, exploit enterprises as executive remuneration vehicles, excluding wider society from their risk taking with an exclusive short term outlook and disdain for people as a tools of their ego driven ambition. This attitude received its most recent boost during the late eighties' neoliberal stage of capitalism with derivative instrument and hedging activities. Widely adopted and copied throughout the dealing rooms of the global market, in 2008 these practices resulted in the worldwide collapse of many prominent financial institutions and business corporations.

The massive intervention of national governments to prevent the total collapse of the world economy has validated the cynical rule of laissez-faire capitalism: privatise your profits and socialise your losses. The first green shoots indicating a possible recovery are accompanied with the disheartening self-justifying perception of many bankers that this rule is indeed effective. Their top priority is to return to business as usual, pay back the government loans, learn from the mistakes to prevent recidivism, whilst making no change to the rules and conduct of the business game which delivered the crisis.

What concepts are driving these gaming businessmen? Above all, they do not interpret capitalist entrepreneurship viz. Schumpeter as the continuous process of creative destruction generating new products, services, technology applications and skills. The Schumpeter vision of capitalism has a long term perspective, the composite waveform of all business cycles being the essential contributor to the sustained development of a highly successful civilisation with re-investment as the principle method for value creation. The gamers shooting for the short

term gain regard capitalism as a money machine, making money with money divorced from economic activity and the creation of sustainable value. The focus is on short-term profit and not the painstaking renewal of economic infrastructure. In the process of globalisation the gamers have fatally loosened if not cut the ties of their cultural grass-roots. They have discarded all socio-cultural values or reloaded them with a self-serving instrumental sense. Transforming greater societal interests into management tools they say what is good for my bonus is good for society. 'Added value' has become an exclusively financial term and the human being relegated to a mere resource.

The process of making money with money was so successful and total that it attracted businessmen from all over the world regardless of their cultural roots. Cultural diversity was redefined into a hot marketing opportunity and commercially exploited to the full. Culture as a specific set of historically founded moral and behavioural values, as a source and compass for meaningful conduct, has been seriously weakened in the world of business. The caricature of the international businessman based in Davos, looks alike, thinks alike, and acts as one, irrespective of cultural background. His focus on the financial numbers' game has diluted his original cultural embedment and authenticity. The estrangement of values has weakened his moral restraint whilst he absurdly considers himself the doyen of beneficent social and cultural responsibility. The appearance of this new successful business breed is an identity ruled by intellectual reasoning, power, profit and prosperity, false tokens of social superiority and morality. The invisible balancing and restraining hand of capitalism has lost its intellectual and moral roots. The traditional checks and balances are fatally out of order. The outcome is a financial disaster striking capitalism in the heart, defeating the vital civilising force of continuous creative destruction and innovation.

A positive outcome of the economic crisis is the urgent and relevant government attention on the regulatory technical dimension of finance

needed for a speedy recovery. It is peculiar, however, the socio-cultural and moral leadership issues are being treated with benign neglect (notwithstanding the public indignation with respect to individual cases of shameless self enrichment).

It is the socio-cultural and moral leadership issues that have to be addressed and painstakingly researched to prevent recidivism to the irresponsible behaviour which led to the crisis. Revision of criminal law is not the principle concern, rather the discovery of what societal conditions foster capable individuals of their own free will to choose to exert the necessary restraint and self-control to prevent a recurrence of this massive derailment. One valuable lesson of the current crisis is that even if we succeed in solving the current woes our society will not survive another crisis of this magnitude. Modern civilisation has been proven extremely vulnerable to the excessive behaviour of high power interest groups. Differentiated from the 20th century, today it is not so much totalitarianism or reactionary modernism which threatens our civilisation. It is the devastating effects of power driven particularism in its transformation of historically rooted basic cultural values and moral guidelines into functional and financial sense making. The challenge for our elites is to stand up to this fundamental confrontation, without the compromise and distraction of busy patch and repair routines.

