

New Leadership.

Core principles, competences and practices for leading in complexity and rapid change - the essence of emerging leadership models for the 21st century.

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Why do organizations need new leadership?

Historically, leadership was designed around order, stability, control and scale. However, these strategies don't work in a (business) environment so filled with disruptions: Research from Deloitte points out that the pace of change, the influx of new technologies and changing demographics among employees and customers that provoke a shift in expectations requires *a combination of traditional leadership expectations and new capabilities* to not barely survive, but thrive in the economy of the 21st century. Whereas all these developments should have been enough for leaders to adapt 'business as usual', the COVID-19 crisis has created the ultimate imperative for companies to reconfigure their way of doing business — and *an opportunity to finally transform it for the better*. To the extent that leaders are willing to do so, they can look forward to a positive future for their organization, rather than just grinding through the present.

So, how do we lead organizations in a world that is becoming increasingly complex, uncertain and dynamic? How do people want to be led under these circumstances? And most importantly, how do we lead ourselves to create synergy among our personal and professional goals?

It is not surprising that the *majority of executives find it difficult to respond adequately to profoundly changing circumstances*. In fact, only 30 percent of executives interviewed as part of Deloitte's 2019 Global Human Capital Trends Survey say that they are effectively developing future leaders to meet evolving challenges. Leadership in the 21st century is not simply a question of exclusively managing commercial interests of shareholders anymore. Instead, the 2020 United Nations Global Impact Report highlights that business will be about responsible *value contribution for diverse stakeholders*, including not only the economy, but society and earth.

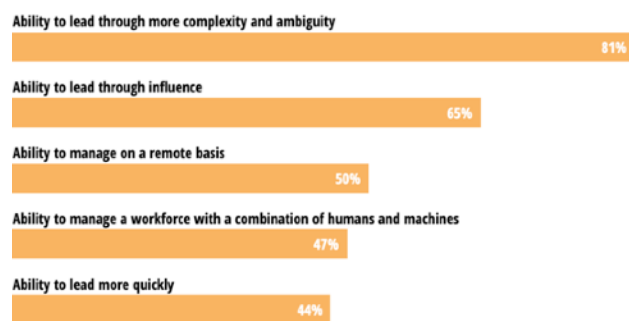
The problem in realizing this aspiration is that the micro- and macro-structures of many organizations *were not designed for high-speed dynamics and differing demands*. That means that although an organization is doing exactly what it was created to do, meaning to create product and services for customers, a

crisis occurs: Innovations fail to materialize, customers migrate, and revenues decline. In our globally technologized pandemic economy, this happens at breakneck speed. The reason for this is that, in crisis, humans tend to resort to the very methods and tools that triggered the crisis to create psychological safety by doing what they know well. It was Albert Einstein who mentioned in this context that the problems we created with a certain way of thinking require a higher order logic to be resolved. *Organizational leaders are the ones who have to break this pattern* by searching for and adopting new mental models to inspire new ways of thinking.

Fig. 1

Many respondents believe that organizations have new leadership needs

What do you believe are the unique requirements for 21st-century leaders? Select all that apply.



Note: Only respondents who believed that 21st-century leaders faced new and unique requirements answered this question. Source: Deloitte Human Capital Trends Survey, 2019

Our approach

The key challenge we identified in our community of diverse leadership experts is that many organizations struggle with the sheer amount of promising new leadership concepts that emerge as fast as they disappear again. To help executives navigate through the buzzword jungle and choose a form of leadership approach that is right for them, their employees and their companies, *we studied a mix of modern leadership approaches and extracted the fundamental ideas that underlie all of them*.

Due to the myriad of leadership styles circulating under different names in different contexts, we further refined our search for the essence of new leadership based on the following criteria.

