The Uncommon Sense of



Leadership

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The Uncommon Sense of Messy Leadership

Extraordinary leadership in challenging times And why this may be just what we need for the future

2020 changed the world. The COVID-19 pandemic forced mass lock downs across the globe, causing economic volatility at a level not seen since the Great Depression. Businesses reacted quickly, closing offices and requiring thousands of employees to work from home. In many industries, revenues dried up. Demand for oil slumped.

For leaders, 2020 was messy. Without a way to predict the future, let alone what would happen in the following week, leaders were challenged by unprecedented rapid, continuous change. This meant leaders needed to respond to new issues more quickly than conventional logic would say is possible, and deal with a new level of emotions from nearly all their employees, ranging from fear to stress, anxiety, and deep sadness.

So how did leaders and organizations react?

Some chose to "wait and see." They operated under the assumption that things would eventually "return to normal" and led in essentially the same way as usual. Others succumbed to fear and acted defensively – trying to control things, or "stay strong" so others could depend on them, clinging to processes and avoiding talking about complex issues like race and mental health. These leaders tried to stick with their tried and tested approaches, letting their people deal with their personal issues and concerns on their own.

By contrast, a number of leaders and organizations instead chose action – and the results were exceptional. These leaders positioned their organizations to provide deep care, supporting their people through the crisis. Businesses stepped up, contributing to society in meaningful ways. Traditional hierarchies broke down and changes that normally would have taken years happened in weeks. These leaders demonstrated the best of humanity, the best of teams, the best of leadership.

"If only we could bottle it up," said one of our interviewees, the Chief Learning Officer of a world-leading CPG company. "We have been struggling for years to get our leaders to behave in this way... how can we keep it.. how can we keep hold of the new behaviors and cement them as our new leadership culture?"

This CLO had seen the company's leaders respond in extraordinary ways to the crisis and sought to learn what it was and how to cultivate it.

For years, the CLO had known that the quicker the rate of change, the harder it was for leaders who tried to control or manage the messiness and unpredictability of the world to succeed. It was clear that a new type of leadership was needed, and it seemed that the COVID-19 crisis had tipped the balance and many leaders had finally found a new way.



Mostly CLO/CTO roles were interviewed as a part of BTS' latest research project on establishing the future of leadership. To collect this information, BTS interviewed Chief Learning Officers from over 40 of the world's top organizations. The goal of this research was to understand the challenges organizations experienced - not just reflecting on COVID-19, but looking forward into the next few years- which are likely to be uncertain and unpredictable - and establish the mindsets that successful leaders held during this time and would need to maintain for continued success. This research was augmented with data collected from an additional 40 companies who attended focus groups.

What research was conducted to support this article?

In 2020, BTS interviewed more than 40 of the world's most senior leaders accountable for leadership learning. The goal of these interviews was to understand how the COVID-19 crisis has changed what leading companies need from their leaders. This information was augmented this with data collected from an additional 40 companies who participated in focus groups.

To write this article, BTS crossreferenced the interview data with the BTS mindset research, which is based on data from over 100,000 coaching conversations.

The research showed that certain leaders struggled and many of them seemed to be stuck in certain habits. It became apparent that certain approaches simply don't work anymore and leaders who cling to these approaches are no longer succeeding. By contrast other leaders were thriving and succeeding in the "messiness." Interestingly, these leaders who were more apt to pivot

were often considered "misfits" during normal times. This is the uncommon sense. A leader who is willing to admit weakness makes others feel safer than one who pretends to be strong. A leader who plans knowing they can't predict the future is more successful than a leader who has a point of view based on their experience and past performance. These leaders were the ones that organizations felt role modeled the mindsets leaders needed going forward. They offered a glimpse into what extraordinary leadership would look like in the turbulence of the next few years.

Why is this important?

Crises do not simply come and go. Looking ahead to the future, unpredictable and fast changing times are nearly certain for the foreseeable future. Things won't "go back to normal." Leaders will continue to face messy challenges for years to come. For example, businesses have a new understanding of their roles in creating inclusive, equitable and diverse cultures. Organizations must embrace the new normal - the increased speed of change, differing working patterns (more virtual and global, less title and hierarchy), diversity of consumption (increased choices thanks to software and digital advancements) and their expanding role in society.