It is questionable whether government intervention will in the long run have a positive effect on the capitalist economy. The remedial action taken so far is guided by the notion of using regulation to restrain influential businessmen with external checks and balances. A notion entirely derived from the world of politics and political gamesmanship, and introduced into the business community under the supervision of politicians, civil servants and related professionals. In all probability the massive scale of government intervention will give a useful boost to the economy. The risk is the nerve system of capitalism becomes irreparably damaged by the paradigm of politics. To mark the difference: capitalist

entrepreneurs want to achieve business results through the systematic process of creative destruction whilst politicians acclaim to serve the general interest by constantly checking and balancing the power interests and interventions of actors in the political arena. The politicisation of business is akin to turning business organisations into political institutions. Political regulation transforms the active business leader into a politician or civil servant.

Fundamental to engaging leadership is it challenges the leader to use self-discipline and his embedment in his community's cultural values to use his moral compass to draw the line and not to be controlled by context driven regulation. Engaging leadership invites leaders to practice the two leading ancient Greek wisdoms: know yourself and know where to draw the line. Engaging leadership inspires and challenges people to cope with reality and face the future whilst also obliging them to reflect and learn so that in venturing new experiences and risky roads their historical roots and values are not destroyed along the way. This is of more use than a restructuring effort based on political notions executed by political bureaucrats based solely on facts, figures and added-value showing indifference to cultural values and living people. Engaging leadership wants to reinvigorate and revitalise capitalism to its flywheel function continuously generating strong and creative impulses vital for the sustained development of our active society.

Reduce the power distance and the shadow of the business leader

Great leaders have big egos. There is nothing wrong with that. Without a strong personality nothing can be achieved. However, if these egos manifest themselves as large overpowering shadows in the organisation they force people without strong personalities into accommodating themselves by seeking shelter, safety and comfort at the cost of personal responsibility and self initiative. Entrepreneurial individuals cannot prosper in the twilight caused by the boss' shadow. They need air to breathe, light to generate energy and inspiration, and freedom for manoeuvre to take responsibility. In the boss' shadow they feel robbed of all opportunity and belittled by what they see as the ordeal and drill of continuous command and control. In time all the entrepreneurial people will depart, leaving behind the yes-men busy with pampering the boss by socially desired behaviour, practising the art of groupthink and excelling in the huge behavioural variety of mental absenteeism. Yes-man's focus is to keep the business leader locked in his comfort zone, he excels in stroking the boss' ego. Yes-man pretends commitment whilst actively escaping accountability. The outcome is an organisation at risk in which no one but the business leader is really in charge.

In such a context the CEO emerges as a lone wolf, surrounded by immense servitude and applause empty of individuals to whom the chief can effectively delegate. The outcome is a centrally powered, top down driven organisation, packed with yes-men who are focussed on good social relations and upward delegation of tasks and responsibilities. The business leader is highly acclaimed and fully comforted, meanwhile kept busy and feeling important.

In spite of the presence of complex structures and operating systems, such a business organisation is fully dependent on the competence and whims of the leader for its success and fate. It is an organisation with the façade of a tough and decisive wolf pack, but it is extremely brittle and

highly vulnerable from the inside. Respectful loyalty, fear, security and drill, have usurped personal responsibility, self discipline and entrepreneurial motivation.

As a leader you can prevent this from happening, or reverse it, by diminishing the dysfunctional manifestations of your ego e.g. reduce both your power distance and personal shadow. Only in this way can you build of your talented employees a top performing wolf pack. A pack of autonomous individuals well linked together, action prone but also reflective, self disciplined and reality focussed, capable of putting things into perspective. And last but not least you preserve the gift of good humour in your organisational setting.

From my business experience as a personnel director and transition manager, your first step is to identify the yes-men in the key functions of the organisation and get rid of them. If in doubt, prefer to get them out. Parallel to this action you select good people you want to work with. Check the result driven track records and not just the good looking and networking part. If you have got no functions available yet, create them. It is qualified people who make the difference, not money. You build trust on a personal level and invite the selected wolves to choose you as their leader. Research thoroughly why they want you and do not be fooled by flattery. Immediately after they have joined you start the coaching process of retaining them by developing and utilising their talents.