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Each leadership style we investigated had to be:

- Supported by a pool of scientific data and academic literature to ensure the validity of the leadership concept
- Follow a human-centered approach
- Have a substantial record of success in their application based on feedback from diverse leaders we worked with
- Frequently used among Fortune 500 CEOs

Below are leadership approaches that tick all the boxes:

- Transformational Leadership (Bass)
- Dialogic Leadership (Dietz)
- Servant Leadership (Greenleaf)
- Authentic Leadership (Avolio/George/Walumbwa)
- Systemic Leadership (Luhmann/Senge)
- Creative Leadership (Richardson)
- Clear Leadership (Gervase/Bushe)
- Responsible Leadership (Sanford)
- Evolutionary Leadership (Alznauer/Van Vugt)

Fig. 2

New Leadership models

Selected leadership approaches to extract the core principles



Established and emerging leadership

In times that are characterized by great complexity and uncertainty, leadership should not be another area that challenges us. Therefore, we looked for similarity among the diverse new leadership styles above and derived *17 New Leadership Principles* that capture their shared essence, providing a true north for leading oneself, people, business and beyond.

The rapidly evolving, technology-driven business environment clearly requires the toolbox of modern leaders to expand. Based on the 2019 Global Human Capital Trends survey from Deloitte, this does not mean to substitute old concepts with new ones. Instead, *the Future of Work requires an integration of perennial and new leadership ideas*. That's why our new leadership approach is not a replacement, but an extension for conventional leadership.

The New Leadership Principles we mapped out in the table below offer two main advantages:

Visibility & Flexibility: The principles quickly make established leadership approaches visible once they are applied. This helps leaders to become conscious of their own leadership style, as well as the leadership patterns prevailing across their organization.* Moreover, by connecting old and new ideas about leadership, we bridge the gap between the status quo and the desired state of how we want to do business in the future. That means instead of shifting from one extreme approach to another, the principles facilitate sustainable transition from where individuals and companies are right now to where they want to be..

Flexibility & Synergy: The principles are independent of any specific new leadership model, which allows for greater flexibility on an individual and organizational level how to lead under ever-changing circumstances. By combining different leadership approaches, we allow for unexpected new principles to emerge that may not fit one or the other category, but constitute a separate range of transition principles that will be unique to each and every individual and organization.

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ESTABLISHED LEADERSHIP PRINCIPLES	EMERGENT LEADERSHIP PRINCIPLES
Mental Model	
Evaluate and process information through an 'either-or-logic' (analytical thinking)	Embrace cognitive dissonance through an 'as-well-as logic' (integrative thinking)
Behavioural Model	
Diplomatic, calculative and tactic authenticity	Honest, open and truthful authenticity
Identity	
Live up to the expected leadership role	Dare to be yourself
Decision-Making	
Leaders are decision-makers	Leaders design cultures and systems for decision-making
Mindfulness	
Pay attention to how the external world affects the business	Be mindful of how your inner world affects the business
Relationships	
Functional relationships based on organisational roles	Meaningful and human(e) relationships beyond organisational roles
Culture	
Uniformity drives fast solutions	Diversity drives sustainable solutions
People Development	
Pre-given career paths and structured development plans (human resources approach)	Emergent learning opportunities based on individual potentials (resourceful human approach)
Motivation	
Foster mastery by finding out what people are good at	Foster inspiration by allowing people to do what they love doing

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ESTABLISHED LEADERSHIP PRINCIPLES	EMERGENT LEADERSHIP PRINCIPLES
Organisation	
Organisations are complicated, performance-driven machines	Organisations are complex, value-driven social organisms
Viability	
Process orientation and predictability stabilise success	Partial creative destruction is essential for the survival of the whole
Alignment	
Lead through strategy, hierarchy, and plans	Lead through purpose, networks, and agility
Workplace	
Value creation is taking place at the office	Value is created whenever and wherever people are empowered and inspired
Performance	
Measure success based on profit and loss	Evaluate business performance on societal value contribution
Innovation	
Make a department responsible for idea generation	Embed intrapreneurship into the organisational culture
Technology	
People have to adapt to technology (technology-first)	Technology has to serve the people (humans-first)
Stakeholders	
Relevance of stakeholders is defined by their positive influence on profit and economic value	Holistic stakeholder inclusion is vital for creating positive impact inside and outside the organisation

Table: **Established vs emerging leadership principles, 2021**; based on evaluation of 9 emergent leadership models

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It is important to understand the *intimate connection between leadership on a micro- and macro level*: The leadership style of the organization inevitably becomes part of one's personal leadership identity, as much as one's individual leadership style impacts the organizational culture as a whole. In other words: *Culture influences individuals, and individuals influence culture.**

Therefore, to catalyze cultural transformation in an organization, *leaders have to change their own leadership approach first* by acknowledging that companies are complex, interconnected systems that are highly sensitive to small changes in the way individual leaders think and act every day. In this context, research by the MITSloan Management Review confirms that successful business transformation demands leaders to measurably transform *themselves*. This personal transformation is not limited to a change of mindset. Instead, efforts to lead digital transformation are unlikely to be *effective* without a leader's own *affective* digital transformation.

