



Lessons for Leadership

What Tomorrow's Leaders Need

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Purpose of the Session

- Share with you the findings of our thirteen year study
- Look at the current business environment and the ongoing need for adaptive change
- Look at the causes of why companies are increasingly finding themselves in difficulty and what our research shows
- Look at the people dimension of the challenge
- Examine the leadership implications for companies in future
- Discussion about next steps

“Executive leadership at the highest level of corporate, public service and political life faces new vulnerabilities that few in their positions are willing to talk about publicly. They are greater than at any time in recent history. A proliferation of “unthinkable” events since late 2013 has revealed a new fragility at the highest levels of corporate and public service leadership. Their ability to spot, identify, and handle unexpected, non normative events is shown not just to be wanting but also perilously inadequate at critical moments”

Executive Summary
Report by Nik Gowing and Chris Langdon 2015

“We are reluctant to relinquish the cripplingly short horizons on which we judge managers in charge of football teams, leaders in charge of political parties or CEOs in charge of complex, often multinational companies. Rarely occupied for longer than six years, the average CEO’s office is more often vacated before the pot plants have had time to blossom.”

“Leading from the Shadows”

Richard Hytner (2014)

Global Workforce Demographics

2030 Report: Boston Consulting Group

By the year 2030, in the 15 leading industrial nations of the world, there is the real danger of a demographic “perfect storm”.

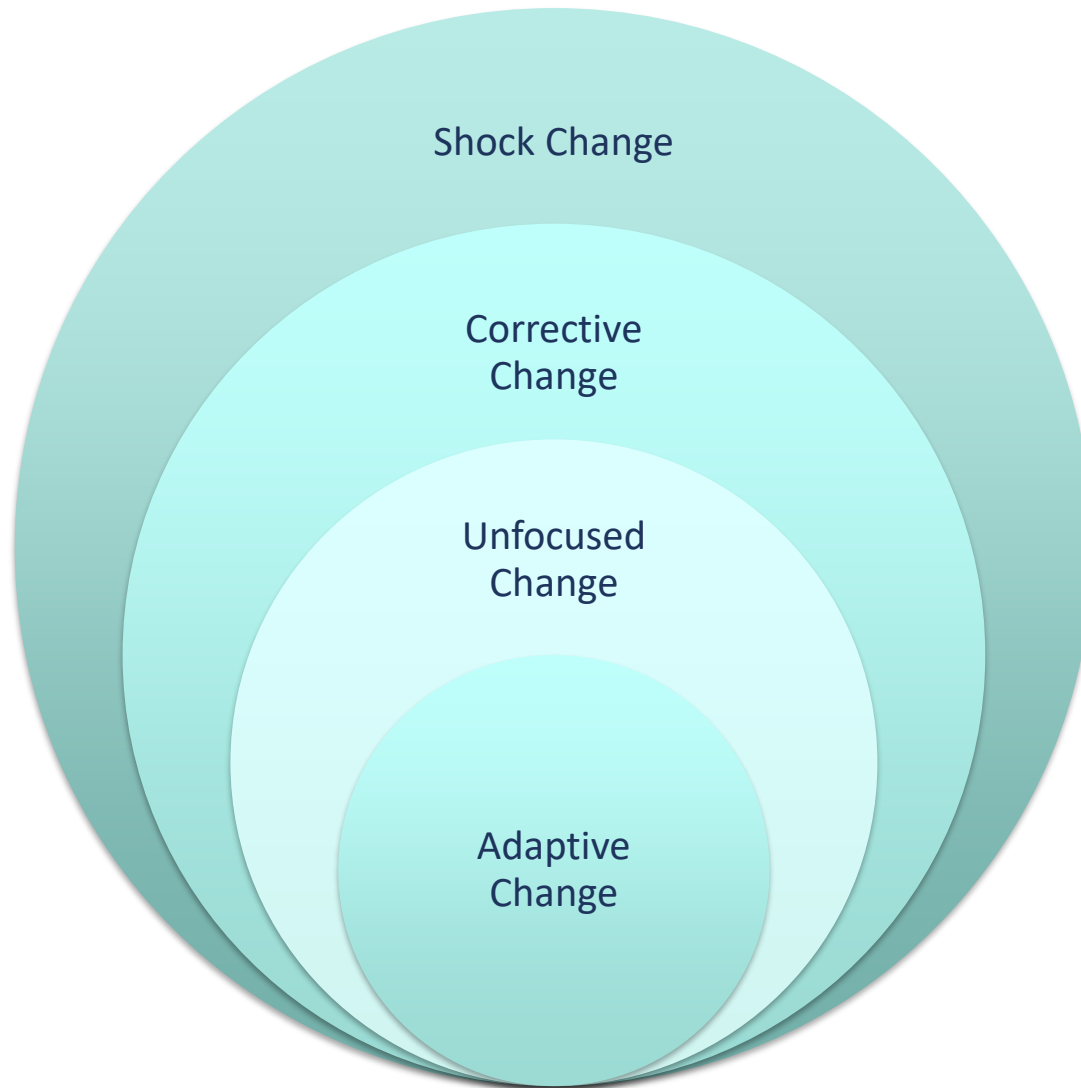
It will be caused by:

- Baby boomer retirement
- Generation x, y and the “millennials” leaving corporate life or not joining in the first place
- Technological change
- Inability of companies to keep their workforces suitably educated
- Poor Diversity and Inclusion strategies

Categories of Crisis

- Environment
- Business Competition
- Disruptive Technology
- Self Inflicted
- Political
- Acts of War
- Illness
- Pandemics
- Accidents
- Sabotage
- Regulatory
- Social
- Financial
- Business Decisions

Four States of Change



A Strategic Scorecard for Top Management



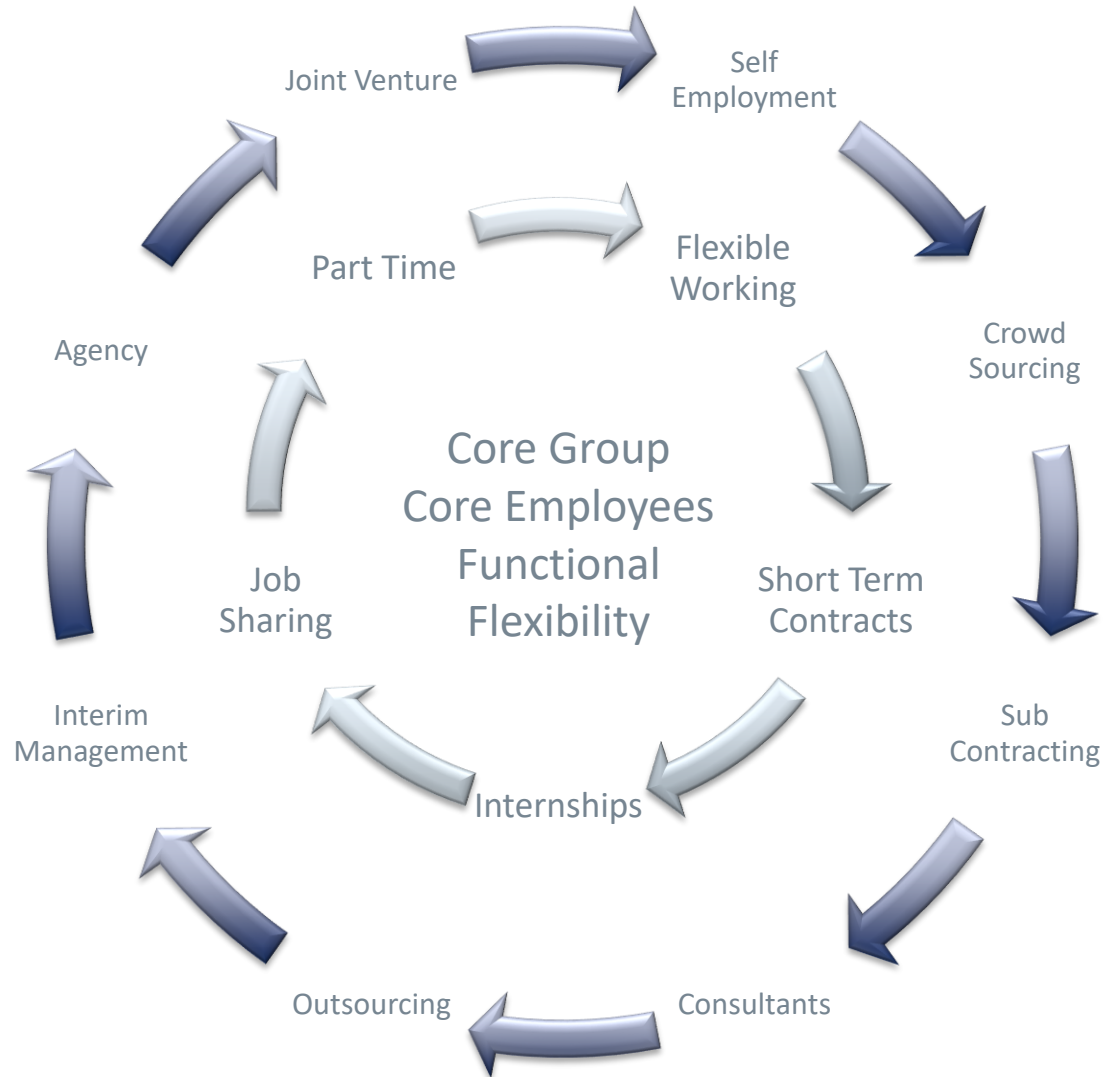
Source: Gordon Hewitt

Innovative Change

“The biggest threat to innovation is internal politics and an organizational culture which doesn’t accept failure and/or doesn’t accept ideas from outside, and/or cannot change”

Gartner Report 2016

The Flexible Firm



The Cost of People

1. The cost of people has been going up significantly since the 2008 financial crisis
2. To some this is surprising because it is normally caused by major pay/salary deals and increases
3. Our best guess is that it is being driven largely by a lack of skills
4. Companies have contributed to this with poor learning and development and poor diversity and inclusion policies
5. In many industries – such as Banking and Insurance, the cost of people can be greater than 70% of total business costs. Even in heavily capitalised businesses – car manufacturing, pharmaceuticals, aircraft industry, the figure is often greater than 50%

Definition of Leadership

- During the 1980s, 90s and the early 2000s, the definition of “leadership” had requirements like “Visioning”, “Missioning” and “Strategic Direction” in them. Many definitions still do.

Current Situation – Leadership

- Top 100 Model
- Still largely about “steady state” and “command and control”
- Organisational concertinaing
- Almost total absence of Front Line Leadership
- Unwillingness to invest in people “who might leave”
- ROI often difficult to measure – until you have a crisis
- Emphasis still on expertise

Out of the Comfort Zone

Leading as a Expert

Detailed knowledge and experience
 Knowing what to do and how to do it
 Being right and Being in control
 IQ driven
 A seat at the table because of expertise

Lead Outside Expertise

- Not having expertise of all
- *Giving up some control/detail*
- Influencing and motivating
- Being strategic

