

21 LEADERS FOR THE 21ST CENTURY

HOW INNOVATIVE
LEADERS MANAGE IN
THE DIGITAL AGE

FONS TROMPENAARS AND
CHARLES HAMPDEN-TURNER

21 Leaders for the 21st Century

*How Innovative Leaders Manage
in the Digital Age*

FONS TROMPENAARS
CHARLES HAMPDEN-TURNER

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To Neil Young

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This book takes one very deeply into the nature of effective leadership, hence understanding of it, more than most books. It provides a better basis than has been available for selecting effective leaders from among candidates for the job.

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—David C. Wigglesworth
Interculturalist Management Consultant and President
D.C.W. Research Associates International

Foreword

A generation ago two world wars had so influenced our concept of leadership as to cast it in a military mode. To “lead” was to know sooner than others and convince them that harsh realities had to be faced and sacrifices had to be made. Winston Churchill, Charles de Gaulle, and Dwight D. Eisenhower led; the rest of us followed. There was an inevitable feeling of uncertainty about those times. We were right, and the enemy was wrong. We all knew what had to be done even if the doing was hard and dangerous. Our leaders had been the first to proclaim this necessity.

How different are the circumstances now! Today it is much easier to get things done. Gone are the blood, toil, tears, and sweat. Kosovo is bombed from a safe height. However, we are now much less sure about what *ought* to be done. We see people trying to lead but question whether we should follow. Why go in this direction and not that one?

Studies of leadership have attempted to duck the issue of what should be done by grounding themselves in what the leader was trying to do, not in the critiquing of values. The test became performance: Does this or that leader accomplish what he or she set out to do?

In 1983 Warren Bennis, a well-known writer on leadership, traveled across the United States, proclaiming four universal traits of leadership:

- Management of attention (the leader draws you to him or her and makes you want to join the cause).
- Management of trust (leaders can be trusted because they are consistent—even if you disagree with their views).
- Management of self (leaders know their own skills and deploy them effectively).
- Management of meaning (leaders are great communicators).

This kind of prescription is largely value free and regards leadership as a skill or technique.

Hersey and Blanchard (1983) propose a “situational leadership” model. Styles of leadership are appropriate to different paradigms. The trick is to identify the paradigm and adjust your style to the attitudinal and knowledge stance of the followers. This kind of prescription is largely reactive and unidirectional.

In *The Future of Leadership*, White and associates (1996) assert five key skills of a leader, gleaned from their observations:

- Continually learning things that are hard to learn
- Maximizing energy as a master of uncertainty
- Capturing an issue’s essence to achieve by resonant simplicity
- Balancing the long term and the short term in a multiple focus
- Applying an inner sense or gut feeling in the absence of decision support data

Many other authors and researchers have faced this struggle, and many prescriptions and explanations have been published. However, those explanations lack a coherent underlying rationale or fundamental principle that predicts effective leadership behaviors. These models tend to seek the same end but differ in approach as they try to encapsulate the existing body of knowledge about what makes an effective leader. Because of their methodology, these are only prescriptive lists. There is no underlying rationale or unifying theme that defines the holistic experience.

Such approaches create considerable confusion for today’s world transcultural manager. Because most management theory comes from the United States and other English-speaking countries, there is a real danger of ethnocentrism. We do not know, for example, how the lists cited here fare outside the United States or how diverse might be the conceptions of leadership elsewhere. Do different cultures necessitate

different styles? Can we reasonably expect other cultures to follow a lead from outside those cultures?

The approach to leadership in this book is completely different. It developed from the convergence of two separate strands of thinking, one from each of the principal authors. The earlier research by Fons Trompenaars, developed since the early 1990s, was based on getting people to consider where they were coming from in terms of norms, values, and attitudes. This approach helped identify and model the source not only of national cultural differences but also of corporate culture and how to deal with diversity in a local workforce. It helped managers structure their experiences and provided new insights for them and their organizations into the real source of problems in managing across cultures or dealing with diversity. The second strand was the work of Charles Hampden-Turner, who developed a methodology for reconciling seemingly opposed values. In his research, constructs such as universalism (adherence to rules) and particularism (each case is an exception) are not separate notions but different, reconcilable points on a sliding scale. Universal rules are tested against a variety of exceptions and re-formed to take account of them.

The result of combining the two strands of research is that differences are progressively reconciled. Managers work to accomplish this or that objective; effective *leaders* deal with the dilemmas of seemingly opposed objectives that they continually seek to *reconcile*. As is discussed throughout the body of this book, the contributing authors have collected primary evidence to support this proposition through questionnaires, workshops, simulations, and interviews. Furthermore, it is confirmed that these behaviors correlate with bottom-line business results.

