

A new paradigm of leadership development

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Abstract

Purpose – *This paper aims to present a paradigm shift in the way leaders are developed, more suited to the new order that is emerging as the recession recedes.*

Design/methodology/approach – *The prevailing notion that leadership is synonymous with being in control of an organization is challenged, together with the belief that leadership development is primarily concerned with modifying behavior in line with a set of success criteria. The paper explores how these twin assumptions contributed to the financial crisis, and presents an alternative approach based on research with high achievers experiencing severe stress.*

Findings – *Practices that leaders use to retain a sense of balance and resourcefulness are defined, along with those associated with pursuing work irresponsibly. These form the basis of an alternative approach to the development of leaders – “sustainable leadership” – predicated on the integration of three core individual processes and their engagement with the culture of the organization. Practical examples of applying this approach in the current business environment are described.*

Research limitations/implications – *Future research might consider the effect of developing sustainable leadership on the long-term performance of the organization and its responsibilities in the broader environment.*

Practical implications – *in order to foster leadership that acts in service to the long-term health and performance of the organization and its broader environment, it is necessary to adopt an approach to leadership development that recognizes that the leader's physical and psychological health determines effective performance, and that business and markets do not operate in isolation from society but are inextricably linked.*

Originality/value – *The paper addresses how to sustain the leader's psychological and physiological health and their performance, and the link between this and creating sustainable organizations.*

Keywords *Leadership development, Financial services, Economic disequilibrium, Leaders, Risk analysis*

Paper type *Research paper*

Over the past few years we have experienced an unraveling of the kind only witnessed by our grandparents – an unprecedented economic disaster which has destroyed many businesses which were thought to be “built to last”, and put millions of people out of work. Much that has been written about the causes of the crisis has focused on an analysis of the banking system, in particular, the innovations in financial engineering that were taken to extremes of complexity, the loans made to all manner of poor risks, and the lack of regulatory oversight (Tett, 2009). By comparison, what little examination there has been of the motives and behavior underlying the crisis has been superficial. A large number of journalists as well as Britain's Archbishop of Canterbury blame the whole thing on human greed (Gledhill, 2008). Others talk about stupidity and outsize egos, while Alan Greenspan says the whole thing is human nature, and it will all happen again so we should just get used to it (BBC, 2009a).

What seems to be lacking is an in-depth examination of how very bright, capable people can mess up so badly. How do otherwise very intelligent leaders become reckless and

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irresponsible? And what are the dimensions of organizational culture that foster such behavior?

The other thing that appears simplistic is the almost exclusive focus on those in the banking community as being responsible for the catastrophe. Little has been said about the role of those outside the financial services sector. While the recklessness of the financial services industry was undoubtedly pivotal, our research suggests that the crisis was the culmination of a far wider malaise permeating current notions of what leaders do, and how they are developed.

By and large, most leaders and those who talk about, teach, or consult to leadership believe leadership is about being in control of an organization in the singular pursuit of maximizing financial return. This belief is based on the twin assumptions that businesses are like machines which leaders can “drive”, “re-engineer”, and “leverage”, and that the sole purpose of business enterprise is to maximize profit. Both of these assumptions are now up for question. Businesses are increasingly constructed as participants in a wider ecology with responsibility for minimizing their environmental impact and improving their contribution to social welfare, although the implications of this perspective for leaders seem largely unwelcome

The “machine” view of organizations is still alive and well, and with it the belief in control, whereby unilateral decision making, or decision making by a small inner circle, is the norm, even on business activities involving significant business risk. After all, if I am in control, what need is there to consult others? Moreover, it is all too easy for leaders to extend this illusion of control to believing they can predict and control the consequences of their decision making for society as a whole.

Many of those who work in finance are predicting that the financial crisis will happen again, eclipsing the scale of the damage caused by the present one (BBC, 2009a, b; Dolphin, 2009). We agree with their fear that lessons are not being learned. But we believe these lessons concern what constitutes good leadership of businesses generally, rather than exclusively the banking industry and the financial markets. The key question is can we stop the crisis from happening again? And more specifically, how can we begin to foster somewhat different assumptions about leadership than those described above?

