O'REILLY®

Three Critical Shifts in Thinking for the Evolving Leader

Eric J. McNulty

Three Critical Shifts in Thinking for the Evolving Leader

Eric J. McNulty

Beijing • Boston • Farnham • Sebastopol • Tokyo O'REILLY®

Three Critical Shifts in Thinking for the Evolving Leader
by Eric J. McNulty

Printed in the United States of America.

Published by O'Reilly Media, Inc., 1005 Gravenstein Highway North, Sebastopol, CA 95472.

O'Reilly books may be purchased for educational, business, or sales promotional use. Online editions are also available for most titles (*http://safaribooksonline.com*). For more information, contact our corporate/institutional sales department: 800-998-9938 or *corporate@oreilly.com*.

Editor: Laurel Ruma
Production Editor: Matthew Hacker
Copyeditor: Jasmine Kwityn
Interior Designer: David Futato
Cover Designer: Randy Comer

February 2016: First Edition

Revision History for the First Edition
2016-01-27 First Release

978-1-4919-5113-2

[LSI]

Table of Contents

Three Critical Shifts in Thinking for the Evolving Leader. 1
The Shortcomings of Traditional Leadership Development 2
Three Critical Shifts for an Evolving Leadership Landscape 4
The Ascendance of Influence 15
Making the Shifts to Leadership Thinking 17

Three Critical Shifts in Thinking for the Evolving Leader

When I spoke at Cultivate 2015 in Portland, OR, about the mental shifts necessary for leaders to make, the response was so positive that it was clear that the preliminary post I had written for strategy+business as I organized my talk was too brief to fully explore this territory. Here is a deeper dive.

Despite writing thousands of books and articles, academics have yet to agree on a definition of "leadership." What makes someone a leader? For my colleagues and me at the National Preparedness Leadership Initiative, it's really as simple as this: people are voluntarily following them. Followers are investing their energy and initiative toward some outcome articulated by an individual they deem a leader. The question, of course, is why? When I ask groups to think about someone they have personally known who they consider to be a great leader, they have arrived at a common, more descriptive definition, and the initial lists of characteristics are consistent: these people have integrity, a positive vision for the future, an ability to motivate people, a bias toward action, and are adept at making tough decisions to name a few. Letting people do their jobs and encouraging them to develop are often mentioned, as are empathy and ego control.

These all reflect values and behaviors, not role or rank. Never has anyone said that a person earned the designation of "great leader" because they were promoted to senior vice president or were graduated from a top university or business school. It is not about the size of their office or their compensation package. They don't mention that these people may have invented a breakthrough product or

service—it's about who they are more than what they've achieved. These inspiring individuals are found at every level of the organization and demonstrate influence beyond their formal authority. So what's the secret?

The Shortcomings of Traditional Leadership Development

If you want to be someone that others follow, the leadership development programs you typically encounter will only take you so far. Many start by designating individuals who performed well at a prestigious school as having high executive potential—sometimes called "high-pos"—and putting them on a fast track to significant responsibility. Putting aside that the high-po designation makes everyone else a "low-po," a lowering of expectations that can mask great contributions these people can make, academic prowess does not necessarily correlate to leadership effectiveness.

Then, these high-pos are accelerated through a series of positions that give them broad exposure to different aspects of the business. The goal of the high-pos and their organizations is to get these people rapidly to senior positions where, in theory, they can have greater impact that benefits both. This technically focused development can shortchange opportunities for building proficiency with the human factors that are at the heart of leadership. In fact, when both the individual and their team expect a short tenure in any position, both lack incentive to invest much in establishing meaningful relationships, developing emotional intelligence, or understanding human and organizational behavior—the very things that do correlate with leadership impact.

A better approach would be to target those people who are demonstrating leadership and then put them through a highly individualized program that helps them develop their particular strengths as well as cultivating deeper self-understanding and self-awareness. Sadly, few organizations hone their ability to spot true leaders.

