

Leading towards a vision

AMC Conference: 3rd Annual Succession Planning & Talent Management 2007

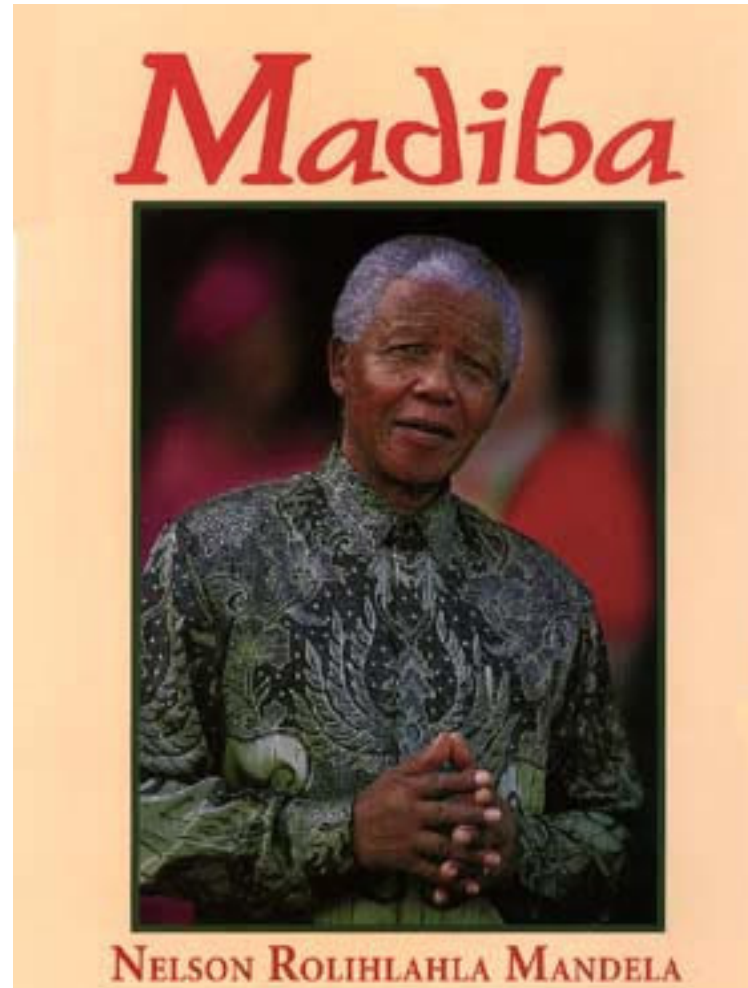
Jan van der Walt
CEO: Corporate Renewal Solutions

30 January 2007

Sustaining and restoring corporate value



What made him such a great leader?



Leading towards a vision:

- **Leadership**
 - Leadership as a process
 - Visioning
 - Leadership development
 - Wrap-up



Leadership definitions vary significantly

Leadership definitions:

- **The very essence of leadership is that you have to have a vision. It's got to be a vision you articulate clearly and forcefully on every occasion. - Theodore Hesburgh, President of the University of Notre Dame**
- **"Leadership is a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential." - Warren Bennis**
- **"Leadership is the process of persuasion and example by which an individual (or leadership team) induces a group to take action that is in accord with the leader's purpose, or the shared purposes of all." - John W. Gardner**

The leader connects the people with a vision of the future.

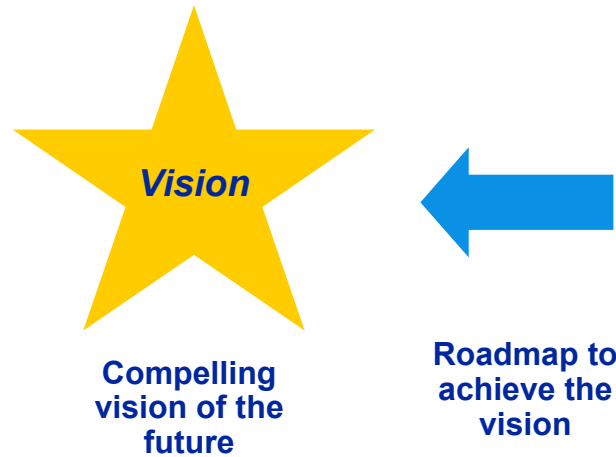
More leadership definitions ...

Leadership definitions (continued):

