



LIW³
Building a legacy
of leadership

White Paper
October 2009

Organisational Leadership Architecture™
**Why organisations need leadership
more than leaders**





LIW³
Building a legacy
of leadership

Leading Initiatives Worldwide
Building 18, Chowder Bay Road
Mosman NSW 2088, Australia
ABN 22 069 260 108

T +61 (0) 2 9968 2777
F +61 (0) 2 9968 2788
W www.liw3.com

Organisational Leadership Architecture™

Why organisations need leadership more than leaders

Senior leaders in global organisations tell us that the demands on them and their organisations have never been greater.

They say it's because:

- Speed of execution is important to stay ahead of the competition.
- Innovative solutions are mandatory as the environment and customer needs change.
- Collaboration and the communication that enables it are critical to capitalise on the power and potential of complex matrix organisations.

To meet these challenges, successful organisations will depend less on a few leaders at the top and more on leadership at every level to get things done. We propose that leadership is enabled by **Organisational Leadership Architecture™** which creates the conditions in which every individual can make a successful contribution to achieving organisational outcomes.



Organisational
Leadership
Architecture™

Our analysis indicates that leadership today requires two key elements. First, a requirement to ask the right questions and, secondly, to create the conditions for success.

The three key questions which comprise the foundation stones of Organisational Leadership Architecture™ are:

- What are we trying to achieve and why?
- Where are we now?
- What will we do to close the gap?

Associated with each question are the critical conditions required for success. These are **clarity, climate and competence**. Clarity is about direction and approach; climate concerns practical tools, processes and culture; and competence is about equipping teams and individuals with the behaviour, attitude, knowledge and skills to do the job. Thus it is important to answer each of the fundamental questions in association with each condition.

- What are we trying to achieve with clarity, climate and competence?
- Where are we now with clarity, climate and competence?
- What will we do to close the gap with clarity, climate and competence?

This view of Organisational Leadership Architecture™ changes the shape of how leadership is sometimes regarded: from the few to the many, from disconnected to holistic and from cumbersome to agile.

We explore Organisational Leadership Architecture™ from three perspectives in order to identify consistent themes: the military, musical and business. This paper proposes that the model of Organisational Leadership Architecture™ can be applied to all organisations to enable them to respond quickly and effectively to changing circumstances.

We conclude by suggesting that whilst individual leaders can achieve great things, aligned leadership is exponentially more powerful when it is enabled by leadership architecture. Leadership is about both the individuals demonstrating it and the leadership system or 'architecture' that enable agile, adaptable and sustainable organisations.

Lessons from the military: empowerment, not command and control enables rapid response

No plan survives first contact with the enemy.

Field Marshall von Moltke



An elite team of soldiers moves forward toward their objective under the cover of darkness. As they perform their final reconnaissance before attacking, they discover a different objective; one not mentioned in their orders or known to their leaders.

They have a choice. They can complete the plan as ordered, or decide if this new objective is a better one and attack it instead. They cannot do both. They cannot ask for direction as any communication will betray their position. Make the right decision and they may save many lives, including their own. Get it wrong and the feedback will be immediate and permanent. They have little time to consider their options; speed of execution is critical. How do they decide?

Military organisations have been dealing with the issue of rapid response for thousands of years, and have developed an effective and instinctive approach. The basis of this approach is to understand the 'higher intent' of the broader organisation. In other words, every soldier needs to be really clear about what the organisation is trying to achieve, and why.

In our example, the team has been told the overall objective, strategy and plan for the wider organisation. As they understand what must be achieved and why, they are in a position to decide whether the original objective or the new one best meet the higher intent. They have been told what their area of operation is and that they have the freedom to change the plan within understood set boundaries in order to better achieve the 'higher intent'. They have complete **Clarity** of the overall objective and their role in achieving it.

Contrary to popular opinion, military leadership is developed at all levels. Not only are individuals at every level *allowed* to make decisions, they are *required* and *trained* to do so.

The **Climate** is thus established within which individuals can make the best decision for themselves and the organisation. Of course, the climate is not just about processes and common language.