Even if you are not in an organization with a high-po orientation, you are likely to find that leadership development concentrates on how you *do*, or conceptually understand doing, a certain set of skills and behaviors deemed desirable. They are standardized across the enterprise and are measured through pre- and post-training assess-

ments that allow the training department to quantify the outcome of its activities. Reports are generated. Certificates are awarded. But little is actually learned about whether the participants in these programs can actually lead. That is because leadership is behavior and values based and requires not only competency, but demonstrated proficiency with people, not test modules. Reading every book on tennis will not prepare you to confront Serena Williams on the court. You have to get out and play. You practice and learn from what goes well as well as what goes wrong. You hone your understanding of what works (or won't work) for you in different situations to build your capacity to adapt and adjust. You don't simply improve at *what* you do. You deepen your grasp of *why* you do it. It is developing the right mindset that helps you not only acquire these competencies but deploy them effectively.

With this expanded mental model, you can begin to discover how to be the best leader you can be. Much like a tennis match, success is not just about you playing "your game." You must also account for your opponent, the court surface, the weather, and other elements that will factor into the outcome. It is not about executing a series of rote actions but rather taking all of the factors into account—the personalities, proficiencies, preferences, and passions of various stakeholders (including yourself)—and creating the conditions under which your desired outcome is most likely to emerge.

Effective leaders navigate a duality: they are authentically themselves while also being the leader others need them to be. If your team is stuck, you may need to assert direction even though your natural tendency is to be more inclusive, for example. You develop the ability to both be yourself and see yourself as others see you. When you master this skill to *be and see*, you are able to intentionally adjust your presence in ways that resonate with your followers. According to Dr. Mindy Hall, author of *Leading with Intention*, "Being present enough that you can flex your behavior to get the result you want is one of the highest forms of self-awareness." Is this social manipulation? I prefer to think of it as behavioral negotiation, because it is not about lying or being false. It is a matter of adjusting your bearing and actions to elicit the reaction from your followers that moves you all forward. No generic approach to your leadership development can help you hone this skill.

Many of these old leadership development models are actually based on a management mindset. Modern management practice arose in

the Industrial Age, which valued optimizing throughput and standardizing output. Your individual strengths, needs, and desires are not high on the priority list. The "leadership" components reflect that increasing compensation required taking on responsibility for a larger and larger number of subordinates in addition to acquiring a familiarity with the basics of marketing, manufacturing, and the rest. Thus, the goal is to prepare a person to occupy a certain spot in a fixed hierarchy. Like academic performance, achieving management expertise is good, even essential for some roles, but not sufficient to make you the person that others will enthusiastically follow.

Three Critical Shifts for an Evolving Leadership Landscape

In a world where change is constant and seems to constantly accelerate, new leadership thinking and practice are required. Fewer and fewer organizations are built as the strict hierarchies of old and thus effectiveness is more likely to be secured through your influence rather than formally accrued authority. In the knowledge-based work common to technology, media, and other companies that are the powerhouses of the 21st-century economy, the group you aspire to lead may be a highly fluid collection of individual contributors scattered around the globe rather than a tightly interdependent, co-located team. This makes achieving unity of effort a more complex endeavor.

Leadership thinking can be learned, but is difficult to teach. It is a matter of getting your "best leader" to emerge by actively and intentionally asking questions, taking on challenges, and pushing beyond your perceived limitations. It requires wanting to lead and committing to ongoing growth and improvement.

There are three significant shifts you need to make to get on your way: from they to you; from linearity to complexity; and from "focus" as a noun to "focus" as a verb.

Shift 1: From They to You

As broadly critical as I am of many corporate leadership development programs, there are some that are excellent. However, even these have one fundamental flaw that you can easily overcome: they are based on the organization's view of what it needs, not what you

need. The shift from *they* to *you* is not a return to some ego-centric "Great Man" theory of leadership; it is about taking ownership of your personal leadership development so that you are best able to serve others as a leader.

