

# **ENTELECHY**

*Entelechy* n, [LL *entelechia*, from Gk] 1. the vital force or principle directing growth and life.  
2. a realisation or actuality as opposed to a potentiality.

## **On leadership and change**

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**VOLUME 1 NUMBER 3**

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### **The "new" leadership imperatives**

This newsletter continues the examination of **leadership styles** as one of the eight levers to be activated in order to bring about **shared responsibility for the success** of an organization.

#### **The "vision thing"**

Recently, it has become widely accepted that one of the key roles of a corporate leader is to convert a deep understanding of the enterprise he/she leads into a vision, and then to work hard to persuade others to subscribe to that vision.

According to this view, part of the visioning process is to set a highly challenging goal, for instance, for the organisation to meet a specified international standard of manufacturing excellence by a certain date. The leader's task is then to give everyone opportunities to take responsibility for tackling areas specified as needing improvement. Some may choose to work on setting (and achieving) ambitious production goals; others may focus on instilling a thorough customer orientation; others still may seek to develop a profit-sharing system in which pay, at least to a certain extent, is linked directly to performance.

Thus, in many quarters, effective leadership has become synonymous with "visionary" leadership.

## Shared vision

For a leader, the ability to articulate a coherent picture of an organisation's values, strategies and objectives may provide a rudimentary level of shared purpose among employees, but much more is required.

This is because, ultimately, it is not what a vision is that matters, but what it **DOES**. A positive vision must be capable of uplifting employees' aspirations and making them feel that they are part of a larger purpose. It must propel them towards what does not yet exist, and somehow make them feel comfortable with that unknown future. It must become a living, driving, compelling force, which convinces individuals that they **can** shape their future, whatever it may be. And it must be widely **shared** throughout the organisation, not as an abstract concept but as a tangible presence in employees' day-to-day experiences at work.

However, it is essential to understand that, when a group of people come to share a vision for an organisation, what each sees is his/her own ideal picture of the enterprise as it could be. Thus, each individual's perception of the shared vision is unique.

The fundamental benefit of a shared vision is not to ensure uniformity of viewpoints, but to enable individuals to define the future to be created (to the extent that this is possible) and, in so doing, to reclaim control over their destiny within the organisation. Thus inspired, they can become truly committed to realising their common purpose, instead of simply complying with someone else's values and priorities. They can each share the responsibility for achieving the whole, not just their little part.

## The leader as "risk manager"

Organisational realities change over time. There are periods when an organisation is relatively successful, "in fit" with its markets, customers, purposes. Stability reigns, employees generally feel good about their employer, and the pressure(s) to change are not strongly felt.

At other times, that same organisation may find itself in crisis. Sales are down and profits non-existent (or losses mounting), customers are disgruntled and employees restive, the enterprise's very reason for being is coming under scrutiny, the future looks bleak. Radical surgery appears indicated: assets must be disposed of, a new strategy evolved, the organisation restructured or downsized, and opportunities for growth foregone.

As organisational realities shift, it is obvious that a leader's **dominant** style must also change. This is where the concept of a leader as **risk manager** may be helpful:

- In good times, when the organisation is not under strong pressure to take immediate risks, the successful leader can concentrate on being demanding of people, asking them to take **personal risks** in order to grow and develop themselves, and to commit to the shared vision of the future.
- In tough times, when significant **organisational risks** must be taken to ensure the turnaround or survival of the enterprise, the leader can choose to defuse the accompanying demands for change that individuals may be experiencing. The leader can minimise the necessity for staff members to take personal risks during the period of severe organisational change.

Here are some guidelines for effective leadership during both sets of circumstances.

### **Leading during periods of success**

When the organisation is successful, a positive vision predominates. People are well disposed towards the enterprise and its purposes. With their future relatively secure, they are likely to be more willing to consider how they can contribute to its continued success. That's when a leader can be:

- **"Soft" on organisational change**
- **"Demanding" on individual change**

To optimise the conditions for personal risk-taking and commitment, the leader can work hard to:

- Establish and maintain an **above** or **below the waterline** ethic. Simply put, this means that certain decisions which individuals may be called upon to make are so important to the future health of the organisation that they must be subjected to widespread consultation and agreement before being finalised. These are “below the waterline” issues because their potential for negative impact can sink the organization. Most other decisions do not carry such potentially severe consequences (“above the waterline”), and individuals are therefore free to follow their own inclinations, to experiment, even to fail. In such an environment, controls (checks and balances) become conceptual, not procedural.
- Convey that individual risk-taking and change are not to be perceived as the enemy, but can in fact be liberating: Growth and development can mean leaving behind the old ways, and giving oneself the chance to experience the new.
- Give everyone opportunities to explore various “What if?” scenarios, and explore also how differently they might behave or respond if these came true. Examples include, “What if our present dominant market share were suddenly to become eroded?” “What if all the time and effort we are putting into developing this innovative new product turned out to be wasted, because our major competitor beat us to the punch?” “What if our funding was sliced in half next year?” Honest, comprehensive examination of such scenarios (and of individuals’ behaviours under given sets of circumstances) can be a powerful tool to prepare people for whatever the future may in fact bring.

With real-life organisational pressures at a low ebb, employees can be given the opportunity to explore imaginary situations and to sharpen their abilities both to recognise and to handle them (in the event they eventually become real).

One point needs to be made: A leader who is emphasising personal risk-taking must be willing to accept that the individuals being led may take the organisation to a place other than where the leader intended! By giving up hands-on control, the leader must trust that others basically want what he/she wants: for

the organisation to individuals being led may take the organisation to a place other than where the leader intended! By giving up hands-on control, the leader must trust that others basically want what he/she wants: for the organisation to continue to succeed, even if the various paths to that success diverge.

### **Leading during periods of difficulty**

When an organisation is in crisis, negative vision is predominant. People are most preoccupied with what must NOT be allowed to occur. Losses must be stanching, bankruptcy averted, cutbacks and layoffs minimised, the threatened takeover successfully defeated. Most often, the preventative measures that must be put in place to achieve these outcomes involve the taking of significant organisational risks, which tend to make people feel threatened.

A leader cannot ask people to be committed to a negative vision. When the focus is on preventing the unpleasant from happening, the leader needs to be:

- **“Tough” on organisational change**
- **“Easy-going” on people change**

The leader may well have to be directive (or even coercive) where organisational decision-making is concerned: “This is what must be done to salvage the situation. Let’s not debate the issue endlessly, let’s just get on with it!” or even “Do it this way or else!”

Since the most that the leader can expect from others under such circumstances is compliance (as opposed to commitment), he/she can make “playing by the rules” as painless as possible, by not demanding that individuals take on additional personal risks.

What he/she CAN do during the transition from the old to the new organisational reality, is to give everyone “space”, that is, extended opportunities to adapt at their own pace to changing conditions within the enterprise.

Of course, not everyone will be able to cope with the changing environment. Some will opt to leave, while others will become (overt or covert) islands of resistance. How to deal with these difficulties is a topic which will be addressed in a future issue of this newsletter.

## **A final word**

Being an effective change leader is not easy either in good or difficult times for an organisation. It may be worthwhile to remember what Niccolo Macchiavelli, called in a FORTUNE article “the very first management consultant”, had to say about leading change in his sixteenth century work, ***The Prince:***

***“There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.”***

But what’s the alternative?