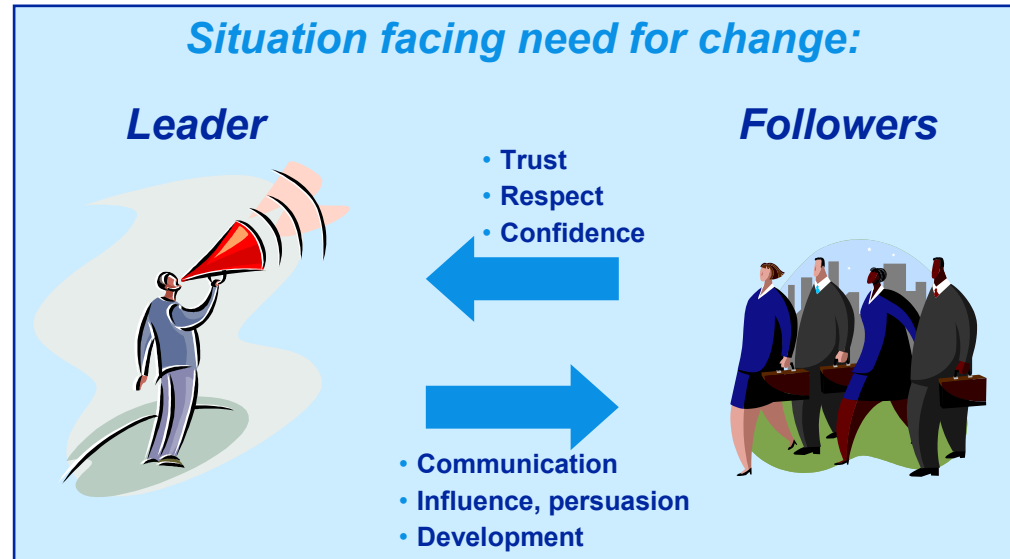
- **Contemporary definitions most often reject the idea that leadership revolves around the leader's ability, behaviours, styles or charisma:**
 - “Thus, leadership is not the work of a single person, rather it can be explained and defined as a collaborative endeavour among group members. Therefore, the essence of leadership is not the leader, but the relationship.” – Rost
- **“Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes – David L. Mineo**
- **"Leadership is the energetic process of getting other people fully and willingly committed to a new and sustainable course of action, to meet commonly agreed objectives whilst having commonly held values." – Mick Yates**

Leadership is less so about personal traits than it is about relationships.

Leadership is about inspiring a shared vision, and enabling and empowering the organisation to achieve it



Leadership:



Leader with skills and competencies to envision, enable, empower, energise and execute

Followers that are informed, mobilised, developed, and their needs, aspirations and fears addressed

Bound through a common situation and congruent values

The leadership challenge ...

Kouzes & Posnar:

- **Challenge the process:**
 - Find something that needs to be improved
- **Inspire a shared vision:**
 - Share the vision in words that can be understood by your followers
- **Enable other to act:**
 - Give others the tools and methods to solve the problem
- **Model the way:**
 - When the process gets difficult, get your hands dirty
- **Encourage the heart:**
 - Share the glory with your followers' heart, while keeping the pains within your own

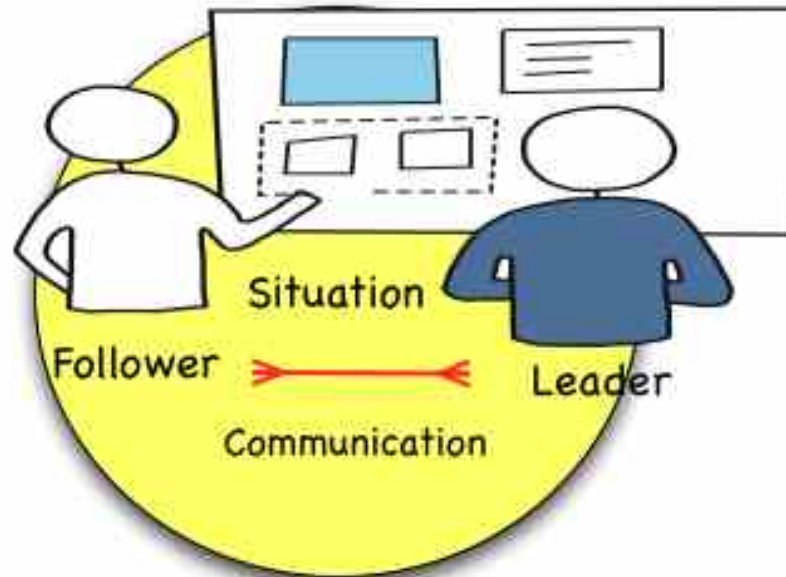
Leadership is affected by a number of factors

Leader

- You must have a honest understanding of who you are, what you know, and what you can do
- Inspire trust, confidence and worthiness of being followed

Followers

- Different people require different styles of leadership
- Know your people!



Communication

- You lead through two-way communication
- Much of it is nonverbal
- What and how you communicate either builds or harms the relationship between you and your employees

Situation

- All are different
- What you do in one situation will not always work in another