For too long, training departments have dictated how people should develop as leaders and too many people have unquestioningly gone along. The company typically develops competency models to create uniformity across the business and the training agenda cascades from there. Competency models are not all bad. They offer "clarity, consistency, and connectivity [with other HR processes]," according to Jay Conger of the Marshall School of Business and Douglas Ready of MIT's Sloan School. Conger and Ready also note that the 30 or even 50 components comprising the model can get complicated—they're based on a leadership ideal, so they're inherently conceptual, and they focus on the perceived current state of the business rather than future needs. Further, they often mix management skills such as financial acuity with the more nuanced requirements of leadership.

Several years back, the company I worked for sent me to a program offered by The Center for Creative Leadership that I credit with starting my current interest in better understanding leadership. There was not a competency map in sight. Instead, it began before I arrived with a 360-degree review that prompted greater self-awareness. At the program itself, there was coaching as well as small group work to stimulate progress along an individual development path. I left that week-long experience understanding that I wasn't entitled to a leadership role based on my past accomplishments; I had to earn it and take responsibility for becoming the best leader I could be. I also left on a high that not only did I have potential but so too did the three dozen or so other people from a variety of organizations with whom I shared that week.

The fundamental truth is that your development has to start with you. What are your distinctive strengths? How have your education and experience shaped you? Where do you want to go? What drives you? How do you describe the impact you want to have? These are the kinds of questions you must answer for yourself. They are the building blocks of your leadership narrative. Only when you articulate this will you be able to lead others.

Steve Jobs is an excellent example. Jobs is perhaps the most iconic chief executive of the late 20th and early 21st century. He cofounded Apple with a distinct view of what a computer should be, and more important, how it could help unlock human potential. Apple gained a niche of loyal supporters with its early Macintosh machines. However, it struggled financially, almost going under on more than one occasion. Jobs was ousted only to be brought back several years later after an unsuccessful run at the startup NeXT and great success at Pixar. In this reprise performance Jobs led Apple to become the most valuable corporation on the planet. Along the way, the company reimagined the music business with its iPod product and iTunes service—although Apple did not invent the MP3 player. The iPhone instantly set the standard for both design and functionality in handsets. Once again, Apple was not the first company with a functional touchscreen smartphone. That honor belongs to IBM's Simon. The iPad launched the tablet revolution. The sparse Apple stores became the epitome of retail design. Time and again, Apple brought forward innovations that had customers standing in line (long, long lines), had analysts on the edge of their seats, and competitors nervously fidgeting before each product or service introduction.

Jobs was instantly recognizable—bespectacled, bearded, wearing jeans and a black turtleneck. He was a master showman. His design sense seemed unerring. But was he a great leader?

While he has been lionized since his premature death, only history will judge Jobs' ultimate impact. He was clearly a visionary. He was a design fanatic. A perfectionist about the user experience. However, if you look at a typical leadership competency matrix, he would score as mediocre at best at quite a number of the "critical" skills. I never met him, though I have known people who worked at Apple and have read quite a bit about Jobs himself. Walter Isaacson, author of the most definitive Jobs biography, described "good Steve" and "bad Steve". Bad Steve lacked empathy. In fact, he was known to be fairly irascible. His hefty ego was no secret. If you shared his vision and passion for sleek design, Jobs was inspiring. If you pushed back or questioned that vision, however, he was reported to be brutally defensive.

Jobs was clearly a highly effective leader in the market, if perhaps less so within the walls of Apple. That can be all right. In a complex world, there is a demand for leadership in several domains and few

people will excel in all of them. If there is a domain where you perceive yourself falling short, surround yourself with strong people who have the appropriate strengths. Be frank about your weaknesses and be honest, and courageous, enough to embrace highly competent people with complementary skills. For all of the focus on Jobs as an individual, there was an executive team that was collectively responsible for the company's performance.