„Emotional development is often a neglected part of digital talent development.“

Whereas machines shine when it comes to working with data, they come nowhere close to matching humans when it comes to working with... humans. Social skills such as purpose-orientation, authentic engagement, fair collaboration, interdisciplinary thinking as well as the use of intuition and creative expression are still not considered crucial to many jobs. However, the World Economic Forum states that these *human-only skills already make up more than a third of the skill sets that are essential for leaders in every industry today*.

Since many leaders still work more like machines instead of using their unique human qualities in the process of value creation, *our new leadership approach is designed to help executives re-discover and effectively make use of their humanity* as a key differentiator and success factor in the Digital Age. Studies show that best results are achieved by humans and machines working collaboratively - each making use of their unique set of capabilities. By allowing humans to do what humans are good at, including activities such as defining purpose, using

imagination, applying critical thinking and being creative, whilst using machines for what machines are good at, including precise and fast analysis of big data for instance, we can realize the true value of diversity.

Nevertheless, the 'old way of doing business' served us well and will continue to offer value to a certain extent based on knowledge that has withstood the test of time. That's why we don't substitute one limited concept for another, but *help leaders integrate established and emergent leadership principles*.

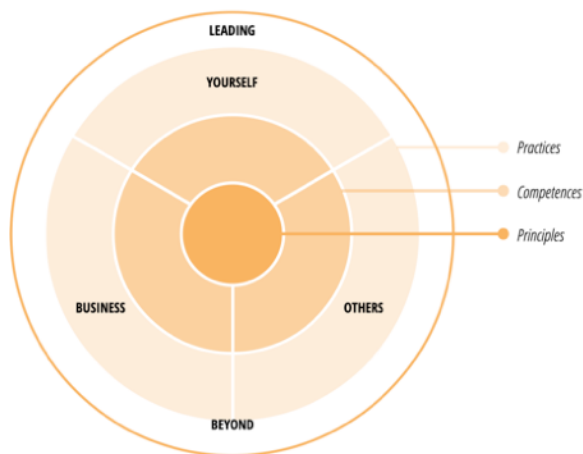
How to develop a (r)evolutionary mindset

Following an *integrative approach* to leadership and business transformation, each of our New Leadership Principles is complemented by a set of related competencies and practical tools as part of an *integrated framework*.

Fig. 3

Domains of New Leadership

An integrated framework - principles, competences and practices for leading yourself, others, business and beyond



To allow the power of each New Leadership Principle to unfold from the inside-out as illustrated in the framework, executives have to follow a simple three-step process:

1. Become aware of historical organizational values, beliefs and related leadership behaviors to identify the starting points for personal and organizational transformation.

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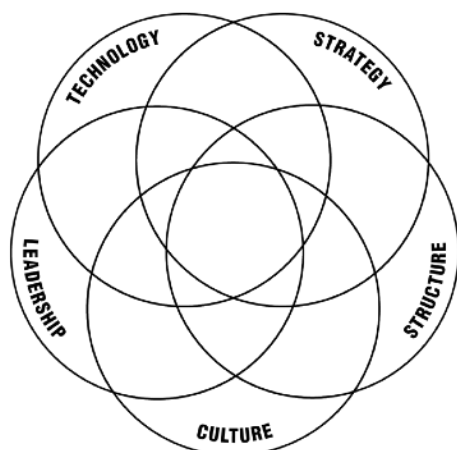
2. Start changing your own inner values, beliefs and related leadership behaviors as they are a reflection of the ones prevailing inside the organization.
3. Inspire the company culture to follow your behavioral change through regular and long-term practice of new leadership principles, competencies and skills.

This process is indeed simple. But it's not easy.

Therefore, *we build integrated Leadership Learning Journeys* around our principles to take you from where you are to where the world is heading to. For each principle, we developed a broad set of relevant competences and practices. Competences are the characteristics and skills needed to make the principles work, whereas the practices are tools and exercises from various fields (*neuroscience, psychology, coaching/therapy, arts*) to further drive the positive transformation of yourself and your organization.

