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We all know leaders who get things done and those who don't. What sets them apart?
The answer lies not in personality or charm, but in *leadership agility*.



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Is There Anything New to Be Said?

- Most research and theory focuses on one or two aspects of leadership
- Models assume one leadership style can be used for all situations
- Focus has been on motivating individuals versus influencing financial performance

Is There Anything New to Be Said?

- Guidelines for leader behavior do not show how they relate to each other or to organizational processes
- Hard to get best practices from business books that highlight the recollections of celebrity leaders

Agenda

- Three factors that impact organizational performance
- The leadership challenge: flexibility while maintaining balance
- Tools to enhance organizational effectiveness
- Balancing competing demands and trade-Offs
- Ten competencies of flexible agile leaders

Three Factors That Impact Org Performance

EFFICIENCY



PEOPLE



ADAPTATION



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Efficiency and Reliability

- Maintaining high levels of productivity and quality
- Using people and resources in a way that minimizes cost without sacrificing quality and safety
- Producing and delivering products and services in a timely, efficient, and safe way



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Efficiency and Reliability Are Back in Style

“The most successful leaders are those who tend to the nuts-and-bolts aspects of the business, rather than leading through charisma and vision.”

—Jim Collins
Quoted in a study by the Center for Effective Organizations at USC and Booz-Allen Hamilton.

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Efficiency Is Most Important When...

- The competitive strategy is to be the low-cost producer
- The industry experiences downward pressure on prices
- The business is unable to pass along increases in cost to the customer

Polling Question: Efficiency

Which of the following characterizes your business?

- The competitive strategy is to be the low-cost producer
- The industry experiences downward pressure on prices
- The business is unable to pass along increases in cost to the customer

Reliability Is Most Important When...

- The quality of the product or service depends on the process used
- Quality defects can have serious consequences for the health and safety of customers
- The health and safety of employees could be affected
- Financial loss or damage to expensive equipment could result

Polling Question: Reliability

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Example: Efficiency and Reliability



Adaptation

- Responding in appropriate ways to threats and opportunities
- Taking action to increase the sales of products and services
- Finding ways to acquire necessary materials and resources



Adaptation Is Most Important When...

- The external environment is turbulent and uncertain
- The competitive strategy emphasizes unique, leading-edge products and services
- There is strong competition and little or no protected position

Innovation and Adaptation Are Not the Same

Innovation is an essential process for enhancing adaptation, but it is a means to an end, not an end in itself

Polling Question: Adaptation

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- The competitive strategy emphasizes unique, leading-edge products and services
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Example: Adaptation



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People

- Knowledge, skills, and technical expertise
- Motivation and commitment to the organization and its mission
- The mutual trust and respect necessary to work effectively



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Investing in People Produces Results

Spending 10% of revenue on capital improvements boosted productivity 3.9%

A similar investment in human capital increased productivity by 8.5%

--A University of Pennsylvania study of 3,000 companies

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People Are Most Important When...

- The work is complex and difficult to learn
- Successful performance requires a high level of skill and motivation
- Work-unit success requires a high level of cooperation and teamwork
- It is difficult to recruit and train replacements

Polling Question: Human Resources

Which of the following characterizes your business?

- The work is complex and difficult to learn
- Successful performance requires a high level of skill and motivation
- Work-unit success requires a high level of cooperation and teamwork
- It is difficult to recruit and train replacements

Example: People



The Leadership Challenge

To focus on three areas simultaneously, knowing which are most important based on the demands and challenges the business is currently facing while avoiding clashes.

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Balancing Competing Demands and Trade-Offs

- Efficiency and adaptation
- Efficiency and people
- Adaptation and people



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Finding the Balance

Efficiency and Adaptation

- Major change requires investment and adjustment, causing temporary declines in efficiency and reliability
- Developing and launching new products and services increases costs
- Too much focus on responding to market changes may divert attention from efficiency
- Efforts to improve efficiency may reduce flexibility and decrease focus on new approaches and investment

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Examples: Efficiency and Adaptation

“Have it your way” campaign dramatically slowed down order fulfillment and increased wait time



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Examples: Efficiency and Adaptation

Significant investment in technology and new businesses has not slowed delivery time or product quality



