The Death of EROF Leadership

By Dean Roger Martin

The hierarchical organizations of the old-world economy produced 'heroic leaders' who spent most of their time giving orders and making sure subordinates obeyed. But in the fast-paced, highly volatile and increasingly networked New Economy, cracks in the "command and control" leadership model are starting to show. Roger Martin looks at what it will take to lead organizations in the new millenium.

Leaders have always been products of the organizations they lead. As such, how we think about organizations has driven the way we think about leadership.

The Traditional View of the Organization

In the traditional view, the organization is a hierarchical structure designed to generate decisions at the top and ensure, through reporting, measurement, and incentive

systems, that these decisions get implemented throughout all levels of the organization. In this rigid conception, there are formulators at the top and implementers everywhere else: The

WORLD LEADER

Heroic	Collaborative
Enforcer	Context Setter
Heads a Hierarchy	Builds a Community
Decisions are made at the top	Decisions occur in a
Organization structure is rigid, fixed	Organization is org
Communicates to give instructions	Communicates to g
"Sells the Solution"	Values authentic em
Command and Control	Collaborate and Co
Formulators vs. Implementers	Everybody is a lead
	sphere of expertise

Employees need to be motivated

New World Leader

Collaborative
Context Setter
Builds a Community
Decisions occur in a choice cascade
Organization is organic
Communicates to generate dialogue
Values authentic employee input
Collaborate and Consult
Everybody is a leader within their
sphere of expertise
Employees are cherished partners

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"choosers" make choices, and the "doers" carry them out. In this model, leaders are heroic figures who make - perhaps with some assistance from senior staff - the critical decisions in the organization. Information flows up to the leader who, presumably powered by wisdom, courage and intellect not possessed by subordinates, synthesizes everything and pops out all the right decisions. He or she then turns to motivating the doers in order to ensure that they faithfully and dutifully implement the vision. This traditional conception of the organization, therefore, positions the leader as a singular, heroic figure who tackles problems with unique savvy and insight - a "lone wolf", who is ultimately and solely responsible for the success or failure of the organization.

Why the Traditional Conception Doesn't Work

The problem with this traditional conception of leadership is that organizations simply don't work that way any more. In reality, there is no such thing as "choiceless doing", no magic line separating formulation from implementation. Each and every day, everyone in the organization from the CEO down to the customer interface makes important choices.

Salespeople make choices about how to formulate their firm's offering for individual customers. Customer service representatives segment their customer base and determine how to serve different customer segments. A bank teller decides to stop and chat for a moment with an older customer who looks forward to a bank visit as an opportunity for

personal contact, yet rushes through the next transaction with a business customer who values speedy, efficient service.

Employees who are treated as "choiceless doers" are forced to behave as either bureaucrats or vigilantes. They either continue to spout the "rules and procedures" to frustrated colleagues and customers, (even when they have novel solutions that could improve effi-



ciency and service) or, recognizing fully that to do their jobs well they have to make important choices, they ignore the rules and work outside the senior management dictum.

In most cases, they continue to make choices, even as they are told they are merely implementing the leader's choices. When leaders try to motivate them with "rah rah hype", employees roll their eyeballs and hope that this, too, will pass.

The whole trend in contemporary modern management theory toward the heroic manager, the lone wolf who tackles and conquers problems with his own, unique insight repre-

"The leader of the past

was a person who knew

how to tell. The leader

of the future will be a

person who knows

how to ask."

Peter Drucker, celebrated

management analyst,

author, and advisor

sents a serious impediment to effective leadership. In reality, the heroic leader enfeebles his subordinates, overburdens himself, and sows the seeds of his own demise.

Employees, as they tire of being treated as choiceless doers by senior managers straight out of a Dilbert cartoon, stop feeding insights about the customers and the

marketplace back up to their leadership. As a result, leaders become distant from the market, out of touch and increasingly incapable of making sound choices. By conceiving of the organization as a rigid hierarchy made up of a few choosers and many doers, leaders set themselves up for failure by starving themselves of the information they need to make robust decisions.

A MORE USEFUL CONCEPTION OF THE ORGANIZATION

The more useful – and realistic – view of the organization involves a choice cascade whereby choices at every level are inter-linked. In this conception, the leader sets the context for overall organizational choices. Every employee at every level of the organization then makes critical choices that reinforce those above, as well as setting the context for the choices below.