The toughest problem in reducing and optimising your personal shadow is many of your trusted people inside and outside the company, at home for example, are accustomed to you as a person and find comfort in the way you present yourself, including your shadow. People who respect you, care about you, they like you the way you are and may want to keep you that way. To cope with the friendly barrier to personal change you want the support of your home-base combined with the coaching of a trusted consiglière who sees eye to eye with you. The role of the consiglière is as

a sound board and sparring partner for the tough decisions you face in the running of your business. The level of trust you share with your consigliere should be so complete as to make any power distance all but a formality.

The initiative of reducing the power distance in the organisation is in your hands as the leader but it is a two way street. When you start empowering your people they have to respond accordingly. To get the flywheel turning is always tough. If the power distance reduction succeeds it generates a formidable contribution to increasing the effective power output of the total organisation. A numerical metaphor might illustrate this. If your ranking in the power structure counts for 10 points and that of your direct report 5, the sum of power is 15 and the product of effective power output is 50. If the power distance decreases to 9-6 the power sum remains 15 whilst the power product output increases to 54. In the 8-7 configuration the power output reaches 56. A small change in the internal power configuration, leading to a decrease in the internal power distance, results in a disproportionate increase of the total power output.

Why this empowerment process will succeed with the right entrepreneurial people on board is because they, just like you, dislike bosses who tell them how to do their job. The entrepreneurial mindset requires freedom for manoeuvre and cannot exist within a command and control hierarchy. If you choose good people with competence and drive they will be your best business partners. The initiative is with the more powerful actor, the business leader, to reduce his shadow and build and lead a wolf pack who under conditions of environmental rplexity is far superior to a hierarchical and systems driven organisation based on command and control. Once more: this is not about minimising egos but about correcting the possible dysfunctional impact of the leader's ego in terms of attitude and behaviour by a process of reducing and shaping his personal shadow.

Many business leaders mistake charisma for engaging leadership. To clarify this point we can look at the pioneering stage of organisations. Pioneering organisations are usually led by dominant business leaders with a great power distance that is camouflaged by their personal charm and charisma. This window-dressing creates the image of engaging leadership but the moment the business leader departs then the legacy of the pioneering phase reveals itself in a power configuration dominated by a manifestly great power distance. A distance maintained with the help of a functionally driven architecture, control systems and bureaucratic formalism, to compensate for the loss of the lubricant of the interpersonal relations in the pioneering phase. This almost inevitable consolidation of an organisation's power structure, termed a management culture, is in fact a pioneering organisation without the window dressing. To prevent this from happening the business leader of a pioneering organisation should from day one work on reducing his personal shadow and practice engaging leadership instead of relying on charisma and personal charm.

Go for intelligent laziness as a guiding principle

As the story goes, Frederick William I King of Prussia selected his military leaders on two leadership criteria: intelligence and laziness. Intelligence is the ability to think in strategic terms with focus on winning the war and not just the battles. Laziness is making time for strategy and to connect with those officers that in terms of execution really matter. In order to be effectively lazy a leader has to ensure the people that hold key positions are top professionals, have an independent mindset, and really want to commit themselves. Test if they know the strategy, endorse it, and go for smart execution. Discover if they have the courage to stand up, unsolicited or by request, and give honest feedback to you as their leader even if the consequences could be unfavourable and risky for them.

The art of intelligent laziness enables you to focus on your people and strategic issues and to resist the temptation of a 'delusion of the day' fixation. As a business leader you want to preoccupy yourself with the relevant/non-urgent issues (Stephen Covey) and not with the daily delusion. Significantly, the focus should not be on quick financial wins dictated by short term shareholder value and your own bonus scheme. With trusted and competent people on board to whom you can delegate your operational worries you will be able to generate time and attention for staying in touch with the real world and develop strategic responses to tomorrow's opportunities and challenges. Especially under environmental conditions of high raplexity, time for strategic reflection is crucial for the development of next practice instead of copying yesterday's best practice.