Our research

Our research into personal and career sustainability started more than eight years ago, and provided the original thought that went into Tim and David’s book (Casserley and Megginson, 2008). We asked 100 high flyers, from 29 different countries, to tell us about their experience of severe stress at work, as well as their perception of how their organizations responded, during a three hour, audio taped interview. Subsequent analysis of these “stress stories” was combined with survey data and follow up interviews with participants a year later. Our findings showed that burnout is the extreme consequence of an unsustainable approach to work and career. Or to put it another way, burnout is at the far, negative end on a spectrum of individual sustainability. For instance, while around 20 percent of our research population manifested all the classic symptoms of burnout, a far larger proportion demonstrated some of these symptoms. These people were not at risk of burning out – they were less close to the extreme end of the spectrum referred to above, but they were in a

permanent state of sleep debt, and followed highly addictive work styles, a state we called, “joyless depletion”. They were also prone, among other things, to reckless decision making.

As the research progressed it became clear that our findings were:

- Defining how successful leaders sustained themselves and their careers over the long term – what they practiced day-in, day-out that ensured they kept their sense of perspective, balance and resourcefulness, and avoided derailment and burnout.
- Identifying a clear pattern of behavior associated with pursuing work and career unsustainably and irresponsibly – a pattern not dissimilar from that of the young, hotshot investment bankers whose action precipitated the credit crunch.
- Forming the basis for a paradigm shift in the way we think about how leaders are developed – an approach that centers on leaders’ exercising a duty of care for their own sustainability as well as that of the wider business and the society of which they are a part. It is as concerned with leaders learning the lessons of sustainability – paying attention to their own “healthily selfish” needs as a pre-requisite of effectiveness – as increasing their performance.

Behavior patterns associated with pursuing work and career irresponsibly

Whereas organizations create the conditions which foster the development of irresponsible approaches to work and career, individual leaders make choices that lead them down this road. These choices are driven by a susceptibility to unthinking confluence with their organisations’ objectives, and a lack of reflexive ability.

Based on our research we developed a model that described nine dominant behaviors associated with high achievers pursuing work and career irresponsibly. These include:

- *Addiction to action.* Leaders are highly adrenalized, orientated towards action and the pursuit of short term goals and suffer from a chronic lack of strategic thinking. Decision making appears impulsive and lacking a rational basis, and decisions take into account only their immediate, short term consequences.
- *Career success orientation.* Leaders are in a co-dependent relationship with their job and career – there is no sense of separation. Often leaders will regard their outlook and interests as identical to those of the organization.
- *Masters of the universe.* Leaders have an exaggerated self belief and sense of their own importance which leads them to lack an understanding of their limitations. They have a sense of omnipotence in what they personally can achieve and believe they do not need to comply with the rules that govern others.

How leaders sustained themselves over the long term

Those who pursued more sustainable approaches to work and career had a sense of purpose that was grounded in something deeper and more enduring than just the achievement of work and career goals, and went beyond the leader’s narrow self interests. Such a purpose appeared to make them “burnout proof”. They were their own person rather than what others wanted them to be. They were conscious of their lives having some kind of story that enabled them to make meaning of their experience. They also possessed very well developed reflexive abilities that enabled them to step back, look critically at themselves and creatively adapt to changes in their environment. By the same token those in “joyless depletion” tended to have a sense of purpose that was rooted in a need for recognition, fame and success in career.

A new approach to the development of leaders – the paradigm of sustainable leadership

Our findings point to the need for a different approach to leadership development – one that is more suited to the new order that is emerging as the recession and the credit crunch recede. We believe that trying to go on with the business of developing leaders as if nothing

had happened is a fool's game which will inevitably lead, sooner rather than later, to a reoccurrence of the crisis.

