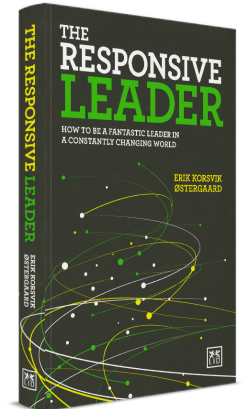


The Responsive Leader

How to Be A Fantastic Leader in a Constantly Changing World

by **Erik Korsvik Østergaard**



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THE SUMMARY IN BRIEF

The world is changing. It's changed already. Shifts in technology in the 20th century have driven massive development in organizations, and in society. The world has been described as volatile, uncertain, complex, and ambiguous. For leaders, this demands a shift in mindset, skillset, and behavior.

Clearly, there is a need for a new type of leadership and organization based on relationships, purpose, value-creation, engagement, network, transparency, involvement, belonging, and trust. In *The Responsive Leader*, Østergaard focuses on the mindset you must have as a leader, and on the behavior and practices that can support it. This shift begins with understanding why the world is changing. Then leaders must move to apply design principles of the future of work.

Are you ready to shift your center of gravity to this new practice of leadership? Have the willingness and determination to do something different and to try it out. Volatility and change can be met with positive approaches in this tremendous opportunity for shaping the future.

IN THIS SUMMARY, YOU WILL LEARN:

- The mechanisms, behavior, and mindset of the responsive leader.
- To anticipate challenges that may arise with shifting leadership styles.
- Models for leading responsively across the network.
- Ways to motivate your employees and peers for the future of work

Organizations are on the cusp of massive change as the world moves in more unpredictable ways. For organizations to survive, we need adaptable leaders capable of moving us forward. We need greater awareness and consciousness beyond black-and-white, quarterly report, profit-and-loss thinking. Responsive organizations and conscious leadership hold a fundamental truth: people and purpose matter just as much as profit.

Paradigm Shift

Despite the seemingly dystopic predictions of AI, automation, and loss of jobs, these changes bring some exciting possibilities for replacing the existing management and organizational structures with something more future-oriented. This the right time to stop and rethink our approach to work. It's time for a paradigm shift. If you change, develop, and align your mindset in the organization and together create an evolution in new skills, then the change in behavior will be a natural consequence of the mindset.

Principles for The Future

The interactions, decisions, and business transactions hinge around people and the relationships between people. You are not a B2B or a B2C company; you are H2H—human to human. People come first in the quest to provide purpose, meaning, sense-making, and value-creation in the workplace. A guiding principle for work in the future is the need to experiment. In a rapidly changing world, where there are several “right” answers to a question, you must deliberately experiment, test, and investigate.

Ostergaard relates the story of Danske Bank. Mikko Laukka announced to his whole department that he wanted to initiate a rather substantial culture and collaboration project, affecting all 120 employees in his division. The team was responsible for delivering automated financial services. They didn't drop their attention to the product. However, the management team directed their focus and energy to the employees and the culture first and foremost. They applied design thinking to create a “people first” workplace with less hierarchy and more agile delivery methods.

Before staging two grand meetings for the rollout of the plan, the management team was fully prepared, having made the business case for the transformation. A portfolio of activities was introduced and executed including weekly standup meetings, intense accountability, and larger workshops for culture development.

The first few meetings were rather “polite,” and almost all items reported were presented as complete. But as the employees felt they were safe, and their reports were acted upon, more honest reporting and requests for help emerged. In their all-division workshop, the whole department co-created a culture book, answering two questions. Firstly, what does the world's best workplace look like, and secondly, how do we get there?

The culture changes led to the bold move of eliminating a management layer, creating a higher manager-to-employee ratio, with some managers having up to 25 reports at times. To handle the relevant one-to-one dialogue with the employees, peer-coaching and peer-onboarding were initiated.

During the first six months, the turnover rate of employees doubled, but, interestingly, the empty spaces were quickly filled as the idea of the culture spread and became apparent in mindset and behavior.

The Future of Work

In a constantly changing world you cannot make thorough plans for the future of your organization by merely analyzing, thinking, and planning, as if your assumptions are correct and non-changing. Understand what problems you are solving and for whom, and what value you are creating for the customers.

Purpose and Direction

Focusing on purpose enables you, the organization, and every employee, to focus on WHY you do what you do, instead of WHAT you do. Knowing the why creates a deeper understanding and engagement and is a comprehensive framework for empowerment, delegation, and commitment. If everybody understands why you do what you do, then you can challenge the status quo, think holistically, and take initiative in a decentralized way. Focusing on purpose enables you to set the direction accurately. You must rethink the strategy and make it agile and circular—or spiraling—instead. Finally, focusing on purpose is a tremendous motivation and a filtering factor for more and more people when they choose which company to work for.

Triple-Bottom-Line

For some employees, it's hard to understand the effect their work has on economic results, as the actual money transactions happen somewhere else in the organization, and the transparency and direct relation to their work can be extremely hard to establish. Instead, more employees, project managers, and department leads are turning to social

capital and value-creation for a means of understanding the cause and effect of activities. Social capital lies in the strength of relationships and networks. Value-creation gives attention not only to the value the organization offers but for whom and how much. Economic health is certainly not neglected. Turnover, revenue, billing, etc. remain important to the responsible leader.

A purpose narrative establishes a correlation between the elements in the triple-bottom-line once the connection is created. The purpose ties you together, strengthening your relationships and social capital. It describes the value you create and supports you in reaching your financial goals by focusing on and prioritizing your resources and investments.

Innovation as Usual

Innovation is not restricted to products and processes. Leadership, organizational structures, and culture must also undergo innovation and disruptive changes.