Moreover, by being accessible to systematic and tough feedback from trusted and competent members of the wolf pack, you protect yourself against hubris and narcissism. Without this protection you run the risk your shadow may grow so large you are out of touch with the real world and you lose your moral compass for where the line is drawn. Your entrepreneurial aim is not to build impressive pyramids or monuments for

the dead but to build a living and kicking business with the help of creative destruction.

Kill the magical hard data drumbeat

Over the last three decades lots of money has been spent on management education and behavioural training. At the same time many business leaders seem to have come under the magic spell of [mostly] financial numbers and graphs, convincing themselves that ICT driven systems will greatly improve business processing and management control. In jargon of toys for boys they believe the most efficient and effective way to run a business is with the help of a blackberry dashboard. This dream, facilitated by modern technology, has greatly contributed to the large scale introduction of integral ICT systems in the world of business and government.

There is value in management systems driven by ICT provided the nature of the business context is not characterised by raplexity. In the vast majority of cases where raplexity predominates, the competitive business environment is a whimsical and unpredictable whirlpool of many complicated and interlinked change processes and a formidable challenge for entrepreneurs. A level playing field packed with opportunities but with high risk pitfalls and cut-throat competition. ICT management systems with a coping repertoire built on the successful answers of yesterday's questions is not capable of effectively handling the dynamics of such an environment.

Sure enough the constant processing of hard data creates the comforting illusion of being in control, but this approach runs the business by extrapolation, not creative anticipation. The metaphor for decision making based upon accounting numbers is driving your auto-mobile looking only in the rear-view mirrors. Consequently the leadership of these business organisations, in spite of highly sophisticated system's support integrally streamlined by ICT, is helplessly out of touch with the real word.

To compound the issue, the iron rule of ICT states that systems output is always a function of systems input. In other words: garbage in garbage

out. In this respect a complicating coincidence arises. During the last decades the systematic technicalisation of management has been directly connected with major reorganisations, large scale cost cutting, delayering, and right-sizing interventions. The outcome has been critical losses of professional expertise, practical know how, and learning abilities, in the managerial and technical ranks and files. Paradoxically, ICT stimulates the volume of information but represents a dramatic reduction in communication because of the absence of personal contact and the loss of otherwise naturally occurring testing and analysis. Interfaces in the core business process and within the functional hierarchy suffer from the short supply of natural intelligence by the massive layoffs and destruction of human capital. Business leaders and managers whether they like it or not have been forced to rely instead on standardised artificial intelligence.

The delayering of middle management positions in the interfaces between business strategy and operations has caused a lot of problems in terms of selecting and interpreting multidisciplinary data and transforming this intelligence into timely and effective interdisciplinary action. The outsourcing of the knowledge factor has been proven fatal for the throughput and output quality of an organisation, even worse is the elimination of the internal learning incentives and human potential.

The critical outcome is business leaders have great difficulty effectively delegating day to day business. They become preoccupied with urgent and relevant matters in an incident and accident driven operational role sacrificing precious time for strategy and business development. The state of mind is reactive and obsessed with crisis. Strategic learning ceases when there is no time for strategic thinking, fires beget fires and there is no question of why there are so many fires. Moreover, with the internal learning capacity in short supply, business leaders and top managers have become hostage to a fast breeding flock of external parties such as consultants and systems experts.

Management by systems technology not only produces an inadequate response to the challenges of raplexity but also incapacitates the organisations' coping based on human intelligence and learning. Business leaders spend time on the wrong priorities and are hostage to external parties. Business cultures are locked in and locked out by artificial intelligence, focus is upon routinised coping behaviour based on yesterday's successes. As business leaders go for organisational excellence over market sensitivity and imitation over innovation their fate is clear and inevitable: in due time their companies become trend followers instead of trendsetters, evolve into cash cows if they are lucky, and will be taken over by raiders.

In terms of engaging leadership the remedy is to reinstall natural intelligence and personal competence. Clear your head of the numbers' spell and turn to face your people. Your top priority is to fill at least 30% of your key functions with competent individuals whom you want to join in the thrilling ride to the future.