Over the past decade, some of the mindsets and behaviors uncovered by this research have surfaced in the highest performing executives – those successfully leading transformations and those who led fast-growth companies that pushed the boundaries but also had people who loved working for them. Pre-COVID-19, leaders with these traits were typically a small minority, maybe 5% of the leader population. Post-COVID-19, these attributes have accelerated to be essential for the "norm." Despite this, thousands of leaders still struggle to embody this style of leadership – a requirement for future success.



So how can we "bottle this up?"

While conducting the research, it became very clear that there were five attributes separating extraordinary responses to challenging times from the ordinary and ineffective. These five attributes form "messy" leadership.

How successful leaders responded

Advocating ecosystem interdependencies and societal impact.



Where leaders struggled

Siloed business and loosely connected ethical aspirations.

Having the courage to talk about emotive of personal Issues. Being open about bad news. Showing compassion.



"We only talk about business here."

Leaders feel safe behind a professional veneer.

Focusing on outcomes and being responsive in the moment. Being change ready.



A focus on process, annual strategy and budgeting. Slow quarterly management.

Seeing multiple possible futures and running fast cycle experiments.



Seeing the future as a continuation of the past.

The power of not knowing. Vulnerability, voracious curiosity, humility and letting go of the leader centric view.



The superhero syndrome. Being strong and holding onto your expertise.



Why is this extraordinary? A step change of maturity is underway.

The MESSY acronym was selected intentionally. "Messy" describes the type leader who doesn't try to control a fast-changing, chaotic environment, but finds a way of leading in it. This requires a different level of maturity. What do we mean by a different level of maturity?

Over the last fourteen years, BTS Coach, the first mover in scalable coaching, has coached more than 10,000 leaders per year. With each coaching session, data is collected, anonymized, and aggregated to create an immense database that provides deep insight into leaders' experiences. One key finding from this data was what leaders admitted they struggled with. From these responses, twelve mindset shifts emerged as the changes leaders found most challenging and those with the biggest correlation to changes in performance.

The twelve shifts were divided into maturity levels. Most leaders struggle with "level one

shifts." Level one shifts include experiences like how to be resilient in the face of setbacks, how to adopt a growth mindset, how to influence a challenging colleague. Leaders at the first line level struggle with level one challenges six times as often as they do level two, and mid-level leaders struggle with level one challenges over four times as often as level two. In other words, level two is unusual. Yet all the messy leadership attributes require level two shifts. They require a level of maturity that is uncommon and was previously inaccessible to many leaders.

It is remarkable that organizations across industries share similar experiences with their leaders' responses to challenging times. However, to "bottle it up" and make this method of leading accessible, business as usual leadership development won't work. Reverting to past training, performance management and processes will produce past results. To maintain and nurture this extraordinary leadership, organizations need to take a different approach. Organizations need MESSY leadership.

So what is MESSY leadership?



From

The superhero syndrome. Being strong and holding on to your expertise. Being the leader who makes the calls and decisions.

To

The power of not knowing. Vulnerability, voracious curiosity, humility and letting go of the leader centric view. Creating environment for others to author the new moves.

"Our biggest insight is that striving or being competitive and being selfaccepting of self and others are not polar opposites."

- CTO global technology business



"If a leader appears to be in solid and in control others wait for them to solve. We need humility. Leaders who say they don't know."

- CLO global energy business





"Our culture is addicted to success. So we are afraid to fail. We give our leadership permission to be bold but they are not ready"

Almost all the stories collected from the research described an unprecedented pace of workflow evolution. In days, businesses had managed to shut down huge offices and move whole operations to work from home or pivoted from being in-person retailers to e-commerce businesses. Crossfunctional teams had come together around an aligned goal – and achieved results that would have taken years in normal times.

Leaders who tried to control this failed. It was impossible for them to lead from the front when the pace of change got too fast - one mind could not assimilate so much ever-changing data and direct the flow of each activity. Leaders who were widely respected in normal times found their people looking to them for guidance. This was a trap. In more stable times, the strong, lead from the front leaders had driven their teams to higher and higher performance. Now they were creating logiams and inhibiting creativity.

The extraordinary leaders who did something different – they were the ones with the inner self-confidence to be comfortable showing vulnerability. These leaders said, "I don't know," and asked for help. They let go of their attachment to driving outcomes and instead trusted their teams to respond in different ways. Then, these leaders were delighted by the speed with which their teams moved and found themselves celebrating changes they didn't ask for. Their people took ownership and made the change happen because they knew the right things to do for both their customers and teams.

