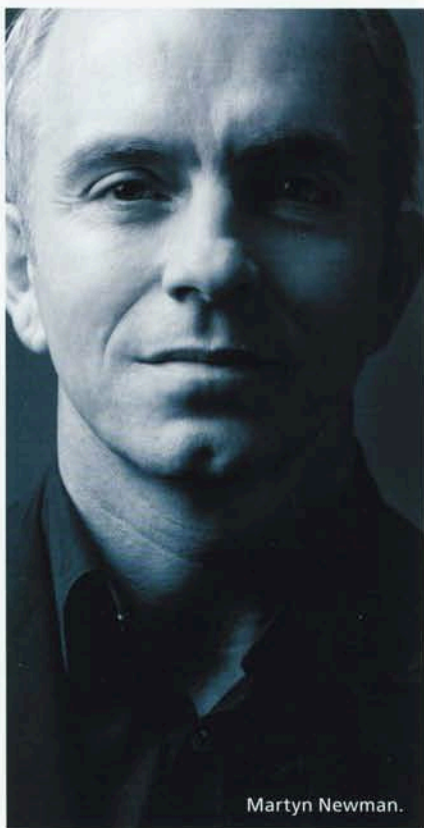


# Caring CEOs of THE FUTURE

The new business world is becoming so fast and complex, the job description of a leader has had to change. Brenda Ward asked the experts what you need to succeed.



Martyn Newman.

Tomorrow's leaders will schedule daily meditation sessions, ask only 'powerful' questions, tell lots of stories, and make decisions in split seconds.

They won't be rock star leaders, like Richard Branson, because we've fallen out of love with the charismatic leader. Instead say hello to a manager who is reflective, ethical, transparent, authentic and a trusted adviser to his team.

Martyn Newman, an Australian business consultant and author of the international bestseller, *Emotional Capitalists – The New Leaders*, says two things have precipitated the dramatic changes we're seeing in the skills senior leaders need.

First, during the global financial crisis, managers fell back into conservative ways of behaving and the safe patterns that they knew, Newman says. But that's bad for business and bad for teams, he says.

Secondly, a new generation with new values is hitting the workforce, and they don't respect leaders who are domineering and aren't necessarily swayed by charisma, says Newman. "They haven't known the hardship of the previous generation. Rather than saving for a rainy day, they are looking for experiences and different levels of satisfaction.

"They are likely to take a gap year, whether the job remains open for them or not. Not for them, the certainties of nine to five. With greater flexibility and uncertainty in the job market, people leave a job more often than they used to

and they want to get a set of skills that will help them in different roles."

They're also looking for a new kind of boss to role model, someone who is ethical and transparent in all their dealings. That means it's time to rethink leadership skills for a new world, says Newman.

HR consultant Jane McCann, director and chair of Wellington-based Thought Partners agrees. She shadows many leaders in organisations around New Zealand and has observed that the CEOs best equipped for the new world of business and most respected by their teams have different qualities to the bosses of the past.

"The qualities that people are looking for now are authenticity and someone they can trust. They have a great admiration for leaders with these attributes."

## BEING BRAVER

Newman says a focus on funding cuts has taken leaders away from their primary role: to lead. "Developing a cartel of high-performing leaders is the way to create efficiencies, rather than making funding cuts. Efficiencies come when you give people the confidence to dance in business," he says.

Instead of playing it safe, managers should be braver, says Newman. "Take risks. Do it with a fundamental confidence in people, then act as a resource for your people." He says by its nature, management is "about control".

"It's very difficult for managers to give up that control. However, they have

to see their role less about control and more about fostering people's talent and being a resource – saying, "This is the vision, how can you contribute? You go off and try that and I'll be there as a trusted adviser."

Great leaders inspire vision and confidence, he says, and he suggests that managers look back to the most influential managers in their own lives for inspiration.

"Fundamentally, leadership is about a relationship. The people who've had an effect on your life are probably not the most intelligent or the most gifted, but they had a relationship with you; they had a set of values that rang true and resonated. They modelled a way to be a human being, so you said: "That's like me, and I want to be more like you."

Some managers are mired in old styles of management that do them no good in today's business world, says Newman. "Everything we thought we knew about how we motivate people down through human history, we were dead wrong about," he says.

"We used to think it was about 'sticks' or 'carrots'. 'Sticks' were holding people up to public ridicule. The business community looked at this model and emulated it for a while. We were driving performance through fear."

Then, for a while, a business model of 'carrots' became popular. "Enlightened leaders said if we pay people obscene amounts of money, they will perform. But then we discovered that there is a certain threshold beyond which money will not make a difference."

Today business psychologists realise that leaders who tap into people's aspirations are the most successful, says Newman, and 40 percent of New Zealanders identify that skill as the single most important quality leaders can have.

Newman says there are three ap-

proaches to leading successfully. "You need to recognise how to tap into people's aspirations and create compelling visions, helping team members to realise their dreams. You need to understand the need to belong, and how relationships pull teams together to create remarkable things. Finally, you need to tap into emotions and move beyond financial aspects to the emotional assets."

#### STORYTELLING

Storytelling is a big part of the new leadership style, says Newman. He says stories you have to tell your staff are: where they're going; where 'we' are going – the organisational story; and your own personal story.