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Finding the Balance

Efficiency and People

- High levels of compensation increase satisfaction and commitment, but also increase costs
- Extensive rules and controls can improve reliability, but may undermine employee satisfaction and commitment
- Downsizing and outsourcing reduces costs, but may also result in a decline of skills, knowledge, and morale

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Examples: Efficiency and People

- Walmart has invested \$2.7 billion in higher wages and training for workers
- Lower turnover and more appealing shopping experience
- A decline in operating income in the first half of the year, to nearly \$8.8 billion from \$9.5 billion



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Examples: Efficiency and People

US Postal Service

- Reduced spending over the past decade has resulted in a reduction in service.
- Over the past decade the Postal Service has reduced labor costs by \$10 billion
- Strong job dissatisfaction among employees; they don't feel their job is important; they lack opportunities to learn and grow



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Finding the Balance

Adaptation and People

- Adaptation may divert resources from compensation, training, and development
- Managing change leaves less time for people-oriented behaviors
- Major change is likely to be very stressful
- High priority on protecting employee privileges may impede change

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Example: Adaptation and People

Shift to hybrid and electric cars from diesel created significant stress among management and resistance among labor unions



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Example: Adaptation and People

- Paid attention to employee loyalty and trust long before it became fashionable
- Profit-sharing, lavish quality of work life programs, culture of compassion and inclusion
- Culture of inclusion made it difficult to be responsive causing the company to miss key trends



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Tools to Improve Efficiency and Reliability

EFFICIENCY



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“The real problem is that execution just doesn’t sound very sexy. It’s the stuff leaders delegate. Do great CEOs and Nobel Prize winners achieve their glory through execution? Well, yes, in fact, and therein lies the grand fallacy.”

—Larry Bossidy and Ram Charan from *Execution: The Discipline of Getting Things Done*

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Task-Oriented Behaviors

- Operational planning
- Clarifying roles and objectives
- Monitoring operations
- Solving operational problems



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Polling Question

Which of the following skills would leaders in your organization benefit from enhancing?

- Operational planning
- Clarifying roles and objectives
- Monitoring operations
- Solving operational problems

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Efficiency: Systems and Programs

- Quality and process-improvement programs
- Performance management and reward systems
- Standardization of rules and procedures, facilities, technology, and processes



Tools to Improve Adaptation

Adaptation



Change-Oriented Behaviors

- Monitoring the environment
- Building support for and implement change
- Encouraging innovative thinking
- Facilitating collective learning

Polling Question

Which of the following skills would leaders in your organization benefit from enhancing?

- Monitoring the environment
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Adaptation: Systems and Programs

- Intrapreneurship programs
- Benchmarking
- Assessing customer preferences
- Rewarding and recognizing innovation
- Knowledge-management systems



Tools to Improve Human Resources

People



People-Oriented Behaviors

- Developing
- Recognizing
- Supporting
- Consulting
- Empowering
- Teambuilding



Polling Question

Which of the following skills would leaders in your organization benefit from enhancing?

- Developing
- Recognizing
- Consulting
- Empowering
- Teambuilding

People: Systems and Programs

- Human-resource planning systems
- Employee-development programs
- Recognition and reward programs



10 Competencies of Flexible Leaders

1. Situational awareness
2. Systems thinking
3. Focus on what's really important
4. Self-awareness
5. Personal integrity

10 Competencies of Flexible Leaders

6. Build commitment to a core ideology
7. Build capable leadership at all levels
8. Involve and empower people at all levels
9. Keep lines of communication open
10. Encourage and practice leadership by example

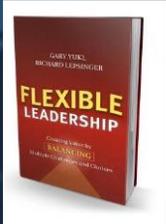
Flexible Leadership: Implications

- Achieving organizational effectiveness is complex—balancing competing demands and trade-offs is critical to success
- Your “go to” behaviors may not serve you well in all situations
- It's not just about individual leader behavior—supporting systems and programs are also needed
- Leaders need to be good managers, and managers need to be good leaders
- Leadership can be learned

“It is far more important to know who you are than where you are going, for where you are going will certainly change as the world about you changes. Leaders die, products become obsolete, markets change, and new technologies emerge, management fads come and go but core ideology in a great company endures as a source of guidance and inspiration.”

—Collins and Porras
Built to Last

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Thank you!
If you have any questions
feel free to let us know.

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Want to learn more about *Flexible Leadership*?
Check out our book "Flexible Leadership: Creating Value by Balancing Multiple Challenges and Choices"

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