The reason for this detour into the story of one individual is this: Jobs understood his strengths and made the most of them. He didn't try to fit into a mold of the perfect executive. When he was recruited back to Apple it was clear that it was for his particular skill set and mindset. In fairness (and a lesson to would-be iconoclasts), had he been less of a genius, he likely would have been limited by his lack of emotional intelligence and ability to work with people with differing opinions. The world has too many divas who are more difficult than they are brilliant. The best measure over the medium term may be the impact of his successor, Tim Cook. Cook is not a Jobs wannabe. He has his own strengths, and despite some minor stumbles, the company has continued to do well. The truest measure of a leader is what happens after they are gone, not simply what happens when they are there.

One simple yet profound way to explore these issues for your leadership is to keep a journal. Take a few minutes each day or two to jot down things that went well and those where you could have done better. How are you testing your limitations and expanding your comfort zone? Think about these issues not only from your perspective but from that of the others involved. The goal is to develop a habit of reflection and curiosity. Regularly capturing what you notice about yourself and others can help sharpen your self-awareness, empathy, and other components of emotional intelligence. Journaling creates a time for you to focus on yourself, not in a selfish sense but as an exercise in open inquiry. The process will foster your ability to be and see. You can capture your own insights and the feedback of others that can often be lost in your busy days. Looking back over your journal every few months will help you see your progress toward leadership proficiency.

Reflective exercises such as journaling help you process and absorb both successes and failures. Noted management and leadership thinker Peter Drucker said, "Follow effective action with quiet reflection. From the quiet reflection will come even more effective action."

Whenever you can, expose yourself to the experiences and insights of others. Read. Delve into the many video and audio resources available to explore the ideas and experiences of a variety of leaders. Start with the rich repository at Safari. Watch TED Talks. Look beyond your industry or natural area of interest. There is no excuse for not constantly exploring the ever-expanding knowledge base. Three of my favorite enduring books relevant to leaders are Daniel Kahneman's *Thinking, Fast and Slow*; Margaret Wheatley's *Leadership and the New Science*; and Ron Heifetz's *Leadership Without Easy Answers*. You'll soon find that you have a collection of your own. You don't become a leader through any single course. It is an ongoing journey toward increased mastery.

I am also a fan of having a coach. I have worked with one for years. Once assigned as a corrective measure to problematic executives, coaches are now seen as an integral part of overall leadership development. A good coach is someone who can provide unbiased—and often unvarnished—feedback of the kind you cannot get from a colleague, boss, spouse, or friend. A coach can help you identify areas for development, create a specific plan to address them, encourage you, and hold you accountable for doing the hard work required. Regularly scheduled coaching sessions also ensure that you allocate time for your development activities.

Just as you take ownership of your own leadership development, be active in encouraging your team members to do so as well. Take advantage of your company's offerings, but don't relegate all responsibility to the organization. High-impact leaders attract and value strong people and help them grow stronger. Leadership is not a magical power bestowed on individuals; it exists in the relationship between the leader and their followers. They are two equally important parts to the equation: your interests and theirs. This interweaving of interests to catalyze change and achieve a shared goal is called transformational leadership.

Have one-on-one meetings where you can better understand the desires and motivations of the people you lead. Expand your leader-

ship narrative to include them in ways in which they see themselves as meaningful parts of a larger story. You will amplify the power, agility, and resilience of your work group when you cultivate leadership throughout its ranks.

Shift 2: From Linearity to Complexity

Think about the spreadsheets you use to manage your budget. Or the process flowcharts through which you track your projects. And the slides you build to pitch ideas or present results. These and other management systems and processes are linear. They assume a high degree of predictability—that similar inputs will result in similar outputs. Plan the work, work the plan, and the plan will work. In many situations, particularly those with mechanistic production methods, this holds true.