Mindset

Few organizations are capable of being disruptive to the extent of companies like Google, Tesla, or Netflix. However, everybody and every organization can be innovative, thereby ensuring relevancy to the customer, flexibility to change when needed, and attractiveness to employees through making the workplace a fun, engaging, and developing place to be.

A mindset and culture of risk-taking and no-blame, where failure is not frowned upon, encourages innovation. Major mistakes or losses are mitigated by performing small-scale tests and experiments to investigate and document the ideas and feasibility. Innovation can be strengthened through a circular approach to execution, working in sprints, inspired by the Agile world. Everything from company strategy to daily maintenance tasks should be thought of in circles or spirals, where we periodically stop, evaluate, re-aim, and adjust. There are a plethora of plan-do-check models. The faster we can test the experiment and assess the hypothesis, the faster we can evaluate the feasibility. This lowers the cost of failure and increases the speed of application.

Innovation—Everybody and Everywhere

Get everybody to think about innovation, even in small things. Then let them do it. Often a good idea or a strong initiative is halted because a manager says no to change. When we're trying something new, there is inherently a chance of success and a chance of failure. In any case, there is 100% certainty of learning.

The responsive leader has an insatiable drive for results and achieves that through and with other employees. This means that they act and think like an entrepreneur, working more “on” the business than “in” the business. A deeply rooted skill and character trait for an entrepreneur is the ability to be innovative; a natural sense for spotting new solutions to existing challenges or cross-pollinating existing solutions to create new opportunities.

Pingala, a Danish IT consultancy, takes responsibility for the future of work in their business. One of the design criteria for their organization is that they want to keep the organization flat and eliminate the need for a manager wherever possible. To do that, they analyzed and documented the real networked organization. Based on their study, they constructed a chain of mentor/mentee links so that the employee development interview and sparring takes place on a peer-to-peer level in the network, and not as a hub-and-spoke structure, with the manager as the hub. The kind of new conversations that arose was fantastic, and employees got feedback and sparring from someone who had a better understanding of their professional challenges, and who they also had a social connection with. Even the CEO got an employee mentor, a reverse mentoring-approach.

Viscous Culture

The greatest cultures are the ones people are attracted to, where they like to show up to work, are sad when they quit, and return after a short period at another company. A great culture creates a sense of belonging, rising engagement, and declining sick leave.

Belonging and Identity

The key to developing your culture is not power, but influence. By networking, building relationships, giving and asking for feedback, and engaging with your employees, you begin building the foundation of a culture that is resilient, responsive, and inclusive.

We need organizations where people feel they belong. Organizational culture in the future of work is one of communities and belonging. You need to build a culture of relationships, transparency, diversity, empowerment, and trust. The personal leadership style is key to driving and nurturing this. These communities need to be suitably viscous, to be both a psychological safety net and gravity point for the full-time employees and be adaptable and inclusive for gig-workers and fluid engagements.

Culture as a Product

Pingala and similar organizations see culture as their product. The key to developing your culture is not power, but influence, which starts with an authentic approach to the ones you surround yourself with, namely people. In business terms, see culture as a business product and cultural development as a project. Allocate time and effort to projects and activities that your employees and your customer will benefit from, and have someone driving it.

For every five employees who leave ProActive, an IT company in Denmark, two return within a few years. Why? Because of the culture, they say. ProActive communicates an “I trust that you can do it” mindset. The responsibility and accountability are rapidly given to the employees, according to the will, skill, and experience of each employee. Naturally, when this kind of empowerment and meritocracy-based authority replaces micro-management, mistakes can happen. They have gradually formed a networked team-of-teams organization.

The key to obtaining this kind of responsive organization on top of the strong empowerment has been a deliberate investment in horizontal leadership. Bringing the approximately 20 peer leaders together in cross-organizational forums regularly to get to know each other and to share challenges and experiences has been a huge lever for the social capital. Every Friday, a resource assignment meeting is held between all delivery-responsible employees and line managers to match employees to projects and tasks.

This, of course, requires the line manager to have a deep understanding of each employee.

Some of the leaders have it in them as a natural gift. Some of the leaders use the input and ability of each other to

master the roles and behavior together. The result is that people return to ProActive.

Mix

Managing the principles for leading responsively requires a new kind of leader; conscious of their own behavior and impact. The responsive leader focuses their mental energy on the moral compass, on personal development, on activating and cross-pollinating across the strength areas of the business.

Roles and Behaviors of the Responsive Leader

The responsive leader cares about the development and well-being of the employees, investing time in helping each employee be the successful and best version of themselves. This means frequent conversations and sparring, open questions, and, at times, hints, direction, and advice. As coach and mentor, the leader creates trust, safety, and confidentiality and is ambitious on behalf of the employee. As a coach, the leader is a facilitator for drive, ideas, understanding, and reflection. A coach asks questions and guides the employee to seek answers themselves. As a mentor, the leader also has attitude, opinion, multiple views, and experience, and will voice these. A mentor comes with specific suggestions to the challenges the employee is experiencing. Additionally, sometimes you must be an oracle and should prescribe a solution or approach. The delicate challenge lies in balancing these three: the coach, the mentor, and the oracle.

You are the one who points the organization and your employees in the right direction and towards the right mindset. And it's you who needs to take the first step. And the next, and the next, and to ensure that you do it together and that no one is left behind.



Erik Korsvik Østergaard is partner in Bloch&Østergaard, which he founded in 2014. Erik has worked with leadership, digitization, strategy, change management, and organizational transformation for over 15 years, as manager, project manager, and consultant.

Over the past years Erik has focused on codifying the mechanisms for the future of work, striving to establish a leadership framework that provides the modern organizations and leaders with a coupling between megatrends, theory, and real-life practice.

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