It is also about culture. Dr Nick Jans of the Australian Defence College is an acknowledged expert in the field of military leadership and originator of the expression 'command architecture'. He proposes that the bedrock of an effective military leadership system is 'collaboration' underpinned by the values of reliability, versatility and resilience.

There is a culture of empowerment that is critical to rapid response and speed of execution, both of which are essential to success and safety.

This concept of values and behaviours that support the higher intent is instantly applicable for any organisation – describing 'how' an organisation goes about its business and providing the people within it the behavioural guidelines required for success.

So, our intrepid heroes understand the higher intent, that they are empowered to make the choice and know how much latitude they have to change the plan. But, do they know how to properly analyse the situation to ensure that 'B' really is a better option than 'A', and then make a plan to successfully attack it? Do they really know where they are now, and what they will do next? Quite simply, yes. Military organisations have a process for both tasks and everyone is thoroughly rehearsed in their use. They are provided with tools and checklists, similar to those used by pilots, to enable rapid application under any circumstances. So everyone in the team has the clarity of what is to be achieved, a set of processes that they must use and the competence to carry out the tasks.

Central to all this is the core principle that leaders and followers at every level see themselves as subordinate to the overall purpose and mission. This is clearly understood by all and provides a guide for decision making.

Lessons from music: innovation while singing from the same song sheet

"There's probably no better example of democracy than a jazz ensemble; individual freedom but with responsibility to the group,"

Michelle Obama



A jazz band is in the middle of a fast-paced, complex number, playing to a large crowd. Each musician is taking it in turns to go solo – improvising a completely new melody that expresses their own interpretation within the overall theme. This individual creativity takes the piece to new heights and delights the audience.

The sax player is next up and the band has never played with him before. How does he know what to play? How can his individual creativity be expressed without derailing the whole band?

While the risks faced by the musicians are in no way similar to those of the soldiers, the principles behind the success of both groups are the same: a shared purpose, the structures that bind them and the skills to make decisions. The key for musicians lies in an aligned understanding of the structural disciplines of rhythm, melody and harmony.

These 'musical handcuffs' allow the individual soloists the freedom of expression within the framework and common language – encouraging creativity which is limited only by the musician's level of expertise. A famous musician once said: "We don't play the same as each other, we play around a common centre."

Delighting the audience by connecting with them and emotionally 'moving' them is the primary purpose of the band. Each member has a shared understanding of the desired outcome and is prepared to work as a team to achieve the higher intent. A vibrant climate of feedback ensures that soloists who play for too long, or in a self-indulgent way that does not serve the higher purpose of the band will know that they have stepped out of line! The team and individuals are constantly assessing 'where they are now'.

A senior member of an orchestra conducted by Vladimir Ashkenazy captured this sentiment: "Here is a man at the top of his profession and he always puts the music above himself. Not everyone of that stature does the same."

In summary, a successful musical ensemble is one that has initial **clarity** of the purpose and intended outcomes which are, in turn, achieved by creating a **climate** of teamwork and individual creativity through a shared understanding and common language. The intended musical outcome leads the musicians to use their expertise, while ensuring that they all play from the same song sheet. These concepts are relevant no matter the size of a musical ensemble, where a musician's career path requires building technical expertise as well as performing different leadership roles within that ensemble.

Lessons from business: communication and collaboration to ensure sustainability

"Leadership not Leaders is the key ... it is the actions leaders take as a group to build the leadership within the organisation, not the personalities of the individual leaders that are critical"

Mt Eliza, 2002, Australia's top 199 organisations



A business unit within a highly successful financial institution sets its objective to double profits in three years with a maximum 35% increase in staff. They achieved this goal in less than three years with a key focus on staff, risk and productivity.

So what did they do and how did the actions of the senior leaders develop a legacy of success which sustained the business even during the global financial crisis?

In looking for the solution, the senior directors decided to take an organisational approach to developing leadership within their business unit which would build the capacity of the business beyond the boundaries of a few leaders, and which harnessed talent right the way to the frontline through collaboration.

The first step was establishing **clarity**. This was developed around an inspiring vision which determined not only *what* they were trying to achieve but, most importantly, *why* (or the purpose), and by doing so gave a greater sense of meaning and engagement to the staff.