Now think of how you actually get the work done. Chances are that it involves a lot of free-flowing idea sharing and problem solving, working across informal networks, and improvising in the face of changing circumstances that is not reflected on those spreadsheets, flowcharts, and slides. That is because many of us work, and you must lead, at a level of complexity impossible to capture in a single snapshot. Understanding and leading through their dynamics means embracing *complexity*.

Mechanical systems such as the plumbing in your home are linear. Even complicated code is linear. Whenever you find that strict if-then relationships govern, you are confronting linearity. However, as soon as the human element is introduced, the system becomes both complex and adaptive. It is dynamic—similar inputs may bring about wildly divergent outputs. Work teams, families, organizations, and communities are all examples of complex adaptive systems: a group of diverse, interdependent parts that acts as a whole and which learns and adjusts over time. You understand a linear system by taking it apart into its component systems. With a complex adaptive system, you gain insight by looking at the whole.

One of my "aha" moments about leading in complex systems came from reading an article about urban planning. Christopher Alexander examined why cities that had grown organically over time, such as London or New York, have a greater vibrancy and appeal than those that conform to a master plan such as Brasilia or England's Garden Cities. His conclusion was that the human brain

simply cannot design at the same level of complexity at which a city functions. Early in our evolution, the ability to simplify patterns was of great use to our survival, as it allowed our forebears to distinguish a predator from other creatures and the landscape.

Unfortunately, this ability to simplify, which was essential in one context, is self-defeating when it comes to designing cities as well as large contemporary organizations. We design with what Alexander called a *tree* with a single point of connection between one component and another—a typical organization chart is a perfect example—whereas function was better represented by a *lattice* structure with multiple points of connection between components. Accepting that there will be both formal and informal connections among people, departments, and other entities, not all of which will be discernable by you, helps you grasp the reality in which you must lead. There is always more to discover.

Another distinctive feature of complex, adaptive systems is emergence: qualities of the system not found in any of the constituent parts. Classically stated, the whole is more than the sum of its parts. Think, for example, of the acapella musical performances in the television show, *Glee*, or the hit *Pitch Perfect* movies. While each of the performers brings their own talent, the show-stopping performances feature intricate harmonies where individual voices blend, amplify, and accentuate each other to produce a sound that none of them could achieve alone.

While your group may not sing—and that's probably a good thing—your situation is analogous. As a leader in a complex adaptive system, you are not simply putting star players together; you are charged with catalyzing group performance toward a shared goal. You will need to divine what motivates each person and how they can best contribute. You want to create the conditions under which they will gel into a high-performance, high-commitment team.

In a complex, adaptive system, the relationships between the pieces are more important to system function than the pieces themselves. You cannot plug-and-play people and expect the dynamics to remain the same. How people interact, how well they build upon each other's work, and how they support each other will be the measure of your leadership success.

I ran a conference business for several years and each event had a detailed critical path consisting of more than 200 steps that would

keep us on track over months of preparation. While careful planning and execution were key to successful events, what really made the business soar were the relationships we developed with our speakers, attendees, sponsors, vendors, and most important, each other. By building trust-based relationships with sponsors and speakers, we were able to identify and explore important issues in meaningful ways. When participants arrived on scene, they were delighted to find that the staff were already familiar with them and any special needs they had identified. We were able to work with vendors to create memorable experiences that stood out from a typical "butts in seats" conference. None of this appeared as a line item on a plan.

I do not take credit for all of this aside from being aware enough to hire some incredibly smart, talented people and make helping them succeed my principal job. I put some simple rules in place: each project had to have editorial integrity, demonstrate financial viability, and offer the opportunity to create a memorable experience for our attendees. And one more: we were going to have fun. That last one was not about foosball tables; it centered on appreciating and fostering each person's passion for the part they played in the larger enterprise and how important they were to our collective success.