The 21 leaders described in this book were approached deductively. The authors started with a proposition centered on the reconciliation of dilemmas and set out to demonstrate these concepts with evidence gathered from high-performing leaders. Thus, unlike other approaches that result from post-rationalizing observations into an ad hoc theory, they had the advantage of a conceptual framework when they approached and interviewed the target list of leaders. The overall aim of this book is to render leadership practice tangible by showing how 21 world-class leaders reconcile the dilemmas that face their companies.

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Fons Trompenaars

Charles Hampden-Turner

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Introduction to the Metatheory of Leadership

Fons Trompenaars and Charles Hampden-Turner

THE MAIN DIFFERENCE between managers and leaders is that some managers cannot sleep because they have not met their objectives, while some leaders cannot sleep because their various objectives appear to be in conflict and they cannot reconcile them. It goes without saying that when objectives clash and impede one another, they will be difficult to attain, and *no one* will sleep! It is tough when you cannot “make it,” but even tougher when you do not know what you should be making. When objectives are achieved, the problem disappears, but the dilemma of needing to combine objectives *never* disappears. You can reconcile a dilemma so that its horns are transformed into something new, but other dilemmas will appear and will have to be reconciled. This challenge to leadership never ends.

A leader is here conceived as one suspended between contrasting values. So numerous are the value conflicts within large organizations that their leaders must deal with the human condition itself. This idea was well conveyed by Alexander Pope in his “Essay on Man,” whom he saw as

*Placed on the isthmus of a middle state,
A being darkly wise and rudely great:*

*With too much knowledge for the sceptic side,
 With too much weakness for the stoic's pride,
 He hangs between; in doubt to act or rest;
 In doubt to deem himself a god, or beast;
 In doubt his mind or body to prefer;
 Born but to die, and reas'ning but to err;

 Created half to rise, and half to fall;
 Great lord of all things, yet a prey to all;
 Sole judge of truth, in endless error hurled;
 The glory, jest, and riddle of the world!*

The reason leaders must mediate values is that corporations have reached such levels of complexity that “giving orders” rarely works anymore. What increasingly happens is that leaders “manage culture” by fine-tuning values and dilemmas, and then *that culture runs the organization*. The leader defines excellence and develops an appropriate culture, and then *that culture does the excelling*.

Consider a few of the “dilemmas of leadership.” You are supposed to inspire and motivate yet listen, decide yet delegate, and centralize business units that must have locally decentralized responsibilities. You are supposed to be professionally detached yet passionate about the mission of the organization, be a brilliant analyst when not synthesizing others’ contributions, and be a model and rewarder of achievement when not eliciting the potential of those who have yet to achieve. You are supposed to develop priorities and strict sequences, although parallel processing is currently all the rage and saves time. You must enunciate a clear strategy but never miss an opportunity even when the strategy has not anticipated it. Finally, you must encourage participation while not forgetting to model decisive leadership. No wonder the characteristics of good leadership are so elusive!

One reason leaders must know themselves is that they have to pick people to work with them who will supplement and complement their own powers. We all have weaknesses, but unless the leader recognizes his or hers, the team surrounding the leader will fail to compensate for that weakness.

To rise to a position of leadership is to experience ever more numerous and more various claims on your allegiance. You are no longer *in* manufacturing, marketing, finance, or human relations but *between* them. You must satisfy shareholders, but how can you do that without first sparking enthusiasm in your own people, who then delight customers,

who in turn provide the revenues you all seek? You are between such constituencies, and you must learn how to reconcile their claims.

In several earlier books the main authors researched and described how different nations and their management cultures approach dilemmas, choosing one horn of the dilemma in preference to another and making choices that are mirror images of each other. Cultures also are more or less capable of reconciling opposing values. This book will demonstrate that outstanding leaders are particularly adept at resolving dilemmas, a process that has become our definition of good leadership.

Great psychologists have not agreed on the vital entities the mind includes. However, they do agree that the life of the mind is a series of dilemmas. Freud saw the superego contending with the id, a struggle mediated by the ego. C. J. Jung saw the collective unconscious contending with the libido in a conflict mediated by the psyche. Otto Rank saw the death fear contending with the life fear. Brain researchers have identified opposing characteristics of the left and right brain hemispheres generating conflicts mediated by the corpus callosum and the neocortex struggling against the limbic system. It can be said of leaders that they have voluntarily shouldered far more dilemmas than the life of their own minds presents to them. Along with psychic conflicts, they must struggle with all the oppositions identified by organizational thinkers: formal versus informal systems, mass production versus customization, competition versus cooperation, adaptation to external reality versus maintenance of internal integrity, and so on.

