

THE SUPERHERO boss is heading for obsolescence — but do they know it?

As business models are remade and jobs are redesigned, so the role of leader, chief executive and manager is changing, too.

The knowledge, ideas and networks of employees and frontline staff are becoming increasingly valuable, but do Australian companies have a generation of bosses who remain entrenched in the old ways? New research by *Boss* and the University of Sydney Business School says “yes”.

The study of 348 managers and executives from businesses and government agencies across the country found that many were still in the thrall of single, authoritative leaders.

“We are still fixated on the old-style heroic leader — the one responsible for driving organisational motivation and vision — despite a pile of evidence that most organisations and teams perform better with group-centred leadership styles,” says Richard Hall, associate dean of the University of Sydney Business School.

“Leader-centred leadership, which is characterised by a high-performance, authentic, visionary and authoritative style, tends to be more common in Australian workplaces than a group-centred leadership style, characterised by coaching, affiliative and democratic behaviours,” he says.

Companies place themselves in a risky position by relying on a single heroic leader. There are plenty of examples of this, from the boss who stays too long and ends up dominating the board to the situation such as that at David Jones whose investors panicked when chief executive of three years Paul Zahra, unexpectedly announced he was resigning as soon as a suitable replacement could be found.

A burgeoning group of bosses is starting to redefine the essence of leadership. Unlike social



YESTERDAY'S HEROES

Australian companies continue to rely on single charismatic leaders to shoulder the load alone despite evidence that teams are more effective.

STORY Joanne Gray

change, which generally filters from the top to the bottom of societies, the new style of business leadership has been a bottom-up movement in which smaller companies, technology companies and, in particular, start-ups have pioneered the wider sharing of responsibilities and power.

This “post-heroic” leadership style is characterised by more openness, consultation, and a sharing of responsibilities and power.

Shared leadership or group-centred leadership styles are likely to be especially effective and important when tasks are relatively complex, the environment is uncertain and dynamic, and where you have a lot of knowledge workers, Hall says.

ThoughtWorks, a US software company, has four co-presidents, each with special skills including a chief executive, chief of strategy and two chief operating officers. Australian software company Atlassian is also jointly managed; co-founders Scott Farquhar and Mike Cannon-Brookes are also co-chief executives.

SAP, the German software giant, had two chief executives until recently and gigantic South Korean conglomerate Samsung has three CEOs.

Famously, of course, the founders of Apple, Steve Jobs and Steve Wozniak, Microsoft's Bill Gates and Paul Allen and Google's Sergey Brin and Larry Page shared power.

“The role of leaders has to change in the new era of technology and globalisation,” says Dr Hilary Armstrong, director of education at the Institute of Executive Coaching and Leadership.

She says with the democratisation of knowledge and surge in complexity, a leader's edge can't be based on subject matter expertise alone. This is further exacerbated by the prevalence of greater networking. Social media is shifting power structures as well as breaking down social and cultural barriers. As a result, a



IECL

Institute of
Executive Coaching
and Leadership

Suite 203, Barrack House, 343 George Street, Sydney NSW 2000

T +61 2 8270 0600 | F +61 2 8270 0666 | E coach@iecl.com

www.iecl.com

The younger generation of leaders fit roles to people rather than people to roles.

leader's control of the message and the communication channels is weakened further. At the forefront of the shift are companies which have grown up as networked organisations.

"Rather than seeing social technologies as an add-on, they are built around them," Armstrong

says. "They have leaders and cultures in which collaboration across the organisation is central to success."

The younger generation of leaders is less likely to use formal lines of hierarchy and power in communication, and employs informal conversations and networks but in more inclusive ways.

"Transparency has new meaning and the newer leaders know this; they automatically talk and share ideas, they tolerate greater ranges of opinions, are less likely to need to control and look for new ways to facilitate the connection between employees and their individual strengths and passions and the organisation's purpose. They fit roles to people rather than people to roles."

She cites two examples among her clients where this leadership style is changing traditional organisations.

"One CEO, who is known as being open to any new ideas, however left field they are, listens to the idea, then spends time seeding this idea around the organisation with people at all levels that he comes across before taking any action on it.

He does this informally rather than formally, making personal connections with people along the way. This has led to tangible cost savings and innovation.

"The second, a leader of 700 people, tasks her top team to meet a group every week of up to 15 people, insisting that the majority of these dialogue groups be opportunities for people at all levels to ask questions, air their views, including complaints, as well as to contribute any ideas they may have to make work more productive.

"Both regard these sorts of things as core business of a leader." ■