**10 Times
Scope Change**

Lead a Team as the Expert

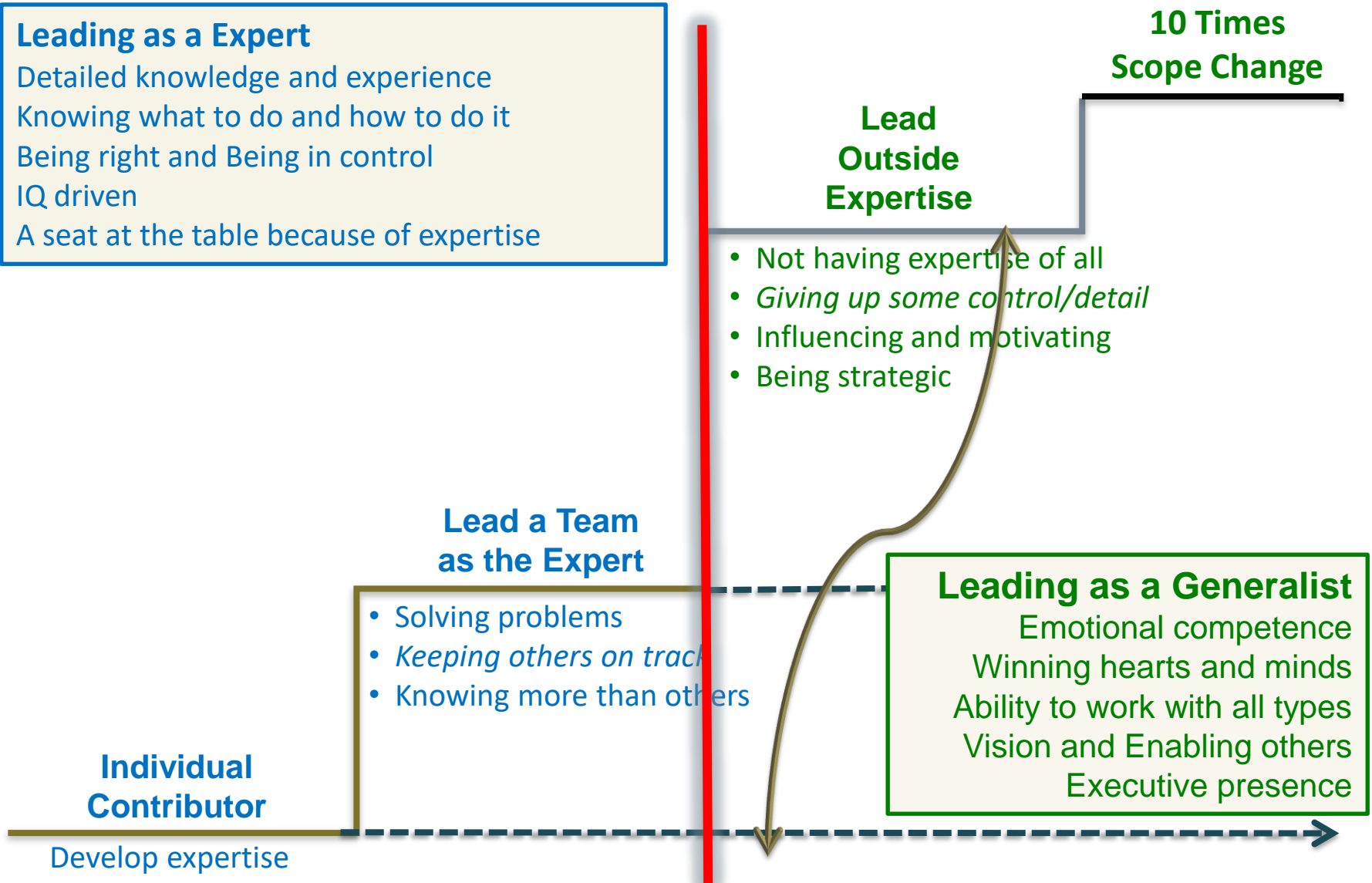
- Solving problems
- *Keeping others on track*
- Knowing more than others

Leading as a Generalist

Emotional competence
 Winning hearts and minds
 Ability to work with all types
 Vision and Enabling others
 Executive presence