To ensure that leadership does not become an isolated component in the overall development of an organization, our learning journeys are further embedded in an interdisciplinary approach to *transformation that puts leadership into the context of strategy, structure, culture and technology*.

For each client we work with, our experienced Learning Designers curate a bespoke learning journey toolkit, selecting specific competences and practices around each New Leadership Principle to bridge the gap between their current situation and future vision. In a second step, the *content* of this tailored transformation kit will be embedded into our Agile

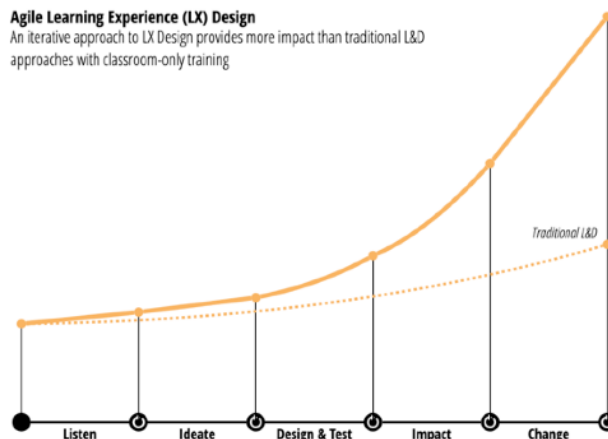


Learning Experience Framework which provides the *context* for all our New Leadership Learning Journeys.

Fig. 4

Agile Learning Experience (LX) Design

An iterative approach to LX Design provides more impact than traditional L&D approaches with classroom-only training



Take a look at our framework that allows leaders and their organizations to experience immediate positive impact: As it becomes clear that digital transformation on a personal and organizational level is essential to stay relevant in the economy of the future, Deloitte, Accenture, the WEF and many others highlight time and time again that

“the continuing rise of technology will neither bring a utopian nor a dystopian future. Instead, it will bring a distinctly human one.”

Many of the skill sets needed to keep up with the rapid technological developments of AI, robots, IoT and the so called Fourth Industrial Revolution are not technological skills. They are human skills.

The Future of Work requires leaders who follow a human-centered approach, mainly to provide a sense of psychological safety in the midst of the vast and ever-increasing uncertainty fueled by the pandemic and the digital disruption of business and life. In this context, a recent survey from McKinsey proves that 64% of senior leaders were able to provide greater psychological safety from an employee perspective if their organizations substantially invested in leadership development.

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Whereas safety used to be an external feature inherent in the stable structures of an organization, it now becomes an internal and more intangible component of business that has to manifest in the stability of the relationships that leaders create with themselves, their teams, their stakeholders to navigate through complexity collectively.

Re-defining what it means to be human in workplaces that taught us to behave like robots is a challenge for the majority of executives. It requires conscious effort to re-discover and develop the very capabilities and skills that were deemed useless in the past.

Think of it in terms of tennis: New leadership requires us to learn how to play with our left arm on the court of business. Instead of further skilling up our right arm that you're been playing with so far (*the established leadership approach*), the *opponent* you're now playing against (in this context, you're playing against *technology*) requires a fundamentally different strategy. Therefore, it's time to start training your left arm (*the emergent leadership approach*) to develop a winning strategy that allows you to adapt flexibly in any situation as it involves the whole of you (*integrated leadership*).

In a nutshell: Digital transformation starts with a new approach that leaders take towards leading themselves. Only then they can expand their sphere of influence to successfully take a new route for leading others, business and beyond.

"Leaders have to decide what kind of leaders they want to be. They can't be aloof or separate themselves from the digital transformations they oversee."

MIT Sloan Management Review, 2021

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Who are we?

The world needs more than just great management: It needs human-centered innovation. Diversity and liberated workplaces. More dialogue than discussion. Digital and technological savviness. Responsibility beyond profits. Systems thinking and agility. Culture consciousness. The creativity of all.

We are a community with a wide range of disciplines, but one focus: re-define leadership for the 21st century. Our team has delivered workshops in more than 50 countries, working with 14.000 business people and technologists worldwide.

Find out more under www.triangility.com