LIW³
Building a legacy
of leadership

Leading Initiatives Worldwide
Building 18, Chowder Bay Road
Mosman NSW 2088, Australia
ABN 22 069 260 108

T +61 (0) 2 9968 2777
F +61 (0) 2 9968 2788
W www.liw3.com

Seems simple, but experience shows us that many visions fail to deliver. Similarly, those who are meant to be motivated by that vision, are often not. So how did the senior directors create clarity of information and, critically, clarity of understanding?

They communicated compelling key messages to their staff in a national road show with the aim of creating a workforce which was engaged and motivated to explore new ways to work together.

This communication used energetic, authentic and 'out-of-the-box' methods to generate high levels of passion, understanding and genuine desire to make it happen. The communication was repeated in different ways, often soliciting feedback to ensure everyone understood.

Often enthusiasm fades and the vision dims once everyone returns to the office. Not in this case, where the working **climate** was stimulated by a radical redecoration of the offices.

The **purpose, vision and values** literally became a part of the working vista as a bright and stimulating environment became a daily reminder of the business's direction. Significant investment was also made in back-office processes. Organisational and individual cultural and leadership style diagnostics were carried out for feedback of the business. This generated greater awareness, encouraged development and supported the cultural transformation by building accountability at every level of the division.

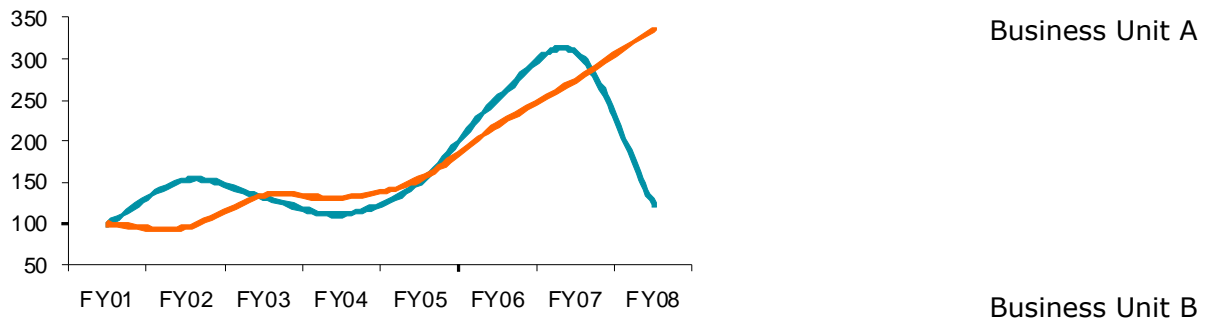
There were rewards, too, where collaborative behaviours and outcomes which supported the business along its journey were regularly awarded to deserving individuals and teams. Senior directors sacrificed profit share to enable promotions, and financial rewards were given lower down in the ranks. The leaders were building and creating the leadership below.

The senior directors also led the way in terms of developing all levels within the organisation. In driving the 'what do we need to do to close the gaps' question, **competence** was developed at every level to innovate and collaborate as the business grew. With aligned leadership skills and competencies, common approaches to decision making and planning became systematised within the business. This developed a common language which encouraged delegation, enabled fast and adaptive actions, and built trust through the use of a rigorous approach.

When the global financial crisis arrived, the investment in people, processes and time paid off. Profits grew in Business Unit A (see graph) unlike in neighboring Business Unit B which, with poor direction, little investment in its people and decision-making by a few elite leaders, was ultimately wound up.

Two paths, two outcomes: Business Unit A invested in sustainable growth through building an Organisational Leadership Architecture™. Business Unit B did not.

Indexed profits of two functions of the same business.



Common Threads

We have established that the three key leadership questions and the creation of clarity, climate and competence are paramount to success across the three different perspectives. Everyone is equipped to use this architecture enabling leadership at every level, regardless of formal authority.

In a broader organisational context, people in every location use the system to understand what needs to be done, why and how. It enables rapid decision-making, empowerment and the flexibility to succeed even when the situation changes. The language and leadership processes used are the same, thus avoiding ambiguity and miscommunication. This is critical in complex matrices where success depends on people operating remotely.