By demonstrating vulnerability, these leaders let go of their own expertise. The majority of leaders are in their position because they have been successful, know their function, and appreciate sharing this expertise through mentorship. As the pace of change increases, this behavior can get in the way. By contrast, extraordinary leaders were able to hold their expertise lightly and become relentlessly curious. They actively sought outside and different perspectives while never losing sight of the language of their business. In Satya Nadella (Microsoft CEO)'s words, these leaders moved from being 'know it all' to 'learn it all' leaders.

An interesting and less obvious subtext to this phenomenon is the differing ways leaders who struggled and extraordinary leaders looked after themselves. Data from the research indicated that leaders who struggled tried to 'outsmart time' when dealing with the complexities of managing the crisis by working longer and more unsustainable hours. The paradox is that by letting go of the need to be strong and master everything it also opens up a receptivity to working differently. Without the need for superhuman powers to lead the team through the crisis, exceptional leaders were able to find more space to look after themselves and focus on the things that really matter.

"We need a new definition of productivity – it is no longer 9 to 5."

- CLO, medical services





From

"We only talk about business here." Leaders feel safe behind a professional veneer

To

Having the courage to talk about emotive or personal issues. Being open about bad news. Showing compassion.

"Compassion is coming to the forefront... not just authenticity but deeply caring for one another."

- CLO, Global CPG company



"Increasing numbers of our younger people are upset and angry about seeing white male privilege at the top."

- CTO, global technology business



"Leaders who used to walk around now can't anymore." - CLO, retailer



"Some of the old-guard leaders believe that their people are not that busy because they are at home. It's really because there was a lack of trust pre-Covid and this style of manager preferred to oversee and micromanage, and now can't do that in virtual environment."

- CLO, global financial organization



"Our CEO, together with our CHRO, has talked to our people every day since early March, and still continues to. He knows people are suffering and wants to be fully transparent, offer guidance and sense of community and serve the team."

 Head of Talent, US telecommunications company



Emotional connection and messy conversation emerged from several trends. On one hand, many organizations responded to COVID-19 by showing a deep and genuine concern for their people. In a health crisis, leaders found an extra dose of care and compassion for the welfare of their people. On the other hand, in the US and a number of other countries, the Black Lives Matter movement tapped into a deep sense of unease with privilege and inequality. Organizations could no longer avoid talking about sensitive issues like race, and in many cases, organizations found their employees demanding that they engage with time, not just words.

This meant that leaders who tried to "keep things professional" by avoiding sensitive subjects suddenly felt exposed. By contrast, the extraordinary leaders were willing to leap into the void, listening even when it was uncomfortable to hear, and feel deeply from what they heard. They were willing to engage in topics that were controversial and in which they couldn't control the outcome. They did so because it was important to their people, important to their culture, important to society, and ultimately because they believed that change starts with having impossible conversations.



Past trainings around 'engaging others' or 'flexing your leadership style' left leaders ill prepared for this new dimension. Compassion and courage are best achieved if a leader is agenda-less. In other words, techniques that revolve around how to motivate others to do a task need to be set aside to focus on better understanding and connecting with the human being. A health crisis naturally meant that leaders who could make people feel cared for were able to have a very tangible impact – whereas the equity crisis demanded leaders learn to handle complex and emotional issues with compassion.

The challenges of leading remotely also shed a different light on connection. Many leaders relied on management through chance interactions. By walking around, catching people over coffee, or checking in between meetings, managers could check in with people. Shifting to a remote

environment, suddenly a whole panoply of informal communication opportunities were not available. Connection needed to happen within meetings rather than between them. Leaders needed to sense their team's feelings and check in directly rather than relying on informal structures. Overnight, humanity crept into the hourly meeting, with 15-20 minutes of each meeting spent checking in with one another, talking about family and a general sense of wellbeing.

Leaders who were uncomfortable sharing bad news, typically out of fear that their people would lose confidence in the firm or them as leaders, also struggled through the pandemic. Those who believed in being transparent with all news gained respect and even inspired their companies. People will follow leaders who define reality clearly and are part of the team helping fight to turn the results around.



