



Changing Times

A rapidly evolving world requires a new definition of business success.

by **Stephen Xavier**

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As advances in technology continue to change the way companies do business and product/service development and delivery options expand in the global economy, there are equally significant and evolving changes in the organizational structures of successful companies. Many business leaders, whose careers were built upon hierarchical charts and multi-layers of management, are now flattening their structures. With the help of technology, they are able to achieve economies of scale, resulting in few layers of management.

Further, leaders who conducted business based on an obsolete authoritarian leadership style are now recognizing the need to become more democratic, dynamic and responsive to their organizations and marketplace demands.

As the structural pendulum swings, however, it's important to note why both extremes — “fat” and “flat” — can be highly ineffective. Too many levels of management tend to slow down an operation and eventually diminish returns. Conversely, too much flattening inescapably leads to problems like delayed decisions or wrong choices made by employees who lack experience, responsibility or incentive to do the work. When it comes to structure, executives who know how to lead companies through changing times find a comfort zone in the middle.

Adopting New Skills...ASAP

It's never easy for executives to learn or accept the reality that old models of excellence no longer apply. Even when there is theoretical buy-in, it is still difficult for leaders to adopt the new ways of thinking and behaving that are necessary to sustain success in a changing world. While some of the new essential leadership skills required cannot be learned overnight, that hasn't stopped companies from beginning the transformation process, often with help from executive coaches. Bringing in an objective third-party helps leaders abandon outdated paradigms they were taught early on in their academic studies and professional careers. Working with an executive coach provides an impartial, inde-

pendent and objective perspective, which supports the change process in ways that make sense.

In their work with top executives who are in the throes of change, executive coaches generally emphasize three key areas as they focus leaders on their own metamorphosis. These areas include:

■ **Communication skills.** Learning innovative communication skills is the foundation for leadership change. Depending upon the industry and organization, a leader's new communication skills must be appropriate for the times and diversified enough to address the company's ever-expanding markets. Leaders must be able to address employees in a way that clarifies purpose and direction, inspires enthusiasm and encourages commitment. Having a great vision is one thing. Being able to effectively articulate it is another matter altogether. According to Tom Flanagan, Manager, Executive Development at Southern California Edison (Rosemead, CA), “Executives like this look at every transaction as an opportunity to further the visions and value of the organization. As a result, managers that report to these executives experience a high degree of job fulfillment and growth.” Further, these same employees are then able to internalize their clarity of vision, purpose and direction — a valuable set of assets to minimize inefficiency, reduce learning curves and increase effectiveness.

■ **Cross-cultural mentality.** Whether the organization they lead is global or not, virtually every Western culture is chock full of diversity in every respect and this diversity is clearly reflected in the workplace. When leaders become more highly sensitive to cultures that are foreign to their own experience, they are able to open doors that would otherwise be shut. One example of becoming culturally sensitive comes from learning whether business people in a given country (or from another culture) are individualists or collectivists. Knowing the answer helps when conducting business because it

offers an understanding about how decisions are made and what's important in the business culture. Individualist cultures such as Australia, Germany, the Netherlands and especially the U.S. place a high value on individual responsibility. Decisions can be made by a single person, depending upon the person's rank, track record, level of specialization, etc. Collectivist cultures, on the other hand, including most of Latin America, northern Africa and nearly all of Asia believe that the group to which a person belongs is a crucial part of that person's identity. Decisions are made either top-down or only after broad consensus is reached. In this realm, a professional's track record of achievements counts for far less than it does in individualist cultures.

■ **A “beginner’s mindset.”** Rather than having to know all the answers, all the time, this shift requires leaders to adopt an open mind. They need to be willing to learn and accept new ideas and processes from all credible sources, especially from those who support them in their own organization. They begin to understand that a different way of doing something may actually result in a more successful outcome.

For some, it all comes down to the practice of humility. “Humility opens the doors for people to fully engage in their work,” says Flanagan. “It produces an environment of respect and trust for others, allowing a workplace that is focused on the higher purpose and values of the organization versus actions and decisions derived from ego, power and self-interest.”

Steer Clear of Mediocrity

In addition to focusing on communication skills, cross-cultural sensitivities and openness to new ideas,

there are certain attitudes that negatively impact leadership success. Mediocrity is at the top of the list. This is seen in companies that embrace the “we’ve always done it this way” philosophy. Very little patience exists these

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days for such stunted thinking. With business and the economy shifting from an industrial to a service or knowledge-based economy, this philosophy isn't even taken seriously.

In fact, today, mediocrity has gone from being simply undesirable to more of an evil curse. In fact,

mediocrity often signals the beginning of a company's demise. To survive in a global economy, companies can no longer afford the luxury of being average; too many other entities are willing to do the same work for less and deliver excellence.

Survival Means Redefining Success

C-level executives who continue to rely on traditional models of organizational structure and management are likely to be blindsided by ineffectiveness and the inability to manage valuable corporate resources in an unfamiliar world. The heads of many successful companies recognize this challenge and see little choice but to change according to the times. In fact, most are ready to put a plan in motion that will strengthen their leader's ability to become more people-centered, collaborative and flexible in their approach to the marketplace. There's no question about it. The time has come to redefine the path to success by putting top executives in the driver's seat, fully equipped with the leadership tools they need to turn challenges into opportunities. ■

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