Prevent collective alienation and mental absenteeism

Today's world is packed with people searching for jobs and security. The recession has exacerbated a situation where employees in a continuous decades long process lose faith, identification and commitment with their companies and business leaders. This is a reaction to the prevailing business approach of trivialising entrepreneurial capitalism to the smart art of fast cash amidst constant cost driven organisational reshuffling. This process has not only resulted in a critical loss of competencies within the ranks and files but worse it has produced a mental state of chronic stress and emotional 'emigration' because of the enduring insecurity and disorientation experienced by employees.

Employees fear for their jobs and future, perceiving their business leader is no longer one of them whom they can trust to take care of their best interests. They experience him as a passer-by who feels and acts as an interim-manager driven by bonus-schemes linked to short term financial goals. An individual, purely money driven, utilising people and organisations simply as a means to this end. In his opinion an organisation has the status of a lease car and people the instrumental value of a toolbox.

The outcome is mental absenteeism, an alarming configuration of large scale mental fatigue and massive loss of motivation resulting in a dramatic reduction of personal responsibility and the will to exert influence. At best the employees feel committed to their own line of work but without connection and care for the organisation as a whole. A process of individual and collective alienation has become manifest in which employees are preoccupied with survival, excelling in groupthink and mental emigration. The interfaces within the organisation are not only at risk because of know-how shortcomings but also because of the lack of motivation and the withdrawal of personal responsibility, people delegate

to technology systems and upwards to their bosses meanwhile excelling in socially desired accommodating behaviour.

Data is produced and processed as usual but it is taken for granted by everyone without questioning the reliability and relevance of the input. The system painstakingly produces sophisticated, organised, verified rubbish while employees well groomed in the professional abnegation of responsibility are busy making the organisation spin in a permanent high gear of mutual evasion. Everyone is physically on the job and formally accountable but no one feels personally responsible. Under the behavioural pretence of dedication employees hide the fact they feel mentally unfit, absent and uncommitted. It will come as no surprise that management processes are severely affected and organisational cohesion degrades into a highly structured thrash. The organisation behaves as if fully in control of its business process but on closer observation is totally out of touch with its context and mission.

In this situation it is once again impossible for any leader to successfully run the business from a strategic point of view. His job has become a 24 hour ordeal of damage control as he is sucked into the operational process and sacrifices much of his valuable time to purely running the business. Delegation is out of the question with the exception of insourcing competent third parties. However, the drawback of this fall-back scenario is external professionals are taking over all the key functions in the organisation contributing to an almost unstoppable erosion of internal committed competence.

While groupthink is relatively easy to identify, mental absenteeism is a tough cookie to spot and crack. Groupthink is an extreme form of achieving group cohesion at the cost of losing touch with the real world. Mind guards hail the chief shielding him from criticism by immoralising and personalising any form of testing or evaluation. By a continuous re-enforcing process of self assurance groupthink feeds hubris and kills

critical feedback by ostracising or disciplining dissidents. Organisation members become true believers and loyalists 'fight and die and never reason why' like the English Light Brigade.

Mental absenteeism is far richer in its manifestations meant to camouflage the forsaking of dedication and commitment. People in such a state of mind behave 'as if' they take responsibility. Their quintessence is pretence, their loyalty a lie. Out of fear they cover up and present the business leader with ego stroking and pampering. Does not a business leader of stature know he is being fooled? Of course he does, but as one of them explains: 'I know I am being screwed, but I love it'. Especially lone wolves under stress fall prey to this comforting trap.

One of the most dominant organisational manifestations of mental absenteeism is overloaded agendas fully booked months in advance in combination with an abundance of all sorts of consultations and endless meetings. For sure not intended to reach decisions, rather to keep people in permanent high gear evading business related responsibilities. All of this in a friendly climate full of personal warmth and courtesy but devoid of business driven target setting and action as well as any form of critical task related feedback.

No wonder in such a fantasia a business leader eventually will be victimised by his hubris. It reaches divine heights, seducing him into believing that he is brilliant and invulnerable, performing miracles for the organisation turning everything he touches into gold. The inevitable and ultimate step in this ego career is the self-revelation that he in his capacity as the superior leader deserves and is entitled to a highly exclusive privileged state.