From

A focus on process. Episodic management. Attempts to 'manage' change.

To

Focusing on outcomes and being responsive in the moment Being change ready

"The VUCA piece has been done to death. We need a different conversation."

– CLO, Global CPG company



"Is the workforce really resilient enough to consume at the speed with which we have to change."

- CLO, major retailer



"The danger is that as we return to the new normal the urgency for change will diminish."

- Head of a Change Insurance Company



"We moved 40,000 people into new roles within 3 weeks, each person with personalized training based on personal gaps. We have been preparing to be agile and always learning, Covid kicked every leadership behavior we had been working on for the last 3 years into high gear and it became our new reality."

Head of Talent, Telecommunication company



A global CPG business told the story of moving 14,000 staff out of their Head Office to work remotely. The organization had five days to move from an office-based culture to running all the same operations from people's homes. "If we had even contemplated this in normal times, we'd have spent months and months working through processes, conducting risk assessments and consulting stakeholders," said the leader responsible. "But we didn't have time - so we just set the goal and trusted people to get on with it. Remarkably we are now talking about whether many people ever need to come back."

One of the most common characteristics of leaders who struggled during the crisis was an overreliance on process. Processes are useful ways to eliminate waste and create consistency in execution. However, in times of rapid change it is simply too slow or not possible to agree how to do the work before beginning. Leaders who thrived in the unpredictable environment focused less on process and more on outcomes. In doing so, they created the space within which teams could achieve amazing results.

This same phenomenon is seen in people leadership. Just before the crisis, Jerry Connor, Head of Global Leadership at BTS, published the book *The Four Greatest Coaching Conversations*, which describes how leaders need to move from regular set-piece one-to-ones to a much more dynamic view of leadership, focusing on the moments when people need help the most. This trend has continued apace. An overreliance on structured conversations is too slow, time consuming, and denies leaders the opportunity to support their people

when they need it most. Exceptional leaders listened and sensed the moments that had the biggest impact. Overlaid on this, many CHROs recognized they could no longer leverage normal performance management processes given the circumstances. CHROs are increasingly moving to 'always on feedback cultures' and embedding richer coaching cultures. The more CHROs do this, the more 'process' elements of people leadership take a backseat to the in-themoment ability for leaders to see what is needed and step in.

The same is true of change. For many years, talking about and equipping leaders to "manage change" has been widely accepted. It has become a staple of leadership development to learn the "change curve" and think about the leaders' role helping people let go of the old and embrace the new. The "old" view of change was s that it has a beginning a middle and an end. The unstated assumption was that there was a "new normal" after the change. But increasingly leaders are experiencing a world in which change is constant. The most responsive leaders, therefore, expect this and rather than starting with a mindset of "how do we get through this change" they start with an expectation that change is constant





From

Looking for clues to the future in the past

To

Seeing multiple possible futures and running fast cycle experiments

"It is the ultimate Rookie experience. Everything is fast. Everyone is watching. Just got to try sh**. Let's just go."

– CTO, telecom business



"People are testing around different assumptions rather than planning around known assumptions."

CLO, technology company



"Leaders find it hard to hold multiple possible futures in mind... they don't like the dissonance."

- CLO, global agribusiness



Through interviews with leaders around their COVID-19 experience, an interesting tendency emerged. Generally, leaders tended to talk about their experience in two ways. They either described it as a 'return to normal' or 'how the experience has changed the way we work.' In other words, their responses were biased to either the pandemic being a short term disruption that would eventually go away or a fundamental change to the way they thought and led. This is unsurprising as the human brains is not naturally apt for holding multiple possible futures in mind and dancing with the paradoxes and dilemmas they present.

This frame of mind impacted the way leaders dealt with the future. For example, leaders who struggled tended to think in terms of classic planning processes, taking current trends and projecting them forward to create a plan. But when the future has so many diverse and difficult possibilities, trying to predict what will happen becomes less and less helpful. As a CEO from a global energy company pointed out, "no-one in their wildest dreams could have predicted the drop off in demand for oil that we just experienced." Successful leaders took a different approach. Instead of looking at current trends, they took their minds into the future and looked back. They looked for 'weak' signals in the

market and imagined the different ways in which they would evolve. These leaders then shaped alternative futures and began to lead with these in mind, constantly adjusting their picture as new data emerged.