Individual Contributor

Develop expertise

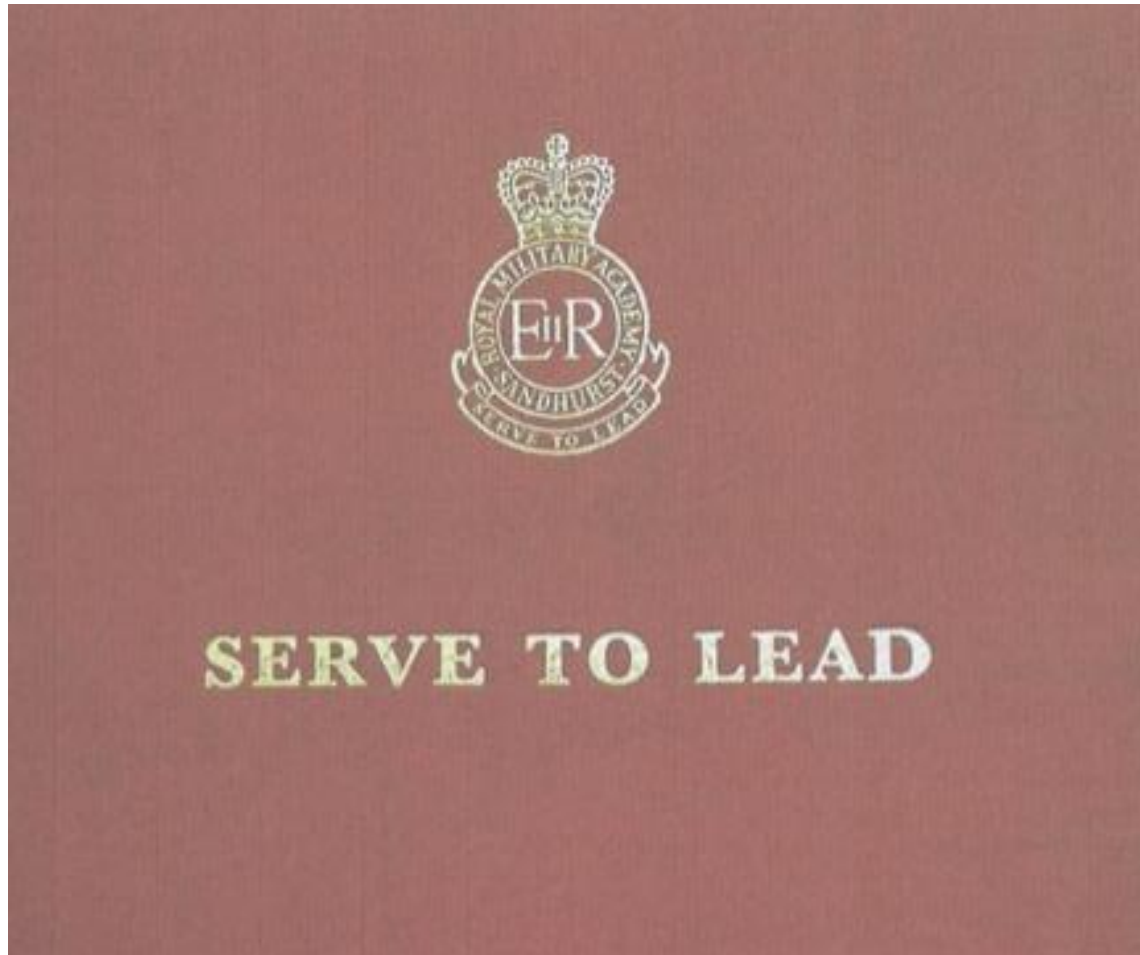


Leadership Books and Material Not Helpful

At least 30 books a year on leadership

10 minute study in one bookshop discovered the following titles:

- Authentic Leadership
- Ethical Leadership
- Moral Leadership
- Responsible Leadership
- Collaborative Leadership
- Uncommon Leadership
- Unconventional Leadership
- Tribal Leadership
- New Generation Leadership
- Trusted Leadership
- Clear Leadership
- New Leadership
- Intellectual Leadership
- Lead to Succeed



Leadership Qualities: Background Principles

1. What we know about leadership
2. How a company chooses to “define” leadership will dictate not just leadership development but the culture of the company
3. “Leadership Development” is a multi billion-dollar global business which drives an artificial desire to keep reinventing “principles” that are already well understood
4. There are many analogies that can be used to describe the CEO role – the conductor of an orchestra is my preferred one

Leadership Qualities: Personal Traits

- Ability to inspire
- Integrity
- Balance between EQ and IQ
- Willingness to devolve responsibility
- Possess Cultural Empathy
- Ability to create trust
- Resilience – Physical, Emotional, Mental, Social
- Courage
- Humility
- Life Long Learner

Leadership Qualities: **Skills/ Experiences**

- Deal with Adaptive Change
- Pursue simplicity rather than deal with complexity
- Ability to Influence
- Understanding of communications
- Customer orientation
- Balance creativity with innovation
- Balance strategic thinking with implementation