How then does this apply to the challenges outlined by our senior leaders and how is this reflected in recent research?

Speed of Execution

Our survey tells us that for senior leaders,

*“Setting the strategy is easy...
executing is a greater challenge”*

It seems it’s not the ‘what’ of strategy but the ‘how’ which is challenging. Leaders at the lowest levels identified ‘defining organisational direction’ as their biggest challenge. This suggests that strategy is not being communicated in a meaningful way and that clarity is not shared at every level. This does not augur well for the implementation of a strategy.

From all three perspectives, shared purpose, vision, values and clear strategies act as the ‘light on the hill’. However, if the climate includes a common language of leadership and leaders are competent to use it, then there is a realistic chance of alignment around the direction at every level.

For example, in our successful business, leaders relied on 'common language' and a culture of collaboration, as well as skilled communication to deliver messages that resulted in not only clarity but tight focus and alignment at every level.

Developing innovative solutions

Let's assume that there is a common understanding that innovation is key to sustainable success. **Clarity**, while present, is not enough. Developing an enabling **climate**, through creating a common language or 'wiring', and a culture that encourages risk taking and learns from mistakes will enable all levels to innovatively adapt to changing needs and requirements.

Paradoxically, innovation is enabled by common decision-making processes, systems and culture that provide the structure to enable innovation by enabling people from different countries, departments and functions to talk the same language. For example, our musicians are by nature creative; pushing the boundaries for their art and the enjoyment of the audience is what they do. But they, too, work within a framework of the music. The culture is one of individual creativity and also teamwork to support the endeavour. Herein lies the paradox: working within a framework gives them complete freedom.

Where we find multiple leadership languages and frameworks introduced through diverse and misaligned initiatives. The outcomes are usually costly and ineffective in the medium and long-term.

Communication and Collaboration become critical to effective operation.

Do clarity and climate, in place and understood at every level, guarantee an effective operation? Of course not. We can be clear and motivated, equipped with the necessary tools and support, as well as having access to a common language of leadership, but there is no guarantee that we will use any of them unless we know how.

All leaders must develop their **competence** in a way which is appropriate to their own level of the 'Leadership Pipeline'. It is the competence of the leader that creates the clarity, climate and competence for those that follow.

Let's return to our soldiers. They were in a position where they had a difficult, 'life or death' decision to make at the frontline. Instant access to a clear, analytical decision-making process and the unconscious competence to quickly apply it, enables success. The training required to do this is extensive and multi-level. In this example, the decision-making competence is at the frontline leadership level, but exactly the same process is applied to any situation at every level, only the level of complexity changes. The architecture and required levels of competence to use them remain the same.

The soldiers were also empowered through clearly understanding the mission and through a culture of delegation and trust.

Finally

In business, it is the example set by senior leaders which dictates what other people will do. As Cisco Systems CEO John Chambers said:

"The days of being vertically integrated and having everything within your control will never return. The entire leadership team, including me, had to invent a different way to operate. It was hard for me at first to learn to be collaborative."

(Page 6 Harvard Business Review, November 2008)

As leaders transition through the 'Leadership Pipeline', they must examine what behaviour must be embraced and what is left behind – the leadership architecture remains the same. Developing a leadership architecture to achieve performance is fast-becoming the number one priority of successful organisations. It is 'core' to the organisation's function rather than an 'elective'. Exploring this proposition through the eyes of soldiers, musicians and the business people shows how asking the '3Ws' critical questions within the three elements of **clarity, climate and competence** comprise the **Organisational Leadership Architecture™** and how these three elements work together to deliver planned exceptional results.



LIW partners with corporations, countries and communities to achieve their vision through the Organisational Leadership Architecture™. 15 years of client engagements have shown that building the aligned capability of leadership of every leader at every level, builds adaptive, high performing and sustainable organisations. We work closely with clients using a range of consulting services, action-based development and blended learning products.

The LIW logo, the Organisational Leadership Architecture™ and C³: Clarity, Climate, Competence® are property of LIW.

This White Paper may be copied and distributed as long it remains complete and it is attributed to LIW, including our web address www.liw3.com. If you wish to use only parts of the White Paper, please contact us at info@liw3.com.