An important realization for me—and one you should keep in mind—is that as leader you are part of this system but you are not always its gravitational center. Your people are not planets who orbit around you as their radiant sun. In fact, you may not always be the one leading. Allowing others to step up when they have greater expertise or responsibility for a particular activity helps them develop as leaders as they demonstrate their value and earn your confidence. Your focus is on the ultimate outcome and modeling the behavior that helps everyone see that individual accomplishment is viewed in the context of a larger mission.

Remember also that this complex adaptive system extends beyond your immediate team to include other units and departments in your organization as well as your customers, competitors, vendors, and the communities in which you do business. The expectations they set, the actions they take, and the innovations they introduce all affect how the system functions. For example, if you are involved with any product in which design is at all important, you must be cognizant of what design leaders such as Apple and Herman Miller are doing. On the service front, companies such as Zappos do the

same. They set expectations and standards that shape the collective consciousness of your stakeholders.

One way to grasp the intricacy of complexity is through a PowerPoint slide that *The New York Times* called one of the worst ever created. It looks like spaghetti thrown against the wall. It is almost impossible to decipher. Yet I think that this slide is one of the best—at least as a way to visually represent all of the forces at work in a complex adaptive system. General Stanley McChrystal had it developed when he was commander of the coalition forces in Afghanistan. While you may not be fighting a war, when you map your customers, competitors, associates, their families, the communities in which you operate, regulators, non-governmental organizations, and other stakeholders in the larger system along with their connections and interdependencies, you will quickly see that you, too, are leading through a bit of spaghetti.

This leads to one last important point about complexity: in a complex adaptive system, no single person controls everything. When you embrace complexity, you accept that no one has all of the answer and that anyone may have part of the answer. That mindset opens you to possibilities and opportunities you might otherwise miss. You minimize your leadership blind spots by listening and asking questions. Your goal is order, not control. How do you get there? That's the third shift.

Shift 3: From "Focus" as a Noun to "Focus" as a Verb

Once you have embraced the dynamism of complexity, the limitations of setting static goals becomes evident. The net profit target or acceptable customer acquisition cost that makes perfect sense during your budget cycle may not be optimal six months later. More tempting, yet more dangerous, is limiting goals to those things which can easily be quantified. Such approaches will get people to put their heads down as they drive to a focal point—"focus" as a noun—rather than having their heads up to understand important changes in their operating and competitive environment. In times of change and turbulence, your leadership challenge is to maintain clarity—"focus" as a verb.

Look, for example, at Nokia and Microsoft's ongoing struggles in the smartphone market. Nokia was once the dominant leader in mobile but was late to notice the shift from standard handsets to handheld

computers that happen to have a telephone feature. While the full story is complex, it can be seen how a heads-down focus on sales of a current product, for example, can obscure the need to question assumptions about how customer demands, expectations, and desires change over time. Nokia was acquired by Microsoft, another laggard in mobile, and together they continue to stumble.

Maintaining clarity requires constant recalibration to ensure that you have set the most relevant goals, much as a photographer adjusts the camera's aperture and shutter speed in changing light conditions. Your goals should include quantitative performance but also those qualitative measures, such as values, that help you navigate through volatility. The multiple activities in a business of any significant scale make clarity elusive. Each time someone joins or departs your team, collective understanding of your goals becomes a bit blurred because the new person was not part of goal creation and the person departing takes that understanding with them. Competitors make moves and launch new products and services that alter the landscape. You enter a new geographic market with distinct needs and opportunities. A regulator makes yesterday's possibility impossible (or the other way around). Each of these creates distortions and distractions. When you create clarity, you foster agility throughout the organization. You enable order without having to control every action and decision. That's leadership.

How do you set your leadership agenda for clarity? I advocate three equally weighted areas: purpose, values, and performance.