Greed is too simple an explanation for the widespread self-enrichment of business leaders in our world today. It is unrestrained hubris escaped from Pandora's Box constantly pampered and nurtured by groupthink and

collective mental absenteeism. The troubling question is: can it ever be restrained?

For some the final stage for an organisation under the spell of groupthink, mental absenteeism and unrestrained hubris, is the black hole collapse we have seen with Lehman, Northern Rock, Fannie and Freddie. Less spectacular, the fate of the majority is a slow burning out process where the organisation appears frantically busy but the effective utilisation of human talent and learning has reached zero point Kelvin.

This organisation disease is severe and the remedy requires top priority and perseverance. It starts with soul searching by the business leader to discover the dysfunctional effects of his personal shadow. One of the most obvious symptoms is the number of yes-men amongst the direct reports. The remedy is to have them removed. Next step in the energy generating process is the finding and binding of the mentally robust and competent individuals needed to join the leader in executing his business strategy. At the same time the leader is effectively reducing his personal shadow and the power-distance in the hierarchy, it requires hard and smart work to become effectively lazy.

Engaging leadership as a prerequisite for a third generation strategy

It is not possible to successfully execute a third generation strategy, the core proposal of this document, on the basis of a second generation systems concept and a first generation command and control leadership. The latter paradigm is known as scientific management, the command and control of people assisted by rationally constructed operating systems. Its vision on mankind is pessimistic and its guiding principle is the management of distrust rather than trust. Clear directive leadership delivering precise instructions and effective sanctions is widely believed to be the best method to influence people in getting things done and to this very day this paradigm is the leading management practice. There is a tradition of controlling raplexity in business environments by use of fusions, acquisitions and cartel agreements. However, when raplexity rules then the coping quality of command and control in terms of creative anticipation is defunct.

The embodiment of the second generation organisation concept is architectural design and high technology processing and control systems based on scientific management principles. It is based on the notion that artificial intelligence is far superior to human intelligence, the expression is a computer never argues. The concept arose amongst the toys for boys dreams and revolutionary technological progress of the past decennia in a response to globalisation challenges and need to cut costs as a daily management drill. It almost seems as if management systems driven by ICT have integrally taken over business organisations by setting the standards for best management practices. The snag of this widely acclaimed success formula is the architecture lags behind today's problems and tomorrow's challenges. Moreover, the integral features of the design make them systemically vulnerable to sudden unforeseens. In short ICT covers the known/known area, but hardly the known/unknowns neither present nor future. ICT cannot perform gap analysis, its strength

is coherent and consistent extrapolation but never creative anticipation. The latter is par excellence the value of free self-disciplined human intelligence.

The ICT paradigm leads us to a head on collision with the features, challenges, opportunities, and high risks, of the raplexity business context. Nevertheless, in today's world we witness an abundance of business organisations with strong directive leadership based on a large power distance and saturated in management control systems and integral state of the art technology. Raplexity requires a third generation strategy based upon creative entrepreneurial action fully utilising state of the art technology but not dominated by it.

The third generation strategy is executed at all levels within the organisation by individuals with high self-regulating and engaging qualities. The problem is that individuals with these personality traits do not fit ICT driven command and control culture. The third generation strategy is authenticity and autonomy, not automation and bureaucracy. Engaging leadership is essential for such a strategy featuring power and trust, a configuration fundamentally different from the power and distrust paradigm of the first generation strategy. The old dictum, the anti-thesis of engaging leadership, is power and trust are mutually exclusive. You either trust one another or you have to use power to get things done.

The paradigm of engaging leadership is firmly rooted in the belief that power and trust when joined produces impressive synergy. The engaging leader can be tough without becoming oppressive because of the power distance reduction, trust and respect he has built with his people. The combination of the three factors prevent his people losing autonomy and authenticity. In this context both the leader and his followers become engaging leaders. The outcome is a highly effective third generation strategy building upon the respect and initiative of competent individuals.