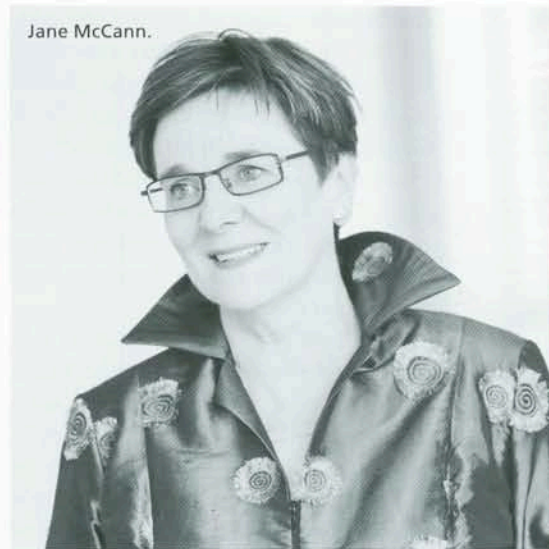
Sharing your own story is one aspect some leaders find hard to accept, because in management theory it used to be frowned upon to share socially with staff. Not any more, says Newman.

"Leaders who remain remote short-change organisations – it's the personal story that brings to life what the organisation is. The skill of self-

**"MANAGERS NEED TO UNDERSTAND THE NEED TO BELONG AND HOW RELATIONSHIPS PULL TEAMS TOGETHER TO CREATE REMARKABLE THINGS."**

disclosure gives people access to an aspect of your life. Leadership is about character, competence, a track record, then connection, an emotional connection: does this person meet me as a human being?"

McCann says one trend she is seeing is a big increase in soul and spirituality in business. "Many people now in our leadership programmes would do a short meditation course. We teach people



Jane McCann.

about stress resilience. It can be a big issue if you come from a testy meeting and you have to suddenly change your state from agitated to calm."

McCann says as a leader's job becomes more complex, leaders are being expected to get different outcomes than in the past. "It's not about the detail, it's about the outcome we are going for – a

good organisational outcome, a good corporate outcome, an outcome that's good for unions, plus good societal outcomes."

Take Cadbury, she says, where a brand was damaged by an ethical controversy over palm oil. "It only takes one or two examples to affect your image."

McCann says two of the companies she works with have trialled bringing their team members into high-level

discussions. "They sit around the table on the understanding that they can't disclose what's said around the table."

When leaders can discuss high-level, large-scale changes with frontline staff there, this is building trust and transparency. "With the speed of social media networking these little examples of trust get magnified – but so does one little example of distrust."

Both Newman and McCann talk about mirror neurons in the brain that fire automatically when you see a behaviour, making you want to copy it, much as a baby will poke its tongue out at you when it sees you do it. "Mirror neurons are the single greatest drivers of behaviour," says Newman. "They reflect what you see."

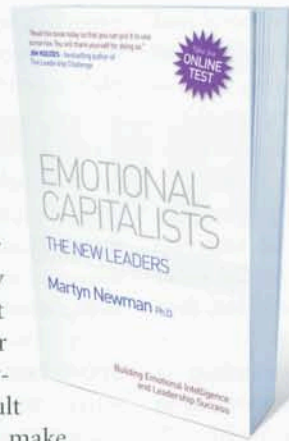
Says McCann: "Mirror neurons mean that people want to role model the leadership at the top. People don't want rock star leaders who won't walk

the talk. They want ethical, authentic, reflective leaders, a leader they can look to as a role model."

She says leaders need to rethink the language they use. When they talk to staff, they shouldn't say: "How are you?" They should say things like: "Tell me about what's important about your work." She calls these "powerful questions", which result in better exchanges, which make people feel comfortable talking about their work.

#### IT'S ALL ABOUT PEOPLE

Dr Roy Stager Jacques, an American who is currently associate professor at Massey University's Department of Management, says he's observed that Kiwi business culture has not yet real-



ised the importance of recognising people are not machines.

"It is a formalised culture in which attention is given to strategy, plans and procedures. It is as though managers only need to understand what they want to do, not the how. While attention to people is undervalued in the United States, the notion that management is about influencing people has been important for about 100 years."

He says since the first decades of the 20th century, and their assembly line environments, managers have known that employees who did their best, as opposed to those who did what they had to, made a significant difference to business success and profitability.

"Yet, every day I encounter an experience that shows a complete lack of awareness of this fact."

The manager of the future is going to have to recognise that people are guided by feelings most of the time, is going to have to see business as a network of relationships and is going to have to manage using a language in which words like trust, commitment, respect and caring are central, says Stager Jacques.

Ultimately, says Newman, you want people who wouldn't work anywhere else, because they want to work for you. "The new skills managers need in business are to be nimble, responsive and adaptable. Managers most likely to succeed are those who have earned the trust of people who work across the business." **M**

Martyn Newman's book *Emotional Capitalists – The New Leaders* is published by John Wiley. RRP: \$47.99. Jane McCann is speaking at the HRINZ conference in Wellington on September 2.

## MOST-WANTED CEOS

### WHAT SKILLS ARE COMPANIES ASKING RECRUITERS FOR IN TODAY'S SENIOR MANAGERS?

Primarily they are seeking leadership, says Stephen Leavy, a principal of Hobson Leavy Executive Search. "Often with New Zealand management there is a focus on thinking small; almost a fear to take bold decisions in case they do not work out.

"What we are finding from clients is that they are seeking executives who are not afraid to make bold decisions based on a careful calculation of risk and opportunity. They also seek leaders who can think laterally; who do not just run with the herd, but have out-of-leftfield ideas."

One of the key leadership skills required is flexibility, says Leavy. "We really do live in an ever-changing world and the pace of change is accelerating. The best CEOs anticipate every possible development and have contingency plans in place for those. They also react rapidly as events shift around them."

Confidence is also a required attribute for executives seeking to climb the career ladder, he says. "Our observation over the years is that candidates who cannot sell themselves well simply do not get out of the starting block."

Leavy says one aspect that has perhaps changed over the past 10 to 20 years is that staying in a role for a long period of time is not necessarily viewed as a positive any more. "Applicants seem to be more successful if they have shown an ability to work across a variety of industries and been successful in a number of different companies."