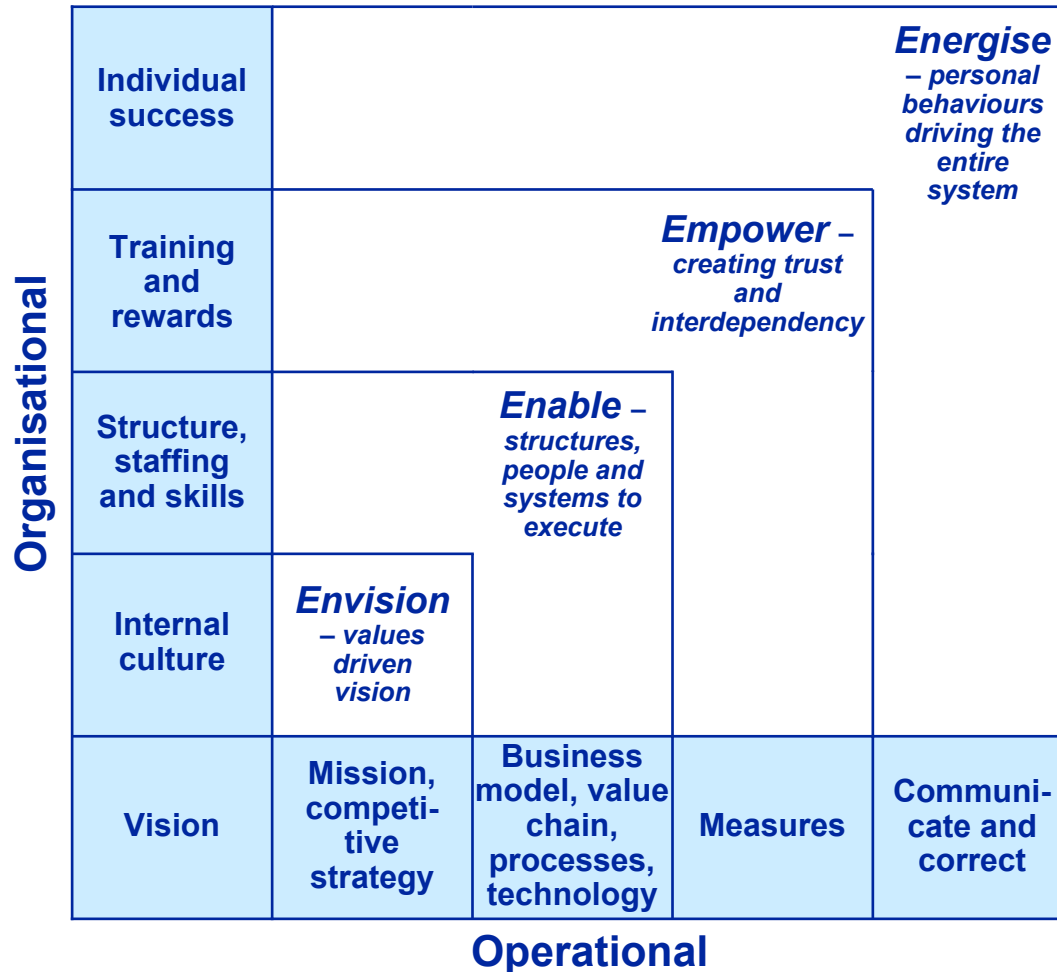
Leading towards a vision:

- Leadership
- **Leadership as a process**
- Visioning
- Leadership development
- Wrap-up



Envision, enable, empower, energise ... and execute!

The 4-E Leadership Framework:



Let's examine how the 4-E leadership framework applies to famous leaders

Famous Leaders:

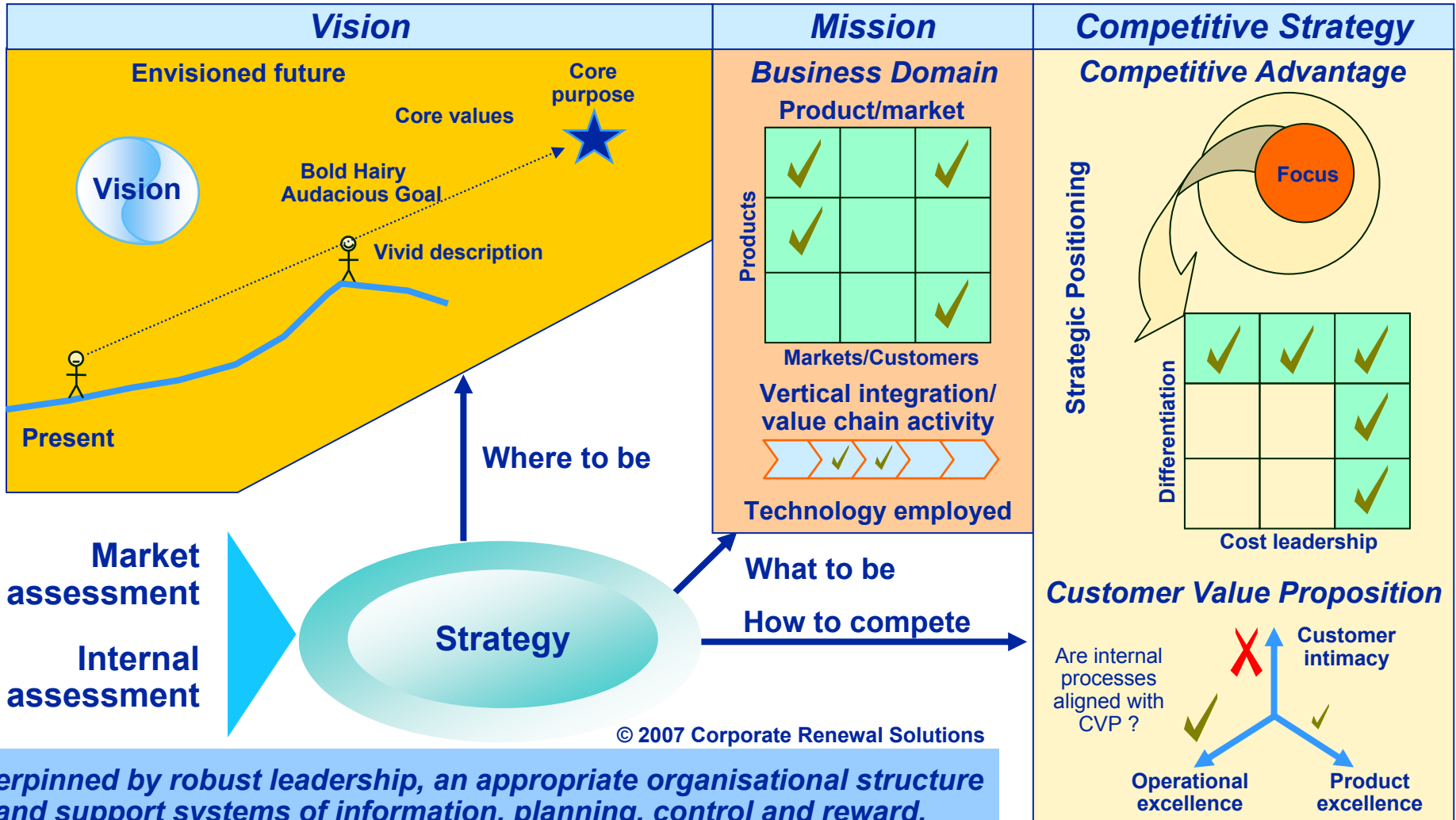
	Mahatma Gandhi	Genghis Khan
Envision	<ul style="list-style-type: none"> • India's political and religious independence, based on spiritual renewal of her people, and on the equality of Hindu and Muslim • Abolish castes 	<ul style="list-style-type: none"> • To stop the Mongol tribes fighting, and to preserve their nomadic lifestyle. To live off the land • Realize their longstanding dream of "conquering the World"
Enable	<ul style="list-style-type: none"> • South African ambulance corps • Indian "Constructive Program" • The Ashrams • The Congress charter • "Swadeshi" = home 	<ul style="list-style-type: none"> • The compound bow & short stirrup • The "Yasa" legal code • Merit based army units of 10, 1000, 10000 • Peacetime "Pony express"
Empower	<ul style="list-style-type: none"> • Discipline & freedom, for self and followers • "Satyagraha" = peaceful protest • "Swaraj" = Indian Independence • Love, respect 	<ul style="list-style-type: none"> • Genghis trusted locals running conquered cities • He promoted on merit • He was generous, very loyal, and very frank
Energise	<ul style="list-style-type: none"> • He walked the talk – Gandhi was the program • The "Salt March" • He fasted, his charisma, his disregard for self - no fear – prison, his words 	<ul style="list-style-type: none"> • He personified strong & clear Mongol values • Genghis always led from the front • He was charismatic • Either surrender and maintain your way of life, or be slaughtered ...

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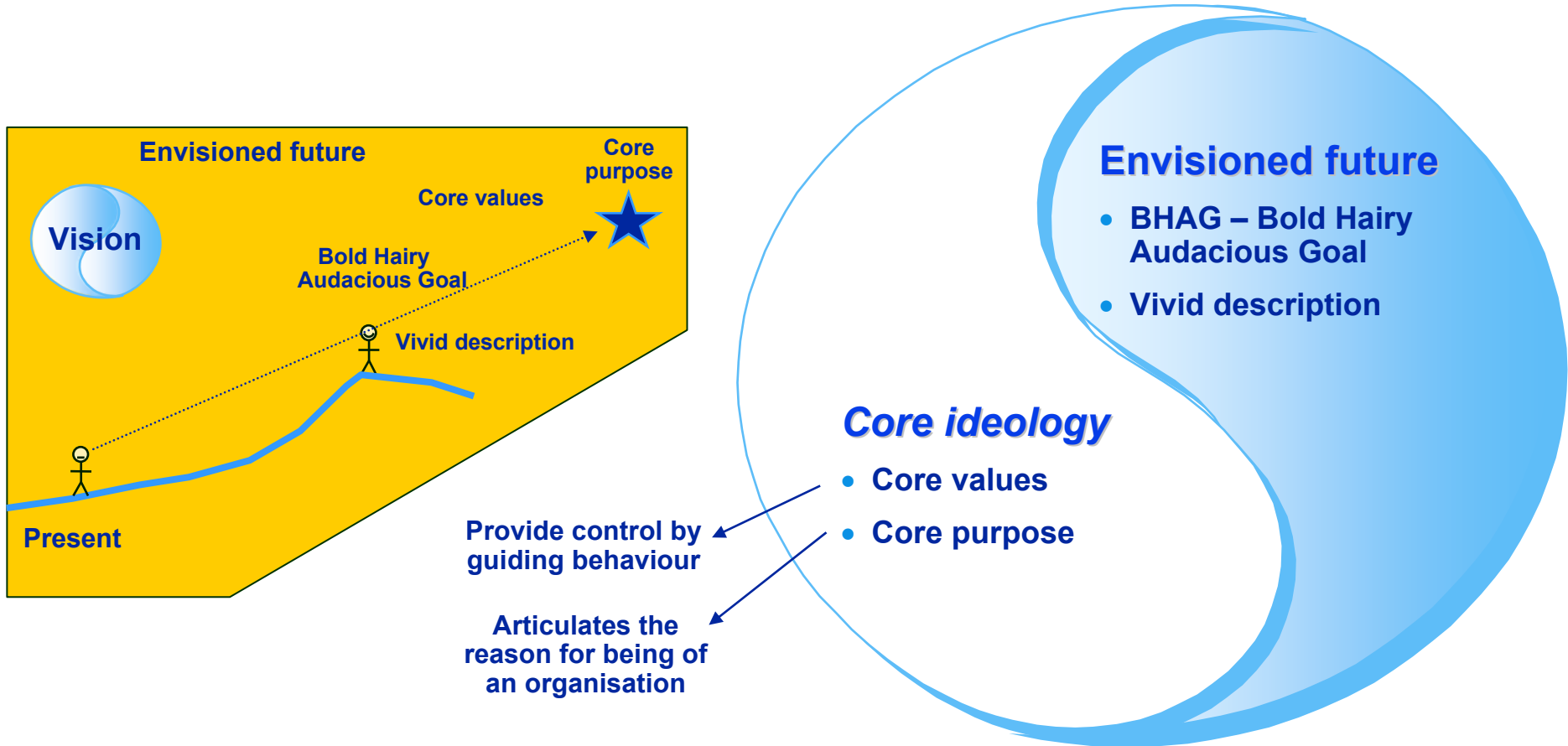