Purpose can be at a 30,000-foot level—*Why does your organization exist?*—though I suggest you start much closer to ground level, following Drucker's advice again, that the purpose of a business is to create a customer. Rather than asking why do you exist, ask how you are being useful. Or as Harvard Business School professor Clay Christensen has asked, what job is your customer hiring you to help them do? Beginning your inquiry here embeds change—evolutionary or revolutionary—into your thinking, because it promotes deep and ongoing exploration of who your customers are, what they hope to achieve, and how you can do it better than others.

Yes, you must meet sales and profit goals, but if you can do so by better understanding those who buy, you and those you lead are less likely to let a static target obscure long-term threats and opportunities.

Values should endure through fluctuations in the market and developments in product and service offerings. Clarity here means ensuring that they are relevant and integral to fulfilling your purpose. They can't simply be etched on a wall or relegated to the frontispiece of the annual report. Almost every company has lofty values—even those cited for significant misdeeds or found to be engaged in negligent behavior or criminal activity. Values must actually guide action. Are the organization's stated values tangibly reflected in your policies and procedures? Does violating them come with significant consequences? As a leader, you must make sure that it is so.

Performance comes last because so often it is placed first to the detriment of other considerations. You and your team must deliver results—on time, on budget, and the rest. However, if the pursuit of short-term financial goals overshadows everything else, you will surely stumble. In the exhaustive work on corporate failure by Dartmouth professor Sidney Finkelstein and his team, they found that the causes of failure were always there to be seen if only executive's eyes had been up and looking about rather than fixed on immediate returns.

Make performance measures a reflection of purpose and values as well as the ringing of the cash register. Daniel Pink is among those who have shown that making incremental progress toward a meaningful goal is a powerful motivator. The rush of achieving a profit goal is exhilarating—and profit is necessary if your business is to exist for very long—but it will soon fade as you start the march toward the next marker. It is often celebrated in individual bonuses or other rewards. Knowing that you are making a positive difference in people's lives builds pride that stimulates group identity and cohesion. You catalyze collaboration and innovation to accomplish great things together.

When you lead for clarity, your aim is improved function of the system. People know what to expect of you and what you expect of them. There is a shared mission and vision that enables independent action. You refine the design of the elements you control. You influence, not obsess over, that which is beyond your control. You are open to feedback that reveals successes as well as dissonance because it helps you make the necessary adjustments to maintain clarity amidst the swirling activity of daily operations.

The Ascendance of Influence

In old-school organizations, the designation of "leader" often went to the person with the most formal power. Your leadership status was tightly tied to the number of people under your command, the size of the contract you were authorized to sign, and the box you were allocated on the organizational chart. I have even seen organizations where the square footage of offices was precisely calibrated to one's position in the hierarchy. Authority still carries some weight, but in a complex, dynamic environment, influence is far more important.

Influence is your ability to change or have an effect on someone or something. It's your persuasive power. The deeper your understanding of influence, the better you will be able to develop and deploy it. Robert Cialdini of Arizona State University is the foremost authority on influence and persuasion. Through research, he and his team have identified six sources of influence that are present across cultures (albeit each element varies in prominence from culture to culture).

The first is likability. In short, if people like you, you will have more influence over them. They will want to hear your opinion, advice, and insights. You will be included in conversations and decisions. The human brain is highly attuned to risks and rewards, and being likable lowers your risk profile for others. The simple advice: don't be a jerk. This doesn't mean that you cannot be tough. You simply must match toughness with fairness.

The second source is reciprocity. People appreciate reciprocal relationships where you help them and they help you. When you act with generosity of spirit and action, you build influence because most people will want to repay what you have done in some way. You can even set up the expectation of reciprocity by verbalizing it. For example, "Of course I'll help you. We take care of each other here at Acme Software."

Third is social proof. The hardest follower to get is your first. When others see one person following you, others will feel more open to following as well. Each new follower lowers the potential risk in being identified as one who supports you. Influence cascades. There is a video on YouTube that illustrates the point. It is called Dancing Man and shows an outdoor music festival where the crowd is relax-

ing on a sunny hillside. That is all except for one man who is up and dancing with abandon. It takes a few minutes until a second person joins him. Then a third. Soon almost the entire crowd is up and moving to the rhythm. By the end, the outliers are the non-dancers.