While the choices at the top of the cascade have the highest level of importance because they set the context for all the choices down the cascade, all the choices are important. If any one choice along the cascade is made poorly, the whole cascade quickly becomes a train wreck.

In this modern model, the organization is full of thinking people who must operate collectively to make a broad and complex set of choices that define the organization and determine its success.

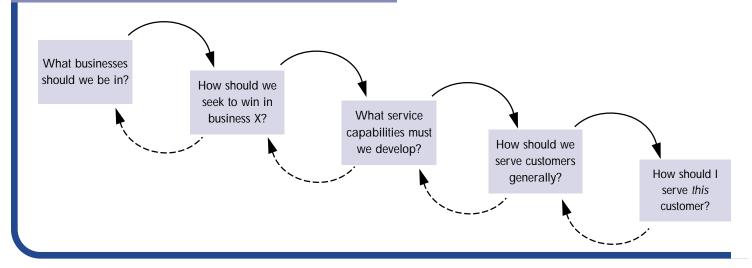
The Collaborative Leader

The job of the leader in the modern model changes from hero to community builder. The leader's self-concept shifts from being the solitary choice-maker, to setting a productive context in which robust choices can be made throughout the organization.

Showing considerable restraint is a prerequisite to setting a productive context. The collaborative leader makes only a few key choices and leaves the vast majority of the choices in the organization to others. This is because the collaborative leader recognizes that at the top of the organization she is blind to valuable data that members of the organization below possess due to their expertise and their day-to-day experiences on the front lines.

For example, salespeople interact more closely with customers on a daily basis and understand their needs and interests much better than a CEO. The CEO may have more power and experience, but the salesperson has more relevant data, which makes the salesperson a powerful decision-maker, not a choiceless doer.

Cascading Choices: An Example



THE COMPANY AS COMMUNITY

The collaborative leader recognizes that the two levels need each other. Each has something the other does not. The leader has perspective on the overall goals of the organization, while the frontline employee has more specific knowledge about decisions relevant

to his or her sphere of activity. In a productive context, both recognize that they live in a decision-making community. The community has a hierarchy defined by the choice cascade, but everyone is in the choice game together.

In this conception, choices

flow down and up the organization as the cascade takes shape. The realities of lower-level choices modify tentative higher-level choices, creating an organization in which decisionmaking is an organic process. In this way, choices adjust fluidly as the market changes, because employees with data about the market feel highly motivated to feed that insight up in the organization. "Bad news" and "good news" are both exchanged, because it is an organization that values trust, respect, and authenticity.

Rather than having a "heroic leader" at the top, this organization has leaderly employees at every level. The jobs and roles of all members are recognized for what they are, and not stereotyped in an unreal way. It's not that the employees are suddenly "empowered" by their leaders to make decisions: It's that their superiors now recognize the reality that employees have been key decision-makers all along. In this conception, the leader can at last access their valuable and powerful choice-making capability, and truthful information and insight is passed in both directions up and down the

choice cascade.

"Leadership at one

time meant muscles;

but today it means

getting along

with people."

Indira Gandhi, former

Prime Minister of India

The 'leaderly' job of communicating downward to motivate and inspire employees towards dutiful implementation is replaced by dialogue and sharing of infor-



mation. Meanwhile, creating and managing an enforcement and control structure is replaced by the job of leading an authentic organization whose members feel a joint responsibility to one another.

In this conception, it is difficult to characterize the leader as heroic in any traditional sense of the term. The leader does not work alone, does not delude herself that she has magical, infallible knowledge and ability. A collaborative leader is not set up for loneliness, vulnerability, and failure. Instead, he gets enormous help, support and comradeship from an organization that sees him as an important member of the community, but nothing more than that.

IN CONCLUSION

Leaders of the New Economy are "leaders of leaders", who see their organizations as communities comprising valued expertise at all levels. Decision rights are migrated to the holders of specific knowledge, and the holders of specific knowledge migrate information up the choice cascade.

In the collaborative organization, the leader is not a lone wolf who represents everything the company stands for, makes all the important decisions, and is solely responsible for motivating the workforce and enforcing the rules. In the collaborative organization, we are all choice-makers, and we work together to create something that truly reflects who we are.

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