The combination of distrust and power is highly demotivating and encourages mental absenteeism. If distrust produces a negative charge of resistance then trust generates engaging energy in the will to connect, confront, commit and achieve. *Connecting*, building a strong wolf pack out of talented individuals, utilising the synergy of their talents, and keeping them in touch with the outer world. *Confronting*, encouraging them to face the relevant issues and facts translating into effective feedback, entrepreneurial action and self-control. *Committing*, encouragement to go for collaborative action out of their own free will based on a shared agenda for tomorrow firmly embedded in a historical socio-cultural setting. *Achieving*, is taking the responsibility to accomplish your ambition.

The will to connect presupposes a basic attitude of empathy and respect for others and the competence to relate and build trust. You have to want to do it and you must be able to do it. Connection is necessary for realising rapport and shared willpower.

The will to confront requires the readiness to face reality using self-disclosure and feedback. Confrontation is crucial in facing context and fixing content.

The will to commit is the stakeholder's explicit psychological contract with the leader and the wolf pack. An engaging leader wants to surround himself with motivated, competent people willing to commit themselves to a joint realisation of his ambition for the future. Not by fear and greed but on the basis of their own free will, attracted and inspired by challenging perspectives and new roads taken. It is the attraction and curiosity for adventure, not the urge for security and routine, which drives their ambition for excellence.

The will to achieve is fundamental to entrepreneurship, it challenges the individual to build and execute a shared strategy in a committed collaboration. Entrepreneurial people require space for manoeuvre,

freedom of thought and action. But freedom without limits inevitably incites hubris to lordship, challenging and curtailing the freedom of others. If this happens the outcome is the over powering shadow of the leader and a substantial demotivation of his people, in short a form of dictatorial leadership. Initiative and innovation are out, imitation and obedience are in.

Differentiated from the human relations' school of the previous century, engaging leadership is not entering into a contest with the 'hard' dimensions of business practice such as finance, technology, and production. An engaging leader, on the contrary, explicitly recognises the importance of these domains of competence and makes a major effort in building a solid alignment with the 'human factor'. The crux of the matter is engaging leadership puts human talent and willpower in the lead instead of relying on management systems and models based on technology and standardised artificial intelligence. It is not unleashed hubris which is the powerhouse of this action driven approach but a restrained form of utilising power firmly embedded in a context of trust guided by respect.

Profile of an engaging leader

The principles of engaging leadership have been around for a very long time and are as appropriate today as they have been historically.

Engaging leadership is fundamentally different from the sexy, flamboyant, and verbally excelling heroism of traditional charismatic leadership, by its systematic emphasis on reducing the personal shadow of the leader and that of the power distance in the hierarchy. The engaging leader does not rule by rhetoric, he walks his talk.

The characteristics of an engaging leader:

- He has a complex view and profound insight, enabling him to perceive patterns and create new roads to be taken in the raplexity dynamic of the business.
- He masters the art of slowing down his time for reflection even if action in the business context is under the spell of nanotime. At least 60% of his time is spent on relevant non-urgent matters and eye-to-eye contacts with his key people. Being quick and busy is not his passion, being effective and thorough is.
- He is firmly embedded in his external socio-cultural heritage with values supporting his restraint of hubris. By personal experience he knows where to draw the line. Respect for others drives him and not the need to be respected. He knows what culture-shock means and does not lose himself in the hype of universal lifestyles, preferring colourful closeness rather than global grey.
- He delegates power easily, he builds out of his wolves a solid and highly effective wolf pack. He is intent on reducing his personal shadow, challenging others to self-enact rather than to be their master's voice. In communicating he is on the receiving end,

knowing that leadership means listening rather than sending and that feedback is the enabler to stay in touch with reality.

- He measures success from a perspective of sustainability, rather than in terms of casino management. He takes responsibility for his stakeholders. It is he who defines the success criteria for his business, and not the stock markets, banks, and financial analysts.
- He loves his entrepreneurial freedom and independence. His trusted *consiglière* is his *éminence grise* helping him maintain an emotionally stable and realistic self-image. He allows his trusted people to feel and act the same way. He is constantly alert on keeping a good balance between his rationality and emotion. Rationality in order to face the brutal facts and risks, emotion to stay close to his passion and personal sense-making.
- He is a master of connecting, confronting, committing and achieving. He is the reference model for his people. His mission is not to face the future but to shape it by building new engaging leaders out of his talent pool.