Fourth is commitment and consistency. Once someone has committed to something—you as a leader, a product development plan, or to support a cause, they like to remain consistent with that original decision. This is one reason why first impressions are so important. If people support you initially, they will continue to want to do so. If they do not, you'll have work to do to win them over. Once you can get people to make that first commitment, you will influence their future behavior.

The fifth source is the scarcity of the resources you control. The more in demand they are, the more influence you will have. These could be people, money, or equipment. In knowledge work, possessing or controlling skills and expertise can result in significant influence. For example, if it is you and your team who can make sense of the varied streams of big data, people will look to curry your favor or attract your efforts to their cause. It's not just what you can do but what others believe they need that makes the difference.

Finally, the sixth source is authority itself. Your position in the organization can make people open to your persuasion. Having a great idea is one thing, but without the ability to dedicate sufficient resources or direct a course of action to carry it out, you may find few followers. The opinion of a senior vice president may carry more weight than that of a manager because the former "has more juice" to get things done. Similarly, the stature of your profession or academic achievement may grant you authority. Doctors, for example, are generally looked up to—that includes physicians as well as PhDs. Never discount the power of authority, but try not to rely on it too heavily.

What is clear from Cialdini's work is that influence can be built intentionally. Marketers use the six sources in their pitches to persuade consumers to buy. Attention to these variables can subtly influence behavior throughout the system in which you lead. Reflect, for example, on how you can affect perceptions of scarcity. In another presentation at Cultivate in Portland, IBM's Phil Gilbert shared how the company had created an elite new design team and made them available only to those internal clients willing to attend a

boot camp to learn how to work with a designer. By raising the bar to access, they stimulated demand for and acceptance of a design-driven approach to projects.

It is important to remember that your positional authority is tied to your job. You are, in essence, borrowing it for the duration of your tenure and will get new authority when you assume another position. Influence, however, can follow you and accrue over your entire career. When you develop a reputation as someone who is trustworthy, fair, and reliable, people will assume that you will carry those qualities from project to project and position to position. You want to be known as someone who is good to work for, the person others will eagerly follow. As hierarchies become less relevant and work more team-based, influence is indispensable if you aspire to lead.

Making the Shifts to Leadership Thinking

The three shifts that I have outlined are not the only adaptations you must make as you step into a leadership role. These three will, however, steer you in the right direction and accelerate your progress. The tools of management that serve you well in conditions that are stable and predictable will be of little value in the world in which you lead now. The US military has developed the acronym VUCA to describe our current context: volatile, uncertain, complex, and ambiguous. This is true whether you look at geopolitics, the environment, or the marketplace. Change is constant. The challenges many. Agility is essential. Your people will look to you for a steady hand amidst turbulence. One of your roles as a leader will be as sense-maker. People look for meaning in their work and you will be called upon to be a clear, reasoned voice who can explain what is going on, what it means, and how to move forward. If you can meet those needs, you will be the person they follow not only voluntarily but enthusiastically.

About the Author

Eric J. McNulty is Director of Research at Harvard's National Preparedness Leadership Initiative. In this work, he has been with leaders during high-pressure, high-stakes situations, such as the responses to the Deepwater Horizon and Hurricane Sandy. As contributing editor at strategy+business, Business Review (China), and the Center for Higher Ambition Leadership, McNulty has interviewed dozens of executives, academics, and others who know what it takes to lead in today's fast-paced, turbulent world. He is the author of *Your Critical First 10 Days as a Leader* (O'Reilly) and coauthor of *Renegotiating Healthcare: Resolving Conflict to Build Collaboration* (Jossey-Bass). He has also written for *Harvard Business Review* and other leading publications, and speaks and teaches frequently on leadership-related topics.