We call this approach developing "sustainable leadership", which is easy to say, but this is how it is different.

We use the word sustainable on a number of levels:

- The personal level of sustaining personal psychological and physiological health.
- The organizational level of sustaining a work environment in which people are enabled to flourish and realize their own potential in the service of organizational purposes which they see as worthwhile and sufficiently congruent with their own sense of personal purpose.
- The sociological level of playing a responsible part in the broader community.
- The ecological level of sustaining the environment.

The current paradigm of leadership development is not, in our experience informed by a sustainability agenda. It sees leadership largely as a set of skills or competencies. The twin activities which underpin most leadership development are identification of competencies followed by behavior modification. The assumption is that performance can largely be defined and achieved by combining knowledge and skills with experience, assuming the "right" attitude and appropriate motivation. We argue there is little correlation between much leadership development activity and effective performance.

There has been a recent move towards "self awareness" stimulated by Goleman's work on "emotional intelligence" (Goleman, 1997) among other things, but this tends to be seen as another competence, and furthermore it is a "soft" skill which is forgotten as soon as the economic climate gets tough.

Our research shows that performance derives from an integration of three core processes:

1. reflection on action (learning through doing);
2. psychological intelligence (having a clear sense of personal purpose and an awareness of personal assumptions and motivations); and
3. physiological well-being (effective management of stress and sufficient self care).

This last process is all but ignored in most development programs, or seen as a "nice to have" add on, while our research suggests that it is of equal importance to the other two.

Importantly, it is the integration of these three core processes, followed by their engagement with the culture of the organization which constitutes effective leadership development and generates sustainable leaders, and is more likely to create sustainable organizations.

Reflection on action

This orientation is gaining ground over traditional teacher-centric development activity. The idea that managers learn mainly through reflecting on their experience was pioneered in the 1950s and 1960s by Professor Reg Revans in the form of "action learning". While it had an initial flowering, it was not universally taken up in the field of management development because it is not so easy to plan and control as programmatic training; however it is has re-emerged in various forms, such as action research, action inquiry and of course

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coaching, as traditional forms of “training” are increasingly called into question. The challenge here is “reflection”. It is one thing to act, and management is largely associated with “doing”. It is quite another to reflect seriously on action and hence to learn. What we are talking about here is leaders finding the time and the space to re-gain a sense of perspective, and chew over their reflections of what they hear from others. This inevitably means giving up old leadership assumptions about being “in control” and instead taking the time to reconnect with those around them who have unique insight into what is really happening in the business.

This is still somewhat counter cultural in the frenetically high performance cultures of most organizations, and it is the inculcation of this practice of reflection in, and on action that is, in our view, one of the hallmarks of sustainable leadership.

Psychological intelligence

This more recent focus is currently largely addressed through the use of psychometric instruments which purport to provide “profiles” of personality, preference, aptitude and so on. What they do not substantively address are two core psycho/sociological questions:

1. *Personal purpose*. If we ask a leader “what is your purpose?”, the initial response will probably be incomprehension. If you press them to think about what kind of society they want to create for future generations, what kind of organization they want to create for their employees, what effect they want their organization to have on the environment and so forth, they may wonder what all of this has to do with their job as a leader. We suggest that it has everything to do with their job as a sustainable leader, and particularly that responsible leaders need to think about their personal purpose as opposed to unthinkingly conflating their personal purpose with the commercial aims of the organization or their own narrow commercial interests. This capacity to think about personal purpose is another of the hallmarks of sustainable leadership.
2. *Motivation*. In our experience, all motivations have a shadow side, or neurotic potential. For example the desire to succeed is clearly a valuable source of energy, and it can tip over into a desire to succeed for its own sake, to the exclusion of all other considerations, and at the expense of others. The desire to manage others is similarly a valuable motivation until it becomes an end in itself, and so forth. Such “neurotic” motivations usually have their roots in early experiences and are never sustainable in the long run. They frequently lead to individual burn out, and/or create toxic work environments. Helping leaders develop depth insights into their motivations, is another hallmark of sustainable leadership.