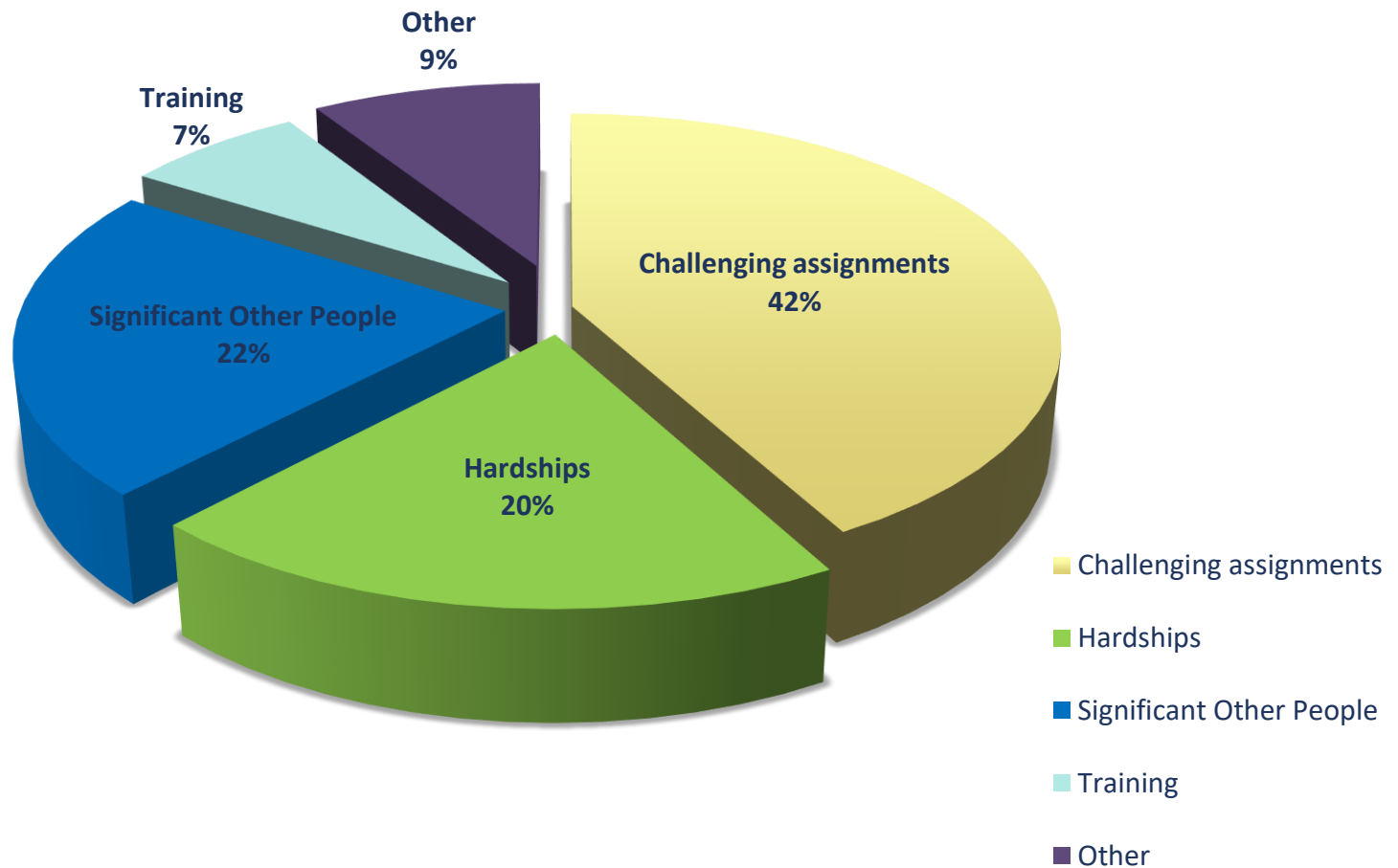
Leadership Development

It is a process, not an event.

It consists of an ongoing investment in:

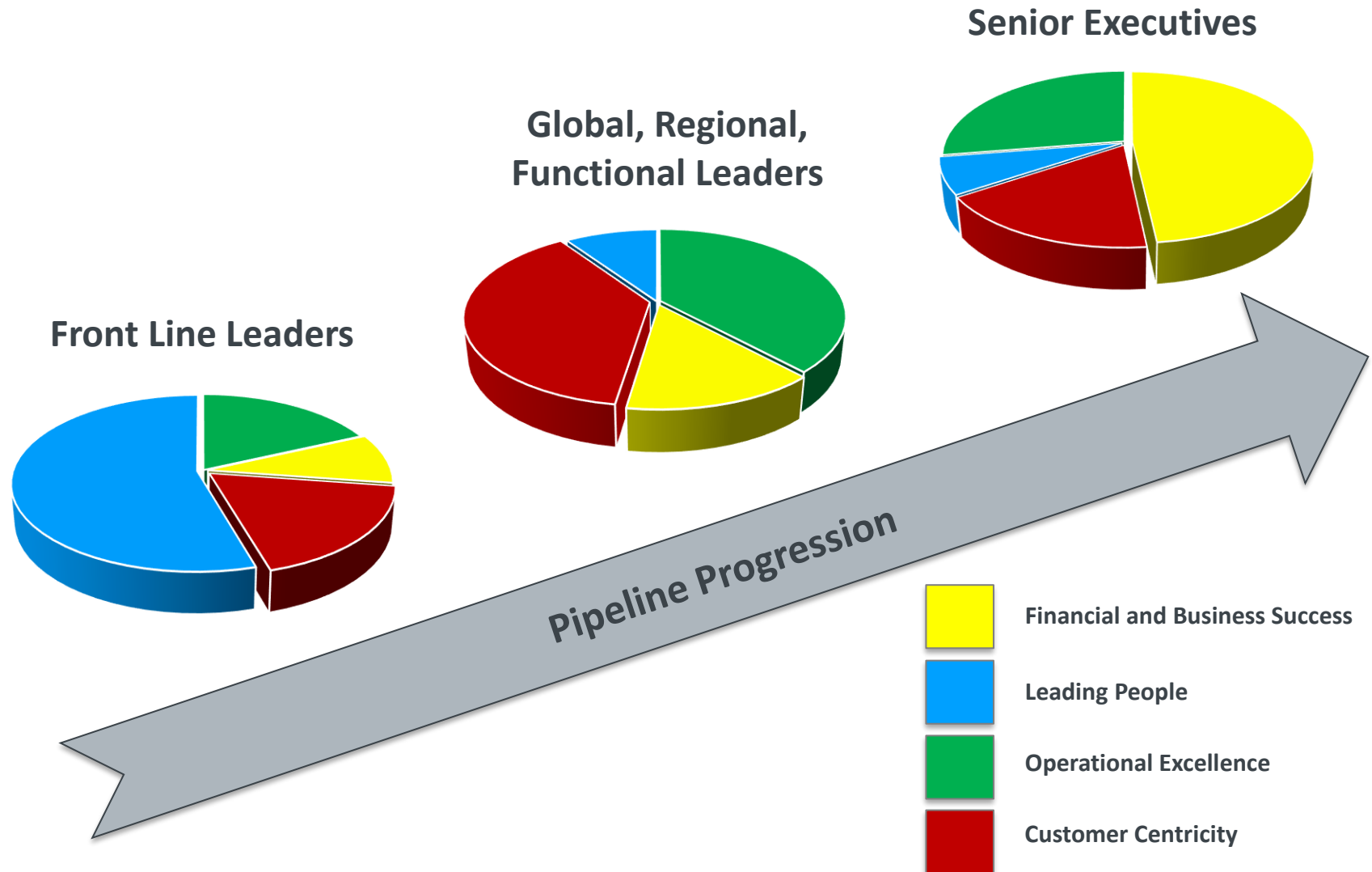
- Challenging Roles
- Simulations
- Formal Programmes
- Personal Study
- Executive Assessments
- Better Succession Planning
- 360 Degree Feedback
- Career Mapping
- Coaching
- Individual Development Plan
- Holistic approach to career
- Good Out – Good In

How Leaders Develop



Centre for Creative Leadership Study

Challenges at Key Leadership Levels



So, What Do you Do Next

- Hit the “pause” button
- Create an amnesty and have an honest conversation about what is happening in your company
- Re-examine “Top 100” model / Front Line Leadership
- Invest in continuous learning
- Acknowledge “constant change”
- Build “the unthinkable” into Leadership Development
- Take Strategic Workforce Planning seriously
- Be aware of the cost / value of people



“It is not the strongest species that survive,
nor the ones most intelligent, but the ones
most responsive to change.”

Charles Darwin

“The Species of Nature” 1856



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