This future orientation allowed successful leaders to pursue a very different way of responding to the crisis – such as rapid resource allocation. Pre-COVID-19, a retailer described how around 25% of its revenue was online. As physical stores started to close, this retailer feared the worst. Yet, within a month e-commerce was now driving 70% of its original turnover. To perform this feat, staff who normally supported physical shops rapidly pivoted to trebling the size of the company's online business in weeks. The business did not spend any time on complex trade off discussions, it pivoted fast and moved its resources accordingly.

"We went from wait and see to test and learn," said one interviewee, "like a true version of agile." Interestingly, several interviewees described how the original vision of the Agile manifesto has been corporatized and over-processed. What seemed to be occurring was a return to its essence – genuine fast cycle learning – but based in a dynamic and constantly evolving view of future opportunities and dilemmas.







From

Siloed business and loosely connected ethical aspirations

To

Advocating ecosystem interdependencies and societal impact

"Customers care about how you responded to the bush fires and Covid. Ethics plus bigger purpose is so much more important."

- Australian retailer



"There is a lot more scrutiny on whether a company has grown big out of the misery of other people."

- CLO, technology company



"We need more than business fluency... even to decide which wells to close down you need to understand the impact on a range of social, political and environmental factors."

- CEO, Global Energy

Many of the businesses included in the study were proud of how they'd responded to the recent crises, both in looking after their people and in supporting the communities they serve. For example, an African agribusiness described how its belief that purpose needs to come before profit had helped them through the crisis. Their operations had to keep running and so they were reliant on and relied on by local communities. The business quickly pivoted from making alcohol out of sugar cane to making hand sanitizer - not because this was a profitable innovation – but because it was a way to contribute to the community in challenging times.

Interviewees consistently described how their business had taken positive action in line with its purpose. Many pointed out that this was a time when actions spoke louder than words.

Similarly, interviewees reported their most effective leaders as being able to see connections and interdependencies. By looking broadly, leaders were able to act fast without creating negative side effects. A multitude of interviewees noted how silos dissolved as leaders unified and acted promptly to solve pressing issues. Collaboration was no longer confined to existing teams, but a natural outcome of leaders from across the business seeing a need and deciding to solve it together. This extended beyond organizations.



MESSY Leadership for extraordinary times

The similarities between stories throughout the interview process were notable. The old perspective of strong leadership, setting a clear direction, taking others with you, and managing through process weren't right for a messy world. Something new had emerged and many interviewees felt that this had the potential to indicate a step change in the way businesses are led.

"A decade ago, it was the top 1% who figured out how to lead in this way – now it is becoming mainstream."

- CLO, pharmaceutical company



"A handful of us knew how to lead this way. Before we were pretending to lead in the old way as well so we weren't challenged. Now we can be ourselves."

- CLO, financial services



What is also clear is that these glimpses of the future will not take root on their own. Organizations will need to rethink the way they develop, reward, and nurture leaders.

Organizations need to help their leaders let go of old beliefs. Mindsets like "I need to be in control," "I am responsible," "I need to be professional," and "I need to set out a clear plan for the future" are unhelpful. Unfortunately most organizations reinforce these beliefs in countless ways, from their focus on process (implying "I need to be in control"), to the way they talk

about accountability (reinforcing "I am responsible"), and even the way they run their strategic planning processes (with the implicit belief that "I need to set out a clear plan for the future").

New mindsets such as, "it is okay to be human," "we are constantly learning more about the future," "change is something I learn from," and "I trust myself to see what is needed" carry deep implications, both for leaders and the way we think about our businesses. This doesn't mean abandoning the processes, structures, and tools that make organizations effective, but it does mean leveraging them in a much more dynamic way.

Examples interviewees spoke about included:

- Moving the focus from training to job rotation. Consciously building leaders who feel confident leading across the breadth of the organization.
- Changing the way leaders think about customers. From "consumer insight" to "insights into humanity."
- Shifting the focus of performance systems from set piece events to a more dynamic 'always on' coaching dialogues with leaders.
- Consciously developing different capabilities.

It is easy to read this list and think it is an evolution of current practice. In reality, across the globe few leaders are at this level. This is a significant shift that requires different tools and different approaches.

If this shift is made successfully, it will create extraordinary leaders capable of navigating extraordinary times. This understanding will lay the foundation, not only for the coming months – but for years to come.