Where and what does the organisation wish to be in the future, and how will it compete?



A vision should address both hard and soft issues

Articulating A Vision:



Source: J Collins and J Porras - HBR Sep-Oct 1996

A well conceived vision includes a core ideology and an envisioned future

Components of a vision statement

An enduring set of shared core values

- A small (3 – 5) set of timeless guiding principles
- Require no external justification, but are important internally
- Do not depend on the current environment, competitive requirements or management fads
- Provide control by guiding behaviour
- Core values are so fundamentally and deeply held, they seldom, if ever change

A shared core purpose that articulates the reason for being of an organisation

- Exposes the deeper reasons for an organisation's existence beyond making money
- Reflects an idealistic motivation for doing the company's work

Core purpose (continued)

- Captures the soul of an organisation
- Should not change like business goals and strategies
- Is the answer to the question, “What would be lost if this company ceased to exist”
- Shared purpose drives strategy by providing focus.

Bold Hairy Audacious Goal

- A bold 10 – 30 year goal that will engage people and act as a powerful stimulant
- A clear and compelling goal that serves as a unifying focal point of organisational effort

Vivid description

- Paints a tangible picture of the unrealised dreams, hopes and aspirations of a company

Examples of Bold Hairy Audacious Goals

Bold Hairy Audacious Goals:

- **Become the company most known for changing world-wide poor image of Japanese products - Sony (1950)**
- **Democratise the automobile - Ford (1900)**
- **Become the dominant player in commercial aircraft and bring the world into jet age - Boeing (1950)**
- **Crush Adidas - Nike (1960)**
- **Become the Harvard of the West - Stanford University (1940's)**
- **Become number one or two in every market we serve and revolutionise this company to have the strengths of a big company combined with leanness and agility of a small company - General Electric (1980's)**
- **First with the goodies - CNA (1990's)**
- **Our strength is your strength - PPC (1990's)**

Let's examine an example of an inspirational vision statement of long ago that was realised over time

Example: Sony in the 1950's

Core values

- Structuring in accordance with strategy
- Elevation of the Japanese culture and national status
- Being a pioneer – not following others, doing the impossible
- Encouraging individual ability and creativity

Core purpose

To experience the sheer joy of innovation and the application of technology for the benefit and pleasure of the general public

Goal

Become the company most known for changing the world-wide poor quality image of Japanese products

Vivid description

- We will create products that become pervasive around the world
- We will be the first Japanese company to go into the US market and distribute directly
- We will succeed with innovations that US companies have failed at - such as the transistor radio
- Fifty years from now our brand name will be as well known as any in the world ...
- ... and signify innovation and quality that rival the most innovative companies anywhere
- “Made in Japan” will mean something fine, not something shoddy

Knowing its desired future, the organisation needs to decide how to there

Strategy:

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Future:

- Vision
- Mission
- Competitive strategy
- Customer value proposition
- Business model
- Value chain
- Structure

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How to get there:

- Future translated into objectives
- ... financial, customer, internal, and learning & growth
- Objectives translated into measures and initiatives
- Targets and timelines
- Accountabilities
- Balanced Scorecard

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Present:

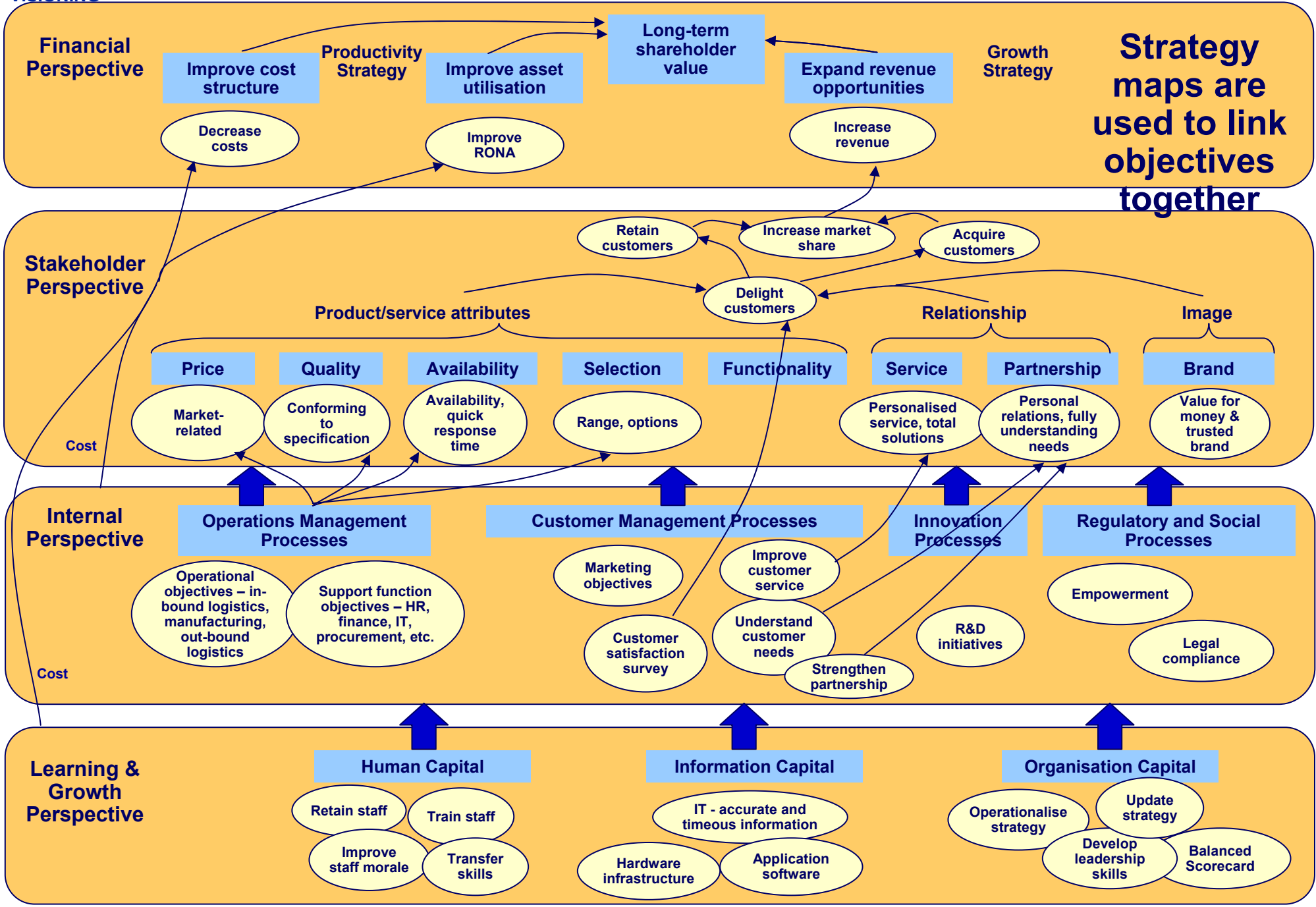
- Industry drivers
- Internal assessment
- SWOT
- Segmentation and targeting

Strategy is operationalised through objectives, measures, targets and initiatives in the Balanced Scorecard

Strategy Operationalised:



VISIONING



Strategy maps are used to link objectives together

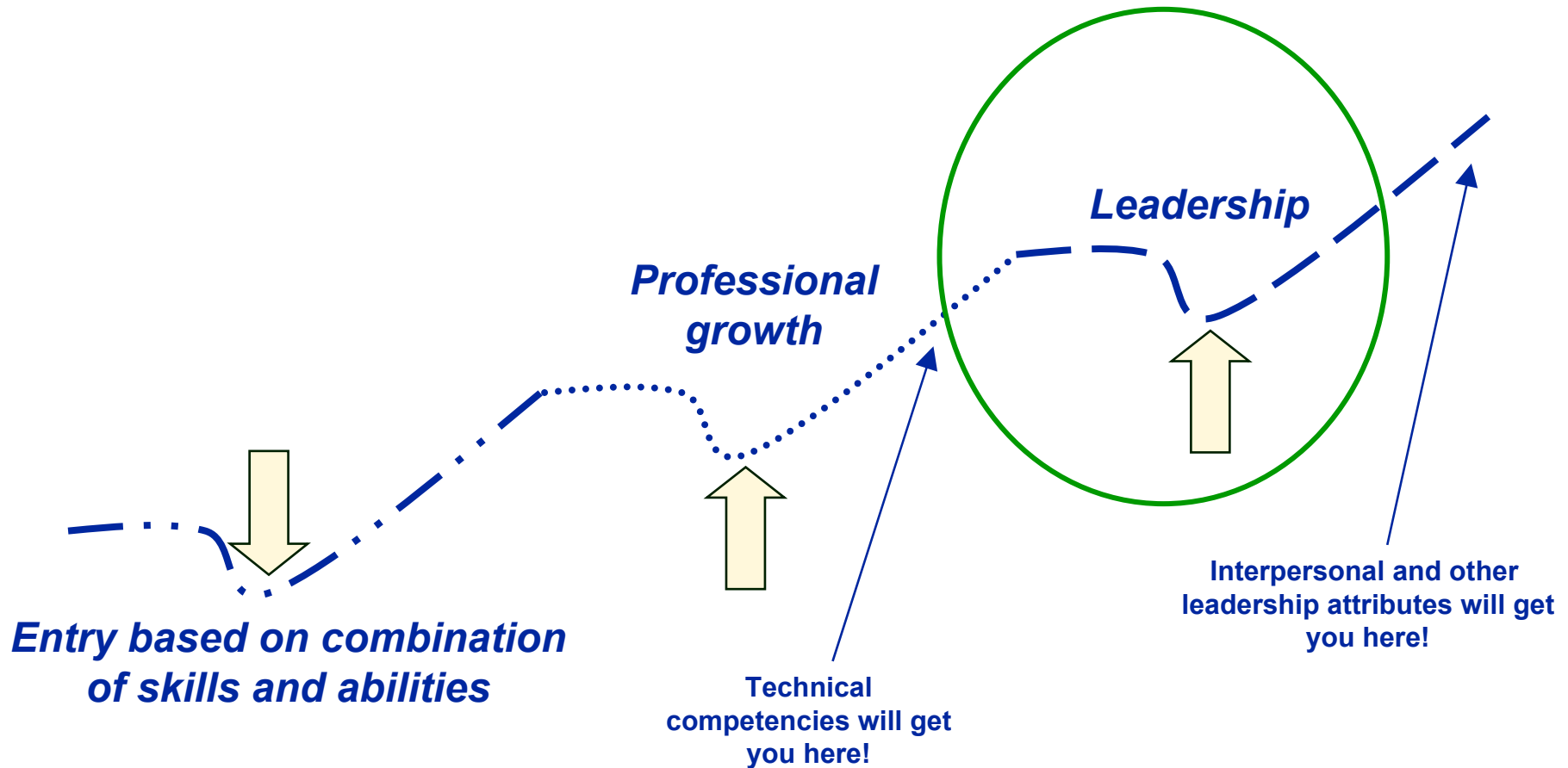
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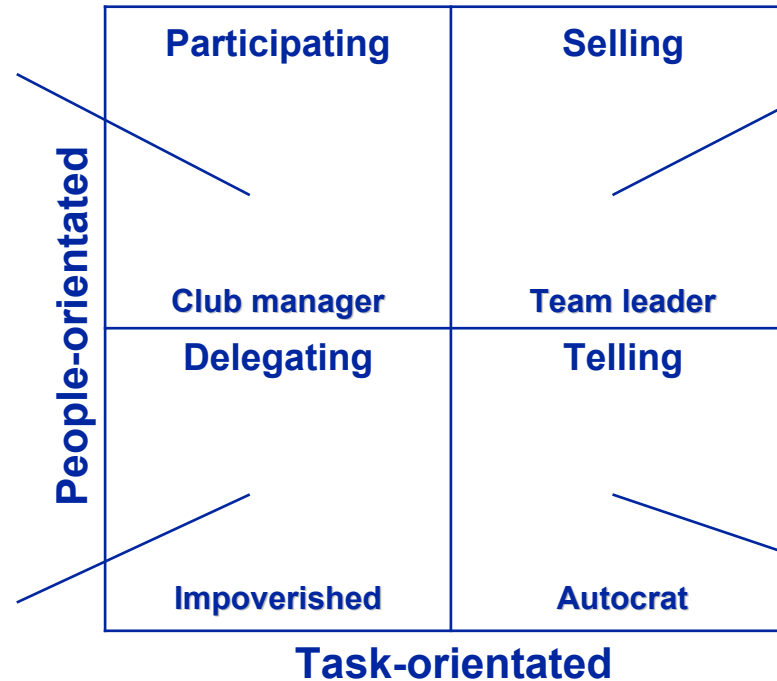
Leadership development allows for career growth

Career Paths and Leadership:



What type of leader are you?

- Use reward power
- No punitive coercive and legitimate powers
- Fear of jeopardising relationships with the other team members
- No cooperation or collaboration
- “Delegate and disappear” management style
- Allow their team to do whatever it wishes
- Detach themselves
- Allow the team to suffer from power struggles



- Lead by positive example
- Foster a team environment
- Team members can reach their highest potential, both as team members and as people
- Encourage the team to reach team goals, while also working tirelessly to strengthen the bonds among the various members
- No cooperation or collaboration
- Strong on schedules
- Expect people to do what they are told
- Blame when things go wrong
- Intolerant of what they see as dissent
- Difficult for their subordinates to contribute or develop

Leaders are made not borne

Leadership theories:

- **Trait theory:**

- Some personality traits may lead people naturally into leadership roles

- **Great events theory:**

- A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person

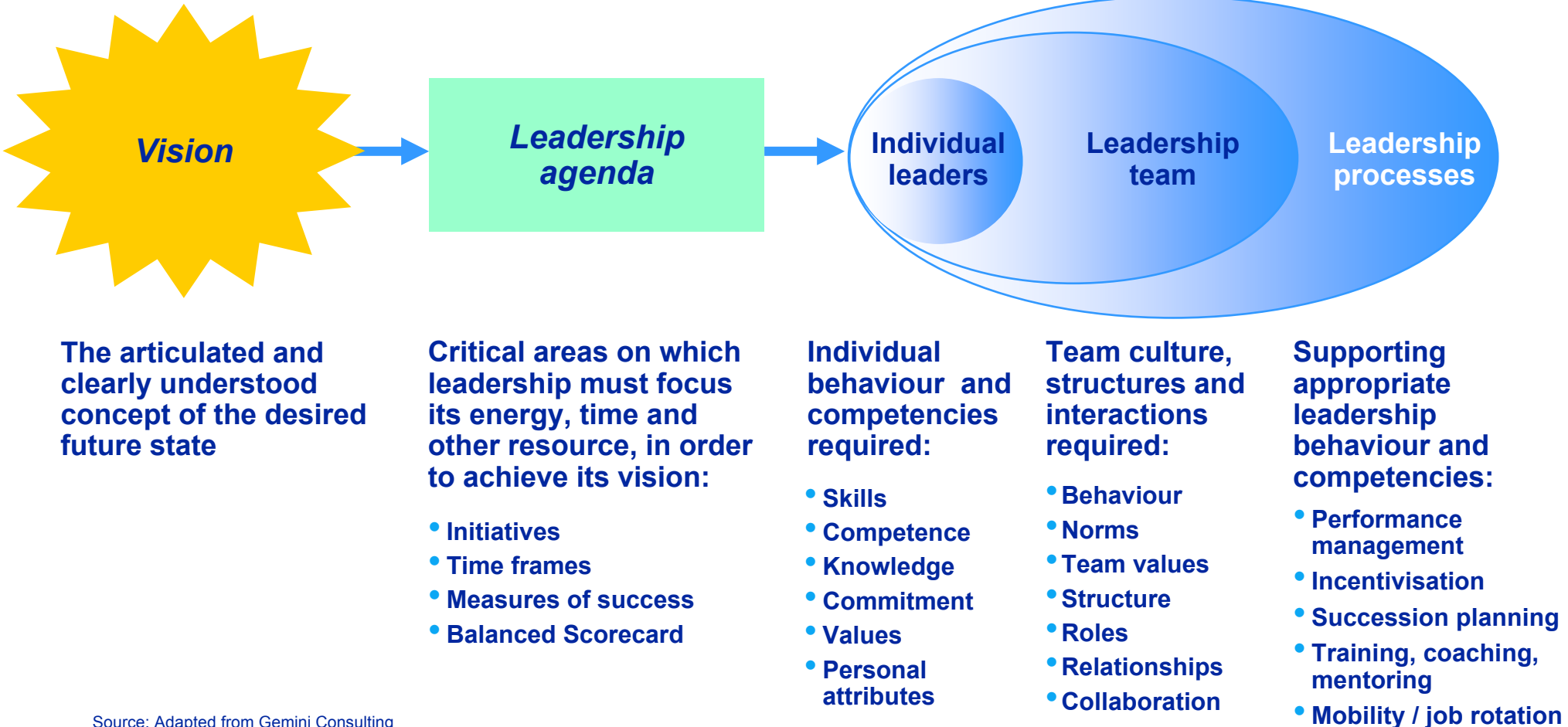
- **Transformational leadership theory:**

- People can choose to become leaders
- Leadership is a relationship
- Leadership is everyone's business
- People can learn leadership skills
- Leadership is a set of skills and abilities

Current thinking revolves around transformational leadership.

The purpose of identifying and developing leadership talent is to enable leadership to drive the organisation's vision

Leadership Development:



Source: Adapted from Gemini Consulting

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Leadership summary

Requirements for successful leadership:

- **A compelling, shared envisioned future**
- **A roadmap to achieve that future**
- **Mobilised followers**
- **Congruent values between leader and followers**
- **A leader with competencies to achieve the above:**
 - Visioning
 - Managing the operational aspects aspects of the implementation process – a good manager
 - Working with people – communication, people development

Leadership development:

- **Leaders are made not borne**
- **Improve skills, competencies and experience through training, mentoring, job-rotation and succession planning**

Questions?



Jan van der Walt

Industry activities:

- Guest lecturer in strategy
- Regular presenter at conferences
- Regular publisher of articles
- Chief Operating Officer of the Turnaround Management Association – Southern Africa

Qualifications:

- MBA (Stanford University) where he studied with a Fulbright Scholarship and specialised in strategy
- Hons. B.Sc, in Operations Research (UNISA)
- B.Sc. (Eng) Industrial (University of Pretoria)



Corporate Renewal Solutions is a black economic empowered management consulting firm specialising in leadership-driven business transformation / turnaround of underperforming and distressed businesses

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