Among these many dilemmas is a vital tension around which this book is organized. Can you make the *distinctions* necessary to leadership yet *integrate* them into a viable whole? It is to meet this challenge that *21 Leaders for the 21st Century* is offered. Our view is that value is not “added” by corporations, because only in the simplest cases do values “add up.” Values are *combined*: a high-performing vehicle *and* a safe one, a luxury food *and* a convenient one. No one pretends that combining such values is easy, but it is *possible*. A computer of amazing complexity can, with difficulty, be made user-friendly. It is these ever more extensive systems of satisfaction that successful leaders help create.

The Main Concepts in This Book

Cultures consist of values in some kind of reciprocal balance, and so it is important to ask what values *are*. Much of the life of people consists of managing *things*, and things are identified through a logic

as old as Aristotle, a logic of noncontradiction. Two different things cannot occupy the same physical space at the same moment.

For example, we choose to buy this car or that one, choose to live in one house instead of another, choose between airlines, and put out a contract and choose among the bids. But values are not things. You cannot acquire courage, hope, or innocence. You will not meet evil at the street corner, or honesty, or compassion. Values are *differences*, and any difference posits a continuum with two contrasting ends. For example, we can be honest or tactful, courageous or cautious, patient or insistent, trusting or supervising, and truthful or loyal. In many cases it does not make sense to say that one end of such a continuum is “good” and the other is “bad.” Should you be honest and hurt someone’s feelings or be tactful and hide what you really believe? Should you trust a subordinate or check up on that person from time to time? When should you show courage, and when should you cautiously husband your strength? Is it better to be patient or insistent? In all such cases good conflicts with good, and we face a dilemma.

Moreover, it would be ridiculous to live one’s life continuously at one end of a continuum, forever proving one’s courage and insisting on hard truths. Those who trust everyone on principle will surely get cheated—you might as well present your throat to a vampire. In fact, we move to and fro along the values continuum, now tactful and now honest, now trusting and now supervising.

Does this mean that all values are relative? Are they like a shell game: Now you see it, now you don’t? Fortunately not. There is a test of the skill with which one “dances” to and fro on a continuum. At the end of this dance the values at both ends of the continuum *should be stronger than they were before*. Here are some examples: As a result of your tact, you were able to communicate a more honest account; because you cautiously conserved your strength and summoned help, your courage saved the day; in patiently listening to many points of view, you could insist on the best of them; your trusting of a subordinate for a longer period caused your supervision to increase in significance; such was your loyalty to a colleague that she was able to confide the truth to you.

In all these cases the values continuum has been cleverly traversed to vindicate the values at *both* ends of the continuum, allowing seemingly opposed values to be reconciled and achieving a higher level of integration.

The Example of Centralization-Decentralization

Values in tension, which appear at first glance to be negations of one another, can in fact work in synergy (from the Greek *syn* and *ergos*,

“working together”). We illustrate this proposition in detail with the example of centralization-decentralization. This is a particularly important dilemma for leaders. On the one hand, they are responsible to shareholders for the combined profitability of the whole company, over which they exercise centralized control. On the other hand, the many business units must have the decentralized autonomy to engage their very different environments effectively.

At their simplest, centralization and decentralization are the opposite ends of a “rope” or “string.” Each end represents contrasting characteristics. We illustrate this in Figure I-1.

When we draw the dilemma like this, our chief interest lies in the *difference* between centralized and decentralized activities. Typically, some people in a company believe that the firm is overcentralized—a view common among outlying business units. Others complain that the firm is too decentralized—a view common among those supplying shared resources. Does the corporation risk disintegrating, or does it suffer from overcontrol? The “rope” is frequently stretched between rival factions as in a tug-of-war, with each believing that to “save” the company it needs to pull harder toward its own end—more centralization or more decentralization.

But conceiving of values as being in opposition is not wholly satisfactory. After all, without decentralized activities, what is the purpose of centralized controls? Putting the two values so far apart misses the important connection between them. Is there anything we could do with our “rope” that would reveal this connection? We could join both ends of the rope to make a circle, as in Figure I-2.

Note that there is a subtle change of wording: “centralization” has become *centralizing (knowledge)* and “decentralization” has become *decentralizing (activity)*. Control comes from the center, activity comes from the field. Instead of the two values negating each other, they complement each other. Now, even though our single dimension has

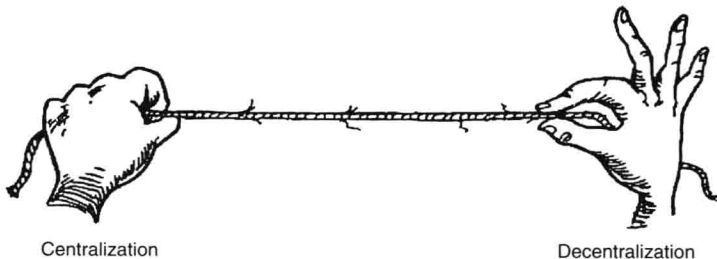


Figure I-1