Searching engaging leaders

Potential engaging leaders are out there but not where the head hunters are looking. If the keys to success are laying in the dark it does not help searching in the light. But it is exactly in the limelight of the old boys' network where the search for successors to the fallen heroes is taking place. The problem is these networks are flooded with business people indoctrinated by the neo-liberal notion of capitalism as the martial art of making money with money. This fundamental deviation from Schumpeter has left the principal economic actors and their institutions addicted to instant excessive wealth, glamour and prestige. And as we all know, addiction is a psychological phenomenon and not to be easily undone. This destructive addiction has to be seriously addressed requiring tough confrontation, hard work on an individual level and lots of time. Rational short-cuts do not exist and a forceful speeding up of the process of mental change under the motto "we learned our lessons and know what to do" is in fact a blunt invitation for instant recidivism.

The dramatic consequence of the economic disaster is we have no time for the rehabilitation of the fallen heroes. The search for new and competent business leaders should be done outside the old boys' network and its affiliated political circles. In looking for different profiles the focus has to be on entrepreneurs from medium-sized and possibly family-owned businesses. They are individuals for whom the gut-feeling of capitalist entrepreneurship is very Schumpeterian. Theirs is a personal profile characterised by a continuous drive to think and act the impossible and get it done, a good nose for commercial opportunities and an urge to invest and re-invest. Their practical mindset is above all a guarantee for fast learning. These creative adventurers are abundant amongst the younger generations. They have found out the hard way that in coping with their future they are on their own, there is no legacy of responsible behaviour for them to inherit. They have been termed the 404 generation³ because they have found out the hard way they are excluded by the older

generations and have to go for it alone. There is a manifest disconnect between the fresh entrepreneurs and the people in the dominant positions because the call to bridge the gap was blocked by the urge for yes-men fostered by the predominant first and second generation paradigms.

If the baby boomers respond to the wake up call of the recession, are willing to step out of their safe and cosy pensionado havens and start engaging the new generations in their quest for sense-making, then a forceful and creative coalition will be formed learning from yesterday's mistakes and facing tomorrow's challenges.

In applying the guiding principles of engaging leadership the reconnected generations will rediscover the precious value of the free individual's embedment in society and the formidable impact of interlinked natural intelligence. They will learn to understand the notion an active society is always en route but will never arrive. It is the continuous trial and error exploration of new roads taken that generates energy, inspiration and new ideas.

Epilogue

The present crisis in our liberal democracies is not the economy, nor the issue of sheer willpower to overcome the political inertia of the enraged but not engaged citizen. Its principal cause is that fraternity has been forsaken for unbridled hubris by acclaimed role models of the business world at the cost of community building as the key function of leadership. The outcome is a spirit of ages reducing the pursuit of happiness, a guiding principle of the American Constitution, to the exclusive private domain eroding the concept of value to a purely instrumental notion of added-value and transforming the quest for meaning into an entitlement to exuberant and thrilling hedonism.

The Engaging Leadership configuration of power and trust is an emergent alternative to the current dictum of power and profit. It cherishes the integrity of the individual in terms of life, liberty and the pursuit of happiness bound by equality and fraternity. It honours the notion that self-confident autonomy and authenticity based on competence and liberty is essential to transform dreaming and reflection into ambition and effective action. Equally important are self-restraint and a value orientation transcending instrumentalism to prevent the founding values of our democratic society from being eroded or sacrificed. Two guiding principles in facing and shaping our future are the values we want to grant meaning, and the personal ownership of responsibility in an open living community. Crucial is the free will of individuals to collaborate in taking this never ending road to the future. Engaging Leadership provides a compass on power and trust, authenticity and fraternity, nothing more, nothing less.

Tony, Ede, 16 Nov 2009

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¹www.engagingleadership.nl *home of the Engaging Leadership Group*

²Harrison Owen (1987) *raplexity*

³www.outofoffice.cc (2009) *404 generation and the untouchables*

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