Physiological well-being

This focus is rarely addressed and is barely discussable in some cultures. However there is overwhelming research evidence that neurotic motivation (invariably unconscious) often combined with over-identification with the organization (lack of sense of personal identity) gives rise to physiological stress levels which are unsustainable in the long run. Long term consequences are sleep problems, alcohol dependency, burn-out, and of course increased likelihood of cardio-vascular disease, type 2 diabetes and so on. Paying systematic attention to physiological well-being is another hallmark of sustainable leadership.

Engagement of the core processes with the culture of the organization

Our research amplifies the importance of organizational context in the development of leaders. The culture and work conditions of the organization are the most significant of these contextual influences. By culture we mean the norms and habitual ways in which “things are done around here”. Work conditions refer to the demands made of individuals, the time pressures set upon them, the nature of organizational control systems and procedures, and the habitual tenor of work relationships.

It is the inter-relationship between these contextual factors and the core individual processes that determine the effectiveness of leadership development. In fact, we would go further and say that effective leadership development is concerned with the negotiated engagement between the core processes outlined above, and the culture and conditions of the organization.

When derailment happens it is either caused by the fixed neurotic patterns of the individual leader (described above), or a negation of the personal in favor of the demands of the organization, based on what we believe is the unsustainable assumption that leaders are, ipso facto, obedient servants of the corporation, and therefore must bend to whatever the culture of the organization dictates. This belief is reinforced by some of the literature on derailment – particularly that which takes an exclusively individual psychological perspective (see for instance, Psychological Consultancy Ltd, 2009). In our experience, such an approach risks stigmatizing the individual and exonerating the organization.

But we are equally clear that the individual leader must play an active role in determining how he or she engages with the organization. In essence this means they need to define for themselves to which aspects of the culture and conditions do they feel committed? To what do they sign up? With which aspects are they willing to live? And what do they seek to change?

This portrayal of the leader as powerful agent in communion with the organization is the final hallmark of sustainable leadership. It challenges the idea that leaders can be developed effectively in isolation from their social context, and rejects deterministic notions that leaders are purely at the mercy of powerful forces in their environment (Zimbardo, 2007). It makes the relationship between the organization and the individual leader central to the effectiveness of leadership development.

Summary

Table I summarizes the key characteristics of the new paradigm of leadership development we are calling sustainable leadership, and shows how these are different from conventional approaches.

Applying this in the current business environment

Over the past five years we have created “development experiences” based on the hallmarks of sustainable leadership development described above, involving multi-national groups of leaders from the pharmaceutical, professional services, banking, energy and BPO industries. These “experiences” have combined different learning methodologies with a heavy emphasis on the experiential. Typically, they have consisted of a linked series of developmental activities over an extended period of time (usually between four and 12 months).

| Table I How leaders develop: old vs new paradigm | |
|--|--|
| <i>Current paradigm</i> | <i>Our proposition: sustainable leadership</i> |
| Concern with performance | Concern with human sustainability as pre-requisite for performance |
| Identify skills or competencies | Foster and integrate core individual processes of reflection on action, psychological intelligence and physiological wellbeing |
| Modify leaders' behavior based on these competencies | Negotiate engagement between core processes and culture of organization |
| Leadership is drilled into people via off-job training | Leadership emerges from reflection on action in dealing with real-life adversity |
| Focus on the development of one-size-fits-all set of competencies; no attempt to adapt these to leader's specific context and challenges | Focus on the quality of the relationship between the individual leader's core processes and the culture of the organization |

Key principles

Our development experiences are informed by three key ideas:

1. We put the leader's story and experience at the heart of our work with them. We are storied creatures – our identity comes from the stories we tell ourselves about who we are and why we are here in this world. We focus on exploring this story, including the leader's sense of personal purpose, and its significance for their practice of leadership. We help them explore how this serves them at this point in their lives, and how this story might be holding them back. We are interested in helping them construct alternative affirming and sustainable stories which may serve them better.
2. We are particularly interested in leaders' stories of tough times – their experience of when things did not go to plan, when reality did not conform to expectations. Our research supports previous findings from the Centre for Creative Leadership and others, that hardship experiences hold the development potential to bring about profound learning – in effect a shift in consciousness that catalyses maturity and wisdom. “Becoming a leader”, says Warren Bennis, “is synonymous with becoming yourself. It is precisely that simple, and it is also that difficult.”
3. We ensure that every aspect of the development activity is congruent with the sustainability message. This includes the sustainability and developmental stage of the coaches and facilitators involved, the types of venue chosen for workshops, the food served, the care taken to minimize the carbon footprint, etc. One mistake here can invalidate the whole developmental effort.

A practical example

What does this look like in practice? We tailor each development experience to meet the specific needs of the client, and tend to eschew generic, one-size-fits-all programs. But in order to illustrate how we work, we have outlined below a typical such experience.

Individual inquiry into core individual processes

Development experiences typically begin with an inquiry into the three core individual processes we described previously.

We ask people to assess their personal sustainability as well as the degree to which the culture of their company fosters a responsible approach to work and career, through the use of surveys and one-on-one conversations. The conversations focus on the most challenging times during a leader's career, as well as their experience of being a leader in their organization. Finally we ask them to assess their state of well-being through a self administered medical test.

Executive coaching to explore the leader's dominant narrative

During an initial coaching session we begin to explore the dominant narrative they have about themselves as leaders, and when in the past they might have had an alternative story that better served them.

Coming together to explore alternative ways of leading

We use a residential workshop to challenge leaders' current way of being and doing. As far as possible we try to locate workshops in environments far removed from their everyday existence. Along with the experiential nature of the workshop activities, this serves to “discombobulate” leaders, enabling them to de-construct their current world view and explore alternatives. We have run workshops in such exotic locations as Kenya, exposing leaders to the realities of the dollar-a-day existence of most Africans, and on a Greek Island, bringing leaders into contact with the worlds of art and mythology and the beauty of the natural environment. Equally we have run them in more prosaic locations such as Brussels, working and talking with leaders and clients of NGOs, and in a disused warehouse in London's East End.

During one-to-one sessions we explore leader's psychological and physiological well-being, and the likely impact this has on their leadership, decision making and interactions with others, based on the information collected during the inquiry stage. This often provides compelling data which can prove to be a wake up call for some. We use a variety of insight provoking development activities including action learning, eliciting a leader's sense of purpose through reflective questioning from peers, guided visualization, and so forth.

Continuing the coaching

Subsequent coaching builds on the progress made on the workshop, in particular the leader's emerging sense of personal purpose, how this relates to the organization's purpose and culture and what actions need to be taken as a result.

Action inquiry into the day-to-day practice of sustainable leadership

We use action inquiry to enable leaders to develop their practice of sustainable leadership back in their local day-to-day environment. Inquiry groups typically consist of six or seven leaders from disparate parts of the same business or different organizations entirely.

The group frames the specific questions they want to explore about their practice of sustainable leadership, and agrees how they will go about experimenting with this new form of practice back in their day-to-day lives as leaders. They reflect as a group on their experience with these new forms of professional practice some months later, with the intention of learning from their successes and failures, and developing theoretical perspectives which inform their subsequent practice as leaders.

Uncharted territory

It seems to us that the time is right to examine some of our cherished beliefs and assumptions about developing leadership. So much of the old paradigm of leadership has been discredited by the events of the last two years. We can only go on pretending that it is business as usual for so long. Sooner or later the old paradigm will lead us into the next crisis. There has never been a better time for our notions of leadership to move towards a larger, more encompassing perspective on the world in which we live, and to adopt a sustainable approach to the development of those who lead our organizations.

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